



THE AMERICAN LEGION
Veterans Strengthening America

ANNUAL REPORT
2021

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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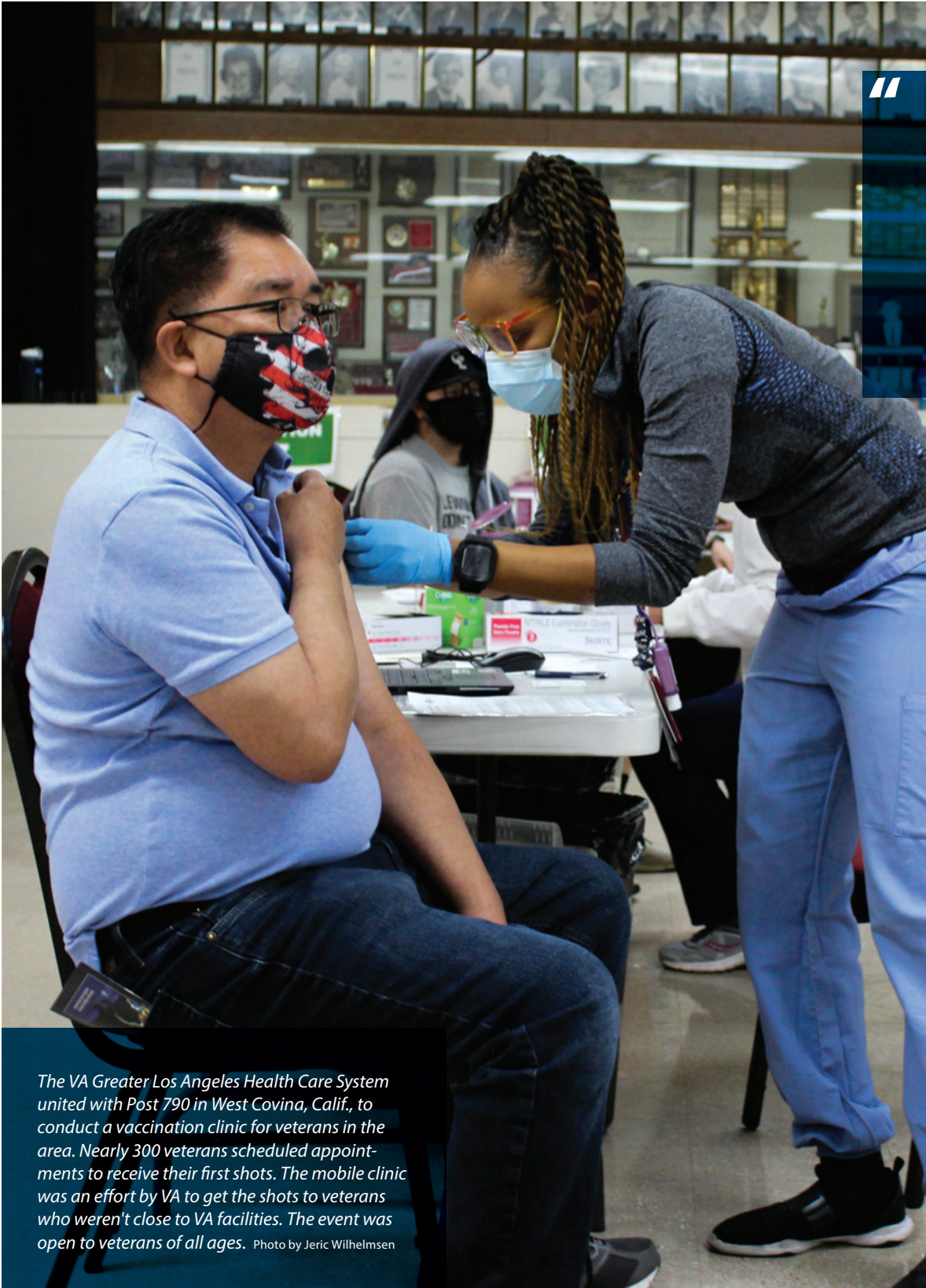
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The VA Greater Los Angeles Health Care System united with Post 790 in West Covina, Calif., to conduct a vaccination clinic for veterans in the area. Nearly 300 veterans scheduled appointments to receive their first shots. The mobile clinic was an effort by VA to get the shots to veterans who weren't close to VA facilities. The event was open to veterans of all ages. Photo by Jeric Wilhelmsen

PANDEMIC RELIEF

VETERANS HAVE FACED IMMENSE CHALLENGES DURING THE COVID-19 PANDEMIC, AND THE AMERICAN LEGION AND ADDITIONAL VSOs HAVE BEEN QUICK TO ADAPT TO CONTINUE PROVIDING THE ESSENTIAL SUPPORT. I AM DEEPLY GRATEFUL FOR YOUR EFFORTS.

U.S. Sen. Maggie Hassan, D-N.H., after introduction of a resolution to honor The American Legion and other veterans groups for their pandemic relief efforts



Pandemic relief: with ability “we have the responsibility”

The American Legion Family directly assisted countless isolated veterans and their families through an evolving Buddy Check program. Members rolled up their sleeves and donated blood in amounts unmatched in years. They collected personal protective equipment – face masks, gloves, gowns and sanitizers in the hundreds of thousands – and shipped them wherever and whenever the need was greatest. They fed the hungry, traversed miles to promote healthy activity, raised funds for disabled veterans and children, honored the fallen in socially distanced ceremonies and opened their doors to serve as community vaccination venues.

American Legion National Commander James W. “Bill” Oxford, looking back on the early months of the COVID-19 pandemic, put it this way: “We are serving differently, but we are still serving ... 2020 is a year that many would like to forget, but I truly believe it could be our finest hour.” Challenging as the pandemic was, he was right about the American Legion Family’s ability to act in times of trouble.

American Legion posts, Sons of The American Legion squadrons, American Legion Auxiliary units and American Legion Riders chapters leaned into the crisis and converted it into an opportunity to show the nation the meaning of selfless service. For The American Legion, action during the pandemic illuminated the meaning of the recently adopted motto: “Veterans Strengthening America.”

Many local post-business operations, not surprisingly, were seriously disrupted by the pandemic. Many had to close their doors for extended periods of time. Undaunted Legionnaires converted their energies to fulfill needs in their communities. “It’s our fiduciary duty to serve the community that we reside in,” South Phoenix Post 65 2nd Vice Commander Alan “A.P.” Powell said. “If we have the ability, we have the responsibility.” He said this as his post was among the first in The American Legion to serve as COVID-19 testing centers, food-distribution hubs and, later, vaccination venues.

Restrictions on group gatherings suspended or changed many of the organization’s marquee activities, from American Legion Boys State to conventions and in-person veteran career events. The American Legion adapted and overcame, often through video technology and virtual gatherings.

A Sept. 15, 2020, virtual career fair put on by the American Legion Veterans Employment & Education Commission, the American Legion Department of Texas, the Texas Veterans Commission and the Texas



Sid Mandelbaum, commander of Post 339 in Cedarhurst, N.Y., runs the veteran farmers market called Rock and Wrap it Up with the help of numerous veterans and volunteers, feeding veterans and others in need during the COVID-19 pandemic. Photo by Todd Maisel

Workforce Commission attracted nearly 800 veteran jobseekers and their spouses in an online event involving 226 hiring companies. A follow-up virtual job fair in Texas, on Feb. 9, drew more than 900 applicants – including active-duty personnel at sea and dozens serving at foreign duty stations – to meet with 265 employers. Post 69 in Springfield, Mo., converted its annual job fair into a drive-through event. The American Legion Department of North Carolina conducted its own successful virtual job fair in November.

Throughout the pandemic, American Legion service officers worked nonstop, expanding hours in many communities, to help veterans file disability claims, understand their coronavirus relief benefits and more. Between June 2020 and April 2021, for instance, accredited service officers from Post 88 in Norman, Okla., worked from home and safely helped area veterans obtain \$1.1 million in disability benefits. Nationwide, in 2020 alone, accredited American Legion service officers helped veterans receive \$3.7 billion in benefits despite pandemic-caused challenges.

The American Legion National Executive Committee (NEC)'s fall and spring meetings were conducted virtually, using the video-conferencing platform Zoom. National commissions also met remotely online

PANDEMIC RELIEF

and managed the organization's business, passed resolutions, received and delivered reports. One resolution passed by the NEC in October 2020 offered grants of up to \$1,000 each to posts adversely affected by the pandemic; by mid-May 2021, more than 400 posts had been awarded Mission Blue Post Assistance grants to cover past-due rent, mortgage, insurance and utility costs during the pandemic.

In March 2021, the American Legion Media & Communications Division produced "COVID Operations: The American Legion Family's Response to the Global Pandemic," an 84-page bookazine that highlighted such initiatives as a revised Buddy Check program to serve veterans who were alone with limited access to groceries, medicine and friends. "Our veterans and their spouses are very appreciative knowing that someone cares about their well-being and needs," Linglestown, Pa., Post 43 Commander Alan Harris explained of his area's program. "It is, after all, why we as an organization exist."

The American Legion's National Oratorical Contest, regularly scheduled for mid-April 2021, was canceled for the second straight year due to COVID-19. Instead, each department contest winner received a \$5,000 scholarship from National Headquarters.

By early spring 2021, The American Legion began announcing plans that normal summer events – American Legion Boys Nation, Junior Shooting Sports Championships, American Legion Baseball regional tournaments and the World Series, the Legacy Run and the national convention – were all on schedule to carefully and safely resume, following a 2020 of cancellations and suspensions.

"I look forward to these events occurring once again and catching up with American Legion Family members," Oxford told membership in late April. "At the same time, we'll need to continue practicing safety protocols. The pandemic still has not lifted, and a heightened risk remains for yet another surge of cases. To protect yourself ... please wear a mask, wash your hands frequently and practice other social-distancing measures. And if you have not already, please get your vaccinations before joining us.

"While we may see these measures as restrictive, remember this – what's important is that we are back together once again. And no mask can keep us from pursuing our mission of service to communities, states and nation. After all, we are ... Veterans Strengthening America."

From Ansbach, Germany, to West Covina, Calif., Legionnaires were assisting VA with COVID-19 vaccinations in early 2021. "To us, this was a no-brainer," said Joan Suelter, first commander of Post 347 in Lady Lake, Fla., which transformed into a VA vaccination clinic. "This is one of our four pillars What better way for us to take care of veterans but through this program?"

As spring neared summer in 2021, the pandemic was far from vanquished, but signs of hope emerged as fans returned to such group activities as auto racing, where they could see the American Legion-sponsored 48 car compete in the NTT INDYCAR SERIES and the Indianapolis 500.

"We may not yet be in the final lap of the race to end this horrible pandemic," Oxford said in May. "But our engines are strong. The history of America's response to COVID-19 is still being written. Even so, I'm convinced that in the end, The American Legion and perhaps even car No. 48 will be speeding under a checkered flag and gathering with other heroes in the winner's circle."

legion.org/coronavirus



Members of the Department of California, including Past Commander Ed Grimsley, 2021-2022 Commander Autrey James and Judge Advocate Chris Yates, walk along the beach of San Clemente, Calif. Photo by Jeric Wilhelmsen

100 MILES FOR HOPE

IT'S GOOD FOR THE MIND, IT'S GOOD FOR PHYSICAL CONDITIONING, AND IT'S ALL TO RAISE MONEY FOR A GOOD CAUSE.

