



THE AMERICAN LEGION ANNUAL REPORT

2016

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 the Great 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.*

The American Legion National Headquarters

700 N. Pennsylvania St.
Indianapolis, IN 46204
(317) 630-1200

P.O. Box 1055
Indianapolis, IN 46206

The American Legion Washington Office

1608 K St. NW
Washington, D.C. 20006
(202) 861-2700

John H. Geiger Operations Center

5745 Lee Road
Indianapolis, IN 46216
(317) 860-3100



INSIDE THE AMERICAN LEGION ANNUAL REPORT

Who We Are	2-3
Veterans Affairs & Rehabilitation	4-7
Veterans Employment & Education	8-11
Troop Support	12-13
National Security	14-15
Operation Comfort Warriors	16-17
Legislative	18-19
American Legion Baseball	20-21
Honor & Remembrance	22-23
Youth Programs	24-25
Scholarships	26-27
Flag Support	28-29
Media & Communications	30-31
Legion Riders & Legion Family	32-33
Membership	34-35
National Convention	36-37
Flag & Emblem Sales	38-39
Relationships & Marketing	40-41
Financial Statements	42-56

Members of The American Legion Family take part in a Walk for Veterans event in Hartford, Conn. In addition to raising awareness about veterans issues, proceeds helped the National Emergency Fund. Photo by Christopher Capozziello/The American Legion



“To inculcate a sense of individual obligation to the community, state and nation.”

– Fifth line, Preamble to The American Legion Constitution

Who we are, what we do

The American Legion performs services, runs programs and shares values at many levels around the world – from individual members like Hal Sherwood of Nevada, who leads a statewide program to help hearing-impaired children, to international agreements that protect and honor overseas U.S. military memorials and monuments on sacred ground. American Legion state programs, such as Ohio’s sponsorship and support for post-9/11 veteran members who climbed Mount Everest to raise awareness of PTSD treatment and veteran suicide prevention this spring, have delivered the organization’s message, literally, to the ends of the earth.

Over the last year, as Walk for Veterans events have attracted thousands of community members to join The American Legion for strolls of varying distances in more than 30 communities, from Selma, Ala., to Moscow, Idaho, more was on display than yellow T-shirts, blue caps and colorful banners. The walks brought thousands out to see the Legion in a healthy, vibrant and highly relevant way. Scouts participated. Boys State alums were there, as were American Legion Baseball players. Business leaders, students, teachers, public officials, media representatives and dozens of others jumped in to support the Legion’s place in the fabric of communities large and small. Sons of The American Legion squadrons, Legion Riders chapters and American Legion Auxiliary units were right in the thick of it all. As cars passed by the walks, drivers honked their horns and waved in support.

The Walk for Veterans activity has been a success and is set to continue in the future, at both the local and national levels. The events have celebrated American Legion Family connections with the communities they serve. Through those connections, the Legion has been able to lead discussions on national issues, including VA health care and benefits reform, concern over military spending reductions at a time of war, promotion of programs to help children and youth, and the organization’s unwavering support for the U.S. flag and all it symbolizes.

Unimaginable changes have occurred since the doughboys of World War I came home nearly a century ago to start an organization “for God and Country” built on values that would prove timeless. Support for veterans and their families, advocacy for the men and women in the U.S. Armed Forces, mentorship of children and youth, and advancement of patriotism are as vital today as ever before. As Legion members, posts and departments research their centennial histories, they are reminded that the passion behind the Preamble has not changed a bit over the decades.

Every day, such passion and values are expressed and executed by individual Legionnaires, posts, counties, districts, departments and national headquarters, from Main Street to Pennsylvania Avenue. Activities like Walk for Veterans, coupled with the instant communications of electronic and social media, are making vital connections and proving that patriotic values, community service and support for veterans, troops and young people won’t fall out of step on The American Legion’s watch.

“We are here to work with VA, to work shoulder to shoulder at these site visits to develop relationships so that we can fix VA.”

– **Ralph Bozella**, American Legion Veterans Affairs & Rehabilitation Commission chairman

‘A system worth saving’

In 2003, then-American Legion National Commander Ronald F. Conley initiated a series of visits to VA medical centers throughout the federal system. At the time, more than 300,000 veterans were waiting 30 days or longer for primary care appointments. After the site visits, the Legion declared VA “a system worth saving.”

The VA crisis that broke in April 2014 led the Legion to set up a series of Veterans Benefits Centers across the country to help veterans gain quicker access to health care and benefits. System Worth Saving (SWS) visits were paused during that time but resumed in 2015.

Since December 2015, the Legion has conducted site visits to VA medical centers in Minnesota, Alabama, Nevada, Texas, Colorado, Utah and California. Four more SWS visits were scheduled through November 2016.

During these visits, members of the Legion’s Veterans Affairs & Rehabilitation Commission and national staff meet with VA representatives including facility executive leadership, medical personnel and various department heads. In a very candid setting, Legion representatives are briefed on issues facing each medical center, including staffing and funding, future construction projects and other needs.

Prior to SWS visits, town hall meetings take place for veterans to discuss the quality of care they’re receiving at the local VA facility. Any concerns or issues are then discussed by Legion and VA representatives during the ensuing SWS visit.

Following each visit, Legion staff members prepare an after-action report with findings and observations from stakeholders. Those reports are compiled into one publication that is shared with members of Congress and VA.

Contact

■ VA&R@legion.org

Connections

■ www.legion.org/systemworthsaving



*Veterans Affairs & Rehabilitation
Commission Chairman Ralph Bozella listens
to veterans at a town hall meeting in
Palisade, Colo., during a System Worth
Saving visit. Photo by Lucas Carter/The American
Legion*

Jan Trojan, an American Legion service officer and rural health specialist, assists veterans as they work to solve issues with the Choice program in Alaska.

Photo by Lucas Carter/The American Legion



“If you think privatization of the VA is going to help and you’re going to be able to go to a doctor, look at your Choice program. (The) Choice program does not work.”

– **David Maddox**, Air Force retiree, during a System Worth Saving town hall meeting in Palisade, Colo.

Choice not a long-term solution to VA’s problems

After the VA crisis revealed that veterans were experiencing long wait times to receive care, Congress in 2015 enacted the Veterans Access, Choice and Accountability Act of 2014. Included was the creation of VA’s Choice program, which allows veterans waiting longer than 30 days for care, and veterans more than 40 miles from a VA medical facility or facing severe travel burdens, to seek care outside the VA system. Patients using Choice schedule their appointments through one of two third-party companies.

When Choice was first unveiled, The American Legion expressed support for it as a temporary solution to the wait-time problem. But since then, members of Congress have called for ending the program’s termination date, expanding eligibility, and extending certain operating hours of VA pharmacies and medical facilities.

In testimony to Congress, the Legion stated that while it supports the Choice program as a supplement to VA health care, “wholesale opening of the program to include use of Choice without restriction means pursuing a solution we have already seen is not addressing the problems accessing care.” During multiple System Worth Saving site visits and town hall meetings, Legion representatives have heard about issues with the Choice program – from the veterans’ and VA’s perspectives alike.

Choice is not the long-term solution to VA’s problems. The American Legion believes in a robust VA health-care system that treats the unique needs of veterans who have served their country. Veterans should be provided with the option of receiving care in the community as a supplement to VA health care, and not to supplant it.

Contact

■ VA&R@legion.org

Connections

■ www.legion.org/veteranshealthcare

■ www.legion.org/veteransbenefits

“One of the challenges is how we find veterans who are interested in entrepreneurship. It’s difficult for the SBA to do that. But The American Legion is touching those veterans. They’re going to their (posts). Providing it on a local level and going where the people are ... is kind of what we’re trying to do.”

– **Mark Williams**, program manager for the Small Business Administration’s Boots to Business program

Education and career support via The American Legion

Through hundreds of job fairs nationwide, conducted by local posts or in conjunction with the U.S. Chamber of Commerce and its Hiring Our Heroes initiative or other national efforts, The American Legion serves veterans and servicemembers who seek meaningful civilian careers after discharge.

The Veterans Employment & Education Commission and staff members focus on veterans education, employment, business development and more. Throughout the year, staff prepare and deliver testimony for congressional committees on subjects of vital interest in those areas.

In April, the Legion participated in a milestone Hiring Our Heroes event, a transition summit in Fort Bragg, N.C., that was the 1,000th event since the initiative launched five years ago.

“I’m glad that I could be of assistance and refer people to the resources they need,” Department of North Carolina District 8 Commander Mark Erskine said. “I get satisfaction in helping veterans. I don’t want them to go through what I went through.”

Key relationships

- **Military.com:** Powering the Legion’s Veterans Career Center online, with job listings searchable by ZIP code
- **Avue Technologies:** A federal career portal designed exclusively for the Legion that connects veterans to civilian jobs
- **U.S. Chamber of Commerce:** Hiring Our Heroes program offers extensive resources to veterans, active-duty military members and spouses
- **Hirepurpose:** Listing military-friendly employers and their career opportunities
- **Valuing Our Veterans:** Military recruitment portal for Sears, which employs more than 30,000 veterans and more than 1,500 reserve and National Guard members
- **StreetShares:** Connects investors with veteran-owned businesses seeking capitalization

Contact

- VE&E@legion.org

Connections

- www.legion.org/careers



Legionnaire Walter Geraghty Jr. talks with veterans during a Hiring Our Heroes job fair at the AT&T Center in San Antonio.

Photo by Lucas Carter/The American Legion



Veterans help with laundry at the American Legion-supported MCVET homeless shelter in Baltimore. Photo by Clay Lomneth/The American Legion

“There was a point in time when I never equated homeless and veteran in the same sentence.”

– **Jeffery Kendrick**, executive director of the Maryland Center for Veterans Education and Training

Getting veterans back on their feet

At the end of 2009, the Department of Veterans Affairs and the White House launched a campaign to end all veteran homelessness by 2015. Since 2010, the rate has declined by approximately 35 percent.

The American Legion places special priority on the issue of veterans homelessness; veterans make up approximately 11 percent of the nation’s total adult homeless population.

