



2022 ANNUAL REPORT

PREAMBLE TO THE AMERICAN LEGION CONSTITUTION

*FOR GOD AND COUNTRY WE ASSOCIATE OURSELVES
TOGETHER FOR THE FOLLOWING PURPOSES:*

*To uphold and defend the Constitution
of the United States of America;*

To maintain law and order;

*To foster and perpetuate a
one hundred percent Americanism;*

*To preserve the memories and incidents
of our associations in all wars;*

*To inculcate a sense of individual obligation
to the community, state and nation;*

*To combat the autocracy of both the classes
and the masses;*

To make right the master of might;

To promote peace and goodwill on earth;

*To safeguard and transmit to posterity the principles
of justice, freedom and democracy;*

*To consecrate and sanctify our comradeship
by our devotion to mutual helpfulness.*

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BE THE ONE



25,000

Viewers who tuned in for a Dec. 4 online video game tournament put on by The American Legion and Regiment Gaming. Twenty-four professional players were matched with 48 veterans and servicemembers as teammates. The Veterans Bash Tournament was streamed from 25 Twitch accounts. The tournament's message: reduce veteran suicide.

"It's such a good cause, 'Be the One' ... I made the pledge to veterans to advocate that ... if you need help, ask. Voice it up."

Tony Kanaan, who drove the No. 1 American Legion "Be the One" car to a podium finish in the 106th Indianapolis 500 in May



The American Legion has been fighting on behalf of veterans facing mental health challenges since the doughboys came home from World War I. In 2021 and 2022, that effort stood at the top of the organization's priority list.

A "mission focus" on prevention of veteran suicide was first announced in May 2021, and took shape around multiple initiatives leading up to the May 2022 launch of the "Be the One" campaign. Its key message: remove the stigma about seeking and getting help. The American Legion-sponsored INDYCAR, driven by racing legend Tony Kanaan in the 2021 and 2022 Indianapolis 500s, brought the organization's message to millions of spectators around the world.

In local communities throughout the nation, veterans have rallied behind the message of suicide prevention via awareness-building and fundraising events, from long-distance ruck marches to motorcycle rides and local intervention programs.

The American Legion puts mental health for veterans on the minds of communities, states and the nation, including testifying on Capitol Hill. And as a new membership year unfolds, veterans worldwide will understand that they have the opportunity to "be the one" who just might prevent a tragedy. The Legion, as an organization of veterans, is uniquely positioned to make differences, one on one, for those who are struggling.

"Veteran suicide prevention is the most important thing for veterans advocacy right now. It's the No. 1 priority of The American Legion."

Veterans Affairs & Rehabilitation Commission Chairman Ralph Bozella, at a 2021 Veterans Day parade in Longmont, Colo.

LEFT: Team owner Chip Ganassi, Alex Palou, Tony Kanaan and Indiana Gov. Eric Holcomb reveal the "Be the One" livery at an Indianapolis Motor Speedway press conference. Photo by Bruce Martin

151

Miles walked Nov. 24-27, 2021, by student veterans from the University of Alabama and Auburn University to raise awareness about veteran suicide. Operation Iron Ruck was supported by an American Legion Operation Comfort Warriors grant and the Department of Alabama.

BE THE ONE

"If you help that one, then you help his or her whole family. That's how we measure our success."

Crystal Lake, Ill., Post 171 Senior Vice Commander Robert Dorn, who supports the national "Be the One" campaign through a daylong program at his post that raises awareness about PTSD issues and veteran suicide

11

Average years between the onset of a potential issue for a veteran and pursuit of treatment for suicide risk, according to former Memphis University president and Legionnaire Dr. M. David Rudd, who addressed the American Legion TBI-PTSD Committee in August 2021

PEER SUPPORT

American Legion National Commander Paul E. Dillard told Congress that peer support - veteran to veteran - is the linchpin to suicide prevention. The American Legion, as an organization, builds on the power of peer support to help struggling veterans through Buddy Checks and support for peer-to-peer counseling at Legion posts, systemically through support for VA Vet Centers and alternative treatments for PTSD and TBI, and by promoting the Veterans Suicide Crisis Line and three-digit emergency number (988 and Press 1).

THE OBJECTIVES

- The goals of "Be the One" are to:
- Destigmatize asking for mental health support, creating opportunities for those with mental health issues to speak freely and get the support they need
 - Provide peer-to-peer support and resources in local communities
 - Deploy FDA-approved therapeutics for veterans to identify issues and find resources for support

The American Legion is asking the public to "Be the One" to:

- Ask veterans in your life how they are doing
- Listen when a veteran needs to talk
- Reach out when a veteran is struggling

And veterans need to know that they can:

- Talk with others about how they are feeling
- Ask for help when they know they need it
- Know there are millions of people ready to help them
- Remember that their family and friends care

[betheone.org](https://www.betheone.org)



200+

Handgun safes distributed free by members of the Longmont, Colo., United Church of Christ to promote gun safety and raise awareness about veteran suicide following an American Legion-organized Veterans Day parade there. The distribution supports American Legion Resolution 11, "Lethal Means and Suicide Prevention," passed virtually in 2021 by the American Legion National Executive Committee.

3

Team members per area who serve as trained suicide-intervention peers in the American Legion Department of Idaho's One More Day program, which is part of a statewide network of more than 140 veterans, first responders and law-enforcement advocates trained through ASIST (Applied Suicide Intervention Skills Training)

BUDDY CHECKS



"When I started doing them, there wasn't a single veteran I contacted who was annoyed that I called. They were grateful that somebody called, somebody offered assistance of any type, to remind them that there's veterans in your community, and we're all here to serve each other. You're not soliciting money; you're soliciting smiles. How bad is that?"

American Legion Department of Massachusetts District 4 Commander Scott Conner, who called on all Legionnaires in his district to make Buddy Check calls to no fewer than two veterans each in November 2021



Launched in March 2019 as a simple initiative to urge local American Legion posts to contact veterans in their communities to see how they are doing and if they needed any help, Buddy Checks became a national phenomenon during the COVID-19 pandemic.

More than 3,600 American Legion posts in 2020 and more than 3,800 in 2021 conducted Buddy Check operations that assisted veterans, members or not, with needs ranging from grocery shopping and delivery to household chores. Moreover, the program gave thousands of veterans a friendly voice during a time of isolation and confusion.

The American Legion also worked with Congress in 2021 and 2022 to implement a National Buddy Check Week by VA to reach out to veterans to identify their needs and provide support.

Adjutant Sam Romanelli of Post 38 in Haddonfield, N.J., delivers a poinsettia to Loretta Aydelotte, a World War II veteran, as part of the post's holiday outreach to elderly members and Blue Star Families on Dec. 16, 2021. Photo by Denise Henhoeffer

234,601

Veterans contacted in the 2021 membership year through the American Legion Buddy Check program, according to the latest Consolidated Post Report, with just 62% of posts reporting their numbers

"Many were ecstatic to hear from us. Most were glad we made an effort to call them. Not only did we get an idea of the health and needs of our membership, we were also able to clear up discrepancies in our membership roster."

Ron Rising, service officer for Post 141 in West Palm Beach, Fla

TANGO ALPHA LIMA ON THE AIR

In just its second year, the American Legion Tango Alpha Lima podcast scooped up three major awards for its ambitious 20-20-20 series. Published in August and September 2021, the series commemorated the 20th anniversary of the 9/11 attacks and featured 20 individuals with unique accounts of the day that ushered in the global war on terrorism.

Among the highlights: former POW Jessica Lynch discussed her rescue, Robert Douglas spoke for the first time publicly about his role as an air traffic controller for Flight 93, and others recounted their harrowing escapes from the Pentagon and twin towers.

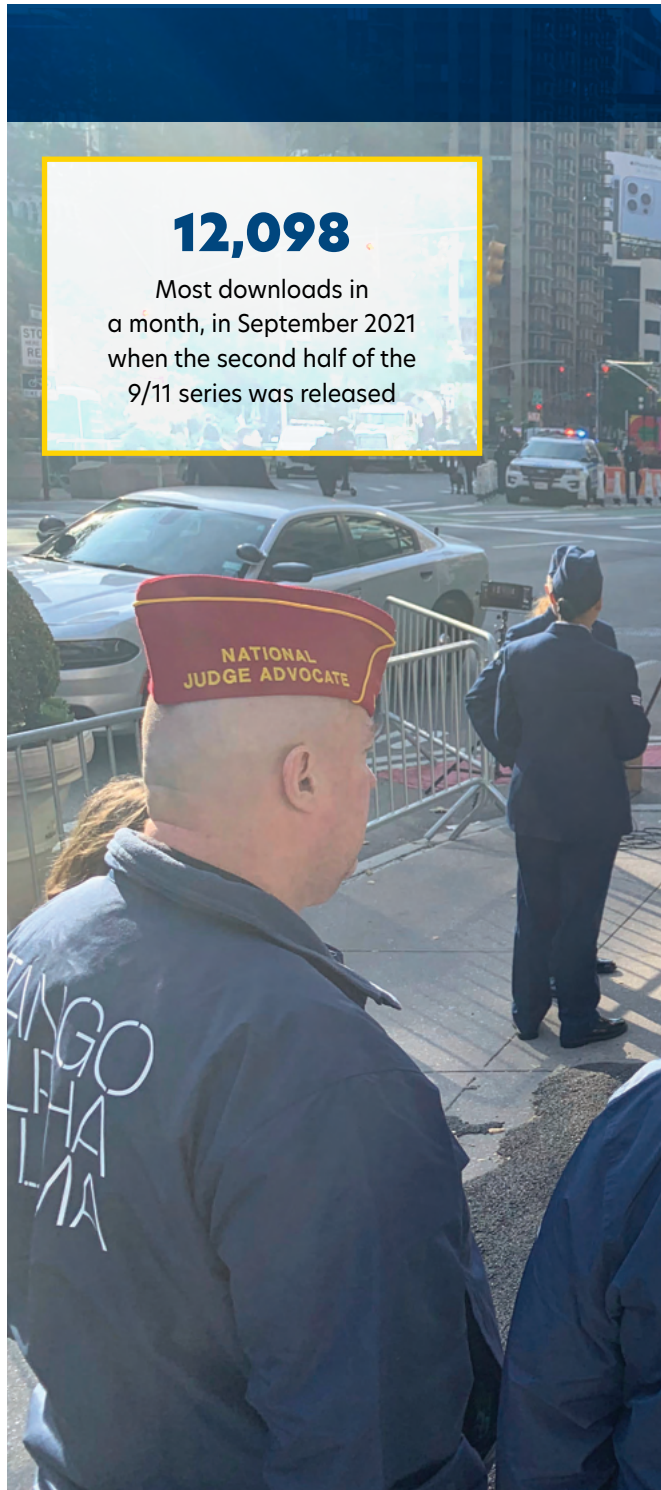
The podcast kicked off its third season in January 2022 with a special four-part series on solutions to the veteran suicide epidemic. Guests on these episodes were American Legion members on the front lines of helping veterans at risk for endangering themselves. Department of Idaho Adjutant Abe Abrahamson discussed his department's unique three-person team, and California Legionnaire Jeffrey Freeman revealed how "The American Legion saved my life."

108%

Increase in downloads, comparing the first half of 2022 with the same time period in 2021

12,098

Most downloads in a month, in September 2021 when the second half of the 9/11 series was released



TANGO ALPHA LIMA



The hosts of Tango Alpha Lima visit New York City for Veterans Day. Photo by Jeff Stoffer

VETERANS AFFAIRS

PACT ACT: A MAJOR BREAKTHROUGH FOR VETERANS

Exposure of U.S. military personnel to toxic substances while serving abroad and at home is an issue that has spanned wars and generations. The Sergeant First Class Heath Robinson Honoring Our PACT Act, which passed the Senate in June and was expected to be signed into law in July, stands as a historic breakthrough to provide health-care and disability benefits for those veterans.

The dangers of exposure to burn pits in Iraq and Afghanistan cannot be understated. Noxious fumes and smoke included medical and human waste, jet fuel, chemicals, metal, munitions and unexploded ordnance, petroleum and lubricant products, plastics and more. Some 3.5 million post-9/11 veterans were exposed and face adverse health conditions that can be deadly. The PACT Act also provides relief and recognition for veterans exposed to atomic radiation, Agent Orange in previously unrecognized regions, contamination at the former Soviet air base known as K2 and more.

The American Legion led veterans nationwide in 2022 to obtain bipartisan agreement and passage of the act, which aims to streamline access to health-care benefits and disability compensation for exposed and sickened veterans who have waited years for relief.

legion.org/veteranshealthcare



"I struggle to think of a single person I deployed with who may not have been exposed, at some point, to toxins While it was our decision to raise our hands and fight our nation's wars for those who cannot or will not, what we didn't know was that our long-lasting health issues might not even begin to show during our time in service."