Chris Yates, Department of California judge advocate and member of Alvin Myo Dunn Post 365 in Vista, Calif., who consistently topped the leaderboard for both fitness and fundraising on Kilter, the mobile app used to track progress during the 100 Miles for Hope challenge.



100 miles, countless benefits

Amid the pandemic in 2020, The American Legion launched 100 Miles for Hope, an experimental program intended to encourage members to exercise, improve their wellness and contribute to the American Legion Veterans & Children Foundation (V&CF).

Nearly 5,000 participants covered 100 miles or more in 100 days by walking, riding bikes or motorcycles, running, swimming, doing elliptical machine exercises and even riding a mule. Their registration fees and donations supporting their cause went to the foundation.

Since 1925, V&CF has delivered more than \$30 million in financial assistance in support of veterans seeking their earned benefits, and military families with minor children at home who are facing financial crises.

V&CF funds training and resources for more than 3,000 accredited American Legion service officers. They provide free assistance to any veteran seeking help with a VA claim. Donations to the foundation also provide grants as part of the Temporary Financial Assistance (TFA) program, which delivers up to \$1 million annually. TFA funds enable qualified families to put food on the table, pay utility bills and cover other necessary expenses.

The inaugural 100 Miles campaign was so successful that it was updated, expanded and turned into an annual event in 2021. Its mission remains the same: encourage healthy activities while driving donations to help disabled veterans and military families in need.

legion.org/100miles

legion.org/donate/endowment_fund



The American Legion Department of New Jersey hosts a Buddy Check 1K Awareness Walk on the Wildwood Boardwalk on June 9, 2021. The walk, held in conjunction with the department convention, brought awareness to use of Buddy Checks to improve mental health and well-being among veterans. Photo by Denise Henhoeffer

BUDDY CHECKS

WE HAVE CONTACTED EVERYONE IN THE POST WHO WE HAVEN'T HEARD FROM SINCE THE PANDEMIC BEGAN. WE WANT TO CHECK ON THEM TO MAKE SURE THEIR NEEDS ARE MET. WE WILL NEVER LEAVE A FALLEN BROTHER OR SISTER BEHIND.

Ginger Branson, Hoover (Ala.) Post 911 Commander



Buddy Checks make vital connections in challenging time

An American Legion program that got its start two years before the pandemic hit continued to grow well into 2021, during a time when many veterans were isolated, needed help or just wanted to hear a friendly voice. With stay-at-home orders still in place in many communities, Legionnaires took to phones, email and social media to reach out. Thousands of contacts were made in the first few months of the pandemic, and efforts accelerated and continued to evolve.

Post 76 in Las Vegas ended 2020 having contacted most of its 850-plus members. "So many are shut in right now," Post 76 Commander Tony Mascari said. "The majority of our membership ... they're staying in. They're very concerned with what's going on in the outside world. To have somebody call, just to ask, 'How are you doing today, and is there anything we can do for you?' – it was really, really amazing to talk to some of our members. I don't know that they've had a lot of that."

In Virginia, a February 2021 Buddy Check on World War II veteran H. Warden Foley, a 73-year member of The American Legion, turned into a safe birthday surprise from the members of American Legion Post 1776. The post makes monthly Buddy Check calls to 237 members who served in World War II, the Korean War and the Vietnam War. And in California, a Buddy Check by American Legion Post 512 husband-and-wife Legionnaires Mario and Anastasia Gonzales helped fellow Legionnaire John H.C. Chipley and his housebound wife register and receive COVID-19 vaccinations.

Buddy Check toolkits developed by American Legion national staff have been revised, most recently in March 2021, to offer scripts and other resources for Buddy Check calls, with emphasis on pandemic assistance and mental health. And The American Legion was part of a 2020 bipartisan push to gain passage of legislation directing VA to designate an annual "Buddy Check Week" for "outreach and education concerning peer wellness checks for veterans and other purposes." The 116th Congress ended without a vote; a push was underway for reintroduction of the bill in the 117th Congress.

legion.org/buddycheck



American Legion service officer Ray Odum meets with a veteran at Post 11 in Trinidad, Colo., on Feb. 23, 2021. Photo by Chet Strange

VETERANS AFFAIRS & REHABILITATION

WE ARE VETERANS HELPING VETERANS AND THEIR FAMILIES, AND THOSE NEEDS HAVE NOT STOPPED BECAUSE OF THE COVID-19 SITUATION. IF ANYTHING, THE NEED IS EVEN GREATER, WHICH IS WHY WE HAVE NOT HALTED OUR EFFORTS SINCE THE BEGINNING.

Carl Ellison, Norman (Okla.) Post 88 senior service officer



American Legion service officers redouble their efforts during pandemic

For over a year, COVID-19 stopped the way many Americans went about their daily lives. The pandemic forced shutdowns or altered operating procedures for businesses and services across the nation, including those of professionals charged with assisting veterans in filing VA claims applications or appealing decisions.

Even so, American Legion service officers improvised to deliver those services, in a big way. In fiscal 2020 alone, department service officers and other accredited representatives across the nation obtained an estimated \$14.25 billion in VA disability compensation and other benefits for veterans and their families. The efforts continued into 2021, when as recently as March, Legion claims specialists wrote supporting arguments – free of charge – for 1,452 claims appeals, securing 361 benefit grants in that same month from the Board of Veterans' Appeals.

American Legion service officers also stepped up at the local level. In Norman, Okla., Post 88 knew the need for benefits assistance could actually increase during the pandemic. So its team of service officers maintained regular socially-distanced Monday office hours to assist veterans, as well as taking advantage of VA's VetPro software to work from home on claims. The result: from June 2020 to April 2021, the post's service officers secured close to \$1.1 million in benefits.

As congressional hearings resumed, American Legion representatives delivered testimony on supporting disabled veterans after COVID-19, toxic exposure, women veterans' issues and other concerns related to government accountability to those who have served in uniform.

legion.org/veteransbenefits

legion.org/veteranshealthcare

mylegion.org/PersonifyEbusiness/Find-a-Service-Officer



Sen. Thom Tillis, R-N.C., who sponsored the Senate version of the PAWS Act, speaks with a veteran in front of the Capitol following a press conference announcing the bill's passage in the House on May 13, 2021. Photo by Tom Clement

VETERANS AFFAIRS & REHABILITATION

**IF WE CAN STOP ONE OF THESE SUICIDES EVERY DAY,
IT'S A HUGE DEAL. WE'VE SAVED LIVES ... AND IT CAN
TRANSFORM LIVES.**

Then-Rep. Steve Stivers, D-Ohio, who sponsored H.R. 1448, the PAWS for Veterans Therapy Act, following a press conference announcing its passage in the House



Mission focus turns to preventing veteran suicide

Statistically, U.S. military veterans are 50% more likely than non-veterans to take their own lives. Post-traumatic stress disorder, traumatic brain injury, economic uncertainty and the COVID-19 pandemic, which forced most Americans to self-isolate and reduce contact with others, coalesced to make suicide prevention The American Legion's "mission focus" in 2021.

On May 27, The American Legion and Chip Ganassi Racing used their platform heading into the Indianapolis 500 to announce veteran suicide prevention as the chief cause of the organization's INDYCAR sponsorship and mission focus going forward, and previewed a national television ad with Car 48 driver Jimmie Johnson discussing the issue and The American Legion's commitment to raise awareness and help solve it.

In Winter Garden, Fla., Post 63 members conduct an annual Challenge 22 ruck march and event to assist groups that work to prevent veteran suicide. In 2020 plans were altered due to the pandemic but not scuttled, and the event went forward with 500 participants who carefully abided by coronavirus protection guidance.

The American Legion conducts hundreds of mental health and suicide-prevention activities throughout the year in local posts and departments. The Buddy Check program was revised as the winter months neared in 2020 to focus more on veterans in need of support for their well being.

In May, the House of Representatives passed the American Legion-supported Puppies Assisting Servicemembers (PAWS) for Veterans Therapy Act to connect service dogs with veterans dealing with post-deployment struggles, and to provide grants to nonprofit organizations that train and provide the dogs. The American Legion also supports H.R. 1476, the PFC Joseph P. Dwyer Peer Support Program Act, which would require VA to establish the program to make grants to eligible entities for peer-to-peer mental health programs for veterans.

The American Legion's Traumatic Brain Injury, Post-Traumatic Stress Disorder and Suicide Prevention Committee continues to promote successful treatment that does not rely on pharmaceutical options.

legion.org



Dale D. Chapman, left, adjutant of the American Legion Department of Virginia, tests out a vitals-measuring iPad with the help of Philips' Matthew Shuman at the Project ATLAS facility inside Post 176 in Springfield, Va., on March 5, 2021. Photo by Melissa Lyttle

VETERANS AFFAIRS & REHABILITATION

WORKING WITH VA AND THE AMERICAN LEGION
ENABLES US TO DRIVE INNOVATIONS AND PROGRAMS
TO HELP IMPROVE VETERANS' HEALTH AND ALLOW
THEM TO GET THE CARE THEY NEED.

Vitor Rocha, Philips North America chief market leader



Project ATLAS makes health care accessible to rural veterans

Making health care accessible to rural veterans is one of The American Legion's top legislative priorities. One method by which The American Legion is making strides in this area is through an alliance with VA and Philips North America to reach the nearly one-third of the 9 million veterans VA serves who live in rural communities.

Project ATLAS (Accessing Telehealth through Local Area Stations) brings VA health-care access closer to veterans through an innovative program in which Philips and The American Legion work together to combine the convenience of the retail clinic model with Philips telehealth technology and access to VA caregivers – right in the local American Legion post.

Testifying before the Senate and House Veterans' Affairs committees in 2021, American Legion National Commander James W. "Bill" Oxford spoke on the strides VA has made in expanding its telehealth access during the COVID-19 pandemic. But he also noted these options are largely only available to veterans who have the proper broadband and access to compatible technology.

"For many of our nation's older veterans, that's just not a reality," Oxford said. "That's why Project ATLAS is so important."

The first Project ATLAS site, located at Post 176 in Springfield, Va., has enabled veterans living in the Washington, D.C., area to have access to their VA health-care teams while mitigating the stress and expenses that come with traveling to a VA medical center. A second Project ATLAS site is located at Post 12 in Wickenburg, Ariz. Additional sites are planned for Kansas, Ohio and West Virginia.

legion.org/veteranshealthcare



Media Bakery

VETERANS EMPLOYMENT & EDUCATION

THE ABILITY TO ... ALLOW THE LEGION TO CONNECT AND ASSIST TRANSITIONING SERVICEMEMBERS, VETERANS AND SPOUSES AROUND THE COUNTRY AND ABROAD ... IS IMPERATIVE.

Daniel Seehafer, chairman of the American Legion Veterans Employment & Education Commission



Virtual events expand reach for veterans seeking jobs

Among numerous events forced to cancel because of the COVID-19 pandemic in 2020 were hundreds of career workshops and hiring fairs. But The American Legion, like other organizations, found ways to take those events virtual to help jobseeking veterans, transitioning servicemembers and military spouses.

