

**THE AMERICAN LEGION,  
DEPARTMENT OF MINNESOTA**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**

**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 financial statements of The American Legion, Department of Minnesota (the Organization), which comprise the balance sheets as of September 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity 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's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Accountants' Responsibility***

Our responsibility is to conduct the review 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. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### ***Accountants' Conclusion***

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 accordance with accounting principles generally accepted in the United States of America.



CliftonLarsonAllen LLP

Minneapolis, Minnesota  
December 3, 2018

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**BALANCE SHEETS**  
**SEPTEMBER 30, 2018 AND 2017**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 471,452	\$ 544,560
Accounts Receivable	113,726	67,997
Loan Receivable from Related Party	50,000	50,000
Accrued Interest Receivable	11,474	9,406
Inventories	1,518	3,345
Prepaid Expenses	38,788	35,588
Total Current Assets	686,958	710,896
<b>EQUIPMENT AND FURNITURE, NET</b>	25,859	42,372
<b>INVESTMENTS</b>		
Investments	2,488,569	2,208,189
Investment in Unconsolidated Subsidiaries	1,000	1,000
Total Investments	2,489,569	2,209,189
Total Assets	\$ 3,202,386	\$ 2,962,457
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 29,294	\$ 3,721
Accrued Vacation	31,328	27,472
Deferred Revenue	516,463	588,138
Amount Held for Others	5,906	8,750
Total Current Liabilities	582,991	628,081
<b>NET ASSETS</b>		
Unrestricted:		
Undesignated	2,189,478	1,969,853
Designated	429,917	364,523
Total Net Assets	2,619,395	2,334,376
Total Liabilities and Net Assets	\$ 3,202,386	\$ 2,962,457

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2018			2017		
	Unrestricted		Total	Unrestricted		Total
	Undesignated	Designated		Undesignated	Designated	
<b>SUPPORT - CONTRIBUTIONS</b>	\$ 1,835	\$ -	\$ 1,835	\$ 1,332	\$ -	\$ 1,332
<b>REVENUE</b>						
Membership Dues	903,255	-	903,255	754,290	-	754,290
Less: Minnesota Legionnaire Portion	(244,967)	-	(244,967)	(221,208)	-	(221,208)
Revenue Enhancement Sales	435,923	-	435,923	198,354	-	198,354
Grants	166,385	73,590	239,975	150,085	-	150,085
Registration and Fees	-	98,961	98,961	-	87,168	87,168
Investment Income	68,607	7,053	75,660	138,641	7,008	145,649
Royalties	117,169	-	117,169	120,169	-	120,169
In-Kind Rent	81,357	-	81,357	78,082	-	78,082
Other	24,697	17,824	42,521	15,347	1,822	17,169
Loss on Sale of Assets	(439)	-	(439)	(169)	-	(169)
Total Revenue	<u>1,551,987</u>	<u>197,428</u>	<u>1,749,415</u>	<u>1,233,591</u>	<u>95,998</u>	<u>1,329,589</u>
Total Support and Revenue	1,553,822	197,428	1,751,250	1,234,923	95,998	1,330,921
<b>EXPENSES</b>						
Program Expense	786,880	132,034	918,914	781,913	125,074	906,987
Supporting Services:						
Member Development	120,217	-	120,217	104,672	-	104,672
General and Administrative	201,594	-	201,594	198,586	-	198,586
Total Supporting Services	<u>321,811</u>	<u>-</u>	<u>321,811</u>	<u>303,258</u>	<u>-</u>	<u>303,258</u>
Fundraising	225,506	-	225,506	33,356	-	33,356
Total Expenses	<u>1,334,197</u>	<u>132,034</u>	<u>1,466,231</u>	<u>1,118,527</u>	<u>125,074</u>	<u>1,243,601</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	219,625	65,394	285,019	116,396	(29,076)	87,320
Net Assets Unrestricted - Beginning of Year	<u>1,969,853</u>	<u>364,523</u>	<u>2,334,376</u>	<u>1,853,457</u>	<u>393,599</u>	<u>2,247,056</u>
<b>NET ASSETS UNRESTRICTED - END OF YEAR</b>	<u>\$ 2,189,478</u>	<u>\$ 429,917</u>	<u>\$ 2,619,395</u>	<u>\$ 1,969,853</u>	<u>\$ 364,523</u>	<u>\$ 2,334,376</u>