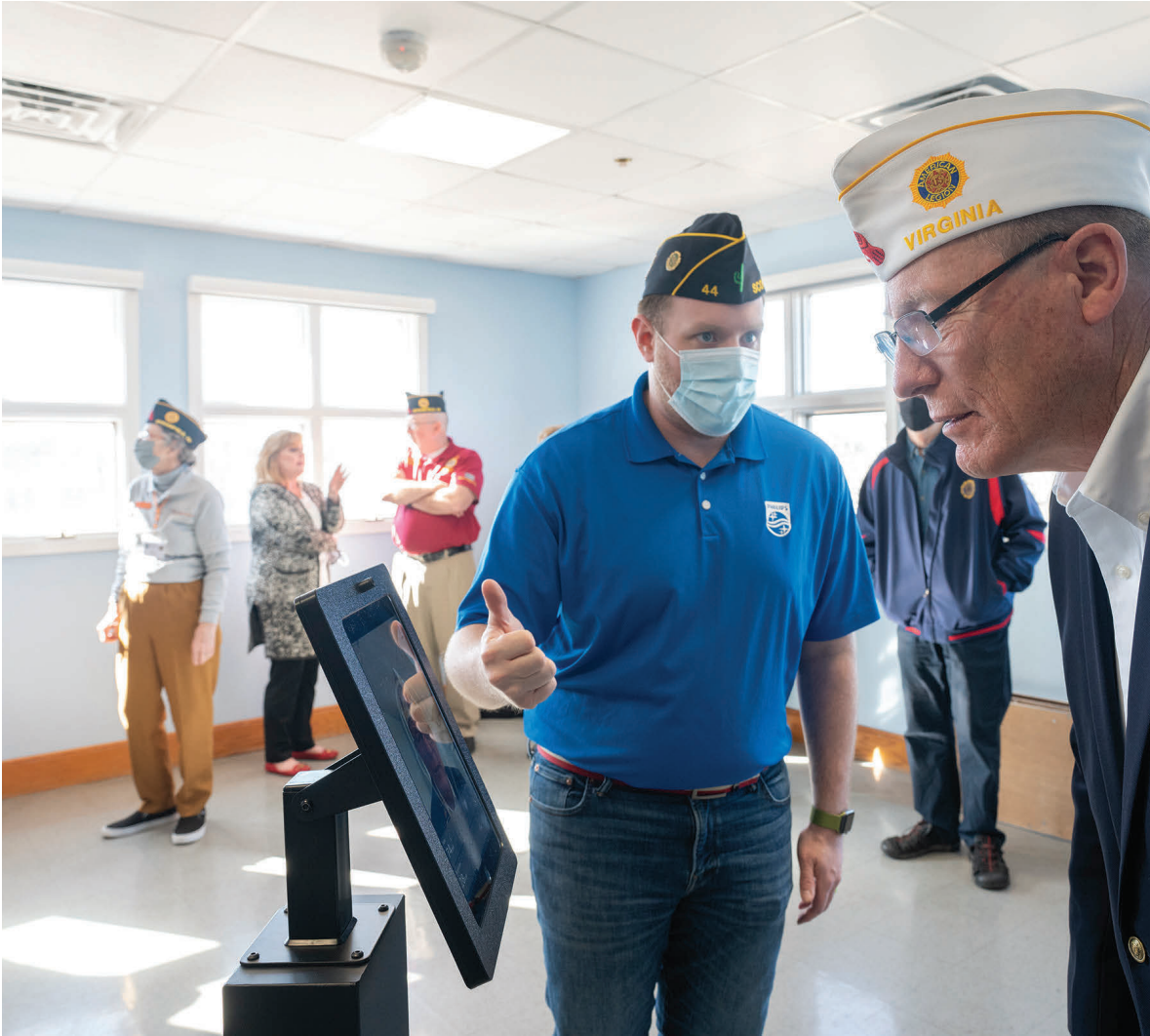
American Legion Veterans Affairs & Rehabilitation Division Director Katie Purswell, in a March 2 press conference at the Capitol urging Congress to advance the PACT Act



National Guard veteran Jill Gautreau is among thousands who experienced health issues related to toxic exposure during her deployment to Karshi-Khanabad “K2” Air Base in eastern Uzbekistan. She receives IVIG infusions, a form of “maintenance therapy,” at her home. Photo by Aram Boghosian

3.5 million

U.S. servicemembers estimated to have been exposed to burn pits since 9/11



\$15 million

Amount in funding authorized by legislation signed into law by President Biden on Nov. 30 to improve maternity care by VA, a top legislative priority of the American Legion Legislative and Veterans Affairs & Rehabilitation commissions in recent years

4.4 million

Online telehealth appointments conducted by VA through August 2021 - more than double the 2020 number - according to VA Secretary Denis McDonough, who spoke at the 102nd American Legion National Convention in Phoenix



VETERANS AFFAIRS

ON POINT IN WASHINGTON

The American Legion's Washington Headquarters was at the center of multiple major issues and interests of the organization throughout the year, including:

- Calling on Congress and VA to modernize health-care services for veterans, including the advancement of an electronic health records system that would begin at enlistment and last a lifetime, linking DoD and VA documentation of a veteran's medical history
- Continuing the call for improved and enhanced services for women veterans in VA health-care facilities, from maternity care to treatment for military sexual trauma (MST)
- Working with VA and Philips North America on Project ATLAS, which brings VA health-care access closer to veterans by combining the convenience of the retail clinic model with Philips telehealth technology and access to VA caregivers, in local American Legion posts

0

American Legion Board of Veterans Appeals claims 125 days or older by the first week of December 2021, effectively zeroing out a backlog of some 4,800 "legacy cases" that existed at the beginning of the year. The Legion appeals unit was able to attain for appellants some \$47 million in VA award grants during the year.

LEFT: American Legion Department of Virginia Commander Bill Feasenmyer, right, tests out some new technology with the help of Philips' Matthew Shuman at the Project ATLAS facility inside Post 176 in Springfield, Va.

Photo by Melissa Lyttle

American Legion Executive Director Chanin Nuntavong joins members of Congress during a press conference at the U.S. Capitol in Washington, D.C., on Nov. 3, 2021. The American Legion joined others in an effort to get language on the Global War on Terrorism Memorial Location Act included in the Senate version of the National Defense Authorization Act. Photo by Jason Andrew



“Our servicemembers, veterans and their families should not have to worry about finding a suitable home, whether they are changing duty stations, transitioning from the military or simply buying a new home.”

American Legion Veterans Employment & Education Division Director Joseph Sharpe, in December testimony before Congress that revealed dramatic declines in acceptance of VA home loans in 2021, as prices climbed, inventory was scarce and sellers were fielding cash offers that exceeded their asking prices

LEGISLATIVE

GLOBAL WAR ON TERRORISM MEMORIAL

At the end of 2021, President Joe Biden signed the Global War on Terrorism Memorial Location Act into law as part of the National Defense Authorization Act. This ensures the memorial will be constructed in a place of prominence on the National Mall in Washington, D.C., where monuments honoring veterans of World War II, Korea and Vietnam are located to serve as permanent memorials to the sacrifices veterans and their families have made for freedom.

legion.org/legislative



As of early June 2022, Legionnaires had sent a record 20,000 messages to Congress using the VoterVoice system. VoterVoice allows The American Legion to contact every member of Congress on large, national campaigns supporting the Legion's legislative priorities. Nearly 35,000 Legionnaires and supporters are registered to receive Legislative Action Alerts, and 14,555 have actively contacted their members of Congress. Users can sign up to receive these alerts at votervoicenet.com/americanlegion/campaigns.

Key to raising grassroots awareness is the National Legislative Council (NLC). The NLC comprises 535 members, one for each member of Congress. Each council member is tasked with serving as a liaison, and with disseminating Legislative Action Alerts to their local posts.

Also contributing to the Legion's grassroots engagement was 2021-2022 National Commander Paul E. Dillard, who embarked on a multistate tour to raise awareness of the Legion's campaign to pass comprehensive relief to veterans sickened by toxic exposure. The departments of Alaska, North Carolina and Maine followed suit by sending letters to their senators listing all their states' posts.



THE FUTURE OF VIRTUAL LEARNING

In September 2021, The American Legion issued a grant-supported report that recommends VA and the Department of Education clear up definitions, rules and outdated references for GI Bill-using veterans and military-affiliated students enrolled in online programs. Virtual learning had been arcing upward even before the COVID-19 pandemic, and it is estimated that more than 4 million U.S. college students are taking courses online. “Opening Doors Online: Access, Accountability and Excellence in Veteran Distance Learning” recommends rewriting outdated rules and definitions of “independent study” to allow students to use their benefits for online courses and blended programs.



EMPLOYMENT & EDUCATION

Among the initiatives of The American Legion's Veterans Employment & Education Commission is the drive to increase veteran entrepreneurship, primarily by protecting and expanding government contracting opportunities. Recent data shows that more than 1.8 million veteran-owned small businesses contribute to over \$1.2 trillion each year in total business sales, but those numbers are trending downward.

The Legion also continues to participate in virtual career fairs to help ensure veterans and transitioning servicemembers find employment opportunities despite pandemic-influenced restrictions.

The American Legion remains committed to addressing the issue of veteran homelessness, working with VA and other organizations to find solutions. Among those avenues is advocacy for the HUD-VASH program, which combines rental assistance via HUD with case management and clinical service provided by VA.

Then-Texas Membership & Post Activities Chairman Bret Watson talks to veterans during a Mega Career Fair at Fort Hood in Killeen, Texas. Photo by Ben Mikesell

4,625

Veterans placed in jobs through American Legion local assistance last year

1,117

American Legion posts that participated in veteran career fairs in 2021

869

Employers who participated in virtual and in-person career fairs with the Department of Texas in 2021, engaging approximately 2,150 job seekers

IMMIGRATION

REFORM



Photo by Whitney Curtis

45%

Estimated percentage of unauthorized immigrants in the United States who arrived legally but overstayed their visas

Given their time in the U.S. military, Legionnaires have a unique perspective on the threat open borders present, a basis for The American Legion's stance on illegal immigration. The Legion opposes illegal immigration and amnesty for unauthorized immigrants, but fully supports opportunities for legal immigration.

In May 2022, the Legion's National Executive Committee passed a resolution clarifying and updating the organization's policy on immigration, border control, detention and the route to naturalized U.S. citizenship. Resolution 23 urges the federal government to reform and modernize the nation's immigration system to reflect changes in global migration patterns and the demographics of those coming to U.S. borders, and to enhance border security and visa procedures to help reduce and discourage illegal immigration.

The resolution also calls for streamlined legal-immigration processing, reforms to the asylum system, adherence to laws on detention and due process for illegal border crossers, and strengthening of immigration reform agreements with transit countries to discourage the flow of unauthorized immigrants.

The Legion fully supports law enforcement in its mission to enforce current immigration laws as written. The resolution is excerpted here.

WHEREAS ...

The American Legion's Preamble to our Constitution states: "We associate ourselves together for the following purposes ... to maintain law and order ... to promote peace and goodwill on earth ... to safeguard and transmit to posterity the principles of justice, freedom and democracy ..."

Members of The American Legion, having been exposed to the effects of poverty and oppression through military service, have a special understanding of the challenges many people of the world have, and we have a special concern for freedom ...

The American Legion believes in legal immigration into the United States and a path toward becoming a United States citizen ...

The Department of Homeland Security, Office of Audits stated that each year more than one million individuals attempt to enter the United States without proper authorization or enter legally and then violate the provisions of their visas ...

now, therefore, be it,

RESOLVED ...

By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on May 4-5, 2022, That The American Legion urges the United States government to adopt immigration reform policy that emphasizes border security, focusing on funding for barriers where needed, fielding of advanced technologies, and fully manning the border ...

That The American Legion urges the United States government to enact laws that improve visa security through thorough vetting of applicants; reducing visa overstays; ending visa programs that are vulnerable to exploitation by bad actors ...

That The American Legion urges the United States government to streamline the legal immigration application process so as to help reduce and discourage illegal immigration ...

That The American Legion urges the United States government to reform the asylum system and adhere to laws requiring detention and expedited due process and/or removal of illegal border crossers ...

That The American Legion urges the United States government to strengthen immigration reform agreements with transit countries to discourage the flow of immigrants that attempt to enter the United States illegally ...

11.4 million

Approximate number of
unauthorized immigrants
living in the United States
today

UKRAINE

THE WAR AND ITS AFTERMATH

After Russia's February invasion of Ukraine, The American Legion's National Executive Committee passed an emergency resolution addressing the situation.

"The American Legion was founded after World War I ravaged Europe," National Commander Paul E. Dillard stated at the time. "We are extremely concerned about the horrific consequences that occur during war. There is absolutely no justification for Russia's aggression. Our resolution calls for peace in Ukraine and, in conjunction with NATO and the Russian Federation, supports a European security architecture which considers the national security interests of all parties ... We agree with the White House's decision to not send troops to Ukraine, as we continue to support a strong national defense and a strategy of vigilance."

Legionnaires and local posts donated money to the Ukrainian cause. Members were also asked to share their memories or connections to Ukraine. James Etter, a Marine Corps veteran and member of American Legion Post 177 in Fairfax, Va., launched the Ukrainian Refugee Online Academy, providing free learning opportunities to high school-aged refugees.

\$6,000

Funds donated in March from American Legion Post 962 in Locust Valley, N.Y., and Auxiliary Unit 962 to the Ukrainian Congress Committee of America, to provide military gear and field-grade dressings to support fighters in the war against Russia



Ukrainian servicemembers ride on an armored transport through a Russian position overrun by Ukrainian forces outside Kyiv on March 31, 2022. AP



"I lived in Vinnytsia, Ukraine, from 2011 until an evacuation in 2014 as a Peace Corps volunteer. I have traveled back to see friends but am concerned about my friends packing bags to go to Moldova or Poland. When I evacuated in February 2014 we went through Moldova. The beautiful people of Ukraine deserve peace."

Michael Dixon, American Legion Post 194, St. Augustine, Fla.



\$203,240

Total of 102 National Emergency Fund grants issued by The American Legion in 2021 to American Legion posts, Legionnaires and Sons of The American Legion members

\$246,184

Mission Blue Post Assistance Program grants distributed to 165 American Legion posts and 32 departments through March 2022 to provide economic relief from the effects of the COVID-19 pandemic. Over \$613,000 was disbursed in 2021.

