



**NATIONAL EXECUTIVE
COMMITTEE MEETING**

February 25-26, 2012

**Washington Hilton Hotel
Washington, D.C.**

MEMBERS PRESENT
SATURDAY, FEBRUARY 25, 2012

National Officers

National President	Kris Nelson
National Vice President	Peggy Thomas
Central Division National Vice President	Florence Briggs
Eastern Division National Vice President	Lorraine “Rani” Gray
Northwestern Division National Vice President	Linda Feezer
Southern Division National Vice President.....	Winnie Broussard
Western Division National Vice President.....	Carmen Metzger
National Chaplain	C. Nini Lynch
National Historian	Diane Harley
National Secretary	Mary “Dubbie” Buckler
National Treasurer	Marta Hedding

Past National Presidents

Anna Gear
Pearl M. Behrend
Linda Boone
Linda Newsome
Syble Deshotel
Barbara Kranig
Virginia Hobbs
Elizabeth Stewart
Kristine West
Elsie Bailey-Comer
Katherine Morris
Carol Van Kirk
Jan Pulvermacher-Ryan
Desireé Stoy
Rita Navarreté

National Executive Committeewomen

Alabama	Brenda Smith
Alaska	Susan Diaz
Arizona	Sharon L. Doran
Arkansas	Dale Lester
California	Linda Fercho
Colorado	Karen Wessling
Connecticut	Ruth Morgan
Delaware	Jeanette Havel
District of Columbia	-
Florida	Irma Wehrli
Georgia	Lola Harper
Hawaii	-
Idaho	Jean Stephan
Illinois	Pam Ray
Indiana	Carolyn Cunningham
Iowa	Marilyn Block
Kansas	Trish Ward
Kentucky	Barbara Austen
Louisiana	Barbara White
Maine	Nancy True
Maryland	Patricia H. Lach
Massachusetts	Josephine Yakimowski
Michigan	MaryAnne Yuncker
Minnesota	Darlene Wondra
Mississippi	Angela Kilcrease
Missouri	Patty Garrett
Montana	Sandra Runkel
Nebraska	Charleen Walters
Nevada	-
New Hampshire	Elizabeth Ward
New Jersey	Linda Carroll
New Mexico	Jan Semrau
New York	Nancy Kurk
North Carolina	Wanda Moore
North Dakota	Ginny Brazil
Ohio	Linda Close
Oklahoma	C. Ann Willits
Oregon	Trudie McGriff
Pennsylvania	Beverly Reinhard
Puerto Rico	Beverly Olivieri
Rhode Island	Marge Walsh
South Carolina	Bette McMorrow
South Dakota	-
Tennessee	Sue Cantrell
Texas	Diana King
Utah	Cary Fisher
Vermont	Elaine Mackenzie
Virginia	Donna Ellis
Washington	Jane Montaney

West Virginia	Sharon Glassford
Wisconsin	Florence M. Waslehy
Wyoming	Pam Freeman

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Delaware	Jeanette Havel
District of Columbia	Marcia J. Jackson-Hooper
Florida	Irma Wehrli
Georgia	Lola Harper
Hawaii	-
Idaho	Jean Stephan
Illinois	Pam Ray
Indiana	Carolyn Cunningham
Iowa	Marilyn Block
Kansas	Trish Ward
Kentucky	Barbara Austen
Louisiana	Barbara White
Maine	Nancy True
Maryland	Patricia H. Lach
Massachusetts	Josephine Yakimowski
Michigan	MaryAnne Yuncker
Minnesota	Darlene Wondra
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Missouri	Patty Garrett
Montana	Sandra Runkel
Nebraska	Charleen Walters
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TABLE OF CONTENTS

SATURDAY, FEBRUARY 25, 2012

NATIONAL EXECUTIVE COMMITTEE MEETING

Call to Order	9
Ring of the Bell	9
Invocation	9
Motion to Accept Audit Report	26
Motion Carried	26
Finance Committee Report	27
Motion to Enter Agreement with Gallagher	31
Motion Carried	31
Motion to Adopt Special Project Fund and Unbudgeted Solicitation of Funds Polices ...	33
Motion Carried	33
Cavalcade of Memories Report	34
National Historian Report	35
Constitution & Bylaws Report	36
Organizational Support Pod	37
Membership Development Pod	38
American Legion Auxiliary Foundation	39
Auxiliary Emergency Fund	41
Long Range Strategic Planning Committee	42
Advisory Committee	42
Public Relations Committee	43
Membership Committee	44
Leadership Committee	45
Announcements	46
Adjournment	48

SUNDAY, FEBRUARY 26, 2012

Call to Order	48
Ring of the Bell	48
Invocation	49
Recommendation to Amend Rule 6	49
Motion Carried	50
Explanation of Unit Pod Report	50
Past Presidents Parley Report	50
Youth Development Pod	51
Child Welfare Foundation Report	53
ALA Girls State Report	54
Junior Activities Report	57

Junior Activities Resolution	58
Motion Carried	60
Children & Youth Report	60
Family Support Pod	61
Americanism Report	62
National Chaplain Report	63
Community Service Report	64
Education Report	66
Veteran/Military Support & Advocacy Pod	68
Legislative Report	69
National Security Report	69
Veterans Affairs & Rehabilitation Report	71
Poppy Report	73
Happy Birthday Recognition	74
National Secretary's Report	74
President's Assignment of Homework and Message	81
Announcements	82
Benediction	84
Colors Retired	84
Adjournment	84
Ringin of the Bell	84
APPENDIX A: National Mid-Year Reports: National Chairmen	85
APPENDIX B: Financial Statements	122

SATURDAY, FEBRUARY 25, 2012
NATIONAL EXECUTIVE COMMITTEE MEETING

(Whereupon, the meeting began at 7:00 p.m.)

PRESIDENT NELSON: The National Executive Committee Meeting will now come to order.

(Ringing of the bell.)

PRESIDENT NELSON: Please disable all of your electronic devices. If I hear them go off then I will send our page to get a donation to the foundation, so please disable them.

Thank you.

(Laughter)

PRESIDENT NELSON: I'll give you a minute to do that before we start.

(Ringing of the bell.)

PRESIDENT NELSON: The color bearers will advance the colors.

(Ringing of the bell.)

PRESIDENT NELSON: National Chaplain Nini Lynch will offer the invocation.

CHAPLAIN LYNCH: May we pray.

Father, as we meet to discuss the business of the American Legion Auxiliary we seek your counsel and guidance. Please inspire us with your wisdom. We invoke your blessings upon our decisions and actions. Help us to serve you and our organization with integrity and loyalty, always seeking that which best serves your purpose for us.

Bless our servicemen and women wherever they may be in the world with your divine protection. In your Holy name we pray. Amen.

VOICES: Amen.

PRESIDENT NELSON: Thank you, Nini.

The Chair calls upon Americanism Chairman, Melanie Taylor, to lead the Pledge of Allegiance and the National Anthem.

CHAIRMAN TAYLOR: Please recite the Pledge of Allegiance.

I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation, under God, indivisible with liberty and justice for all.

(The National Anthem is sung)

Oh, say, can you see, by the dawn's early light,

What so proudly we hail'd at the twilight's last gleaming?

Whose broad stripes and bright stars, thro' the perilous fight,

O'er the ramparts we watch'd, were so gallantly streaming?

And the rockets' red glare, the bombs bursting in air,

Gave proof thro' the night that our flag was still there.

O say, does that star-spangled banner yet wave,

O'er the land of the free and the home of the brave?

PRESIDENT NELSON: The Constitution & Bylaws Chairman Sharon Conatser will lead us in the preamble to the constitution.

CHAIRMAN CONATSER: 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 association during 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 good will on earth;

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

To participate in and contribute to the accomplishment of the aims and purposes of The American Legion;

To consecrate and sanctify our association by our devotion to mutual helpfulness.

PRESIDENT NELSON: Thank you, Sharon.

National Security Chairman Vickie Koutz will offer the POW/MIA Resolution.

CHAIRMAN KOUTZ: The American Legion Resolution 288, adopted at the 67th American Legion National Convention calls for designating a POW/MIA Chair at all official meetings of the American Legion as a physical symbol of thousands of American POW/MIAs still unaccounted for from all wars and conflicts involving the United States of America.

The chair cover on the empty chair, a reminder for all of us to spare no effort to secure the release of any American prisoners from captivity, the repatriation of the remains of those who died bravely in defense of liberty, and a full accounting of those missing.

Let us rededicate ourselves for this vital endeavor.

PRESIDENT NELSON: Thank you, Vickie.

(Ring of the bell.)

PRESIDENT NELSON: I'd like to welcome you all to our meeting, but I'm just going to take one minute of personal privilege.

At the convention you met most of my family but Sarah was having a baby and everywhere I go people would say, "how's the baby?" So I'd like to introduce you to Sarah and Kent Swenson.

(Laughter)

(Applause)

PRESIDENT NELSON: And he'll be six months old on the first. Thank you.

(Applause)

PRESIDENT NELSON: The Mid-Year Meeting of the National Executive Committee is convened. I'd like to welcome all of you and thank you for taking time to be here.

We were wondering yesterday how many people were going to get here when we heard the wind was going to be 40 to 70 miles an hour.

So we heard from some members that they're on the tarmac somewhere and so we might have to readjust some of our presentations until tomorrow morning. But I'm glad to see so many people are here.

The National Executive Committee is the Auxiliary's governing board, which makes each of you responsible to be caretakers of this organization.

As caretakers you all have a fiduciary obligation to act on behalf of the organization and advance its interest. All decisions made by this governing board must be informed decisions made with undivided allegiance to this organization's mission.

Please know that I take your role and responsibility very seriously and I hope you do the same.

I welcome your active participation in both listening and sharing your voices as the business before you is presented.

Please remember that it is both a privilege and your responsibility to insure the decisions that you make are for the best for the American Legion Auxiliary while remaining in the compliance with regulations and policies.

I would also like to welcome all the Past National Presidents and would you stand to be recognized, or wave.

(Past National Presidents stand.)

(Applause)

PRESIDENT NELSON: And the National Chairmen, could you stand to be recognized, please?

(National Chairmen stand.)

(Applause)

PRESIDENT NELSON: The National Officers, can you stand and be recognized, please?

(National Officers stand.)

(Applause)

PRESIDENT NELSON: And anyone serving on a National Committee.

(National Committee Members stand.)

(Applause)

PRESIDENT NELSON: I'd like to thank you for your support and welcome you as being part of the team committed to getting the job done.

I'm also glad to see so many of our members here tonight. Welcome to all of you. We are a grassroots organization and I thank you all for being here.

I would like to recognize our national staff members who are present and thank them for their diligence in getting this meeting together. And I'd like Stephanie, who is back here.

Kim? He's here, and W. Martin. Thank you. And there are several other members of the staff here and we'll introduce them (unintelligible) as we see them.

Now if everyone in the room can you raise your hand if this is your first meeting at the Washington, D.C. Hilton. Wow. Welcome.

(Applause)

My hope is that you will have a terrific National Executive Committee meeting and that you are informed and excited in the Washington DC conference and when you go home and to share the excitement with your members. Welcome.

Now we will get to business.

Please remember that if anyone who wants to speak needs to make their way to the microphone, and it's right here in the center aisle. This is the only way that your remarks can be heard by the recording reporter for the transcripts of this meeting.

You must be recognized before you speak. So please, once you're recognized, say your name and the department you represent.

In lieu of having our national secretary call the roll call for the Executive Committee I asked that your attendance be documented by signing the form. If your entity is not here, our (indiscernible) will say that an alternate can sit at your place. No one else. So there has to be an entity or an alternate sitting in the chair. These sheets will be collected at the close of the meeting.

It is now my pleasure to introduce the Head Table.

Peggy Thomas, National Vice President.

(Applause)

PRESIDENT NELSON: Florence Briggs, Central Division National Vice President.

(Applause)

PRESIDENT NELSON: Lorraine "Rani" Gray, Eastern Division National Vice President.

(Applause)

PRESIDENT NELSON: Linda Feezer, Northwestern Division National Vice President.

(Applause)

PRESIDENT NELSON: Winnie Broussard, Southern Division National Vice President.

(Applause)

PRESIDENT NELSON: Carmen Metzger, Western Division National Vice President.

(Applause)

PRESIDENT NELSON: Nini Lynch, National Chaplain.

(Applause)

PRESIDENT NELSON: Diane Harley, National Historian.

(Applause)

PRESIDENT NELSON: Mary "Dubbie" Buckler, National Secretary.

(Applause)

PRESIDENT NELSON: Marta Hedding, National Treasurer.

(Applause)

PRESIDENT NELSON: Chris Dickey, will serve as parliamentarian for this meeting.

(Applause)

PRESIDENT NELSON: My personal page is Sarah Swenson.

(Applause)

PRESIDENT NELSON: Please note that there has been an update to the agenda that you received prior to this meeting.

Please add to your consent agenda approval of changes to the national appointment. These were placed on your chair and again these are changes that they passed at this convention in September.

(Applause)

PRESIDENT NELSON: Before we begin with the consent agenda, I would like to remind everyone that the Minutes Approval Committee is responsible for approving the NEC Meeting minutes.

This year's committee consists of the NECs from Texas, (unintelligible), Virginia and Kansas.

The Chair has received confirmation that the Minutes Approval Committee duly met and thoroughly reviewed and after making any necessary proofing edits approved the preceding from the pre- and post-convention NEC Meetings. The proceedings are posted on the ALA website.

Are there any questions regarding that?

(No verbal response heard.)

PRESIDENT NELSON: We will begin using the consent agenda and (indiscernible) handle the basic business items. These items are listed on your agenda and they are appointment changes from the convention. The charter cancellations since 2011.

You have received the information on each of these items prior to the meeting. Any updates have been placed on your chair.

The consent agenda works as follows:

The Chair will entertain a motion to adopt all items as presented with no discussion necessary. If any member wishes to discuss any of these items or make corrections to an item, the Chair will entertain a motion to remove that item from the consent agenda prior to voting.

Voting on the consent agenda will then proceed, and that item will be removed and handled separately.

Are there any questions about that?

(No verbal response heard.)

PRESIDENT NELSON: I again remind all of you that anyone wishing to speak is first asked to make their way to the microphone in the center isle, and wait to be recognized.

Are there any questions on the use of the consent agenda?

(Whereupon no verbal response heard.)

PRESIDENT NELSON: The Chair will entertain a motion to adopt the consent agenda.

MS. WONDRA: Madam President, Darlene Wondra, Department of Minnesota. I move that we approve the consent agenda.

PRESIDENT NELSON: Is there a second?

(Whereupon an unidentified female voice was heard who seconded the motion.)

PRESIDENT NELSON: A motion has been made to adopt the consent agenda. There is no debate on the consent agenda.

All those in favor of adopting the agenda say, aye.

(Whereupon a chorus of aye heard.)

PRESIDENT NELSON: All apposed, no.

(Whereupon no verbal response is heard.)

PRESIDENT NELSON: The motion is carried.

It gives me great pleasure to introduce my friend, National Vice President Peggy Thomas, to bring her greetings.

VICE PRESIDENT THOMAS: Thank you, Madam President, and good evening, all.

(Whereupon, a chorus of good evening is heard.)

VICE PRESIDENT THOMAS: It is wonderful to be in D.C., in Washington, D.C., our capital, for the National Executive Committee Meeting and to see so many in attendance tonight.

President Kris and I have worked as a team closely this year. And as a team in representing her, I went to Mid-Winter Conference in Norfolk, Nebraska and I see some of you here tonight. And I also went to Raleigh, North Carolina. In addition to that I was at the Mission Training Workshops in Hartford, Connecticut; Branson, Missouri; Omaha, Nebraska; and Las Vegas, Nevada.

And, Madam President, you have certainly been a most gracious leader for the first half of this year. You have traveled inside and outside of the continental United States and been a wonderful ambassador for the American Legion Auxiliary.

You have kept us up-to-date by Facebook and made us feel that we were there with you on all your journeys.

I am sure that I am speaking for all the officers and chairmen when I say it is an honor to serve as part of your team this year. Your accomplishments so far have been many and I wish for you a most successful convention.

(Applause)

PRESIDENT NELSON: Thank you.

(Applause)

PRESIDENT NELSON: It is now my pleasure to welcome Past National President Rita Navarreté to bring greetings on behalf of our Past National Presidents.

PAST NATIONAL PRESIDENT NAVARRETÉ: Thank you, Madam President.

I had the pleasure of not only bringing you the official greetings from the Past National Presidents, but also I'd like to ask those presidents to stand and be recognized when I call your names.

President Kris, your leadership continues to inspire our members as you travel to their departments and witness firsthand the many projects and the activities that demonstrate (unintelligible) delivery. As dedicated members across the country, we want this meeting to be productive and improve our (unintelligible) as you conduct the business at hand.

May the Washington Conference (unintelligible) meeting be one that will instill in every attendee with a sense of pride of being a member or an employee of the American Legion Auxiliary. With that said, (inaudible) who are with us this evening, and who continue to serve as the Board Commission of this great organization and our proud members.

PAST NATIONAL PRESIDENT NAVARRETÉ: Anna Gear, Department of Virginia, 1983-84.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Pearl Behrend, Department of Wisconsin, 1987-88.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Linda Boone, Department of Oregon, 1992-93.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Linda Newsome, Department of Maryland, 1994-95.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Syble Deshotel, Department of Louisiana, 1995-96.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Barbara Kranig, Department of Wisconsin, 1997-98.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Virginia Hobbs, Department of Kentucky, 1998-99.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Elizabeth Stewart, Department of North Carolina, 1999-00.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Kristine West, Department of New Hampshire, 2000-01.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Elsie Bailey-Comer, Department of New Jersey, 2002-03.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Katherine Morris, Department of Texas, 2003-04.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Carol Van Kirk, Department of Nebraska, 2005-06.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: Jan Pulvermacher-Ryan, Department of Wisconsin, 2007-08.

PAST NATIONAL PRESIDENT NAVARRETÉ: Desireé Stoy, Department of Ohio, 2008-09.

(Applause)

PAST NATIONAL PRESIDENT NAVARRETÉ: And yours truly, Department of New Mexico, 2009-10.