The American Legion's Veterans Employment & Education Division hosted a number of online workshops, helping attendees with job searching, résumé writing, LinkedIn branding and more.

And with the help of American Legion national staff, as well as their state employment commissions, departments in Texas and North Carolina were able to establish virtual job fairs that drew hundreds of jobseekers from around the globe.

In fact, a Feb. 9, 2021, virtual job fair co-sponsored by the Department of Texas, the Texas Veterans Commission, the Texas Workforce Commission and The American Legion's Veterans Employment & Education Commission attracted jobseekers from across the United States as well as Japan, Bahrain, Italy, Germany, Australia, Guam, South Africa and Botswana, plus two active-duty sailors at sea.

Local posts and departments also found ways to help jobseekers while maintaining safety precautions in the midst of the pandemic.

Post 69 in Springfield, Mo., hosted a drive-through job fair in the post parking lot in conjunction with the state's Department of Higher Education and Workforce Development.

The Department of New Jersey's annual veterans casino career fair with the state's Casino Control Commission also moved outside. And Post 13 in Albuquerque, N.M., took its annual hiring event online, spreading it across two days to give all the employers ample time to discuss their job options with attendees from across the state. An event targeting women veterans was planned for June.

legion.org/careers



Maria Lamura finishes a pipe-flange weld at the United Associations Local 26 Pipe Trades Training Center in Lacey, Wash. Photo by Scott Spiker

VETERANS EMPLOYMENT & EDUCATION

WE'RE TRYING TO GET OUR PARTNERS (AT THE DEPARTMENT OF DEFENSE) TO DO A BETTER JOB OF TRACKING THOSE COURSES AND MAPPING THOSE SKILL SETS SO OUR COLLEGES AND EMPLOYERS CAN GIVE PEOPLE CREDIT FOR EVERYTHING THEY'VE LEARNED.

Rick Passarelli, a veteran and founder of the Utility Workers Military Assistance Program, on the importance of credentialing for veterans based on their military training



American Legion, Lumina advance to improve veteran credentialing

A longtime advocate for credentialing servicemembers based on their military experience, The American Legion has in recent years worked with the Lumina Foundation and others to push for ways to help veterans get credit in specialized career fields upon returning to civilian life.

A report, "The Future of Credentialing of Servicemembers and Veterans: Leveraging Partners, Policies and Resources," was released in 2021 by the Legion and Lumina. Published in association with the Military Credentialing Advancement Initiative (MCAI), the report includes recommendations to ensure servicemembers' skills and training correlate with credentials when they return to civilian life.

Among the immediate and future opportunities for action highlighted in the report:

- Convene a White House forum on military credentialing and licensing to recognize military public-private partnerships, academic recognition of military learning, translation tools, state policy and emerging research trends.
- Higher education should holistically review military-based education, training and experience, and determine how that can be implemented into core degree requirements.
- Industry partners and employers should continue to expand their recognition of all forms of military-based training, experience and non-traditional learning, in order to streamline and expedite servicemember career and education pathways and reduce the burden to administrators and governing agencies.

legion.org/mcai



Tony Kanaan drives the No. 48 American Legion car in the 105th Indianapolis 500 in Indianapolis on May 30, 2021. Photo by Ben Mikesell

THE AMERICAN LEGION INDYCAR

IT'S EXCITING TO BE PARTNERING WITH THE AMERICAN LEGION TO ... CONTINUE TO RAISE PUBLIC AWARENESS AND SUPPORT FOR THIS SPECIAL ORGANIZATION.

Jimmie Johnson, seven-time NASCAR Cup Series champion, whose grandfathers and brother-in-law served in the U.S. Armed Forces



Drivers, start your engines

Two of auto racing's biggest names joined forces in support of The American Legion at the end of 2020 as part of a multi-year alliance with Chip Ganassi Racing.

Seven-time NASCAR Cup Series champion Jimmie Johnson drove the No. 48 car featuring American Legion branding prominently in its paint scheme during the 2021 NTT INDYCAR SERIES road races. Tony Kanaan, 2013 Indy 500 winner, who had contemplated retirement in 2020, took the wheel during oval races. The Legion brand was also featured in select races on the No. 10 car of second-year driver Alex Palou.

The American Legion fostered a special tribute during Memorial Day weekend as part of that relationship. Ganassi drivers honored Medal of Honor recipient Jason Dunham, who died in 2004, just days after saving several other Marines in Iraq.

Kanaan, who qualified fifth for the Indy 500, drove the No. 48 car with Dunham's name proudly displayed. Later that day, NASCAR's Kurt Busch drove his Chip Ganassi Racing/GEARWRENCH No. 1 Chevy in the Coca-Cola 600, also with Dunham's name on the car. Kanaan finished 10th, and Busch 38th after mechanical problems.

With the introduction of the partnership came the introduction of a new American Legion brand mark, for use in marketing and apparel.

The series continued through the summer and into late September.

legion.org/48



Joshua Barton received an American Legion Operation Comfort Warriors grant-assisted elliptical machine to allow him to do physical therapy. Photo by Callahan O'Hare

OPERATION COMFORT WARRIORS

THE ELLIPTICAL MEANS HAVING MY HUSBAND BACK, THE FREEDOM TO HAVE HIM PARTICIPATE IN OUR DAILY LIVES, BECAUSE WITH HIS INJURIES HE CAN'T BE THE ACTIVE FATHER HE USED TO BE AND WANTS TO BE.

Ashly Barton, who requested an Operation Comfort Warriors grant for her husband, Joshua, who sustained injuries in Afghanistan



OCW grants show veterans The American Legion cares

The pandemic did not stop The American Legion from taking care of the needs of ill, injured and wounded veterans. The Operation Comfort Warriors (OCW) program distributed \$181,769 in grants in 2020 that helped thousands of veterans and their families through donations of rehabilitation equipment and comfort items, winter clothing, food, TVs and more.

The Department of Indiana and Indianapolis Post 522 presented an OCW grant to the Hoosier Veterans Assistance Foundation worth more than \$17,000 in winter gear (coats, hats, gloves and scarves), T-shirts and toiletries to help local homeless veterans during the cold months. Nine smart TVs were supplied to the Indiana Veterans' Home in West Lafayette for its nearly 200 residents. A \$42,000 grant provided 166 43-inch Samsung smart televisions for men and women to have in their individual rooms as they recover at the Warrior Transition Battalion at Brooke Army Medical Center at Fort Sam Houston, Texas. A grant of \$18,000 provided 50 Apple iPads to the Minneapolis VA Health Care System to help virtually connect inpatient veterans with their loved ones.

Medically retired Army Sgt. Adam Menin applied for an OCW grant in hopes of receiving therapeutic recreation items to assist with his combat-related injuries, including post-traumatic stress. His request of architectural LEGOs, movies and video games was granted and presented to him inside his American Legion Post 64 home in Sioux City, Iowa. Marine Corps veteran Joshua Barton in Spring, Texas, received an elliptical machine to help him regain fitness and strength with cardio equipment that had low impact on the spine and knee. Barton was thrown from a vehicle during a mission in Afghanistan.

Every dollar donated to the OCW program is used to provide comfort items and services.

legion.org/ocw



Navy Petty Officers 3rd Class Fangfang Wen, left, originally from China, and Chloe Nichole Luz Rodriguez, a native of the Philippines, recite the Oath of Allegiance to become U.S. citizens during a naturalization ceremony aboard USS Mustin in Yokosuka, Japan, on May 7, 2021. Department of Defense

NATIONAL SECURITY

I LOVE AMERICA. I'D DO PRACTICALLY ANYTHING THAT DOESN'T HURT ANYBODY TO GO BACK.

Laura Meza, an Army veteran who was deported back to Costa Rica following run-ins with the law, after surviving a sexual assault while on active duty and a medical discharge for PTSD and major depression



Fast-track citizenship for immigrant veterans

In February 2021, The American Legion called on President Biden to issue an executive order authorizing the re-institution of the United States Citizenship and Immigration Services (USCIS) Naturalization at Basic Training Initiative and reopening all USCIS field offices abroad for servicemembers and deported veterans.

“The American Legion believes that non-citizen veterans who are honorably discharged and have not been charged or convicted with felonious or heinous crimes should be guaranteed the promise they were made of citizenship,” American Legion National Commander James W. “Bill” Oxford said. “It is imperative that we strengthen military naturalization programs, prevent veteran deportation and repatriate deported veterans. These policies would protect our servicemembers and veterans permanently with recognition for their honorable service to the United States.”

The American Legion supports service to citizenship through two resolutions. Resolution No. 15, Expedited Citizenship Through Military Service, urges Congress to implement measures within the Department of Defense to ensure the process of naturalization through honorable military service is completed prior to discharge. Resolution No. 10, Expedited Citizenship Applications For Deported Veterans, calls on the federal government to grant expedited citizenship applications to deported veterans who were honorably discharged and have no felony convictions.

Currently, citizenship status and deportation do not impact a veteran's eligibility for receiving benefits through VA, and veterans who have been deported remain eligible for VA services and care. However, ensuring these veterans are receiving the care they have earned through service is difficult. The American Legion recommended to the White House that VA assess barriers to care for these veterans and develop a plan to address this issue.

legion.org/security





Ramish Darwishi was an interpreter for U.S. and coalition forces in Afghanistan beginning in 2012. He applied for a Special Immigrant Visa for himself and his wife in 2015, complete with recommendations from U.S. Special Forces. Although the statute governing the visas say the process should be completed in nine months, he was not able to come to the United States until October 2020. Photo by Chet Strange

NATIONAL SECURITY

I WISH THERE WAS A WAY FOR PEOPLE TO UNDERSTAND THE TERROR. THEY COULD DIE WAITING.

Lynnette Keen, who with her husband, Gerald, has been trying for five years to secure Special Immigrant Visas for Gerald's Army interpreter and family



Safety of Afghan interpreters a top concern

In a letter to President Biden and Secretary of State Antony Blinken, American Legion National Commander James W. "Bill" Oxford called on the administration to speed up the processing of visa applications for interpreters who assisted U.S. troops in Afghanistan. In his letter, Oxford expressed The American Legion's unwavering support for the Special Immigrant Visa (SIV) program for Afghan civilians.

The initiative to evacuate those Afghans who served alongside coalition forces comes on the heels of the decision to withdraw U.S. troops from Afghanistan. Biden laid the pathway for withdrawal after 20 years of war in the country.

"Today, there are men and women defending our nation in uniform who were born after 9/11," Oxford wrote. "Thousands of American lives have been lost or broken fighting the global war on terrorism. An entire generation grew into adulthood without knowing a time when the United States was at peace.

"We understand the value of alliances and certainly favor the elimination of imminent threats," he continued. "But imminent is not the same as permanent. It's past time to memorialize and honor those who made tremendous sacrifices on our behalf. It's also time to put diplomacy first."

The American Legion amplified its call for protection of some 18,000 Afghan translators awaiting visas in a June 16 press conference on Capitol Hill.

legion.org/security



The American Legion-supported Deborah Sampson Act that was signed into law with H.R. 7105 will establish an Office of Women's Health within VHA to oversee women's health programs.

Shutterstock

LEGISLATIVE

EQUITY (MEANS) NOT MERELY PICKING A ONE-SIZE-FITS-ALL APPROACH THAT MAY ACTUALLY BE SPECIFICALLY BUILT FOR MEN.