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2018 AND 2017**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 285,019	\$ 87,320
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	18,673	22,288
Loss on Sale of Assets	439	169
Unrealized (Gain) Loss on Investments	48,820	(67,954)
Realized Gain from Sale of Investments	(63,013)	(24,674)
(Increase) Decrease in Current Assets:		
Receivables and Prepaid Expenses	(50,997)	(46,223)
Inventories	1,827	715
Increase (Decrease) in Current Liabilities:		
Payables and Accrued Expenses	29,429	(16,493)
Deferred Revenue	(71,675)	125,743
Amount Held for Others	(2,844)	(973)
Net Cash Provided by Operating Activities	195,678	79,918
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Equipment and Furniture	(2,599)	(12,952)
Proceeds from Sale of Investments	267,271	347,550
Purchase of Investments	(533,458)	(355,035)
Net Cash Used by Investing Activities	(268,786)	(20,437)
 <b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(73,108)	59,481
Cash and Cash Equivalents - Beginning of Year	544,560	485,079
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 471,452	\$ 544,560

See accompanying Notes to Financial Statements.

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**  
**(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization Purpose**

The American Legion, Department of Minnesota (the Organization) 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 Net Assets – 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 Net Assets – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or by the passage of time.

Permanently Restricted Net Assets – 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 over \$1,000 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, 2018 AND 2017**  
**(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, 2018 AND 2017**  
**(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.

**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 balance sheets 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, 2018 AND 2017**  
(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:

	2018			
	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of Deposit	\$ -	\$ 670,281	\$ -	\$ 670,281
Corporate Bonds	-	996,916	-	996,916
Equity Securities	821,372	-	-	821,372
Total	<u>\$ 821,372</u>	<u>\$ 1,667,197</u>	<u>\$ -</u>	<u>\$ 2,488,569</u>
	2017			
	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of Deposit	\$ -	\$ 730,805	\$ -	\$ 730,805
Corporate Bonds	-	760,318	-	760,318
Equity Securities	717,066	-	-	717,066
Total	<u>\$ 717,066</u>	<u>\$ 1,491,123</u>	<u>\$ -</u>	<u>\$ 2,208,189</u>

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 3, 2018, the date the financial statements were available to be issued.

**NOTE 2 INVESTMENTS**

Investments are comprised of the following at September 30:

	2018		2017	
	Cost	Market	Cost	Market
Certificates of Deposit	\$ 685,004	\$ 670,281	\$ 714,926	\$ 730,805
Corporate Bonds	1,044,701	996,916	767,288	760,318
Equity Securities	540,700	821,372	458,991	717,066
Total	<u>\$ 2,270,405</u>	<u>\$ 2,488,569</u>	<u>\$ 1,941,205</u>	<u>\$ 2,208,189</u>

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

	2018	2017
Interest from Investments	\$ 61,467	\$ 53,021
Realized Gain	63,013	24,674
Unrealized Gain (Loss)	(48,820)	67,954
Total	<u>\$ 75,660</u>	<u>\$ 145,649</u>

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

**NOTE 3 EQUIPMENT AND FURNITURE**

Equipment and furniture consists of the following at September 30:

	2018	2017
Computer and Software	\$ 100,948	\$ 105,163
Other Equipment and Furniture	286,484	286,484
Total	<u>387,432</u>	<u>391,647</u>
Accumulated Depreciation	(361,573)	(349,275)
Equipment, Net	<u>\$ 25,859</u>	<u>\$ 42,372</u>

**NOTE 4 DEFERRED REVENUE**

Deferred revenue for the years ended September 30, 2018 and 2017 of \$516,463 and \$588,138, respectively, consists mainly of unearned membership dues and unearned grant revenue. The deferred membership dues total \$409,113 and \$463,714 at September 30, 2018 and 2017, respectively.

**NOTE 5 UNRESTRICTED NET ASSETS: DESIGNATED**

The executive committee, by board action, has designated unrestricted net assets for the following purposes:

	2018	2017
Operating Reserve	\$ 200,000	\$ 200,000
Programs	229,917	164,523
Total	<u>\$ 429,917</u>	<u>\$ 364,523</u>

**NOTE 6 RELATED PARTY TRANSACTIONS**

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

The Organization made payments totaling \$244,967 and \$221,208 in fiscal 2018 and 2017, 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 2018 and 2017, the Organization remitted \$3.50 on each member's behalf. These payments to The Minnesota Legionnaire, Inc. for subscriptions are recognized as a reduction of membership dues.

The Organization also made payments totaling \$10,990 to The Minnesota Legionnaire, Inc. during the year ended September 30, 2018 for reimbursements of other business expenses. Payments totaling \$7,800 were made during the year ended September 30, 2017, for reimbursements of other business expenses.

