

THE AMERICAN LEGION (LEGIONVILLE) SCHOOL
SAFETY PATROL TRAINING CENTER, INC.

FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2014 AND 2013

THE AMERICAN LEGION (LEGIONVILLE) SCHOOL
SAFETY PATROL TRAINING CENTER, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

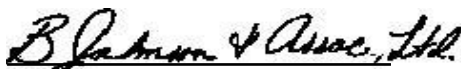
Board of Directors
The American Legion (Legionville) School Safety Patrol Training Center, Inc.
St. Paul, Minnesota 55155

We have reviewed the accompanying statements of financial position of The American Legion (Legionville) School Safety Patrol Training Center, Inc. (a nonprofit corporation) as of October 31, 2014 and 2013, 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 review, 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.


B. Johnson & Assoc., Ltd
January 28, 2015

The American Legion (Legionville) School Safety Patrol Training Center, Inc.
 Statements of Financial Position
 As of October 31, 2014 and 2013

Assets		
	<u>2014</u>	<u>2013</u>
Current Assets		
Cash	\$ 48,172	\$ 28,329
Money Market Funds	117	767
Merchandise	26,258	27,335
Vendor Receivable	282	0
Accrued Interest Receivable	<u>627</u>	<u>731</u>
Total Current Assets	<u>75,456</u>	<u>57,162</u>
Property and Equipment		
Land	11,456	11,456
Buildings	861,198	748,471
Improvements	206,361	206,361
Furniture & Equipment	248,866	239,089
Electric Systems	23,609	23,609
Water Systems	40,333	40,333
Automobiles	36,525	36,525
Less Accumulated Depreciation	<u>(759,953)</u>	<u>(747,210)</u>
Net Property and Equipment	<u>668,395</u>	<u>558,634</u>
Non Current Assets		
Certificates of Deposit	<u>117,394</u>	<u>155,663</u>
Total Non Current Assets	<u>117,394</u>	<u>155,663</u>
Total Assets	<u>\$ 861,245</u>	<u>\$ 771,459</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	<u>\$ 824</u>	<u>\$ 4,881</u>
Total Current Liabilities	<u>824</u>	<u>4,881</u>
Total Liabilities	<u>824</u>	<u>4,881</u>
Net Assets		
Temporarily Restricted Net Assets	43,966	49,704
Unrestricted Net Assets	<u>816,455</u>	<u>716,874</u>
Total Net Assets	<u>860,421</u>	<u>766,578</u>
Total Liabilities and Net Assets	<u>\$ 861,245</u>	<u>\$ 771,459</u>

The American Legion (Legionville) School Safety Patrol Training Center, Inc.
Statement of Activities
For the Period Ended October 31, 2014

	October 31, 2014		
	Temporarily Restricted	Unrestricted	Total
Revenues			
Registration	\$ 0	\$ 179,300	\$ 179,300
Canteen Income	0	27,522	27,522
Interest Income	0	3,373	3,373
Donations	117,282	24,768	142,050
State Milk Fund	0	1,720	1,720
Tower-Land Lease	0	4,014	4,014
Unrealized Gain/(Loss) on Investment	0	583	583
Other Revenue	0	1,997	1,997
Net Assets Released from Restriction	<u>(123,020)</u>	<u>123,020</u>	<u>0</u>
Total Revenues	<u>(5,738)</u>	<u>366,297</u>	<u>360,559.00</u>
Expenses			
Program Services			
Operating Supplies	0	25,249	25,249
Repairs & Maintenance	0	12,433	12,433
Utilities Expense	0	17,155	17,155
Other Program Service Expense	0	7,559	7,559
Special Project Expense	0	18,853	18,853
Depreciation Expense	0	12,742	12,742
Food Expense	0	23,312	23,312
Canteen Cost of Goods Sold	0	33,436	33,436
Sales Tax Expense	0	1,467	1,467
Wages	0	74,985	74,985
Payroll Taxes	0	5,737	5,737
Total Program Expenses	<u>0</u>	<u>232,928</u>	<u>232,928</u>
Supporting Services			
Professional Services	0	2,842	2,842
Insurance Expense	0	26,634	26,634
Travel & Meetings Expense	0	4,312	4,312
Total Supporting Services	<u>0</u>	<u>33,788</u>	<u>33,788</u>
Total Expense	<u>0</u>	<u>266,716</u>	<u>266,716</u>
Change in Net Assets	(5,738)	99,581	93,843
Net Assets - Beginning of Year	49,704	716,874	766,578
Net Assets - End of Year	<u>\$ 43,966</u>	<u>\$ 816,455</u>	<u>\$ 860,421</u>

The American Legion (Legionville) School Safety Patrol Training Center, Inc.
Statement of Activities
For the Period Ended October 31, 2013

