

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA**

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
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INDEPENDENT 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, 2013 and 2012, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 15, 2013

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
BALANCE SHEETS
SEPTEMBER 30, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 312,919	\$ 609,686
Accounts Receivable	3,716	2,129
Accrued Interest Receivable	9,289	8,394
Inventories	2,834	4,990
Prepaid Expenses	37,502	32,638
Total Current Assets	366,260	657,837
EQUIPMENT AND FURNITURE, Net	81,772	78,231
INVESTMENTS		
Investments	1,976,467	1,571,209
Investment in Unconsolidated Subsidiaries	1,000	1,000
Total Investments	1,977,467	1,572,209
Total Assets	\$ 2,425,499	\$ 2,308,277
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,396	\$ 15,808
Accrued Vacation	28,864	29,690
Deferred Revenue	466,256	574,585
Amount Held for Others	15,308	15,813
Total Current Liabilities	512,824	635,896
NET ASSETS		
Unrestricted:		
Undesignated	1,581,632	1,377,486
Designated	331,043	294,895
Total Net Assets	1,912,675	1,672,381
Total Liabilities and Net Assets	\$ 2,425,499	\$ 2,308,277

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	2013			2012		
	Unrestricted		Total	Unrestricted		Total
	Undesignated	Designated		Undesignated	Designated	
SUPPORT - CONTRIBUTIONS	\$ 2,778	\$ -	\$ 2,778	\$ 7,760	\$ -	\$ 7,760
REVENUE						
Membership Dues	867,285	-	867,285	873,967	-	873,967
Less: MN Legionnaire Portion	(253,051)	-	(253,051)	(246,577)	-	(246,577)
Revenue Enhancement Sales	333,642	-	333,642	351,767	-	351,767
Grants	15,250	98,284	113,534	-	98,284	98,284
Registration and Fees	-	62,778	62,778	-	55,783	55,783
Investment Income	102,693	2,160	104,853	119,142	2,160	121,302
Royalties	234,340	-	234,340	151,167	-	151,167
In-Kind Rent	70,394	-	70,394	68,428	-	68,428
Other	15,384	22,863	38,247	16,860	9,725	26,585
Total Revenue	<u>1,385,937</u>	<u>186,085</u>	<u>1,572,022</u>	<u>1,334,754</u>	<u>165,952</u>	<u>1,500,706</u>
Total Support and Revenue	1,388,715	186,085	1,574,800	1,342,514	165,952	1,508,466
EXPENSES						
Program Expense	755,169	149,937	905,106	735,138	172,435	907,573
Supporting Services:						
Member Development	97,642	-	97,642	86,070	-	86,070
General and Administrative	143,852	-	143,852	144,734	-	144,734
Total Supporting Services	<u>241,494</u>	<u>-</u>	<u>241,494</u>	<u>230,804</u>	<u>-</u>	<u>230,804</u>
Fundraising	187,906	-	187,906	204,793	-	204,793
Total Expenses	<u>1,184,569</u>	<u>149,937</u>	<u>1,334,506</u>	<u>1,170,735</u>	<u>172,435</u>	<u>1,343,170</u>
CHANGE IN UNRESTRICTED NET ASSETS	204,146	36,148	240,294	171,779	(6,483)	165,296
Net Assets Unrestricted - Beginning of Year	<u>1,377,486</u>	<u>294,895</u>	<u>1,672,381</u>	<u>1,205,707</u>	<u>301,378</u>	<u>1,507,085</u>
NET ASSETS UNRESTRICTED - END OF YEAR	<u>\$ 1,581,632</u>	<u>\$ 331,043</u>	<u>\$ 1,912,675</u>	<u>\$ 1,377,486</u>	<u>\$ 294,895</u>	<u>\$ 1,672,381</u>

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 240,294	\$ 165,296
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	28,817	30,119
Unrealized Gain on Investments	(21,431)	(112,471)
Realized Loss (Gain) from Sale of Investments	(39,335)	28,795
(Increase) Decrease in Current Assets:		
Receivables and Prepaid Expenses	(7,346)	27,497
Inventories	2,156	1,581
Increase (Decrease) in Current Liabilities:		
Payables and Accrued Expenses	(14,238)	(8,886)
Deferred Revenue	(108,329)	106,189
Amount Held for Others	(505)	976
Net Cash Provided by Operating Activities	<u>80,083</u>	<u>239,096</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Equipment and Furniture	(32,358)	(7,498)
Proceeds from Sale of Investments	330,745	349,475
Purchase of Investments	(675,237)	(494,148)
Net Cash Used by Investing Activities	<u>(376,850)</u>	<u>(152,171)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (296,767)	 86,925
 Cash and Cash Equivalents - Beginning of Year	 <u>609,686</u>	 <u>522,761</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u><u>\$ 312,919</u></u>	 <u><u>\$ 609,686</u></u>

