

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.**

FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2007 AND 2006

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
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ACCOUNTANTS' REVIEW REPORT

Board of Directors
Legionville School Safety Patrol Training Center, Inc.
St. Paul, Minnesota

We have reviewed the accompanying balance sheets of Legionville School Safety Patrol Training Center, Inc. as of October 31, 2007 and 2006, 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 Legionville School Safety Patrol Training Center, Inc.

A review consists principally of inquiries of Organization 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 financial statements in order for them to be in conformity with generally accepted accounting principles.

LarsonAllen LLP

Minneapolis, Minnesota
February 2, 2008



**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
BALANCE SHEETS
OCTOBER 31, 2007 AND 2006
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2007	2006
ASSETS		
CURRENT ASSETS		
Cash	\$ 84,667	\$ 140,213
Accounts Receivable	-	2,803
Accrued Interest Receivable	595	523
Inventories	12,354	16,156
Total Current Assets	97,616	159,695
PROPERTY AND EQUIPMENT, NET	175,628	195,011
OTHER ASSETS		
Investments	150,560	44,929
Total Assets	\$ 423,804	\$ 399,635
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ -	\$ 3,222
NET ASSETS		
Unrestricted	412,498	387,990
Temporarily Restricted	11,306	8,423
Total Net Assets	423,804	396,413
Total Liabilities and Net Assets	\$ 423,804	\$ 399,635

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED OCTOBER 31, 2007 AND 2006
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2007		
	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 83,698	\$ 8,518	\$ 92,216
Revenue:			
Registrations	165,760	-	165,760
Sales	40,913	-	40,913
Interest Income	4,830	-	4,830
Timber Sales	-	-	-
Lease Revenue	3,476	-	3,476
Unrealized Loss on Investments	630	-	630
Miscellaneous	9,914	-	9,914
Subtotal Support and Revenue	<u>225,523</u>	<u>-</u>	<u>225,523</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>5,635</u>	<u>(5,635)</u>	<u>-</u>
Total Support and Revenue	314,856	2,883	317,739
EXPENSE			
Program Services:			
Salaries	91,226	-	91,226
Payroll Taxes	6,729	-	6,729
Employee Benefits	15,040	-	15,040
Cost of Goods Sold	31,103	-	31,103
Supplies	10,897	-	10,897
Telephone	3,798	-	3,798
Utilities	5,552	-	5,552
Insurance	20,755	-	20,755
Repairs and Maintenance	11,105	-	11,105
Travel and Meetings	7,945	-	7,945
Food	34,041	-	34,041
Miscellaneous	6,498	-	6,498
Depreciation	19,383	-	19,383
Total Program Services	<u>264,072</u>	<u>-</u>	<u>264,072</u>
Support Services - Management and General:			
Administrative Fee	22,000	-	22,000
Professional Fees	4,276	-	4,276
Total Support Services - Management and General	<u>26,276</u>	<u>-</u>	<u>26,276</u>
Total Expense	<u>290,348</u>	<u>-</u>	<u>290,348</u>
CHANGE IN NET ASSETS	24,508	2,883	27,391
Net Assets - Beginning of Year	<u>387,990</u>	<u>8,423</u>	<u>396,413</u>
NET ASSETS - END OF YEAR	<u>\$ 412,498</u>	<u>\$ 11,306</u>	<u>\$ 423,804</u>

See accompanying Notes to Financial Statements.

2006

Unrestricted	Temporarily Restricted	Total
\$ 89,271	\$ 13,122	\$ 102,393
173,550	-	173,550
43,220	-	43,220
3,160	-	3,160
5,705	-	5,705
3,382	-	3,382
(86)	-	(86)
3,315	-	3,315
<u>232,246</u>	<u>-</u>	<u>232,246</u>
5,842	(5,842)	-
<u>327,359</u>	<u>7,280</u>	<u>334,639</u>
92,482	-	92,482
6,842	-	6,842
14,537	-	14,537
37,059	-	37,059
12,840	-	12,840
3,411	-	3,411
4,725	-	4,725
21,955	-	21,955
14,256	-	14,256
8,990	-	8,990
31,060	-	31,060
6,866	-	6,866
20,492	-	20,492
<u>275,515</u>	<u>-</u>	<u>275,515</u>
10,000	-	10,000
4,269	-	4,269
<u>14,269</u>	<u>-</u>	<u>14,269</u>
<u>289,784</u>	<u>-</u>	<u>289,784</u>
37,575	7,280	44,855
<u>350,415</u>	<u>1,143</u>	<u>351,558</u>
<u>\$ 387,990</u>	<u>\$ 8,423</u>	<u>\$ 396,413</u>

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2007 AND 2006
(SEE ACCOUNTANTS' REVIEW REPORT)**

