

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA**

**FINANCIAL STATEMENTS**

**YEARS ENDED SEPTEMBER 30, 2010 AND 2009**

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
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## ACCOUNTANTS' REVIEW REPORT

Executive and Finance Committees  
The American Legion, Department of Minnesota  
St. Paul, Minnesota

We have reviewed the accompanying balance sheets of The American Legion, Department of Minnesota as of September 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Organization.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying September 30, 2010 and 2009 financial statements in order for them to be in conformity with generally accepted accounting principles.

*LarsonAllen LLP*  
**LarsonAllen LLP**

Minneapolis, Minnesota  
December 14, 2010



**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
BALANCE SHEETS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2010	2009
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 508,863	\$ 382,131
Accounts Receivable	98,111	99,682
Accrued Interest Receivable	9,165	8,662
Inventories	8,316	2,846
Prepaid Expenses	26,930	30,065
Total Current Assets	651,385	523,386
<b>EQUIPMENT AND FURNITURE, Net</b>	102,017	122,104
<b>INVESTMENTS</b>		
Investments	1,306,012	1,207,799
Investment in Unconsolidated Subsidiaries	1,000	1,000
Total Investments	1,307,012	1,208,799
Total Assets	\$ 2,060,414	\$ 1,854,289
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 18,595	\$ 7,878
Accrued Vacation	30,758	32,326
Deferred Revenue	497,544	485,819
Amount Held for Others	14,335	14,339
Total Current Liabilities	561,232	540,362
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	1,143,597	1,045,140
Designated	355,585	268,787
Total Net Assets	1,499,182	1,313,927
Total Liabilities and Net Assets	\$ 2,060,414	\$ 1,854,289

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
STATEMENTS OF ACTIVITIES  
YEARS ENDED SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2010			2009		
	Unrestricted		Total	Unrestricted		Total
	Undesignated	Designated		Undesignated	Designated	
<b>SUPPORT - CONTRIBUTIONS</b>	\$ 8,969	\$ -	\$ 8,969	\$ 1,822	\$ -	\$ 1,822
<b>REVENUE</b>						
Membership Dues	948,461	-	948,461	995,377	-	995,377
Less: MN Legionnaire Portion	(242,185)	-	(242,185)	(251,062)	-	(251,062)
Revenue Enhancement Sales	438,795	-	438,795	325,219	-	325,219
Grants	10,000	97,739	107,739	97,739	-	97,739
Registration and Fees	-	54,798	54,798	-	60,966	60,966
Post Program Payments	-	-	-	-	337	337
Investment Income	81,857	1,930	83,787	103,920	13,665	117,585
Royalties	113,023	-	113,023	160,598	-	160,598
In-Kind Rent	62,096	-	62,096	54,553	-	54,553
Loss on Sale of Assets	-	-	-	(354)	-	(354)
Other	20,152	7,683	27,835	27,788	4,386	32,174
Total Revenue	<u>1,432,199</u>	<u>162,150</u>	<u>1,594,349</u>	<u>1,513,778</u>	<u>79,354</u>	<u>1,593,132</u>
Total Support and Revenue	1,441,168	162,150	1,603,318	1,515,600	79,354	1,594,954
<b>EXPENSES</b>						
Program Expense	673,637	75,352	748,989	737,204	153,576	890,780
Supporting Services:						
Member Development	123,743	-	123,743	164,451	-	164,451
General and Administrative	251,528	-	251,528	260,182	-	260,182
Total Supporting Services	<u>375,271</u>	<u>-</u>	<u>375,271</u>	<u>424,633</u>	<u>-</u>	<u>424,633</u>
Fundraising - Cost of Enhancement Sales	<u>293,803</u>	<u>-</u>	<u>293,803</u>	<u>183,735</u>	<u>-</u>	<u>183,735</u>
Total Expenses	<u>1,342,711</u>	<u>75,352</u>	<u>1,418,063</u>	<u>1,345,572</u>	<u>153,576</u>	<u>1,499,148</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	98,457	86,798	185,255	170,028	(74,222)	95,806
Net Assets Unrestricted - Beginning of Year	<u>1,045,140</u>	<u>268,787</u>	<u>1,313,927</u>	<u>875,112</u>	<u>343,009</u>	<u>1,218,121</u>
<b>NET ASSETS UNRESTRICTED - END OF YEAR</b>	<u>\$ 1,143,597</u>	<u>\$ 355,585</u>	<u>\$ 1,499,182</u>	<u>\$ 1,045,140</u>	<u>\$ 268,787</u>	<u>\$ 1,313,927</u>