(Applause)

PRESIDENT NELSON: Thank you, Rita.

As the agenda indicates (unintelligible) this evening will be proving with our groupings of the ALA. These groupings will make it simpler to carry out the program for enhanced mission delivery. Then over 26 national programs and national committees are grouped into two general categories. Mission Outreach and different organizations as to party. To simplify how we work our programs (unintelligible) to carry out every

program. We will begin this evening's report with Virginia Hobbs, Chairman of the Audit Committee.

At the 2009 National Convention we approved the establishment of the American Legion Auxiliary Audit Committee, which serves as the Risk Assessment Committee as mandated by the IRS.

Past National President Virginia Hobbs chairs our National Audit Committee. As many of you know, Virginia Hobbs is a Past National President for the Department of Kentucky. What many of you may not know is that outside of the American Legion Auxiliary, Ginny has over 30 years of experience as a bank examiner for the federal government. As a professional bank examiner auditor she has expertise in assessing internal audit procedures and controls and works with details of audit and risk maintenance on a daily basis around the entire country. We are indeed fortunate to have someone of Jenny's background and her professionalism serving in this capacity. She has done an outstanding job organizing and chairing this committee and works closely with our external auditor, Mike (unintelligible), our national staff and committee members. I now call on Audit Chair, Ginny Hobbs, to present the report.

CHAIRMAN HOBBS: Thank you, Madam President.

That (unintelligible) is about the same as I have when I go to a board meeting at one of the institutions that I examine.

(Laughter)

CHAIRMAN HOBBS: The American Legion Auxiliary's National Audit Committee has come a long way in the two and a half years since its establishment. We have an outstanding committee of professionals whose expertise in participating in large public risk assessment audit and the appropriate backgrounds for this important task.

Since the makeup of the National Executive Committee changes every summer, I want to remind you that the National Audit Committee is really the Auxiliary's Risk Management Committee and its role and duties are very different from those of the Finance Committee. The Audit Committee operates at arm's length from the rest of the organization.

The IRS Form 990 expects every nonprofit organization in good standing to have an audit committee. The IRS 990 Form is the Auxiliary's annual report to the federal government and to the public and as hopefully, as you all know by now it requires much more detailed information about the operation of the Auxiliary.

Why does the government want such detailed information about us? Because the Auxiliary, like other nonprofits, has been granted tax-exempt status by the Internal Revenue Service. The purpose of the 990 is to provide information to the IRS that demonstrates that the Auxiliary is being operated in a manner consistent with its exempt purpose. If audited by the IRS with supporting information gathered and used to create the 990 serves to verify that the Auxiliary complies with all the many federal laws and regulations and that it deserves to remain exempt from paying taxes.

There are a dozen parts and several detailed schedules in the IRS Form 990 and your audit committee helps develop and reviews the contents of the whole thing.

Would you believe every one of you all that's a national officer or an NEC, your name is in there. You're reported as being one of the governing individuals for this organization and, believe me, reviewing the 990 is about as much fun as going to see the dentist and it takes a longer time than that.

This is a committee whose work you won't see much of and you won't hear much of from us because it's our job to do it impartially and in the background. And as I said earlier, we do it at arm's length.

The Audit Committee consists of three individuals who are confirmed by the NEC and who serve staggered three-year terms plus two liaison members — one from the Auxiliary's Foundation Board and one from the National Finance Committee.

This year, there are two new liaison members. The foundation elected its president, Linda Boone, from the Department of Oregon and Linda serves as their liaison, and then National Finance Committee member Jan Pulvermacher-Ryan from the Department of Wisconsin serves with us. The two liaison members changed this year because Nicole Clapp, from the Department of Iowa is the Finance Chairman, so she couldn't be on our audit committee, and the Foundation Board elected Marta Hedding as the Foundation Chairman and since she has been an employee of our national headquarters it was inappropriate for Marta to serve on the audit committee.

The two individuals who do serve with me are from the three-year staggered terms are Paula Parker-Sawyers and Anne Hathaway.

Anne Hathaway from the Department of Illinois started out as a Junior member of the Auxiliary and she has served as chief of staff for a \$420 million operation with 500 employees, served as the Director for the (unintelligible) Institute and is now president of Hathaway Strategies LLC.

Our other appointed audit committee member is Auxiliary member Paula Parker-Sawyers who lives in the Department of Maryland. Paula is a former governor of future Girls State and a former senator at Girls Nation.

Paula holds a master's degree in public administration and has much experience in public grants assessment audits. As a former City Councilor and Deputy Mayor of the 12th largest city in the United States. I believe that's in Annapolis.

She is a national faculty member of the International Indiana University Center of Philanthropy and is the National Director of Outreach for the National Campaign to prevent teen and unplanned pregnancies.

Each member brings a different professional perspective to the committee and is extremely valuable. But one thing that we all draw from is our Auxiliary experience for participation in Girls State two others from Girls Nation.

Madam Chairman, your National Audit Committee or Madam President, I should say, your National Audit Committee has accomplished much since we began.

When we were organized we held an all-day training meeting, developed the Auxiliary and Foundation Audit Charter which was approved by the Pre-Convention NEC two years ago and we hold at least two teleconference meetings with our auditors each year.

One to plan an audit and the second to review the combined Auxiliary and Foundation office. We participate in a third call, which involves members of the accounting firm's tax side as we review the 990.

The Auxiliary Foundation is a subordinate corporation that is, exists to support the Auxiliary and it is therefore part of the Auxiliary combined audit.

The presentation and review of the 990 is one of the audit committee's major responsibilities. And your audit committee recently met and approved the audit which our auditor is going to go over in a few minutes.

But in doing so, we also review and approve the audit of the foundation as well as the consolidated financials of the Auxiliary.

And here let me just interject that the foundation was formed to benefit the national level of the American Legion Auxiliary. The Foundation is a fund-raising vehicle whose income is used to support Auxiliary programs. Your donation to the Foundation serves as an investment tool to help generate this income.

The donations themselves serve as principle, which isn't touched. It's their earnings, which help the national level of the organization.

As you look at the audit I would encourage you to think of the principle levels of the Auxiliary. Think of our units, our departments and the national level. The financial interpretations of these three entities, the inter-relation, is through our membership dues.

Donations made at the unit or department level generally do not report the program activity at our national level. As an example, I've already mentioned Girls State, but the funds donated at our local unit to send girls to Girls State or in our department to support our Girls State program are not reflected in the audit. Only the programs managed through national headquarters are reflected there. Things like Girls Nation, the Creative Arts Program, those are reflected there as part of our program activities.

Now, at this time I would like to introduce to you a gentleman who has been with us for numerous years and has done a wonderful job as the external auditor to the American Legion Auxiliary and he has the dubious honor of presenting to you our audit report. Mike Alerding, certified public accountant, is a managing partner with Alerding & Company, LLC. Mr. Alerding has over 30 years of experience in public accounting, serving clients in various industries including not for profit entities across country. He has served as the director of reporting nonprofit boards, professional societies, and government entities and chaired 12 of them.

Additionally, he has served on many independent audit committees with assets ranging from \$200 thousand to \$200 million. Mike Alerding, by the service not self rule, and is responsible for establishing six foundations. He professionally speaks around the country for best practices for orgs and is a frequent writer for business publications.

He has received numerous community leadership awards along with being honored as the FDA Accounting Advocate of the Year.

I can attest that he is a perfectionist and loves the mission of the American Legion Auxiliary.

It is my pleasure to introduce Mike Alerding to present our external audit report. Mike? One more thing, he is a newlywed.

(Applause)

MR. ALERDING: Now don't I look like a newlywed?

(Applause)

MR. ALERDING: I would rather stand down here because I'm so tall. It's easy for everyone to see me and I don't do well behind the podium because as short as I am I look a lot shorter than peeking over the top. So if you don't mind, if you'll indulge with me.

First of all, Jenny, one thing about going to the dentist, I'm not a big fan of going to the dentist and she's right, in viewing that 990 for anyone who has ever had to look at it, I'm assuming in your own departments and locations you've had to do that. It

is incredible. I've been doing the dentist field over 41 years. This is my 41st year of public accounting, so I've been to the dentist a lot. A whole lot. And I don't believe — you won't feel like you've been to the dentist when I get done here. Very good. Okay.

I will — I've got an outline that really is designed for the finance committee this morning so all of these slides are — you've got a lot of meetings and a lot of things to listen to and I'm sure on your agenda when you look at it this morning, the one thing you look at and said, boy that's going to be a lot of fun, is listening to the auditor.

I'm here because it's a serious matter. You have to have as Jenny says — you have to have an audit done every year for your constituency which is not just the 800,000 members, but it's a whole lot of other people out there who dearly love and cherish this organization, whether they're members or not as evidenced recently by the number of donations. These are contributions we're getting from people who are not members, and that's been a real significant change here in the last few years that I think is a true credit to the goodwill that you have in our society and something that we really need to pick up on and I'll talk a little bit about that as we go.

Our responsibility as the independent auditors is exactly that. We are independent and we are required to do an independent audit of your financial statements every year. We don't audit your books and records and that's a little bit of a difference. People tend to think audits are you get down and look at every transaction.

We audit the financial statements that you've been presented. Those financial statements go to all outside units and not just to the internal management. Management runs this organization truly on its own internal financial statements. They prepare them once a year and we provide the audit.

The responsibility is yours. They are your financial statements. They are your numbers. It is your story. We are there simply to provide an expert opinion on the fair presentation of those financial statements and that's what we did.

As Jenny just said the audit committee has really come a long way and I know from listening to Jenny's comments you can tell she knows what's she doing. And she keeps us on our toes. That's her job. Her job is to make sure that when she and the audit committee identify risks associated with this organization, and there are many, not just those on the 990, but there are many. The one thing that she tried to do is make sure that she puts the proper people in the proper place to mitigate those risks. Part of what we do is mitigate the risks that there's a problem with their financial statements.

This morning we did report to the finance committee in detail on those audited financial statements including the management letter, which is our report on how the audits went. And I can tell that she should be very proud that the audit went without any hitches. We had no weaknesses in internal control, which is probably — I'll say a lot of things, but probably from an audit perspective the most important thing I can say is that the controls you have internally are of the highest quality that we've seen in our firm. Now that's important because perhaps some of you have read recently that not for profit organizations have been pretty well hit within the last four or five years with a lot of problems with misrepresentation and the like. Its just not been good, and one of the things that we are very sensitive to in our practice. We have over 40 not for profits that we do the audit for. We're very sensitive in making sure that control systems are appropriate. In your case they are.

You can see from here that as Jenny mentioned, this audit doesn't just cover the foundation or the Auxiliary. It also covers the foundation, and we have a separate report that you'll also have a copy of that is rendered on that.

A couple real quick updates, if you will, from last year. The IRS continues to be on the warpath with not for profits. That's not going to change. The IRS is doing something that the taxpayers in this country have asked them to do. I don't believe that all the things they do are the right things to do, but I do appreciate the fact that they are trying to protect our country's tax codes. And one of the things they're looking very heavily at right now especially are membership organizations because membership organizations tend to be, not yours, but they tend to be organizations that don't always follow their charitable mission at first. They tend to sometimes drift off into doing things that aren't related to the organization's original mission and purpose. One of the things I talk about every year I've been here is focus, focus, focus on why you are here, why you do what you do, and the results of what you do should be reflected in the financials and I think that as you look at those you will find they are.

One of the things that will change fairly rapidly over the next four, five, six years is the United States has (indiscernible) in my view and will adopt national financial reporting standards. So we're now only going to have our own standard which is significant, we're now going to have to report on an international basis which has many layers of difficulty to the financial reporting we're going to get at.

I know when you look at the financial statements there's 13 or 14 pages of footnotes alone just for the numbers. An estimate is that will be about one and a half or two-times that number once we adopt those standards.

I started 41 years ago. If you would have told me 41 years ago we were going to have these kind of standards I would have gone to work in the grocery store and been happy. I had a good time with that.

(Laughter)

MR. ALERDING: As I said earlier these are your financial statements and our responsibility is to do the audit. We focus very heavily on internal controls. Marta, Dubbie, Tim and the whole group there are fairly concerned about it as well and when we do find, which is very seldom, any anomaly in a control system we have bells going off because they are very sensitive to the size of this organization and because, not for profits, as I've indicated have not had that, have not had a good run in the last few years.

I believe we currently have 11 fraud audits going right now, just in my office about the nonprofits and it's become somewhat alarming. And I think you should be very proud that you don't.

One of the things that we have to look for now that we didn't, couldn't spend as much time on before 2008 and all of you have looked at these statements I've got some charts in here that I'll briefly look at that will tell you a little bit about what happened in 2008, period. But, especially with not for profits. Part of what has happened is that we have to look at every organization to make sure it has sustainability. If it doesn't, believe it or not, we're required to issue a bad opinion. A bad opinion says that we're not too sure this organization can stay active for at least another year because it has continuing losses. And you have not had that to a point where we consider it to be a genuine concern. We are not concerned about your ability to stay active. We are concerned as you'll see later in the charts that there's a trend that has been moving forward and we

think, we really believe, that with the dues increase there's at least a beginning of being able to stop that trend and start to bring it back. The needs to continue. The look at dues has to be continuing and forever, for every year. This isn't something that is just done once in a while. You can't rely on some things in this economy right now. I don't know what to tell you about the economy. I can't really figure it out. I haven't been able to. If I could have figured it out I wouldn't be up here working for a living. I'd be doing something else.

So that is something you will see in our — in our report is a clean opinion which means we believe you're in pretty good shape but there are some things you'll be looking at as we go forward.

These statements, as I said, are not really designed internally. They're designed for you because you are the governing body. You are responsible parties and if anything happens you are essentially the board of directors, and as a result these are for you but they're also for donor organizations. Any organization that will give you money is going to look at these financial statements.

So it's your call. A lot of the notes that are in there are designed not for your own benefit necessarily internally, they're designed to reflect for the general public what is your mission, how are you accomplishing it, and what are the financial results of doing so. That also goes to what we call watchdog organizations which they're about anyone who can run a computer anymore seems to be a watchdog now, but there use to be only a handful and now there are many. But these are organizations that donors go to find a rating on the not for profit organizations and most of that rating comes out of the financial statements.

So part of what we are doing, the seriousness of these comes from there and of course lastly, as Jenny indicated, these are publically held statements. These statements are available for anyone at any time, and they are filed with the Form 990. So they become akin to a public trading company financial statement.

Here's some highlights. This is what you will see when you get into detail. Obviously that boils this down quite a bit.

This is essentially your income statement for the year. You had total revenues of about \$6.4, which is up. And that's primarily in the areas that we like to see it up, in the donations area and I mean contributions.

Now remember, membership dues — we think we've got a good start. We're turning it in the other direction. In 2013 when we finally start seeing the membership dues jump back up. That will be a huge help. But those membership dues really are those that sustain the organization. They keep it where it is and keep it moving to the pay for member, membership activities. But in order to grow the organization from where it is, you have to have contributions, which are different from membership dues.

Membership dues is the dues you pay to be a part of it. Contributions are those that you do from the heart and those that are part of you. You give the same. I believe in this mission. We want to get it growing.

This year, you did an excellent job. Management especially did a wonderful job of pulling in many thousands of additional donors. Many of them are not even members. And they did it by making sure that your mission is publicized in a way that allows people to say I want to be a part of what they're doing whether you're a member or not.

So that distinguishing factor is something that is causing these things to look a little better for everyone.

Your loss of the year of 785,000 (unintelligible). I believe your budget is 735 or something like that, so you were pretty well on budget. And I don't think there were any real surprises.

One of the things we look at is we do what are called analytics and we take a look at all of your expenses and we compare them to others in your industry and your size to see if there's any anomalies in there.

Believe me when I tell you there's not a lot of fat in this organization. Trust me when I tell you this is a very lean and mean organization as it should be and it's well done.

The investment income loss of 491,000, this is the loss you had from the -- from your investments in the stock market for the year. You have about 20 million in investments, but keep in mind that 20 million is not money you can use. That's not money you take and spend. That's money that's designed to earn money to spend.

This year, September 30th, (unintelligible), September 30th, (unintelligible) stock and we're looking at the stock market on September 30th, it was a really rotten time. If we had to throw a dart and hit a date, we couldn't have a worse date.

If we look at this as of September 31st, Tim, I think we're about a million one higher. If we would have done the statements on September 31st, we not only would have not lost 500,000-ish, we would make 600,000-ish.

So what that shows you is the incredible volatility we have in our investments in terms of how much money we make. That's not cash loss. That's a book loss when the stocks go up and down. We can't rely on that to be able to support the organization.

The organization has to rely on its total revenues coming primarily from contributions and membership dues.

Here's another -- slow it down here -- another little chart. Over the last five years -- I do this every year to give context. And, of course, they're rotten, but that's just because I'm an auditor, for the last five years.

2007, I want you to look at that if you can. The contribution income in 2007 when the economy was burning hot and everything was pretty good was 1.366 million. That dropped to 892,000 and down to 814,000. It popped back up again to 947 and then this year to 932.

So that drop has been stabilized primarily because of your efforts to get out and look at the entire world as your contributions base, but also and most importantly focusing on you.

When you go back to home, one of the things I hope you carry is the message that says it's not just about paying membership dues. It's about contributing to the organization's growth. That's the lines that have to be stabilized.

You can also see the membership dues. And in 2007, they were 4.2. They have dropped precipitously every year. There's a trend. That's not just numbers. There's numbers there, but it's also because the dues had an increase or had not in about 16 years. And the budget was there for those 16 years.

So we hope by 2013, we believe that you stabilize that and then we'll start to rise again. But what that shows you is the total amounts, as you can see, have gone from 5.6 in contributions and membership dues down to 4.8.

Now, let's compare that to what your stock market earnings have done. Let's see what that has done for you. As a general rule, all of us have been around a little while, and I have, we always kind of felt (unintelligible) going to make five, six, seven, eight percent on the market in the long run.

Well, what's happened to us here is we hit a pretty rotten period. I don't think anyone will argue and anyone will tell you that we made -- we lost a little bit in 2007 when we saw firsthand of what was to come and we took an absolute path in 2008.

