

Return of Organization Exempt From Income Tax

2004

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

A For the 2004 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization: **NAVY LEAGUE OF THE UNITED STATES**
 Number and street (or P.O. box if mail is not delivered to street address): **2300 WILSON BOULEVARD**
 Room/suite: **1000**
 City or town, state or country, and ZIP + 4: **ARLINGTON, VA 22201-3308**

D Employer identification number: **53-0116710**

E Telephone number: **703-528-1775**

F Accounting method: Cash Accrual
 Other (specify):

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates:
H(c) Are all affiliates included? (If "No," attach a list.) **N/A** Yes No
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **WWW.NAVYLEAGUE.ORG**

J Organization type (check only one): 501(c)(3) 4947(a)(1) or 527

K Check here If the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: **8,442,915.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1	Contributions, gifts, grants, and similar amounts received:			
a	Direct public support	1a	716,168.	
b	Indirect public support	1b		
c	Government contributions (grants)	1c		
d	Total (add lines 1a through 1c) (cash \$ 615,911. noncash \$ 100,257.)	1d	716,168.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	3,280,880.	
3	Membership dues and assessments	3	2,316,308.	
4	Interest on savings and temporary cash investments	4		
5	Dividends and interest from securities	5	275,951.	
6 a	Gross rents	6a		
b	Less: rental expenses	6b		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe)	7		
8 a	Gross amount from sales of assets other than inventory	(A) Securities	1,238,960.	8a
b	Less: cost or other basis and sales expenses	(B) Other	388,596.	8b
c	Gain or (loss) (attach schedule)		850,364.	8c
d	Net gain or (loss) (combine line 8c, columns (A) and (B))		850,364.	8d
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
10 a	Gross sales of inventory, less returns and allowances	10a		
b	Less: cost of goods sold	10b		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11	Other revenue (from Part VII, line 103)	11	614,648.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	8,054,319.	
13	Program services (from line 44, column (B))	13	5,290,273.	
14	Management and general (from line 44, column (C))	14	1,700,627.	
15	Fundraising (from line 44, column (D))	15	385,317.	
16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 16 and 44, column (A))	17	7,376,217.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	678,102.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	12,929,868.	
20	Other changes in net assets or fund balances (attach explanation)	20	157,775.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	13,765,745.	

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$495,000. noncash \$)	22 495,000.	495,000.	STATEMENT 6	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 168,112.	87,357.	70,296.	10,459.
26 Other salaries and wages	26 1,775,607.	929,035.	736,929.	109,643.
27 Pension plan contributions	27 85,946.	43,342.	37,086.	5,518.
28 Other employee benefits	28 211,113.	106,691.	90,898.	13,524.
29 Payroll taxes	29 154,641.	78,316.	66,440.	9,885.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 9,625.	4,943.	4,076.	606.
34 Telephone	34 27,321.	13,884.	11,697.	1,740.
35 Postage and shipping	35 217,010.	192,130.	21,662.	3,218.
36 Occupancy	36 534,148.	269,657.	230,236.	34,255.
37 Equipment rental and maintenance	37 61,284.	30,593.	26,716.	3,975.
38 Printing and publications	38 502,580.	496,341.	5,431.	808.
39 Travel	39 62,439.	52,088.	2,690.	7,661.
40 Conferences, conventions, and meetings	40 151,761.		151,761.	
41 Interest	41 63,643.	29,649.	29,591.	4,403.
42 Depreciation, depletion, etc. (attach schedule)	42 17,141.	8,645.	7,396.	1,100.
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e SEE STATEMENT 3	43e 2,838,846.	2,452,602.	207,722.	178,522.
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 7,376,217.	5,290,273.	1,700,627.	385,317.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? SEE STATEMENT 4

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses

(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)

a SEA POWER MAGAZINE & ALMANAC ARE INTERNATIONAL PUBLICATONS RELATING TO NAVAL ACTIVITIES; THE NAVY LEAGUER IS A NEWSPAPER DOCUMENTING THE ACTIVITIES OF THE NAVY LEAGUE HEADQUARTERS & ITS COUNCILS.	(Grants and allocations \$)	1,685,581.
b SEE STATEMENT 5	(Grants and allocations \$)	1,551,883.
c COUNCIL DEVELOPMENT MEMBERSHIP - MAINTAINS MEMBERSHIP RECORDS & ISSUES CERTIFICATES, PINS, ETC.	(Grants and allocations \$)	1,183,060.
d U.S. NAVAL SEA CADETS - GRANT TO FEDERALLY CHARTERED SECTION 501(C)(3) YOUTH ORGANIZATIONS ENGAGED IN NAVAL RELATED EDUCATIONAL PROGRAMS.	(Grants and allocations \$ 495,000.)	524,271.
e Other program services (attach schedule) STATEMENT 7	(Grants and allocations \$)	345,478.
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		5,290,273.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	139,321.	88,315.
	46 Savings and temporary cash investments	1,074,707.	1,363,285.
	47 a Accounts receivable	142,741.	
	b Less: allowance for doubtful accounts		142,741.
	48 a Pledges receivable	153,471.	
	b Less: allowance for doubtful accounts	25,000.	128,471.
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges	373,061.	400,913.
	54 Investments - securities STMT 8 STMT 9 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	11,531,947.	11,896,230.
	55 a Investments - land, buildings, and equipment: basis		
	b Less: accumulated depreciation		
56 Investments - other SEE STATEMENT 10	14,009,961.	29,156,331.	
57 a Land, buildings, and equipment: basis	1,021,559.		
b Less: accumulated depreciation STMT 11	743,228.	278,331.	
58 Other assets (describe NAVY HERITAGE VIDEO)	212,500.	141,667.	
59 Total assets (add lines 45 through 58) (must equal line 74)	27,925,594.	43,596,284.	
Liabilities	60 Accounts payable and accrued expenses	1,777,847.	4,053,887.
	61 Grants payable		
	62 Deferred revenue	3,658,217.	3,624,802.
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable STMT 12	9,559,662.	22,151,850.
	65 Other liabilities (describe)		
66 Total liabilities (add lines 60 through 65)	14,995,726.	29,830,539.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	12,176,774.	13,106,922.
	68 Temporarily restricted	549,365.	455,094.
	69 Permanently restricted	203,729.	203,729.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	12,929,868.	13,765,745.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	27,925,594.	43,596,284.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	X	
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	X	
b	If "Yes," enter the name of the organization SEE STATEMENT 13 and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed VIRGINIA		
b	Number of employees employed in the pay period that includes March 12, 2004	90b	35
91	The books are in care of THE LEAGUE Telephone no. 703-528-1775		
	Located at 2300 WILSON BOULVEVARD, ARLINGTON, VA ZIP + 4 22201		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SEA-AIR SPACE EXPO.			07	2,315,975.	
b PUBLICATIONS	541800	950,568.			14,337.
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					2,316,308.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	275,951.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	850,364.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a ROYALTIES			15	222,148.	
b OTHER			01	392,500.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		950,568.		4,056,938.	2,330,645.
105 Total (add line 104, columns (B), (D), and (E))					7,338,151.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 15

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SEE STATEMENT 14	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

I am preparing this return on behalf of the organization, and to the best of my knowledge and belief, it is true, and the information of which preparer has any knowledge.