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 185,255	\$ 95,806
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	30,195	30,326
Unrealized Gain on Investments	(54,424)	(101,927)
Realized Loss from Sale of Investments	11,328	28,808
Loss on Disposal of Assets	-	353
(Increase) Decrease in Current Assets:		
Receivables and Prepaid Expenses	4,203	(87,275)
Inventories	(5,470)	1,843
Increase (Decrease) in Current Liabilities:		
Payables and Accrued Expenses	9,149	(22,619)
Deferred Revenue	11,725	(27,279)
Amount Held for Others	(4)	(4,767)
Net Cash Provided (Used) by Operating Activities	<u>191,957</u>	<u>(86,731)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Equipment and Furniture	(10,108)	(18,333)
Proceeds from Sale of Investments	218,644	229,395
Purchase of Investments	(273,761)	(222,155)
Net Cash Used by Investing Activities	<u>(65,225)</u>	<u>(11,093)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	126,732	(97,824)
Cash and Cash Equivalents - Beginning of Year	<u>382,131</u>	<u>479,955</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 508,863</u>	<u>\$ 382,131</u>

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organizational Purpose**

The American Legion, Department of Minnesota was organized to support American Legion members and their programs in Minnesota.

**Financial Statement Presentation**

Net assets and revenues, gains and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as and reported as follows:

Unrestricted - Resources over which the board of directors has discretionary control. Designated amounts represent those net assets which the Board has set aside for a particular program.

Temporarily Restricted - Those resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or by the passage of time.

Permanently Restricted - Resources subject to donor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

The Organization has no temporarily restricted or permanently restricted net assets at this time.

**Cash and Cash Equivalents**

The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

**Inventory**

Inventory consists of various promotional items used in the Organization's programs. Inventory is valued at the lower of cost, determined on a first-in, first-out basis, or market.

**Equipment and Furniture**

All major expenditures for equipment and furniture are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the equipment and furniture, which range from 3 to 10 years.

**Investments**

The Organization carries its investments at fair value. The net realized losses and unrealized gains on investments are reflected in the statement of activities. Investments in unconsolidated subsidiaries are accounted for using the equity method.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

The Organization accounts receivable consists primarily of revenues from the Minnesota Disability of Veterans Affairs and is recorded as revenue when earned. Receivables are expected to be collectable and therefore the organization has passed on setting up an allowance for bad debt.

**Amount Held for Others**

The amounts held for others consist of cash held for the Minnesota State American Legion Bowling Association.

**Contributions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received which are designated for future periods or restricted by donor to a particular purpose are recorded as temporarily restricted revenue until the appropriate future period or the donor purpose is satisfied.

**Revenue Recognition**

Membership dues collected are recognized as revenue ratably over the period to which the dues relate. Dues collected in advance are recorded as deferred membership revenues until they are earned.

**Donated Rent and Services**

Donated (in-kind) rent and services are valued at their fair market value. Donated services have not been recognized in these financial statements because no specialized skills as defined by generally accepted accounting principles have been provided. However, a substantial number of members have donated a significant amount of time to advance the Organization's programs.

**Advertising Costs**

Advertising costs are expensed when incurred.

**Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Concentrations of Credit Risk from Cash Deposits in Excess of Insured Limits**

The Organization maintains its cash reserves and cash balances in one financial institution. At times, the amounts on deposit may exceed federally insured limits.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expense**

Expenses which apply to more than one function are allocated among the functions to which they apply. The allocation of salary expense is made by management's estimates of time expended in each program. Other expenses are allocated on the basis of percentage of time devoted to that function unless a more direct basis is apparent.

**Tax Exempt Status**

The Organization has a tax exempt status under 501(c)(19) of the Internal Revenue Code and Minnesota Statute, as an organization of past or present members of the armed forces. The Organization has no taxable unrelated business income at this time.