We took a small loss in 2009 in the operating level. These are operating income. We took a small loss in 2007, a big loss in 2008. And that's because of a drop in donations; a drop in membership dues that was not anticipated and we were still spending money on programs.

Remember, that's why you're here. You spend money on programs. We could not adjust those. In the last five years, this is the key point, from (unintelligible) excuse me -- operating (unintelligible). I did that once.

(Laughter.)

MR. ALERDING: You know what (unintelligible) the whole time.

(Laughter.)

MR. ALERDING: My father has passed away. He was a great speaker. And I was doing this for a Lion's Club kind of thing. Anyway, I went the whole time, fell flat on my face, and I felt really embarrassed. I came off and I went back and I said, pop, I don't know (unintelligible).

(Laughter.)

MR. ALERDING: (Unintelligible.)

(Laughter.)

MR. ALERDING: True story. True story. He used to tell that story all the time. That was his number two son.

Now, here's the one that compares these two. Your net investment income in 2007, look what you made in the market. You made 3.4 million that one year. You lost it all the next.

Since then, you've had little ups and downs and bounced around. And I believe the market actually went to 13,000 the other day for the first time. So here we go again.

How much liability, though, can you put on the stock market to be able to sustain this organization? I certainly wouldn't want to -- that's an uncontrollable part of your organization and it's really frustrating from a financial standpoint.

So we can't. That's why back on the schedule, if we look at this thing, what can we control? We can control getting our members to be active, to pay dues. We can get our members to contribute -- to continue to contribute and we can look at the world as a contributing factor. We need to get people who are not members to contribute (unintelligible).

In the last five years, your net, net, net, net, net loss has been about 1.45 million as a whole in those five years. Is it devastating? No. You've got some really good trends starting.

And, finally, I think, the Strategic Planning Committee, Finance Committee, and management have taken actions that are going to make this thing turn, but it's going to take some -- it's going to take a lot of work.

One of the things I also do is I give you a little sense of where you are relative to others and that's called benchmarking. The watchdog up organizations or membership organizations put out these benchmarks every year that say for a membership organization, 65 to 75 percent of your money -- that's an overall average now -- should be spent on programs. That is things that you do that are associated with your mission.

You are at 89 percent. That is phenomenal. That is really good. When you go out to raise money for contributions, let people know it.

(Applause.)

MR. ALERDING: You are not one of those organizations that says I need \$10.00 from you and we're going to spend nine of it (unintelligible). No. You're going to say that we need ten bucks and we're going to spend nine of it on our mission. That is a huge, huge difference from most membership organizations and many nonprofits don't have this luxury.

So you should be very proud of yourselves. You're right where you should be, right in the middle of a range of five to ten percent. You spent about seven.

Your low in the normal range on fund raising which isn't all good and I've said this before. If you're too low on fund raising, then people, watchdogs and others look at you and say, well, if you spend a little more, maybe you'll make a little bit more.

And, remember, our contributions and memberships have been flat. What we saw this year is that (unintelligible). That's starting to (unintelligible) and you're getting results. You raised a million dollars plus out of campaigns. Those are critical to be able to get these things to stabilize.

Okay. Update on the organizational structure, this is something that I can talk a lot about, organizations that are -- that have been around a while, I think, is the best way to put it. I was going to say mature. I get in trouble when I say that word. I could say old.

But ones who have been around for a while who have different kinds of organizational structures than you do, this is almost unique in the way your membership, the NEC is elected and the way it manages the internal things you have.

So one of the things we've been recommending is to re-look at the entire organizational structure, not taking anything away from what you have, but adding governance in.

The number one thing the IRS is after (unintelligible) and every time you hear anything coming out of them is governance. Why? They don't want the responsibility to the taxpaying public for watching over all these organizations.

So what do they do? They're putting it back on the organizations themselves and saying you will govern yourself or we'll take away your exemptions. So all the donations that we get where people get a tax deduction for giving to you, that will go away.

Now, I'm not here to scare you. I'm telling you what we see in our practice and we see a lot of this. We've only had a few of our 40 clients audited and none of them have completed those audits yet. They're not done.

But what we have seen number one is they want to understand the organizational structure that is monitoring and governing the organization.

I think yours is unique. I'm concerned a little bit about the consistency and an ability to make long-term decisions when you have so much turnover. And that's what I made a point of (unintelligible).

The one thing that is critical without any doubt is some consistency in the way you make decisions that are governing, necessarily governing decisions. You are not here to manage the organization. You hire people to do that. You are not here to run every detail. You hire people to do that.

What you are here to do is provide oversight and governance. You are the litmus test. In order to do that, you have to consistency and certainly one area that you've got consistency has been the Finance Committee.

Over the years, they've done an excellent job of maintaining some level of tradition, but also looking forward into what's going on.

Summary of our findings, only a couple slides. First of all, (unintelligible) control of any nature. I saw membership dues declining, operating income dropping, investments in decline, just so you know, 5.3 million in the last five years. That's how far down investments have gone. And I think we talked pretty much about the rest.

Here's some recommendations to finish up. And, again, I know sometimes I get a little evangelistic and I apologize for that. I know I get a little excited and I apologize for that.

And I know a number of you who had to hear the same thing for five, six, seven years probably are tired of hearing me and I apologize for that, but it's my job. I get paid to do this. Believe it or not, I really do.

And so I have to continue to do this because I believe this organization is (unintelligible). I really do. I love this organization. You have got a wonderful, wonderful mission.

And I can't imagine when I talk to some of the people I know who are in the armed services and have come out and I know a number of them it is so important what you do, so critically important to these people who have kept us free for all these years and (unintelligible) you provide something. So I sincerely believe it.

Here's my recommendations. Establish a process to address the continuing need to review membership dues every year. I know some of you are going for crying out loud, Mike. My point is don't stop. Look, you didn't raise it \$4.00 a month. You raised it \$4.00 a year. Look, just keep looking. Don't let the organization lack sustainability. Continue to push that.

Second, continue to focus on increasing contributions from members and non-members. I just mentioned to Linda, I said you know what, I'm not on the list. I don't get a donation request. Well, my firm can't make a donation because of the silly independence stuff, but I can.

Those are the kind of people you need to get to. My dad who passed away, he fought in the big war, WWII. I can hear him now. You go through all this stuff. He would have given too. He would have. We have got a lot of people. I think there's a good start on that.

Continuing to focus both on mission and also on sustainability. Make sure you're here for them. Make sure you're here for all the young women who are coming out, the wives and daughters who are here today and the next 20 years, and review and consider corporate changes in the organizational structure.

Make sure you set yourself up for success by getting a structure that really does govern.

With that, Madam President and Chairperson, that's my presentation. I'll take any questions you may have.

PRESIDENT NELSON: Are there any questions?

(Whereupon, there was no response.)

PRESIDENT NELSON: All right. You did an awesome job. Thank you, Mike.

MR. ALERDING: Thank you.

(Applause.)

PRESIDENT NELSON: Thank you very much, Mike. It's always a pleasure working with you.

CHAIRMAN HOBBS: Madam President, I'd like to remind members of the NEC that this audit is only of the National Headquarters and foundation. It does not include any of the information for the audits of your department or your units. These should each be covered separately and the 990s for those entities prepared and approved by an appropriate body.

You may have a three-member committee to review them, but the 990s need to be reviewed and prepared and reviewed as well as an audit report. It may be the unit. It may be just three members reviewing the receipts and disbursements. But each level of our organization needs to have an audit and needs to have accountability.

You heard Mike's presentation talking about clean audit report. Well, in my business, we don't just look at the audit report. We always have a numerical grading system. And the system goes from one to five with one being really good and five being about ready to close the door and scrape the seal off.

So in my personal opinion, the Auxiliary would get a two. And the reason we would get a two is because we always look at the bottom line, the profitability, the ability to make sure we cover all of our expenses and operating in a deficit, you are not going to get better than a two from me.

And some of my (unintelligible) don't necessarily like that, but they put up with it. They don't have a choice.

So, Madam President, having heard all of this, the Audit Committee has approved the audit report and I move the acceptance of this document.

PRESIDENT NELSON: It has been moved to adopt the external auditor's FY2011 audit report. No second is required because it came from a committee. Is there any discussion?

(Whereupon, there was no response.)

PRESIDENT NELSON: Hearing none, all those in favor of adopting the external auditor's FY2011 audit report as presented, say aye.

VOICES: Aye.

PRESIDENT NELSON: Opposed, no.

(Whereupon, there was no response.)

PRESIDENT NELSON: Motion is carried.

Thank you, Ginny.

(Applause.)

PRESIDENT NELSON: We have some more staff that came into the room,
Tamara Shumate.

Please stand.

Tamara is the assistant for the National President.

(Applause.)

PRESIDENT NELSON: Joni Clark.

(Applause.)

PRESIDENT NELSON: And (unintelligible).

(Applause.)

PRESIDENT NELSON: Okay. I will now call on the Finance Committee Chairman, Nicole Clapp, for the Finance Committee report.

CHAIRMAN CLAPP: Good evening.

VOICES: Good evening.

CHAIRMAN CLAPP: Since we met at National Convention, your National Finance Committee has held two separate conference calls in November and then for the past several days here in D.C.

As you know, our primary goal include a variety of tasks including, of course, monitoring the monthly financial statements, the investment plan, fund raising campaigns, member benefits, and policy review.

I would like to ask the National Finance Committee members to please stand and be recognized. Each of these members takes their responsibilities very seriously and bring invaluable skills and knowledge to our discussion.

So my sincere thank you to Vice Chairman Desi Stoy.

(Applause.)

CHAIRMAN CLAPP: Linda Newsome.

(Applause.)

CHAIRMAN CLAPP: (Unintelligible.)

(Applause.)

CHAIRMAN CLAPP: Thank you.

We're going to get right down to the numbers tonight, so I've asked that Tim Bresnahan, our controller, will present to you the budget to actual summary. So we'll look at our revenues, our expenses, our assets, those things we don't like to talk about, liabilities, and our investments through the end of the year, which is our first quarter.

So, please feel free to ask any questions of Tim and then when the financials are reviewed, we'll move on to some other exciting topics I'd like to share with you tonight.

MR. BRESNAHAN: Thank you, Nicole.

Good evening. How is everybody?

Now, some day I'm going to get used to speaking in front of people and they will probably just rue the day.

(Laughter.)

MR. BRESNAHAN: But now is not the (unintelligible).

(Laughter.)

MR. BRESNAHAN: Okay. Let's jump right into -- can you all hear me in the back? Let's jump right into this. We're going to talk revenues, expenses, assets, and liabilities of the first quarter 2011.

First our revenue, including our first quarter revenue, including investment earnings of less than (unintelligible) 171,000 or (unintelligible) six percent. Much of this

was due to timing and should be in line by December 30th, 2012, which is our fiscal year end.

I did want to point out in the report that you received reflects the Girls Nation was under budget. The Girls Nation registration as of February 13th, it's the actual budget, so we did receive (unintelligible) department.

CHAIRMAN CLAPP: It's the horizontal page.

MR. BRESNAHAN: I'm sorry. Does everybody have that? It's not in the audit. It should have been in the NEC packet you received. That's it. It's not part of the audit.

CHAIRMAN CLAPP: Okay. It's in the first part of the packet under the finance section. And it's a horizontal page, so it's landscaped and it's a big chart with numbers. We'll go over the numbers for you.

MR. BRESNAHAN: I'm going to some of the highlights. Does everybody have it now?

Okay. Well, I did want to thank the departments for their prompt payments. So, again, that was as of 12/31. And since that time, all the Girls Nation registration for payment, so thank you.

There were some first quarter other revenue items I wanted to bring to your attention and they were direct mail, revenues for the first quarter of 211,000. Our actual investment earnings such as from interest and dividends was under budget by 17 percent. This is partially due to timing and partially due to the investment environment. We will be -- I want to assure you we will be monitoring that throughout the year to make sure.

I do want to point out what Mike shared that our portfolio value increased 1.1 million for the first quarter, a very strong quarter, but the accountant part of me also wants to point out that the investment environment which is how it is today is -- it's like a roller coaster and we can go down as fast as we go up. So -- and I haven't done a Power Point that much as you can tell.

On the expense side, our first quarter to date expenses were better than budget by 435,000 or 24 percent. We are better than budget in most of the activities except for the following which I wanted to cover with you.

National Convention activity, our actual expenses were over budget by 5,000 due to the timing of the National Convention expense reimbursements. They were budgeted to be reimbursed for fiscal year '11, but actually we're reimbursed for fiscal year '12.

Girls Nation activity, the variance was due to staff allocating more time earlier than they had in years past.

I do want to take this time to point out that our staff allocates time to our programs, our general administrative, and our fund raising activities.

And also, I wanted to point out that our total personnel, actual personnel expenses for the first quarter is 17 percent under budget.

The AEF activity was over budget due to the regular AEF grants awarded also included 35,000, unbudgeted expedited disaster grants that were awarded, and that's why it was over.

Our assets as of 12/31, the general fund cash was 800,000. Our public trust cash, which is the public trust fund, was 40,000. Our general fund accounts receivable

was 85,000. And our CNCS grants receivable incur expenses quarterly and then we turn in for reimbursement quarterly for those expenses and that is 119,000.

Our liabilities, we really don't -- as Mike said, we really don't have a whole lot of liability, but our accounts payable was 66,000 and so we don't carry a lot of payables.

Again, the public trust is really a liability. That's 3.2 million.

Investments as of 12/31/11 consisted of the general investments of 20 million. We have a Spirit of Youth investment of 324,000. We have a fund, a small fund investment that has 166,000 in it.

Our National Presidents' scholarship endowment fund investment has a value of 1 million as 12/31 and our public trust investment has 3.2 million.

This actually concludes our report. I did want to thank all the NECs for your time.

I also want to thank you for what you do, for your mission, and for taking the time this year to fulfill your fiduciary responsibilities. Your service is greatly appreciated.

Are there any questions?

(Whereupon, there was no response.)

MR. BRESNAHAN: I do also want to point out, I don't think we pointed out when you first came in, that if you do have any questions, because you'll be receiving these financials quarterly through email, feel free to email me and I'll look to see if I can answer your question.

Thank you very much.

(Applause.)

CHAIRMAN CLAPP: Good job, Tim. Thank you.

Let's give him another round of applause.

(Applause.)

CHAIRMAN CLAPP: Okay. So let's talk about some of those areas. Fund raising campaign, they are very successful. And we're working our efforts with a company called Quadriga. They are continuing our efforts.

And we campaign each year for the ALA and one campaign for the foundation. I can't say enough. We appreciate your continued efforts and support toward these campaigns.

For example, how many got holiday cards in the mail?

(Whereupon, there was a show of hands.)

CHAIRMAN CLAPP: How many sent a donation in when you got those holiday cards in the mail?

(Whereupon, there was a show of hands.)

CHAIRMAN CLAPP: Thank you very much.

We netted in profit over \$160,000 from those holiday cards alone. Congratulations. Thank you.

(Applause.)

CHAIRMAN CLAPP: Compared to a year ago of only \$120,000. Now, for the whole calendar year, calendar year last year, over \$330,000 from those type of campaigns.

We appreciate it and they will keep coming your way as long as you keep sending and keep your interest. Ways that we can help, as Mike was talking about contributions, those are contributions that we do. So thank you very much.

Mike also alluded to several times how many gifts we got that were from non-members. We got a total gift amount, and this is a gift, so maybe if you sent in a donation every time you got one of those gifts, 85,000 gifts came to the organization in this last year. Thirty-five thousand of that number came from non-members. That's incredible.

I heard wow, I wonder how many that was. Thirty-five thousand. That's not to diminish the 50,000 gifts we got from ourselves, but 35,000 are people that are interested in us, but maybe we haven't approached them or maybe they're not (unintelligible).

But we sure appreciate their interest in the ALA. So to me, that was a huge report that we received this week of how well those efforts are maintaining.

Something near and dear to all of our hearts, member benefits. A few weeks ago, I think right around the holiday, I should say a couple months ago, we had an exciting time that we were able to negotiate a contract with a company called USAA.

Those of you that have a cousin, son that are in the Legion are probably very familiar with USAA and they have wonderful commercials on TV, I can tell you.

Well, a credit card program has been reestablished for you, the members. And there's an annual royalty guarantee back to the organization of approximately \$25,000. So our intent is to go back to the way things used to be and share those royalties with the department.

I know that's been a major hardship for your departments in the last several years, so that is our hope. All I can ask is to get that benefit, we need you to take out their card. As you have your spending for the USAA card, that in turn benefits not only National, it in turn benefits you and the departments as well.

That program, believe it or not, is going to launch the 1st of April and that's because NECs, you were tech-savvy. You got online. You emailed your vote in so that we can make sure we didn't get a delay or else it would have been later in the summer. And we didn't want to miss out on that opportunity to share those revenues.

So, again, I want to tell you later this week, you'll get to see what those new credit cards are going to look like. Okay?

Then on your chairs, you have a document that's in slides that looks like this, another member benefit I'd like to talk with you about tonight, and that's called Gallagher Benefit Services, member benefits once again.

Gallagher is a company that works with over three million people on providing benefits to member organizations or private clients across the country. And so they've worked -- I think the last (unintelligible) was five million employees and members since 1996.

So for us, this is a company that has been researched and it's things you've requested, pet insurance, roadside assistance, Medicare gap insurance for that age when it's just not quite old enough to be on Medicare, but you need that extra benefit, and many other options.

And so we wanted to share with you potential options that Gallagher is proposing to our company. They have a very interesting marketing strategy. They're going to help us grow our membership. Interesting. They win, we win.

And in that strategy, they're going to propose that if you sign on for one of their insurance products, for example, and it's a new person, they're going to pay the dues for next year for a new member. What a way to help us grow our membership.

In my company, I see a whole lot of advertising, a whole lot of opportunities, and this is a pretty ingenious one I would have to say. So the first year membership would be at no cost to a prospective new member if they would sign on. I think that's pretty cool. Okay?

So this company has proposed they want to work with us. And on the last line, the best part and the interesting part, we don't have hard costs that are going to hit the organization. This is back to the type of program we had before where royalties were coming back.