Andrea N. Goldstein, adviser, House Committee on Veterans' Affairs Women Veterans Task Force



Closing loopholes, lifting barriers to care for women

The culmination of a legislative priority of The American Legion since 2019, Congress voted in 2021 to close the “90-10 loophole,” protecting veterans from being targeted by predatory institutions. The rule mandated that for-profit schools obtain at least 10% of their revenue from sources other than Title IV education funds, the primary source of student aid. GI Bill benefits fall within the 10% category, making them valuable to the for-profit institutions. Because of this, many of them aggressively targeted veterans and servicemembers with deceptive recruiting methods. In 2015, the American Legion National Executive Committee passed Resolution No. 15: Support Greater GI Bill Outcomes By Closing 90-10 Loophole. The loophole was ultimately closed when President Biden signed the American Rescue Plan, the \$1.9 trillion coronavirus relief bill; the bill also created the policy change.

When H.R. 7105, the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvements Act of 2020, was signed into law in January 2021, one of the bill’s most notable provisions – the Deborah Sampson Act – was implemented. Despite being the fastest-growing veteran demographic, women still face significant barriers when it comes to receiving care through the Veterans Health Administration (VHA). The American Legion has advocated and testified in multiple forums for the improvement of care for women veterans, and it remains one of the Legion’s legislative priorities.

The act will establish an Office of Women’s Health within VHA to oversee women’s health programs. The office will be responsible for ensuring standards of care for women veterans are being met by the VHA. The bill also mandates that every VA health-care facility have a women’s health primary-care provider. Additionally, it calls for increasing cultural competency among VA staff, expanding VA military sexual trauma (MST) counseling, and requires the Veterans Benefits Administration to process MST claims by specialized teams and allow veterans a choice in the gender of a medical provider if they are victims of such trauma.

legion.org/legislative



Department of California Judge Advocate Chris Yates stayed high on the 100 Miles for Hope leaderboards for both activity points and fundraising. Photo by Jeric Wilhelmsen

VETERANS & CHILDREN FOUNDATION

THE AMERICAN LEGION'S TEMPORARY FINANCIAL ASSISTANCE GRANT ESTABLISHES HOPE IN SOMEONE WHO HAS CONTACTED AND SPOKEN TO EVERYONE FOR ANY KIND OF HELP

Marine Corps veteran Walter Culberson, whose family received a Temporary Financial Assistance grant after the COVID-19 pandemic put him out of work



Help for families and disabled veterans

The American Legion Veterans & Children Foundation was established in 1925 as the American Legion Endowment Fund. Since then, the donation-driven fund has helped millions of disabled veterans and military/veteran families facing unexpected, threatening challenges. The foundation is a separate tax-deductible nonprofit 501(c)3 organization with a dedicated board of directors and national steering committee. It was renamed the American Legion Veterans & Children Foundation in 2019 to better reflect those it serves.

American Legion members nationwide and beyond have laced up their running or walking shoes, or taken to the water, trails and highways, to raise funds toward a \$25 million goal for the foundation over the past year and a half, through 100 Miles for Hope. Donors also contribute to the fund via **legion.org/donate** and other avenues of giving.

American Legion service officers depend on the fund for training in the ever-changing landscape of veterans-benefits assistance. The fund also supplies emergency grants through the American Legion Temporary Financial Assistance (TFA) program that helps military and veteran families with minor children at home who are facing unexpected financial crises. TFA grants, for instance, were issued in 2019 to junior enlisted members of the Coast Guard with children at home after their paychecks were delayed over a month due to a government shutdown. The funds were used to buy food, diapers and medicine, and cover utilities during the unexpected break in income.

Donations represent the sole source of income for the American Legion Veterans & Children Foundation, which needs to be strengthened so future generations of veterans seeking claims assistance and families in need can be confident they will always have The American Legion in their corner.

legion.org/donate/endowment_fund

legion.org/financialassistance

mylegion.org/PersonifyEBusiness/Find-a-Service-Officer



New Orleans American Legion Baseball players joined Major League Baseball in observance of Lou Gehrig Day in June to raise awareness of ALS, or “Lou Gehrig’s disease,” as the program resumed action after a year largely lost to COVID-19 in 2020. Photo by Shawn Fink

AMERICAN LEGION BASEBALL

LEGION BASEBALL CAN BRING THE BEST OUT OF YOU, AND IT DID THAT FOR ME ... I STILL LOVE LEGION BASEBALL.

Wes Helms, 13-year Major League Baseball player and now a coach, who played American Legion Baseball for Gastonia (N.C.) Post 23



American Legion Baseball resumes after a year off

While the COVID-19 pandemic forced the cancellation of American Legion Baseball's regional tournaments and the American Legion World Series in 2020, it wasn't a completely quiet year for the program, which returned to action in the summer of 2021.

American Legion Baseball alumni continued to shine in Major League Baseball, which played a shortened season due to the pandemic. For the third straight season, MLB's top managers were both American Legion Baseball alumni. Don Mattingly was named National League Manager of the Year after guiding the Miami Marlins to their first postseason appearance in 17 seasons, even while a COVID-19 outbreak in the first week of the season forced the Marlins to play 49 games in 47 days. Mattingly, who played American Legion Baseball for Post 8 in Evansville, Ind., became the fifth man to win an MVP and Manager of the Year award. Kevin Cash was the American League Manager of the Year after leading the Tampa Bay Rays to the World Series and the AL's best record. Cash played American Legion Baseball for Post 111 in Tampa.

Another ALB alumnus, Daniel Bard, was named National League Comeback Player of the Year after returning to the game following his retirement in 2018. Originally assigned to the Colorado Rockies' Class AAA roster in Albuquerque in February, Bard finished the season as Colorado's closer with a 4-2 record, six saves and 3.65 ERA in 23 appearances. Bard played American Legion Baseball for Post 337 in Pineville, N.C.

Meanwhile, another ALB alumnus entered the Baseball Hall of Fame after his induction was delayed due to the pandemic. Ted Simmons, who played American Legion Baseball in Southfield, Mich., and the rest of the Class of 2020 – Derek Jeter, Larry Walker and Marvin Miller – were inducted July 25 in Cooperstown, N.Y.

By the end of May, more than 2,500 teams had registered for the 2021 American Legion Baseball season, as some local and department programs were idled for a second year due to the pandemic.

legion.org/baseball



Nikki Randolph, second vice commander of Post 278 in Stevensville, Md., prepares to place a wreath from Wreaths Across America on a veteran's grave in a small cemetery in rural Maryland. Photo by Eric Kruszewski

HONOR & REMEMBRANCE

HE SAW BANNERS, BALLOONS, SIGNS AND FLASHING LIGHTS. SOME VEHICLES STOPPED AND WISHED HIM HAPPY BIRTHDAY DEAN TOOK IT ALL IN WITH THE BIGGEST OF SMILES.

David Buschmann, Blue Ash (Ohio) Northeast Post 630 publicity coordinator, reporting on the Legiontown website about a community drive-by parade for World War II veteran Dean Giacometti's 100th birthday



Keeping the lamp of honor lit

From its beginnings in the aftermath of World War I, a core purpose of The American Legion has been to honor those who didn't come home from wartime service.

This occurs at every level: local, national and international. One prominent example is the Tomb of the Unknown Soldier at Arlington National Cemetery, which The American Legion has supported vigorously since founding leader Hamilton Fish III introduced the original legislation. In 2021 the Tomb celebrates its centennial anniversary, and The American Legion is helping build awareness about the sacred site with plans to participate in ceremonies worldwide.

In the winter of 2020, American Legion posts throughout the nation did not let the pandemic prevent them from the annual tradition of conducting Wreaths Across America programs to decorate the graves of the fallen with holiday wreaths. Also during the pandemic, dozens of posts conducted drive-by parades and other safe approaches to celebrate birthdays of elderly veterans, in honor of their service during the 75th-anniversary commemoration of the end of World War II.

Meanwhile, the American Legion Veterans Memorial Identification Project database, first released in 2016, contains information on nearly 4,000 U.S. war/military/veteran memorials in the United States and abroad, submitted by American Legion Family members – and is still open to additions.

The Legiontown website also gives individuals, friends and family members the opportunity to tell stories of service, with categories such as "My WWII Story," "Family Legacy" and "Memories of Basic Training." Some are selected for additional use in other American Legion media.

legion.org/honor

legion.org/memorials

legion.org/legiontown

On Facebook, search for "The American Legion: Honor & Remembrance"



The more than 1,100 statesmen of Texas Boys State march to the Capitol in Austin on June 13, 2018. Photo courtesy Texas Boys State Facebook page

AMERICANISM, CHILDREN & YOUTH

**WE KIND OF LIVE IN AN AGE WHERE WE HAVE
DISCOURAGED VOTERS, SO ‘BOYS STATE’ MIGHT BE
WHAT’S NECESSARY TO INVIGORATE PEOPLE AGAIN.**

Rene Otero, one of the stars of “Boys State,” an award-winning documentary about the 2018 session of Texas American Legion Boys State



Boys State programs improvise during pandemic

With the University of Texas campus shut down due to the COVID-19 pandemic, the leadership of Texas Boys State struck upon a different idea for the program’s 2020 session: go virtual.

After receiving approval from the American Legion Department of Texas’ executive committee, staff went to work crafting a schedule that would hew as closely as possible to the regular face-to-face schedule while addressing the idiosyncrasies of an online-only schedule.

Outside a few hiccups, the virtual session was a success – so much so that other Boys State programs reached out to the Texas Boys State staff for advice as those programs went virtual for 2021 after being forced to cancel in 2020. No fewer than 17 American Legion Boys State programs were set to go virtual in the summer of 2021.

The Texas Boys State program was also the focus of an award-winning documentary. “Boys State” follows four delegates through the 2018 Texas Boys State session.

The documentary won the Sundance Grand Jury Prize and the Cinema Eye Audience Choice Award, and made it to the shortlist for Best Documentary at the 2021 Academy Awards.

legion.org/boysnation



Sons of The American Legion Squadron 3 Vice Commander Lee Pruitt, Commander Rodney Jackson and American Legion Auxiliary Unit 3 Vice President Catherine Breckenridge deliver an Easter meal to Milford, Del., police officers and other first responders in the community April 4, 2021. Photo by Denise Henhoeffe

SONS OF THE AMERICAN LEGION

THE (SONS OF THE AMERICAN LEGION'S) MISSION IS TO HELP VETERANS IN ANY WAY OR FORM THAT WE CAN.

Kansas Squadron 400 Commander Jeff Kerns



Sons of The American Legion lend helping hands across the country

Disaster relief efforts. Food drives. Blood drives.

With those efforts, and in many other ways, Sons of The American Legion squadrons stepped up to help veterans and their communities throughout 2020 and into 2021.

The COVID-19 pandemic prompted SAL members to coordinate drives and fundraisers across the nation. Notable efforts included the Detachment of Maryland raising over \$7,000 with its annual Laps of Love Fundraiser for Children and Youth programs; 9-year-old Dominic Baker of Squadron 420 in Pennsylvania organizing a drive that collected 100 pounds of food; and Squadron 586 in Adams, N.Y., partnering with the South Jefferson Rescue Squad to deliver 500 free meals.