Along with various community allies, the Legion remains committed to seeing this goal through, to ensure that every community across America has provisions in place to get homeless veterans into housing and connect those at risk with the local services and resources they need.

One of those resources is the Maryland Center for Veterans Education and Training (MCVET). Nestled in the heart of Baltimore, the facility serves more than 250 veterans daily and offers various services, including a Day Drop-In program – which allows veterans to walk in off the street to take advantage of services that include showers and a laundry facility; single-occupancy living spaces; and educational courses offered on site or in the community.

MCVET is also home to American Legion Post 127. The aging post moved to the MCVET facility in July 2014 and has been thriving since then. Although the post is a separate entity from MCVET, veterans there are facilitating the revitalization of the post.

Contact

■ VE&E@legion.org

Connections

■ www.legion.org/homelessveterans

"I can see him here baiting the hooks and teaching the kids the techniques of fishing. We didn't catch anything, but we made memories."

– **Ray Dula**, Gold Star widow and Army veteran,
on her late husband during the Legion's Fishing For Freedom event

Support for the troops, families and survivors

As one of its highest priorities, The American Legion supports the men and women serving in the U.S. military. That support extends to servicemembers' families, who the Legion works to ensure are looked after both while their loved ones are away and after discharge.

Many Legion programs directly serve military personnel and their families, including Operation Comfort Warriors, Temporary Financial Assistance and the Family Support Network.

The Legion is active in military communities worldwide. Among the examples of that engagement:

- During the Spring Meetings in May, the Legion participated in the nationwide Quilts of Valor program. Members of the American Legion Family volunteered their time to help prepare handmade quilts for wounded servicemembers and veterans recovering in military hospitals.
- The Legion works closely with Soldier's Wish, an organization that sponsors special events to grant wishes to U.S. military personnel, veterans and their families across the country. The relationship gives the Legion an opportunity to promote its programs and services to those who need them, and to increase awareness of American Legion advocacy and values.
- The Department of Georgia's 5th District annually puts on Fishing For Freedom, an event for wounded servicemembers and their families as well as Gold Star families. More than 300 people turn out for the day of fishing, family time, fun and camaraderie.

Contact

- [Americanism@legion.org](mailto:Amerianism@legion.org)

Connections

- www.legion.org/family
- www.legion.org/troops
- www.legion.org/soldierswish



American Legion Post 208 in Arlington Heights, Ill., adopted 84 recruits from the Great Lakes Recruit Training Command during the Thanksgiving holidays. The recruits enjoyed a Thanksgiving dinner with all the trimmings, and the opportunity to call loved ones at home. U.S. Navy photo

U.S. soldiers patrol a road at sunset in Taji, Iraq, in March 2016. The troops were serving in Iraq as part of an international coalition working to destroy the Islamic State.

U.S. Army National Guard photo



“To reuse a still applicable and true saying, freedom is not free. It must be protected and at times even defended. It is important that all share in its preservation.”

– Paul Robitaille, commenting on legion.org about threats to dismantle the Selective Service System

Legion rallies in support of strong national defense

The American Legion remains at the forefront of advocacy efforts in opposition of troop drawdowns during wartime. The 9/11 terrorist attacks exposed America’s vulnerabilities and magnified the importance of this value – not only for military veterans, but for all. Fifteen years since the attacks, the United States faces multiple strategic challenges: the Islamic State, Russian aggression, China, North Korea, Iran and counterterrorism. It is notable that three of those nations – Russia, China and North Korea – possess nuclear weapons.

While Congress attempts to scale back funds for the Department of Defense, reducing force strength and cutting into services for troops and military retirees, active-duty personnel and veterans are put in difficult positions. Servicemembers and retirees face undue strain when forced to choose between diminishing health-care options or increased out-of-pocket expenses. Upholding one of its founding pillars, the Legion’s National Security Commission is dedicated to keeping a well-funded DoD, preservation of a decent quality of life for military members and a smooth transition from military service to civilian life.

The American Legion believes an unmatched, fully funded American military is essential for peace and prosperity in the 21st century. America’s adversaries should have no doubt about our nation’s resolve and capability to respond with overwhelming force to any threat. The American Legion wants the federal government to fully fund a superior national defense and protect troops from further budget cuts while at the same time maintaining retirement and health-care benefits befitting those who have volunteered to serve our nation.

National Security priorities

- Fully fund a strong national defense
- Support Department of Homeland Security’s efforts to secure U.S. borders
- Advocate for an improved quality of life for active-duty and reserve troops
- Close gender gaps and open combat roles for women

Contact

- NS@legion.org

Connections

- www.legion.org/security

“This means a lot. Hiking is something I just love.”

– **Bill Appleby**, commander of Post 41 in Old Lyme, Conn.
Operation Comfort Warriors replaced Appleby’s tent and backpack after he fell ill while hiking the Appalachian Trail and had to leave his gear behind.

To provide comfort for America’s warriors

The American Legion’s Operation Comfort Warriors program (OCW) provided necessary resources for recovering veterans and servicemembers throughout the past year. Among the comfort items and recreational opportunities delivered by OCW was sponsorship of a Grand Canyon river rafting trip for a group of young veterans.

During the 10-day, once-in-a-lifetime float, two dozen wounded Marines enjoyed camaraderie and breath-taking scenery. OCW provided meals and lodging before and after the trip, as well as some items during the adventure. OCW will once again be a primary sponsor for the August 2016 trip.

Throughout the nation in the past year, OCW contributed toward the recovery of wounded military personnel by supplying items such as sports equipment to athletes, comfort items to those rehabilitating in military and veterans hospitals, and clothing and essentials for homeless veterans.

Highlights in 2015-2016

- During the 97th National Convention in Baltimore, OCW provided four wounded veterans VIP treatment, including a behind-the-scenes tour at the National Aquarium, dinner and more.
- OCW provided quarterly dinners for wounded servicemembers from Walter Reed National Military Medical Center. Guests also received Amazon gift cards, and several received Samsung electronic tablets to aid them in their recovery.
- The Department of Virginia used OCW funds to supply necessary therapy for wounded servicemembers. The grants went toward food, lodging and events at Warrior Retreat at Bull Run, an 11,000-square foot home on 37 acres in the historic Virginia countryside.

Contact

- ocw@legion.org

Connections

- www.legion.org/ocw
- **On Facebook, search for “Operation Comfort Warriors”**



American Legion Post 41 Commander Bill Appleby of Old Lyme, Conn., received a new tent and sleeping bag from Operation Comfort Warriors. Appleby lost his previous gear during a medical emergency while hiking.

Photo by Steven Frischling/The American Legion



Legionnaires from the Department of Kentucky meet with Sen. Rand Paul and congressional staffers during the 2016 Washington Conference.

*Photo by Lucas Carter/
The American Legion*

“We can’t keep asking the military to bear the brunt of America’s burdens and continue to turn around and ask them to give more.”

– National Commander Dale Barnett, in May 2016

Lobbying in support of veterans and servicemembers

In 2016, The American Legion continued to lobby Congress on behalf of veterans struggling to access care they were promised and have earned. The Legion also continued its efforts to encourage legislative changes that directly impact the lives of those currently serving in the military and their families. In the past year, American Legion Legislative Division staff members testified 25 times on Capitol Hill and presented 40 letters of support on key issues.

The Legion worked closely with members of Congress to fully fund VA for care needed by veterans and their families; as a result, VA received \$162.7 billion for this fiscal year, an increase of \$6.4 billion from the previous year.

Through the Legislative Action Center, Legionnaires are urged to support VA appropriation bills, the completion of the VA hospital in Aurora, Colo., repeal of the Disabled Veterans Tax legislation in the House and Senate, and much more.

Looking ahead to the beginning of the 115th Congress in January 2017, The American Legion legislative team will reorganize and prepare for a new set of lawmakers and a new president, resetting the legislative agenda as mandated by new and renewed resolutions.

Legislative priorities for the new Congress

- Ensure real accountability within VA
- Institute a 21st-century health-care system
- Ensure that transition programs for servicemembers are not adversely affected by sequestration
- Reject any attempts to diminish benefits earned by veterans during their service
- Repeal unfair offsets that unjustly penalize disabled veterans

Contact

- legislative@legion.org

Connections

- www.legion.org/legislative
- www.legion.org/newsletters (Legislative Update)
- capwiz.com/legion/home (Legislative Action Alerts)

“The experiences and the people I got to meet ... second to none. The relationships that formed over the years, they’re still intact.”

– Jackie Bradley Jr., Boston Red Sox outfielder, who played Legion Baseball for Post 146 in Hopewell, Va.

More eyes on American Legion Baseball World Series

ESPN has once again expanded its live coverage of the American Legion Baseball World Series (ALWS), starting with the 2016 tournament – the 90th edition of the ALWS. The final six games of the series will be aired live on ESPNU, including the three games that precede the semifinals and championship game. ESPN’s webcasting service will broadcast the first nine games of pool play.

The American Legion and the Shelby, N.C., American Legion Baseball World Series Committee signed a five-year contract in 2014 with ESPN to televise the championship game, marking the first time in 35 years that the championship game aired live on TV. In 2015, ESPNU coverage expanded to include the semifinal games, and viewership of the three final games reached 272,000. Last year also marked the fifth consecutive year in which ALWS fans set an attendance record, with 117,072 paid attendees.

Since 1925, American Legion Baseball has been woven into the fabric of the nation. More than 70,000 athletes a year participate on post-sponsored teams in all 50 states. Many of Major League Baseball’s most notable players – Greg Maddux, Ryne Sandberg and Albert Pujols among them – came of age playing Legion ball in the summer, and many say that it showed them the right way to compete and present themselves both on and off the field.

2015 American Legion World Series Champions

- Chapin-Newberry, S.C., Post 193

2015 George Rulon American Legion Baseball Player of the Year

- Justin Hawkins, Post 193, Chapin-Newberry, S.C.

Contact

- baseball@legion.org

Connections

- www.legion.org/baseball



*Duncan Croftwell kisses the
championship trophy after South
Carolina defeated Louisiana 9-2
in the final game of the 2015
American Legion Baseball
World Series at Keeter Stadium
in Shelby, N.C.*

*Photo by Clay Lomneth/
The American Legion*

American Legion Past National Commander Harry W. Colmery, architect of the GI Bill, was immortalized in June with a memorial plaza in his honor in downtown Topeka, Kan.