"It's what we do: we strengthen America. We help our brothers and sisters, and we help the community in general."

American Legion Department of Indiana Commander Mark Gullion, after a \$10,000 donation helped Elberfeld, Ind., Post 351 fill two semi trailers with relief items - including locally contributed food, clothing, diapers, generators, chainsaws, tools and more - and transport them to a distribution drop-off point to help communities in Kentucky devastated by the December 2021 tornado outbreak

LEFT: The Department of Indiana delivers relief items to the Department of Louisiana in Baton Rouge on Sept. 13, 2021. Photo by Josh Marshall

RIGHT: Post 26 Commander Wendell Gugu surveys tornado damage to the post's theater following the 2021 Kentucky outbreak. Photo by Henry Howard

DISASTER RELIEF

Disaster relief for Legionnaires and posts affected by Hurricane Camille in 1969 was the origin of The American Legion's National Emergency Fund (NEF). Twenty years later, the NEF became a permanent program after Hurricane Hugo barreled through the Carolinas and Puerto Rico. More than \$8 million in direct financial assistance has since been provided to American Legion and Sons of The American Legion members, as well as American Legion posts.

The NEF provides up to \$3,000 for active American Legion and Sons members who have been displaced due to damages to their primary residences, and up to \$10,000 for posts that have been damaged by natural disasters and whose programs and activities within the community are impacted.

When the COVID-19 pandemic presented a new set of challenges for American Legion posts, with many forced to close for months and go without any major revenue streams, the American Legion National Executive Committee authorized the creation of the Mission Blue Post Assistance Program. Posts in good standing with their respective departments received grants to be used exclusively to pay current or past-due rent, mortgage, utilities and insurance.

legion.org/nef



VETERANS STRENGTHENING AMERICA

The American Legion National Executive Committee passed a resolution in 2020 that adopted the term “Veterans Strengthening America” as the organization’s official motto. Along with that, the NEC established a statement of mission, vision and values.

The message and tools to share it are presented on a new national American Legion web hub at legion.org/vsa where the language of the resolution, videos, testimonial voices and key metrics are showcased to illuminate the ways in which members of the American Legion Family make the nation strong in good times and bad.

A VETERAN IS A VETERAN

The American Legion embraces all current and former members of the military and endeavors to help them transition into their communities.

SELFLESS SERVICE

The American Legion celebrates all who contribute to something larger than themselves and inspires others to serve and strengthen America.

AMERICAN VALUES AND PATRIOTISM

The American Legion advocates for upholding and defending the United States Constitution, equal justice and opportunity for everyone and discrimination against no one, youth education, responsible citizenship and honoring military service by observing and participating in patriotic and memorial events.

FAMILY AND COMMUNITY ENGAGEMENT

The American Legion meets the unique needs of local communities.

ADVANCING THE VISION

The American Legion educates, mentors and leads new generations of Americans.

HONORING THOSE WHO CAME BEFORE US

The American Legion pays perpetual respect for all past military sacrifices to ensure they are never forgotten by new generations.

legion.org/vsa

17,657

Specially trained American Legion members who provided VA Voluntary Services at their local facilities last year



“As ‘Veterans Strengthening America,’ we wanted to do something that would help our veteran community. With a lot of changes going on in the military ... the drawdown in Afghanistan, the rise in what we saw in psychological problems in our veterans. That, and the need for service dogs, led us to say, ‘Hey, let’s do an event that will help our veterans in that way.’”

Edgefield, S.C., American Legion Post 30 member Winston Boddie, who co-led the effort with former Post 30 Commander Suzy Spurgeon to organize a fundraiser for a nonprofit that trains rescue dogs to become service dogs for veterans

\$3,002,140

Emergency aid provided for veterans by American Legion posts in 2021, according to the latest Consolidated Post Report

75,959

Pints of blood donated last year by 50,735 American Legion members

ABOVE: Karla Gonzales, California 18th District second vice commander, serves an attendee at the first Tamale Festival at Post 139 in Alhambra, Calif., in December 2021.

Photo by Jeric Wilhelmsen

VETERANS & CHILDREN FOUNDATION



The American Legion Veterans & Children Foundation provides critical funding for two of the organization's highest priorities: disabled veterans and children in need.

The foundation, conceived in 1925 as the American Legion Endowment Fund, has provided tens of millions of dollars over the decades to help financially distressed military and veteran families with children at home, and to support trained and accredited American Legion service officers who represent disabled veterans and their families, free of charge, in complex applications for VA benefits and health care.

The nonprofit foundation was officially renamed in 2019 to better reflect those it serves. Along with the new name came a challenge to raise \$25 million, an amount that would sustain the foundation and keep it viable for the newest generation of veterans and their families.

National Headquarters has developed a web platform - legion.org/vcf - that includes downloadable promotional tools, and more information about the foundation and ways to help.

*"I was about to give up ...
I wouldn't have known where to go."*

Disabled Korean War Army veteran Willie Alvin Cousin, who received long-overdue and wrongly denied VA health care and compensation after his case was reopened and won by American Legion Department Service Officer K. Robert Lewis

1919 SOCIETY

The 1919 Society is a network of dedicated donors who believe in The American Legion's sacred commitment to veterans, military service, young people, good citizenship and values. The society is honored for its commitment to the American Legion Veterans & Children Foundation and recognized with special pins, medals and more, based on their levels of tax-deductible support.

The names of 1919 Society members are engraved on a permanent Wall of Honor on the executive-level floor of American Legion National Headquarters in Indianapolis.

The society is organized into four additional groups, each with its own distinctive array of recognition, in addition to the Wall of Honor:

- **Platinum Level** supporters receive a platinum medal with ribbon necklet, a 4-sapphire 1919 Society pin and special recognition during the national convention.
- **Gold Level** supporters receive a gold medal with ribbon necklet, a 3-sapphire pin and recognition at the national convention.
- **Silver Level** supporters receive a 2-sapphire lapel pin and recognition during the national convention.
- **Bronze Level** supporters receive a 1-sapphire lapel pin and recognition at the national convention.



3,000+

Trained and accredited American Legion service officers who provide free benefits and claims application services for veterans and their families

750,000

Approximate number of veterans receiving disability claims assistance at any time, free of charge, by Legion service officers

\$6 million

Approximate amount in American Legion Temporary Financial Assistance grants disbursed over the past decade alone

LEFT: Service officer Courtney Steffen assists Rodney Smith, a Vietnam War and Gulf War veteran. Photo by Greg Latza

100 MILES FOR HOPE

American Legion Department of California officers help kick off the third annual 100 Miles for Hope in Santa Maria with a mile walk. Department Adjutant Barbara Lombroso and Department Commander Autrey James lead the group. Photo by Jeric Wilhelmson



MILES AND MILES OF SUPPORT

At the start of the COVID-19 pandemic, the American Legion 100 Miles for Hope fitness/wellness challenge inspired members and others to get active while raising funds for the Veterans & Children Foundation. In two years, the campaign has attracted more than 8,000 participants who together raised over \$525,000. Just as important were the success stories of those who regained health, shed medications, reduced blood pressure and became more physically fit as a result of the challenge.

"It's helped me lose weight for sure, but it's more about the veterans who need help."

Harry Provan, a member of Post 273 in Madeira Beach, Fla. Among the top fundraisers during the 2021 campaign, the Air Force veteran walked, did strength training and met his goal of losing 50 pounds.



Legionnaire Mindy King and her sons participate in the 100 Miles for Hope challenge at the Fountain Creek Regional Park in Fountain, Colo.

Photo by Chet Strange

"The foundation helps families that are in situations where they need an extra hand. During this time of COVID, there are families that don't have the luxury of having grandparents nearby, especially our military families who could be stationed anywhere. When a family needs help, these funds are available through the American Legion Veterans & Children Foundation. That's what 100 Miles for Hope is all about."

American Legion Past National Commander Denise Rohan, who participated in the challenge with her husband, Mike, and their grandchildren

RALLY AROUND

“(One) of the easiest decisions in the years that I have been commander at our American Legion post was providing flags not only for the high school but the whole school district.”

Don DeKock,
commander of American Legion Post 89 in Pella, Iowa. The post provided 175 flags to the Pella Community School District - one for every classroom.

3,931
Flag Day ceremonies conducted by American Legion posts in 2021

Bob Pyer, first vice and past commander of local American Legion Post 46, lowers the flag to half-staff during a Memorial Day remembrance ceremony at Bayview Cemetery in Morehead City, N.C.

Photo by Katie Bailey



THE FLAG



The “Rally Around the Flag” campaign by The American Legion and the Citizens Flag Alliance was launched in March 2021 to promote patriotism, respect and pride for the U.S. flag. Together, the Americanism and Media & Communications divisions have been building awareness and providing education about why the U.S. flag matters. A portfolio of flag social media graphics is available on legion.org/flag/resources for downloading and sharing on Facebook, Instagram and Twitter; one set breaks down the U.S. Flag Code, and the other includes historical notes, fun facts and voices from history about Old Glory.

Additionally, people have been sharing what the flag means to them and how they are educating youth on flag etiquette. These stories are shared through submissions on Legiontown.org under the heading “Rally Around the Flag” and on social media with the hashtag [#rallyaroundtheflag](https://twitter.com/rallyaroundtheflag).

“Americanism is inherent in all the Legion does, and I can think of no better starting point than with Old Glory. Entrusting these children with the task of raising, lowering and folding our national colors properly leads them to assume personal responsibility and take pride in their role. They not only see it but touch it. Our sessions introduce them to the sanctity of our national colors.”

Michael Thomas, honor guard captain for Post 166 in Goose Creek, S.C., which educates youth at a nearby elementary school on flag etiquette



YOUTH PROGRAMS

RESPONSIBLE CITIZENSHIP

Following the cancellation of Americanism youth programs in 2020 due to the COVID-19 pandemic, all national programs except the Oratorical Contest were held in 2021, with great success. The summer started with over 50,500 youth from 2,975 teams playing American Legion Baseball. And it ended in Shelby, N.C., with 2019 Legion World Series champions the Idaho Falls, Idaho, Post 56 Bandits cinching the 2021 title as well - only the sixth back-to-back Legion World Series champs.

The 75th session of Boys Nation in Washington, D.C., welcomed 100 rising high school seniors who received an education on the structure and function of federal government. And 686 athletes entered the 2020-2021 postal round competition of the Legion's Junior Shooting Sports National Tournament; the top 30 competed in Colorado Springs, Colo., and a winner was named in the Precision and Sporter categories.

The national Oratorical Contest returned to Indianapolis in April 2022. During this timeframe, The American Legion also created a video about its youth programs and the one common denominator they all have: responsible citizenship. The video highlights why those who served in the U.S. military and continue their service through membership in the Legion have a stake in the youth programs that develop future leaders.



"It's a really rewarding feeling to have this three-position match as my last goodbye. I'm super grateful to The American Legion for putting on such a great one. It's truly an honor to have shot here (in Colorado Springs)."

2021 American Legion Junior 3-Position Air Rifle National Precision champion Natalie Perrin of Grand Rapids, Mich. Perrin is now shooting for the West Virginia University air rifle team.



"We've elected a president and vice president from opposing parties in a show of true bipartisanship, and I would even venture to say that this will be the Boys Nation session that our future senators will look at and say, 'If only it could be like this.'"

2021 American Legion Boys Nation President Ryan Jung, of California

LEFT: American Legion Precision national champion Natalie Perrin shoots in the finals on July 24, 2021.

Photo by Aram Boghosian

ABOVE: Ryan Jung of California is elected 2021 president of American Legion Boys Nation on July 27, 2021.

Photo by Ben Mikesell

BELOW: Emma Noble wins the 2022 American Legion National Oratorical Contest in April.

Photo by AJ Mast

\$482,622

Amount in academic scholarships awarded by the national American Legion in 2021, to 63 youth

\$203,500

Amount in scholarships awarded to competitors in the 83rd American Legion National Oratorical Contest, held in Indianapolis in April. Taking first place and a \$25,000 scholarship was Emma Noble of Birmingham, Ala., sponsored by Post 555 in Pelham.



BASEBALL

BACK-TO-BACK LEGION WORLD SERIES CHAMPIONS

The American Legion Baseball season resumed in 2021 after being canceled in 2020, with 2,975 teams representing 49 departments.

Idaho Falls, Idaho, Post 56 became the sixth team in history to win consecutive American Legion World Series (ALWS) titles. The 2019 champions defeated Honolulu 6-1 in the 2021 championship game.

Veterans Field at Keeter Stadium in Shelby, N.C., the permanent home of the American Legion World Series, is being upgraded ahead of the 2022 ALWS with extended canopies over the seats down each baseline and new LED stadium lights. This year's stadium upgrades follow improvements made over the past two years, which include laser-grading of the field, new Bermuda sod for the field and bullpen, an improved irrigation and underground drainage system, a new outfield fence and more.

The American Legion awards between \$22,000 and \$25,000 in scholarships to deserving Legion Baseball players each year.

The 2021 American Legion World Series champions, Idaho Falls Post 56, celebrate their win. ©Tracy Stilwell / Victorian

Rose Studio



\$2.2 million

North Carolina Department of Commerce grant funding used to make multiple improvements to Keeter Stadium. The tournament's economic impact is calculated at over \$8.5 million locally and \$16 million regionally.

2,962,655

National television audience for the 2021 American Legion Baseball World Series on ESPN, to go along with more than 1.3 million in local TV viewership



"At the beginning of the year, I don't think anybody would've expected us to be here. We just weren't finding our groove. But we found it at state and kept rolling. After a practice about three-fourths of the way through the season, we just talked. After that, it just clicked for us."