2020 also saw the most active Atlantic hurricane season on record, and SAL members were at the forefront of gathering and distributing disaster relief supplies in the aftermath of devastating storms across the Southeast.

Sons of The American Legion members made huge contributions in other ways, as well. For example, Chris Petras of Squadron 28 in Grand Haven, Mich., helped find documents that led to Post 28 namesake Charles A. Conklin posthumously receiving a Purple Heart for his actions in World War I.

legion.org/sons



American Legion Legacy Scholarship recipient Claudia Maynard is pursuing a career in medicine. Photo by Aram Boghosian

SCHOLARSHIPS

THIS SCHOLARSHIP PLAYS SUCH A SPECIAL PART IN MY ENDEAVORS, AND THE HARDSHIPS AND THE CHALLENGES I WOULD HAVE FACED WITHOUT THE SUPPORT OF THE AMERICAN LEGION.

Claudia Maynard, 2020 American Legion Legacy Scholarship recipient



Higher education for the children of those who sacrificed

In 18 years, the American Legion Legacy Scholarship has provided over \$4 million in educational aid to more than 430 military children.

The scholarship provides college funding to children of U.S. servicemembers who died on active duty on or after 9/11, or those who have a combined VA disability rating of 50% or greater. For 2021, 32 students received Legacy Scholarship grants for the expense of graduate or post-graduate tuition, books, room and board, meal plans and other supplies.

The Legacy Scholarship allows recipients to pursue career paths they are passionate about, focus on academics with less pressure to get a job, study abroad, and have less student loan debt.

A number of Legacy Scholarship recipients have shared testimonials about how the scholarship has changed their college experiences and lives. One is Claudia Maynard from New Hampshire, whose father retired from the Marine Corps after 25 years due to a debilitating motorcycle accident. Maynard is enrolled in medical school at the University of New England College of Osteopathic Medicine in Maine. Her focus is on public and global health, an interest sparked from her time living around the world during her father's military career.

"The American Legion Legacy Scholarship is honoring my father's service and commitment to the years he served, and allowing me to have a better opportunity than my father previously had (growing up). The Legion is providing me the support and ability to pursue my dreams ... helping me be able to care for my patients in the community."

legion.org/scholarships



Photo by Ben Mikesell

MEDIA & COMMUNICATIONS

WE STARTED THE PODCAST AS A BIT OF AN EXPERIMENT TO SEE IF IT RESONATED WITH OUR AUDIENCE. SOON ENOUGH, IT WAS CONFIRMED THAT OUR MEMBERS HAD AN APPETITE FOR AN AMERICAN LEGION PODCAST.

Walter Ivie, American Legion Media & Communications Commission chairman



Tango Alpha Lima podcast grows audience in 2021

Throughout its 102-year history, The American Legion has communicated with its members, key allies, news media representatives, external influencers, members of Congress and others through a multi-pronged media program. Today, that media portfolio includes the monthly magazine, the *Dispatch*, a weekly podcast, e-newsletters, social media, press releases, this annual report and more.

Two new assets, launched during the pandemic in 2020, showed strong growth during 2021. Tango Alpha Lima is The American Legion's weekly podcast, with a video version available on YouTube. The podcast was ranked second-best for veterans and transitioning servicemembers, according to ClearanceJobs, a website for veteran jobseekers. The podcast also surpassed 25,000 total downloads roughly a year after launch. In fact, its three best-performing months were March, April and May 2021 – a trend expected to continue.

Additionally, The American Legion Media Alliance (TALMA) grew from zero to more than 600 members during the pandemic. The Media & Communications Commission oversees TALMA, which is dedicated to helping members with monthly virtual training sessions, media resources, tools and guidance to promote their post activities.

Still, the flagship of the media program remains *The American Legion Magazine*. The monthly publication was once again named the “best-read” magazine out of nearly 180 surveyed by independent auditor GfK MRI.

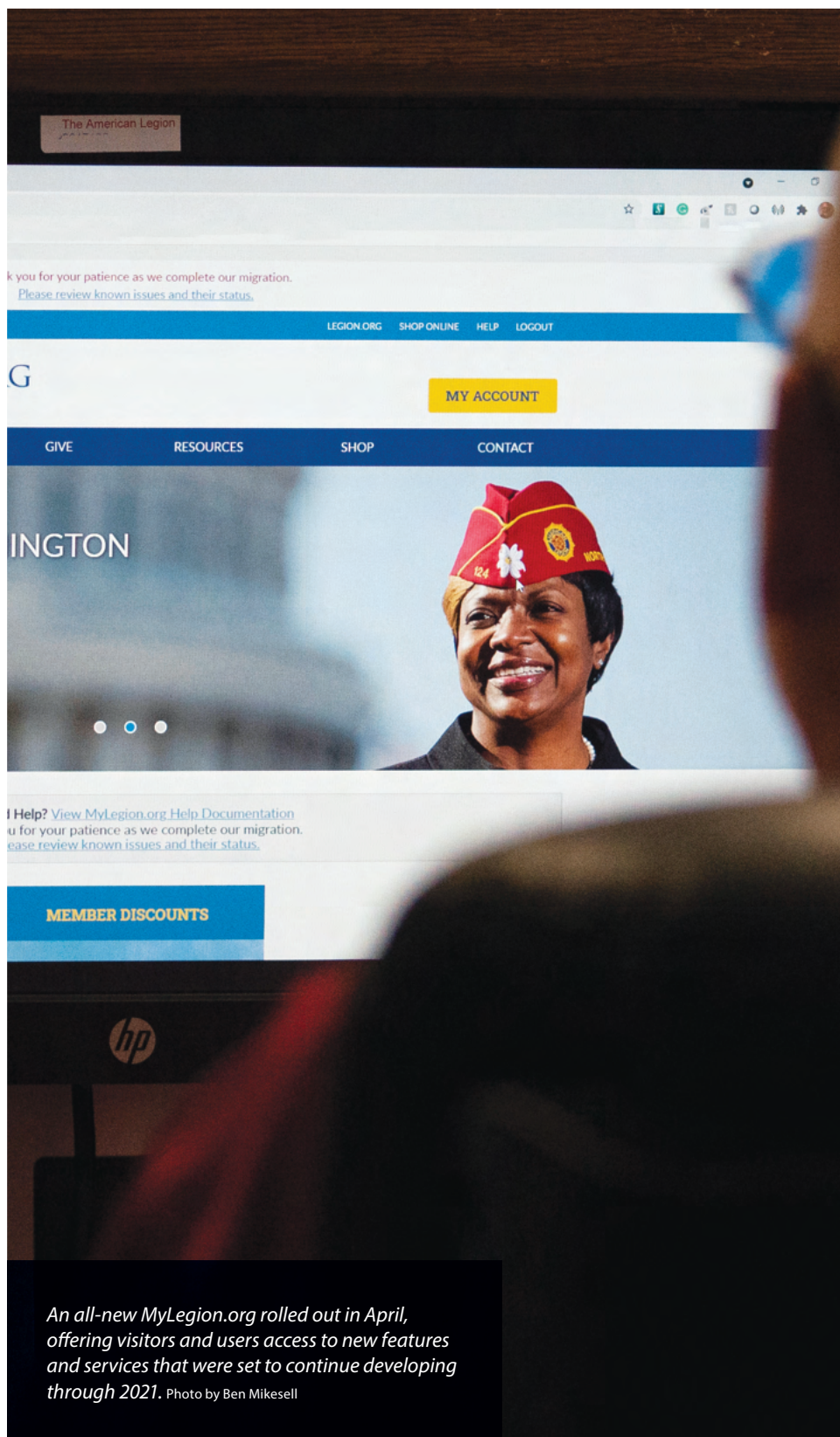
legion.org/tangoalphalima

legion.org/talma

legion.org/media

legion.org/socialmedia

On LinkedIn, under Companies, search for “The American Legion”



An all-new MyLegion.org rolled out in April, offering visitors and users access to new features and services that were set to continue developing through 2021. Photo by Ben Mikesell

MEMBERSHIP

WHEN THE (MYLEGION.ORG) PROJECT IS COMPLETED, THE AMERICAN LEGION WILL HAVE A SYSTEM IN PLACE THAT IS RESPONSIVE TO THE NEEDS OF ITS MEMBERSHIP.

George Lussier of the Department of Virginia, who serves on The American Legion's IT Oversight Committee and National Finance Commission



A one-stop shop for membership management

On April 1, 2021, The American Legion launched a new MyLegion.org platform that provides registered users with membership and individual account enhancements. The platform is a free, secure website for American Legion members, Sons of The American Legion members, and post, district and department officers. The project involved transferring millions of records from the old system and creating tens of thousands of lines of new code over a few months.

With a MyLegion.org account, American Legion and Sons of The American Legion members can manage their profile information (make updates to addresses, phone numbers, etc.); print membership cards; renew membership online or set up automatic membership renewal; view member-only discounts, from retail to travel; manage subscriptions to American Legion media content; access training tools; and more.

Another new membership initiative is Training Tuesdays. Since October 2020, on the last Tuesday of each month, American Legion National Headquarters staff members have presented 60- to 90-minute sessions on topics aimed at post commanders and adjutants. Each session is recorded and made available for later viewing.

mylegion.org

legion.org/membership

legion.org/training



More than 20,000 American Legion Family protective face masks were sold through Emblem Sales in 2020 and 2021. Photo by Ben Mikesell

EMBLEM SALES

NOT ONLY IS IT AMERICANISM AND PATRIOTISM IN OUR CLASSROOM, BUT IT'S GETTING TO SPREAD THE WORD OF THE AMERICAN LEGION.

American Legion Department of Montana Commander Jeff Nelson, on his state's initiative to put a U.S. flag in every classroom, purchased through American Legion Emblem Sales



Flag rewards, flash drives, masks and more

The American Legion Emblem Sales website – legion.org/emblemsales – provides safe, convenient online shopping for a variety of items and products for individuals and posts, as well as customized orders.

Since the onset of the COVID-19 pandemic in early 2020, more than 20,000 American-made face masks featuring the emblems of The American Legion, the American Legion Auxiliary, Sons of The American Legion and the American Legion Riders have been sold, along with masks bearing the POW/MIA logo. Also in 2021, Emblem Sales began marketing “COVID Operations: The American Legion Family's Response to the Global Pandemic,” an illustrated bookazine that shows how they stepped up during the crisis.

To support membership services and promotion, a line of USB flash drives is now offered through Emblem Sales, containing American Legion Family clip art and pre-loaded certificates, as well as additional storage space.

With the Auxiliary now open to male spouses, Emblem Sales offers everything from formal ties to short-sleeved dress shirts, polos and more, all featuring the American Legion Auxiliary emblem.

Emblem Sales remains a leading seller of American-made U.S. flags, providing more than 1 million each year. The Flag Rewards Program enables posts to earn 10 cents for each flag they – or individuals, friends, neighbors, schools and businesses that sponsor the post – purchase, good toward any merchandise offered in the next year. Currently, more than 2,200 posts participate in the program.