Photo by Lucas Carter/The American Legion



“Harry Colmery represents the best of what it means to be an American veteran, an engaged citizen and servant to others. (He) saw it as his personal duty to fulfill what we in The American Legion call an ‘individual obligation to community, state and nation.’”

– American Legion National Commander Dale Barnett,
at the June 20 dedication of Harry W. Colmery Memorial Park in Topeka, Kan.

So that future generations will remember

More than 70 years after crafting the GI Bill legislation that ushered in a new era of opportunity for veterans and the nation as a whole, American Legion Past National Commander Harry Colmery was honored with a park dedication in his hometown of Topeka, Kan.

Nearly 300 veterans, military personnel, family members and business leaders attended the dedication of Harry W. Colmery Memorial Park. The plaza features a statue of Colmery saluting men and women of the U.S. Armed Forces, with a panel of bronze figures behind him depicting the civilian professions they would assume after discharge. The committee that oversaw the memorial worked closely with The American Legion in Kansas and with the Colmery family.

It was one of countless projects the Legion was involved with during the past year to help honor the memories of military figures, including the Las Vegas Veterans Memorial plaza in Las Vegas, where 18 statues from war eras going back to the Revolution were installed in May.

Memorial highlights in 2015-2016

- **Las Vegas:** In May, the \$2.2 million Las Vegas Veterans Memorial was dedicated on a 2-acre State of Nevada plaza. A resolution passed in October 2015 by the National Executive Committee (NEC) commended the project.
- **San Francisco:** Department of California Legionnaires are among the leaders who have helped bring to life a Korean War memorial at the Presidio.
- **Washington, D.C.:** The NEC approved a resolution supporting construction of a national World War I memorial at Pershing Park.
- **Washington, D.C.:** The NEC also passed a resolution in support of the National Desert Storm War Memorial, set to be dedicated in 2018.
- **Normandy, France:** The Legion, the City of Ste. Mere-Eglise and Amis des Veterans Americains signed an agreement to protect and preserve the memorial site near La Fiere Bridge, where one of the bloodiest battles of World War II was fought in June 1944.

Connections

- www.legion.org/honor
- www.legiontown.org
- Subscribe to the Legion’s monthly Honor & Remembrance e-newsletter at www.legion.org/enewsletters
- On Facebook, search for “The American Legion: Honor and Remembrance”

“I think (Boys State) is life-changing, especially for young men who come from underserved communities ... Boys State just puts men on a track to succeed.”

– **Rontel Batie**, 2006 Florida Boys State participant and Boys Nation alum

The cultivation of America’s future leaders

For decades, The American Legion’s Americanism Commission has guided programs for young men and women that foster pride in our country and promote leadership, sportsmanship, citizenship and character. More than 170,000 young men and women participated in an Americanism youth program in 2015, such as Boys State, Boys Nation, Oratorical, Junior Shooting Sports, Legion Baseball, the Youth Cadet Law Enforcement Program and Boy Scouts.

Boys Nation, one of the Legion’s premier youth programs, is celebrating its 70th session this year. The first Boys Nation in August 1946 was held at American University in Washington, D.C. Today, the 98 young men representing their respective Boys State programs spend a week in July at Marymount University in Arlington, Va., where they receive education on the structure and function of federal government while gaining a stronger understanding of the rights, privileges, duties and responsibilities of franchised citizens.

American Legion youth programs have shaped and enriched the lives of many famous Americans, including former President Bill Clinton, CNN anchor Lou Dobbs, Olympic gold-medal winner Jamie Corkish, NBA Hall of Famer Michael Jordan, NFL Carolina Panthers head coach Ron Rivera and actor Donal Logue. Other alumni have gone on to become film producers, Major League Baseball players, congressional members, entertainers, astronauts and other high-profile public service positions.

Contact

- juniors shooting@legion.org (Junior Shooting Sports)
- boysstate-nation@legion.org (Boys State and Boys Nation)
- baseball@legion.org (American Legion Baseball)
- oratorical@legion.org (Oratorical Contest)
- youthlaw@legion.org (Youth Cadet Law Enforcement Program)
- scouting@legion.org (support for Boy Scouts of America)

Connections

- www.legion.org/programs



Participants in Oregon American Legion Boys State at Willamette University in Salem, Ore., show respect during a flag ceremony.

Photo by Clay Lomneth/The American Legion

Samsung American Legion Scholarship recipients visit the U.S. Marine Corps War Memorial during a tour of Washington, D.C., and northern Virginia.

Photo by Clay Lomneth/The American Legion



“I really appreciate that there is a scholarship program specifically for descendants of veterans. I got it because my grandfather served, and he was dedicated to our country. That’s a huge honor to me.”

– Katherine Mossburg, 2015 Samsung American Legion Scholarship recipient

Legion scholarships help young people achieve dreams

The American Legion offers a number of national scholarships to assist young people in their pursuit of higher education. In 2015 alone, the Legion awarded \$545,760 in scholarships to 246 youths.

In May 2016, the Legion’s National Executive Committee ensured that more children of veterans would have access to higher education with the passage of Resolution 1, which expanded the Legacy Scholarship’s eligibility and aid. The children of parents who died during active-duty military service on or after 9/11 will remain a priority of the Legacy Scholarship, but the resolution now allows children of post-9/11 veterans with a VA disability rating of 50 percent or higher to apply. The renewable scholarship awards up to \$20,000 in aid.

Other American Legion scholarships include the Samsung American Legion Scholarship, which honors Boys State/Girls State attendees who are direct descendants of wartime veterans; the Junior Shooting Sports tournament, where young air rifle marksmen compete in standing, prone and kneeling positions; the Oratorical Contest, a constitutional speech contest that teaches important leadership qualities, the history of our nation’s laws, the ability to think and speak clearly, and an understanding of the duties, responsibilities, rights and privileges of U.S. citizenship; the Eagle Scout of the Year Award; and the Legion Baseball All-Academic Team, which includes players nominated by each of the eight regions.

Contact

■ scholarships@legion.org

Connections

■ www.legion.org/scholarships

“The flag is a way of honoring our mission, honoring the veterans we serve. It is that flag that those veterans we serve defend.”

– Southeast Louisiana VA Health Care System Director Fernando Rivera,
before a ceremony to raise a Legion-donated
U.S. flag and POW/MIA flag at the nearly finished New Orleans VA Medical Center

More than a piece of cloth

The American Legion is the nation's foremost authority on the U.S. flag for reasons that can be traced back to 1923 and 1924, when the organization's Americanism Commission coordinated conferences to establish what would become the U.S. Flag Code. Since then, Legionnaires across the land have served as community, state and national leaders in respect and proper use of the colors under which they served.

In 2015 and 2016, The American Legion again stood strong behind legislation – House Joint Resolution 9 and Senate Joint Resolution 2 – calling for a constitutional amendment that would prohibit physical desecration of the U.S. flag.

In late 2015, The American Legion 100th Anniversary Observance Committee published a centennial bookazine titled “Indivisible: The Story of Our Flag.” The publication sold out at Emblem Sales and was distributed at retail outlets throughout the country, illustrating the public's support for proper respect and understanding of the flag and all it symbolizes.

American Legion Americanism Division Deputy Director Mike Buss was featured as the “flag guru” in the July 2016 issue of *Costco Connection* magazine, with a circulation of about 9 million.

A new American Legion Web platform, meanwhile, offers numerous facts, tips, U.S. Flag Code rules, videos on proper treatment and more.

Contact

- www.legion.org/flag/contacts
- (317) 630-1207

Connections

- www.legion.org/flag
- www.legion.org/flag/questions-answers
Ask our flag expert and find answers to questions about display and respect for Old Glory
- www.legion.org/newsletters
Subscribe to The American Legion's Flag Alert e-newsletter for information about when and why the flag is flown at half-staff by presidential proclamation



Anthony Crosier of Historic Benjamin Harrison Post 510 walks with Old Glory in front of The American Legion float at the 500 Festival Parade in Indianapolis. This flag has traveled around the world as part of CenturyLink America's Old Glory Travels America's Freedom Road tour. Photo by Clay Lomneth/The American Legion

*National American Legion Press Association
President Priscilla Imbruglia hands out flyers for
the Thunderclap social media campaign during
the Washington Conference in February.*

Photo by Clay Lomneth/The American Legion



“The site is now really image-driven, and that helps visitors better understand what we do as an organization and why it matters.”

– **Walter Ivie**, chairman of the Legion’s Media & Communications Commission, on the spring 2016 redesign of the national website

The reach of Legion communications

The American Legion Media & Communications Commission and media staff manage more than 40 different information channels, from printed publications to a national website, mobile apps, e-newsletters and social networks.

In February, ahead of the Washington Conference and National Commander Dale Barnett’s testimony to Congress, the Legion used the Thunderclap “crowdspeaking” social media platform to spread a message calling for accountability on the part of VA. From a mandatory 100-user minimum, the #Accountable2Veterans campaign gathered more than 4,800 users whose efforts resulted in more than 1.5 million people reached. A spring campaign to increase awareness among veterans about the risks of hepatitis C gathered 330 supporters who provided a total reach of more than 245,000.

Legion.org is one of the most accessed websites for veterans, with between 300,000 and 500,000 unique visitors a month. Additionally, the Legion’s Facebook and Twitter followings exceed 150,000. The weekly American Legion Online Update e-newsletter and the national commander’s twice-monthly email reach audiences of more than 600,000 subscribers each. *The American Legion Magazine* remains the nation’s most frequently read magazine, according to national circulation-auditing services.

Contact

- magazine@legion.org
- marketing@legion.org

Connections

- www.legion.org/media
- www.legion.org/nalpa
- www.legion.org/facebook
- twitter.com/AmericanLegion
- www.youtube.com/user/americanlegionHQ
- On LinkedIn, under Companies, search for “The American Legion”

“There are a lot of things the Riders do that really get the Legion’s name out there. These guys and girls ... truly live their cause.”