Nate Rose, Idaho Falls Bandits pitcher and 2021 George W. Rulon American Legion Baseball Player of the Year

SCHOLARSHIPS



"Veterans have already done so much for our country. The fact they're even providing for me further into college is amazing because I feel they've done enough for me, but they've continued to want to serve people."

Nate Smith, a 2021 American Legion Legacy Scholarship recipient attending Virginia Tech

Nate Smith's father, Shaun, is a Navy veteran and member of Post 35 in Chandler, Ariz. The Legion's Legacy Scholarship is helping Nate pursue higher education. Photo by Swikar Patel

\$705,937

Amount in 2022
Legacy Scholarships,
awarded to 71
students

INVESTING IN AMERICA'S FUTURE

Scholarships for post-high school education have long been an avenue for The American Legion to support the nation's youth, particularly the children of servicemembers and veterans.

American Legion Legacy Scholarships provide college funding to children of post-9/11 personnel who died on active duty, or those who have a combined VA disability rating of 50% or greater. Since the first grant in 2004, more than 500 military children of the fallen and disabled have received over \$3.5 million in aid for higher learning.

Samsung American Legion Scholarships are funded via a 1996 endowment by the global electronics leader. Based in Seoul, the company wanted to show its appreciation for U.S. veterans who came to Korea's aid during its struggle against communist forces in the Korean War. More than \$6.5 million in college scholarships have been awarded to more than 2,260 American Legion Boys State or American Legion Auxiliary Girls State alumni who are direct descendants or legally adopted children of wartime veterans eligible for Legion membership.

National American Legion youth programs, among them the Eagle Scout of the Year Award and the 3-Position Junior Air Rifle Championships, also present scholarships.

legion.org/scholarships

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Scholarships presented by ANAVICUS (Army, Navy and Air Force Veterans in Canada United States), made up of American Legion past national commanders and other distinguished members. Each scholarship is named for an ANAVICUS member.

"My participation in Boys State this past summer was one of the most impactful events of my life.

I appreciate all you do, and I am proud to continue to be a part of your programming during my senior year in high school. This scholarship will make a big difference when I enroll in college next year."

Benjamin Lerner, a 2021 Samsung American Legion Scholarship recipient from Michigan

HONOR & REMEMBRANCE

Sophie Pfaff, 18, joins other Hillsdale College students in placing miniature U.S. flags for every victim of 9/11 during a ceremony hosted by members of American Legion Post 53 in Hillsdale, Mich., to commemorate the 20th anniversary of 9/11 on Sept. 11, 2021. Photo by Chad Ryan



“Lying in the cemeteries throughout the nation are men and women who gave their lives so that we could have the freedoms that we have today ... We have the right to succeed, and we have the right to fail at whatever endeavor we pursue.”

Richard Swing, adjutant of Post 527 in Cissna, Ill., during a Wreaths Across America ceremony in December 2021



A PLEDGE TO REMEMBER

Stated in the American Legion Preamble is the organization's pledge "to preserve the memories and incidents of our associations in all wars." Legionnaires have long reminded the nation of the price of democracy. That continued into 2021 and 2022; in the former, American Legion posts either coordinated or participated in 6,395 Memorial Day ceremonies and 6,404 Veterans Day events.

In late March 2022, Legion posts staged National Vietnam War Veterans Day celebrations to welcome home those veterans who didn't receive the homecoming they deserved. Post 113 in Elizabethtown, Ky., again put on a large event, honoring more than 50 Vietnam War veterans during its drive-thru celebration. Veterans drove to the post, where they were handed a Vietnam War medallion, coin and goodie bag.

Legionnaires' commitment to remembrance isn't limited to national holidays or commemorations. In New Bern, N.C., Whitehurst-Ware Post 539 took on the responsibility not only of cleaning the headstones at a cemetery where dozens of Black veterans were buried, but to work with members of the community to learn more about those veterans. Their discoveries were shared during a Black History Month event in February.

These are just some of the ways the American Legion Family honors and remembers those who have served.

2,000

Participants who took part in the 2021 Petaluma Veterans Day Parade in California. The parade is organized by the Petaluma Post 28 American Legion Family.

7,200+

Wreaths placed on veterans' graves at Central Wisconsin Veterans Memorial Cemetery in King in 2021. For the fourth straight year, Wisconsin's District 8 Legion Riders led the effort to provide a wreath for every grave for Wreaths Across America.

THE AMERICAN LEGION FAMILY



*Assistant road captain Roger Norfolk leads C flight
as the Legacy Run leaves Ruidoso, N.M.,
on State Highway 37 on Aug. 25, 2021.*

Photo by Ben Mikesell

\$1.1 million

Amount presented by American Legion Riders onstage at the 102nd National Convention in Phoenix in 2021, in support of the American Legion Legacy Scholarship Fund. More than \$400,000 came in through the 16th Legacy Run, a multi-state group ride. The fund provides college money for the children of military personnel who have died on active duty or became over 50% disabled since Sept. 11, 2001.

Since 1988, Sons of The American Legion has been the largest donor to the Legion's Child Welfare Foundation. In April 2022, the group's total donations to the foundation topped \$9 million.

Sons of The American Legion exists to honor the service and sacrifice of Legionnaires. Sons members include males of all ages whose parents or grandparents served in the U.S. military and were eligible for American Legion membership. This year marks the program's 90th anniversary, and the Sons celebrate their 50th National Convention in August.

The American Legion Auxiliary, founded in 1919, is made up of male and female spouses, grandmothers, mothers, sisters, and direct and adopted female descendants of members of The American Legion.

The American Legion Riders is a motorcycle association composed of members of the Legion, Sons and Auxiliary. It has grown from a single Michigan post in 1993 to more than 110,000 Riders in over 2,000 chapters in every domestic department and at least three foreign countries.

"Since Aug. 20, 2021, more than 200 aircraft and 35,000 Afghan evacuees have arrived in the Kaiserslautern Military Community, home to Kaiserslautern American Legion Post GR01. These evacuees were sheltered, fed and cared for by volunteers in the surrounding community ... Legionnaires came from as far away as Frankfurt, and Kitzingen in the Bavarian area of Germany."

Michael P. Young, American Legion Department of France Family Support Network chairman, on efforts by the Legion Family in Europe to assist thousands of U.S.-allied Afghan refugees who fled after the Taliban takeover in August 2021

MEMBERSHIP

LEGION MEMBERSHIP MATTERS

American Legion Post 302 in St. Louis was re-chartered in 2019 and hit 234% membership growth in 2021. “The biggest thing is I talked to veterans all over, especially ones who are younger, and (asked them), ‘What do you want in a veterans group?’” said Edward Ucinski III, post member and founder. “You’d hear the same stories: ‘We actually want to go out and do things that young veterans want to do.’”

Post 302, now named for Edward III’s grandfather, Edward F. Ucinski Sr., has a membership ranging from Vietnam War to post-9/11 veterans, with all ages in between. Edward III said the goal is to create a feeling of inclusion.

“I want to invite everyone who wants to be a part (of the post),” he said. “Be positive and friendly toward people, and get them to come in. You have to welcome in the next generation. Otherwise, you’re going to have to close your doors one day.”

Another key factor to membership growth is engagement. One of the many ways Post 145 in Peoria, Ariz., communicates to its members about post activities, membership meetings, membership renewal and other general news is through text messaging. “Why use it? Text messaging has a 98% open rate,” said Bobbie Kimelton, a Post 145 member and Arizona District 11 commander. “If you send an email, the open rate for emails is less than 20%.”



“What I found is that when I came (to the post), it kind of served as that little safe space ... to talk to people about how they transitioned. What I have realized is that camaraderie is really important, in that safe space where you can share stories and vent and talk about things. I think we need to grow to adapt to the younger generation and start going away from just being a bar.”

Justin Mills, 34, an Army veteran with deployments to Iraq and Kuwait, and commander of Post 1 in Anchorage



New York Legionnaires gather for an event at Post 336 in Glen Head, N.Y., on April 23, 2022.

Photo by George Etheredge

"The veterans are out there. Remember, there are no boundaries for membership. It's all about telling the good things that we do in our post."

Daniel Benes, a member of Post 371 in Valparaiso, Neb., and a 2021 National Legion College graduate

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Days of a Facebook membership renewal campaign conducted by Samuel Johnson, 1st District commander for the American Legion Department of Iowa, who took metrics from the monthly national Membership Impact Report to highlight the good of the Legion in Iowa and nationwide

EMBLEM SALES



32%

Increase in American Legion U.S. flag sales in the first quarter of 2022, compared to the previous high quarterly sales in 2019. Emblem Sales had record sales of American-made flags in the first quarter of 2022.

AN AMERICAN SOURCE FOR AMERICAN FLAGS

U.S. flags sold by American Legion Emblem Sales are always made in America. This makes them especially appealing to Legionnaires, who are known for purchasing flags for their homes, posts, local schools and communities at large. Buying through Emblem Sales helps support American Legion programs for veterans, their families and youth. Introduced in 2011, the Flag Rewards program currently boasts more than 2,260 enrolled posts and allows them to earn a 10-percent credit for each dollar spent on U.S. flag purchases. Qualifying purchases also include those by a post's members, friends, neighbors, local schools and businesses that sponsor the post.

"We want to get out into our schools and let them know, 'Hey, this is what The American Legion is. This is what they do. These are the programs they offer.'"

Chad Carroll, a member of American Legion Post 205 in Pinson, Ala., on the post's efforts to provide flags for new classrooms in nearby Trussville

A NEW ERA OF AMERICAN LEGION IDENTITY

In 2021, a new American Legion brand mark was introduced to modernize the organization's marketing image. Emblem Sales quickly released apparel and accessories with the new logo, alongside the 1919-patented official emblem. "We launched this vivid new design on the American Legion-sponsored 48 car during the 2021 NTT INDYCAR Racing Series, and millions of fans got to see it every race," American Legion Chief Marketing Officer Dean Kessel said. "It's clear, sharp and effective, even at 225 mph."

emblem.legion.org





INDEPENDENT AUDITOR'S REPORT

Members of the National Finance Commission
The American Legion National Headquarters
Indianapolis, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of The American Legion National Headquarters ("Legion"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Legion as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Legion and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Legion's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Legion's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Legion's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Crowe LLP

Indianapolis, Indiana
July 5, 2022

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 3,222,988	\$ 2,357,289
Accounts receivable	5,427,680	4,458,259
Interest receivable	912,364	1,029,840
Prepaid expenses and deposits	3,329,898	3,566,909
Deferred membership expense	3,944,234	3,675,147
Inventory	3,186,910	3,847,011
Investment in affiliate (CFA)	<u>42,794</u>	<u>42,097</u>
	20,066,868	18,976,552
Investments		
General	27,956,201	32,042,798
Segregated for Restricted and Reserved Funds	40,226,047	39,527,477
Paid-Up-For-Life Membership fund	28,880,686	26,327,303
Samsung scholarship fund	7,557,844	7,894,494
Building funds	8,276,568	8,004,132
Sept. 11 Memorial scholarship fund	17,608,335	16,701,655
Special account – Endowment Fund	2,086,596	2,181,347
General account – Endowment Fund	12,839,954	9,997,425
National Emergency Fund	6,829,609	7,374,556
American Legion Charities	5,666,741	5,627,624
Other	<u>4,548,286</u>	<u>4,611,388</u>
	162,476,867	160,290,199
Property, plant and equipment, net	<u>5,545,580</u>	<u>4,599,235</u>
	<u>\$ 188,089,315</u>	<u>\$ 183,865,986</u>
LIABILITIES		
Accounts payable	\$ 4,627,024	\$ 1,324,285
Scholarships payable	1,971,760	717,297
Deposits on emblem merchandise sales	617,497	487,635
Deferred income	1,289,797	1,848,229
Deferred dues income	22,512,681	23,838,285
Deferred income – direct membership solicitation	2,803,706	3,282,655
Accrued vacation benefits	842,333	829,099
Accrued pension expense	18,999,412	24,539,006
Other liabilities	212,159	1,991,018
Notes payable	-	3,824,000
Deferred dues income – Paid-Up-For-Life membership	23,294,215	24,482,851
Life memberships due to state and local posts	<u>26,575,652</u>	<u>27,853,299</u>
	103,746,236	115,017,659
NET ASSETS		
Without donor restriction	31,119,272	19,388,183
With donor restriction	<u>53,223,807</u>	<u>49,460,144</u>
Total net assets	<u>84,343,079</u>	<u>68,848,327</u>
	<u>\$ 188,089,315</u>	<u>\$ 183,865,986</u>

See accompanying notes to consolidated financial statements.