1/26/05
 Howard B. Stiegel
 Senior Director of Finance
 NAVY LEAGUE OF THE UNITED STATES
 2300 Wilson Boulevard
 Arlington, VA 22201

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2004

Name of the organization

NAVY LEAGUE OF THE UNITED STATES

Employer identification number

53 0116710

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
HOWARD B. SIEGEL ----- ARLINGTON, VA 22201	SR. FIN. DIR. 40	101,534.	10,886.	2,073.
RICHARD D. BARNARD ----- ARLINGTON, VA 22201	ED. IN CHIEF 40	94,695.	9,852.	3,612.
EVA HOCHARD ----- ARLINGTON, VA 22201	DIR. OF FIN. 40	87,147.	10,024.	0.
JAMES E. HOFFMAN ----- ARLINGTON, VA 22201	SR. MEM. DIR. 40	86,393.	9,998.	0.
RICHARD M. LOGAZINO ----- ARLINGTON, VA 22201	SR. COM. DIR. 40	83,743.	8,070.	709.
Total number of other employees paid over \$50,000 ▶	17			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE -----		

Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	2d	X
e	Transfer of any part of its income or assets?	2e	X
3 a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a	X
b	Do you have a section 403(b) annuity plan for your employees? SEE STATEMENT 16	3b	X
4 a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is: (Please check only ONE applicable box.)
- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
 - 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
 - 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
 - 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
 - 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
 - 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
 - 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
 - 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
 - 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
 - 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	971,726.	1,155,351.	996,073.	644,077.	3,767,227.
16 Membership fees received	2,416,808.	816,400.	2,531,083.	2,461,886.	8,226,177.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	3,001,053.	3,865,873.	2,253,239.	2,326,105.	11,446,270.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	273,790.	356,659.	661,309.	498,380.	1,790,138.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets		1,082,536.	SEE STATEMENT 17	1,137,038.	2,219,574.
23 Total of lines 15 through 22	6,663,377.	7,276,819.	6,441,704.	7,067,486.	27,449,386.
24 Line 23 minus line 17	3,662,324.	3,410,946.	4,188,465.	4,741,381.	16,003,116.
25 Enter 1% of line 23	66,634.	72,768.	64,417.	70,675.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 320,062.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b 339,303.
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c 16,003,116.
d Add: Amounts from column (e) for lines: 18 <u>1,790,138.</u> 19 _____ 22 <u>2,219,574.</u> 26b <u>339,303.</u> ▶					26d 4,349,015.
e Public support (line 26c minus line 26d total) ▶					26e 11,654,101.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 72.8239%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2003) (2002) (2001) (2000)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2003) (2002) (2001) (2000)					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶					27c N/A
d Add: Line 27a total _____ and line 27b total _____ ▶					27d N/A
e Public support (line 27c total minus line 27d total) ▶					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	
<hr/> <hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	
<hr/> <hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40	} 41	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c Media advertisements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
d Mailings to members, legislators, or the public	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
e Publications, or published or broadcast statements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
f Grants to other organizations for lobbying purposes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
g Direct contact with legislators, their staffs, government officials, or a legislative body	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
i Total lobbying expenditures (Add lines e through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

2004 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	FURNITURE & EQUIPMENT * TOTAL 990 PAGE 2 DEPR		VARIESSL	7.00	16	1021559.			1021559.	726,087.		17,141.
						1021559.		0.	1021559.	726,087.	0.	17,141.

**NLUS
Bylaws**

AS AMENDED JUNE 10, 2004

BYLAWS

1 Name and Seal

The name of this organization shall be - NAVY LEAGUE OF THE UNITED STATES, hereinafter referred to as the "Navy League," and officially abbreviated as NLUS. The Seal of the Navy League shall be in circular form, containing in the center an American eagle perched upon a fouled anchor, encircled by the words, NAVY LEAGUE OF THE UNITED STATES.

2 Objective and Purpose

The objective and purpose of the Navy League shall be educational and to that end to acquire and spread before the citizens of the United States information as to the conditions of the naval and maritime forces and equipment of the United States, and to awaken interest and cooperation in all matters tending to aid, improve or develop their efficiency.

3 Membership

3.1 Regular Member

Any citizen of the United States desiring to support and advance the objective and purposes of the Navy League shall be eligible as a Regular Member provided such applicant is proposed by a Regular Member of the Navy League. Commissioned and Warrant officers or enlisted personnel of any branch of the armed services are not eligible for membership while on active duty. Reservists are eligible for membership but, while on active duty, are not eligible to vote or to hold office.

3.2 Life Member

A Life Member shall be a Regular Member who has complied with such conditions as the Board of Directors shall from time to time establish. Life Members are exempt from further payment of dues.

3.3 Honorary Member

The Board of Directors may name Honorary Members and prescribe such rights and privileges as it deems proper.

3.4 Associate Member

Non-citizens may be Associate Members provided that they are proposed by a Council and not by an individual. An Associate Member shall be entitled to vote and hold office at the Council level, with the exception of serving as Council President, but shall not hold office nor serve as a spokesperson at the national level for the Navy League.

3.5 Corporate Memberships

The Navy League of the United States offers three categories of corporate membership based on the size of the company. Companies which conduct business on a national or international level and desire to support and advance the objectives of the Navy League shall be eligible for one or more of the three corporate memberships.

3.5.1 Corporate Gold Membership

Corporate Gold Membership is designed for those companies with more than 10,000 employees. During each year of membership, a Corporate Gold Member may designate two Life Members and twenty-five Regular Members, provided such members are otherwise qualified. Designated members enjoy all the privileges of individual membership, including the right to vote and hold office.

3.5.2 Corporate Membership

Corporate Membership is designed for those companies with more than 500 employees. During each year of membership, a Corporate Member may designate one Life Member and fifteen Regular Members, provided such members are otherwise qualified. Designated members enjoy all the privileges of individual membership, including the right to vote and hold office. Any company eligible to join at this level may join as a Corporate Gold Member.

3.5.3 Business Associate Membership

Business Associate Membership is designed for those companies with less than 500 employees. During each year of membership, a Business Associate Member may designate up to five Regular Members, provided such members are otherwise qualified. Designated members enjoy all the privileges of individual membership, including the right to vote and hold office.

3.6 Community Affiliate Membership

Community Affiliate Membership is designed for companies whose business is primarily local rather than national in orientation, whose primary interest is in the activities and concerns of particular Councils, and which desire to support and advance the objective and purpose of the Navy League. During each year of membership, a Community Affiliate Member may designate up to four (4) Regular Members, provided such members are otherwise qualified. Designated members enjoy all the privileges of individual membership, including the right to vote and hold office.

3.7 Dues

Dues for each type of membership shall be established by the Board of Directors and any change shall require a thirty (30) day notice and a two-thirds (2/3) vote of Directors present, provided that a quorum of one-fourth (1/4) of the Directors is present. All dues shall be paid directly to the Treasurer with the exception of dues from overseas Councils which may withhold the rebate due the Council.

3.8 Resignations and Terminations

3.8.1 Resignations

The resignation of Members shall be made in writing to the Corporate Secretary and shall become effective when received or as specified therein, provided however, that there shall be no refund of dues paid.

3.8.2 Termination for Delinquency

The rights and privileges of a Member will be terminated on the last day of the month following the expiration of the membership unless dues are paid prior to such termination.