And so our goal is to help the organization once again in the best manner possible to meet your personal needs, which benefit our organizational needs.

So we can get better price discounts by having a large group of people and if you have current policies, that's always a question, that policy will continue no matter that the company possibly would be changing to Gallagher. Your individual policies are secure.

But we wanted to present this to you tonight because we want to be able to sign on with this company as soon as possible and enter into a proposal.

So at this time, Madam President, by direction of the Finance Committee, I will move that the ALA proceed to enter into a benefit service agreement with Gallagher Benefit Services.

Are there any other questions?

(Whereupon, there was no response.)

PRESIDENT NELSON: The question is to approve entering into an agreement with Gallagher Benefit Services. Since this came from a committee, there's no need for a second. Are there any questions?

(Whereupon, there was no response.)

PRESIDENT NELSON: All those in favor of entering into a member benefit service agreement with Gallagher Benefit Services, say aye.

VOICES: Aye.

PRESIDENT NELSON: Opposed, no.

(Whereupon, there was no response.)

PRESIDENT NELSON: The ayes have it. The motion is carried.

CHAIRMAN CLAPP: Thank you. We'll get on that tomorrow. We appreciate it.

Earlier this year, departments should have received a notification that your electronic PUFL payment distributions were going to occur earlier in February. So if you haven't seen them, please let us know because that should have taken place.

And our National Treasurer and membership director and the membership team this year have created a tracking system that will update the PUFL database on an ongoing basis to maintain, we know because heaven forbid some of our PUFLs do ultimately pass away, so we need to make sure that our records are as accurate as possible.

So thank you, Marta and the team, for taking on that task.

Now, PUFLs -- this is a tongue twister, PUFL payment plans -- say that three times fast -- PUFL payment plans, well, the National Headquarters and us have been looking at the PUFL payment plan. There has been a request at pre-con meetings to understand how PUFLs are paid for and how that proceeds.

So the announcements we did, and I'm going to pull it up here on the slide -- I went too far -- one more after the questions -- there we are. PUFL payments for 800 members a year would cost approximately 30 to 35 thousand dollars to administer. That is a pretty hefty expense.

And so if we look, as you can see, on the chart, we have to redesign some of the programming efforts, which is obviously always ongoing. We have to have additional part-time staff to do that as well as how many remember that postage just went up here in January? So, again, postage and printing, paper costs continue to rise.

And so for the Finance Committee as we reviewed the analysis, we did not feel a recommendation for moving forward on establishing a payment plan at this time. The benefits don't outweigh the costs of that type of program. But we said we'd bring it to you. The NEC wanted to bring forward for your consideration at this time.

Any questions on the PUFL?

(Whereupon, there was no response.)

CHAIRMAN CLAPP: Okay. Then mission training. I'm told, years ago, they used to have a different name, a different title, but the same premise of what it was. You asked for education and we wanted to supply it.

Well, we truly believe your committee does and the value in dollars earned by our members who attend mission training.

Who attended in this room on mission training?

(Whereupon, there was a show of hands.)

CHAIRMAN CLAPP: That's a beautiful show of hands. Thank you very much.

There were over 400 members who attended in this past year in mission training. As a committee, we have shown our support to the future of these learning opportunities at least through 2014. So, chairmen, get ready.

(Laughter.)

CHAIRMAN CLAPP: And then on to more information in your packets is the policy work because the Finance Committee, the policies going forward and we were looking at our policies that the title American Legion Auxiliary would be the only title. National Headquarters would be used in policies where it was appropriate and specifically tied to personnel or the location of the headquarters only.

So the title of the -- the policies that you have in your packet don't reflect that and I want to make that notification to you because you're reviewing these policies.

The National President's special project was our first policy for consideration and the only change we made was on number nine of the policy. And that was to strike the words "and the national secretary." So cross that off. That would be the modification to this policy.

The new policy that we developed for the organization from the Finance Committee has to deal with the unbudgeted solicitation of funds. This policy's intent is how many times would you go to a meeting, oh, let's pass the hat for this, let's pass the hat for that.

It's to prevent those spontaneous passing of the hats at meetings because, one, it's not planned for, two, is to lose cash. It makes Tim very nervous. He gets little beads on his forehead.

(Laughter.)

CHAIRMAN CLAPP: We've had this happen before. And then we have to deal with that cash now that we have it and we want to make sure we get credit for what you donate.

And so we have put this policy in place that things will go through the budget process appropriately and will be addressed at that time.

So those two policies we would ask, Madam President, by direction of the Finance Committee to move the special projects as well as the unbudgeted solicitation of fund policies to be adopted.

PRESIDENT NELSON: The question is on the approval of the policies for the National President's special project fund and unbudgeted solicitation of funds. Is there any discussion?

MS. VAN KIRK: Carol Van Kirk, Department of Nebraska.

Madam President, when I read this originally -- I understand the verbal explanation that Madam Chairman has given. But when I read request for solicitations whether to fund an additional program opportunity not presented in the annual budget or to solicit funds at an ALA meeting, it indicates to me that the possibility is there that if something was being proposed that they weren't too sure it could pass in the budget, it could be held and then go to the president and the Finance Committee after the budget had been approved.

So, personally, I have a problem with the verbiage in there. I don't think it's requesting what the chairman has indicated that you expected.

PRESIDENT NELSON: Any further discussion?

(Whereupon, there was no response.)

PRESIDENT NELSON: Okay. Hearing none, all those in favor of approving the National President's special project fund and unbudgeted solicitation funds policies, say aye.

VOICES: Aye.

PRESIDENT NELSON: Opposed, no.

(Whereupon, there was no response.)

PRESIDENT NELSON: The ayes have it and the motion is carried.

Nicole, please continue.

CHAIRMAN CLAPP: Okay. Kris has been in many states traveling and as you heard from your National President on her travels, the AA leadership is continuing to dialogue and explore a multi-year professional relation, community awareness, and organizational image campaign for the future for the entire organization.

Further discussions were held this week during the Finance Committee meeting and at our next Finance Committee meeting in June, the firms under consideration will present their proposals. And then the preferred firm will be at National Convention.

So hopefully many of you will be in Indiana and will be able to see for yourselves what is being proposed and considered for the future growth of our organization.

And in closing tonight, brainstorming. The National Finance Committee has been using that word brainstorming a lot lately and we have opportunities to improve the services we offer to you, our members, our veterans, and our families.

I'm going to do another show of hands, please. How many of you are signed up for enews and ebulletins?

(Whereupon, there was a show of hands.)

CHAIRMAN CLAPP: Oh, that's the best one yet. All right. So those of you that are signed up for those communications, how many of you saw my recent eBulletin?

(Whereupon, there was a show of hands.)

CHAIRMAN CLAPP: A few more hands would be appreciated.

(Laughter.)

CHAIRMAN CLAPP: Okay. Maybe that answers my next question. We asked for your input to help us brainstorm for profit sharing ideas to get back to you and your department. A couple are nodding yes, I remember that. We got zero responses.

So we went back to the drawing board the last three days and we've come up with several ideas that we would like to share with you tonight. If you have any ideas you want to share with us, please find me or any of the committee members during the week and we'll add them to our list.

So, the Finance Committee and Headquarters staff were exploring the possibilities and I need to stress possibilities, possible options. It doesn't mean anything in stone because we haven't done our homework on these ideas yet either.

So what we're looking at is ranging in the cost-effectiveness of potentially waiving fees for the MIS software upgrade, waiving registration fees.

We have (unintelligible) looked at, increasing our member benefits. Obviously with your passage of Gallagher tonight, that's an opportunity to bring back more home, and (unintelligible) services and even considering how well we're doing with our fund raising campaign, sharing those proceeds as well as remember those credit card royalties.

So I know I've thrown a lot at you tonight, but I want to say, Madam President, this does conclude my Finance report.

PRESIDENT NELSON: Thank you, Nicole.

(Applause.)

PRESIDENT NELSON: The Finance report (unintelligible). Are there any questions?

(Whereupon, there was no response.)

PRESIDENT NELSON: Okay. Hearing none, we'll continue with Organizational Support Pod reports, the Cavalcade of Memories, Elizabeth Stewart, Chairman.

CHAIRMAN STEWART: Madam President, Cavalcade of Memories is very important, as you all know, NECs, and whatever your history is displayed in books or on the wall or shelves of your post home and department headquarters or computer files, this committee encourages a cavalcade because it is (unintelligible) go back to your individual units and to your departments.

We do have a couple success stories to report tonight. Unit 97 in Arizona plans to commemorate the Arizona centennial by completing the (unintelligible) of the servicemembers from whom they claim their eligibility.

Each member is interviewing the family members of their surviving relatives and researching online and using ancestry and military unit websites and checking on line and newspapers. And so they're really getting ready to have a good celebration and then using all this to improve their cavalcade too.

And then there's the story of a lost and found unit charter. This comes from Hollywood Unit 43 in Los Angeles, California. What happened was the unit moved its place of meetings. Sometimes, you know, we meet in one place and then posts decide they're going to have it in another place.

So that's what happened with them and their charter was misplaced for 15 years. And come Christmas, they found it. So that was a good Christmas present for the unit.

(Applause.)

CHAIRMAN STEWART: Madam President, if I may introduce the members of our committee. Kenya Ostermeier is vice chairman; Past National President Pearl Behrend, who's a member of our committee, and Pearl is here; and Rosey Newman.

Thank you, Madam President.

PRESIDENT NELSON: Thank you.

(Applause.)

PRESIDENT NELSON: Our National Historian, Diane Harley.

HISTORIAN HARLEY: Thank you, Madam President.

Auxiliary departments all over this country have really been working diligently to fulfill the National President's mission of, you know, the spirit of God and country, we serve our veterans, military, and their families.

As of the date of this report, 29 departments sent in their reports. And while their accomplishments have been myriad, I collected just a few to highlight.

The holidays are very special times for the Auxiliary and to recognize our veterans, especially around Veterans Day.

Units all over the country have participated in Veterans Day parades and ceremonies to recognize those of our country.

Units have participated in pre-deployment briefings and salutes and welcome home ceremonies. A lot of troops are deployed overseas. Many units are sending out care packages. Thousands of care packages are being sent overseas each month.

And while their families remain at home, unit members are supporting them by helping out with household chores, babysitting, or just giving respite to those, you know, members caring for the families.

Ride to Recovery events have really become very popular in many of the states just from one-day cycle events to actually multiple-day challenges.

Unit members go out and help with registration, perhaps doing manning snacks, rest stops along the way, and preparing meals for them as they return from their rides.

Of course, homeless veterans have taken on -- several of the department presidents have chosen homeless veterans as their special project for the year and units help to monetarily fund shelters for homeless veterans.

Unit members participate in stand-downs. Many stand-downs are held throughout the country, which they provide clothing, medical assistance, and sometimes even job screening for veterans that are coming home, transitioning into their own apartments.

There are buddy baskets being given to those veterans that have been -- I don't want to say lucky enough, but, you know, fortunate enough to be able to secure employment and get into their own homes.

The VAMCs are being sponsored or supported in many ways financially. There's one VAMC that was given several thousand dollars in order to help those families that are coming into -- for someone who was staying at a VAMC by helping with transportation costs or helping to support them financially with room costs because sometimes family members don't live close to where the veteran is hospitalized and they are called in on short notice. So they're being supported financially.

And, of course, members, thousands of volunteer hours are being given to the VAMCs around the country.

And also Christmas gift shops are being held at all of the veterans' hospitals where gifts are being given to those that are in the hospital and also to give to their family members because these veterans cannot get out to do some shopping for the family members that are living in their homes.

Volunteers go and bring the home-bound veterans or those without transportation back and forth to their appointments and clinics and, of course, they just come in to shut-in veterans and spend some hours with them or help them with household chores or prepare meals for them.

Juniors are being mentored and being supported in their own projects. Several departments' honorary Junior presidents reported the Operation: Military Kids as their special project and hero packs being given to their military children.

Archives are being developed, and this goes along with the Cavalcade of Memories, archives of departments and material are being developed or enhanced so that those that come after will have a record of what has happened and is happening in the departments as far as the Auxiliary.

Many departments are participating in a veterans' history project.

Donations are being made to the different programs of the Auxiliary for the National Veterans Creative Arts Festival, the ALA Foundation, the Spirit of Youth fund and The American Legion -- the Auxiliary Emergency Fund among others.

And, of course, every department that reported saw an increase in membership. They're really working very hard on increasing membership, hopefully making that billion-member mark by the end of this administrative year.

So members across this country are working diligently to honor those who have served or are serving to protect our freedoms and the historians are working hard to report that work.

Madam President, that concludes my remarks.

PRESIDENT NELSON: Thank you, Diane.

(Applause.)

PRESIDENT NELSON: We will now hear from the Constitution & Bylaws Chairman, Sharon Conatser.

CHAIRMAN CONATSER: Madam President Kris, the Constitution & Bylaws Committee provides leadership to support the history of divisions and departments.

Constitution & Bylaws fact, fiction, or a myth.

Our purpose is to inform and educate members of the American Legion Auxiliary on the importance of how a properly written review and update documents, policies and procedures at all levels.

When your delegates return from National Convention, you should make the necessary changes in your Department Constitution & Bylaws reflecting the action taken at National Convention to make your -- make sure your documents do not conflict with National's. We encourage you to review your governing documents on a regular basis.

We always say our Juniors are our future. Well, Department of New Hampshire Chairman, Jessie Bernard, took this to heart. She made a presentation at the fall Junior Conference as Benjamin Franklin with a parchment copy of their Constitution & Bylaws with quill pen and spoke to them on the importance of the document.

They asked questions. They really want to be informed. Jessie hopes that others will take the time to share with our Juniors.

Following are review questions or comments that I have received this year. I thought that some of you might be interested also.

What is a member in good standing? A member in good standing is a member that has paid her dues. She does not have to attend a certain number of meetings before she's a member in good standing.

In the Preamble, we contribute to the accomplishments of the aims and purposes, not the accomplishment. And I got two emails about that believe it or not.

The Sons of The American Legion are not SALs. If you wish to use the acronym, they are S-A-L. Legionnaires do not want to be called AL and we do not want to be called oxes.

(Laughter.)

CHAIRMAN CONATSER: Members of The American Legion are not guys or men. There are female veterans, so please refer to them as Legionnaires.

Fact. Your governing documents are an important part of your success.

Fiction. Statements made by people who do not read the Constitution & Bylaws (unintelligible).

A myth. If yours are (unintelligible), take the time now to be part of the solution and not the problem.

Madam National President, that concludes my remarks.

(Applause.)

PRESIDENT NELSON: (Unintelligible.)

CHAIRMAN CONATSER: Madam President, also I wanted to let you know that I talked with Madam Past National President JoAnn Cronin, who will give her report in the morning. She was still sitting on the tarmac at the airport when she called me just before coming into this meeting.

The Organizational Support Pod, how to guide and help the unit build and foster relationships within The American Legion Family. Our pod was to assist a unit in the Western Division. The idea was to begin with a meeting of the leaders of The American Legion, American Legion Auxiliary, and Sons of The American Legion, and the Legion Riders from their community. When the meeting was arranged these leaders would be asked to bring their ideas and vision for their American Legion family to build internal relations. The scene was to be mixed so all organizations were at all tables.

After the ideas were presented they would conduct an analysis, which in turn would identify any internal strengths and weaknesses and their external opportunities and threats. As a group they would be asked to identify ways to take advantage of their strengths, improve upon their weaknesses, and look for opportunities, and decrease their external challenges.

All of the chairmen in this pod played an important part of this mold. We believe as an American Legion Family, we can build our internal relations by planning activities to foster and improve our relationships. We recommended that the group meet quarterly after the plan was in place. Through this process our hope is that membership will grow and more people work together to further the goal of The American Legion Family.

We are sorry to say that evidently the unit that was first identified does not have time to work with our pod or to be mentored. So we are now asking departments in the Western Division if they can make a recommendation of a unit that would like to participate in this pilot program. Please contact any of us while we are here at the D.C. Conference or email any of us when you arrive back home. Thank you, Madam President.

PRESIDENT NELSON: Thank you, Sharon.

(Applause)

PRESIDENT NELSON: We will now move into our Membership Development Pod. And the pod report will be given by Mary Davis.

CHAIRMAN DAVIS: This is the membership pod. We are seven women from seven disciplines. We have created a project to propel any unit to support veterans in their community through the creation of a wall of honor.

Though several units in the Southern Division have shown an interest in working in the membership pod project, we have just recently found two units that are able to commit to the project. It is our goal that these units will increase membership, raise funds for the Auxiliary Emergency Fund, refine their leadership skills, and utilize public relations to promote a positive image of the American Legion Auxiliary.

The membership pod designed a community wide project that honors the service of both veterans and active duty military. The wall of honor once completed will display veterans' photos that will be a source of pride to all members of the community. Anyone wishing to include a photo of their special veteran on the wall of honor can be asked to make a donation to the Auxiliary Emergency Fund.

How many times have you entered a gas station and been asked to donate to a charity in exchange for a cardboard heart or shamrock? The wall of honor will give community members the opportunity to make a donation to the Auxiliary Emergency Fund and post a picture of their loved one.

As with many great projects the format of the membership pod wall of honor can be consolidated or embellished to fit the amount of time a unit is able to dedicate to the project. A community-wide wall of honor would be a marvelous way of celebrating Memorial Day or Veterans Day. It represents the pride in the service of our veterans, pride in community, pride in raising funds for alleviation of personal hardship, and pride in membership in the American Legion Auxiliary.

The disciplines encompassed in this pod include membership, Auxiliary Emergency Fund, public relations, advisory committee, strategic planning, Auxiliary Foundation, and leadership. Thank you.

(Applause)

PRESIDENT NELSON: Thank you, Mary. We'll now hear from the American Legion Auxiliary Foundation President Linda Boone.

MS. BOONE: Good evening.

VOICES: Good evening.

MS. BOONE: Foundation. What does that mean when you hear that word? What does that mean?

VOICE: Building block.

MS. BOONE: Building block, that's good. I like that one. I'm going to steal that one. Money. What else? What?

VOICES: Support.