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012
(SEE INDEPENDENT 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 gains and losses and unrealized gains and losses 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, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

The Organization's 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. Royalties are recognized over the period they are earned and when reasonably estimated.

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 accounting principles generally accepted in the United States of America 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, 2013 AND 2012
(SEE INDEPENDENT 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 2010 through 2012.

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, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

The following tables present 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:

	2013			
	Level 1	Level 2	Level 3	Total
INVESTMENTS:				
Fixed Income - Certificates of Deposit	\$ -	\$ 1,464,035	\$ -	\$ 1,464,035
Equity Securities	512,432	-	-	512,432
Total	<u>\$ 512,432</u>	<u>\$ 1,464,035</u>	<u>\$ -</u>	<u>\$ 1,976,467</u>
	2012			
	Level 1	Level 2	Level 3	Total
INVESTMENTS:				
Fixed Income - Certificates of Deposit	\$ -	\$ 1,164,523	\$ -	\$ 1,164,523
Equity Securities	406,686	-	-	406,686
Total	<u>\$ 406,686</u>	<u>\$ 1,164,523</u>	<u>\$ -</u>	<u>\$ 1,571,209</u>

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 15, 2013, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments are comprised of the following at September 30:

	2013		2012	
	Cost	Market	Cost	Market
Fixed Income - Certificates of Deposit	\$ 1,489,550	\$ 1,464,035	\$ 1,139,545	\$ 1,164,523
Equity Securities	391,667	512,432	357,845	406,686
Total	<u>\$ 1,881,217</u>	<u>\$ 1,976,467</u>	<u>\$ 1,497,390</u>	<u>\$ 1,571,209</u>

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

	2013	2012
Interest from Investments	\$ 44,087	\$ 37,626
Realized (Loss) Gain	39,335	(28,795)
Unrealized Gain (Loss)	21,431	112,471
Total	<u>\$ 104,853</u>	<u>\$ 121,302</u>

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 3 EQUIPMENT AND FURNITURE

Equipment and furniture consists of the following at September 30:

	<u>2013</u>	<u>2012</u>
Computer and Software	\$ 82,439	\$ 64,700
Other Equipment and Furniture	293,600	278,981
	<u>376,039</u>	<u>343,681</u>
Accumulated Depreciation	(294,267)	(265,450)
Equipment, Net	<u>\$ 81,772</u>	<u>\$ 78,231</u>

NOTE 4 DEFERRED MEMBERSHIP REVENUE

Deferred revenue consists mainly of unearned membership dues totaling \$396,054 and \$423,976 at September 30, 2013 and 2012, respectively.

NOTE 5 UNRESTRICTED NET ASSETS: DESIGNATED

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

	<u>2013</u>	<u>2012</u>
Operating Reserve	\$ 200,000	\$ 200,000
Programs	131,043	94,895
Total	<u>\$ 331,043</u>	<u>\$ 294,895</u>

NOTE 6 RELATED PARTY TRANSACTIONS

The Organization has transactions with several organizations in which common board members exist.

The Organization made payments totaling \$253,051 and \$246,577 in fiscal 2013 and 2012, respectively, to The Minnesota Legionnaire, Inc. These payments 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 Organization. During 2013 and 2012, the Organization remitted \$2.85 on each member's behalf. These payments to The Minnesota Legionnaire, Inc. for subscriptions are recognized as a reduction of membership dues.

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

NOTE 6 RELATED PARTIES TRANSACTIONS (CONTINUED)

The Organization also made payments totaling \$2,849 to The Minnesota Legionnaire, Inc. during the year ended September 30, 2013 for reimbursements of other business expenses. Payments totaling \$6,148 were made during the year ended September 30, 2012, for reimbursements of a portion of salary and benefits relating to one employee as well as reimbursements of other business expenses.