– **Bob Sussan**, American Legion Riders Advisory Committee chairman

On the road with the Legion Riders

The American Legion Riders continue to move the needle in terms of chapter growth and fundraising. Founded in 1993 at Post 396 in Garden City, Mich., the Riders surpassed 2,000 chapters in 2016. The fastest-growing program in The American Legion, the Riders added nearly 40 chapters a month in the late spring and early summer of 2016.

The Riders helped raise more than \$1.2 million for The American Legion Legacy Scholarship Fund in 2015, which now provides college scholarships for the children of parents who died while on active-duty military service on or after Sept. 11, 2001, as well as the children of post-9/11 veterans with VA disability ratings of 50 percent or higher. In 10 years, the Legacy Run has helped raise more than \$6 million for the fund.

But the strength of the Riders comes from efforts at local posts, where chapters provide funeral escorts for servicemembers killed in action, participate in parades and raise funds for local charities. For example, in seven fall fundraising events, Chapter 283 in Florida has raised more than \$150,000 for charitable organizations around the area.

And like The American Legion as a whole, the Riders’ efforts are successful due to collaboration with the entire American Legion Family. In addition to the Legion, the family includes the American Legion Auxiliary (female relatives of Legion-eligible veterans) and Sons of The American Legion (male descendants of Legion-eligible veterans). All three groups work together as Legion Riders and complete other Legion projects to provide the best outcomes for their fellow veterans, military personnel, community and nation.

Contact

- riders@legion.org
- alahq@alaforveterans.org
- sal@legion.org

Connections

- www.legion.org/riders
- www.legion.org/auxiliary
- www.legion.org/sons

Legion Rider Randy Cope of Holland, Mich., joins Rolling Thunder riders and supporters to release balloons after a ceremony to dedicate a POW/MIA chair at the Indiana War Memorial in Indianapolis. Photo by Tom Stratman/ The American Legion





Connecticut District 1 Legionnaires go over lists of eligible members as part of a revitalization initiative.

Photo by Lucas Carter/The American Legion

“Get to know those four pillars and learn to understand the underlying programs that make those pillars grow.”

– **Randy Goodman**, past Department of Georgia commander and successful membership recruiter

Membership hinges on teamwork and communication

When it comes to advocacy on behalf of veterans, The American Legion is one of the most respected voices, from the White House to the statehouse to city hall. That voice is even more powerful with a robust membership, which is why National Headquarters works daily with departments, districts and posts to keep the organization growing.

As plans take shape to increase membership for the organization’s centennial in 2018 and 2019, the Membership & Post Activities Committee’s five-year growth strategy has been replicated and tailored at the department and local levels. Plans include new ideas and efforts for marketing, communication, leadership training, post development, revitalization and recruiting.

Many join the Legion after receiving requests online or through the mail, but members are much more likely to renew if they join a local post. To stimulate the transition to local membership, national staff teams routinely conduct revitalizations and other membership-generation activities. Such efforts in Wisconsin, Connecticut and Ohio in early 2016 resulted in more than 240 former headquarters-post or new members placed into local Legion posts.

Non-traditional approaches to growing membership have been effective, such as chartering posts on college campuses in states such as Ohio, Vermont and Florida. Kentucky Legionnaires visited Guantanamo Bay to provide support, services and membership opportunities for troops stationed there.

Membership and Internal Affairs initiatives

- Provide training through the LEAD (Leadership Education And Development) program
- Increase awareness of American Legion Riders and other membership-generating programs
- Active involvement in membership marketing
- Development and distribution of recruitment materials
- Provide leadership training through American Legion College

Contact

- membership@legion.org

Connections

- www.legion.org/membership

“It’s a great venue for us to promote what we’re all about. It’s about spirit, Americanism, everything we do for our great country as we continue to serve even after taking our uniform off.”

– American Legion Past National Commander Daniel Dellinger,
after serving as grand marshal of the 2015 American Legion National Convention Parade in Baltimore

Patriotism on parade at national convention

Each August, nearly 9,000 Legionnaires and their families from across the country and around the world gather for several days at The American Legion National Convention to celebrate accomplishments of the past year, conduct the organization’s business, elect new national officers and have a great time in a beautiful city. Speakers, entertainers, public figures and award presentations are all a part of the convention, which considers and passes resolutions that help set the organization’s priorities.

In the past few years, local community service activities have grown in popularity. American Legion Family members have participated in blood drives, homeless shelter support, rebuilding projects and more. The Legion’s service doesn’t waver even while members are having fun.

The entire American Legion Family (the American Legion Auxiliary and Sons of The American Legion have their national conventions at the same time) marches in a parade through the streets of the host city, sees the sights, works together and enjoys camaraderie. Social media and the national website enable the Legion to share convention activities in real time with members and friends wherever in the world they may be.

Future national convention cities

- Reno, Nev. (2017)
- Minneapolis (2018) – 100th National Convention
- Indianapolis (2019) – 100th Birthday of The American Legion
- Louisville, Ky. (2020)
- Phoenix, Ariz. (2021)

Contact

- convention@legion.org

Connections

- www.legion.org/convention
- twitter.com/americanlegion
- On Facebook, search for “The American Legion National Convention”

*Freddie Jones joins the Department of Alabama Legion Family in the parade during the 97th American Legion National Convention in Baltimore in 2015.
Photo by Lucas Carter/The American Legion*





THE AMERICAN LEGION

100
1919 2019
Years

T-shirts like this one, along with polo shirts, pins and baseball caps, are among The American Legion's catalog of centennial merchandise now available through Emblem Sales.

Photo by Jeff Stoffer/The American Legion

“I am very impressed with the quality of material and workmanship that went into making this American-made flag.”

– E.A. Rex King III, Michigan

Emblem Sales celebrates Legion’s 100th anniversary

The Emblem Sales Division sells a variety of patriotic and American Legion merchandise, including items that help celebrate and promote the Legion’s coming 100th anniversary. The centennial celebration will begin in 2018 and continue through Veterans Day 2019. Centennial merchandise sold through Emblem Sales includes a coin, cap patch, hat, shirts, a tack and more.

Emblem Sales sells more than 1 million American-made U.S. flags a year that fly over gravesites, towns and homes across the country and around the world. The Flag Rewards program benefits Legion posts that buy or promote U.S. flag purchases through Emblem Sales. Participating posts receive Emblem Sales credit for each dollar spent on flags, or by businesses and individuals in the community. The credit is good toward future purchases of any Emblem Sales catalog item. Nearly 750 posts participate in the Flag Rewards program, earning thousands of dollars in Emblem Sales credit.

In 2015, Emblem Sales processed 113,076 orders and recorded more than \$13 million in total revenue.

Orders can be taken online, over the phone, through the mail, or in person at the John H. Geiger Operations Center in Indianapolis, home of Emblem Sales.

Emblem Sales shopping

- To receive an Emblem Sales catalog free of charge, call (888) 453-4466 between 8 a.m. and 5 p.m. Eastern time on weekdays, fax an order to (317) 630-1381, or email emblem@legion.org.
- The American Legion Emblem Sales website – www.legion.org/emblemsales – provides safe, convenient online shopping for a variety of items and products for individuals and posts.
- For custom orders, email SpecialOrders@legion.org, call (866) 632-7131 or fax (317) 630-1250.

Contact

- emblem@legion.org
- (888) 453-4466 (toll-free)
- (317) 630-1381 (fax)

Connections

- www.legion.org/emblemsales
- www.americanlegionflags.com

Navy veteran Eric Meade gets his hair buzzed by Great Clips stylist Sara Tiger with a donation to The American Legion during the Great Clips Buzz Cut Challenge event at Post 435 in Richfield, Minn.

Photo courtesy Great Clips/Craig Lassig



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, 2015 and 2014, and the related consolidated statements of activities 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 of 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in conformity 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 Horwath LLP

Crowe Horwath LLP
Indianapolis, Indiana
April 29, 2016

**The American Legion National Headquarters
Consolidated Statements of Financial Position
December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 1,221,375	\$ 2,271,659
Accounts receivable	5,662,531	5,388,048
Interest receivable	832,330	701,237
Prepaid expenses and deposits	3,020,736	1,580,318
Deferred membership expense	4,004,549	5,619,594
Inventory	2,818,625	2,704,357
Investment in affiliate (CFA)	14,234	16,590
Beneficial interest in trust	<u>185,743</u>	<u>217,900</u>
	17,760,123	18,499,703
Investments		
General	10,760,717	15,377,229
Segregated for Restricted and Reserved Funds	33,246,316	32,618,517
Paid-Up-For-Life Membership fund	31,395,174	23,801,938
Samsung scholarship fund	7,779,450	7,934,482
Building funds	5,778,612	5,532,253
Sept. 11 Memorial scholarship fund	10,419,912	9,583,418
Special account – Endowment Fund	2,263,718	2,267,776
General account – Endowment Fund	7,508,680	7,439,635
National Emergency Fund	4,445,426	3,738,562
American Legion Charities	3,234,150	2,127,402
Other	<u>3,702,116</u>	<u>3,118,411</u>
	120,534,271	113,539,623
Property, plant and equipment, net	<u>5,272,164</u>	<u>5,662,843</u>
	<u>\$ 143,566,558</u>	<u>\$ 137,702,169</u>
LIABILITIES		
Accounts payable	\$ 3,639,310	\$ 1,384,549
Scholarships payable	1,020,888	1,041,586
Deposits on emblem merchandise sales	394,662	229,037
Deferred income	816,199	624,823
Deferred dues income	21,236,699	21,357,070
Deferred income – direct membership solicitation	3,840,834	4,621,989
Accrued vacation benefits	997,727	1,037,790
Accrued pension expense	13,141,467	12,644,291
Other liabilities	1,945,295	1,183,321
Notes payable	1,025,149	1,211,949
Deferred dues income – Paid-Up-For-Life membership	22,915,052	21,204,292
Life memberships due to state and local posts	<u>24,962,632</u>	<u>22,487,809</u>
	95,935,914	89,028,506
NET ASSETS		
Unrestricted	12,636,051	16,295,124
Temporarily restricted	21,934,493	19,390,704
Permanently restricted	<u>13,060,100</u>	<u>12,987,835</u>
Total net assets	<u>47,630,644</u>	<u>48,673,663</u>
	<u>\$ 143,566,558</u>	<u>\$ 137,702,169</u>

See accompanying notes to consolidated financial statements.