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended December 31, 2021

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
Revenue, gains and other support			
National member dues	\$ 27,407,718	\$ -	\$ 27,407,718
Direct membership solicitations	5,596,968	-	5,596,968
Member service fees income	496,828	-	496,828
Affinity income	4,000,000	-	4,000,000
Sales of emblem items	12,247,254	-	12,247,254
Advertising	7,024,231	-	7,024,231
Contributions	19,914,839	5,936,506	25,851,345
Label and printing fees	213,045	-	213,045
Interest and dividends, net of fees	1,471,532	1,109,657	2,581,189
Net realized gains - investments	168,749	125,780	294,529
Other	<u>5,272,025</u>	<u>-</u>	<u>5,272,025</u>
	83,813,189	7,171,943	90,985,132
Net assets released from restriction	<u>2,334,665</u>	<u>(2,334,665)</u>	<u>-</u>
Total revenues, gains, and other support	<u>86,147,854</u>	<u>4,837,278</u>	<u>90,985,132</u>
Expenses			
Salaries	15,313,002	-	15,313,002
Employee benefits	5,482,466	-	5,482,466
Cost of sales – Legion	6,556,637	-	6,556,637
Department and magazine costs	1,221,645	-	1,221,645
Direct publications	9,299,355	-	9,299,355
Executive, staff and program travel	2,443,211	-	2,443,211
Commission and committee	954,309	-	954,309
Printing and postage	16,591,875	-	16,591,875
Scholarships, grants and awards	3,108,864	-	3,108,864
Office and other operating	18,115,264	-	18,115,264
Occupancy and usage	1,801,006	-	1,801,006
Special projects and programs	<u>4,130,849</u>	<u>-</u>	<u>4,130,849</u>
	<u>85,018,483</u>	<u>-</u>	<u>85,018,483</u>
Change in net assets from operations	1,129,371	4,837,278	5,966,649
Net unrealized loss – investments	(301,977)	(1,073,615)	(1,375,592)
Net change in PUFL	1,704,384	-	1,704,384
Amortization of pension loss	(2,698,665)	-	(2,698,665)
Pension-related changes other than net periodic pension cost	8,073,976	-	8,073,976
Gain on forgiveness of PPP loan payable	<u>3,824,000</u>	<u>-</u>	<u>3,824,000</u>
Change in net assets	11,731,089	3,763,663	15,494,752
Net assets, beginning of year	<u>19,388,183</u>	<u>49,460,144</u>	<u>68,848,327</u>
Net assets, end of year	<u>\$ 31,119,272</u>	<u>\$ 53,223,807</u>	<u>\$ 84,343,079</u>

See accompanying notes to consolidated financial statements.

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenue, gains and other support			
National member dues	\$ 28,411,650	\$ -	\$ 28,411,650
Direct membership solicitations	5,985,220	-	5,985,220
Member service fees income	389,317	-	389,317
Affinity income	4,000,000	-	4,000,000
Sales of emblem items	9,372,107	-	9,372,107
Advertising	6,913,995	-	6,913,995
Contributions	16,826,216	1,876,745	18,702,961
Label and printing fees	292,176	-	292,176
Interest and dividends, net of fees	1,724,952	1,222,686	2,947,638
Net realized gains (losses) - investments	112,431	(12,146)	100,285
Other	<u>2,353,911</u>	<u>5,292</u>	<u>2,359,203</u>
	76,381,975	3,092,577	79,474,552
Net assets released from restriction	<u>3,668,476</u>	<u>(3,668,476)</u>	-
Total revenues, gains, and other support	80,050,451	(575,899)	79,474,552
Expenses			
Salaries	15,142,083	-	15,142,083
Employee benefits	5,792,389	-	5,792,389
Cost of sales – Legion	5,210,529	-	5,210,529
Department and magazine costs	1,121,962	-	1,121,962
Direct publications	9,601,714	-	9,601,714
Executive, staff and program travel	518,865	-	518,865
Commission and committee	425,732	-	425,732
Printing and postage	14,827,089	-	14,827,089
Scholarships, grants and awards	1,918,996	-	1,918,996
Office and other operating	11,865,810	-	11,865,810
Occupancy and usage	2,209,718	-	2,209,718
Special projects and programs	<u>2,848,469</u>	<u>-</u>	<u>2,848,469</u>
	71,483,356	-	71,483,356
Change in net assets from operations	8,567,095	(575,899)	7,991,196
Net unrealized gain – investments	2,292,488	1,856,609	4,149,097
Net change in PUFL	959,270	-	959,270
Amortization of pension loss	(2,224,672)	-	(2,224,672)
Pension-related changes other than net periodic pension cost	<u>(1,192,424)</u>	<u>-</u>	<u>(1,192,424)</u>
Change in net assets	8,401,757	1,280,710	9,682,467
Net assets, beginning of year	<u>10,986,426</u>	<u>48,179,434</u>	<u>59,165,860</u>
Net assets, end of year	<u>\$ 19,388,183</u>	<u>\$ 49,460,144</u>	<u>\$ 68,848,327</u>

See accompanying notes to consolidated financial statements.

**THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2021 AND 2020**

	Program Services		Supporting Services			2021 Total
	Veterans Programs Services	Americanism and Children and Youth Activities	Management and General	Member Development	Fundraising	
2021						
Salaries	\$ 6,185,628	\$ 552,537	\$ 7,727,984	\$ 806,515	\$ 40,338	\$ 15,313,002
Employee benefits	652,109	56,464	4,688,710	82,223	2,960	5,482,466
Cost of sales - Legion Department and magazine costs	6,556,637	-	-	-	-	6,556,637
Direct publications	1,175,561	-	2,214	-	43,870	1,221,645
Executive, staff and program travel	9,299,355	-	-	-	-	9,299,355
Commission and committee	603,415	1,217,975	601,450	19,907	464	2,443,211
Printing and postage	651,671	56,704	231,192	14,742	-	954,309
Scholarships, grants, and awards	2,029,405	1,792	110,563	2,635,324	11,814,791	16,591,875
Office and other operating	2,025,277	912,009	-	171,578	-	3,108,864
Occupancy and usage	2,521,391	227,813	8,290,827	6,445,642	629,591	18,115,264
Special project programs	22,205	1,418	1,232,809	544,574	-	1,801,006
	<u>2,112,042</u>	<u>556,279</u>	<u>1,462,225</u>	<u>303</u>	<u>-</u>	<u>4,130,849</u>
Total	\$ 33,834,696	\$ 3,582,991	\$ 24,347,974	\$ 10,720,808	\$ 12,532,014	\$ 85,018,483

	Program Services		Supporting Services			2020 Total
	Veterans Programs Services	Americanism and Children and Youth Activities	Management and General	Member Development	Fundraising	
2020						
Salaries	\$ 6,400,098	\$ 533,307	\$ 7,360,577	\$ 848,101	\$ -	\$ 15,142,083
Employee benefits	657,568	54,967	4,993,365	86,489	-	5,792,389
Cost of sales - Legion Department and magazine costs	5,210,529	-	-	-	-	5,210,529
Direct publications	1,057,416	-	1,367	-	63,179	1,121,962
Executive, staff and program travel	9,601,714	-	-	-	-	9,601,714
Commission and committee	279,410	24,896	200,692	13,867	-	518,865
Printing and postage	344,403	4,384	75,592	1,353	-	425,732
Scholarships, grants, and awards	1,440,775	5,492	58,436	2,792,547	10,529,839	14,827,089
Office and other operating	962,284	772,212	217	184,283	-	1,918,996
Occupancy and usage	2,385,094	109,378	2,044,383	6,797,112	529,843	11,865,810
Special project programs	24,422	1,264	1,657,309	526,723	-	2,209,718
	<u>1,993,031</u>	<u>186,804</u>	<u>668,634</u>	<u>-</u>	<u>-</u>	<u>2,848,469</u>
Total	\$ 30,356,744	\$ 1,692,704	\$ 17,060,572	\$ 11,250,475	\$ 11,122,861	\$ 71,483,356

See accompanying notes to consolidated financial statements.

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 15,494,752	\$ 9,682,467
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	496,914	590,089
Realized gain on sale of investments	(294,529)	(100,285)
Unrealized (gain) loss on investments	1,375,592	(4,149,097)
Net change in Paid-Up-For-Life annuity	1,704,384	959,270
Amortization of pension loss	2,698,665	2,224,672
Pension-related changes other than net periodic pension cost	(8,073,976)	1,192,424
Paycheck Protection Program loan forgiveness	(3,824,000)	-
Contributions restricted for long-term purposes	(4,144,096)	(709,567)
Bad debt expense	(31,506)	-
Changes in assets and liabilities:		
Accounts receivable	(937,915)	2,665,318
Interest receivable	117,476	(21,075)
Prepaid expenses and deposits	237,011	(1,163,674)
Deferred membership expense	(269,087)	508,008
Inventories	660,101	(338,089)
Beneficial interest in trust	-	36,264
Accounts and scholarships payable	4,557,202	(4,325,789)
Deferred income	(6,403,790)	632,971
Accrued pension expense	(164,383)	412,110
Other accrued liabilities	(1,765,625)	694,286
Net cash from operating activities	<u>1,433,190</u>	<u>8,790,303</u>
Cash flows from investing activities		
Purchase of property and equipment	(1,436,912)	(1,353,874)
Loss on disposal of property and equipment	-	226,628
Purchase of investments	(114,231,869)	(93,285,016)
Sales and maturities of investments	110,957,891	81,353,000
Investments in affiliate (CFA)	(697)	(4,790)
Net cash from investing activities	<u>(4,711,587)</u>	<u>(13,064,052)</u>
Cash flows from financing activities		
Contributions restricted for long-term purposes	4,144,096	709,567
Paycheck Protection Program loan proceeds	-	3,824,000
Repayment on notes payable	-	(215,148)
Net cash from financing activities	<u>4,144,096</u>	<u>4,318,419</u>
Net increase in cash and cash equivalents	865,699	44,670
Cash and cash equivalents, beginning of year	<u>2,357,289</u>	<u>2,312,619</u>
Cash and cash equivalents, end of year	<u>\$ 3,222,988</u>	<u>\$ 2,357,289</u>
Supplemental cash flows information		
Interest paid	\$ -	\$ 30,786
Investment maturities	1,775,000	-
Forgiveness of PPP loan	3,824,000	-

See accompanying notes to consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: The American Legion National Headquarters (“Legion”) is a national veterans organization, which was declared to be a corporate body by an Act of the United States Congress on September 16, 1919.

According to the Original Act and Subsequent Amendments, the purpose of the Legion is “To uphold and defend the Constitution of the United States of America; to promote peace and goodwill among the peoples of the United States and all the nations of the earth; to preserve the memories and incidents of the two World Wars and the other great hostilities fought to uphold democracy; to cement the ties and comradeship born of service; and to consecrate the efforts of its members to mutual helpfulness and service to their country.”

Approximately 40% of the Legion’s income is derived from membership dues (including amounts allocated for magazine subscriptions). Contributions generate an additional 18 - 22% of revenue. Advertising for the American Legion Magazine derives approximately 10% of income. Another significant source of income is Emblem sales, which includes the sale of apparel, jewelry, and other items bearing the American Legion Emblem. Income is expended by the Legion on several different programs including The American Legion Magazine, Emblem sales, veterans’ assistance and rehabilitation, youth programs and others. The Legion’s youth programs include American Legion baseball, oratorical contests and Boys Nation.

Principles of Consolidation: The consolidated financial statements include the accounts of The American Legion National Headquarters, The American Legion Charities (“ALC”), The American Legion Endowment Fund Corporation (“ALEF”), and the National Emergency Fund (“NEF”) (collectively, “the Legion”). All material inter-organizational accounts and transactions have been eliminated in consolidation.

The American Legion Charities includes the consolidated balances and activities of the American Legion Charities Trust and the American Legion Charities, Inc. The ALC was established to solicit funds from the individuals, organizations and corporations and to disburse said funds as may be directed to various Legion programs and charities. The ALC also promotes the common good and general welfare of the people of the United States of America by raising money for the programs of the Legion and its departments and posts.

The American Legion Endowment Fund Corporation, a tax-exempt Indiana corporation, was created to provide permanent funding for the rehabilitation of American veterans and assistance to orphans of veterans.

The National Emergency Fund is a tax-exempt trust established to provide gifts and grants to relieve suffering and ameliorate financial hardship incurred by American Legion members, families and Posts.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates in Preparation of Financial Statements: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reported period. Actual results could differ from those estimates.

Financial Statement Presentation: The financial statements have been prepared in accordance with GAAP, which requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as without donor restriction and with donor restriction.

The following classes of net assets are maintained:

Net Assets Without Donor Restriction – The net asset without donor restriction class includes general assets and liabilities of the Legion, as well as assets and liabilities designated by the National Executive Committee, the governing body of the Legion. The net asset without donor restriction of the Legion may be used at the discretion of management to support the Legion’s purposes and operations. There are \$1,597,351 and \$1,496,506 of board designated net assets included in the net assets without donor restrictions as of December 31, 2021 and 2020, respectively. These funds have been designated by the American Legion Charities Board for quasi endowment.

Net Assets With Donor Restrictions – The net asset with donor restriction class includes assets of the Legion related to gifts with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. Unconditional promises to give that are due in future periods are classified as net asset with donor restriction. As the restrictions are met, the net assets are released from restrictions and included in net assets without donor restriction. Contributions for which the restrictions are met in the same period in which the contribution is received are also recorded as net assets with donor restrictions and released from restrictions. The net asset with donor restriction class also includes assets of the Legion for which the donor has stipulated that the contribution be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Cash and Cash Equivalents: Cash and cash equivalents include cash on hand and less than 90-day deposit balances with banks. The Legion maintains all of its cash deposits in banks and brokerage firms. This may result in a concentration of credit risk in the case of a severe regional financial failure. The maximum amount at risk is the excess of the deposit liabilities reported by the banks over the amounts that would have been covered by federal insurance. The Federal Deposit Insurance Corporation (“FDIC”) insures deposits up to \$250,000 per financial institution.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable and Allowance for Uncollectible Accounts:

The Legion bills members, posts, and departments for dues and bills agencies for advertising in the Legion magazine. Interest is not normally charged on receivables. Management establishes a reserve for losses on its accounts based on historic loss experience and current economic conditions. Losses are charged off to the reserve when management deems further collection efforts will not produce additional recoveries. Management estimated that no allowance was necessary for the years ended December 31, 2021 and 2020.

The Charities collects donations from members, posts, and departments. Losses are charged off to the reserve when management deems further collection efforts will not produce additional recoveries. Management estimated that no allowance was necessary for the years ended December 31, 2021 and 2020.