To order an Emblem Sales catalog free of charge, call **(888) 453-4466** between 8 a.m. and 5 p.m. Eastern on weekdays, fax **(317) 630-1381** or email emblem@legion.org.

legion.org/emblemsales

AMERICAN LEGION



INDYCAR drivers Jimmie Johnson and Tony Kanaan produce TV messages about The American Legion at the Chip Ganassi Racing garage in Indianapolis in the days leading up to the Indianapolis 500. Photo by Ben Mikesell

RELATIONSHIPS

WHATEVER WE CAN DO TO SEND A MESSAGE ... IT'S NOT JUST ABOUT THE RACE. IT'S ABOUT SAVING LIVES AND HELPING VETERANS.

INDYCAR driver Tony Kanaan, in a May 27, 2021, press conference to announce that The American Legion's relationship with Chip Ganassi Racing and sponsorship of the 48 car will focus on veteran suicide prevention



Superstars of auto racing join forces with The American Legion

On Dec. 1, 2020, The American Legion and Chip Ganassi Racing announced a multiyear sponsorship relationship to raise awareness of the organization's mission to serve and assist veterans. That same day, The American Legion received more than \$118,000 in donations, an all-time Giving Tuesday record for the organization. Seven-time NASCAR champ Jimmie Johnson, driver of the Legion-sponsored 48 car in road races during the 2021 season, primed the pump with a gift of \$10,000 of his own.

The engine had only started to rev at that moment in a relationship that featured television advertising, media appearances, announcement of a joint initiative to fight veteran suicide, and a top-10 finish in the Indianapolis 500 by legendary open-wheel driver Tony Kanaan, who drives the 48 car in oval-track races.

Prior to the 500, The American Legion and Chip Ganassi Racing announced a "mission focus" on the battle to prevent veteran suicide. That same day, Veterans United Home Loans announced a commitment of \$2 million to help the Legion's "Race to End Veteran Suicide." The initiative and funds raised will be applied to the development of peer-to-peer support and new resources to help veterans across the country.

Also in 2020, The American Legion entered into a formal alliance with UnitedHealthcare, which provides veterans with multiple insurance services and concierge access to critical programs to improve health and well-being – critical concerns during the COVID-19 pandemic.

The American Legion's alliance with USAA, the organization's preferred provider of financial services, entered its 10th year in 2021, and multiple companies continue to provide members with cost-saving discount programs and other benefits.

legion.org/alliances



INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying consolidated financial statements of The American Legion National Headquarters ("Legion"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The American Legion National Headquarters as of December 31, 2020 and 2019, 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.

Other Matter

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 additional 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
April 26, 2021

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,357,289	\$ 2,312,619
Accounts receivable	4,458,259	7,123,577
Interest receivable	1,029,840	1,008,765
Prepaid expenses and deposits	3,566,909	2,403,235
Deferred membership expense	3,675,147	4,183,155
Inventory	3,847,011	3,508,922
Investment in affiliate (CFA)	42,097	37,307
Beneficial interest in trust	-	36,264
	<u>18,976,552</u>	<u>20,613,844</u>
Investments		
General	32,042,798	21,551,826
Segregated for Restricted and Reserved Funds	39,527,477	37,361,797
Paid-Up-For-Life Membership fund	26,327,303	26,539,113
Samsung scholarship fund	7,894,494	7,669,826
Building funds	8,004,132	7,254,020
Sept. 11 Memorial scholarship fund	16,701,655	16,341,850
Special account – Endowment Fund	2,181,347	2,066,042
General account – Endowment Fund	9,997,425	9,094,112
National Emergency Fund	7,374,556	6,658,915
American Legion Charities	5,627,624	5,255,325
Other	<u>4,611,388</u>	<u>4,315,975</u>
	160,290,199	144,108,801
Property, plant and equipment, net	<u>4,599,235</u>	<u>4,062,080</u>
	<u>\$ 183,865,986</u>	<u>\$ 168,784,725</u>
LIABILITIES		
Accounts payable	\$ 1,324,285	\$ 4,777,975
Scholarships payable	717,297	1,589,399
Deposits on emblem merchandise sales	487,635	586,078
Deferred income	1,848,229	1,439,307
Deferred dues income	23,838,285	24,071,863
Deferred income – direct membership solicitation	3,282,655	3,428,607
Accrued vacation benefits	829,099	802,152
Accrued pension expense	24,539,006	20,709,800
Other liabilities	1,991,018	1,323,678
Notes payable	3,824,000	215,148
Deferred dues income – Paid-Up-For-Life membership	24,482,851	23,908,398
Life memberships due to state and local posts	<u>27,853,299</u>	<u>26,766,460</u>
	115,017,659	109,618,865
NET ASSETS		
Without donor restriction	19,388,183	10,986,426
With donor restriction	<u>49,460,144</u>	<u>48,179,434</u>
Total net assets	<u>68,848,327</u>	<u>59,165,860</u>
	<u>\$ 183,865,986</u>	<u>\$ 168,784,725</u>

See accompanying notes to consolidated financial statements.

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended December 31, 2020

	Without Donor <u>Restriction</u>	With Donor <u>Restriction</u>	<u>Total</u>
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>	<u>-</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>
	<u>71,483,356</u>	<u>-</u>	<u>71,483,356</u>
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 ACTIVITIES
Year ended December 31, 2019

	Without Donor Restriction	With Donor Restriction	Total
Revenue, gains and other support			
National member dues	\$ 29,293,372	\$ -	\$ 29,293,372
Direct membership solicitations	5,887,420	-	5,887,420
Member service fees income	449,344	-	449,344
Affinity income	4,000,000	-	4,000,000
Sales of emblem items	14,283,830	-	14,283,830
Advertising	8,032,884	-	8,032,884
Contributions	12,863,986	5,747,894	18,611,880
Label and printing fees	347,473	-	347,473
Interest and dividends, net of fees	2,044,411	1,172,374	3,216,785
Net realized losses - investments	(110,044)	(162,997)	(273,041)
Other	<u>3,412,106</u>	<u>1,441,758</u>	<u>4,853,864</u>
	80,504,782	8,199,029	88,703,811
Net assets released from restriction	<u>3,721,305</u>	<u>(3,721,305)</u>	<u>-</u>
Total revenues, gains, and other support	84,226,087	4,477,724	88,703,811
Expenses			
Salaries	14,587,909	-	14,587,909
Employee benefits	6,662,698	-	6,662,698
Cost of sales – Legion	7,834,317	-	7,834,317
Department and magazine costs	1,381,692	-	1,381,692
Direct publications	10,004,545	-	10,004,545
Executive, staff and program travel	3,671,878	-	3,671,878
Commission and committee	1,772,354	-	1,772,354
Printing and postage	14,480,642	-	14,480,642
Scholarships, grants and awards	3,323,903	-	3,323,903
Office and other operating	14,495,363	-	14,495,363
Occupancy and usage	2,197,550	-	2,197,550
Special projects and programs	<u>3,809,444</u>	<u>-</u>	<u>3,809,444</u>
	<u>84,222,295</u>	<u>-</u>	<u>84,222,295</u>
Change in net assets from operations	3,792	4,477,724	4,481,516
Net unrealized gain – investments	2,765,626	2,001,018	4,766,644
Net change in PUFL	497,406	-	497,406
Amortization of pension loss	(1,996,688)	-	(1,996,688)
Pension-related changes other than net periodic pension cost	<u>(36,751)</u>	<u>-</u>	<u>(36,751)</u>
Change in net assets	1,233,385	6,478,742	7,712,127
Net assets, beginning of year	<u>9,753,041</u>	<u>41,700,692</u>	<u>51,453,733</u>
Net assets, end of year	<u>\$ 10,986,426</u>	<u>\$ 48,179,434</u>	<u>\$ 59,165,860</u>

See accompanying notes to consolidated financial statements.

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Years ended December 31, 2020 and 2019

	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

	Program Services		Supporting Services			2019 Total
	Veterans Programs Services	Americanism and Children and Youth Activities	Management and General	Member Development	Fundraising	
2019						
Salaries	\$ 6,602,790	\$ 527,288	\$ 6,652,509	\$ 805,322	\$ -	\$ 14,587,909
Employee benefits	665,970	52,406	5,864,674	79,648	-	6,662,698
Cost of sales - Legion Department and magazine costs	7,834,317	-	-	-	-	7,834,317
Direct publications	1,305,222	-	10,473	-	65,997	1,381,692
Executive, staff and program travel	10,004,545	-	-	-	-	10,004,545
Commission and committee	1,226,242	1,428,626	964,338	52,672	-	3,671,878
Printing and postage	937,731	248,545	470,592	115,486	-	1,772,354
Scholarships, grants, and awards	2,257,816	9,123	79,817	2,602,858	9,531,028	14,480,642
Office and other operating	458,074	2,673,634	-	191,985	210	3,323,903
Occupancy and usage	3,567,474	147,054	3,788,554	6,742,187	250,094	14,495,363
Special projects and programs	27,249	1,352	1,639,670	529,279	-	2,197,550
	<u>2,175,806</u>	<u>725,275</u>	<u>908,363</u>	<u>-</u>	<u>-</u>	<u>3,809,444</u>
Total	\$ 37,063,236	\$ 5,813,303	\$ 20,378,990	\$ 11,119,437	\$ 9,847,329	\$ 84,222,295

See accompanying notes to consolidated financial statements.

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 9,682,467	\$ 7,712,127
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	590,089	726,941
Realized (gain) loss on sale of investments	(100,285)	273,041
Unrealized gain on investments	(4,149,097)	(4,766,644)
Net change in Paid-Up-For-Life annuity	959,270	(497,406)
Amortization of pension loss	2,224,672	1,996,688
Pension-related changes other than net periodic pension cost	1,192,424	36,751
Contributions restricted for long-term purposes	(709,567)	(1,147,682)
Changes in assets and liabilities:		
Accounts receivable	2,665,318	(1,663,269)
Interest receivable	(21,075)	(123,225)
Prepaid expenses and deposits	(1,163,674)	351,864
Deferred membership expense	508,008	(105,677)
Inventories	(338,089)	(647,720)
Beneficial interest in trust	36,264	40,465
Accounts and scholarships payable	(4,325,789)	966,211
Deferred income	632,971	3,143,504
Accrued pension expense	412,110	837,982
Other accrued liabilities	<u>694,286</u>	<u>326,087</u>
Net cash from operating activities	8,790,303	7,460,038
Cash flows from investing activities		
Purchase of property and equipment	(1,353,874)	(1,037,776)
Sales of property and equipment	-	2,046
Loss on disposal of property and equipment	226,628	-
Purchase of investments	(93,285,016)	(100,808,016)
Sales and maturities of investments	81,353,000	92,774,212
Investments in affiliate (CFA)	<u>(4,790)</u>	<u>(26,237)</u>
Net cash from investing activities	(13,064,052)	(9,095,771)
Cash flows from financing activities		
Contributions restricted for long-term purposes	709,567	1,147,682
Paycheck Protection Program loan proceeds	3,824,000	-
Repayment on notes payable	<u>(215,148)</u>	<u>(211,550)</u>
Net cash from financing activities	<u>5,148,809</u>	<u>936,132</u>
Net increase (decrease) in cash and cash equivalents	44,670	(699,601)
Cash and cash equivalents, beginning of year	<u>2,312,619</u>	<u>3,012,220</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,357,289</u></u>	<u><u>\$ 2,312,619</u></u>
Supplemental cash flows information		
Interest paid	\$ 30,786	\$ 12,204
Investment maturities	\$ -	2,556,599

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 \$1,496,506 and \$1,367,990 of board designated net assets included in the net assets without donor restrictions as of December 31, 2020 and 2019, 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.