3.9 Prohibitions

3.9.1 Declaration of Policy

No declaration of the policy of the Navy League shall be made without the approval of the Board of Directors.

3.9.2 Influence

The Navy League shall be strictly non-partisan, and neither its name nor its influence shall ever be used, directly or indirectly, in connection with partisan politics.

3.9.3 Communications

No Member or officer of the Navy League shall undertake in the name of the Navy League any action to prejudice the objective and purpose, or established policies of the Navy League, and no Member shall communicate with any Department of the United States Government in the name of the Navy League on general policy matters, without the approval of the President.

3.9.4 Use of Indicia

No use may be made of the Navy League name, seal, logo, or other symbol or indicia of the Navy League, including lists of Members' names and addresses, for any purpose other than direct fulfillment of the mission of the Navy League without the consent of the Board of Directors previously had and obtained.

4 Annual Meetings

4.1 Date and Place

The President, with the approval of the Board of Directors, shall designate the date and place for the Annual Meeting of Members.

4.2 Notice of Annual Meeting

At least thirty (30) days prior to the date of the Annual Meeting, all Members shall be notified of the time, date and place of the Annual Meeting and also shall be notified of the matters to be considered at the Annual Meeting.

4.3 Election of Directors

The Members shall elect the Board of Directors at the Annual Meeting.

4.4 Voting

The quorum for the transaction of any business at the Annual Meeting of Members shall be a minimum of 300 members. Voting at the Annual Meeting of Members may be in person or by proxy. Undirected proxies received will be voted by the Proxy Committee in proportion to the votes cast by those voting in person at the Annual Meeting of Members.

4.5 Reports

The President, Treasurer, and Corporate Secretary shall submit annual reports to the Members.

5 Board of Directors

5.1 Management

The control and management of the property and affairs of the Navy League shall be vested in a Board of Directors, which may adopt and amend Bylaws and regulations for its government, and which may delegate the implementation of the objective and purpose of the Navy League, under prescribed regulations, to such persons as it may select.

5.2 Expenditures

No money shall be authorized to be expended, and no contract or obligation incurred of any kind or nature, and no authority given to incur any obligation involving the payment of money, in the name or on behalf of the Navy League beyond the money actually in hand, appropriated and set aside for the purpose, unless the contract or obligation is wholly secured by real property owned by the Navy League.

5.3 National Directors

The Board of Directors shall consist of not less than 23 and not more than 210 Directors apportioned to Navy League Regions in proportion to the total membership in the Regions, plus all members of the Executive Committee. Those Directors who are members of the Executive Committee shall not be charged to any Region. Former Secretaries of the Navy, former Chiefs of Naval Operations, former Commandants of the Marine Corps, former Commandants of the Coast Guard, and former Administrators of the Maritime Administration who may be nominated as Directors shall not be charged to any Region. The Directors shall be elected for a term of one (1) year or until their successors are elected and qualified. Election shall be by a majority of those voting in person or by proxy.

5.3.1 National Directors Emeritus

The President, with the approval of the National Nominating Committee, may appoint Navy Leaguers who have formerly served as National Directors for a minimum of eight years to serve as National Directors Emeritus. National Directors Emeritus shall not be apportioned to any region and shall not affect any quorum requirements. National Directors Emeritus shall be entitled to all rights and privileges of National Directors with the exception of voting.

5.4 Meetings

Upon call by the President, and upon fifteen (15) days' written notice, the Board of Directors will hold such meetings as the President deems necessary. One-fourth (1/4) of the Board of Directors shall constitute a quorum, except for action to amend or revise the Bylaws.

5.5 Special Meetings

Upon written request to the President by any five (5) members of the Executive Committee, the President shall call, within three (3) weeks, a meeting of the Board of Directors, and should the President fail to call such meeting within the prescribed time, the requesters may issue such call, reciting the failure, and any meeting held pursuant to such call shall be a legal meeting, and its acts and proceedings will be valid and binding as though such meeting had been called by the President.

5.6 Election of Officers

The Board of Directors shall hold a meeting immediately after the Annual Meeting and by a majority vote of those voting elect the following Officers of the Navy League: President, ten (10) Vice Presidents, Region Presidents, Area Presidents, Treasurer, Corporate Secretary and Judge Advocate to hold office for the ensuing year or until their successors are elected and qualified, and to transact such other business as may come before it. No person shall hold more than one of the above offices and no Officer set forth in this Section shall function as a Council President. The quorum for the election of National Officers shall be the number of those members of the Board of Directors present and voting.

The President, Vice Presidents, Treasurer, Judge Advocate, Corporate Secretary, and Region Presidents shall be Directors. Area Presidents shall be apportioned National Directors; exceptions can be made only with the approval of the National President. Assistant Treasurers, Deputy Judges Advocate, and Assistant Corporate Secretaries may be National Directors.

Within nine (9) months of the termination of his second term in office but more than two (2) months prior to such termination, the President shall notify the Directors of his/her request for their electing a Senior Vice President. Such election shall occur at a duly called Board of Directors' Meeting with notice of this business.

5.7 Duties of Officers

The Board of Directors may fix the duties and authority of the officers and authorize the appointment from its members of representatives to act in such capacity as may appear to the Board necessary or desirable for the promotion of the objective and purpose of the Navy League.

.5.8 Operations Manual

The Executive Committee shall cause an Operations Manual to be prepared and maintained. The Operations Manual shall set forth the regulations governing the operation of Regions, Areas, and Local Councils, and such other procedures as shall be desirable for the administration of the Navy League. The Executive Committee shall annually review and ratify the Operations Manual and may make such additions and changes as it determines are necessary.

5.9 Minutes

Minutes shall be taken of all meetings of the Board of Directors, Executive Committee and Steering Committee, and such minutes shall be made available to all Directors.

5.10 Termination of National Directors for Failure to Attend National Meetings

Except as otherwise provided for in these Bylaws, any elected National Director who shall, without filing a written statement of good cause to the National President prior to the meeting, fail to attend two (2) consecutive national meetings is subject to termination of office, upon notice of the fact of this failure having been received by the National President. The National President will make the determination as to whether the absence is excused or unexcused, and the National Director will be notified.

6 Officers

6.1 President

6.1.1 General Authority

The President shall be the Chief Executive Officer of the Navy League and shall preside at the Annual Meeting, at the meetings of the Board of Directors, and at the meetings of the Steering and Executive Committees. The President shall appoint all committees not otherwise provided for by the Bylaws. The President shall be an ex-officio member of the Communications Board and all committees except the Nominating Committee. The President shall have power and authority to sign contracts, deeds, and other legal documents on behalf of the Navy League. The President, with the approval of the Executive Committee, shall have the authority to appoint a National Executive Director and the Chairman of the Navy League Foundation to operate under the authority and direction of the President. The President may recommend removal of such appointee who shall be removed upon the approval of the Executive Committee. Further, the President, with the approval of the Steering Committee, shall have the authority to reallocate up to five (5) percent of the total budget.

6.1.2 Authority to Fill Vacancies

The President shall have the power to fill any vacancies in the Board of Directors or among the officers, Region and Area Presidents. Such appointees shall serve for the unexpired term of the office which is filled.