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

**NOTE 6 RELATED PARTY TRANSACTIONS (CONTINUED)**

The Organization received \$63,973 and \$61,584 from The Minnesota Legionnaire, Inc. during the years ended September 30, 2018 and 2017, respectively, 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 \$18,387 and \$15,601 to Legionville School Safety Patrol Training Center, Inc. (Legionville) during the years ended September 30, 2018 and 2017, respectively, for reimbursements of business insurance expense and other business expenses. The Organization received \$18,144 and \$3,904 from Legionville during the years ended September 30, 2018 and 2017 for reimbursements of business expenses, respectively.

The Organization also received \$12,117 and \$2,000 from The Minnesota American Legion Foundation during the years ended September 30, 2018 and 2017 for administrative services.

The Organization paid \$19,449 and \$22,859 to The American Legion Family Hospital Association during the years ended September 30, 2018 and 2017, respectively, for their portion of the dues collected during the fiscal year.

In 2016 the Organization approved a \$50,000 loan receivable to the National Convention Corporation with a 0% interest rate to be repaid by December 31, 2018.

**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>2018</u>	<u>2017</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	\$ 20,754	\$ 8,682
Expenses	<u>(20,754)</u>	<u>(8,682)</u>
Net Income	<u>\$ -</u>	<u>\$ -</u>

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018 AND 2017**  
**(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 \$81,357 and \$78,082 for the years ended September 30, 2018 and 2017, 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 \$38,274 and \$41,730 for the years ended September 30, 2018 and 2017, 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.



**CliftonLarsonAllen**

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**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, 2018 and 2017 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  
December 3, 2018

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**YEAR ENDED SEPTEMBER 30, 2018**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	2018					
	Program Expense	Supporting Services			Fundraising Expense	Total
		Member Development	General and Administrative	Total		
Salaries	\$ 270,652	\$ 59,532	\$ 90,541	\$ 150,073	\$ -	\$ 420,725
Payroll Taxes	20,849	4,586	6,975	11,561	-	32,410
Employee Benefits	77,034	16,944	25,770	42,714	-	119,748
Professional Fees	-	-	8,670	8,670	-	8,670
Supplies	27,061	5,952	9,053	15,005	-	42,066
Telephone	6,432	1,415	2,152	3,567	-	9,999
Equipment Maintenance	16,402	3,608	5,487	9,095	-	25,497
Postage	4,514	993	1,510	2,503	-	7,017
Printing and Copying	2,126	468	711	1,179	-	3,305
Insurance	7,093	1,560	2,373	3,933	-	11,026
Rent	52,337	11,512	17,508	29,020	-	81,357
Travel	36,967	8,131	12,366	20,497	-	57,464
Committees, Conferences, and Conventions	228,525	-	-	-	-	228,525
Scholarships and Grants	11,807	-	-	-	-	11,807
Investment Management Fees	-	-	10,088	10,088	-	10,088
Cost of Enhancement Sales	-	-	-	-	225,506	225,506
Designated Program Expense	132,034	-	-	-	-	132,034
Other	13,068	2,874	4,372	7,246	-	20,314
Depreciation	12,013	2,642	4,018	6,660	-	18,673
<b>Total Expense</b>	<b>\$ 918,914</b>	<b>\$ 120,217</b>	<b>\$ 201,594</b>	<b>\$ 321,811</b>	<b>\$ 225,506</b>	<b>\$ 1,466,231</b>

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**SCHEDULE OF FUNCTIONAL EXPENSE**  
**YEAR ENDED SEPTEMBER 30, 2017**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	2017					
	Program Expense	Supporting Services			Fundraising Expense	Total
		Member Development	General and Administrative	Total		
Salaries	\$ 267,644	\$ 52,533	\$ 91,204	\$ 143,737	\$ -	\$ 411,381
Payroll Taxes	20,496	4,023	6,984	11,007	-	31,503
Employee Benefits	80,217	15,745	27,335	43,080	-	123,297
Professional Fees	-	-	8,988	8,988	-	8,988
Supplies	25,567	5,018	8,712	13,730	-	39,297
Telephone	5,682	1,115	1,936	3,051	-	8,733
Equipment Maintenance	13,893	2,727	4,734	7,461	-	21,354
Postage	11,324	2,223	3,859	6,082	-	17,406
Printing and Copying	860	169	293	462	-	1,322
Insurance	7,086	1,391	2,415	3,806	-	10,892
Rent	50,800	9,971	17,311	27,282	-	78,082
Travel	29,101	5,712	9,917	15,629	-	44,730
Committees, Conferences, and Conventions	234,302	-	-	-	-	234,302
Scholarships and Grants	14,333	-	-	-	-	14,333
Investment Management Fees	-	-	7,876	7,876	-	7,876
Cost of Enhancement Sales	-	-	-	-	33,356	33,356
Designated Program Expense	125,074	-	-	-	-	125,074
Other	6,107	1,199	2,081	3,280	-	9,387
Depreciation	14,501	2,846	4,941	7,787	-	22,288
<b>Total Expense</b>	<b>\$ 906,987</b>	<b>\$ 104,672</b>	<b>\$ 198,586</b>	<b>\$ 303,258</b>	<b>\$ 33,356</b>	<b>\$ 1,243,601</b>