Inventory: Inventory consists of Emblem items held for sale, magazine paper and publication rights and is stated at the lower of cost or market using the first-in, first-out ("FIFO") method. Supplies which are not intended for sale are expensed when purchased.

Investments: Investments are carried at fair value. The fair values of investments are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Realized and unrealized gains and losses are reflected in the consolidated statements of activities. Premiums or discounts on investments are generally recognized at the time of disposal or maturity. Interest and dividends are shown net of fees on the statements of activities.

Property, Plant, and Equipment: Expenditures for property, plant, and equipment and items, which substantially increase the useful lives of existing assets and are greater than \$1,500 are capitalized at cost. The Legion records depreciation on the straight-line method at rates designated to depreciate the costs of assets over their estimated useful lives. Buildings are depreciated on the straight-line method using a 30-year life. All other capital assets are depreciated over lives ranging from three to seven years.

Impairment of Long-Lived Assets: In accordance with GAAP, the Legion reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended December 31, 2021 and 2020.

Collections: The Legion owns many collectible military related items and historical documents, which were not recorded as they were acquired. It is often impracticable to determine a value for collections and accordingly, the Legion has concluded that they need not be capitalized. Some of these items have been appraised for insurance purposes.

Support and Revenue: The Legion reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition: The Legion recognizes revenue either as performance obligations are materially satisfied, contracts expire or are invalidated, and/or as applicable terms warrant. This includes affinity income, sales of emblems, advertising and other revenue streams not specifically outlined in note 1.

Member Dues Income and Expense: Member Dues are recognized as income over the applicable membership period, which is on a calendar-year basis. In addition to other methods of obtaining new members, the Legion uses direct mail and other direct marketing approaches. The income generated from direct membership solicitation is recognized over the applicable membership period (calendar year). The direct-response expenses incurred in obtaining new members are deferred and recognized in the subsequent membership year.

Income Taxes: The Legion is exempt from federal income taxes under section 501(c)(19) of the U.S. Internal Revenue Code. ALC, ALEF and NEF are exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. None of the entities are considered to be a private foundation. The Legion is subject to income tax on unrelated business income. In 2021 and 2020, the Legion incurred no tax expense.

Current accounting standards require the Legion to disclose the amount of potential benefit or obligation to be realized as a result of an examination performed by a taxing authority. For the years ended December 31, 2021 and 2020, management has determined that the Legion does not have any tax positions that result in any uncertainties regarding the possible impact on the Legion's financial statements. The Legion does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Legion recognizes interest and/or penalties related to income tax matters in income tax expense. The Legion did not have any amounts accrued for interest and penalties at December 31, 2021 and 2020.

Fair Value of Financial Instruments: The carrying amount of all financial instruments of the Legion, which include cash and cash equivalents, accounts receivable, beneficial interest in trust, investments, accounts payable, and notes payable, approximate fair value.

Expense Allocation: Expenses have been classified as program services, management and general, member development and fund raising based on actual direct expenditures. Additionally, salary and employee benefits expenses are allocated among departments based upon estimates of the amount of time spent by Legion employees performing services for these departments.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2021, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2021. Management has performed their analysis through July 5, 2022, the date the financial statements were available to be issued.

December 31, 2021 and 2020

NOTE 2 – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In December 2019, a novel strain of coronavirus surfaced and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. As a result of the economic uncertainty stemming from the impact of the COVID-19 pandemic, in May 2020, the Legion received a Paycheck Protection Program (PPP) Loan for \$3,824,000 from the United States Small Business Administration (SBA). The Legion accounted for the PPP Loan as debt under ASC 470 and therefore, recognized the \$3,824,000 of revenue when the loan was forgiven in June 2021. Further disclosure of the loan is included within notes payable in note 7 of the financial statements.

NOTE 3 – COLLECTIONS

The Legion owns many collectible military related items and historical documents, which were not recorded as they were acquired. It is often impracticable to determine a value for collections and accordingly, the Legion has concluded that they need not be capitalized. These items have been appraised, or are in the process of being appraised for insurance purposes and are as follows:

	Appraisal date	(unaudited) Replacement value
World War I Posters	12/10/2015	\$ 492,204
World War II Posters	12/10/2015	469,039
Military Unit Histories	12/10/2015	112,410
Fine Art Collection	12/10/2015	980,000
Museum Collection	12/10/2015	120,475

NOTE 4 – INVESTMENT IN AFFILIATE

The Legion, in conjunction with approximately 120 other organizations, has created a nonprofit corporation known as The Citizens Flag Alliance, Inc. ("CFA") for the purpose of aiding in the campaign to secure a constitutional amendment empowering the Congress and the States to enact legislation to protect the Flag of the United States of America from physical desecration.

CFA recognized a change in net assets of \$697 and \$4,790 in 2021 and 2020, respectively. Accordingly, the Legion's investment in CFA has been changed by these amounts and corresponding adjustments have been reflected in unrestricted net assets for 2021 and 2020.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Legion's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

GAAP establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. GAAP describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of money markets and common stock are based on quoted prices in active markets (Level 1 inputs). The fair value of U.S. Government obligations, corporate bonds, and state and municipal bonds are based on quoted market prices of similar securities with similar due dates using the market approach (Level 2 inputs).

The fair value of beneficial interest in trust assets is determined using the income approach and is based on a valuation model that calculates the present value of estimated distributed income. The valuation model incorporates assumptions that market participants would use in estimating future distributed income. The Legion is able to compare the valuation model inputs and results to widely available published industry data for reasonableness; however, the Legion is unable to redeem the assets of the trust and only receives distributions (Level 3 inputs).

Assets and Liabilities Measured on a Recurring Basis: Assets and liabilities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at Dec. 31, 2021 using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Money market accounts	\$ 33,851,525	\$ -	\$ -
U.S. Government obligations		15,022,272	-
State and municipal bonds	-	46,768,542	-
Corporate bonds	-	38,922,956	-
Common Stock	27,911,572	-	-
	<u>\$ 61,763,097</u>	<u>\$ 100,713,770</u>	<u>\$ -</u>

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

(continued)

The tables below present a reconciliation and statement of activities classification of gains and losses for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2021 and 2020:

	Fair Value Measurements at Dec. 31, 2020 using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:			
Money market accounts	\$ 26,245,946	\$ -	\$ -
U.S. Government obligations		19,325,615	-
State and municipal bonds	-	66,198,886	-
Corporate bonds	-	47,994,252	-
Common Stock	525,500		
	<u>\$ 26,771,446</u>	<u>\$ 133,518,753</u>	<u>\$ -</u>

NOTE 6 – PROPERTY AND EQUIPMENT

The Legion's property and equipment, and the related accumulated depreciation at December 31, 2021 and 2020 are as follows:

	2021	2020
Washington, D.C., real estate		
Land	\$ 80,000	\$ 80,000
Building	5,765,411	5,692,323
Indianapolis real estate		
Land	389,264	389,264
Building	4,230,713	4,230,713
Furniture, fixtures and equipment		
National Headquarters, Indianapolis	7,823,580	7,013,456
Washington, D.C.	707,829	714,532
Construction in progress	769,563	1,924,939
	<u>19,766,360</u>	<u>20,045,227</u>
Less: accumulated depreciation	<u>(14,220,780)</u>	<u>(15,445,992)</u>
	<u>\$ 5,545,580</u>	<u>\$ 4,599,235</u>

Depreciation expense for the years ended, December 31, 2021, and 2020 was \$496,914 and \$590,089, respectively.

NOTE 7 – NOTES PAYABLE

In May 2020, The Legion obtained a Paycheck Protection Program (PPP) Loan under a program offered by the United States Small Business Administration (SBA) in the amount of \$3,824,000. The Legion accounted for the PPP loan as debt under ASC 470. The Legion received notice of formal forgiveness of the loan in June 2021 and recorded a gain on forgiveness of debt for the year ended December 31, 2021.

NOTE 8 – LEASES

The Legion has several non-cancelable operating leases, primarily for facilities, computer equipment, and copiers that expire at various dates through 2023. Rent expense under these leases for the years ended December 31, 2021, and 2020 was \$335,731 and \$349,105, respectively.

Minimum lease commitments are as follows:

2022	\$ 170,038
2023	38,568
2024	30,641
2025	7,389
	<u>\$ 246,636</u>

In addition, the Legion had a lease with the State of Indiana for rental of the National Headquarters building in Indianapolis, which expired on June 30, 2013. The Legion is operating on a month-to-month basis under the same terms as the original lease agreement. According to the terms of the lease, the Legion is required to maintain the interior of the building and provide adequate insurance on the building in lieu of lease payments. The cost of maintenance for 2021 and 2020 was \$756,400 and \$753,348, respectively. Insurance coverage is included in the Legion's general insurance policy.

NOTE 9 – PAID-UP-FOR-LIFE MEMBERSHIP FUND

The National Executive Committee approved the establishment of a life membership plan available to any member of a participating department. In accordance with the plan, the assets of the Paid-Up-For-Life ("PUFL") Membership Fund are included in without donor restriction, board designated net assets and segregated in a trust account from which funds equal to the annual dues of life members are withdrawn for current operations each year. The trust agreement provides that the Legion has the right to withdraw part or all of the assets of the trust account and to modify or terminate the trust agreement at its discretion.

Under the terms of the PUFL program, participating member's national, state and local dues are paid by the Legion for the remainder of the individual's life. Management has estimated and recognized a liability for the future payments to state and local Legion organizations. Likewise, management has deferred recognition of the national dues portion of the members' payment. Deferred PUFL dues are recognized in annual amounts equal to the national dues in effect each year. The liability and deferred revenue amounts are estimated by the Legion's actuaries using PUFL membership summaries and discount rates comparable to the Legion's recent investment performance.

NOTE 10 – RESTRICTED AND RESERVE DESIGNATED FUNDS

The restricted fund is designated for use by the National Finance Commission and National Executive Committee and reported as without donor restriction, board designated net assets. Earnings of the restricted fund, along with the principal, can be expended only upon recommendation of the National Finance Commission and a two-thirds affirmative vote of the

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 10 – RESTRICTED AND RESERVE DESIGNATED FUNDS

(continued)

National Executive Committee at two successive meetings. It is the policy of the Legion to transfer 10% of the prior year's defined net income from operations to the restricted fund. The Legion made no transfers to the restricted fund in 2021 and 2020. As of December 31, 2021 and 2020, the restricted fund had an investment balance of \$38,037,073 and \$37,247,800, respectively.

The reserve fund is also designated for use by the National Finance Commission and National Executive Committee and reported as without donor restriction, board designated net assets. However, earnings of the reserve fund may be used for the general operations of the Legion. The principal can be expended only by action of the Legion at its national convention, or by a two-thirds affirmative vote of the National Executive Committee in two successive meetings not less than 60 days apart. As of December 31, 2021 and 2020, the reserve fund had an investment balance of \$2,188,974 and \$2,279,677, respectively.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions have assets that are donor-restricted for specific purposes or have assets that represent donor-restricted gifts that have been invested and are to be maintained in perpetuity.

Income from the Samsung scholarship fund is to be used to fund undergraduate scholarships for descendants of Korean War veterans and other wars in which U.S. service men and service women participated. Income from the American Legion Endowment Fund is to be used to support the veteran affairs and rehabilitation and children and youth activities of the Legion.

At December 31, 2021 and 2020, net assets with donor restriction by specific purpose and in perpetuity are as follows:

	2021	2020
<i>With specific purpose</i>		
Overseas graves decoration fund	\$ 974,799	\$ 1,002,680
Samsung scholarship	2,099,786	2,428,886
American Legacy Fund	16,968,558	16,161,942
National Emergency Fund	7,209,654	7,514,002
Boy Scouts	467,899	467,899
Operation Comfort Warrior	3,821,756	3,921,651
John DeVore	362,390	364,508
Edwin J. Dentz VA Boy's State	683,438	710,152
Samsung American Legion Alumni Association	281,703	316,668
Others	223,966	546,515
Total with specific purpose	<u>33,093,949</u>	<u>33,434,903</u>
<i>In perpetuity</i>		
Samsung scholarship American Legion Endowment Fund	<u>5,000,000</u>	<u>5,000,000</u>
Total in perpetuity	<u>15,129,858</u>	<u>11,025,241</u>
Total assets with donor restriction	<u>\$ 53,223,807</u>	<u>\$ 49,460,144</u>

NOTE 12 – NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2021	2020
Purpose restrictions accomplished		
Overseas graves decoration	\$ 20,976	\$ 10,592
Scholarships and grants (including relief aid)	895,854	1,276,396
Veterans Affairs & Rehabilitation and Children & Youth programs	<u>1,417,835</u>	<u>2,381,488</u>
	<u>\$ 2,334,665</u>	<u>\$ 3,668,476</u>

NOTE 13 – ENDOWMENT COMPOSITION

The Legion's endowments include donor restricted endowment funds that are comprised of two separate funds, the American Legion Endowment Fund and the Samsung scholarship fund. In accordance with GAAP, net assets associated with endowment funds, including funds designated by the National Executive Committee to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The National Executive Committee has interpreted the State of Indiana's Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Legion classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) net accumulations to the permanent endowment made in accordance with the governing documents of the Legion. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Legion in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Legion considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Legion and the donor restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Legion
- (7) The investment policies of the Legion

NOTE 13 – ENDOWMENT COMPOSITION (continued)

Endowment net asset composition by type of fund as of December 31, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Donor restricted endowment funds	\$ 87,526	\$ 22,434,861	\$ 22,522,387
Total Funds	\$ 87,526	\$ 22,434,861	\$ 22,522,387

Endowment net asset composition by type of fund as of December 31, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Donor restricted endowment funds	\$ 122,078	\$ 18,387,512	\$ 18,509,590
Total Funds	\$ 122,078	\$ 18,387,512	\$ 18,509,590

Changes in endowment net assets for the year ended December 31, 2021:

	Without Donor Restriction	With Donor Restriction	Total
Net assets, beginning of year	\$ 122,078	\$ 18,387,512	\$ 18,509,590
Investment gain:			
Investment income, net of fees	46,897	449,648	496,545
Net depreciation (realized and unrealized)	(30,788)	(299,219)	(330,007)
Total investment gain	16,109	150,429	166,538
New gifts	-	4,144,096	4,144,096
Appropriation of endowment assets for expenditure	(50,661)	(247,176)	(297,837)
Net assets, end of year	\$ 87,526	\$ 22,434,861	\$ 22,522,387

Changes in endowment net assets for the year ended December 31, 2020:

	Without Donor Restriction	With Donor Restriction	Total
Net assets, beginning of year	\$ 56,600	\$ 16,929,275	\$ 16,985,875
Investment gain:			
Investment income, net of fees	51,080	415,525	466,605
Net depreciation (realized and unrealized)	76,473	628,320	704,793
Total investment gain	127,553	1,043,845	1,171,398
New gifts	-	709,567	709,567
Appropriation of endowment assets for expenditure	(62,075)	(295,175)	(357,250)
Net assets, end of year	\$ 122,078	\$ 18,387,512	\$ 18,509,590

Return Objectives and Risk Parameters: The Legion has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Legion must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the National Executive Committee, the endowment assets are invested in a manner that is intended to produce income while assuming a low level of investment risk.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Legion relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Legion targets fixed income securities to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: Realized and unrealized gains/losses are added to the principal of the American Legion Endowment Fund and distributions are limited to cumulative interest, net of fees. On the Samsung scholarship fund, the capital appreciation can be spent, along with the interest, net of fees, according to the spending policy. Endowment fund principal, unless otherwise directed by the donor, shall not be disbursed except for emergency situations. In order to make a principal disbursement, a majority vote by the Legion National Executive Committee will be required.