6.1.3 Removal of Officers and Local Officials

The President, with approval of the Board of Directors, shall have the power to remove any officer or local official for failure to properly discharge the duties of his office and to suspend or expel any Member for conduct prejudicial to the interest of the Navy League; provided, however, that any such officer, official, or Member shall have received thirty (30) days notice of the President's intention to seek such approval from the Board of Directors, and shall have been provided with an opportunity to be heard. Upon removal, the President shall have the authority to appoint an interim official to serve until the next election.

6.2 Senior Vice President

Upon the election of a Senior Vice President, he shall have all of the authorities and duties of a Vice President.

The Senior Vice President shall succeed to the Presidency in the event of death, incapacity or resignation of the President and shall perform the duties and exercise the authority of President until the election of a new President at a duly called Board of Directors Meeting with notice of this business.

6.3 Vice Presidents

The Vice Presidents will assist the President in formulating the policy guidelines for programs and other operations of the Navy League and shall serve such functions as the President shall prescribe, subject to approval by the Board of Directors. Each Vice President shall perform such function(s) as the President may from time to time assign him.

In the event of the death, incapacity, or resignation of the President, and in the absence of a Senior Vice President, the member of the Steering Committee designated by the Steering Committee shall perform the duties and exercise the authority of the Presidency unless the Board of Directors shall otherwise provide for the assignment of such duties and authority.

6.4 Treasurer

6.4.1 Responsibilities

The Treasurer shall be responsible for the custody and disbursement of all funds of the Navy League and the custody and transfer of all property and securities of the Navy League. The Treasurer shall report quarterly to the President and the Executive Committee as to the financial condition of the Navy League and shall, at the Annual Meeting of the Navy League, submit a report of the condition of the Navy League accounts.

6.4.2 Assistant Treasurers

Assistant Treasurers shall be appointed by the President. The number of Assistant Treasurers shall not exceed six (6). The Assistant Treasurer senior in term of office shall perform the duties and exercise the authority of the Treasurer in his absence.

6.5 Corporate Secretary

6.5.1 Responsibilities

The Corporate Secretary shall be responsible for all records of the meetings of the Navy League, its Board of Directors, Executive Committee and Steering Committee, and shall be custodian of the Navy League seal and records.

6.5.2 Assistant Corporate Secretaries

Assistant Corporate Secretaries may be appointed by the President. The number of Assistant Corporate Secretaries shall not exceed three (3). The Assistant Corporate Secretary senior in term of office shall perform the duties and exercise the authority of the Corporate Secretary in his absence.

6.6 Judge Advocate

6.6.1 Responsibilities

The Judge Advocate shall be the legal officer of the Navy League. He shall interpret the Bylaws of the Navy League upon request, and pass upon the legality of proposed activities and matters affecting the Navy League. Proposed changes to the Bylaws shall be reviewed by the Judge Advocate before they are submitted to the Board of Directors for consideration.

6.6.2 Deputy Judges Advocate

Deputy Judges Advocate shall be appointed by the President. The number of Deputy Judges Advocate shall not exceed six (6). A Deputy Judge Advocate designated by the President shall perform the duties of the Judge Advocate in his absence.

6.7 Region Presidents

The Region President is responsible for all activities of the Navy League in his Region and shall conduct the business of the Region in accord with the Operations Manual.

The Region President may appoint such Region Vice Presidents as he deems necessary.

6.8 Area President

The Area President shall be responsible for all activities of the Navy League in his Area. The Area President shall conduct business of the Area in accordance with the Operations Manual. The Area President may appoint such Area Vice Presidents as he deems necessary. The Area President shall report to the Region President.

7 Appointed Officials

7.1 National Executive Director

The National Executive Director shall carry out the policies of the Navy League under the direction of the President of the Navy League. The National Executive Director also shall have responsibility and

authority for the day-to-day administration of the Navy League, including the staff and financial affairs of Navy League publications, and execution of contracts, under the supervision and direction of the President. The National Executive Director shall obtain the advice, counsel, and recommendations of the Staff Compensation/Personnel Policy Committee with respect to compensation for staff billets and personnel policies. The National Executive Director shall support the National Vice Presidents and National Treasurer in the execution of their programs and financial responsibilities.

7.2 National Parliamentarian

A National Parliamentarian shall be appointed annually by the President.

8 Terms of Office

8.1 Officers

The Officers of the Navy League shall be elected for a term of one year or until their successors are elected and qualified. An officer who has served more than half of the term is considered to have served a full term in that office.

8.2 President

The President shall hold office for no more than two (2) consecutive terms.

8.3 Vice Presidents

Vice Presidents shall hold office for no more than five (5) consecutive terms.

8.4 Treasurer

The Treasurer shall hold office for no more than five (5) consecutive terms.

8.5 Region and Area Presidents

Region and Area Presidents shall hold office for no more than three (3) consecutive one-year terms.

8.6 Judge Advocate

The Judge Advocate shall hold office without restriction as to the number of terms.

8.7 Corporate Secretary

The Corporate Secretary shall hold office for no more than five (5) consecutive terms.

9 Advisory Council

There shall be an Advisory Council appointed by the President which, upon request of the President or the Board of Directors, shall give advice on matters of policy. The President shall designate the Chairman of the Advisory Council.

10 Committees

10.1 Executive Committee

There shall be an Executive Committee consisting of the members of the Steering Committee, all past Presidents who are willing and elect to serve, all Region Presidents, and ten (10) National Directors may be appointed by the President with the approval of the Board of Directors. The President shall serve as Chairman of the Executive Committee. One-third of the members of the Executive Committee shall constitute a quorum.

The Executive Committee shall exercise all the powers of the Board of Directors when the Board is not in session except as to the election of officers, amendment to the Bylaws, and financial commitments in excess of three percent of the total annual budget unless specifically authorized by the Board.

Minutes of all meetings of the Executive Committee shall be kept and made available at the following Board of Directors meeting.

10.2 Steering Committee

The Steering Committee shall consist of the President, who shall be Chairman, the Chairman of the Advisory Council, all Vice Presidents, the Treasurer, the Corporate Secretary, and the Judge Advocate.

The Steering Committee shall exercise all the powers of the Executive Committee, except when the Board of Directors or Executive Committee is in session; provided that action by the Steering Committee shall require approval of two-thirds (2/3) of all members of the Steering Committee, consultation with the Chairman of any affected committee, and affirmative opinion of the Judge Advocate that any such action is not contrary to the Bylaws. Meetings of the Steering Committee may be conducted by telephone conference call but not by individual polling.

Minutes of all meetings of the Steering Committee shall be kept and presented at the following Board of Directors' meeting.

10.3 Nominating Committee

The President shall appoint the Nominating Committee at least sixty (60) days prior to the Annual Meeting. The President also shall appoint a Chairman who shall not be a candidate for any office. The President shall include on the Committee representation from each of the Regions and the National Judge Advocate or a Deputy Judge Advocate who shall serve in a non-voting capacity. The members appointed shall be knowledgeable Navy Leaguers and, insofar as is feasible, be geographically distributed and representative of various levels in the Navy League. Members of the Nominating Committee shall not serve for more than three consecutive one-year terms. The Chairman shall not serve in that capacity for more than two consecutive one-year terms. The President shall set the time and place for the meeting of the Nominating Committee.

