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(Form 990-EZ Attached)

Form **990-EZ**

Short Form Return of Organization Exempt From Income Tax

OMB No 1545-1150

2009

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)
Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form.
The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public
Inspection

A For the 2009 calendar year, or tax year beginning _____, **and ending** _____

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions.	C Name of organization American Legion Rainbow Post No. 2	D Employer identification number 42-0706204
		Number and street (or P O box, if mail is not delivered to street address) Room/suite 716 4th Street	E Telephone number 712-325-4874
		City or town, state or country, and ZIP + 4 Council Bluffs IA 51503-6537	F Group Exemption Number _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).
G Accounting method Cash Accrual
Other (specify) _____

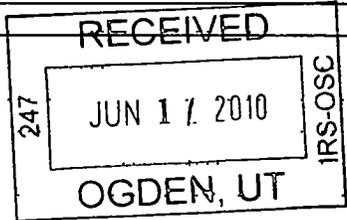
I Website: **N/A**
J Tax-exempt status (check only one) — 501(c) (**19**) (insert no) 4947(a)(1) or 527
H Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

K Check if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts, if \$500,000 or more, file Form 990 instead of Form 990-EZ **\$ 191,132**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	
	2	Program service revenue including government fees and contracts	2	
	3	Membership dues and assessments	3	27,130
	4	Investment income	4	4,934
	5a	Gross amount from sale of assets other than inventory	5a	
	b	Less cost or other basis and sales expenses	5b	
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6	Special events and activities (complete applicable parts of Schedule G) If any amount is from gaming, check here <input type="checkbox"/>		
	a	Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
b	Less direct expenses other than fundraising expenses	6b		
c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c		
7a	Gross sales of inventory, less returns and allowances	7a	147,181	
b	Less cost of goods sold	7b	61,623	
c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	85,558	
8	Other revenue (describe See Statement 2)	8	11,887	
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	129,509	
Expenses	10	Grants and similar amounts paid (attach schedule Stmt 3)	10	17,355
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	61,125
	13	Professional fees and other payments to independent contractors	13	2,700
	14	Occupancy, rent, utilities, and maintenance	14	23,654
	15	Printing, publications, postage, and shipping	15	
	16	Other expenses (describe See Statement 4)	16	32,381
	17	Total expenses. Add lines 10 through 16	17	137,215
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	-7,706
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	226,539
	20	Other changes in net assets or fund balances (attach explanation)	20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	218,833



Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ

(See the instructions for Part II)

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	90,788	87,761
23 Land and buildings		
24 Other assets (describe See Statement 5)	138,609	134,382
25 Total assets	229,397	222,143
26 Total liabilities (describe See Statement 6)	2,858	3,310
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	226,539	218,833

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990-EZ (2009)

Handwritten initials: P 22

SCANNED JUL 27 2010

Part V Other Information (Note the statement requirements in the instructions for Part V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
34	Were any changes made to the organizing or governing documents? If "Yes," attached a conformed copy of the changes		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T		
a	Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instr ▶ 37a		
b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return?		X
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b		
39	Section 501(c)(7) organizations Enter.		
a	Initiation fees and capital contributions included on line 9 39a		
b	Gross receipts, included on line 9, for public use of club facilities 39b		
40a	Section 501(c)(3) organizations Enter amount of tax imposed on the organization during the year under section 4911 ▶ _____ , section 4912 ▶ _____ ; section 4955 ▶ _____		
b	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I 40b		
c	Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____		
d	Section 501(c)(3) and 501(c)(4) organizations Enter amount of tax on line 40c reimbursed by the organization ▶ _____		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T 40e		X
41	List the states with which a copy of this return is filed ▶ None		
42a	The organization's books are in care of ▶ American Legion Post #2 Telephone no ▶ 712-325-4874 716 4th St. Located at ▶ Council Bluffs, IA ZIP + 4 ▶ 51503-6537		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. 42b		X
c	At any time during the calendar year, did the organization maintain an office outside of the U S ? If "Yes," enter the name of the foreign country ▶ _____ 42c		X
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ 44		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ 45		X

Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only. All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46-49b and complete the tables for lines 50 and 51.

	Yes	No
46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46	
47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	47	
48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48	
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a	
b If "Yes," was the related organization a section 527 organization?	49b	

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances

f Total number of other employees paid over \$100,000 ▶ _____

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over \$100,000 ▶ _____

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

[Signature] 6/7/2010
 Signature of officer Date

COMMANDER
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature Sharon K Blaha	Date 05/13/10	Check if self-employed <input type="checkbox"/>	Preparer's Identifying Number (See instr.) P00019798
Firm's name (or yours if self-employed), address, and ZIP + 4 Dickinson & Clark CPAs, PC 533 S. Main Street Council Bluffs, IA 51503-6508			EIN 42-1359494
			Phone no 712-328-2600

May the IRS discuss this return with the preparer shown above? See instructions ▶ Yes No

Federal Statements**Statement 1 - Form 990-EZ, Part I, Line 3 - Membership Dues and Assessments**

<u>Description</u>	<u>Amount</u>
Dues	\$ 27,130
Total	\$ <u>27,130</u>

Statement 2 - Form 990-EZ, Part I, Line 8 - Other Revenue

<u>Description</u>	<u>Amount</u>
Other Income	\$ 6,158
Video Game Income	5,729
Total	\$ <u>11,887</u>

42-0706204

Federal Statements

Statement 3 - Form 990-EZ, Part I, Line 10 - Payments to Affiliates

Name and Address	Purpose	Amount of Payment
Iowa Dept of American Legion 210 Walnut St Des Moines, IA 50309	Dues	17,355
Total		<u>17,355</u>

Federal Statements

Statement 4 - Form 990-EZ, Part I, Line 16 - Other Expenses

<u>Description</u>	<u>Amount</u>
Expenses	\$
Advertising	125
Travel	379
Conferences/Meetings	695
Insurance	5,793
Supplies	6,255
Postage	1,767
Newsletter	1,429
Adjutant Fee	2,100
Miscellaneous Programs Ex	3,586
Licenses & Permits	1,904
Depreciation	8,331
Bank Charges	17
Total	<u>\$ 32,381</u>

Statement 5 - Form 990-EZ, Part II, Line 24 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Inventories for Sale or Use	\$ 2,340	\$ 2,119
	277,243	281,568
Less Accumulated Depreciation	<u>140,974</u>	<u>149,305</u>
	<u>138,609</u>	<u>134,382</u>

Statement 6 - Form 990-EZ, Part II, Line 26 - Total Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Accounts Payable and Accrued Expenses	\$ 2,858	\$ 3,310
	<u>2,858</u>	<u>3,310</u>

**Statement 7 - Form 990-EZ, Part III, Line 31 - Statement of Program Service
Accomplishments**

<u>Description</u>
Support of military members

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868 For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits

Type or print	Name of Exempt Organization American Legion Rainbow Post No. 2	Employer identification number 42-0706204
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P O box, see instructions 716 4th Street	
	City, town or post office, state, and ZIP code For a foreign address, see instructions Council Bluffs IA 51503-6537	

Check type of return to be filed (file a separate application for each return)

- | | | |
|---|--|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input checked="" type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **American Legion Post #2**

Telephone No ▶ **712-325-4874** FAX No ▶

- If the organization does not have an office or place of business in the United States, check this box

● If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach

a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **08/15/10**, to file the exempt organization return for the organization named above The extension is for the organization's return for
▶ calendar year **2009** or
▶ tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	\$
c Balance Due. Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.