MS. BOONE: What? Philanthropy. Do you consider yourself a philanthropist? It's something to think about. The other day at the Foundation we had a training. And I really hadn't thought about the, you know, the word philanthropy until a few years ago. And I made a significant change in the way I donate money now. And that was when Jan Pulvermacher-Ryan was the President and I headed up the, you know, task of raising money for the scholarship fund, that I changed my way of thinking about philanthropy. And I started really focusing on a stretch objective every year to give to the American Legion Auxiliary. The American Legion Auxiliary is, you know, my primary program that I want to support. I want it to be around.

So I changed my philanthropy focus and I now give only to a couple of organizations. And the American Legion Auxiliary, the Foundation, and a facility that I am the board chairman of in Delaware.

So anyway, you might want to think about that philanthropy thing because I'm going to talk to you at the end here about are you a philanthropist? And I would hope that you are.

Okay, Foundation. So why do we have one? What's the deal with having a Foundation? The American Legion Auxiliary Foundation is a subsidiary organization to the American Legion Auxiliary. You heard that from me, and from Nicole. And the reason it's here is a couple of different reasons, but it's to build, you know, our financial future. So we build some stability for our financial future for our mission programs.

The other reason technically is because we needed to have an IRS designated 501(c)(3) organization in order to get some grants and some corporate sponsors. So technically it was a sound decision to do that so that we could access funds that we wouldn't have been able to get, and sponsorships. So that's one of the reasons.

We're controlled by the American Legion Auxiliary. We can't go off and do our own thing without the American Legion Auxiliary and our mission.

Just to give you a couple of things that we've done recently is the American Legion Auxiliary Foundation when it started in 2007, it's been working on developing what the Foundation is, and some policies, and some structure, and some other things. We're now moving into the real mission of the Foundation, which is to raise resources. Resources are people, things, and dollars. So in order to do that we're out there and we have to do research, and we have to look for opportunities.

One of the things that we're doing is the members of the committee, or the Foundation board, excuse me I have to change my thinking here, are receiving the Chronicle of Philanthropy which gives us an overview of what is happening in the philanthropy community. What are the trends that are going on? What is happening that we need to be aware of and maybe change some of our practices or our approaches to how we're going to raise resources.

The other thing that we subscribe to is the Foundation Directories. The Foundation Directories used to be big books in libraries, where you thumb through them, you try to find grants, and who is on the board and all this. Now it's all electronic, but it's very expensive, you know, to get access to it. So we've done that and we are searching for opportunities. So I can put in the search director, "youth programs," or "girl youth programs," to look for things around who might be interested in funding the Girls Nation program. So you search that. And then you look for, you know, read through some of the things. What's their deadline? You know, how much money are they offering? You know? Because you don't want to spend a lot of effort going after \$2,000 or \$3,000. I'm looking for the big bucks.

Anyway, so that's what we're doing now. And it takes a long time to do this, to research. And then you have to reach out and test the waters to see if they might be interested. So you usually have to write about an overall concept paper, and see if they even want to talk to you. And then you have some conversations and then hopefully they ask you submit a full grant request. So we're in the beginning stages of doing lots of research and trying to find those potential partners.

The good news is that we've been successful this week in one thing, and I have a meeting on Monday morning too, hopefully we'll have another success. But it is not necessarily about money, but it's about resources. People, things, and dollars. In 37 states there are organizations, I used to run one in Arkansas after I was National President, and there are state associations of nonprofits. And they provide education and training, they provide advocacy services, they coordinate what happens around nonprofits in that particular state. And if you are not accessing those organizations you need to do that. Some of them even provide insurance, where you can get part of a group insurance for your staff. It's just sitting there, it's on the state. So there's lots of advantages.

What's going to happen, our win this week was that the, their umbrella organization is called the National Council of Nonprofits. And the Foundation and the National Council are going to be sending a joint letter out to each department talking about locally you need to get together. They need us, because it grows their membership. Also it grows how many people will be knowledgeable about nonprofit managing government in their state, and it creates more advocates to advocate for the nonprofit sector.

So I would really encourage you. We're going to be seeing the letter out in the next couple weeks and I would ask that you, you know, really talk, make sure that your department secretary and your department presidents are looking at that and looking at ways to maybe partner with that, your particular organization in your state.

The, anyway, that's a win. And Monday hopefully we'll have another win to talk to you about later.

The other thing that happened is the Department of Arizona had an opportunity to get a grant from Wells Fargo to fund some of their Girls State expenses, and they are a

501(c)(19). Wells Fargo only gives to 501(c)(3)s. And that could happen in your state. So we ran the money through the Foundation so Arizona could have an opportunity to access that grant from Wells Fargo. So we passed it through the Foundation. So think about that. Because you may have opportunities in your state where you have somebody that wants to give you money but, you know, you don't need to form your own foundation to have access to that money if they need a 501(c)(3). So think about that.

I want to personally thank Dubbie for on the back of the Auxiliary Magazine is an ad for the Foundation. We lucked out and somebody else, a vendor sort of screwed up. So we were really fortunate so I really appreciate that. So this, you know, show this around. The other thing is we do have brochures about the Foundation. And you need to become our salespeople. Because you are part of the governing body of the NEC. And you heard earlier Mike and Nicole were talking about contribution. Most nonprofit boards require their governing board to give a donation, a stretch donation. And so I would request that you do that. Really become a philanthropist. And realize that your dues and your volunteer time are wonderful, but we need a little more. And we want to make sure our financial future is secure. So we need all of us to participate, and we need particularly the leaders, which you guys are, the leaders of the governing body. It's very important that when the Foundation, we go and we talk to potential investors, that we can say our governing board gives and writes a check to us because they feel that committed to their philanthropy for the American Legion Auxiliary.

So I really hope that you will continue to promote and support. We know that a lot of people don't understand the purpose of the Foundation. And if you need help with explaining that all you have to do is email, send me an email, call me, whatever you need to do, or one of the other members, and we'll help you. But the Foundation is a wonderful tool for the future of the American Legion Auxiliary. And I really hope that you support it. Thank you.

(Applause)

PRESIDENT NELSON: Thank you, Linda. We'll now hear from our Auxiliary Emergency Fund Chairman Marie Goede.

CHAIRMAN GOEDE: Good evening.

VOICES: Good evening.

CHAIRMAN GOEDE: The Auxiliary Emergency Fund is to help members in time of crisis. It is rewarding to receive an update from those who needed our help and we were able to assist.

A thank you from Dorothy Rees [phonetic]: "Thank you for the support during these difficult times. It is times like these that makes me proud to say that I am part of this organization."

And from Judith, "Thank you so much for the gift of \$1,000 from the Emergency Fund Flood Disaster Assistance. We are still out of our house and one of our daughters is sharing her home with us. Work is coming along slowly and we hope to be home before Christmas. Your wonderful gift made it possible to get the electricity back into the house and with the aid of small electric heaters keep the house at 60 degrees. Thank you again, and best regards."

The Auxiliary Emergency Fund does remain in action today. And as of February 21, 2012 \$63,086.51 had been donated, with Minnesota contributing the largest amount of \$10,933.47. Who can beat that? Go for it!

The dollar amount of AEF and disaster grants given from October 1, 2011 through February 23, 2012 was \$126,112.66. So you can see donations are definitely needed. Let us remember to donate freely to this program so that we may continue honoring their service by helping our Auxiliary members during their time of need.

There are several ways to solicit funds to donate to the Auxiliary Emergency Fund program — silent auction, dinners, luncheons, raffles, to just name a few. And as you can read in the written Auxiliary Fund report units and departments have made different clever and thoughtful ways to fund raise. If you check the Plan of Action how-to guide sheets you will also find many helpful tools to guide you in ways to solicit funds to help our members in need.

Madam President Kris, this concludes my report. However, I wish for you a much informative, I won't tell a tale, I wish you a most informative Washington Conference and safe travels for the rest of your administrative year as you have been an awesome leader representing the members of our organization.

PRESIDENT NELSON: Thank you, Marie.

CHAIRMAN GOEDE: Thank you.

PRESIDENT NELSON: We will now hear Long Range Strategic Planning Chairman Jan Pulvermacher-Ryan.

CHAIRMAN PULVERMACHER-RYAN: Madam President, material was gathered at the National Convention in Milwaukee 2010 from members on a variety of topics. All this material was collected, analyzed, and disseminated to strategic planning teams and completed by Convention 2011. The material was reviewed by the long range strategic planning team at our fall meeting and is presently in the process of being utilized in a guide for departments as well as including some portions in the unit handbook. It is our goal that this material will be ready by the upcoming National Convention in Indianapolis.

This group is chaired by National Treasurer Marta Hedding, includes a list of volunteers, and some of the department secretaries. Some material that simply didn't fit within a team initiative was given to the Past National Presidents for answers and this has been put into a document that will be on the national website and will answer what basically were questions from members attending a host of workshops and on a variety of topics.

The upcoming Long Range Strategic Planning Committee meeting in May will be devoted to developing a new governance model for the national organization from the material collected by our National Vice President Peggy Thomas at all the mission trainings. This information will be shared with departments and hopefully voted on and adopted at our upcoming National Convention. Serious discussions will take place based on the input from the Auxiliary members that attended the training this past year.

Strategic planning produces a framework that enables the organization to focus its energy, coordinate the efforts of individuals, so that they are working toward the same goal, and assesses the organization's responses to changing factors and adjusts accordingly. It is really a document of agreements about the future of the organization and takes steps to get there. Thank you, Madam President.

(Applause)

PRESIDENT NELSON: Thank you, Jan. We'll now hear from the Advisory Chairman Rita Navarreté.

CHAIRMAN NAVARRETÉ: Madam President, I want to start by saying that this is a special committee, the Advisory Committee. And those in the audience, I know you are NECs right here, the governing board. But you were presidents, and I know there are presidents out in the audience. How many current department presidents do we have in the audience? Quite a few. Now how many of you utilize the Advisory Committee? One, two, three, four. Okay.

I can tell you that at the national level traditionally what has been by an incoming president is to have past national presidents serve in those positions who bring support, loyalty, some good work ethics, good values, and wanting the best for the organization. And as we begin our year National President Kris outlines our new duties for us. And I would like the members of the Advisory Committee, those that are with us, to please stand. Because these are past national presidents. And please stand, on our own committee, Carol Van Kirk is here; Anna Gear is on there; Sandi Dutton is on here but I don't think she's entered the room. And let's give them another round of applause.

(Applause)

CHAIRMAN NAVARRETÉ: And you know, we're sort of a silent group. And we started out the year deciding to ask Kris, you know, of your five items that you'd like us to discuss, or to work on, we'd like to see which one is going to have the biggest impact or be the most effective one for us to cover. And we have, I as chairman, have received feedback and input on the protocol guidelines that you want for the (unintelligible) department and also national. And I've received that information. And then right in the middle of that review, the President and her choice. Because it stipulates that she can assign us in a task to help her assist in the leadership of this organization.

And we were, I was pulled aside and we had a special task, which was a very sensitive task to do but a very confidential one. And Madam President, that task was completed. And as any advisor or advisor chair does, we give a recommendation and then present the information and it's up to the President to make that call. So I want to let you know that we've completed that in the best interest of the organization.

The other members of the Advisory Committee are Miriam Junge from Department of Ohio; Evelyn Starr from Department of Minnesota; Alice Galka from Department of Indiana; Sandi Dutton from Department of Maryland; Anna Gear from Department of Virginia has been introduced; and Carol Van Kirk from the Department of Nebraska.

And as I've listened to the information on the pods, our particular committee was asked to do how-to's in mentorship. And so I do hope that the departments have taken that information and have gone to those how-to lists because it sort of overlays in some respects to what we hear with leadership and what we hear also with past presidents, and that's probably some of the guidelines that recommendations you will get from us as a working committee.

So with those particular notes as a special committee chair I also included them and hopefully they will be accepted for the record.

PRESIDENT NELSON: Thank you, Rita.

(Applause)

PRESIDENT NELSON: We will now hear from Public Relations Chairman Diane Duscheck.

CHAIRMAN DUSCHECK: Good evening.

VOICES: Good evening.

CHAIRMAN DUSCHECK: Several goals of public relations are to keep membership informed of our lead projects and to positively project the image and programs of the American Legion Auxiliary to the general public.

One way to get the word out is through an editorial in the newspaper. Unit 22 President in Pennsylvania wrote a letter to the editor to encourage the community to participate in Random Acts of Kindness Week beginning February 13th of this year. President Darlene reminded the community that, "America was founded on the principles of freedom, justice, and liberty for all." But you know that freedom comes with a price, the price of previous lives of our military veterans. So she went on writing, "The Charleroi American Legion Auxiliary Unit 22 is asking community citizens to perform at least one random act of kindness in gratitude for the entire week of February 13th to express appreciation for those who have served or are currently serving our country." Then she went on to give some suggestions about how to do this. Things like a smile, a compliment, picking up a tab in a restaurant, or saying thank you. The editorial closed in this way. "What we do for ourselves dies with us. But what we do for others in the world remains and is immortal. Feeling gratitude and not expressing it is like wrapping a present and not giving it."

There are many ways that we can get the word out about the Auxiliary. Bulletins and phone trees that we're used to using reach only the members. The use of an editorial in the newspaper is an efficient way to reach the entire community.

As a follow up to a successful project write an editorial or a newspaper article that reports the important numbers of the project or the activity to the community. In other words, tell how many veterans, military, or families were helped, and how much money was raised or expended. Use your resources to your advantage. Madam President, this concludes my remarks.

(Applause)

PRESIDENT NELSON: Thank you, Diane. And we'll now hear from Trish Ward, Membership Chairman.

CHAIRMAN WARD: Madam National President Kris, I'll keep it simple and straightforward and give our members the tools they need to achieve our membership agendas. The team believes the answers to stopping the more than 40-year negative membership slide were close and within reach, and together we devised a plan that all our members could embrace.

Step one, make your milestones and 100 percent numeric objective believable and achievable.

Step two, capture and communicate the pride, passion, and purpose that lives inherently in all our members.

Harnessing this power, placing the goal squarely in the crosshairs, and focusing on the ultimate prize of a newly revitalized and vibrant membership for our organization remains our team's commitment.

It became clear that the answer itself was closer than we originally thought. And as we gazed into the eyes of our veterans themselves, young, old, men, women, Doughboys to Patton's Boys to Schwarzkopf's boys, it was the concept of eligibility itself that ignited a passion and has served to empower our members to do two very simple things. Get new members and keep our members.

It's one thing to tell people we are a veterans organization. It is an entirely different thing to show them. And with this idea in mind, Honoring Their Service was born. We encourage our members to proudly display the images of veterans from whom they gained their eligibility, and special veterans in their lives and to encourage others in their communities to do the same thing.

The national membership team committed to a bulletin each week with membership data to include tips, projects and ideas to help our members achieve their goals. And to date we haven't missed one.

Thank you to the National Finance Committee, leadership, and staff for embracing our idea to create commemorative buttons with images of our special veterans and for helping us to make this vision a reality. It is amazing to see our members proudly wearing them and to hear how much they mean to them and their families.

There have been many success stories reported, units revitalized, new members retrieved and lost members found and renewed. But no more inspiring than the simple messages related by our members to be placed on the buttons. My Dad; My Hero; Omaha Beach; Never Forget Bataan; Grandpa, You Are In Our Hearts Forever; I Will Love You Forever; Purple Heart Recipient; My Vietnam Hero; and on, and on, and on.

Success takes many forms. As our members report in on how the images of our veterans have helped them communicate about our organization, its mission and vision, we know without a doubt, without a question, without a blink, that we are on the right path - a path to make 2011-2012 a year to remember.

Congratulations to the Department of Iowa who leads the pack with 93.30 percent and --

(Applause)

CHAIRMAN WARD: And to the 50 departments that achieved the second national milestone of 70 percent on February 2, 2012.

(Applause)

CHAIRMAN WARD: We know that all our departments are going to hit the very achievable 100 percent numeric objective on July 29, 2012. National President Kris, you are going to have a lot of women fighting for those front row seats. Message to the event staff, we're going to need a lot of chairs.

We have a small gift that we'd like to present from the membership team to the Department of Iowa to keep the heat on. Suzanne Knapp, our Central Division Membership Chairman, has some Hank Williams jalapeno hot sauce to keep the heat on.

(Laughter)

(Applause)

PRESIDENT NELSON: (Unintelligible), meet your numeric objective this year?

VOICES: Yes --

PRESIDENT NELSON: A little more enthusiasm --

(Laughter)

PRESIDENT NELSON: Thank you. We'll now hear from Leadership Chairman Mary Davis.

CHAIRMAN DAVIS: Last month our nation honored the life and accomplishments of the Rev. Dr. Martin Luther King, Jr. Dr. King's courage, steadfast vision, and powerful orations raised our consciousness, appealed to our most righteous

natures, and inspired us to act. Dr. King was a leader. Our nation celebrates what he has taught us. He was, among other things, an example of effective, positive, leadership. We look to him, among others, as an example when we consider what steps our members should take on their journey to be an effective leader.

An effective leader knows the mission of our organization and the vision of our future. Members in the Department of California have adopted an effective approach to acquiring and honing their leadership skills. Workshops have been held for members to learn about the structure of our organization and recent changes to our programs. Question and answer sessions at the end of leadership sessions have proven very effective. Joint district workshops also covered such topics as responsibilities of the officers, chairman, and members; programs that can be completed jointly with the Legion family; needs of veterans in the community; and membership, recruitment, and retention.

Mentoring is one of the most important steps in developing major leaders. New York Department Chairman Nancy Kurk started the year by explaining the Plan of Action at ten district conferences. By making this initial contract she achieved 100 percent reporting when the December executive meeting took place. She reports that 67 percent of unit, county and district members are developing mentor programs, and 33 certified leadership instructors are covering ten districts, have them identified, and they are certainly making a difference in their departments.

Department of Idaho Chairman Carmen Metzger reports she is mentoring a district president. Something as simple as answering questions for a new leader over a relaxing cup of coffee is a great example of effective mentoring.