The Nominating Committee shall nominate at least one candidate for each elective office and at least twenty-three (23) Directors. No action of the Nominating Committee shall preclude nominations from the floor.

The Board of Directors shall establish procedures for the National Nominating Committee.

10.4 Investment Committee

The Investment Committee shall consist of five (5) members, each of whom shall be appointed to staggered five (5) year terms. The President shall appoint new members as terms expire or terminate for five (5) year terms or unexpired terms, and shall, in each year, appoint a Chairman from the members of the Investment Committee. The Treasurer shall be an ex-officio member of the Investment Committee.

The Investment Committee shall direct the investment of all funds of the Navy League and may instruct the Treasurer to make such investments. The Treasurer shall only invest funds in accordance with the majority vote of the Investment Committee. The Investment Committee shall keep the Directors advised as to its investment policy.

10.5 Budget Committee

The Budget Committee shall consist of at least five (5) but not more than seven (7) members and shall include the Treasurer, a member of the Investment Committee, a Vice President, and additional members of the Navy League who have budget experience. The additional members shall serve staggered terms and shall not serve for more than five years. The President shall appoint the Chairman and members of the Budget Committee. The Budget Committee shall have cognizance over the establishment of a budget each year.

10.6 Communications Board

The Communications Board shall consist of no more than ten (10) members with staggered five (5) year terms, no more than two of which shall expire in the same year. The President shall appoint members of the Communications Board and shall appoint a chairman from among the members of the Board. The National Executive Director, the Editors of SEA POWER magazine and the ALMANAC OF SEAPOWER, the Senior Director of Communications, and the Business Manager shall be ex-officio members of the Communications Board.

The Communications Board shall recommend to the President and the Board of Directors appropriate policies concerning all communications of an educational nature emanating from the Navy League. The Communications Board shall at all times be cognizant of the editorial and business policies of the SEA POWER magazine and the ALMANAC OF SEAPOWER and, to this end, the Executive Director shall keep the Communications Board informed.

The Communications Board shall advise the President and the Board of Directors of the editorial and business policies of SEA POWER magazine and the ALMANAC OF SEAPOWER, and shall advise and counsel the National Executive Director.

10.7 Staff Compensation/Personnel Policy Committee

The Staff Compensation/Personnel Policy Committee shall consist of three elected national officers who shall be appointed by the President and approved by the Board of Directors. Members of the Staff Compensation/Personnel Policy Committee shall not serve for more than five consecutive terms.

The Staff Compensation/Personnel Policy Committee shall recommend to the President the compensation of the National Executive Director. The recommendation will be based upon an annual

evaluation of the National Executive Director by the President. In the event that the President does not agree with the recommendation of the Staff Compensation/Personnel Policy Committee, the compensation shall be determined by the Steering Committee. The Staff Compensation/Personnel Policy Committee shall advise and counsel the National Executive Director with respect to compensation for staff billets and personnel policies.

10.8 Navy League Foundation

There is a Navy League Foundation (hereafter, the Foundation) created and existing under the laws of the State of Delaware, as a wholly-owned subsidiary of the Navy League of the United States, a New York Corporation.

The Foundation shall be governed by a Board of Trustees which shall be responsible for the management of the Navy League National Scholarship Program, the Scholarship Program of the Naval Sea Cadet Corps, and all other funds donated to the Foundation for other charitable and educational purposes. This Board shall be responsible as fiduciaries for investment and disbursement of all scholarship funds of the Navy League and the Naval Sea Cadet Program. All actions taken by this Board will be in accordance with Bylaws adopted by them for governance of the Foundation. These Bylaws shall be consistent with the Bylaws and national policies of the Navy League.

The Board of Trustees of the Foundation shall consist of not more than fifteen (15) members, thirteen (13) of whom will serve staggered three (3) year terms. Trustees may not serve for more than two (2) consecutive three (3) year terms, unless the trustee is serving as Chair or immediate past Chair of the Foundation during the seventh year. All members of the board shall be members of the Navy League. The Chair, the National Treasurer, the National Corporate Secretary of the Navy League, and five (5) others shall be appointed by the National President of the Navy League. All remaining members of the board shall be appointed by the Chair of the Board from among persons experienced in fundraising, investing, and making grants.

The Board of Trustees shall make an annual report to the Board of Directors of the Navy League, which shall include the names and addresses of the scholarship recipients and the amount of funds committed and distributed to each scholarship.

The Chair of the Foundation Board shall be appointed by and report to the National President of the Navy League. The Chair shall also serve as a non-apportioned member of the Board of Directors of the Navy League. The Chair is appointed to a one-year term by the President.

10.9 Maritime Policy and Resolutions Committee

The Maritime Policy and Resolutions Committee shall be responsible annually for the development of formal maritime policy positions and other resolutions and issues of interest to the Navy League for presentation to and approval by the National Board of Directors. It shall consist of a maximum of nine members appointed by the President. Committee members shall not serve for more than five consecutive terms. The membership of the Committee shall include persons from other committees of the Navy League charged with studying national policy with respect to the Navy, Marine Corps, Coast Guard, and Merchant Marine. The National Executive Director and the Editor of SEA POWER magazine shall serve as ex-officio members of the Maritime Policy and Resolutions Committee.

10.10 Other Committees

The Board of Directors may establish other committees from time to time and fix their membership. The President shall appoint the chairmen and members of such committees. Committee Chairman, not otherwise limited, shall not serve for more than five consecutive terms.

Such committees, when established, shall determine their rules and procedures, subject to the approval of the Board of Directors.

10.11 Terms of Appointed Officers and Committee Members

For all appointed officers and committee members, a term is defined as one year or until a successor is appointed or the position is disestablished.

11 National Programs

No program of the Navy League shall be considered to be a National Program unless submitted to and approved by the Board of Directors.

12 Fiscal Year

The fiscal year of the Navy League shall begin on January 1 of each year.

13 Indemnification

The Navy League shall indemnify, to the full extent permissible under applicable New York law, any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or intestate, was a Director, officer, or committee member of the Navy League, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such Director, officer, or committee member acted, in good faith, for a purpose which he reasonably believed to be in the best interest of the Navy League, and, in the case of criminal actions or proceedings, in addition, he had no reasonable cause to believe that his conduct was unlawful.

14 Council Charters

14.1 Grant

A council charter may be issued on application of twenty-five or more charter members. An application to charter a new council must be forwarded to the Corporate Secretary, via the Area and Region Presidents with their respective endorsements, for final action by the National President to either grant, defer, or refuse the application. To be eligible for membership in a local council, one must be a member of the Navy League.

14.2 Council Responsibility, Duration, Revocation and Probation

The Officers and Directors of each chartered Council of the Navy League have a responsibility to the Navy League of the United States, its National President, and the National Board of Directors to carry out the purposes, goals, objectives and policies of the Navy League and a fiduciary responsibility to

insure that all funds received by them are safeguarded, invested and expended in accordance therewith. This duty is not excused or modified by the form of legal organization under which the Council has chosen to operate, nor by the creation of separate foundations.

Each charter shall remain in effect until amended, rescinded, or canceled for cause by the National President with the concurrence of the appropriate Region President and Area President. Cause for revocation shall include, but not be limited to:

- a. continued membership of less than 25 members.
- b. failure to conduct at least one-half of the required minimum number of meetings annually.
- c. failure to elect officers for over one year.
- d. conducting activities which bring discredit to the Navy League.
- e. continued failure to make required reports.
- f. failure to participate in Navy League's general comprehensive liability insurance program or failure to obtain similar or equal coverage independently.