The American Legion National Headquarters Consolidated Statements of Activities Year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, gains and other support				
National member dues	\$ 25,741,665	\$ -	\$ -	\$ 25,741,665
Direct membership solicitations	6,996,057	-	-	6,996,057
Member service fees income	703,326	-	-	703,326
Affinity income	2,830,783	-	-	2,830,783
Sales of emblem items	13,142,697	-	-	13,142,697
Advertising	10,132,570	-	-	10,132,570
Contributions	11,239,150	3,263,091	137,774	14,640,015
Label and printing fees	2,297,959	-	-	2,297,959
Interest and dividends, net of trustee fees of \$380,485	1,719,980	872,859	-	2,592,839
Net realized gains (losses) - investments	277,286	(8,336)	1,837	270,787
Other	<u>2,731,630</u>	<u>42,000</u>	<u>-</u>	<u>2,773,630</u>
	77,813,103	4,169,614	139,611	82,122,328
Net assets released from restriction	<u>1,296,836</u>	<u>(1,296,836)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	79,109,939	2,872,778	139,611	82,122,328
Expenses				
Salaries	15,857,984	-	-	15,857,984
Employee benefits	3,970,750	-	-	3,970,750
Cost of sales – Legion	7,126,612	-	-	7,126,612
Department and magazine costs	3,068,596	-	-	3,068,596
Direct publications	11,373,424	-	-	11,373,424
Executive, staff and program travel	3,860,681	-	-	3,860,681
Commission and committee	1,555,462	-	-	1,555,462
Printing and postage	13,091,362	-	-	13,091,362
Scholarships, grants and awards	1,897,428	-	-	1,897,428
Office and other operating	15,205,040	-	-	15,205,040
Occupancy and usage	1,966,184	-	-	1,966,184
Special projects and programs	<u>2,042,405</u>	<u>-</u>	<u>-</u>	<u>2,042,405</u>
	81,015,928	-	-	81,015,928
Change in net assets from operations	(1,905,989)	2,872,778	139,611	1,106,400
Net unrealized loss – investments	(989,751)	(328,989)	(67,346)	(1,386,086)
Net change in PUFL	751,375	-	-	751,375
Amortization of pension loss	(2,470,872)	-	-	(2,470,872)
Pension-related changes other than net periodic pension cost	<u>956,164</u>	<u>-</u>	<u>-</u>	<u>956,164</u>
Change in net assets	(3,659,073)	2,543,789	72,265	(1,043,019)
Net assets, beginning of year	<u>16,295,124</u>	<u>19,390,704</u>	<u>12,987,835</u>	<u>48,673,663</u>
Net assets, end of year	<u>\$ 12,636,051</u>	<u>\$ 21,934,493</u>	<u>\$ 13,060,100</u>	<u>\$ 47,630,644</u>

See accompanying notes to consolidated financial statements.

The American Legion National Headquarters
Consolidated Statements of Activities
Year ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, gains and other support				
National member dues	\$ 26,208,428	\$ -	\$ -	\$ 26,208,428
Direct membership solicitations	8,126,608	-	-	8,126,608
Member service fees income	726,969	-	-	726,969
Affinity income	3,150,729	-	-	3,150,729
Sales of emblem items	12,243,214	-	-	12,243,214
Advertising	10,490,471	-	-	10,490,471
Contributions	8,029,121	2,489,835	319,639	10,838,595
Label and printing fees	1,826,994	-	-	1,826,994
Interest and dividends, net of trustee fees of \$301,974	1,812,516	819,811	-	2,632,327
Net realized gains (losses) - investments	(20,542)	9,623	(15,733)	(26,652)
Other	<u>2,302,340</u>	<u>11,500</u>	<u>-</u>	<u>2,313,840</u>
	74,896,848	3,330,769	303,906	78,531,523
Net assets released from restriction	<u>762,976</u>	<u>(762,976)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	75,659,824	2,567,793	303,906	78,531,523
Expenses				
Salaries	15,928,906	-	-	15,928,906
Employee benefits	3,423,205	-	-	3,423,205
Cost of sales – Legion	6,683,745	-	-	6,683,745
Department and magazine costs	3,063,870	-	-	3,063,870
Direct publications	11,920,926	-	-	11,920,926
Executive, staff and program travel	3,374,710	-	-	3,374,710
Commission and committee	1,637,849	-	-	1,637,849
Printing and postage	10,020,891	-	-	10,020,891
Scholarships, grants and awards	1,596,073	-	-	1,596,073
Office and other operating	11,337,219	-	-	11,337,219
Occupancy and usage	2,077,524	-	-	2,077,524
Special projects and programs	<u>1,722,985</u>	<u>-</u>	<u>-</u>	<u>1,722,985</u>
	72,787,903	-	-	72,787,903
Change in net assets from operations	2,871,921	2,567,793	303,906	5,743,620
Net unrealized gains - investments	3,018,380	1,048,403	35,415	4,102,198
Net change in PUFL	2,402,816	-	-	2,402,816
Amortization of pension loss	(1,245,309)	-	-	(1,245,309)
Pension-related changes other than net periodic pension cost	<u>(8,672,230)</u>	<u>-</u>	<u>-</u>	<u>(8,672,230)</u>
Change in net assets	(1,624,422)	3,616,196	339,321	2,331,095
Net assets, beginning of year	<u>17,919,546</u>	<u>15,774,508</u>	<u>12,648,514</u>	<u>46,342,568</u>
Net assets, end of year	<u>\$ 16,295,124</u>	<u>\$ 19,390,704</u>	<u>\$ 12,987,835</u>	<u>\$ 48,673,663</u>

See accompanying notes to consolidated financial statements.

The American Legion National Headquarters Consolidated Statements of Cash Flows Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ (1,043,019)	\$ 2,331,095
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	829,447	866,783
Loss on disposal of property and equipment	72	-
Realized (gain) loss on sale of investments	(270,787)	26,652
Unrealized (gain) loss on investments	1,386,086	(4,102,198)
Net change in Paid-Up-For-Life annuity	(751,375)	(2,402,816)
Amortization of pension loss	2,470,872	1,245,309
Pension-related changes other than net periodic pension cost	(956,164)	8,672,230
Contributions restricted for long-term purposes	(137,774)	(319,639)
Accounts receivable	(274,483)	(2,711,468)
Interest receivable	(131,093)	(42,568)
Prepaid expenses and deposits	(1,440,418)	(467,169)
Deferred membership expense	1,615,045	(1,376,341)
Inventories	(114,268)	(176,133)
Beneficial interest in trust	32,157	37,227
Accounts and scholarships payable	2,234,063	(880,064)
Deferred income	4,392,433	7,038,891
Accrued pension expense	(1,017,532)	(959,806)
Other accrued liabilities	721,911	464,570
Net cash from operating activities	<u>7,545,173</u>	<u>7,244,555</u>
Cash flows from investing activities		
Purchase of property and equipment	(438,840)	(637,519)
Purchase of investments	(60,419,613)	(66,413,668)
Sales and maturities of investments	52,309,666	60,267,085
Investments in affiliate (CFA)	2,356	2,595
Net cash from investing activities	<u>(8,546,431)</u>	<u>(6,781,507)</u>
Cash flows from financing activities		
Contributions restricted for long-term purposes	137,774	319,639
Repayment on notes payable	(186,800)	(182,800)
Net cash from financing activities	<u>(49,026)</u>	<u>136,839</u>
Net increase (decrease) in cash and cash equivalents	(1,050,284)	599,887
Cash and cash equivalents, beginning of year	<u>2,271,659</u>	<u>1,671,772</u>
Cash and cash equivalents, end of year	<u>\$ 1,221,375</u>	<u>\$ 2,271,659</u>
Supplemental cash flows information		
Interest paid	\$ 34,495	\$ 39,500
Donated stock	-	24,730

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 40-45% of the Legion’s operating revenue is derived from membership dues (including amounts allocated for magazine subscriptions). An additional 12-13% is generated through advertising for the American Legion Magazine and 14-18% is generated through contributions from members and nonmembers. 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 Boy’s 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 is a tax exempt trust established to solicit funds from individuals, organizations and corporations and to disburse said funds as may be directed to various Legion programs and charities.

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 unrestricted, temporarily restricted and permanently restricted. The following classes of net assets are maintained:

Unrestricted Net Assets – The unrestricted net asset 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 unrestricted net assets of the Legion may be used at the discretion of management to support the Legion’s purposes and operations.

Temporarily Restricted Net Assets – The temporarily restricted net asset 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 and are not permanently restricted are classified as temporarily restricted net assets. As the restrictions are met, the net assets are released from restrictions

and included in unrestricted net assets. Contributions for which the restrictions are met in the same period in which the contribution is received are also recorded as temporarily restricted revenue and releases from restrictions.

Permanently Restricted Net Assets – The permanently restricted net asset class 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, 2015 and 2014, respectively.

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.

Property and Equipment: Expenditures for property 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, 2015 and 2014.

Collections: The Legion owns many collectible military related items and historical documents which were not recorded as they were acquired. These items have been appraised for insurance purposes; however, these items are not held for financial gain and therefore in accordance with GAAP, have not been recorded on the statement of financial position.

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.

Dues Income and Expense: 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. They are subject to income tax on unrelated business income. In 2015 and 2014, the entities incurred no tax expense.

Current accounting standards require the entities 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, 2015 and 2014, management has determined that the entities do not have any tax positions that result in any uncertainties regarding the possible impact on the Legion's financial statements. The entities do not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The entities recognize 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, 2015 and 2014.

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: As disclosed in Note 16, expenses have been classified as program services, management and general, member development and fund raising based on actual direct expenditures. Additionally, some 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, 2015, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2015. Management has performed their analysis through April 29, 2016, the date the financial statements were available to be issued.