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, 2020 and 2019.

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, 2020 and 2019.

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 thirty 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, 2019 and 2018.

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 2019 and 2018, 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, 2019 and 2018, 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, 2019 and 2018.

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.

Recent Accounting Pronouncement: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (ASU) 2014-09, *Revenue from Contracts with Customers Topic (606)*. This ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU has superseded the revenue recognition requirements in *Topic 605, Revenue Recognition*, and most industry-specific guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Legion applied the amendments in this ASU for the year ended December 31, 2019, but was not materially impacted by the ASU and as a result, no cumulative effect adjustment was recorded upon adoption.

In June 2018, the FASB issued ASU 2018-08 – *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this Update provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional. The Legion applied the amendments in this ASU for the year ended December 31, 2019.

The Legion implemented ASU 2018-08 using a modified retrospective method of application. There were no changes to the recognition or presentation of revenue as a result of the application of ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

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.

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Property, Plant, and Equipment: Expenditures for property, plant, and equipment and items, which substantially increase the useful

THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020 and 2019

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

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, 2020 and 2019.

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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.

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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, 2020 and 2019, 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, 2020 and 2019.

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, 2020, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2020. Management has performed their analysis through April 26, 2021, the date the financial statements were available to be issued.

NOTE 2 – CORONAVIRUS PANDEMIC

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, 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. The Legion's revenues and expenses were both down from 2020, however the change in net assets increased by \$1,970,340 from 2019. Assets increased approximately \$15,100,000 in 2020 and liabilities increased approximately \$5,400,000 in 2020. The Legion received a Paycheck Protection Program Loan for \$3,824,000 as part of the CARES Act. The loan is included within notes payable in footnote 8. As the pandemic continues in 2021, business results of the Legion will continue to be affected based on the national, state, and local events designed to contain the coronavirus.

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 \$4,790 and \$26,237 in 2020 and 2019, 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 2020 and 2019.

NOTE 5 – BENEFICIAL INTEREST IN CHARITABLE LEAD TRUST

The ALEF was named a beneficiary of a charitable lead trust. Under the charitable trust, the ALEF was to receive quarterly distributions in the amount of \$9,919 until December 2020, or until the funds of the trust are exhausted. In 2020 the funds from the trust were exhausted.

NOTE 6 – 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, 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>

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, 2020 and 2019:

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)
Assets:			
Beneficial interest in trust	\$ -	\$ -	\$ 36,264
Money market accounts	24,497,357	-	-
U.S. Government obligations		30,139,064	-
State and municipal bonds	-	42,225,724	-
Corporate bonds	-	46,783,508	-
Common Stock	463,148	-	-
	<u>\$ 24,960,505</u>	<u>\$ 119,148,296</u>	<u>\$ 36,264</u>

	Beneficial Interest in Trust	
Beginning balance, January 1, 2019	\$	76,729
Change in value of split interest agreements		(789)
Distributions from trust		<u>(39,676)</u>
Ending balance, December 31, 2019	\$	<u>36,264</u>
Beginning balance, January 1, 2020	\$	36,264
Change in value of split interest agreements		-
Distributions from trust		<u>(36,264)</u>
Ending balance, December 31, 2020	\$	<u>-</u>

NOTE 7 – PROPERTY AND EQUIPMENT

The Legion's property and equipment, and the related accumulated depreciation at December 31, 2020 and 2019 are as follows:

	2020	2019
Washington, D.C., real estate		
Land	\$ 80,000	\$ 80,000
Building	5,692,323	5,661,735
Indianapolis real estate		
Land	389,264	389,264
Building	4,230,713	4,134,868
Furniture, fixtures and equipment		
National Headquarters, Indianapolis	7,013,456	6,966,263
Washington, D.C.	714,532	710,450
Construction in progress	1,924,939	975,402
	20,045,227	18,917,982
Less: accumulated depreciation	<u>(15,445,992)</u>	<u>(14,855,902)</u>
	<u>\$ 4,599,235</u>	<u>\$ 4,062,080</u>

Depreciation expense for the years ended, December 31, 2020 and 2019 was \$590,089 and \$726,941, respectively.

NOTE 8 – NOTES PAYABLE

In 2013, the Legion refinanced its long-term debt. Principal and interest was payable in monthly installment, and the final payment was made in December 2020. The stated interest rate was 1.35% plus the 30-day London Inter Bank Offered Rate ("LIBOR"). The outstanding balance on long-term debt was \$215,148 at December 31, 2019. The outstanding balance was paid off during 2020.

NOTE 8 – NOTES PAYABLE (continued)

Interest expense was \$4,070 and \$12,204 for the years ended December 31, 2020 and 2019, respectively.

As a strategy to mitigate exposure to the risk of interest rate fluctuations, the Legion entered into an interest rate swap agreement on the long-term debt on December 3, 2013. This interest rate swap has been designated as a derivative and provided for the Legion to receive interest from the counterparty at the 30-day LIBOR rate plus 1.35% and to pay interest to the counterparty at fixed rate of 2.98% on a notional amount of \$215,148 at December 31, 2019. The interest rate swap matured in 2020.

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 is accounting for the PPP loan as debt under ASC 470 and will not recognize the revenue until formal forgiveness has been obtained, which the Legion expects to happen during 2021. If the SBA does not forgive any portion of the PPP loan, the remaining balance would have a two-year repayment period and the interest rate on the loan would be 1%.

NOTE 9 – 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, 2020 and 2019 was \$349,105 and \$367,262, respectively.

Minimum lease commitments are as follows:

2021	\$ 335,731
2022	171,038
2023	38,568
	<u>\$ 545,337</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 until a new lease agreement extending the lease term is finalized. 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 2020 and 2019 was \$753,348 and \$818,248, respectively. Insurance coverage is included in the Legion's general insurance policy.

NOTE 10 – 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 11 – 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 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 2020 and 2019. As of December 31, 2020 and 2019, the restricted fund had an investment balance of \$37,247,800 and \$35,164,769, 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, 2020 and 2019, the reserve fund had an investment balance of \$2,279,677 and \$2,197,028, respectively.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTION

NNet 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 veterans affairs and rehabilitation and children and youth activities of the Legion.

NOTE 12 – NET ASSETS WITH DONOR RESTRICTION (continued)

At December 31, 2020 and 2019, net assets with donor restriction by specific purpose and in perpetuity are as follows:

	2020	2019
<u>With specific purpose</u>		
Overseas graves decoration fund	\$ 1,002,680	\$ 958,750
Samsung scholarship	2,428,886	1,942,279
American Legacy Fund	16,161,942	15,391,936
National Emergency Fund	7,514,002	7,075,265
Boy Scouts	467,899	467,899
Operation Comfort Warrior	3,921,651	3,705,001
John DeVore	364,508	342,187
Edwin J. Dentz VA Boy's State	710,152	631,277
Samsung American Legion Alumni Association	316,668	390,716
Commemorative coin	-	1,441,758
Others	546,515	874,520
Total with specific purpose	33,434,903	33,221,588
<u>In perpetuity</u>		
Samsung scholarship	5,000,000	5,000,000
American Legion Endowment Fund	11,025,241	9,957,846
Total in perpetuity	16,025,241	14,957,846
Total assets with donor restriction	\$ 49,460,144	\$ 48,179,434

NOTE 13 – 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.

	2020	2019
<u>Purpose restrictions accomplished</u>		
Overseas graves decoration	\$ 10,592	\$ 27,791
Scholarships and grants (including relief aid)	1,276,396	1,925,948
Veterans Affairs & Rehabilitation and Children & Youth programs	2,381,488	1,767,566
	\$ 3,668,476	\$ 3,721,305

NOTE 14 – 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

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

Endowment net asset composition by type of fund as of December 31, 2019:

	Without Donor Restriction	With Donor Restriction	Total
Donor restricted endowment funds	\$ 56,600	\$ 16,929,275	\$ 16,985,875
Total Funds	\$ 56,600	\$ 16,929,275	\$ 16,985,875

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

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NOTE 14 – ENDOWMENT COMPOSITION (continued)

Changes in endowment net assets for the year ended December 31, 2019:

	Without Donor Restriction	With Donor Restriction	Total
Net assets, beginning of year	\$ 270	\$ 15,258,711	\$ 15,258,981
Investment gain/(loss)			
Investment income, net of fees	47,872	422,518	470,390
Net depreciation (realized and unrealized)	53,863	580,626	634,489
Total investment gain	101,735	1,003,144	1,104,879
New gifts	-	1,147,682	1,147,682
Appropriation of endowment assets for expenditure	(45,405)	(480,262)	(525,667)
Net assets, end of year	\$ 56,600	\$ 16,929,275	\$ 16,985,875

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, 2020 and 2019, the Legion did not have any funds with deficiencies.

NOTE 15 – 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 \$367,225 and \$365,022 in 2020 and 2019, 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.

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, 2020 and 2019:

	2020	2019
Benefit obligation	\$ (64,148,563)	\$ (59,971,338)
Fair value of plan assets	46,182,398	44,389,962
Funded status	\$ (17,966,165)	\$ (15,581,376)
Interest cost	\$ 1,705,130	\$ 2,202,980
Actual return on assets	(5,342,125)	(5,213,436)
Amortization of prior service costs	442,267	442,267
Amortization of loss	2,075,549	1,996,688
Difference between expected and actual return on assets	2,372,988	2,359,848
Net periodic pension cost	\$ 1,253,809	\$ 1,788,347
Net gain	\$ 1,573,247	\$ 63,675
Prior service cost	(442,267)	(442,267)
Pension-related changes other than net periodic pension cost	\$ 1,130,980	\$ (378,592)
Prepaid benefit cost	\$ 3,912,225	\$ 5,166,034
Accumulated benefit obligation	64,148,563	59,971,338
Vested benefit obligation	64,148,563	59,014,117
Net periodic pension cost	1,253,809	1,788,347
Benefits paid	3,549,689	3,562,743
Measurement date	12/31/2020	12/31/2019

Estimated future benefit payments:

2021	\$ 3,753,917
2022	3,791,421
2023	3,804,199
2024	3,757,096
2025	3,711,090
Years 2026-2028	17,559,908

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.

NOTE 15 – EMPLOYEE BENEFITS (continued)

The fair value of Plan A assets at December 31, 2020 and 2019 are as follows. See Note 6 for descriptions of inputs for each type of asset.