The Organization has adopted the income tax standard regarding the recognition and measurement of uncertain tax positions. The Organization has no current obligation for unrelated business income tax. The Organization's tax returns are open to examinations for the years 2006-2009

**Fair Value Measurement**

The Organization accounts for its investments at fair value and has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the Statements of Financial Position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

*Level 2* - Financial assets and liabilities are valued using inputs quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

*Level 3* - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes long/short funds, private equity, venture capital, hedge fund, and real assets.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurement (Continued)**

The following table presents the fair value hierarchy for the balance of the assets of the Organization measured at fair value on a recurring basis as of September 30:

	2010			Total
	Level 1	Level 2	Level 3	
<b>INVESTMENTS:</b>				
Fixed Income - Certificates of Deposit	\$ -	\$ 943,422	\$ -	\$ 943,422
Equity Securities	362,590	-	-	362,590
Total	<u>\$ 362,590</u>	<u>\$ 943,422</u>	<u>\$ -</u>	<u>\$ 1,306,012</u>
	2009			Total
	Level 1	Level 2	Level 3	
<b>INVESTMENTS:</b>				
Fixed Income - Certificates of Deposit	\$ -	\$ 879,031	\$ -	\$ 879,031
Equity Securities	328,768	-	-	328,768
Total	<u>\$ 328,768</u>	<u>\$ 879,031</u>	<u>\$ -</u>	<u>\$ 1,207,799</u>

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 14, 2010, the date the financial statements were available to be issued.

**NOTE 2 INVESTMENTS**

Investments are comprised of the following at September 30:

	2010		2009	
	Cost	Market	Cost	Market
Fixed Income - Certificates of Deposit	\$ 911,000	\$ 943,422	\$ 861,000	\$ 879,031
Equity Securities	362,041	362,590	368,252	328,768
Total	<u>\$ 1,273,041</u>	<u>\$ 1,306,012</u>	<u>\$ 1,229,252</u>	<u>\$ 1,207,799</u>

Investment income for the years ended September 30 consists of the following:

	2010	2009
Interest from Investments	\$ 40,691	\$ 44,466
Realized Losses	(11,328)	(28,808)
Unrealized Gains	54,424	101,927
Total	<u>\$ 83,787</u>	<u>\$ 117,585</u>

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 3 EQUIPMENT AND FURNITURE**

Equipment and furniture consists of the following at September 30:

	2010	2009
Computer and Software	\$ 80,599	\$ 72,217
Other Equipment and Furniture	269,750	269,750
	350,349	341,967
Accumulated Depreciation	(248,332)	(219,863)
Equipment, Net	<u>\$ 102,017</u>	<u>\$ 122,104</u>

**NOTE 4 DEFERRED MEMBERSHIP REVENUE**

Deferred revenue consists mainly of unearned membership dues totaling \$459,563 and \$459,043 at September 30, 2010 and 2009, respectively.

**NOTE 5 UNRESTRICTED NET ASSETS: DESIGNATED**

The Executive Committee, by board action, has designated unrestricted net assets for the following purposes:

	2010	2009
Operating Reserve	\$ 200,000	\$ 200,000
Programs	57,846	68,787
Total	<u>\$ 257,846</u>	<u>\$ 268,787</u>

During the year ended September 30, 2009, two designated funds including Oratorical Scholarship Fund and American Legion Memorial Scholarship Fund were transferred to the Minnesota American Legion Foundation. The programs will now be administered through the Foundation. This resulted in an additional expense of \$94,383 during the year ended September 2009.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 6 RELATED PARTY TRANSACTIONS**

The American Legion Department of Minnesota has transactions with several organizations in which common board members exist.

The American Legion, Department of Minnesota made payments totaling \$273,762 and \$302,970 in fiscal 2010 and 2009, respectively, to The Minnesota Legionnaire, Inc. These payments represent reimbursements of office expenses as well as a portion of salary and benefits relating to one employee. These payments also represent an allocation of membership dues for the subscription price of The Minnesota Legionnaire, a publication produced by The Minnesota Legionnaire, Inc., for the members of The American Legion, Department of Minnesota. During 2010 and 2009, the American Legion, Department of Minnesota remitted \$2.60 on each member's behalf. These payments to The Minnesota Legionnaire, Inc. for subscriptions are recognized as a reduction of membership dues.

The Organization made payments totaling \$6,400 and \$20,326 to Legionville School Safety Patrol Training Center, Inc. during years ended September 30, 2010 and 2009, respectively, for reimbursements of business insurance expense and other business expenses.

The American Legion, Department of Minnesota received \$11,140 and \$16,337 from The Minnesota Legionnaire, Inc. during the years ended September 30, 2010 and 2009, respectively for reimbursement of business and health insurance, retirement fund payments, and phone and insurance allocations.

The Organization also received \$10,092 and \$21,951 from Legionville School Safety Patrol Training Center, Inc. during the years ended September 30, 2010 and 2009, respectively, for administrative services, reimbursement of health insurance, retirement fund payments and other business expenses. In 2009, the American Legion Department of Minnesota agreed to no longer charge a fee for services.

The Organization also received \$2,000 from The Minnesota American Legion Foundation during the years ended September 30, 2010 and 2009 for administrative services.