	October 31, 2013		
	Temporarily Restricted	Unrestricted	Total
Revenues			
Registration	\$ 0	\$ 196,754	\$ 196,754
Canteen Income	0	26,677	26,677
Interest Income	0	2,548	2,548
Donations	160,098	60,850	220,948
State Milk Fund	0	1,716	1,716
Unrealized Gain/(Loss) on Investment	0	(4,881)	(4,881)
Other Revenue	0	3,784	3,784
Net Assets Released from Restriction	(139,889)	139,889	0
Total Revenues	<u>20,209</u>	<u>427,337</u>	<u>447,546</u>
Expenses			
Program Services			
Operating Supplies	0	14,592	14,592
Repairs & Maintenance	0	24,736	24,736
Utilities Expense	0	16,050	16,050
Other Program Service Expense	0	11,158	11,158
Special Project Expense	0	41,394	41,394
Depreciation Expense	0	11,368	11,368
Food Expense	0	24,171	24,171
Rent	0	8,096	8,096
Canteen Cost of Goods Sold	0	23,889	23,889
Wages	0	72,598	72,598
Payroll Taxes	0	5,554	5,554
Total Program Expenses	<u>0</u>	<u>253,606</u>	<u>253,606</u>
Supporting Services			
Professional Services	0	2,816	2,816
Insurance Expense	0	26,972	26,972
(Gain)/Loss on Disposal of Asset	0	(146,661)	(146,661)
Travel & Meetings Expense	0	4,600	4,600
Total Supporting Services	<u>0</u>	<u>(112,273)</u>	<u>(112,273)</u>
Total Expense	<u>0</u>	<u>141,333</u>	<u>141,333</u>
Change in Net Assets	20,209	286,004	306,213
Net Assets - Beginning of Year	29,495	430,870	460,365
Net Assets - End of Year	<u>\$ 49,704</u>	<u>\$ 716,874</u>	<u>\$ 766,578</u>

The American Legion (Legionville) School Safety Patrol Training Center, Inc.
 Statements of Cash Flows
 For the Years Ended October 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Change in Net Assets	\$ 93,843	\$ 306,213
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and Amortization	12,742	11,368
Losses (Gains) on Sales of Fixed Assets	0	(146,661)
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(282)	0
Inventory	1,077	(2,477)
Unrealized Gains (Losses)	(1,627)	5,016
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(4,055)	4,565
Total Adjustments	7,855	(128,189)
Net Cash Provided By (Used In) Operating Activities	101,698	178,024
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(122,505)	(371,083)
Purchases of Certificate of Deposit	0	(130,000)
Proceeds from Sale of Certificate of Deposit	40,000	130,000
Proceeds from Sales of Fixed Assets	0	147,955
Net Cash Provided By (Used In) Investing Activities	(82,505)	(223,128)
Net Increase (Decrease) In Cash and Cash Equivalents	19,193	(45,104)
Beginning Cash and Cash Equivalents	29,096	74,200
Ending Cash and Cash Equivalents	\$ 48,289	\$ 29,096

The American Legion (Legionville) School Safety Patrol Training Center, Inc.
Notes to Financial Statements
October 31, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of The American Legion (Legionville) School Safety Patrol Training Center, Inc. (The American Legion (Legionville) or the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The American Legion (Legionville) School Safety Patrol Training Center, Inc. (The American Legion (Legionville) or the Organization) offers summer camps for youngsters between the ages of ten and thirteen. The American Legion (Legionville) provides instruction for 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

Net assets and revenues, gains and losses are classified based on donor imposed restrictions. Accordingly, net assets of The American Legion (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 the passage of time.

Permanently Restricted – Those resources subject to a donor imposed restriction that such funds be maintained permanently by the Organization. The donor of these types of resources usually permits the Organization to use all or part of the income earned, including capital appreciation on related investments, for unrestricted or temporarily restricted purposes.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of 3 months or less and certain certificates of deposit to be cash equivalents.

Accounts Receivable

It is management's judgment that all receivables at October 31, 2014 and 2013 are collectible; therefore, no allowance for doubtful accounts has been reflected in the financial statements.

Inventory

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 (FIFO) basis, or market.

The American Legion (Legionville) School Safety Patrol Training Center, Inc.
Notes to Financial Statements
October 31, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment and totaled \$12,742 and \$11,368 for the years ended October 31, 2014 and 2013, respectively.

Construction costs for building a new building are capitalized when expenses are incurred for the building. Building costs are not depreciated until the building is complete and placed in service. Expenditures incurred and capitalized but not placed in service totaled \$462,756 and \$350,028 for the years ended October 31, 2014 and 2013, respectively and are included in building and improvements.

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.

Contributions

Contributions received and current and deferred revenues from grants are recorded as either unrestricted or temporarily restricted depending on the existence and/or nature of and donor restrictions.

In-Kind Services

Many individuals volunteer their time to The American Legion (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 the generally accepted accounting principles have been provided.

Functional Expenses

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

The American Legion (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.

The Organization has adopted the income 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 past three and one-half years.

The American Legion (Legionville) School Safety Patrol Training Center, Inc.
Notes to Financial Statements
October 31, 2014 and 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 28, 2015, the date the financial statements were available to be issued.

NOTE 2 INVESTMENTS

Investments are comprised of the following values at October 31:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Certificate of Deposits	\$ 120,005	\$ 117,394	\$ 160,005	\$ 155,663

NOTE 3 NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of resources restricted for scholarships for individual registrations or agreed upon capital expenditures. Net assets released from restrictions were \$123,020 and \$139,889 for scholarships and capital expenditures for the years ended October 31, 2014 and 2013, respectively.

Temporarily restricted assets consist of the following at October 31:

	2014	2013
Equipment Purchases	\$ 5,364	\$ 6,263
Scholarships	7,040	9,240
Capital Grant	-	4,011
Paver	31,562	30,190
Temporarily Restricted Net Assets	\$ 43,966	\$ 49,704