NOTE 2 – 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 for insurance purposes and are as follows:

	Appraisal date	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 3 – 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 \$(2,356) and \$(2,595) in 2015 and 2014, 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 2015 and 2014.

NOTE 4 – BENEFICIAL INTEREST IN CHARITABLE LEAD TRUST

The ALEF has been named a beneficiary of a charitable lead trust. Under the charitable trust, the ALEF is to receive quarterly distributions in the amount of \$9,919 until December 2020, or until the funds of the trust are exhausted. Based on the terms of the trust and a 2.54% discount rate in 2015 and a 2.88% discount rate in 2014, the present value of future benefits expected to be received by the ALEF is estimated to be \$185,743 and \$217,900 at December 31, 2015 and 2014, respectively.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

The fair value of money markets and common stock are based on quoted prices in active markets. (Level 1 inputs) The fair value of U.S. Government and agency obligations, asset backed securities, 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) Common stock and asset backed securities are not held by the Legion, but are held in the defined benefit plan assets which are disclosed in Note 15.

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, 2015 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	\$ -	\$ -	\$ 185,743
Money market accounts	11,831,530	-	-
U.S. Government obligations	-	46,032,144	-
State and municipal bonds	-	23,063,167	-
Corporate bonds	-	39,607,430	-
	\$ 11,831,530	\$ 108,702,741	\$ 185,743

	Fair Value Measurements at Dec. 31, 2014, 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	\$ -	\$ -	\$ 217,900
Money market accounts	12,589,094	-	-
U.S. Government obligations	-	47,838,137	-
State and municipal bonds	-	20,701,351	-
Corporate bonds	-	32,411,041	-
	<u>\$ 12,589,094</u>	<u>\$ 100,950,529</u>	<u>\$ 217,900</u>

The tables below presents 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, 2015 and 2014:

	Beneficial Interest in Trust
Beginning balance, Jan. 1, 2015	\$ 217,900
Change in value of split interest agreements	7,519
Distributions from trust	(39,676)
Ending balance, Dec. 31, 2015	<u>\$ 185,743</u>
	Beneficial Interest in Trust
Beginning balance, Jan. 1, 2014	\$ 255,127
Change in value of split interest agreements	2,449
Distributions from trust	(39,676)
Ending balance, Dec. 31, 2014	<u>\$ 217,900</u>

NOTE 6 – PROPERTY AND EQUIPMENT

The Legion's property and equipment, and the related accumulated depreciation at December 31, 2015 and 2014 are as follows:

	2015	2014
Washington, D.C., real estate		
Land	\$ 80,000	\$ 80,000
Building	5,621,056	5,603,402
Indianapolis real estate		
Land	389,264	389,264
Building	4,082,610	4,052,201
Construction in progress	-	87,260
Furniture, fixtures and equipment		
National Headquarters, Indianapolis	6,800,866	7,077,023
Washington, D.C.	766,923	770,525
	17,740,719	18,059,675
Less accumulated depreciation	(12,468,555)	(12,396,832)
	<u>\$ 5,272,164</u>	<u>\$ 5,662,843</u>

Depreciation expense for the years ended, December 31, 2015 and 2014 was \$829,447 and \$866,783, respectively.

NOTE 7 – LONG-TERM DEBT

In 2013, the Legion refinanced its note payable related to the Geiger Operations Center. Principal and interest is payable in monthly installment with final

payment due December 3, 2020. The stated interest rate is 1.35% plus the 30-day London InterBank Offered Rate ("LIBOR"). The outstanding balance on long-term debt is \$1,025,149 and \$1,211,949 as of December 31, 2015 and 2014, respectively.

The future maturities of the long-term debt are as follows

2016	\$ 193,200
2017	199,200
2018	205,200
2019	211,200
2020	216,349
Total	<u><u>\$ 1,025,149</u></u>

Interest expense was \$34,495 and \$39,500 for the years ended December 31, 2015 and 2014, 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 provides 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 \$1,025,149 and \$1,211,949 at December 31, 2015 and December 31, 2014 respectively. The interest rate swap matures in 2020. Under the agreement, the Legion pays or receives the net interest amount monthly, with the monthly settlements included in interest expense.

NOTE 8 – LEASES

The Legion has several non-cancelable operating leases, primarily for facilities, computer equipment, and copiers that expire at various dates through 2019. Rent expense under these leases for the years ended December 31, 2015 and 2014 was \$482,073 and \$457,773, respectively.

Minimum lease commitments are as follows:

2016	\$ 474,483
2017	255,829
2018	67,275
2019	60,220
	<u><u>\$ 857,807</u></u>

In addition, the Legion has 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 2015 and 2014 was \$975,940 and \$916,513, respectively. Insurance coverage is included in the Legion's general insurance policy.

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

The National Executive Committee approved the establishment of a life membership plan available to any member of a participating department. In accordance with the plan, the assets of the Paid-Up-For-Life ("PUFL") Membership Fund are included in unrestricted, 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 PUL membership summaries and discount rates comparable to the Legion's recent investment performance.

NOTE 10 – RESTRICTED AND RESERVE DESIGNATED FUNDS

The restricted fund is designated for use by the National Finance Commission and National Executive Committee and reported as unrestricted, 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 2015 and 2014.

The reserve fund is also designated for use by the National Finance Commission and National Executive Committee and reported as unrestricted, 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.

NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are donor-restricted for specific purposes. At December 31, 2015 and 2014 the restricted purposes are as follows:

	2015	2014
Overseas Graves Decoration Fund	\$ 999,271	\$ 1,010,881
Samsung scholarships	1,976,639	2,089,832
American Legacy Fund	11,058,389	9,498,788
National Emergency Fund	4,622,166	3,996,891
Boy Scouts	467,899	467,899
Operation Comfort Warriors	2,062,410	1,657,692
John Devore	308,564	313,402
Samsung American Legion Alumni Association	372,240	-
Others	66,915	355,319
	<u>\$ 21,934,493</u>	<u>\$ 19,390,704</u>

NOTE 12 – NET ASSETS RELEASED FROM RESTRICTION

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

	2015	2014
Purpose restrictions accomplished		
Overseas graves decoration	\$ 21,460	\$ 11,090
Scholarships and grants (including relief aid)	393,503	428,932
Veterans Affairs & Rehabilitation and Children & Youth programs	881,873	322,954
	<u>\$ 1,296,836</u>	<u>\$ 762,976</u>

NOTE 13 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets 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. servicemen and servicewomen 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.

At December 31, 2015 and 2014 the permanently restricted net assets are as follows:

	2015	2014
Samsung scholarships	\$ 5,000,000	\$ 5,000,000
American Legion Endowment Fund	8,060,100	7,987,835
	<u>\$ 13,060,100</u>	<u>\$ 12,987,835</u>

NOTE 14 – ENDOWMENT COMPOSITION

The Legion's endowments include donor restricted endowment funds and 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 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, 2015:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted endowment funds	\$ -	\$ 1,976,952	\$ 13,060,100	\$ 15,037,052
Total Funds	<u>\$ -</u>	<u>\$ 1,976,952</u>	<u>\$ 13,060,100</u>	<u>\$ 15,037,052</u>

Endowment net asset composition by type of fund as of December 31, 2014:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted endowment funds	\$ (64,308)	\$ 2,166,616	\$ 12,987,835	\$ 15,090,143
Total Funds	<u>\$ (64,308)</u>	<u>\$ 2,166,616</u>	<u>\$ 12,987,835</u>	<u>\$ 15,090,143</u>

Changes in endowment net assets for the year ended December 31, 2015:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets, beginning of year	\$(64,308)	\$ 2,166,616	\$ 12,987,835	\$ 15,090,143
Investment gain/(loss):				
Investment income, net of fees	53,939	384,312	-	438,251

Net depreciation (realized and unrealized)	(12,274)	(82,381)	(65,509)	(160,164)
Total investment loss	41,665	301,931	(65,509)	278,087
New gifts	-	-	\$137,774	\$137,774
Appropriation of endowment assets for expenditure	22,643	(491,595)	-	(468,952)
Net assets, end of year	\$ -	\$ 1,976,952	\$ 13,060,100	\$ 15,037,052

Changes in endowment net assets for the year December 31, 2014:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets, beginning of year	\$ -	\$ 1,630,584	\$ 12,648,514	\$ 14,279,098
Investment gain:				
Investment income, net of fees	51,965	398,798	-	450,763
Net appreciation (realized and unrealized)	1,600	487,549	19,682	508,831
Total investment gain	53,565	886,347	19,682	959,594
New gifts	-	-	319,639	319,639
Appropriation of endowment assets for expenditure	(117,873)	(350,315)	-	(468,188)
Net assets, end of year	\$ (64,308)	\$ 2,166,616	\$ 12,987,835	\$ 15,090,143

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 is temporarily restricted and 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: As of December 31, 2015 and 2014, the Legion did not have any funds with deficiencies.

NOTE 15 – EMPLOYEE BENEFITS

The Legion has a defined-benefit pension plan covering 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 the plan are made by the Legion and other participating groups on the basis of annual actuarial valuations.

In May 2008, the Legion voted to freeze the plan effective June 30, 2008 and voted to adopt a 401(k) savings plan with a qualified automatic contribution arrangement effective July 1, 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 401(k) savings plan calls for a 100% match of the first 1% contributed by the employee and a 50% match of the net 5% contributed by the employee. Thus, the maximum matching percentage an employee will receive is 3.5%. The Legion made contributions of \$390,532 and \$401,165 in 2015 and 2014, respectively.