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT)**

**NOTE 7 INVESTMENT IN UNCONSOLIDATED SUBSIDIARY**

The American Legion, Department of Minnesota owns 100% of the outstanding stock of The American Legion Convention Corporation. The Organization accounts for this investment using the equity method based on the most recent year ended of the subsidiary.

A summary of the financial position and results of operations of the unconsolidated subsidiary for their most recent fiscal year is as follows:

	<u>2010</u>	<u>2009</u>
<b>American Legion Convention Corporation</b>		
Financial Position:		
Assets	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Stockholder's Equity	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Results of Operations:		
Revenues	\$ 18,962	\$ 21,000
Expenses	<u>(18,812)</u>	<u>(20,300)</u>
Net Income	<u>\$ 150</u>	<u>\$ 700</u>

**NOTE 8 FACILITIES**

The Organization utilizes facilities which are provided at no cost. The value of these facilities is recorded at the fair market value in revenue as in-kind rent and in the functional expenses as rent. The total fair market value of the rent was \$62,089 and \$54,553 for years ended September 30, 2010 and 2009.

**NOTE 9 PENSION PLAN**

The Organization participates with other affiliated American Legion organizations in a defined contribution profit sharing plan. The plan covers all classes of employees who have completed six months of service. The discretionary retirement expense was \$38,856 and \$45,650 for the years ended September 30, 2010 and 2009, respectively.

**NOTE 10 RISKS AND UNCERTAINTIES**

The Organization provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect investment balances and the amounts reported in the balance sheet.



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## ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION

Executive and Finance Committees  
The American Legion, Department of Minnesota  
St. Paul, Minnesota

Our reviews of the basic financial statements of The American Legion, Department of Minnesota for the year ended September 30, 2010 and 2009 appears on page 1. Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles.

The supplemental schedules of functional expense and activity in designated funds are presented for supplementary analysis purposes. Such information has not been subjected to the inquiries and analytical procedures applied in the review or audit procedures applied in the audit of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

*LarsonAllen LLP*  
**LarsonAllen LLP**

Minneapolis, Minnesota  
December 14, 2010



**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
SCHEDULES OF FUNCTIONAL EXPENSE  
YEARS ENDED SEPTEMBER 30, 2010 AND 2009  
(SEE ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)**

	2010					2009				
	Program Expense	Supporting Services			2010 Total	Program Expense	Supporting Services			2009 Total
		Member Development	General and Administrative	Total			Member Development	General and Administrative	Total	
Salaries	\$ 217,409	\$ 64,681	\$ 124,966	\$ 189,647	\$ 407,056	\$ 231,768	\$ 83,760	\$ 123,926	\$ 207,686	\$ 439,454
Payroll Taxes	17,336	5,158	9,965	15,123	32,459	19,801	7,156	10,588	17,744	37,545
Employee Benefits	55,387	16,478	31,837	48,315	103,702	60,335	21,805	32,261	54,066	114,401
Professional Fees	-	-	8,336	8,336	8,336	-	-	13,326	13,326	13,326
Supplies	33,452	9,952	19,228	29,180	62,632	35,180	12,714	18,811	31,525	66,705
Telephone	4,150	1,234	2,385	3,619	7,769	3,915	1,415	2,093	3,508	7,423
Equipment Maintenance	11,078	3,296	6,368	9,664	20,742	12,630	4,564	6,753	11,317	23,947
Postage	4,371	1,301	2,513	3,814	8,185	19,507	7,050	10,430	17,480	36,987
Printing and Copying	2,529	752	1,454	2,206	4,735	1,560	564	834	1,398	2,958
Insurance	3,418	1,017	1,965	2,982	6,400	3,929	1,420	2,101	3,521	7,450
Rent	33,159	9,867	19,063	28,930	62,089	28,771	10,398	15,384	25,782	54,553
Travel	5,619	1,672	3,230	4,902	10,521	6,120	2,212	3,273	5,485	11,605
Promotion	1,333	397	766	1,163	2,496	1,308	473	700	1,173	2,481
Committees, Conferences and Conventions	257,255	-	-	-	257,255	281,798	-	-	-	281,798
Scholarships and Grants	452	-	-	-	452	360	-	-	-	360
Investment Management Fees	-	-	4,114	4,114	4,114	-	-	3,545	3,545	3,545
Designated Program Expense	75,352	-	-	-	75,352	153,576	-	-	-	153,576
Other	10,562	3,140	6,068	9,208	19,770	14,228	5,140	7,605	12,745	26,973
Depreciation	16,127	4,798	9,270	14,068	30,195	15,994	5,780	8,552	14,332	30,326
<b>Total Expense</b>	<b>\$ 748,989</b>	<b>\$ 123,743</b>	<b>\$ 251,528</b>	<b>\$ 375,271</b>	<b>\$ 1,124,260</b>	<b>\$ 890,780</b>	<b>\$ 164,451</b>	<b>\$ 260,182</b>	<b>\$ 424,633</b>	<b>\$ 1,315,413</b>