Organizational skills are essential to effectiveness of a leader. Department of Oregon Chairman Marjorie Ray first organized the tools that are required to help develop good leaders and published a letter describing her vision for the year. Her letter addressed the importance of unit members learning about the organization at each unit meeting. Additionally, a department leadership award is being made available to recognize exceptional end of year reporting. Marjorie also presented a leadership class at the district level, adding that several members were already making plans to incorporate the information she shared with them.

A vibrant healthy organization will grow and be stronger if it enjoys good leadership. Leadership is an importance aspect at all levels of the organization. It begins with those who demonstrate the desire to take charge of a unit project. Who volunteer to chair a program. Who share their ideas and follow through until the mission is a success. Leadership is every member learning more about our organization and having the willingness to do whatever is necessary to make the American Legion Auxiliary the best it can be.

(Applause)

PRESIDENT NELSON: Thank you, Mary. I'd like to thank you all for your attentive participation this evening. And I'd like to remind you to please review the documents that you have for tomorrow morning's meeting. The Chair now calls upon our National Secretary for announcements.

VOICES: Announcements, announcements, announcements --

SECRETARY BUCKLER: That was so (unintelligible).

VOICES: -- a horrible way to die. Announcements, announcements, announcements --

SECRETARY BUCKLER: (Unintelligible). Oh, now we have a postscript to it? I feel like we're adding verses now. All right.

(Laughter)

SECRETARY BUCKLER: Okay, this is the fun part. But we're dropping the part. You understand, we've had need a ticket, buy a ticket, have a ticket. That's all being handled at the registration table. I will not be announcing. If you need a ticket for something, if you have a ticket for something, or if you want to give away a ticket for something. That's all being handled at the registration table. So if you're in need, go check out there. There are two appropriate lists for you to sign. I know, it breaks all of your hearts.

Now in general we're not going to have a lot of time on Monday so we won't be making any announcements on Monday. It's a really tight schedule. If you have anything that you would like to have announced please get it to me so I can announce it tomorrow. You can give announcements to any of the staff that you see in the room. And at this time in case anybody doesn't know who they are I'd ask staff to stand again. It's at the end of the day, that's a little slow.

(Laughter)

SECRETARY BUCKLER: Tamara, and I really do want you all, those of you who don't know them, so I know Madam President has done this once but indulge me again. Tamara Shumate, who is the executive assistant to the National President; Tabitha Rhoda, who is in events; Tim Bresnahan, who is our controller. Where is Abisi? Stephanie?

VOICE: I relieved her because she has to do breakfast in the morning.

SECRETARY BUCKLER: Okay, Stephanie Abisi. And I purposely, and Marta, I purposely --

VOICE: Wait, wait, and Nicole. But she had to go --

SECRETARY BUCKLER: Okay. Nicole, who is with child, in our events team. And I purposely am leaving my executive assistant Joni Clark for last. Joni recently, I just need to brag on her. Joni recently got her Ph.D. in women's leadership studies so she is officially Dr. Joni Clark.

(Applause)

SECRETARY BUCKLER: And doctor, try to keep me in line. I do want to remind you that the only way we know you were here is if you sign a piece of paper. Well, maybe you're not here.

(Laughter)

SECRETARY BUCKLER: So sign-in sheets? Okay. Dr. Clark, would you hold that up again? Joni, it's down here in front. Could you make sure it makes its way over here so that we get, so that everybody signs it? As much as we all love you if your name isn't marked on that piece of paper we don't know you're here when it comes time to put this together several weeks, months after this event. I thought you were saying stretch it --

(Laughter)

SECRETARY BUCKLER: Also you may remember this conference last year we had received a whole boatload, literally, of the calendars and events, part of the year end fund development or the fund raising, donation field. I'm pleased to say this year we only have seven. So instead of several hundred we have seven, which means I have

seven up here for a free will donation, which will go to the Foundation. We will make available to you the remaining seven that were received as the overage this year at National Headquarters. So this is, for those of you who aren't on the list, this is the, a pocket planner, and it has ALA events in them. So if you flip through this you're going to see the key ALA and region events listed in this. So for a free will donation that will go to the Foundation we'll get rid of these last seven.

VOICE: (Unintelligible).

SECRETARY BUCKLER: Well I do not take credit cards. Yes, that will be by cash or check. Thank you. Thank you. Thank you. And if you pay with cash it will be with Marta looking on so that you know for sure that if (unintelligible).

Remember that we start tomorrow morning in this room at 8:30. And I know some of you have asked me, you know, what time are we really starting? We are really starting at 8:30 tomorrow morning.

Do we have any department secretaries who are in the room? Because I think about everybody got to stand up and be recognized. Would the department secretaries stand up and be recognized?

(Applause)

SECRETARY BUCKLER: See how invigorated you've made this crowd by, it's just by your presence.

The NEC breakfast is tomorrow morning. If you are in this room you are invited, pretty much. No? No?

VOICES: (Unintelligible).

SECRETARY BUCKLER: Okay. All right. Madam President just nearly took my right hip out saying no. If you received the NEC mailing you are invited to that breakfast. Is that clearer? Okay. We love you all but the room only holds so many people. So if you are --

VOICE: Where?

SECRETARY BUCKLER: Doors open at 7:15 in the Georgetown Room on the concourse level. And that's this level. All NECwomen, Past National Presidents, national officers, and national chairmen are invited. Okay. With that buzz I think everybody has got that. And that's everything that's been handed to me. So Madam President, those are the announcements.

PRESIDENT NELSON: Thank you again for being here. We'll see you in the morning. The National Executive Committee is adjourned.

(Whereupon, at 9:28 p.m., the above-entitled meeting was recessed.)

SUNDAY, FEBRUARY 26, 2012 PROCEEDINGS

PRESIDENT NELSON: Good morning.

VOICES: Good morning.

PRESIDENT NELSON: The National Executive Committee will now come to order.

(Ring of the bell.)

PRESIDENT NELSON: Please rise for the invocation by National Chaplain Nini Lynch.

CHAPLAIN LYNCH: May we pray. Father, we thank you for this day. As we once again gather in service to our organization and to you, we humbly request your guidance in our deliberations.

Help us to identify opportunities and keep us mindful of our responsibilities as members of the American Legion Auxiliary and citizens of the greatest nation on earth. Help us to deserve the freedom we enjoy as a result of the many sacrifices of our veterans and active military.

May all that we do and say be pleasing to you and glorify your name eternally.

Amen.

VOICES: Amen.

PRESIDENT NELSON: Thank you, Nini.

(Ringing of the bell.)

PRESIDENT NELSON: Good morning, everyone.

VOICES: Good morning.

PRESIDENT NELSON: The chair recognizes Peggy Thomas.

VICE PRESIDENT THOMAS: Madam President, in order to move efficiently, I bring forward recommendations from our committee. I move to amend standard rule number 6 of the National Executive Committee, Number 2 reads as -- to read as follows:

Chairmen of standing committees who are not members of the Executive Committee shall be given the privilege of the floor without a vote and to make motions on behalf of the committee they chair.

PRESIDENT NELSON: Is there a second?

VOICE: I second that.

PRESIDENT NELSON: It is moved and seconded to amend standing rule 6, National Executive Committee number 2 to read as follows:

Chairmen of standing committees who are not members of the Executive Committee shall be given the privilege of the floor without vote and to make motions on behalf of the committee they chair.

As projected on the screen, the bolded text is the proposed amendment to the current wording. Is there any discussion?

VICE PRESIDENT THOMAS: This amendment is necessary because we have had -- do have and have national chairmen who are not members of the NEC. Our practice is for the chairmen of the National Committee to move adoption of any resolution coming from the committee.

Therefore, we should amend this 1928 standing rule in accordance with our accepted practice.

(Laughter.)

VICE PRESIDENT THOMAS: We change really slow.

(Laughter.)

PRESIDENT NELSON: Is there any discussion?

(Whereupon, there was no response.)

PRESIDENT NELSON: All those in favor of the motion as projected on the screen, say aye.

VOICES: Aye.

PRESIDENT NELSON: Opposed, no.

(Whereupon, there was no response.)

PRESIDENT NELSON: The ayes have it and the motion is carried.

Thank you, Peggy.

(Laughter.)

PRESIDENT NELSON: I've been asked to explain about unit pod report. At the National Chairmen's Meeting this year when we talked about the concept of pods, I asked all of the pods to find a unit and -- one in every division so that five units would be mentored during the year.

So each of the five pods were to find one division and they were to find a unit in that division. And they're working with that unit to mentor them and then we're going to talk about that in the eBulletin so other units could do the same type of thing who work on a pod program.

We thought it might be easy to mentor a unit and then to report what works and what doesn't work. So in some cases, it's been working really well, which you'll hear with the Youth Development Pod. In some it hasn't worked at all because of the time commitments of the unit.

And we tried to work with struggling units and right now a couple of those, it hasn't worked. So when they're asking for a unit who wants to be mentored, it doesn't matter the size. We were looking at a smaller unit. But if you have a large unit and you only have a few members that attend, that would also work.

So, if you're interested in one of your units being mentored and developed, that's what that's all about.

Are there any questions?

(Whereupon, there was no response.)

PRESIDENT NELSON: Okay. Before we begin with today's scheduled reports, I ask JoAnn Cronin to come to the podium to give her report on Past Presidents Parley. She had some travel issues yesterday, which we all know about.

(Laughter.)

CHAIRMAN CRONIN: Good morning.

VOICES: Good morning.

CHAIRMAN CRONIN: First of all, I'd like to introduce my two committee members. Barb Kranig is Vice Chairman of the committee and Katherine Morris is a committee member.

(Applause.)

CHAIRMAN CRONIN: At the conclusion of the National Convention, Past Presidents Parley chairmen were finalizing their Plan of Action and getting it integrated into their department.

With the enthusiasm of the chairmen as well as the members, I'm looking forward to receiving a lot of entries for the Woman of the Year Award as well as honoring our servicewomen.

Past Presidents Parley Chairman Thatcher from Ohio says Past Presidents Parley is a program that uniquely offers every unit the opportunity to recognize and honor four different groups of women.

Each of these groups is important not only to the unit itself but to the community. It adapts to fit every size. There are three groups.

The first group whether they are past presidents of a unit, district, or department are valuable. They know everyone and can serve as ambassadors. They can mentor to ensure the leadership grows.

The second group is the members of our own unit. These are members who do not hold an office higher than unit president. Even small units can take time to recognize one of their members and recognize them at a department convention or just within their unit is fine.

With the last group, you have the opportunity to salute an active-duty servicewoman. Information was introduced in their plans of action verbally as well as visually.

The Department of Illinois Pam Ray, Past Presidents Parley Chairman from Illinois, says that the past presidents continue to wear many hats, as we all do, to continue to serve our units, districts, and departments.

She told the departments -- she told her department that I had asked that we have 100 percent participation for the Women of the Year Award, for the Military Women of the Year Award because we want to put these chairmen and vice chairmen to work at the end of the year picking, selecting.

You're supposed to send so many great -- I'm sorry -- great reports to us that we will have a hard time deciding who to select. So we're putting it on you to get everyone in your units, departments to select a member of the year, a woman of the year from the veterans, and so that we have a lot to do.

At Presidents and Secretaries, again I stated that I wanted every department to submit a woman of the year and have -- select the military woman of the year in every branch who is defending our country to be recognized not only by the department but on the national level.

If you have any questions, please feel free to contact myself or one of the committee members.

Thank you, Madam President.

PRESIDENT NELSON: Thank you, JoAnn.

(Applause.)

PRESIDENT NELSON: This morning, we will continue with our pod report beginning with Janet Jefford and the Youth Development Pod.

Janet.

CHAIRMAN JEFFORD: The Youth Development Pod chose as their mission-based project Adopt a Military Kid. We felt all four programs of our pod, Children & Youth, Child Welfare Foundation, Junior Activities, and Girls State, could easily be incorporated in this project.

Step-by-step instructions on the Youth Development how-to sheet along with the suggested calendar of events were prepared and are available on line and in the Plan of Action.

Upon reflection, we realized that the project could be extended to include the entire military family and not just the child. Our suggested calendar of events includes something to do for the family each month including birthdays, holidays, and even Legion family events.

After choosing our project, we set out searching for the perfect unit to mentor in accomplishing our mission-based project and we found it.

CHAIRMAN WILLIAMSON: We chose State Police Unit 1922 from the Department of Illinois. The post was chartered in 2010 and their Auxiliary unit was organized in January 2011.

Both the post and unit consist of Illinois State Police officers. They are always working on projects for our veterans, our military, and their families including the Picture Pillowcase Project where they make and send to deploying members and their families.

They also work with Operation Military Kids and give to education. Luella Busk, our contact person, is also the unit Children & Youth Chairman and the department's Junior Activities Chairman.

She presented the Adopt a Military Family Project to the unit members and they were eager to get involved.

When the post found out about the project, they also wanted to be a part of it. So now it is a Legion family event. They chose as their adopted family a couple with four small children.

CHAIRMAN DUNGAN: Andy and Amy have been married for six years. Andy is a State Trooper and he's scheduled to be deployed the end of this month. He is a pilot for a refueling plane. He loves his two dream jobs, being a State Trooper and a military man.

Amy loves to quilt and sew when she has the time. Her favorite things in the world other than Christ are her husband and children.

Their oldest child is Garrett and he's four years old. He was born while they were stationed at Robin's Air Force Base. He loves rockets, space, and airplanes. He says he might want to be an astronaut or a jet pilot when he grows up.

Evie, the only girl, is three years old and she loves all things girlie. She loves to make up songs and she loves butterflies, sparkles, and ice cream trucks.

(Laughter.)

CHAIRMAN DUNGAN: Audie Reagan is two and he was named for Audie Murphy, the war hero, and President Ronald Reagan. His world revolves around making Evie squeal.

(Laughter.)

CHAIRMAN DUNGAN: He likes fire trucks, trains, and cowboy boots.

Their newest addition, Gus, was born May the 9th, 2011.

(Laughter.)

CHAIRMAN JEFFORD: Aren't they cute? During the holidays, the post and unit gave Amy and Andy a gift card for a night out. And the Legion family members babysat while the couple enjoyed their evening.

They also gave Christmas gifts to the entire family.

For Garrett's fifth birthday this month, post and unit members sent a birthday gift.

Earlier in this month, the post commander and member Luella Busk stayed with their four adopted military children so Andy and Amy could have another date night.

Andy and Amy greeted them with the news that they are going to be blessed with child number five in September. Regretfully Andy is due to deploy again February 28th but should be home in plenty of time.

Post and unit members are committed to their adopted family throughout this latest deployment and beyond.

The Youth Development Pod is extremely pleased with both their adopted unit and adopted family. We encourage each unit to adopt a military family or a military child and make them feel special. It only takes a small unit to do this project. At the time we selected Unit 1922, they only had 18 members including two juniors.

The planning part is already done for you. The how-to sheet and the Plan of Action provides step-by-step instructions and the calendar has suggested events for each month. All you have to do is find that special family. It will be a rewarding experience for you, I promise.

Thank you.

PRESIDENT NELSON: Thank you.

(Applause.)

PRESIDENT NELSON: I'll share with you that when I was in Springfield, Illinois, the president of this unit sought me out and thanked me for what the Auxiliary is doing for that family.

They're working with the full community to get the donations, so they said they're growing their membership because the community knows what they're doing and understands it. They see the faces. They're starting to call the unit members "Grandma" and they said they're in love with that family. We can all do it, so go back and spread that word because this pod is really working.

Thank you all very much.

Janet, are you going to give your Children & Youth report?

CHAIRMAN JEFFORD: (Unintelligible.)

PRESIDENT NELSON: Okay. We'll now hear from Elsie Bailey-Comer, Child Welfare Foundation.

CHAIRMAN BAILEY-COMER: The Child Welfare Foundation was established to award grants to nonprofit organizations whose primary function is to educate the public about the needs of children across the nation. More children can be assisted by donations to the foundation than in any other way.

This year, National Commander Fang Wong has undertaken support of the foundation as one of his two special projects.

To ensure the strength of the foundation and to assist The American Legion and our national commander, the Auxiliary is again encouraging donations to the foundation.

The Plan of Action gives much more information about the foundation and there are brochures available from The American Legion that could -- you could distribute.

We also shared fun ways to raise money at meetings and special events so as to ease the burden of relying solely on budget -- budgeted monies through the how-to sheets included in the Plan of Action.

I'm sure you all have your own fun ideas to raise money and I wish we had time to share with each other.

Many departments are waiting for April, Children & Youth Month, to make their donations. So I know good times will be rolling.

Meanwhile, although I personally did not receive any reports, five department Children & Youth chairmen did report their activities to the National Children & Youth Chairman Janet Jefford who shared with me.

And so I'm happy to report that Ethel Theriot, Department of Louisiana Children & Youth Chairman, has taken on a special project of increasing contributions to the Child Welfare Foundation.

Ethel distributed Child Welfare Foundation canisters to units at a DEC meeting early in the year with her request that they collect money for the Child Welfare Foundation throughout the year and at the end of the year forward the money to the National Headquarters earmarked Child Welfare Foundation.

She also distributed letters on the 100 percent per capita Banner Program to everyone. She presented the same information to their joint Children & Youth Committee that consists of eight members from The American Legion and eight from the Auxiliary.

She is diligently working with The American Legion to increase department donations by working together as a team.

In Florida, Lois McPhal (phonetic), Children & Youth Chairman, gave a little blue Child Welfare Foundation pig to each unit asking for help to increase their donations to the Child Welfare Foundation. She wrote the pigs are flying throughout the department with more pigs distributed at the fall conference.

The Department of Maine is also covering the state with little blue pigs flying all over for the CWF.

The Departments of Ohio and Tennessee are making plans to push the Children & Youth Program in April which we realize is a special month for children.

I'm sure you are all in the midst of doing good things for children and I'm hoping to receive many reports before year end. Take a few minutes to refer to the Plan of Action and how-to sheets for more detail and please remember to pass along information regarding The American Legion Child Welfare Foundation sponsored 100 percent per capita Banner Program that provides a banner streamer to each unit donating at least one dollar for each member during the award year. These streamers can be attached to a flag any time.

Dennis Arboin from the Department of Florida, president of the foundation, says with your help, the foundation will continue working for the betterment of all children. Let's do our utmost to provide our assistance to the success of the foundation.