The Organization made payments totaling \$6,935 and \$6,750 to Legionville School Safety Patrol Training Center, Inc. during the years ended September 30, 2013 and 2012, respectively, for reimbursements of business insurance expense and other business expenses.

The Organization received \$54,893 and \$56,260 from The Minnesota Legionnaire, Inc. during the years ended September 30, 2013 and 2012, respectively, for reimbursements of a portion of salary and benefits relating to one employee as well as reimbursements of other business expenses.

The Organization also received \$2,000 from The Minnesota American Legion Foundation during the years ended September 30, 2013 and 2012 for administrative services.

The Organization paid \$23,015 and \$24,247 to The American Legion Family Hospital Association during the years ended September 30, 2013 and 2012, respectively, for their portion of the dues collected during the fiscal year.

NOTE 7 INVESTMENT IN UNCONSOLIDATED SUBSIDIARY

The Organization 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>2013</u>	<u>2012</u>
American Legion Convention Corporation		
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	\$ 18,500	\$ 19,756
Expenses	<u>(18,500)</u>	<u>(19,818)</u>
Net Income	<u>\$ -</u>	<u>\$ (62)</u>

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

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 \$70,394 and \$68,428 for the years ended September 30, 2013 and 2012, respectively.

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 \$37,160 and \$36,389 for the years ended September 30, 2013 and 2012, 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.

**INDEPENDENT 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 years ended September 30, 2013 and 2012 appears on page 1. Our reviews were made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The information included in the accompanying schedules of functional expense and activity in designated funds is presented only for purposes of additional analysis and has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 15, 2013

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
SCHEDULE OF FUNCTIONAL EXPENSE
YEAR ENDED SEPTEMBER 30, 2013**

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	2013					
	Program Expense	Supporting Services			Fundraising Expense	Total
		Member Development	General and Administrative	Total		
Salaries	\$ 260,981	\$ 49,797	\$ 66,471	\$ 116,268	\$ -	\$ 377,249
Payroll Taxes	20,715	3,953	5,276	9,229	-	29,944
Employee Benefits	70,117	13,379	17,859	31,238	-	101,355
Professional Fees	-	-	8,116	8,116	-	8,116
Supplies	27,275	5,204	6,947	12,151	-	39,426
Telephone	5,689	1,086	1,449	2,535	-	8,224
Equipment Maintenance	9,386	1,791	2,391	4,182	-	13,568
Postage	10,957	2,091	2,791	4,882	-	15,839
Printing and Copying	3,954	755	1,007	1,762	-	5,716
Insurance	7,748	1,478	1,973	3,451	-	11,199
Rent	48,699	9,292	12,403	21,695	-	70,394
Travel	11,160	2,129	2,842	4,971	-	16,131
Promotion	479	91	122	213	-	692
Committees, Conferences and Conventions	241,439	-	-	-	-	241,439
Scholarships and Grants	2,000	-	-	-	-	2,000
Investment Management Fees	-	-	5,400	5,400	-	5,400
Cost of Enhancement Sales	-	-	-	-	187,906	187,906
Designated Program Expense	149,937	-	-	-	-	149,937
Other	14,635	2,792	3,727	6,519	-	21,154
Depreciation	19,935	3,804	5,078	8,882	-	28,817
Total Expense	\$ 905,106	\$ 97,642	\$ 143,852	\$ 241,494	\$ 187,906	\$ 1,334,506

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
SCHEDULE OF FUNCTIONAL EXPENSE
YEAR ENDED SEPTEMBER 30, 2012**

(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	2012					
	Program Expense	Supporting Services			Fundraising Expense	Total
		Member Development	General and Administrative	Total		
Salaries	\$ 250,357	\$ 44,514	\$ 67,913	\$ 112,427	\$ -	\$ 362,784
Payroll Taxes	19,856	3,530	5,386	8,916	-	28,772
Employee Benefits	69,720	12,396	18,913	31,309	-	101,029
Professional Fees	-	-	8,937	8,937	-	8,937
Supplies	27,837	4,949	7,551	12,500	-	40,337
Telephone	5,508	979	1,494	2,473	-	7,981
Equipment Maintenance	16,263	2,892	4,412	7,304	-	23,567
Postage	9,836	1,749	2,668	4,417	-	14,253
Printing and Copying	2,326	413	631	1,044	-	3,370
Insurance	4,364	776	1,184	1,960	-	6,324
Rent	47,222	8,396	12,810	21,206	-	68,428
Travel	8,891	1,581	2,412	3,993	-	12,884
Promotion	-	-	-	-	-	-
Committees, Conferences and Conventions	248,851	-	-	-	-	248,851
Scholarships and Grants	2,200	-	-	-	-	2,200
Investment Management Fees	-	-	4,481	4,481	-	4,481
Cost of Enhancement Sales	-	-	-	-	204,793	204,793
Designated Program Expense	172,435	-	-	-	-	172,435
Other	1,122	199	304	503	-	1,625
Depreciation	20,785	3,696	5,638	9,334	-	30,119
Total Expense	\$ 907,573	\$ 86,070	\$ 144,734	\$ 230,804	\$ 204,793	\$ 1,343,170