Councils which have demonstrated cause for revocation for a period of six months or more will be placed on probation by the National President with the concurrence of the appropriate Region and Area Presidents. If the cause has not been removed within six months after being placed on probation, the charter may be revoked by the National President with the concurrence of the appropriate Region President and Area President.

In the case of revocation of a charter, or disbanding of a Council, the Council President shall cause to be transferred to the National Treasurer all funds remaining in the treasury of the Council at the time that it ceased to exist.

15 Parliamentary Authority

The rules set forth in the current edition of Robert's Rules of Order Newly Revised shall govern the Navy League in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order that the Navy League may adopt.

16 Amendments to Bylaws

16.1 Procedure – Vote and Notice Required

These Bylaws may be amended only at a meeting of the Board of Directors, and by a two-thirds (2/3) vote, provided however, that the Board of Directors shall be given notice of the substance of any proposed amendment to the Bylaws in writing at least (30) days prior to the next meeting of the Board of Directors after having been reviewed and placed in proper form

16.2 Procedure for Review

A proposed amendment to the Bylaws shall be submitted in writing to the National President at least ninety (90) days prior to the next Annual or Winter Meeting of the Board of Directors. The National President shall submit the proposed amendment to the National Judge Advocate who in turn shall submit the proposed amendment to the Bylaws Committee for review of form and substance. The

review shall be completed within thirty (30) days following submission to the National Judge Advocate by the National President. The National President shall then submit the proposal to the Steering Committee and the Executive Committee for their review and recommendations at the next regular meeting of these Committees. The proposal will then be submitted to the Board of Directors for consideration at their next regular meeting.

16.3 Quorum for Bylaws Amendments

The quorum for amending the Bylaws shall be two-fifths of the total number of Directors.

17 Gender

Whenever the masculine form is used herein, the feminine form is intended to be included.

18 Regulations Governing Local Councils

18.1 Council Handbook

The Executive Committee shall cause a Council Handbook to be established and maintained as a part of the Operations Manual for the governance of Local Councils.

18.2 Observance

The Local Councils shall conduct their business in accordance with the Council Handbook.

4/08/05

**2004-2005
NATIONAL DIRECTORS**

CARIBBEAN/MEXICO REGION

Thomas W. Hoffman
Jerome (Jerry) S. Lafferty
Jim R. Lovell
Warren H. Johnson

Ana Lydia Porrata-Doria
Luis F. Pascual
Thomas F. Stasa
Jackson C. Stevens

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Duncan M. Rowles, Jr.
Donald H. Rullman

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Arnold J. Giannotta

Avery Glize-Kane
Betty Reese

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Bernard Bennett
Roger S. Betts
J. Robert Bishop
Norman F. Daly
Patricia Du Mont
Philip L. Dunmire
Tom Dyer
Barry Gibson
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James M. Jordan
J. Michael McGrath
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David VanSaun
John S. Woodbury

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Elaine Z. Koepke

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Thomas J. Stump
Roy E. Whitlock
Kenneth D. Williams II
Roycealee J. Wood

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William G. Braund
Pierce R. Capell
Joseph A. Gildea
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Arthur Judson II
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Jack M. Kennedy
Richard H. Kennedy
William A. Kopper
Edwin E. Kraft
Edward S. McGonigal

Celeste B. Maschmeyer
Matthew Mnich
John Niedzwiecki
Patrick Pang
William A. Sanchez
Robert E. Schmand
Charles D. Shields, Jr.
John D. Stegman
John M. Truesdell
James H. Waller
Stanley J. Winowicz, Jr.

LONE STAR REGION

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Carter B. Conlin
W. Lamon Crouch
Eddie Dunn
Cal Dean Hill, Jr.
R. Glenn Looney
Richard J. Nelson

Harry G. Plomarity
Betty L. Rathheim
Mark D. Richmond
Jack F. Ritter, Jr.
John G. Sutter
Donald B. Walker
Suzy Williams

MID-ATLANTIC REGION

Charles S. Arrant
Maryellen Baldwin
Charles J. Beers, Jr.
Brent M. Bennitt
Al J. Bernard
Kathleen Bruyere
John R. Camp
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Calvin H. Cobb, Jr.
James E. M. Coleman
Joseph S. Donnell III
Winfred G. Ellis
Timothy O. Fanning
Albert H. Friedrich
H. Lawrence Garrett III
Mack C. Gaston

Nancy F. Gorell
Alfred M. Gray
John F. Griffing
Albert J. Herberger
Randy W. Hollstein
Joan S. Jones
G. Rex Kilbourn
James H. Offutt
John A. Panneton
Janet V. Rapkin
Jerome Rapkin
Stewart E. Reuter
Vicki S. Ruckman
John Tozzi
James R. Ward

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Norman O. Besheer
Samuel Bushman
James H. Erlinger

Marvin W. Mirsch, Sr.
Richard B. Reeves
William L. Wolf

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Raymond R. Couture
Shirley A. Hill
William C. Kelley, Jr.
Harriett A. Learson

Harold W. Learson
Eleanor E. Samuels
Ivan R. Samuels
Donald T. TenEyck
Louise Van Thorpe

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Niles R. Fowler
Albert D. Grantham
Thomas E. Jaffa
John W. Lockwood
Carol A. Meteney
Roger P. Olsen

Christopher A. Sales
Ward A. Shanahan
Ronald P. Testa
David N. Todd
Robert D. Urbana
Ivan Urnovitz
M. Bruce Van Tassell

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Dave E. Atkinson
P. Pasha Baker
William F. Bigelow
Edwin L. Carter
Paul T. Chung
Dannie R. Coates
Delores D. Coates
Stuart M. Cowan
Nora Feuerstein

Paul H. Gagnon
Alexander Gaston
Frederick Harris
Gerald L. Hofwolt
Glenn K. Y. Hong
Kraig M. Kennedy
Richard C. Macke
Joan E. Peters
John D. Peters
Lee P. Webber

PACIFIC CENTRAL REGION

Evan S. Baker
Phyllis M. Baker
W. Craig Bell
Linda A. Diers
Stanley E. Ellexson, Jr.
Darrell J. Fike
Carol Ann Hackley
T. Cole Hackley
Donald F. Hale

Lorraine D. Hughey
Michele H. Lockwood
William A. Nisbet
Jeanne Sharkey
William B. Stephens
Jacquelin G. Wilson
Gary C. Wong

PACIFIC SOUTHWEST REGION

Pamela K. Ammerman
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James T. Bonner, Jr.
Jewell H. Bonner
James P. Bras
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Julia M. Cameron
Betty W. Caughlin
Donald D. Clark
Joyce M. Clark
Marguerite M. Dennis
John R. Fisher
Arlene Fraser
Thomas Fraser
Catherine A. Hansen
John B. Holmes

Glen J. Huber
Grant W. Ivey
Peter W. Kent
Burton S. Kruglick
Connie O. Los
Lisa K. Macklin
Norma W. Orr
Frederick C. Orton
Anthony R. Pearson
Helen R. Pearson
John M. Rau
Alan P. Stelzer
Maria E. Taggart
John F. Watkins
Hugh L. Webster

ROCKY MOUNTAIN REGION

**Daniel B. Branch, Jr.
Richard M. Brown**

Martin V. Thone, Jr.