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor of SPMIFA requires the Legion to retain as a fund of perpetual duration. As of December 31, 2021 and 2020, the Legion did not have any funds with deficiencies.

NOTE 14 – EMPLOYEE BENEFITS

The Legion has a 401(k) savings plan with a qualified automatic contribution arrangement that was effective July 1, 2008. The plan calls for a 100% match of the first 1% contributed by the employee and a 50% match of the next 5% contributed by the employee. Thus, the maximum matching percentage an employee will receive is 3.5%. The Legion made contributions of \$387,388 and \$367,225 in 2021 and 2020, respectively.

The Legion has two defined-benefit pension plans. The first plan (Plan A) covers substantially all of its employees as well as those of certain affiliated and subordinated groups. The plan was established in 1944 by vote of the Legion's National Convention. Contributions to Plan A are made by the Legion, and other participating groups, on the basis of annual actuarial valuations. The second plan (Plan B) covers substantially all of its employees. The plan was established in October of 2016 and was effective January 1, 2017. Contributions to Plan B are made by the Legion on the basis of annual actuarial valuations.

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NOTE 14 – EMPLOYEE BENEFITS (continued)

In May 2008, the Legion voted to freeze the Plan A effective June 30, 2008. The result of the freeze is that current employees still received the benefits they had earned as of June 30, 2008, but no future benefits were earned and no new employees were added.

The following table sets forth the Legion's portion of Plan A's funded status and amounts recognized in the Legion's consolidated statement of financial position at December 31, 2021 and 2020:

	2021	2020
Benefit obligation	\$ (59,742,581)	\$ (64,148,563)
Fair value of plan assets	47,761,757	46,182,398
Funded status	<u>\$ (11,980,824)</u>	<u>\$ (17,966,165)</u>
Interest cost	\$ 1,298,207	\$ 1,705,130
Actual return on assets	(4,790,075)	(5,342,125)
Amortization of prior service costs	442,267	442,267
Amortization of loss	2,382,858	2,075,549
Difference between expected and actual return on assets	1,699,643	2,372,988
Net periodic pension cost	<u>\$ 1,032,900</u>	<u>\$ 1,253,809</u>
Net gain/(loss)	\$ (6,575,974)	\$ 1,573,247
Prior service cost	(442,267)	(442,267)
Pension-related changes other than net periodic pension cost	<u>\$ (7,018,241)</u>	<u>\$ 1,130,980</u>
Prepaid benefit cost	\$ 3,279,325	\$ 3,912,225
Accumulated benefit obligation	59,742,581	64,148,563
Vested benefit obligation	59,156,360	64,148,563
Net periodic pension cost	1,032,900	1,253,809
Benefits paid	3,610,716	3,549,689
Measurement date	12/31/2021	12/31/2020

Estimated future benefit payments:

2022	\$ 3,812,220
2023	3,824,752
2024	3,780,940
2025	3,732,665
2026	3,691,662
Years 2027-2031	17,339,761

The asset investment policy is a lower risk strategy with the primary objective of preservation of capital with an emphasis on long-term growth and generation of current income to provide adequate cash flow needed for benefit payments. The target asset allocation is 0-20% in cash or cash equivalents, 40-70% in fixed income and 30-60% in equities. Prohibited investments include real estate investment trusts, real estate partnerships, mutual funds, private equity, hedge funds and guaranteed investment certificates.

The fair value of Plan A assets at December 31, 2021 and 2020 are as follows. See Note 6 for descriptions of inputs for each type of asset.

	Fair Value Measurements at Dec. 31, 2021, using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Accrued interest	\$ 172,591	\$ -	\$ -
Money market accounts	2,048,265	-	-
U.S. Government and agency obligations	-	4,403,059	-
Municipal bonds	-	3,708,931	-
Corporate bonds	-	13,236,949	-
Common stock:			
Materials	1,611,126	-	-
Industrials	1,359,790	-	-
Consumer discretionary	2,155,802	-	-
Consumer staples	1,992,629	-	-
Health care	3,679,700	-	-
Financials	4,967,177	-	-
Telecommunication	1,612,359	-	-
Technology	5,773,231	-	-
Utilities	1,040,148	-	-
	<u>\$ 26,412,818</u>	<u>\$ 21,348,939</u>	<u>\$ -</u>
	Fair Value Measurements at Dec. 31, 2019, using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Accrued interest	\$ 200,659	\$ -	\$ -
Money market accounts	2,028,625	-	-
U.S. Government and agency obligations	-	5,248,648	-
Municipal bonds	-	3,479,407	-
Corporate bonds	-	16,225,676	-
Common stock:			
Materials	1,326,313	-	-
Industrials	1,203,820	-	-
Consumer discretionary	2,290,126	-	-
Consumer staples	1,499,687	-	-
Energy	264,680	-	-
Health care	2,758,026	-	-
Financials	3,644,941	-	-
Telecommunication	1,004,952	-	-
Technology	4,463,473	-	-
Utilities	543,365	-	-
	<u>\$ 21,228,667</u>	<u>\$ 24,953,731</u>	<u>\$ -</u>

NOTE 14 – EMPLOYEE BENEFITS (continued)

Historical returns of multiple asset classes were analyzed to develop a risk free real rate of return and risk premium for each asset class. The overall rate for each asset class was developed by combining a long-term inflation component, the risk free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

Weighted-average assumptions	2021	2020
Discount rate	2.52%	2.09%
Expected return on plan assets	7.00	7.00
Rate of compensation increase	0.00	0.00

The amounts of net loss and net prior service cost expected to be recognized as components of net periodic benefit cost for the year ending December 31, 2021 are \$ 2,382,858 and (\$442,267) respectively.

The following table sets forth Plan B's funded status and amounts recognized in the Legion's consolidated statement of financial position at December 31, 2021 and 2020:

	2021	2020
Benefit obligation	\$ (12,067,267)	\$ (10,261,920)
Fair value of plan assets	5,048,679	3,689,079
Funded status	<u>\$ (7,018,588)</u>	<u>\$ (6,572,841)</u>
Service cost	\$ 864,650	\$ 809,893
Interest cost	252,924	239,107
Actual return on assets	(417,696)	(324,245)
Amortization of prior service costs	370,027	370,027
Amortization of loss	315,807	149,123
Difference between expected and actual return on assets	115,770	139,068
Net periodic pension cost	<u>\$ 1,501,482</u>	<u>\$ 1,382,973</u>
Net loss	\$ (685,708)	\$ 431,471
Prior service cost	(370,027)	(370,027)
Pension-related changes other than net periodic pension cost	<u>\$ (1,055,735)</u>	<u>\$ 61,444</u>
Prepaid benefit cost	\$ (1,623,713)	\$ (1,149,353)
Accumulated benefit obligation	8,608,011	6,116,637
Vested benefit obligation	7,533,403	7,069,775
Net periodic pension cost	1,501,482	1,382,973
Benefits paid	85,218	69,646
Measurement date	12/31/2021	12/31/2020

Estimated future benefit payments:

2022	\$ 156,043
2023	201,790
2024	239,608
2025	279,740
2026	343,272
Years 2027-2031	2,665,832

The asset investment policy is a lower risk strategy with the primary objective of preservation of capital with an emphasis on long-term growth and generation of current income to provide adequate cash flow needed for benefit payments. The target asset allocation is 0-20% in cash or cash equivalents, 40-70% in fixed income and 30-60% in equities. Prohibited investments include real estate investment trusts, real estate partnerships, mutual funds, private equity, hedge funds and guaranteed investment certificates.

The fair value of Plan B assets at December 31, 2021 and 2020 are as follows. See Note 6 for descriptions of inputs for each type of asset.

	Fair Value Measurements at Dec. 31, 2021 using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Accrued interest	\$ 16,158	\$ -	\$ -
Money market accounts	1,309,928	-	-
U.S. government and agency obligations	-	-	-
Municipal bonds	-	636,749	-
Corporate bonds	-	1,046,763	-
Common stock:			
Materials	153,965	-	-
Industrials	123,704	-	-
Consumer discretionary	173,575	-	-
Consumer staples	170,411	-	-
Health care	288,755	-	-
Financials	274,404	-	-
Telecommunication	47,901	-	-
Technology	719,432	-	-
Utilities	86,934	-	-
	<u>\$ 3,365,167</u>	<u>\$ 1,683,512</u>	<u>\$ -</u>

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NOTE 14 – EMPLOYEE BENEFITS (continued)

	Fair Value Measurements at Dec. 31, 2020 using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Accrued interest	\$ 15,609	\$ -	\$ -
Money market accounts	31,639	-	-
U.S. government and agency obligations	-	116,558	-
Municipal bonds	-	1,004,149	-
Corporate bonds	-	926,724	-
Common stock:			
Materials	110,858	-	-
Industrials	102,754	-	-
Consumer discretionary	194,065	-	-
Consumer staples	124,464	-	-
Health care	230,684	-	-
Financials	211,267	-	-
Telecommunication	84,963	-	-
Technology	467,453	-	-
Utilities	67,892	-	-
	<u>\$ 1,641,648</u>	<u>\$ 2,047,431</u>	<u>\$ -</u>

Historical returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premium for each asset class. The overall rate for each asset class was developed by combining a long-term inflation component, the risk-free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

Weighted-average assumptions	2021	2020
Discount rate	2.79%	2.48%
Expected return on plan assets	7.00	7.00
Rate of compensation increase	3.00	3.00

The amounts of net loss and net prior service cost expected to be recognized as components of net periodic benefit cost for the year ending December 31, 2021 are \$315,807 and \$370,027, respectively.

NOTE 15 – LIQUIDITY AND AVAILABILITY

The Legion's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 3,222,988	\$ 2,357,289
Accounts receivable, net	5,427,680	4,458,259
Interest receivable	912,364	1,029,840
Investments	162,476,867	160,290,199
Total financial assets	<u>\$ 172,039,899</u>	<u>\$ 168,135,587</u>
Less amounts not available for general expenditure within one year:		
Donor-restricted endowment funds	\$ (20,129,858)	\$ (16,025,241)
Financial assets not available to be used within one year	<u>\$ (20,129,858)</u>	<u>\$ (16,025,241)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 151,910,041</u>	<u>\$ 152,110,346</u>

As part of the Legion's liquidity management, the Legion invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 16 – LITIGATION

The Legion is currently involved in and/or has been mentioned as a defendant or co-defendant in several legal actions. It is the opinion of the National Judge Advocate that these claims are without merit and any ultimate liability of the Legion with respect to these actions will not materially affect the financial statements of the Legion.