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS  
YEAR ENDED SEPTEMBER 30, 2010  
(SEE ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)**

	Fund Balance 9/30/09	Investment Gain Allocation	Post Program Payments	Dues/ Regis- tration	Transfers	Other/ Grants	Program Expenses	Fund Balance 9/30/10
Gopher Pin	\$ (104)	\$ -	\$ -	\$ -	\$ -	\$ 104	\$ -	\$ -
Arveson Scholarship Reserve	5,906	200	-	-	-	-	-	6,106
Operation Heartbeat	7,392	-	-	-	-	-	(5,211)	2,181
Joe Kise Books	1,336	-	-	-	-	900	-	2,236
Leadership Seminar	-	-	-	-	-	-	-	-
Post 1982	1,887	60	-	8,441	-	-	(3,341)	7,047
S.A.L. Dept. Resources	32,387	1,030	-	43,536	-	-	(39,074)	37,879
American Legion Auxiliary Gambling Fund	-	-	-	-	-	-	-	-
American Legion Memorial Scholarship Fund	4,081	-	-	-	-	-	(4,081)	-
Boy Scout Council Assist. Fund	(85)	-	-	-	-	85	-	-
S.A.L. P.U.F.L. Fund	18,301	640	-	1,821	-	-	(552)	20,210
American Legion Racing	136	-	-	-	-	-	-	136
National Convention	(2,450)	-	-	1,000	-	-	(1,050)	(2,500)
MDVA Grant	-	-	-	-	-	97,739	-	97,739
War Stories	-	-	-	-	-	6,594	(22,043)	(15,449)
Operating Reserve	200,000	-	-	-	-	-	-	200,000
Net Assets, Unrestricted Designated	<u>\$ 268,787</u>	<u>\$ 1,930</u>	<u>\$ -</u>	<u>\$ 54,798</u>	<u>\$ -</u>	<u>\$ 105,422</u>	<u>\$ (75,352)</u>	<u>\$ 355,585</u>

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA  
SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS  
YEAR ENDED SEPTEMBER 30, 2009  
(SEE INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION)**

	Balance 9/30/08	Income Allocation	Program Payments	Regis- tration	Transfers	Other/ Sales	Program Expenses	Balance 9/30/09
Gopher Pin	\$ (469)	\$ -	\$ -	\$ -	\$ -	\$ 365	\$ -	\$ (104)
Arveson Scholarship Reserve	4,895	799	212	-	-	-	-	5,906
Operation Heartbeat	6,361	-	-	-	-	1,031	-	7,392
Joe Kise Books	3,246	-	-	-	-	2,990	(4,900)	1,336
Leadership Seminar	-	-	-	2,757	-	-	(2,757)	-
Post 1982	695	-	-	11,696	-	-	(10,504)	1,887
S.A.L. Dept. Resources	23,181	4,110	-	44,026	-	-	(38,930)	32,387
American Legion Auxiliary								
Gambling Fund	1,060	-	-	-	-	-	(1,060)	-
Public Relations Enhancement	528	-	-	-	-	-	(528)	-
Oratorical Scholarship	9,616	-	-	-	-	-	(9,616)	-
American Legion Memorial								
Scholarship Fund	67,240	5,275	125	-	-	-	(68,559)	4,081
Boy Scout Council Assist. Fund	15,149	1,114	-	-	-	-	(16,348)	(85)
S.A.L. P.U.F.L. Fund	13,697	2,367	-	2,487	-	-	(250)	18,301
American Legion Racing	136	-	-	-	-	-	-	136
National Convention	(2,326)	-	-	-	-	-	(124)	(2,450)
Operating Reserve	200,000	-	-	-	-	-	-	200,000
Net Assets, Unrestricted Designated	<u>\$ 343,009</u>	<u>\$ 13,665</u>	<u>\$ 337</u>	<u>\$ 60,966</u>	<u>\$ -</u>	<u>\$ 4,386</u>	<u>\$ (153,576)</u>	<u>\$ 268,787</u>