The following table sets forth the Legion's portion of the plan's funded status and amounts recognized in the Legion's consolidated statement of financial position at December 31, 2015 and 2014:

	2015	2014
Benefit obligation	\$ (58,432,275)	\$ (62,598,869)
Fair value of plan assets	45,290,808	49,954,578
Funded status	\$ (13,141,467)	\$ (12,644,291)
Service Cost	\$ -	\$ -
Interest cost	2,230,343	2,336,601
Actual loss (return) on assets	1,774,084	(2,526,794)
Amortization of prior service costs	121,085	121,085
Amortization of loss	2,470,872	1,245,309
Difference between expected and actual return on assets	(5,143,044)	(890,698)
Net periodic pension cost	\$ 1,453,340	\$ 285,503
Net loss	\$ (835,079)	\$ 8,793,315
Prior service cost	(121,085)	(121,085)
Pension-related changes other than net periodic pension cost	\$ (956,164)	\$ 8,672,230
Prepaid benefit cost	\$ 11,712,085	\$ 13,165,425
Accumulated benefit obligation	58,432,275	62,598,869
Vested benefit obligation	57,251,191	61,100,719
Benefits paid	2,889,686	2,881,064
Measurement date	12/31/2015	12/31/2014

Estimated future benefit payments:

2016	\$ 3,412,935
2017	3,477,922
2018	3,532,541
2019	3,518,305
2020	3,546,329
2021-2025	17,912,792

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, 40-60% in fixed income and 40-60% 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 the Legion's defined benefit plan assets at December 31, 2015 and 2014 are as follows. See Note 5 for descriptions of inputs for each type of asset.

Fair Value Measurements at Dec. 31, 2015, using

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 1,411,074	\$ -	\$ -
U.S. Government and agency obligations	-	9,354,375	-
Asset backed securities	-	1,773,398	-
Municipal bonds	-	1,309,374	-
Corporate bonds	-	9,956,149	-
Equity fund	4,934,044	-	-
Common stock:			
Materials	1,405,024	-	-
Industrials	2,015,527	-	-
Consumer discretionary	1,747,117	-	-
Consumer staples	1,471,941	-	-
Energy	1,171,321	-	-
Health care	1,343,873	-	-
Financials	2,817,523	-	-
Telecommunication	1,020,012	-	-
Technology	2,819,922	-	-
Utilities	358,791	-	-
Other	210,104	-	-
Accrued interest	171,239	-	-
	\$ 22,897,512	\$ 22,393,296	\$ -

Fair Value Measurements at Dec. 31, 2014, using

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market accounts	\$ 3,873,390	\$ -	\$ -
U.S. Government and agency obligations	-	9,486,634	-
Asset backed securities	-	2,984,046	-
Municipal bonds	-	1,611,664	-
Corporate bonds	-	11,115,397	-
Common stock:			
Materials	625,585	-	-
Industrials	2,750,812	-	-
Consumer discretionary	1,815,605	-	-
Consumer staples	1,796,463	-	-
Energy	1,349,353	-	-
Health care	2,520,460	-	-
Financials	4,581,970	-	-
Telecommunication	530,082	-	-
Technology	3,569,347	-	-
Utilities	1,026,823	-	-
Other	147,951	-	-
Accrued interest	168,996	-	-
	\$ 24,756,837	\$ 25,197,741	\$ -

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	2015	2014
Discount rate	3.97%	3.67%
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, 2015 are \$2,506,744 and \$121,085, respectively.

NOTE 16 – FUNCTIONAL EXPENSES

The following represents a functional breakdown of the Legion's expenses by program and supporting services:

	2015	2014
Program services		
Veterans programs and services	\$ 38,677,294	\$ 37,312,183
Americanism, Children & Youth activities	2,325,910	1,896,947
	41,003,204	39,209,130
Supporting services		
Management and general	16,554,732	15,613,828
Member development	10,916,799	9,567,828
Fundraising	12,541,193	8,397,117
	40,012,724	33,578,773
	\$ 81,015,928	\$ 72,787,903

Member development includes direct membership response advertising expense of \$6,766,626 and \$5,878,102 for the years ended December 31, 2015 and 2014.

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
The American Legion National Headquarters
Consolidated Statements of Financial Position
December 31, 2015

	American Legion National <u>Headquarters</u>	American Legion <u>Charities</u>	American Legion Endowment <u>Fund</u>	National Emergency <u>Fund</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 925,465	\$ 174,028	\$ 37,747	\$ 84,135	\$ -	\$ 1,221,375
Accounts receivable	6,003,486	-	1,793	56,380	(399,128)	5,662,531
Interest receivable	715,785	19,451	60,865	36,229	-	832,330
Prepaid expenses and deposits	3,018,868	-	1,868	-	-	3,020,736
Deferred membership expense	4,004,549	-	-	-	-	4,004,549
Due from American Legion Endowment Fund	2,000,000	-	-	-	(2,000,000)	-
Inventory	2,818,625	-	-	-	-	2,818,625
Investment in affiliate (CFA)	14,234	-	-	-	-	14,234
Beneficial interest in trust	-	-	185,743	-	-	185,743
	<u>19,501,012</u>	<u>193,479</u>	<u>288,016</u>	<u>176,744</u>	<u>(2,399,128)</u>	<u>17,760,123</u>
Investments						
General	10,760,717	-	-	-	-	10,760,717
Segregated for Restricted and Reserved funds	33,246,316	-	-	-	-	33,246,316
Paid-Up-For-Life Membership fund	31,395,174	-	-	-	-	31,395,174
Samsung scholarship fund	7,779,450	-	-	-	-	7,779,450
Building funds	5,778,612	-	-	-	-	5,778,612
Sept. 11 Memorial scholarship fund	10,419,912	-	-	-	-	10,419,912
Special account – Endowment Fund	-	-	2,263,718	-	-	2,263,718
General account – Endowment Fund	-	-	7,508,680	-	-	7,508,680
National Emergency Fund	-	-	-	4,445,426	-	4,445,426
American Legion Charities	-	3,234,150	-	-	-	3,234,150
Other	3,702,116	-	-	-	-	3,702,116
	<u>103,082,297</u>	<u>3,234,150</u>	<u>9,772,398</u>	<u>4,445,426</u>	<u>-</u>	<u>120,534,271</u>
Property, plant and equipment, net	5,272,164	-	-	-	-	5,272,164
	<u>\$ 127,855,473</u>	<u>\$ 3,427,629</u>	<u>\$ 10,060,414</u>	<u>\$ 4,622,170</u>	<u>\$ (2,399,128)</u>	<u>\$ 143,566,558</u>
LIABILITIES						
Accounts payable	\$ 3,632,029	\$ 406,405	\$ -	\$ 4	\$ (399,128)	\$ 3,639,310
Scholarships payable	1,020,888	-	-	-	-	1,020,888
Due to American Legion National Headquarters	-	-	2,000,000	-	(2,000,000)	-
Deposits on emblem merchandise sales	394,662	-	-	-	-	394,662
Deferred income	816,199	-	-	-	-	816,199
Deferred dues income	21,236,699	-	-	-	-	21,236,699
Deferred income – direct membership solicitation	3,840,834	-	-	-	-	3,840,834
Accrued vacation benefits	997,727	-	-	-	-	997,727
Accrued pension expense	13,141,467	-	-	-	-	13,141,467
Other liabilities	1,945,295	-	-	-	-	1,945,295
Notes payable	1,025,149	-	-	-	-	1,025,149
Deferred dues income – Paid-Up-For-Life Membership	22,915,052	-	-	-	-	22,915,052
Life memberships due to state and local posts	24,962,632	-	-	-	-	24,962,632
	<u>95,928,633</u>	<u>406,405</u>	<u>2,000,000</u>	<u>4</u>	<u>(2,399,128)</u>	<u>95,935,914</u>
NET ASSETS						
Unrestricted	11,691,899	944,152	-	-	-	12,636,051
Temporarily restricted	15,234,941	2,077,072	314	4,622,166	-	21,934,493
Permanently restricted	5,000,000	-	8,060,100	-	-	13,060,100
Total net assets	<u>31,926,840</u>	<u>3,021,224</u>	<u>8,060,414</u>	<u>4,622,166</u>	<u>-</u>	<u>47,630,644</u>
	<u>\$ 127,855,473</u>	<u>\$ 3,427,629</u>	<u>\$ 10,060,414</u>	<u>\$ 4,622,170</u>	<u>\$ (2,399,128)</u>	<u>\$ 143,566,558</u>

See accompanying notes to consolidated financial statements.

SUPPLEMENTARY INFORMATION

The American Legion National Headquarters Consolidated Statements of Financial Position December 31, 2014