SUPPLEMENTARY INFORMATION
THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 1,503,739	\$ 991,878	\$ 540,607	\$ 186,764	\$ -	\$ 3,222,988
Accounts receivable	3,857,112	-	1,668,912	133,659	(232,003)	5,427,680
Interest receivable	734,249	37,178	81,315	59,622	-	912,364
Prepaid expenses and deposits	3,146,780	183,118	-	-	-	3,329,898
Deferred membership expense	3,944,234	-	-	-	-	3,944,234
Due from American Legion Endowment Fund	2,000,000	-	-	-	(2,000,000)	-
Inventory	3,186,910	-	-	-	-	3,186,910
Investment in affiliate (CFA)	42,794	-	-	-	-	42,794
	<u>18,415,818</u>	<u>1,212,174</u>	<u>2,290,834</u>	<u>380,045</u>	<u>(2,232,003)</u>	<u>20,066,868</u>
Investments						
General	27,956,201	-	-	-	-	27,956,201
Segregated for Restricted and Reserved funds	40,226,047	-	-	-	-	40,226,047
Paid-Up-For-Life Membership fund	28,880,686	-	-	-	-	28,880,686
Samsung scholarship fund	7,557,844	-	-	-	-	7,557,844
Building funds	8,276,568	-	-	-	-	8,276,568
Sept. 11 Memorial scholarship fund	17,608,335	-	-	-	-	17,608,335
Special account – Endowment Fund	-	-	2,086,596	-	-	2,086,596
General account – Endowment Fund	-	-	12,839,954	-	-	12,839,954
National Emergency Fund	-	-	-	6,829,609	-	6,829,609
American Legion Charities	-	5,666,741	-	-	-	5,666,741
Other	4,548,286	-	-	-	-	4,548,286
	<u>135,053,967</u>	<u>5,666,741</u>	<u>14,926,550</u>	<u>6,829,609</u>	<u>-</u>	<u>162,476,867</u>
Property, plant and equipment, net	5,545,580	-	-	-	-	5,545,580
	<u>\$ 159,015,365</u>	<u>\$ 6,878,915</u>	<u>\$ 17,217,384</u>	<u>\$ 7,209,654</u>	<u>\$ (2,232,003)</u>	<u>\$ 188,089,315</u>
LIABILITIES						
Accounts payable	\$ 4,498,583	\$ 360,444	\$ -	\$ -	\$ (232,003)	\$ 4,627,024
Scholarships payable	1,971,760	-	-	-	-	1,971,760
Due to American Legion National Headquarters	-	-	2,000,000	-	(2,000,000)	-
Deposits on emblem merchandise sales	617,497	-	-	-	-	617,497
Deferred income	1,289,797	-	-	-	-	1,289,797
Deferred dues income	22,512,681	-	-	-	-	22,512,681
Deferred income – direct membership solicitation	2,803,706	-	-	-	-	2,803,706
Accrued vacation benefits	842,333	-	-	-	-	842,333
Accrued pension expense	18,999,412	-	-	-	-	18,999,412
Other liabilities	212,159	-	-	-	-	212,159
Deferred dues income – Paid-Up-For-Life Membership	23,294,215	-	-	-	-	23,294,215
Life memberships due to state and local posts	26,575,652	-	-	-	-	26,575,652
	<u>103,617,795</u>	<u>360,444</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,232,003)</u>	<u>103,746,236</u>
NET ASSETS						
Without donor restriction	28,365,259	2,666,487	87,526	-	-	31,119,272
With donor restriction	27,032,311	3,851,984	15,129,858	7,209,654	-	53,223,807
Total net assets	<u>55,397,570</u>	<u>6,518,471</u>	<u>15,217,384</u>	<u>7,209,654</u>	<u>-</u>	<u>84,343,079</u>
	<u>\$ 159,015,365</u>	<u>\$ 6,878,915</u>	<u>\$ 17,217,384</u>	<u>\$ 7,209,654</u>	<u>\$ (2,232,003)</u>	<u>\$ 188,089,315</u>

SUPPLEMENTARY INFORMATION
THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 913,560	\$ 308,576	\$ 895,686	\$ 239,467	\$ -	\$ 2,357,289
Accounts receivable	4,581,279	432,872	50,000	-	(605,892)	4,458,259
Interest receivable	827,220	47,119	91,208	64,293	-	1,029,840
Prepaid expenses and deposits	3,566,909	-	-	-	-	3,566,909
Deferred membership expense	3,675,147	-	-	-	-	3,675,147
Due from American Legion						
Endowment Fund	2,000,000	-	-	-	(2,000,000)	-
Inventory	3,847,011	-	-	-	-	3,847,011
Investment in affiliate (CFA)	42,097	-	-	-	-	42,097
	<u>19,453,223</u>	<u>788,567</u>	<u>1,036,894</u>	<u>303,760</u>	<u>(2,605,892)</u>	<u>18,976,552</u>
Investments						
General	32,042,798	-	-	-	-	32,042,798
Segregated for Restricted and Reserved funds	39,527,477	-	-	-	-	39,527,477
Paid-Up-For-Life Membership fund	26,327,303	-	-	-	-	26,327,303
Samsung scholarship fund	7,894,494	-	-	-	-	7,894,494
Building funds	8,004,132	-	-	-	-	8,004,132
Sept. 11 Memorial scholarship fund	16,701,655	-	-	-	-	16,701,655
Special account – Endowment Fund	-	-	2,181,347	-	-	2,181,347
General account – Endowment Fund	-	-	9,997,425	-	-	9,997,425
National Emergency Fund	-	-	-	7,374,556	-	7,374,556
American Legion Charities	-	5,627,624	-	-	-	5,627,624
Other	4,611,388	-	-	-	-	4,611,388
	<u>135,109,247</u>	<u>5,627,624</u>	<u>12,178,772</u>	<u>7,374,556</u>	<u>-</u>	<u>160,290,199</u>
Property, plant and equipment, net	4,599,235	-	-	-	-	4,599,235
	<u>\$ 159,161,705</u>	<u>\$ 6,416,191</u>	<u>\$ 13,215,666</u>	<u>\$ 7,678,316</u>	<u>\$ (2,605,892)</u>	<u>\$ 183,865,986</u>
LIABILITIES						
Accounts payable	\$ 1,706,286	\$ 870	\$ 68,347	\$ 154,674	\$ (605,892)	\$ 1,324,285
Scholarships payable	717,297	-	-	-	-	717,297
Due to American Legion						
National Headquarters	-	-	2,000,000	-	(2,000,000)	-
Deposits on emblem merchandise sales	487,635	-	-	-	-	487,635
Deferred income	1,848,229	-	-	-	-	1,848,229
Deferred dues income	23,838,285	-	-	-	-	23,838,285
Deferred income – direct membership solicitation	3,282,655	-	-	-	-	3,282,655
Accrued vacation benefits	829,099	-	-	-	-	829,099
Accrued pension expense	24,539,006	-	-	-	-	24,539,006
Other liabilities	1,981,378	-	-	9,640	-	1,991,018
Notes payable	3,824,000	-	-	-	-	3,824,000
Deferred dues income – Paid-Up-For-Life Membership	24,482,851	-	-	-	-	24,482,851
Life memberships due to state and local posts	27,853,299	-	-	-	-	27,853,299
	<u>115,390,020</u>	<u>870</u>	<u>2,068,347</u>	<u>164,314</u>	<u>(2,605,892)</u>	<u>115,017,659</u>
NET ASSETS						
Without donor restriction	16,956,722	2,309,382	122,079	-	-	19,388,183
With donor restriction	26,814,963	4,105,939	11,025,240	7,514,002	-	49,460,144
Total net assets	<u>43,771,685</u>	<u>6,415,321</u>	<u>11,147,319</u>	<u>7,514,002</u>	<u>-</u>	<u>68,848,327</u>
	<u>\$ 159,161,705</u>	<u>\$ 6,416,191</u>	<u>\$ 13,215,666</u>	<u>\$ 7,678,316</u>	<u>\$ (2,605,892)</u>	<u>\$ 183,865,986</u>

SUPPLEMENTARY INFORMATION
THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
Revenue, gains and other support						
National member dues	\$ 27,407,718	\$ -	\$ -	\$ -	\$ -	\$ 27,407,718
Direct membership solicitation	5,596,968	-	-	-	-	5,596,968
Member service fees - income	496,828	-	-	-	-	496,828
Affinity income	4,000,000	-	-	-	-	4,000,000
Sales of emblem items	12,247,254	-	-	-	-	12,247,254
Advertising	7,024,231	-	-	-	-	7,024,231
Contributions	20,092,690	2,071,685	4,144,096	580,119	(1,037,245)	25,851,345
Label and printing fees	213,045	-	-	-	-	213,045
Interest and dividends, net of fees	2,024,656	110,575	251,786	185,687	8,485	2,581,189
Net realized gains – investments	246,593	22,204	6,130	19,602	-	294,529
American Legion Endowment Fund income	215,637	-	-	-	(215,637)	-
Other	5,280,510	-	-	-	(8,485)	5,272,025
	<u>84,846,130</u>	<u>2,204,464</u>	<u>4,402,012</u>	<u>785,408</u>	<u>(1,252,882)</u>	<u>90,985,132</u>
Expenses						
Salaries	15,313,002	-	-	-	-	15,313,002
Employee benefits	5,482,466	-	-	-	-	5,482,466
Cost of sales – Legion Department and - magazine costs	6,556,637	-	-	-	-	6,556,637
Direct publications	1,221,645	-	-	-	-	1,221,645
Executive, staff and program travel	9,299,355	-	-	-	-	9,299,355
Commission and committee	2,441,713	-	1,498	-	-	2,443,211
Printing and postage	954,309	-	-	-	-	954,309
Scholarships, grants and awards	16,591,875	-	-	-	-	16,591,875
Office and other operating	1,683,103	1,631,099	215,638	831,906	(1,252,882)	3,108,864
Occupancy and usage	18,032,823	41,084	38,413	2,944	-	18,115,264
Special projects and programs	1,801,006	-	-	-	-	1,801,006
	<u>3,811,569</u>	<u>319,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,130,849</u>
	<u>83,189,503</u>	<u>1,991,463</u>	<u>255,549</u>	<u>834,850</u>	<u>(1,252,882)</u>	<u>85,018,483</u>
Change in net assets from operations	1,656,627	213,001	4,146,463	(49,442)	-	5,966,649
Net unrealized loss – investments	(934,437)	(109,851)	(76,398)	(254,906)	-	(1,375,592)
Net change in PUFL	1,704,384	-	-	-	-	1,704,384
Amortization of pension loss	(2,698,665)	-	-	-	-	(2,698,665)
Pension-related changes other than net periodic pension cost	8,073,976	-	-	-	-	8,073,976
Gain on forgiveness of PPP loan payable	3,824,000	-	-	-	-	3,824,000
Change in net assets	11,625,885	103,150	4,070,065	(304,348)	-	15,494,752
Net assets, beginning of year	<u>43,771,685</u>	<u>6,415,321</u>	<u>11,147,319</u>	<u>7,514,002</u>	<u>-</u>	<u>68,848,327</u>
Net assets, end of year	<u>\$ 55,397,570</u>	<u>\$ 6,518,471</u>	<u>\$ 15,217,384</u>	<u>\$ 7,209,654</u>	<u>\$ -</u>	<u>\$ 84,343,079</u>

SUPPLEMENTARY INFORMATION
THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	American Legion National <u>Headquarters</u>	American Legion <u>Charities</u>	American Legion Endowment <u>Fund</u>	National Emergency <u>Fund</u>	<u>Eliminations</u>	<u>Total</u>
Revenue, gains and other support						
National member dues	\$ 28,411,650	\$ -	\$ -	\$ -	\$ -	\$ 28,411,650
Direct membership solicitation	5,985,220	-	-	-	-	5,985,220
Member service fees income	389,317	-	-	-	-	389,317
Affinity income	4,000,000	-	-	-	-	4,000,000
Sales of emblem items	9,372,107	-	-	-	-	9,372,107
Advertising	6,913,995	-	-	-	-	6,913,995
Contributions	16,701,584	1,070,607	709,564	236,206	(15,000)	18,702,961
Label and printing fees	292,176	-	-	-	-	292,176
Interest and dividends, net of fees	2,343,987	132,867	263,458	199,646	7,680	2,947,638
Net realized losses – investments	113,220	(2,138)	(9,951)	(846)	-	100,285
American Legion Endowment Fund income	242,649	-	-	-	(242,649)	-
Other	<u>2,366,883</u>	-	-	-	(7,680)	<u>2,359,203</u>
	<u>77,132,788</u>	<u>1,201,336</u>	<u>963,071</u>	<u>435,006</u>	<u>(257,649)</u>	<u>79,474,552</u>
Expenses						
Salaries	15,142,083	-	-	-	-	15,142,083
Employee benefits	5,792,389	-	-	-	-	5,792,389
Cost of sales – Legion	5,210,529	-	-	-	-	5,210,529
Department and magazine costs	1,121,962	-	-	-	-	1,121,962
Direct publications	9,601,714	-	-	-	-	9,601,714
Executive, staff and program travel	518,865	-	-	-	-	518,865
Commission and committee	425,732	-	-	-	-	425,732
Printing and postage	14,827,089	-	-	-	-	14,827,089
Scholarships, grants and awards	1,129,407	492,667	242,648	311,923	(257,649)	1,918,996
Office and other operating	11,830,014	20,606	10,858	4,332	-	11,865,810
Occupancy and usage	2,209,718	-	-	-	-	2,209,718
Special projects and programs	<u>2,710,910</u>	<u>137,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,848,469</u>
	<u>70,520,412</u>	<u>650,832</u>	<u>253,506</u>	<u>316,255</u>	<u>(257,649)</u>	<u>71,483,356</u>
Change in net assets from operations	6,612,376	550,504	709,565	118,751	-	7,991,196
Net unrealized gains – investments	3,160,430	245,374	423,307	319,986	-	4,149,097
Net change in PUFL	959,270	-	-	-	-	959,270
Amortization of pension loss	(2,224,672)	-	-	-	-	(2,224,672)
Pension-related changes other than net periodic pension cost	<u>(1,192,424)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,192,424)</u>
Change in net assets	7,314,980	795,878	1,132,872	438,737	-	9,682,467
Net assets, beginning of year	<u>36,456,705</u>	<u>5,619,443</u>	<u>10,014,447</u>	<u>7,075,265</u>	<u>-</u>	<u>59,165,860</u>
Net assets, end of year	<u>\$ 43,771,685</u>	<u>\$ 6,415,321</u>	<u>\$ 11,147,319</u>	<u>\$ 7,514,002</u>	<u>\$ -</u>	<u>\$ 68,848,327</u>

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