SOUTH ATLANTIC COAST REGION

**John W. Alger
William S. Culler
William B. Dawson
Donald A. Giles
Franklin A. Hart, Jr.
Hubert W. Lang III
Hugh H. Mayberry
Sheila M. McNeill**

**David E. Morgan
Robert J. O'Neill
Rockwell O'Sheill
Herndon A. Oliver III
Owen W. Siler
Corwin D. Strong
Thomas W. Wright**

SOUTHERN REGION

**James M. Beaty
Roger W. Burke
Ronald M. Eytchison
Robert V. Goodloe, Jr.
Richard A. Hansen
Virginia E. Hodges**

**Hans H. Krucke
Robert L. Kuhner
Thomas J. Pruter
Walter H. Reese
John J. Spittler**

2004-2005 NATIONAL OFFICERS

NATIONAL PRESIDENT:

Sheila M. McNeill

SENIOR VICE PRESIDENT:

John A. Panneton

NATIONAL VICE PRESIDENTS:

Edwin L. Carter

Carter B. Conlin

Carol Ann Hackley

Randy W. Hollstein

William A. Kopper

Harold W. Learson

Richard C. Macke

J. Michael McGrath

James H. Offutt

Robert A. Ravitz

NATIONAL CORPORATE SECRETARY: Albert J. Herberger

NATIONAL TREASURER: J. Robert Bishop

NATIONAL JUDGE ADVOCATE: Ward A. Shanahan

REGION PRESIDENTS:

CARIBBEAN/MEXICO – Jackson C. Stevens

EMPIRE – William J. Evanzia

EUROPEAN – Betty Reese

FLORIDA – Robert J. Silah

GREAT LAKES – William T. Fantry, Jr.

LIBERTY – John Niedzwiecki

LONE STAR – Harry G. Plomarity

MID-ATLANTIC – Vicki S. Ruckman

MIDWEST – Marvin W. Mirsch, Sr.

NEW ENGLAND – Donald T. TenEyck

NORTHWEST – Ronald P. Testa

PACIFIC – P. Pasha Baker

PACIFIC CENTRAL – Jeanne Sharkey

PACIFIC SOUTHWEST – Pamela K. Ammerman

ROCKY MOUNTAIN – Daniel B. Branch, Jr.

SOUTH ATLANTIC COAST – David E. Morgan

SOUTHERN – Walter H. Reese

AREA PRESIDENTS:

CARIBBEAN/MEXICO REGION

EAST CARIBBEAN – Thomas W. Hoffman
MEXICO/CENTRAL AMERICA – Jerome (Jerry) S. Lafferty
PUERTO RICO – Luis F. Pascual

EMPIRE REGION

CONNECTICUT – Duncan M. Rowles, Jr. WESTERN NEW YORK – Charles T. Alaimo
EASTERN NEW YORK – Bryan Birch

EUROPEAN REGION

NORTHERN EUROPE – Deborah J. Cozzone SOUTHERN EUROPE – Ciro Armellini

FLORIDA REGION

CENTRAL FLORIDA – John S. Woodbury SOUTH FLORIDA – Patricia Du Mont
NORTHEAST FLORIDA – William F. McLoughlin

GREAT LAKES REGION

MICHIGAN – Gordon H. Rosberg, Jr.
NORTHWEST GREAT LAKES – Bobby V. Ferguson
SOUTHWEST GREAT LAKES – William C. Glynn

LIBERTY REGION

NEW JERSEY – Robert E. Schmand PENNSYLVANIA – Celeste B. Maschmeyer
OHIO – James W. Grever

LONE STAR REGION

CENTRAL TEXAS – Cal Dean Hill, Jr. SOUTH TEXAS – Donald B. Walker
NORTH TEXAS – Betty L. Rathheim

MID-ATLANTIC REGION

NATION'S CAPITOL – VACANT SOUTH MID-ATLANTIC – John F. Griffing
NORTH MID-ATLANTIC – VACANT

MIDWEST REGION

CENTRAL MIDWEST – Norman O. Besheer
LOWER MIDWEST – Richard B. Reeves

UPPER MIDWEST – Robert F. Adams

NEW ENGLAND REGION

NORTHERN NEW ENGLAND – Louise Van Thorpe
SOUTHERN NEW ENGLAND – Shirley A. Hill

NORTHWEST REGION

COLUMBIA PACIFIC – Robert D. Urbana
GREATER NORTHWEST – Ivan Urnovitz

NORTHWEST COASTAL – John W. Lockwood

PACIFIC REGION

GREATER PACIFIC – Lee P. Webber

HAWAII – Delores D. Coates

PACIFIC CENTRAL REGION

CENTRAL CALIFORNIA – Michele H. Lockwood
NORTHERN CALIFORNIA – William B. Stephens

NORTHERN NEVADA – W. Craig Bell
SAN FRANCISCO BAY – Gary C. Wong

PACIFIC SOUTHWEST REGION

ARIZONA – Burton S. Kruglick
CALIFORNIA COAST/INLAND EMPIRE – John B. Holmes
CALIFORNIA MID-COAST/INLAND VALLEY – Arlene Fraser
GREATER LOS ANGELES – Alan P. Stelzer
SAN DIEGO/IMPERIAL VALLEY – James T. Bonner, Jr.

ROCKY MOUNTAIN REGION

ROCKY MOUNTAIN NORTH – Martin V. Thone, Jr.
ROCKY MOUNTAIN SOUTH – Richard M. Brown

SOUTH ATLANTIC COAST REGION

GEORGIA – Thomas W. Wright
NORTH CAROLINA – Corwin D. Strong

SOUTH CAROLINA – Robert J. O'Neill

SOUTHERN REGION

CENTRAL SOUTHERN – Virginia E. Hodges
GULF COAST EAST – Hans H. Krucke

GULF COAST WEST – Robert L. Kuhner

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES			STATEMENT	1
DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)	
SALE OF INVESTMENTS	1,238,960.	388,596.	0.	850,364.	
TO FORM 990, PART I, LINE 8	1,238,960.	388,596.	0.	850,364.	

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES		STATEMENT	2
DESCRIPTION				AMOUNT
UNREALIZED GAIN ON INVESTMENTS				157,775.
TOTAL TO FORM 990, PART I, LINE 20				157,775.

FORM 990	OTHER EXPENSES				STATEMENT	3
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING		
ADS. & PROMOTION	35,923.	35,923.				
BAD DEBT & RENOUNCED PLEDGES	72,367.	1,294.	214.	70,859.		
BANK CHARGES	69,752.	35,240.	30,042.	4,470.		
EMPLOYMENT FEES	13,818.	7,002.	5,933.	883.		
AUTHOR FEES	43,595.	43,595.				
INSURANCE	55,807.	36,165.	17,098.	2,544.		
INVESTMENT EXPENSE	55,195.	30,240.	21,723.	3,232.		
NETWORK & INTERNET	55,226.	39,202.	11,443.	4,581.		
PRESIDENT'S & EXECUTIVE SUPPORT	76,057.		76,057.			
PROFESSIONAL FEES	27,692.	25,117.	806.	1,769.		
PROF. DEVELOPMENT	12,978.	971.	11,887.	120.		
COMMUNITY AFFILIATES	12,442.	12,442.				
CONGRESSIONAL	18,700.	18,700.				
SAS HOSPITALITY	624,876.	624,876.				
SAS TRANSPORTATION	47,374.	47,374.				
SAS PRODUCER'S FEE	553,870.	553,870.				
AWARDS	34,532.	34,532.				
MEMBERSHIP	63,309.	48,618.	14,691.			
OTHER	30,278.	29,084.	1,194.			
MISC. OFFICE	23,794.	11,786.	10,453.	1,555.		