	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	\$ 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>

	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	\$ 239,242	\$ -	\$ -
Money market accounts	2,000,374	-	-
U.S. Government and agency obligations	-	4,820,249	-
Municipal bonds	-	5,812,686	-
Corporate bonds	-	16,740,929	-
Common stock:			
Materials	437,671	-	-
Industrials	1,299,715	-	-
Consumer discretionary	1,178,680	-	-
Consumer staples	1,150,380	-	-
Energy	706,459	-	-
Health care	2,367,315	-	-
Financials	2,123,496	-	-
Telecommunication	1,564,105	-	-
Technology	3,528,392	-	-
Utilities	420,269	-	-
	<u>\$ 17,016,098</u>	<u>\$ 27,373,864</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	2020	2019
Discount rate	2.09%	2.94%
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, 2020 are \$2,075,549 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, 2020 and 2019:

	2020	2019
Benefit obligation	\$ (10,261,920)	\$ (7,499,979)
Fair value of plan assets	3,689,079	2,371,555
Funded status	<u>\$ (6,572,841)</u>	<u>\$ (5,128,424)</u>
Service cost	\$ 809,893	\$ 584,473
Interest cost	239,107	215,705
Actual return on assets	(324,245)	(88,808)
Amortization of prior service costs	370,027	370,027
Amortization of loss	149,123	-
Difference between expected and actual return on assets	139,068	(35,074)
Net periodic pension cost	<u>\$ 1,382,973</u>	<u>\$ 1,046,323</u>
Net loss	\$ 431,471	\$ 785,370
Prior service cost	(370,027)	(370,027)
Pension-related changes other than net periodic pension cost	<u>\$ 61,444</u>	<u>\$ 415,343</u>
Prepaid benefit cost	\$ (1,149,353)	\$ (829,305)
Accumulated benefit obligation	6,116,637	4,067,950
Vested benefit obligation	7,069,775	4,765,899
Net periodic pension cost	1,382,973	1,046,323
Benefits paid	69,646	46,063
Measurement date	12/31/2020	12/31/2019

Estimated future benefit payments:

2021	\$ 116,963
2022	143,144
2023	183,986
2024	215,477
2025	250,135
Years 2026-2029	2,037,475

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NOTE 15 – EMPLOYEE BENEFITS (continued)

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, 2020 and 2019 are as follows. See Note 6 for descriptions of inputs for each type of asset.

	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	\$ 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>

	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	\$ 12,823	\$ -	\$ -
Money market accounts	31,639	-	-
U.S. government and agency obligations		501,794	-
Municipal bonds		513,236	-
Corporate bonds		673,406	-
Common stock:		-	-
Materials	20,360		
Industrials	57,136	-	-
Consumer discretionary	55,507	-	-
Consumer staples	52,048	-	-
Energy	32,276	-	-
Health care	107,157	-	-
Financials	98,897	-	-
Telecommunication	69,978	-	-
Technology	125,527	-	-
Utilities	19,771	-	-
	<u>\$ 683,119</u>	<u>\$ 1,688,436</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	2020	2019
Discount rate	2.48%	3.21%
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, 2020 are \$149,123 and \$370,027, respectively.

NOTE 16 – 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:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,357,289	\$ 2,312,619
Accounts receivable, net	4,458,259	7,123,577
Interest receivable	1,029,840	1,008,765
Investments	168,135,587	131,581,394
Total financial assets	<u>\$ 168,135,587</u>	<u>\$ 154,553,762</u>
Less amounts not available for general expenditure within one year:		
Donor-restricted endowment funds	\$ (16,025,241)	\$ (14,921,582)
Financial assets not available to be used within one year	<u>\$ (16,025,241)</u>	<u>\$ (14,921,582)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 152,110,346</u>	<u>\$ 139,632,180</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 17 – 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
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	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 913,660	\$ 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 Due from American Legion	3,675,147	-	-	-	-	3,675,147
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 FINANCIAL POSITION
December 31, 2019

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National, Emergency Fund	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 1,051,217	\$ 303,982	\$ 606,454	\$ 350,966	\$ -	\$ 2,312,619
Accounts receivable	6,959,578	107,291	124,724	5,665	(73,681)	7,123,577
Interest receivable	818,879	43,316	86,851	59,719	-	1,008,765
Prepaid expenses and deposits	2,403,235	-	-	-	-	2,403,235
Deferred membership expense	4,183,155	-	-	-	-	4,183,155
Due from American Legion Endowment Fund	2,000,000	-	-	-	(2,000,000)	-
Inventory	3,508,922	-	-	-	-	3,508,922
Investment in affiliate (CFA)	37,307	-	-	-	-	37,307
Beneficial interest in trust	-	-	36,264	-	-	36,264
	<u>20,962,293</u>	<u>454,589</u>	<u>854,293</u>	<u>416,350</u>	<u>(2,073,681)</u>	<u>20,613,844</u>
Investments						
General	21,551,826	-	-	-	-	21,551,826
Segregated for Restricted and Reserved funds	37,361,797	-	-	-	-	37,361,797
Paid-Up-For-Life Membership fund	26,539,113	-	-	-	-	26,539,113
Samsung scholarship fund	7,669,826	-	-	-	-	7,669,826
Building funds	7,254,020	-	-	-	-	7,254,020
Sept. 11 Memorial scholarship fund	16,341,850	-	-	-	-	16,341,850
Special account – Endowment Fund	-	-	2,066,042	-	-	2,066,042
General account – Endowment Fund	-	-	9,094,112	-	-	9,094,112
National Emergency Fund	-	-	-	6,658,915	-	6,658,915
American Legion Charities	-	5,255,325	-	-	-	5,255,325
Other	4,315,975	-	-	-	-	4,315,975
	<u>121,034,407</u>	<u>5,255,325</u>	<u>11,160,154</u>	<u>6,658,915</u>	<u>-</u>	<u>144,108,801</u>
Property, plant and equipment, net	4,062,080	-	-	-	-	4,062,080
	<u>\$ 146,058,780</u>	<u>\$ 5,709,914</u>	<u>\$ 12,014,447</u>	<u>\$ 7,075,265</u>	<u>\$ (2,073,681)</u>	<u>\$ 168,784,725</u>
LIABILITIES						
Accounts payable	\$ 4,761,185	\$ 90,471	\$ -	\$ -	\$ (73,681)	\$ 4,777,975
Scholarships payable	1,589,399	-	-	-	-	1,589,399
Due to American Legion National Headquarters	-	-	2,000,000	-	(2,000,000)	-
Deposits on emblem merchandise sales	586,078	-	-	-	-	586,078
Deferred income	1,439,307	-	-	-	-	1,439,307
Deferred dues income	24,071,863	-	-	-	-	24,071,863
Deferred income – direct membership solicitation	3,428,607	-	-	-	-	3,428,607
Accrued vacation benefits	802,152	-	-	-	-	802,152
Accrued pension expense	20,709,800	-	-	-	-	20,709,800
Other liabilities	1,323,678	-	-	-	-	1,323,678
Notes payable	215,148	-	-	-	-	215,148
Deferred dues income – Paid-Up-For-Life Membership	23,908,398	-	-	-	-	23,908,398
Life memberships due to state and local posts	26,766,460	-	-	-	-	26,766,460
	<u>109,602,075</u>	<u>90,471</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,073,681)</u>	<u>109,618,865</u>
NET ASSETS						
Without donor restriction	9,116,245	1,813,581	56,600	-	-	10,986,426
With donor restriction	27,340,460	3,805,862	9,957,847	7,075,265	-	48,179,434
Total net assets	<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>
	<u>\$ 146,058,780</u>	<u>\$ 5,709,914</u>	<u>\$ 12,014,447</u>	<u>\$ 7,075,265</u>	<u>\$ (2,073,681)</u>	<u>\$ 168,784,725</u>

SUPPLEMENTARY INFORMATION
THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended December 31, 2020

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
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	2,366,883	-	-	-	(7,680)	2,359,203
	<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 Department and magazine costs	5,210,529	-	-	-	-	5,210,529
Direct publications	1,121,962	-	-	-	-	1,121,962
Executive, staff and program travel	9,601,714	-	-	-	-	9,601,714
Commission and committee	518,865	-	-	-	-	518,865
Printing and postage	425,732	-	-	-	-	425,732
Scholarships, grants and awards	14,827,089	-	-	-	-	14,827,089
Office and other operating	1,129,407	492,667	242,648	311,923	(257,649)	1,918,996
Occupancy and usage	11,830,014	20,606	10,858	4,332	-	11,865,810
Special projects and programs	2,209,718	-	-	-	-	2,209,718
	<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	(1,192,424)	-	-	-	-	(1,192,424)
Change in net assets	7,314,980	795,878	1,132,872	438,737	-	9,682,467
Net assets, beginning of year	36,456,705	5,619,443	10,014,447	7,075,265	-	59,165,860
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>

SUPPLEMENTARY INFORMATION
THE AMERICAN LEGION NATIONAL HEADQUARTERS
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended December 31, 2019

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
Revenue, gains and other support						
National member dues	\$ 29,293,372	\$ -	\$ -	\$ -	\$ -	\$ 29,293,372
Direct membership solicitation	5,887,420	-	-	-	-	5,887,420
Member service fees income	449,344	-	-	-	-	449,344
Affinity income	4,000,000	-	-	-	-	4,000,000
Sales of emblem items	14,283,830	-	-	-	-	14,283,830
Advertising	8,032,884	-	-	-	-	8,032,884
Contributions	16,193,544	1,157,564	1,147,682	492,945	(379,855)	18,611,880
Label and printing fees	347,473	-	-	-	-	347,473
Interest and dividends, net of fees	2,657,609	107,870	241,141	184,455	25,710	3,216,785
Net realized losses – investments	(211,077)	(7,579)	(1,065)	(53,320)	-	(273,041)
American Legion Endowment Fund income	211,372	-	-	-	(211,372)	-
Other	4,879,574	-	-	-	(25,710)	4,853,864
	<u>86,025,345</u>	<u>1,257,855</u>	<u>1,387,758</u>	<u>624,080</u>	<u>(591,227)</u>	<u>88,703,811</u>
Expenses						
Salaries	14,587,909	-	-	-	-	14,587,909
Employee benefits	6,662,698	-	-	-	-	6,662,698
Cost of sales – Legion Department and magazine costs	7,834,317	-	-	-	-	7,834,317
Direct publications	1,381,692	-	-	-	-	1,381,692
Executive, staff and program travel	10,004,545	-	-	-	-	10,004,545
Commission and committee	3,666,761	-	5,117	-	-	3,671,878
Printing and postage	1,772,354	-	-	-	-	1,772,354
Scholarships, grants and awards	14,480,642	-	-	-	-	14,480,642
Office and other operating	2,904,280	711,033	211,372	88,445	(591,227)	3,323,903
Occupancy and usage	14,441,664	30,852	22,184	663	-	14,495,363
Special projects and programs	2,197,550	-	-	-	-	2,197,550
	<u>3,651,984</u>	<u>157,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,809,444</u>
	<u>83,586,396</u>	<u>899,345</u>	<u>238,673</u>	<u>89,108</u>	<u>(591,227)</u>	<u>84,222,295</u>
Change in net assets from operations	2,438,949	358,510	1,149,085	534,972	-	4,481,516
Net unrealized gains – investments	3,855,405	252,420	265,173	393,646	-	4,766,644
Net change in PUFL	497,406	-	-	-	-	497,406
Amortization of pension loss	(1,996,688)	-	-	-	-	(1,996,688)
Pension-related changes other than net periodic pension cost	(36,751)	-	-	-	-	(36,751)
Change in net assets	4,758,321	610,930	1,414,258	928,618	-	7,712,127
Net assets, beginning of year	31,698,384	5,008,513	8,600,189	6,146,647	-	51,453,733
Net assets, end 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>

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