

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

FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2019 AND 2018

**LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
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YEARS ENDED OCTOBER 31, 2019 AND 2018**

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ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of Legionville School Safety Patrol Training Center, Inc., which comprise the balance sheets as of October 31, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 3, 2020

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
BALANCE SHEETS
OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 23,579	\$ 63,687
Accounts and Grants Receivable	-	2,949
Accrued Interest Receivable	46	291
Inventories	12,368	34,372
Total Current Assets	35,993	101,299
PROPERTY AND EQUIPMENT, NET	973,238	1,000,906
OTHER ASSETS		
Investments	5,000	38,684
Total Assets	\$ 1,014,231	\$ 1,140,889
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 14,326	\$ -
Deferred Revenue	-	72,411
Total Liabilities	14,326	72,411
NET ASSETS		
Without Donor Restrictions	935,547	1,001,940
With Donor Restrictions	64,358	66,538
Total Net Assets	999,905	1,068,478
Total Liabilities and Net Assets	\$ 1,014,231	\$ 1,140,889

See accompanying Notes to Financial Statements.

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Support:			
Contributions	\$ 136,764	\$ 1,800	\$ 138,564
Revenue:			
Registrations	161,043	-	161,043
Sales	19,412	-	19,412
Interest Income	667	-	667
Lease Revenue	4,321	-	4,321
Unrealized Gain (Loss) on Investments	1,318	-	1,318
Realized Loss on Investments	(419)	-	(419)
Miscellaneous	1,765	-	1,765
Subtotal Revenue	<u>188,107</u>	<u>-</u>	<u>188,107</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>3,980</u>	<u>(3,980)</u>	<u>-</u>
Total Support and Revenue	328,851	(2,180)	326,671
EXPENSE			
Program Services:			
Salaries	128,336	-	128,336
Payroll Taxes	10,052	-	10,052
Cost of Goods Sold	37,910	-	37,910
Supplies	39,757	-	39,757
Utilities	31,077	-	31,077
Insurance	23,597	-	23,597
Repairs and Maintenance	25,023	-	25,023
Travel and Meetings	4,994	-	4,994
Food	30,914	-	30,914
Other Program Expenses	3,981	-	3,981
Miscellaneous	306	-	306
Depreciation	52,996	-	52,996
Total Program Services	<u>388,943</u>	<u>-</u>	<u>388,943</u>
Support Services - Management and General:			
Professional Fees	6,301	-	6,301
Total Expense	<u>395,244</u>	<u>-</u>	<u>395,244</u>
CHANGE IN NET ASSETS	(66,393)	(2,180)	(68,573)
Net Assets - Beginning of Year	<u>1,001,940</u>	<u>66,538</u>	<u>1,068,478</u>
NET ASSETS - END OF YEAR	<u><u>\$ 935,547</u></u>	<u><u>\$ 64,358</u></u>	<u><u>\$ 999,905</u></u>

See accompanying Notes to Financial Statements.

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 65,935	\$ 221,001	\$ 286,936
-	-	-
905	-	905
1,930	-	1,930
4,242	-	4,242
(1,361)	-	(1,361)
(3,163)	-	(3,163)
10,004	-	10,004
12,557	-	12,557
220,060	(220,060)	-
298,552	941	299,493
51,709	-	51,709
3,956	-	3,956
3,296	-	3,296
32,836	-	32,836
21,560	-	21,560
27,748	-	27,748
30,572	-	30,572
6,436	-	6,436
83	-	83
6,910	-	6,910
79	-	79
49,226	-	49,226
234,411	-	234,411
7,646	-	7,646
242,057	-	242,057
56,495	941	57,436
945,445	65,597	1,011,042
\$ 1,001,940	\$ 66,538	\$ 1,068,478

See accompanying Notes to Financial Statements.