FULFILLMENT	12,910.	12,910.		
COMMISSIONS	310,059.	310,059.		
PROMOTIONAL MATERIAL	1,575.		1,575.	
REFUNDS	417,396.	417,396.		
CAPITAL CAMPAIGN	8,413.			8,413.
TAXES-GENERAL	10,063.	5,074.	4,343.	646.
PROSPECT RESEARCH	6,045.			6,045.
DONOR RECOGNITION	6,455.			6,455.
DIRECT MAIL	66,911.			66,911.
REFERENCE SERVICES	601.	299.	263.	39.
AMORTIZATION	70,833.	70,833.		
TOTAL TO FM 990, LN 43	2,838,846.	2,452,602.	207,722.	178,522.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 4
 PART III

EXPLANATION

THE NAVY LEAGUE OF THE UNITED STATES IS A PROFESSIONAL ORGANIZATION WHOSE PRIMARY OBJECTIVE IS TO BE A SOURCE OF INFORMATION TO THE GENERAL PUBLIC, PROVIDE DIRECT ASSISTANCE TO MEN AND WOMEN IN THE SEA SERVICES AND SPONSOR A NUMBER OF SCHOLARSHIPS, PUBLIC RECOGNITION, AND YOUTH PROGRAMS WHICH ARE GEARED TOWARDS THE SEA SERVICES. FINALLY, THE NAVY LEAGUE SERVES AS AN ADVOCATE FOR THE SEA SERVICES IN VARIOUS PUBLIC FORUMS.

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 5

DESCRIPTION OF PROGRAM SERVICE TWO

SEA-AIR-SPACE - AN ANNUAL SERIES OF SEMINARS & EXHIBITS CONCERNING THE STATUS OF THE U.S. ARMED FORCES, MILITARY TECHNOLOGY & OTHER NATIONAL SECURITY ISSUES. MILITARY & GOVERNMENT PERSONNEL ATTEND THE PROGRAM.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B		1,551,883.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 6

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
	NAVAL SEA CADET CORPS	2300 WILSON BLVD, ARLINGTON, VA 22201	RELATED PARTY	495,000.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				495,000.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 7

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
EDUCATIONAL PROGRAMS		345,478.
TOTAL TO FORM 990, PART III, LINE E		345,478.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 8

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
EQUITY SECURITIES	FMV			6,686,704.	6,686,704.
MUTUAL FUNDS	FMV			4,106,554.	4,106,554.
CORPORATE BONDS	FMV		183,697.		183,697.
TO FORM 990, LINE 54, COL B			183,697.	10,793,258.	10,976,955.

FORM 990 GOVERNMENT SECURITIES STATEMENT 9

DESCRIPTION	COST/FMV	U.S. GOVERNMENT	STATE AND LOCAL GOV'T	TOTAL GOV'T SECURITIES
GOVERNMENT BONDS	FMV	919,275.		919,275.
TOTAL TO FORM 990, LINE 54, COL B		919,275.		919,275.

FORM 990 OTHER INVESTMENTS STATEMENT 10

DESCRIPTION	VALUATION METHOD	AMOUNT
PAINTING	MARKET VALUE	42,000.
INVESTMENT IN PROPERTY-CONSTRUCTION IN PROGRESS	MARKET VALUE	29,058,015.
CASH SURRENDER VALUE OF INSURANCE	MARKET VALUE	56,316.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		29,156,331.

FORM 990 . DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 11

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE & EQUIPMENT	1,021,559.	743,228.	278,331.
TOTAL TO FORM 990, PART IV, LN 57	1,021,559.	743,228.	278,331.

FORM 990

IDENTIFICATION OF RELATED ORGANIZATIONS
PART VI, LINE 80B

STATEMENT 13

<u>NAME OF ORGANIZATION</u>	<u>EXEMPT</u>	<u>NONEXEMPT</u>
THE NAVY LEAGUE FOUNDATION	X	
NAVAL SEA CADET CORPS	X	

FORM 990 PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES AND DISREGARDED ENTITIES STATEMENT 14

NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

NAVY LEAGUE BUILDING, LLC

ADDRESS

2300 WILSON BOULEVARD, ARLINGTON , VA 22201

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
54-2061880	100.00%	TO OWN, OPERATE, LEASE, SELL, AND/OR MANAGE	3,063.	29,726,860.

NAME OF CORPORATION, PARTNERSHIP OR DISREGARDED ENTITY

ADDRESS

EMPLOYER ID NUMBER	PERCENT OWNED	NATURE OF ACTIVITIES	TOTAL INCOME	END-OF-YEAR ASSETS
		COMMERICAL REAL ESTATE.		

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 15

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93B	THE LEAGUE PUBLISHES A MAGAZINE & ALMANAC ON NAVAL, MILITARY & FOREIGN POLICY ISSUES.
94	MEMBER DUES HELP SUPPORT THE GENERAL PURPOSE OF THE NAVY LEAGUE OT THE UNITED STATES.

SCHEDULE A. EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 16
PART III, LINE 3

THE NAVY LEAGUE PROVIDES GENERAL SUPPORT TO THE NAVAL SEA CADETS, A 501 (C) 3 ORGANIZATION, AND ALSO CONTRIBUTES TO THE SEA CADETS SCHOLARSHIP PROGRAM. RECIPIENTS ARE SELECTED BY THE NAVAL SEA CADETS. THE NAVY LEAGUE ALSO HAS A SCHOLARSHIP COMMITTEE, WHICH IS RESPONSIBLE FOR DIRECTING & MANAGING THE NAVY LEAGUE'S NATIONAL SCHOLARSHIP PROGRAM. SCHOLARSHIPS ARE AWARDED BASED ON THE COMMITTEE'S REVIEW OF THE APPLICATIONS SUBMITTED BY POTENTIAL AWARDEES.

SCHEDULE A	OTHER INCOME			STATEMENT 17
DESCRIPTION	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT
OTHER	0.	1,082,536.	0.	1,137,038.
TOTAL TO SCHEDULE A, LINE 22	0.	1,082,536.	0.	1,137,038.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

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

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

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

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension. Instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print	Name of Exempt Organization NAVY LEAGUE OF THE UNITED STATES	Employer identification number 53-0116710
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2300 WILSON BOULEVARD, NO. 1000	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ARLINGTON, VA 22201-3308	

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

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

- The books are in the care of ▶ **THE LEAGUE**
 Telephone No. ▶ **703-528-1775** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole group**, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until **AUGUST 15, 2005** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 - ▶ calendar year **2004** or
 - ▶ tax year beginning _____, and ending _____.
- 2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____
- c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

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