Thank you very much. This ends our Youth report.

(Applause.)

PRESIDENT NELSON: Thank you, Elsie.

We'll now hear from Kathy Dungan, Girls State Chairman.

CHAIRMAN DUNGAN: I received excellent reports on how departments are meeting the objectives of the Girls State Program.

The first objective utilizing electronic technology. Department and units reported a substantial increase in use of the internet, Facebook, Twitter and blogging.

Departments have set up Girls State websites. Others have a page on their department website. Sites are being used for on-line registration.

Facebook pages are used during Girls State sessions to share pictures and activities. Some have plans to establish units.

The second objective, volunteerism and awareness of our mission. To accomplish this objective, Florida offers a special department award. A unit must submit

a written report showing that their returning Girls State citizens actively participated in their unit's programs.

This encourages units to keep their citizens involved in the Auxiliary activities and volunteer opportunities they host. What an excellent way to encourage volunteerism.

Most departments have implemented service projects at their session -- excuse me -- including stuffing hero backpacks with socks and personal items for veterans' hospitals and stand-downs and make pocket flags.

Awareness of our program includes five disposal ceremonies, use of Auxiliary Power Point presentations, and distributing Auxiliary brochures.

The third objective — attract participants, keep programs relevant and current, and increase scholarship funding.

To attract participants, universities provide housing and meal scholarships to outstanding citizens.

I need some water, please.

One university offers each participant a \$1,600 scholarship if attending their university.

To keep programs relevant and current, departments are redesigning and seeking national approval of the Girls State logo.

Sessions are critiqued to determine weaknesses and strengths.

To seek funding for scholarships, donations are sought from businesses, nonprofit organizations, and civic organizations.

This is just a glimpse of how the Girls State objectives are being met. My written report is more detailed.

Now I would like to share something and I want Dubbie to help me because she talked about it.

SECRETARY BUCKLER: Oh, oh, do I get to be Vanna?

CHAIRMAN DUNGAN: You get to be Vanna. Really I would like for you to do the breaking news because you and your office and staff along with the entire Girls State Committee has worked so hard on this project. You want to break the news?

SECRETARY BUCKLER: Ta-da. Would you like a little more about it?

(Laughter.)

CHAIRMAN DUNGAN: We would.

SECRETARY BUCKLER: This is the only printed copy of the American Legion Auxiliary Girls State Program and operations guide. Yes, that was supposed to be an applause moment. Okay.

(Laughter.)

(Applause.)

SECRETARY BUCKLER: There are no cue cards up here audience applause.

(Laughter.)

SECRETARY BUCKLER: Okay. And if anybody tries to tackle me and take it out of my hands, it has draft written on every page.

(Laughter.)

SECRETARY BUCKLER: And the reason is this has been -- and there are just too many people to thank. I will start by thanking Kathy because she is standing here, Vickie Koutz, chair before her. I mean, we can't just start down this thanking path

because we would be here all day. But lots and lots of hands have been and I've been in this.

Most noticeably not in the room would be counsel general who has spent literally, if you add up all the hours, weeks working with me on the legal compliance regulatory aspects of where we are today. It's 2012. Girls State Program is how many years old this year?

VOICE: Seventy-five.

SECRETARY BUCKLER: Seventy-five. And, no, we will not be giving diamonds out to every Girls State participant this year.

(Laughter.)

SECRETARY BUCKLER: Just squelch that rumor.

But in 75 years, times have changed. You all know that. What used to be a simple program 75 years ago when it began with, you know, girls meeting with boys to talk about government -- and really when you stop and think about it, that wasn't too much beyond the suffrage movement and get -- women getting the right to vote. I mean, really when you put it in an historical time line.

Well, times are different and you all know that. If somebody can sue somebody, they will. They look at the American Legion Auxiliary, a \$25 million enterprise, and they think, oh, this is an organization with deep pockets. We have to be braced for the possibility of lawsuits every time we turn around.

And we want to have a fun program, but we need a program that complies with as many of the rules, regulations, federal laws, et cetera, that are out there now. So this has been a lengthy work in progress.

It will be -- when we get back, counsel general is going to go through it one more time because now that we've pulled -- you know, now that we've got the full draft, it's time for everybody to breathe, take a step back and review it one more time because we know if we don't catch the T that was not crossed, you guys will.

So it will eventually be something that will be downloadable from the website. Once we figure out how many pages this actually encompasses -- and it's about 90 right now -- then we'll be able -- if somebody wanted to order one, we'll be making that available at cost.

I can't tell you what that's going to be, but it would just be whatever it is going to cost to produce it. We would make that available if somebody wants to do it that way or you could print it off yourself.

But kudos, kudos, kudos to everybody who has worked on this because it encompasses everything from the governance of a Girls State organization, a Girls State Program. Whether you have a separately incorporated program or not, it's still a subsidiary program to the American Legion Auxiliary Girls State Program. It's still a subsidiary to the department. So it's all in here. As I say, it's all in here or at least a good chunk of it is.

So thank you, thank you, thank you.

And, Kathy, many thanks to you because this year in particular as we've honed in on this, we've burned up the digital diodes or whatever between your computers and ours working on this.

So this is a real ta-da moment and I just want to thank all of you who had a hand in it. Thank you for allowing me to be Vanna.

(Applause.)

CHAIRMAN DUNGAN: Thank you, Dubbie.

(Applause.)

CHAIRMAN DUNGAN: Thank you, Madam President. That concludes my report.

PRESIDENT NELSON: Thank you, Kathy.

(Applause.)

PRESIDENT NELSON: We'll now hear from Lisa Williamson, Chairman of the Junior Activities.

CHAIRMAN WILLIAMSON: Good morning, ladies.

VOICES: Good morning.

CHAIRMAN WILLIAMSON: As a reminder, this year's Plan of Action for the Junior Activities emphasizes three objectives, service projects that enhance our military, promoting the National President's Scholarship, and a personal favorite, seeking out our juniors when it comes to today's technology.

There are many ways to reach these objectives. I would like to showcase our honorary national junior officers and what they've been doing to carry them out.

Upon returning home to Louisiana after being elected as honorary national junior president, Brittany Watts from the Department of Louisiana announced that the National President's Scholarship Fund would be her special emphasis of the year with Kris' concurrence.

Brittany intends on writing personal thank you letters to those who make contributions on her behalf and she has made several appearances in Louisiana raising awareness of this project.

Honorary National Junior Chaplain India Archer from the Department of New Mexico hasn't taken her duties lightly as a leader either. So far this year, she has been involved with several service projects.

She continues to make buddy baskets with her unit to help homeless veterans, sending Christmas cards to the New Mexico National Guard troops stationed in Afghanistan, and helping her post with Christmas toy distribution.

Honorary Central Division Junior Vice President Mariah Pursley from Wisconsin reports that Wisconsin Junior members have been busy at work raising money to be donated to camo quilts, a program that was started by a woman who simply was sending a quilt to her son-in-law who was being deployed. Other soldiers wondered where they could get one, so she made them quilts as well.

Over 15,000 quilts have been shipped, all with only volunteer help. Mariah gets a little teary-eyed each time she thinks about it and hopes to continue to raise money for this project throughout the year.

Honorary Eastern Division Junior Vice President Vanessa Howard chose to follow her predecessor's footsteps and focus on the Child Welfare Foundation this year. She hopes to raise \$1,500 to \$2,000 by the National Junior meeting in August.

Many had the opportunity of hearing a World War II soldier report to honorary Northwestern Division Junior Vice President Amelia Tisdale from our own National President's Department of Minnesota.

During Minnesota's annual Pearl Harbor membership rally, Richard Thrill, a Pearl Harbor survivor who was aboard the USS Ward on December 7th, 1941, told those

in attendance that he was on duty as his crew sank a Japanese submarine just a few hours before the start of Pearl Harbor.

Mr. Thrill's story really put into perspective all that we have to be thankful for and might have prompted Amelia to interview Mr. Thrill for the Library of Congress' Veteran History Project.

Keara Hofheins, the honorary Western Division Junior President from the Department of Utah, helped with all aspects of the annual veteran's gift shop at the Salt Lake City VA during the holidays.

Utah Juniors and Keara helped set up shop, wrapped and visited -- sorry -- gifts and as well as visited and singing songs to the veterans who were bed bound in their rooms.

Technology has been focused on as well. All of the honorary national junior officers read and post on our national Facebook page. I'm in touch with the girls through email and just was texting Brittany just this morning. I can see that they contact each other real -- very often and even one girl plans on launching a website.

Juniors in your department can personalize any of the honorary officers' stories to help reach this year's program objectives.

If these honorary junior officers are any indication, we can take pride in our junior members. Pat yourselves on the back for a job well done. The future of The American Legion is in good hands.

(Applause.)

PRESIDENT NELSON: Thank you, Lisa.

CHAIRMAN WILLIAMSON: Madam President, a resolution was circulated in advance of the NEC regarding junior activities. I believe all the NEC have a copy of them. I would like to discuss the resolution, then move for its adoption. The resolution as the last item on your NEC packet that was emailed to you the week before last.

This resolution essentially does two things. It clarifies the role of the honorary junior officers that includes no formal duties and, two, it allows the option for honorary junior divisional presidents to be elected at national divisional junior meetings.

Please note this only allows for the option. It does not require it to be done in any way.

At the most recent Presidents and Secretaries Conference, counsel general emphasized that the American Legion Auxiliary, a national corporation, has only one president and that we need to clarify that the role of the honorary junior president is just that, an honorary position.

This resolution clarifies that the position is a courtesy position, does not entail any official duties or travel as a representative of the American Legion Auxiliary beyond her travels to the national junior meeting and clarifies that there will be no campaign fund raising by juniors aspiring to be an honorary national junior officer.

The reasons for these clarifications is to reduce any possible liability to the Auxiliary, the junior, or her parents.

Madam President, I move the adoption of this resolution as presented in the packet.

PRESIDENT NELSON: Is there a second?

VOICE: Second.

PRESIDENT NELSON: It is moved and seconded to approve the junior activities resolution as presented. Is there any discussion?

MS. DORAN: Madam National President, Sharon Doran, Department of Arizona.

A little clarification and I suppose that -- and I might sound silly here, but I'm not quite sure about resolve that honorary divisional junior presidents may be elected at national divisional junior meetings to serve the ensuing year.

Isn't that normally done at our national convention?

PRESIDENT NELSON: It is, but this allows -- if we indeed decide to include the juniors at the mission training and they have their own meeting, it would allow that to happen in the future. We're not advocating for that one way or the other.

MS. DORAN: We're not precluding that this would set in motion that they would not attend the national convention?

PRESIDENT NELSON: No.

MS. DORAN: Okay. Then also at that same time then, when would the national -- what is called now the national honorary junior president, when would she be elected?

PRESIDENT NELSON: That will not change with this resolution.

MS. DORAN: That will not change. And then as far as the fund raisings, that doesn't affect fund raisings for projects with their own department? They can fund raise for their programs that are approved by the American Legion Auxiliary, correct?

PRESIDENT NELSON: Right. They just can't nationally fund raise.

MS. DORAN: Okay. And there doesn't -- wouldn't seem to be any adverse effect on the -- each individual departments running their juniors as stated, right?

PRESIDENT NELSON: Right.

MS. DORAN: Okay. Thank you.

MS. WARD: Trish Ward, NEC Kansas.

So you kind of have to have a white board to sort of figure all this out. And as my other shoes as membership person, the Membership Committee has been peppered with some of these questions regarding how this all fits.

In reading through this, I would move to amend the paragraph resolved to add the word membership before the word year and to add -- to strike serve and to add which they are installed so the paragraph would read, resolve that any junior elected to serve as an honorary junior officer must be paying dues as a junior member for the membership year in which they are installed and be it further with the rationale that in that individual is installed in that membership year, the previous paragraph would cover that following membership year upon which she may be 18.

PRESIDENT NELSON: Is there a second?

VOICE: Second.

PRESIDENT NELSON: Okay. We will vote on the amendment which will read, resolved that any junior elected to serve as honorary junior officer must be paying dues as a junior member for the membership year in which they are installed and be it further.

Is there any discussion?

(Whereupon, there was no response.)

PRESIDENT NELSON: All those in favor of the amendment, say aye.

VOICES: Aye.

PRESIDENT NELSON: Opposed, no.

(Whereupon, there was no response.)

PRESIDENT NELSON: The amendment is carried.

Is there any further discussion on this resolution?

(Whereupon, there was no response.)

PRESIDENT NELSON: Hearing none, we'll call for the vote. All those in favor of approving the resolution clarifying the role of junior officers, say aye.

VOICES: Aye.

PRESIDENT NELSON: Opposed, no.

(Whereupon, there was no response.)

PRESIDENT NELSON: The ayes have it and the motion is carried.

Thank you, Lisa.

CHAIRMAN WILLIAMSON: Thank you, Madam President.

(Applause.)

PRESIDENT NELSON: Thank you, Lisa, Janet, Elsie, and Kathy, for your Children & Youth report and thank you for adopting your -- oh, I'm sorry. We didn't hear from Janet.

(Laughter.)

PRESIDENT NELSON: There's number one. We will now hear from Janet Jefford, Children & Youth Chairman.

CHAIRMAN JEFFORD: Madam President, you have asked us to honor their service and focus on the faces of freedom. These two phrases also apply to our littlest heroes, the children of veterans and our military.

Units and departments are focusing on our mission and working hard to put smiles on these little faces of freedom. By far, the most popular partnership has been with Operation Military Kids. Through OMK and working with family readiness groups, units have been busy providing backpacks, school supplies, and Christmas parties.

In May, at the request of the Children & Youth Chairman Jerri Greenwell, the Department Executive Committee unanimously approved a special project allowing the committee to raise funds towards the purchase of kayaks for the May National Guard's kids' camp.

This camp consists of two one-week long residential camps for military children and served 164 children last summer.

The kayaks will be cooperatively shared with Operation Military Kids' programs throughout May and will be available for other military sponsored family days replacing old, unserviceable rafts. The cost of each kayak is \$500.

Today the Department of Maine has already received enough contributions for 15 kayaks and the project has been embraced by the entire Maine American Legion family.

(Applause.)

CHAIRMAN JEFFORD: A nice job. Now, how are units and departments working to reach the Children & Youth objective?

In Virginia, Children & Youth Chairman Cindy Kokernak is making it fun and easy. Adopting her department's Wizard of Oz theme, they are traveling down the yellow brick road making sunshine, lollipops, and rainbows for our Children & Youth.

She motivates the department by sending decorative monthly postcards to department officers and unit chairmen to remind them of the goals set forth in the Plan of Action.

She also utilizes the department bulletin and Facebook to stay in touch. Cindy says the wicked witch of apathy has no place in our Youth Development Pod and especially not in our Children & Youth Program. Her positive attitude is catching and working in the Department of Virginia and hopefully it's working in all of your departments.

I ask you to ignore that wicked witch of apathy and continue to do the great things you do for our littlest heroes.

Now will all the members of the Children & Youth Committee that are here please stand to be recognized.

(Applause.)

CHAIRMAN JEFFORD: Thank you for all your work this year.

I received many wonderful midyear reports and look forward to a hundred percent reporting this June.

Thank you, Madam President.

(Applause.)

PRESIDENT NELSON: Thank you, Janet.

A big thank you to the Youth Development Pod.

Presenting next is our Family Support Pod. Education Chairman Coral Grout will start off with the pod report.

Coral.

CHAIRMAN GROUT: Good morning.

VOICES: Good morning.

CHAIRMAN GROUT: Because we are a hands-on organization just for veterans, their families, active-duty members, their families and the homeless veterans with their needs, our pod developed a month-by-month activity list for our adopted unit.

We include activities such as meals, babysitting, being a sounding board for their concerns, helping local assistants when they need -- with their needs they may have or already have or have coming forth, and we identified the importance of using the media of all kinds to help explain the needs of this population and how the public can assist them.

VOICE: Although our pod was thrilled to have been the first pod to locate a unit to mentor, the family support pod has had a difficult time with the unit we were working with on this Plan of Action. They have not been able to locate a military family to work with due to roadblocks reported the unit president.

She has stated she is unable to obtain any information from the family readiness group or the bays or post commander with regards to a family who may need assistance. She contacted community church leaders and the local schools for possible leads. This subsequently led to nothing being accomplished with the unit.

President Kris and our pod have discussed this and it was decided to try and locate another unit in the Northwestern Division. A call for help was sent to the departments in the northwest by the members of our pod, Nini, Martha, Coral, and myself.

VOICE: President Linda Thompson of Minnesota responded back quickly saying she would contact the units in her department.

Bev Wolff from North Dakota also responded to our request.

Finally, Peggy Miller of Wyoming also began searching.

At the suggestion of Americanism Chairman and our pod scribe Melanie Taylor, we used the ebulletin to do a posting in search of another unit. We had several units who came forward, but at the time none were from the Northwestern Division. However, all was not lost. And now we have two units that we're mentoring.

So this year, for the remainder of the year, we are pleased to be working with Myrna Ronholm, President, and the members of her unit from Jamestown, North Dakota.

Thank you, Myrna, for allowing this partnership.

Also, we're working with Cassandra Lancaster and Unit 15 of Glendo, Wyoming. They're ready, willing, and able and are visibly involved with the activities that we included in our pod.

The units have adopted families and remembered them during recent holidays. To align further with the committees of our pod, they've done flag folding in the schools, boxtops for education, community flower boxes, and trained members as mentors.

We're sure that our unit will be -- units will be able to accomplish many of the wonderful activities that we worked so hard together to identify in our POD action steps.

Even though we're getting a late start, with two units, we guarantee success.

Thank you.

(Applause.)

PRESIDENT NELSON: Thank you. Thank you, Family Support Pod, for that excellent report.

We will now hear from Melanie Taylor, Americanism Chairman.

CHAIRMAN TAYLOR: Madam National President, the American Legion Auxiliary units all across this country have shown by example what it means to be an American. Flag etiquette, history, retirement ceremonies, and classroom education have been reported in all departments.