**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2018**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	Fund Balance September 30, 2017	Grants	Dues/ Registration	Investment Income Allocation	Other	Program Expenses	Fund Balance September 30, 2018
War Stories Vol 1	\$ 2,874	\$ -	\$ -	\$ -	\$ 1,212	\$ (2,500)	\$ 1,586
Rehab Vet Emergency Fund	9,350	-	-	-	-	-	9,350
Heroes to Hometown	7,010	-	-	-	-	0.00	7,010
Arveson Scholarship Reserve	7,621	-	-	322	-	-	7,943
Joe Kise Books	726	-	1,200	-	-	-	1,926
Legion 1000 Book	(3,263)	-	-	-	-	(450)	(3,713)
Post 1982	77,874	-	27,683	2,772	-	(1,669)	106,660
S.A.L. Department Resources	68,588	-	68,821	2,442	-	(51,795)	88,056
War Stories Vol 3	(23,425)	-	-	-	14,021	(1,541)	(10,945)
King Tut Income	2,263	-	-	-	770	(999)	2,034
S.A.L. P.U.F.L. Fund	35,874	-	189	1,517	-	(1,047)	36,533
National Convention	1,000	-	-	-	-	-	1,000
MDVA Grant	(990)	-	-	-	-	-	(990)
War Stories	655	-	-	-	1,821	-	2,476
American Legion Rider	(270)	-	1,068	-	-	(798)	-
MNDVA SOT Adver Grant	(12,097)	20,400	-	-	-	(16,599)	(8,296)
MDVA 100th Conv Grant	(9,267)	53,190	-	-	-	(54,636)	(10,713)
Operating Reserve	200,000	-	-	-	-	-	200,000
<b>Net Assets, Unrestricted Designated</b>	<b>\$ 364,523</b>	<b>\$ 73,590</b>	<b>\$ 98,961</b>	<b>\$ 7,053</b>	<b>\$ 17,824</b>	<b>\$ (132,034)</b>	<b>\$ 429,917</b>

**THE AMERICAN LEGION, DEPARTMENT OF MINNESOTA**  
**SCHEDULE OF ACTIVITY IN DESIGNATED FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2017**  
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON SUPPLEMENTARY INFORMATION)

	Fund Balance September 30, 2016	Grants	Dues/ Registration	Investment Income Allocation	Other	Program Expenses	Fund Balance September 30, 2017
War Stories Vol 1	\$ 2,547	\$ -	\$ -	\$ -	\$ 327	\$ -	\$ 2,874
Rehab Vet Emergency Fund	9,350	-	-	-	-	-	9,350
Heroes to Hometown	7,010	-	-	-	-	-	7,010
Arveson Scholarship Reserve	7,270	-	-	351	-	-	7,621
Joe Kise Books	5,420	-	2,406	-	-	(7,100)	726
Legion 1000 Book	(2,663)	-	-	-	-	(600)	(3,263)
Post 1982	68,254	-	11,828	2,774	-	(4,982)	77,874
S.A.L. Department Resources	58,673	-	68,700	2,384	-	(61,169)	68,588
War Stories Vol 3	(4,145)	-	-	-	-	(19,280)	(23,425)
King Tut Income	1,248	-	-	-	1,045	(30)	2,263
S.A.L. P.U.F.L. Fund	31,061	-	4,234	1,499	-	(920)	35,874
National Convention	1,000	-	-	-	-	-	1,000
MDVA Grant	(990)	-	-	-	-	-	(990)
War Stories	224	-	-	-	450	(19)	655
American Legion Rider	620	-	-	-	-	(890)	(270)
MNDVA SOT Adver Grant Exp	8,720	-	-	-	-	(20,817)	(12,097)
MDVA 100th Conv Grant Expense	-	-	-	-	-	(9,267)	(9,267)
Operating Reserve	200,000	-	-	-	-	-	200,000
 Net Assets, Unrestricted Designated	 <u>\$ 393,599</u>	 <u>\$ -</u>	 <u>\$ 87,168</u>	 <u>\$ 7,008</u>	 <u>\$ 1,822</u>	 <u>\$ (125,074)</u>	 <u>\$ 364,523</u>