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 27,391	\$ 44,855
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	19,383	20,493
Unrealized Loss on Investments	(630)	86
Increase (Decrease) in Advance on Insurance Premium	-	-
(Increase) Decrease in Receivables and Prepaid Expenses	2,731	(2,505)
Decrease in Inventories	3,802	(2,661)
(Increase) Decrease in Accounts Payable	(3,222)	3,070
Net Cash Provided by Operating Activities	49,455	63,338
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(220,000)	(35,015)
Proceeds on Sale of Investments	114,999	95,000
Purchases of Property and Equipment	-	-
Net Cash Provided (Used) by Investing Activities	(105,001)	59,985
NET INCREASE (DECREASE) IN CASH	(55,546)	123,323
Cash - Beginning of Year	140,213	16,890
CASH - END OF YEAR	\$ 84,667	\$ 140,213

See accompanying Notes to Financial Statements.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2007 AND 2006
(SEE ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Purpose

The Legionville School Safety Patrol Training Center, Inc. (Legionville or the Organization) offers summer camps for youngsters between the ages of ten and thirteen. Legionville provides instruction for school and school bus patrol officers, nature study, conservation training, and boat and water safety lessons to children from Minnesota which are conducted in a summer camp environment.

Financial Statement Presentation

The Organization follows the Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under the provisions of these standards, net assets and revenues, gains and losses are classified based on donor imposed restrictions. Accordingly, net assets of Legionville School Safety Patrol Training Center, Inc. and changes therein are classified and reported as follows:

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

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

Cash

The Organization maintains cash accounts at two financial institutions. At times the amounts on deposit may exceed federally insured limits.

Inventories

Inventories consist of souvenirs and promotional items used for various Legionville programs. Inventory is valued at the lower of cost, determined on a first-in, first-out basis, or market.

Property and Equipment

All major expenditures for land, buildings and equipment are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method over their estimated useful lives. Depreciable lives range from five to thirty-nine years.

Investments

Investments are recorded at fair market value. Accordingly, unrealized gains and losses are recognized in the statements of activity as unrealized gains and losses. Realized gains and losses are determined using the specific identification method.

**LEGIONVILLE SCHOOL SAFETY PATROL
TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2007 AND 2006
(SEE ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor.

The Organization has elected to present temporarily restricted contributions, which are fulfilled in the same time period, within the unrestricted net asset class. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

In-Kind Services

Many individuals volunteer their time to Legionville each year. Although their contributions are valuable to the program, no donated services have been recognized in these financial statements because no specialized skills as defined by generally accepted accounting principles have been provided.

Functional Expense

The Organization's costs of providing its services have been classified on a functional basis in the statements of activities. Expenses are not allocated since they have direct relationships to a particular functional expense.

Tax Exempt Status

Legionville has a tax exempt status under Section 501(a) as an organization described in 501(c)(3) of the Internal Revenue Code and Minnesota Statute. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and charitable contributions by donors are tax deductible.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. 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.

**LEGIONVILLE SCHOOL SAFETY PATROL
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NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2007 AND 2006
(SEE ACCOUNTANTS' REVIEW REPORT)**

NOTE 2 PROPERTY AND EQUIPMENT

Legionville holds the following property and equipment as of October 31:

	2007	2006
Land	\$ 12,750	\$ 12,750
Buildings	324,439	324,439
Building Improvements	262,416	262,416
Furniture and Equipment	258,734	258,734
Vehicles	23,396	23,396
	<u>881,735</u>	<u>881,735</u>
Accumulated Depreciation	(706,107)	(686,724)
Property and Equipment - Net	<u>\$ 175,628</u>	<u>\$ 195,011</u>

NOTE 3 INVESTMENTS

Investments are comprised of the following values at October 31:

	2007		2006	
	Cost	Market	Cost	Market
Fixed Income	<u>\$ 150,017</u>	<u>\$ 150,560</u>	<u>\$ 45,017</u>	<u>\$ 44,929</u>

NOTE 4 NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of resources restricted for scholarships for individual registrations or agreed upon equipment purchases. Net assets released from restrictions were \$5,635 and \$5,842 for scholarships and equipment for the years ended October 31, 2007 and 2006, respectively.

Temporarily restricted net assets remaining at October 31, 2007 and 2006, respectively was as follows:

	2007	2006
Equipment Purchases	\$ 1,236	\$ 1,201
Scholarships	10,070	7,222
Temporarily Restricted Net Assets	<u>\$ 11,306</u>	<u>\$ 8,423</u>

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NOTE 5 LEASE REVENUE

The Organization entered into an agreement to lease the rights to use property for a fixed fee annually. The agreement is in effect until November 2010 with extensions available for an additional 20 years. The agreement may be terminated with notice. Future minimum amounts are adjusted based on the CPI rate and are estimated under this agreement as follows for the years ending October 31:

<u>Year Ending October 31,</u>	<u>Amount</u>
2008	\$ 3,500
2009	3,500
2010	3,500
Total	<u>\$ 10,500</u>

NOTE 6 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. Retirement expense was \$2,186 and \$2,587 for the years ended October 31, 2007 and 2006, respectively.

NOTE 7 ADMINISTRATIVE SERVICES

Legionville purchases the administrative and bookkeeping services of the American Legion Department of Minnesota employees. The two Organization's have some common board members. The contract price was \$22,000 and \$10,000 for the years ended October 31, 2007 and 2006, respectively.

NOTE 8 CONCENTRATION OF REVENUE RISK

Revenue from one donor represented 15 percent of the Organization's total revenue for the year ended September 30, 2006.