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS
YEAR ENDED SEPTEMBER 30, 2013**
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	Fund Balance September 30, 2012	Grants	Dues/ Registration	Investment Gain Allocation	Other	Program Expenses	Fund Balance September 30, 2013
War Stories Vol 1	\$ (2,249)	\$ -	\$ -	\$ -	\$ 2,792	\$ -	\$ 543
Gopher Pin	402	-	-	-	-	-	402
Rehab Vet Emergency Fund	2,500	-	-	-	5,000	-	7,500
Heroes to Hometown	-	-	-	-	8,000	-	8,000
Arveson Scholarship Reserve	6,436	-	10	180	-	(250)	6,376
Joe Kise Books	6,136	-	-	-	2,100	-	8,236
Post 1982	17,713	-	17,502	480	-	(828)	34,867
S.A.L. Dept. Resources	39,584	-	42,081	900	-	(45,054)	37,511
S.A.L. P.U.F.L. Fund	21,002	-	3,185	600	-	(725)	24,062
American Legion Racing	136	-	-	-	-	-	136
National Convention	1,000	-	-	-	-	-	1,000
MDVA Grant	(1,678)	98,284	-	-	-	(99,357)	(2,751)
War Stories	3,913	-	-	-	4,971	(3,723)	5,161
Operating Reserve	200,000	-	-	-	-	-	200,000
Net Assets, Unrestricted							
Designated	<u>\$ 294,895</u>	<u>\$ 98,284</u>	<u>\$ 62,778</u>	<u>\$ 2,160</u>	<u>\$ 22,863</u>	<u>\$ (149,937)</u>	<u>\$ 331,043</u>

**THE AMERICAN LEGION,
DEPARTMENT OF MINNESOTA
SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS
YEAR ENDED SEPTEMBER 30, 2012
(SEE INDEPENDENT ACCOUNTANT'S REPORT ON SUPPLEMENTAL INFORMATION)**

	Fund Balance September 30, 2011	Grants	Dues/ Registration	Investment Income Allocation	Other	Program Expenses	Fund Balance September 30, 2012
Natl Convention Book Income	\$ 7,273	\$ -	\$ -	\$ -	\$ 45	\$ (7,318)	\$ -
War Stories Vol 1	(4,835)	-	-	-	2,586	-	(2,249)
Gopher Pin	402	-	-	-	-	-	402
Rehab Vet Emergency Fund	-	-	-	-	2,500	-	2,500
Arveson Scholarship Reserve	6,256	-	-	180	-	-	6,436
Operation Heartbeat	4,636	-	-	-	-	(4,636)	-
Joe Kise Books	5,296	-	-	-	840	-	6,136
Post 1982	8,647	-	12,182	480	-	(3,596)	17,713
S.A.L. Dept. Resources	43,256	-	43,264	900	-	(47,836)	39,584
S.A.L. P.U.F.L. Fund	20,732	-	337	600	-	(667)	21,002
American Legion Racing	136	-	-	-	-	-	136
National Convention	1,000	-	-	-	-	-	1,000
MDVA Grant	1,933	98,284	-	-	-	(101,895)	(1,678)
War Stories	6,646	-	-	-	3,754	(6,487)	3,913
Operating Reserve	200,000	-	-	-	-	-	200,000
Net Assets, Unrestricted							
Designated	<u>\$ 301,378</u>	<u>\$ 98,284</u>	<u>\$ 55,783</u>	<u>\$ 2,160</u>	<u>\$ 9,725</u>	<u>\$ (172,435)</u>	<u>\$ 294,895</u>