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (68,573)	\$ 57,436
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation	52,996	49,226
Unrealized (Gain) Loss on Investments	(1,318)	1,361
Realized Loss on Sale of Investments	419	3,163
Contributions Received for Property and Equipment Purchases	-	(217,560)
Decrease in Receivables	3,194	4,313
Decrease in Inventories	22,004	2,984
Increase (Decrease) in Accounts Payable	14,326	(2,885)
Increase (Decrease) in Deferred Revenue	(72,411)	72,411
Net Cash Used by Operating Activities	(49,363)	(29,551)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on Sale of Investments	34,583	86,840
Purchases of Property and Equipment	(25,328)	(234,515)
Net Cash Provided (Used) by Investing Activities	9,255	(147,675)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Restricted Cash Received for Property and Equipment Purchases	-	217,560
 NET CHANGE IN CASH	(40,108)	40,334
 Cash - Beginning of Year	63,687	23,353
 CASH - END OF YEAR	\$ 23,579	\$ 63,687

See accompanying Notes to Financial Statements.

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION 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 10 and 13. 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

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

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of October 31, 2019 and 2018, the Organization has no with donor-restricted net assets that are perpetual in nature.

Cash

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

Accounts and Grants Receivable

All outstanding receivables are expected to be collected within the next fiscal year; therefore, no allowance for doubtful accounts has been reflected in the financial statements.

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 over \$1,000 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 5 to 39 years.

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are recorded as made. All contributions are without donor restriction unless specifically restricted by the donor.

The Organization has elected to present contributions with donor restrictions, which are fulfilled in the same time period, within the net asset without donor restrictions class. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In-Kind Services

Many individuals volunteer their time to the Organization 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 (IRC) and Minnesota Statute. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the IRC and charitable contributions by donors are tax deductible.

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.

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.

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement (Continued)

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 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 October 31:

	2019			
	Level 1	Level 2	Level 3	Total
INVESTMENTS				
Certificates of Deposit	\$ -	\$ 5,000	\$ -	\$ 5,000
	2018			
	Level 1	Level 2	Level 3	Total
INVESTMENTS				
Certificates of Deposit	\$ -	\$ 38,684	\$ -	\$ 38,684

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.

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retroactively to all periods presented (except for the liquidity disclosure) which resulted in no change to the total previously reported net assets.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 3, 2020, the date the financial statements were available to be issued.

NOTE 2 PROPERTY AND EQUIPMENT

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

	2019	2018
Land	\$ 11,456	\$ 11,456
Buildings	1,156,385	1,143,455
Improvements	261,175	258,513
Furniture and Equipment	281,681	271,945
Electric Systems	82,724	82,724
Water Systems	40,333	40,333
Vehicles	75,479	75,479
Total	<u>1,909,233</u>	<u>1,883,905</u>
Less: Accumulated Depreciation	<u>(935,995)</u>	<u>(882,999)</u>
Property and Equipment - Net	<u>\$ 973,238</u>	<u>\$ 1,000,906</u>

NOTE 3 INVESTMENTS

Investments are comprised of the following values at October 31:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Certificates of Deposit	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 40,002</u>	<u>\$ 38,684</u>

LEGIONVILLE SCHOOL SAFETY PATROL TRAINING CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2019 AND 2018
(SEE ACCOUNTANTS' COMPILATION REPORT)

NOTE 4 NET ASSETS

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of resources restricted for scholarships for individual registrations or agreed upon equipment purchases. Net assets released from restrictions were \$3,980 and \$220,060 for scholarships and equipment for the years ended October 31, 2019 and 2018, respectively.

Net assets with donor restrictions consist of the following at October 31:

	2019	2018
Equipment Purchases	\$ 4,304	\$ 4,644
Scholarships	15,419	16,559
Paver	7,135	5,335
AAA Naming Rights	37,500	40,000
Net Assets With Donor Restrictions	<u>\$ 64,358</u>	<u>\$ 66,538</u>

NOTE 5 LIQUIDITY AND AVAILABILITY

The Organization's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization's investments can be converted to cash and cash equivalents for general expenditures when necessary.

The Organization's financial assets, available for general expenditures within one year of the balance sheet date, comprise the following:

	2019
Cash and Cash Equivalents	\$ 23,579
Accounts Receivable	-
Interest Receivable	46
Investments	5,000
Less: Restricted by Donor	(64,358)
Total	<u>\$ (35,733)</u>