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 1,853,594	\$ 196,390	\$ 20,705	\$ 200,970	\$ -	\$ 2,271,659
Accounts receivable	5,360,048	405,497	987	34,241	(412,725)	5,388,048
Interest receivable	622,288	4,363	51,468	23,118	-	701,237
Prepaid expenses and deposits	1,578,478	-	1,840	-	-	1,580,318
Deferred membership expense	5,619,594	-	-	-	-	5,619,594
Due from American Legion Endowment Fund	2,000,000	-	-	-	(2,000,000)	-
Inventory	2,704,357	-	-	-	-	2,704,357
Investment in affiliate (CFA)	16,590	-	-	-	-	16,590
Beneficial interest in trust	-	-	217,900	-	-	217,900
	<u>19,754,949</u>	<u>606,250</u>	<u>292,900</u>	<u>258,329</u>	<u>(2,412,725)</u>	<u>18,499,703</u>
Investments						
General	15,377,229	-	-	-	-	15,377,229
Segregated for Restricted and Reserved funds	32,618,517	-	-	-	-	32,618,517
Paid-Up-For-Life Membership fund	23,801,938	-	-	-	-	23,801,938
Samsung scholarship fund	7,934,482	-	-	-	-	7,934,482
Building funds	5,532,253	-	-	-	-	5,532,253
Sept. 11 Memorial scholarship fund	9,583,418	-	-	-	-	9,583,418
Special account – Endowment Fund	-	-	2,267,776	-	-	2,267,776
General account – Endowment Fund	-	-	7,439,635	-	-	7,439,635
National Emergency Fund	-	-	-	3,738,562	-	3,738,562
American Legion Charities	-	2,127,401	-	-	-	2,127,401
Other	3,118,412	-	-	-	-	3,118,412
	<u>97,966,249</u>	<u>2,127,401</u>	<u>9,707,411</u>	<u>3,738,562</u>	<u>-</u>	<u>113,539,623</u>
Property, plant and equipment, net	5,662,843	-	-	-	-	5,662,843
	<u>\$ 123,384,041</u>	<u>\$ 2,733,651</u>	<u>\$ 10,000,311</u>	<u>\$ 3,996,891</u>	<u>\$ (2,412,725)</u>	<u>\$ 137,702,169</u>
LIABILITIES						
Accounts payable	\$ 1,796,667	\$ 607	\$ -	\$ -	\$ (412,725)	\$ 1,384,549
Scholarships payable	1,041,586	-	-	-	-	1,041,586
Due to American Legion National Headquarters	-	-	2,000,000	-	(2,000,000)	-
Deposits on emblem merchandise sales	229,037	-	-	-	-	229,037
Deferred income	624,823	-	-	-	-	624,823
Deferred dues income	21,357,070	-	-	-	-	21,357,070
Deferred income – direct membership solicitation	4,621,989	-	-	-	-	4,621,989
Accrued vacation benefits	1,037,790	-	-	-	-	1,037,790
Accrued pension expense	12,644,291	-	-	-	-	12,644,291
Other liabilities	1,183,321	-	-	-	-	1,183,321
Notes payable	1,211,949	-	-	-	-	1,211,949
Deferred dues income – Paid-Up-For-Life Membership	21,204,292	-	-	-	-	21,204,292
Life memberships due to state and local posts	22,487,809	-	-	-	-	22,487,809
	<u>89,440,624</u>	<u>607</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,412,725)</u>	<u>89,028,506</u>
NET ASSETS						
Unrestricted	15,443,298	916,134	(64,308)	-	-	16,295,124
Temporarily restricted	13,500,119	1,816,910	76,784	3,996,891	-	19,390,704
Permanently restricted	5,000,000	-	7,987,835	-	-	12,987,835
Total net assets	<u>33,943,417</u>	<u>2,733,044</u>	<u>8,000,311</u>	<u>3,996,891</u>	<u>-</u>	<u>48,673,663</u>
	<u>\$ 123,384,041</u>	<u>\$ 2,733,651</u>	<u>\$ 10,000,311</u>	<u>\$ 3,996,891</u>	<u>\$ (2,412,725)</u>	<u>\$ 137,702,169</u>

See accompanying notes to consolidated financial statements.

SUPPLEMENTARY INFORMATION
The American Legion National Headquarters
Consolidating Statements of Activities,
Year ended December 31, 2015

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
Revenue, gains and other support						
National member dues	\$ 25,741,665	\$ -	\$ -	\$ -	\$ -	\$ 25,741,665
Direct membership solicitation	6,996,057	-	-	-	-	6,996,057
Member service fees income	703,326	-	-	-	-	703,326
Affinity income	2,830,783	-	-	-	-	2,830,783
Sales of emblem items	13,142,697	-	-	-	-	13,142,697
Advertising	10,132,570	-	-	-	-	10,132,570
Contributions	13,104,677	1,637,068	137,774	614,515	(854,019)	14,640,015
Label and printing fees	2,297,959	-	-	-	-	2,297,959
Interest and dividends, net of fees	2,220,878	48,389	203,953	119,619	-	2,592,839
Net realized gains (losses) - investments	280,688	-	(9,901)	-	-	270,787
American Legion Endowment Fund income	183,383	-	-	-	(183,383)	-
Other	2,783,630	25,000	-	-	(35,000)	2,773,630
	<u>80,418,313</u>	<u>1,710,457</u>	<u>331,826</u>	<u>734,134</u>	<u>(1,072,402)</u>	<u>82,122,328</u>
Expenses						
Salaries	15,857,984	-	-	-	-	15,857,984
Employee benefits	3,970,750	-	-	-	-	3,970,750
Cost of sales – Legion	7,126,612	-	-	-	-	7,126,612
Department and magazine costs	3,068,596	-	-	-	-	3,068,596
Direct publications	11,373,424	-	-	-	-	11,373,424
Executive, staff and program travel	3,856,491	-	4,190	-	-	3,860,681
Commission and committee	1,555,462	-	-	-	-	1,555,462
Printing and postage	13,091,362	-	-	-	-	13,091,362
Scholarships, grants and awards	1,536,281	1,206,466	183,383	43,700	(1,072,402)	1,897,428
Office and other operating	15,167,088	19,991	16,269	1,692	-	15,205,040
Occupancy and usage	1,966,184	-	-	-	-	1,966,184
Special projects and programs	1,927,979	114,426	-	-	-	2,042,405
	<u>80,498,213</u>	<u>1,340,883</u>	<u>203,842</u>	<u>45,392</u>	<u>(1,072,402)</u>	<u>81,015,928</u>
Change in net assets from operations	(79,900)	369,574	127,984	688,742	-	1,106,400
Net unrealized losses - investments	(1,173,344)	(81,394)	(67,881)	(63,467)	-	(1,386,086)
Net change in PUFLL	751,375	-	-	-	-	751,375
Amortization of pension loss	(2,470,872)	-	-	-	-	(2,470,872)
Pension-related changes other than net periodic pension cost	956,164	-	-	-	-	956,164
Change in net assets	(2,016,577)	288,180	60,103	625,275	-	(1,043,019)
Net assets, beginning of year	<u>33,943,417</u>	<u>2,733,044</u>	<u>8,000,311</u>	<u>3,996,891</u>	<u>-</u>	<u>48,673,663</u>
Net assets, end of year	<u>\$ 31,926,840</u>	<u>\$ 3,021,224</u>	<u>\$ 8,060,414</u>	<u>\$ 4,622,166</u>	<u>\$ -</u>	<u>\$ 47,630,644</u>

See accompanying notes to consolidated financial statements.

SUPPLEMENTARY INFORMATION

The American Legion National Headquarters Consolidating Statements of Activities, Year ended December 31, 2014

	American Legion National Headquarters	American Legion Charities	American Legion Endowment Fund	National Emergency Fund	Eliminations	Total
Revenue, gains and other support						
National member dues	\$ 26,208,428	\$ -	\$ -	\$ -	\$ -	\$ 26,208,428
Direct membership solicitation	8,126,608	-	-	-	-	8,126,608
Member service fees income	726,969	-	-	-	-	726,969
Affinity income	3,144,483	6,246	-	-	-	3,150,729
Sales of emblem items	12,243,214	-	-	-	-	12,243,214
Advertising	10,490,471	-	-	-	-	10,490,471
Contributions	8,626,640	1,351,856	319,639	762,353	(221,893)	10,838,595
Label and printing fees	1,826,994	-	-	-	-	1,826,994
Interest and dividends, net of fees	2,301,363	37,119	202,227	91,618	-	2,632,327
Net realized gains (losses) - investments	(9,331)	21	(18,154)	812	-	(26,652)
American Legion Endowment Fund income	173,259	-	-	-	(173,259)	-
Other	2,313,840	-	-	-	-	2,313,840
	<u>76,172,938</u>	<u>1,395,242</u>	<u>503,712</u>	<u>854,783</u>	<u>(395,152)</u>	<u>78,531,523</u>
Expenses						
Salaries	15,928,906	-	-	-	-	15,928,906
Employee benefits	3,423,205	-	-	-	-	3,423,205
Cost of sales – Legion	6,683,745	-	-	-	-	6,683,745
Department and magazine costs	3,063,870	-	-	-	-	3,063,870
Direct publications	11,920,926	-	-	-	-	11,920,926
Executive and staff travel	3,368,856	-	5,854	-	-	3,374,710
Commission and committee	1,637,849	-	-	-	-	1,637,849
Printing and postage	10,020,891	-	-	-	-	10,020,891
Scholarships, grants and awards	1,406,542	345,849	173,259	65,575	(395,152)	1,596,073
Office and other operating	11,313,832	9,414	12,237	1,736	-	11,337,219
Occupancy and usage	2,077,524	-	-	-	-	2,077,524
Special projects and programs	1,668,314	54,671	-	-	-	1,722,985
	<u>72,514,460</u>	<u>409,934</u>	<u>191,350</u>	<u>67,311</u>	<u>(395,152)</u>	<u>72,787,903</u>
Change in net assets from operations	3,658,478	985,308	312,362	787,472	-	5,743,620
Net unrealized gains - investments	3,855,302	71,176	39,435	136,285	-	4,102,198
Net change in PUFL	2,402,816	-	-	-	-	2,402,816
Amortization of pension loss	(1,245,309)	-	-	-	-	(1,245,309)
Pension-related changes other than net periodic pension cost	(8,672,230)	-	-	-	-	(8,672,230)
Change in net assets	(943)	1,056,484	351,797	923,757	-	2,331,095
Net assets, beginning of year	<u>33,944,360</u>	<u>\$ 1,676,560</u>	<u>\$ 7,648,514</u>	<u>\$ 3,073,134</u>	<u>\$ -</u>	<u>\$ 46,342,568</u>
Net assets, end of year	<u>\$ 33,943,417</u>	<u>\$ 2,733,044</u>	<u>\$ 8,000,311</u>	<u>\$ 3,996,891</u>	<u>\$ -</u>	<u>\$ 48,673,663</u>

See accompanying notes to consolidated financial statements.

The American Legion National Contacts

Veterans Affairs & Rehabilitation

(202) 263-5759
VA&R@legion.org

Veterans Employment & Education

(202) 263-5771
VE&E@legion.org

Legislative

(202) 263-5752
legislative@legion.org

National Security

(202) 263-2984
NS@legion.org

Americanism

(317) 630-1203
Americanism@legion.org

Membership & Internal Affairs

(317) 630-1330
IA@legion.org

Finance

(317) 630-1222
finance@legion.org

Convention & Meetings

(317) 630-1292
convention@legion.org

Marketing, Media & Communications

(317) 630-1298
magazine@legion.org
marketing@legion.org

American Legion Riders

(317) 630-1265
riders@legion.org

Emblem Sales

(888) 453-4466
emblem@legion.org

Sons of The American Legion

(317) 630-1205
sal@legion.org

American Legion Auxiliary

(317) 569-4500
alahq@alaforveterans.org



THE AMERICAN LEGION

P.O. Box 1055

Indianapolis, IN 46206

(317) 630-1200

www.legion.org

www.legion.org/join

www.legion.org/donate

Stock# 40-013