Pocket flags were folded and distributed to our troops serving overseas. Unit members worked with Boy Scout troops, Girl Scout troops, Cub Scout packs, and Legionnaires, JROTC cadets, and Sons of The American Legion teaching them how to fold flags. There were many sore arthritic fingers when they were finished.

Units in New Mexico contacted the Citizens Flag Alliance website as well as their legislators regarding their stance on the desecration of the American flag.

Youth were invited to flag retirement ceremonies all with the hopes that they will increase awareness that desecration of our flag is not acceptable.

The flag amendment is The American Legion's number one legislative priority.

In the State of Washington, the Pledge of Allegiance is being taught the correct way with no pause between one nation under God.

Certificates of appreciation and thank you notes were handed out to businesses and homeowners who flew the American flag daily.

A Kentucky unit raised \$10,000 for a healing field by having a poker run.

The Americanism Essay Contest, How Can I Show My Patriotism In My Community has been great tool in which the units can relate to. They are stressing to their units the importance of making sure that each essay has a cover sheet.

As we all know, the Americanism Program overlaps many other Auxiliary programs.

California reported units participated in the Ride 2 Recovery by organizing flag wavers along the route and providing meals at each of the rest stops along the way.

Many units purchased and participated in the Wreaths Across America laying these memorial wreaths at their national cemeteries and Arlington National Cemetery in Virginia.

Flags were distributed at welcome home and deployment ceremonies.

California is active in history through the eyes of women with real costume first person presentations and it features Betsy Ross as an annual program provided for the children on Presidents' Day. This member also spends many hours as Betsy Ross at the Reagan Library.

The tenth anniversary of 9/11 was remembered with units participating in candlelight ceremonies. Programs, flags, and 9/11 commemorative pins were handed out and refreshments were also provided.

Some departments reported that they are still sending youth to attend the Freedoms Foundation at Valley Forge.

Auxiliary members have also committed to assist The American Legion with the oratorical contest, junior's shooting sports, and Americanism programs were distributed including oratorical contest flyers, American Legion baseball programs and The American Legion shooting sports participant's handbooks.

So you can see there are many ideas that have been reported here on how your unit can accomplish the three objectives in the Americanism Plan of Action.

Now, we are here this week in our nation's capitol and Tuesday we will join The American Legion in the walk to Capitol Hill meeting with our legislators. Speak to them about the Auxiliary's Americanism Program and what we do for our veterans and the military and their families and also stress the importance of The American Legion legislative issues.

At this time, would the members of the Americanism Committee who are here please stand for recognition.

(Applause.)

CHAIRMAN TAYLOR: Thank you for your hard work.

And, Madam President, this concludes my report.

PRESIDENT NELSON: Thank you, Melanie.

(Applause.)

PRESIDENT NELSON: We'll now hear from our National Chaplain, Nini Lynch.

CHAPLAIN LYNCH: Good morning.

VOICES: Good morning.

CHAPLAIN LYNCH: Madam President, there were 11 department chaplains at the National Chaplains Conference in October. We shared ideas with The American Legion and one another.

We enjoyed camaraderie as we deliberated on the chaplains' plan of work for the coming year. And I thoroughly enjoyed meeting each chaplain and learning of their plans for their departments.

Departments across the nation have reported sending thinking of you cards, get well and sympathy cards, memorial bibles, and donations to Child Welfare in memory of deceased members or family members.

Bulletins are being circulated within departments requesting prayers for prayer books. Christmas boxes have been sent overseas to our troops.

And Arizona chaplains are being encouraged to express by work and action our founding principle of service to God and country to celebrate diversity among people in faith, to reconnect with the heart of God, and to increase awareness of the actual wording of the First Amendment of the United States Constitution as regards religious expression as well as provide emotional and spiritual support to The American Legion family by sending emails, prayers, cards, et cetera, to their members.

In the Department of Kentucky, chaplains are encouraged to connect with their sister auxiliaries, Legionnaires, and SAO family members by sending cards and presenting a positive image to everyone.

A first-time chaplain has overcome her fear of public speaking and is visiting VA hospitals and delivering books that she's collected.

The chaplain in the Department of West Virginia held a memorial service on 9/11 with special focus on the parents of children who lost their lives in that horrible attack.

The Department of Iowa chaplain reports presenting Gold Star banners and participating in an observation of Gold Star Mother, Son Day in September. The chaplain is writing articles for the department's chaplain's corner and she's also promoted thinking of you booklets for nursing homes and shut-ins.

The California chaplain states that their mission is to give uplifting prayers to veterans and their families as well as all people.

The chaplain reports charters draped during memorial services for lost members and a special memorial service in the planning for the Past National and Department President Josie Melgard.

Departments have reported that unit members have participated in Veterans' Day, Pearl Harbor remembrances, and four chaplains' memorial services.

Madam President, I'm pleased to report that God and country are being honored, supported, and promoted by the hard-working chaplains of the American Legion Auxiliary on the department and unit levels throughout the nation. And I'm truly excited about what will be reported by year's end.

We do have an ALA chaplain's Facebook page that was started by Vickie Thrower last year and she gave me administrative rights. And I am -- I would love for you to go out. It's just American Legion Auxiliary chaplains. You can put prayer requests there and the prayer requests that I'm getting, I'm posting on the Facebook page.

Now, ladies, this is a day that the Lord has made. Let us all rejoice and be glad in it.

Thank you, Madam President.

PRESIDENT NELSON: Thank you, Nini.

(Applause.)

PRESIDENT NELSON: We will now hear from our Community Service Chairman Martha Corriher.

CHAIRMAN CORRIHER: Madam President, if the committee members on Community Service in attendance would please stand for recognition for their hard work on this committee this year. I know we have several.

(Applause.)

CHAIRMAN CORRIHER: Thank you.

Community service, just what does that mean? Community means a social group residing in the same location and service means assisting others. So we add in National President's theme in the spirit of God and country, we serve veterans, military, and their families. How easy is that?

It's time to remember to focus our community service projects on our targeted group. You may say we don't have any veterans or military families in our area. Are you sure? Have you asked?

Don't take the easy way out and say we don't have any and use that way of thinking. Get bold and take a chance. Get out of your comfort zone and do something even it's go door to door and knock.

I want to share something that a unit in Pennsylvania decided to do to perform their community service and to get others in their community involved.

Unit 22 wrote a letter to the editor of their local newspaper and asked that their editorial be printed and they did. This is how the letter began.

Feeling gratitude and not expressing it is like wrapping a present and not giving it away. The writer then went on to explain that in February, there's an unofficial holiday called Random Acts of Kindness. The article stated kindness is free and appreciated by all.

America was founded on the principles of freedom, justice, and liberty for all and our nation's armed servicemembers work daily to protect these ideals for us.

The writer then went on to ask the citizens reading the article to consider performing at least one random act of gratitude during the week of February the 13th through the 19th, 2012. She reminded the readers this is a simple way to say thank you to our veterans and active military.

The unit enlisted the help of their veteran counsel to assist and complete several projects they had planned and they footed the expense.

The article also gave examples of ways the public could show their appreciation. I can't wait to see and hear about all the wonderful activities this unit instigated with their editorial letter and the wonderful random acts of kindness that sparks will soon take hold and travel all around the community.

So now you take what you've learned and do what? Make something happen in your community. You have the example. You have the know how to do it. Now make it happen. It's really that easy.

And remember, we never said it had to be huge. It just has to be. Rome wasn't built in a day, so why stress out planning some extravagant huge activity when all you need is to find one veteran or one family in your area and let them know how much you appreciate and value them for their service to our country.

This was only one example of community service that was reported. Others are printed in your printed material and much more will be reported at the year-end.

I ask one thing of each of you. If your unit is not willing to do a unit project, do something yourself and report it to your divisional chairman. Report it to your unit chairman so that she can include it in your unit state report.

And let those veterans know that you are doing the work for them. Don't report it just so that you get self-praise, but report it because it's the right thing to do and the right people to do it for.

We do have many unit members who for whatever reason don't want to take part, but don't let that squash your energies and your passion for community service. Don't let it go unnoticed. I want to hear about those activities that you do as a group or as an individual and I want pictures.

The organization wants to hear and see what you're doing. We learn by example. And we have the best teachers among us, you, our grass roots members. By sharing your ideas and brainstorming your projects to benefit our veterans, military, and their families, we will accomplish much.

What we started at the beginning of the year, we will continue to do it because it's the right thing to do and we do it from our heart.

And so now what I want you to do, I want you to take your arms and I want you to reach across and grab the hand next to you and if there's somebody there and I want you to say -- yeah, this is your exercise for the day -- I want you to repeat after me. Thank you for what you do in community service. Keep up the good work.

(Whereupon, the audience complied with request.)

(Applause.)

CHAIRMAN CORRIHER: Madam President, that concludes my report.

PRESIDENT NELSON: Thank you, Melanie -- I mean, Martha.

(Laughter.)

PRESIDENT NELSON: Whoops.

We will now hear from our Education Chairman Coral Grout.

CHAIRMAN GROUT: How can I follow that one?

Madam President, good morning, ladies.

VOICES: Good morning.

CHAIRMAN GROUT: Based on the information that was included in the 33 department reports that were submitted at midyear, our units and our departments are busy at work on the Education Program. However, where are the other departments that didn't send off an education report?

A word to the wise — we will call you again and again for your department report for National's end of year report. So please save us a phone call.

In the Department of Georgia, a unit has combined give ten to education with a school district's literacy program. That unit is number 147, Hapeville, Georgia.

So far this year, they've delivered two tubs of school supplies to each of their local elementary schools. Those supplies were donated by the unit members as well as local businesses. The supplies included pens, pencils, magic markers, notebooks, and crayons.

The unit members also filled two baskets with apples, crackers, and candy in honor of American Education Week. And these were delivered to the town's two middle schools.

Members are tutoring the grandchild of a veteran in the areas of mathematics and reading so that the student will pass those dreaded state tests.

Units in Michigan, North Carolina, Florida, California, and elsewhere in Georgia also promoted similar activities for give ten, American Education Week, and literacy.

We still have many months before the annual reports are due. The Education Program has always been one of the Auxiliary's premier programs. It gets our name out into the community. It brings in members and it provides a future to a student or students who may not have that opportunity because the money is not there.

If your unit has not participated in education yet, here are a few suggestions that you still have time to do.

Number one, deliver scholarship applications to your local schools. Please don't mail them and expect them to give you a response. School administrators have so much on their plate that if something comes through the mail that isn't familiar to them, it goes into the circular file.

It's important to introduce yourself to the school staff. At the same time, they might share with you information on how your unit might help families of our enlisted and our veterans.

Number two, donate a Need a Lift DVD to your local high school if they don't have one. It's a mistaken belief that The American Legion sends a DVD to every high school in the country. They accomplish it with most, but your school might be one that doesn't have one. And it includes a whole myriad of things that students can do to obtain funding to help them through college.

Number three, locate information about the challenges facing children of our military, particularly the mental health issues. And don't hesitate to share it with school administrators.

Number four, raise funds for scholarships for children of our military. Scholarships don't necessarily mean that they have to be just for college. Younger children can enjoy a scholarship to a summer camp, for example.

All of these activities are areas that you can still get involved with. We're hoping as a committee that your annual report will include many of these and many more. Please don't hesitate to call us or email us if you need answers to questions. We'll be there to help you.

Are there any members of the National Education Committee in the audience today because -- ah, thank you very much.

(Applause.)

CHAIRMAN GROUT: Madam President, that concludes my remarks.

PRESIDENT NELSON: Thank you, Coral.

(Applause.)

PRESIDENT NELSON: Thank you to the Family Support Pod for your excellent reports.

Would you like to stand and stretch for a minute before we go on to the next -- (Whereupon, there was a pause in the proceedings.)

PRESIDENT NELSON: Okay. Stretch your arms up as high as you can get them. Stretch.

Okay. I had a couple questions last night about what stretch giving is. Okay? So stretch as high as you can stretch. Stretch giving is looking at your budget for the year, personal budget, and seeing what you're going to donate to organizations and stretch a little bit more. And we're asking that that donation be to the American Legion Auxiliary Foundation.

So you can be seated. I want to share with you at our training for the Foundation Board training this week, the professional consultant we had talked about when she was first starting work and she belonged to an organization where she was only making, I think she said, about \$17,000. And they asked them to think about stretch giving.

And so she and her husband talked about what they could do and she decided over a three-year period to give \$1,000. So that was her stretch. And then she divided it up by the month and that's how she donated.

So does that answer everyone's question about what stretch giving is? Decide your budget and just stretch a little bit more. Thank you.

We're now going to present the Veterans/Military Support and Advocacy Pod. Poppy Chairman Krisann Owens will begin with the pod report.

CHAIRMAN KOUTZ: The VA&R Veteran/Military Support & Advocacy Pod Project was to have a small unit create a food pantry or food bank program in their community either using their post home or partner with other organizations to bring awareness to their community about veterans, military families, and homeless veterans.

CHAIRMAN BROWN-PARK: We initially had a unit that volunteered to work with us on the project. However, due to some unforeseen circumstances, they were unable to continue.

This created a situation of finding another unit willing to participate. This came in the form of one phone call and an email. And within hours, Unit 121 in Berkley, Massachusetts volunteered to work with the pod.

And I promise at convention, we're going to have all those cute little pictures like the Youth pod did because we're pretty competitive.

(Laughter.)

CHAIRMAN BROWN-PARK: They had an established food pantry program and it was decided that we could learn from them about how to actually work a food pantry and pass the information to our members and units so that they may want to take up this challenge.

CHAIRMAN OWENS: The unit started the food pantry in 1988 and now has four other organizations that work with them. There are three members that volunteered ten hours each week, each one week per month in the food pantry and there were four unit members that clipped coupons. They have quadrupled their savings by using coupons, giving them the opportunity to reach more people in need.

The unit has bingo on Saturdays for local senior citizens with the prizes being canned food or other food staples. A hot lunch is served to those who may need a meal at the cost of a smile.

This unit embraces the mission of the American Legion Auxiliary and we're happy to pass their lessons learned on to the organization.

Thank you.

PRESIDENT NELSON: Thank you, Vickie, Nancy, Ann, and Krisann, for your pod reports.

(Applause.)

PRESIDENT NELSON: We'll now hear from Ann Rehbein, Legislative Chairman.

CHAIRMAN REHBEIN: American Legion Auxiliary members have been participating in legislative activities in various ways while following the objective to promote and support The American Legion's priorities and agenda.

Members have contacted their legislators face to face, by phone, fax, email, and snail mail and have reported to their chairmen the responses that they have received.

They have found that The American Legion's legislative center web page is a valuable information resource. Here members can find legislative testimony, a weekly legislative update, point papers, and priority sheets, the legislative question of the week, and information on using the Thomas website to locate all things happening on the Hill.

The dispatch also provides information and the American Legion Auxiliary's advocacy guide explains how to be an advocate starting on the grass roots level.

Ohio reports monthly mailings and updates on legislative issues. During their midwinter, a legislative seminar was given to their attendees.

They are working on a program called Angels of Veterans provided by the State of Ohio and help is found for veterans, steering them in the right direction, finding food and shelter.

Massachusetts reported giving handouts of the legislative Plan of Action and upcoming meals to its Auxiliary members at their fall conference and continued with giving pertinent information on legislative bills forthcoming in the state to all units on a regular basis.

They are continuing to alert their constituents on issues regarding female veterans, health care for our military families, and other issues with our veterans.

Down in the Atlantic Bergen Mercer Counties of New Jersey, much support is given to the support of Senate Bill S-1933. The legislative chair from New Jersey gathered over 2,000 signatures for letters sent to their senators regarding veterans' benefits funding. Say no to veterans being a target.

She also went the extra mile and connected with other military organizations to join in to give their support.

These are just a few of the many ways our membership is effectively working with our legislators to benefit the veteran and their family.

I invite you to join us this afternoon for the advocacy fundamentals workshop where you will receive much more detailed information about advocating for veterans and the know before you go session tomorrow afternoon at four where The American Legion will explain the priorities that they wish to be discussed on the Hill.

Will the members of the National Legislative Committee please stand and be recognized. I know many of you are here.

(Applause.)

PRESIDENT NELSON: Thank you, Ann.

We will now hear from our National Security Chairman Vickie Koutz.

CHAIRMAN KOUTZ: Madam President, I would like to start off by having my committee, the National Security Committee, please stand and along with them any Department National Security Chairmen.

(Applause.)

CHAIRMAN KOUTZ: Thank you. Thank you. Lots of hard workers here.

A special thanks to the 39 departments who submitted reports. Out of these, 18 participated in some kind of Yellow Ribbon Program or event.

The Yellow Ribbon Program was certainly visible in the Department of Delaware. The Auxiliary made and distributed over 400 ribbons along highways and placed them on flagpoles.

All the districts in Vermont reported participating in special events, and yellow ribbons were everywhere across Alaska.

The USO has been blessed by lots of Auxiliary members volunteering their time and talents this year.

Members in West Virginia have participated in a USO Operation Phone Home and United Through Reading Program.

Indiana distributed 500 pocket flags and Rhode Island sent 1,600 pocket stars overseas.

New Jersey supplied books, cameras, and DVDs.

Our servicemen and women were able to record messages at USO facilities, which were sent home to their families.

Helmet liners and scarves were made and sent from Pennsylvania members.

And you've already heard about the unit in Maine who purchased a Kayak to support their Operation Military Kids Program.

The Department of Missouri through their CERT Program donated \$2,000 to tornado victims, \$100 to schools for shoes, socks, and underwear, and \$2,000 in clothes, food, and other items.

Wisconsin members took part in first aid and CPR training and gave out information on basic emergency kits.

Minnesota members made winter survival kits.

Unit members from Iowa and Kansas helped in various ways with honor flights. What a wonderful gift for veterans the honor flights provide. Making sure those special men and women see the memorials paying tribute to their service is a satisfying experience for the volunteers.

Illinois members collected blankets and socks for flight nurses to help the wounded warriors. Blankets and socks make those flights home a little more comfortable.

Michigan and Ohio Auxiliary ladies also helped wounded warriors in their areas.

A unit from the Department of Washington partnered with a local dentist office to support a group at Kandahar Hospital by sending 20 boxes of goodie bags, clothing, boots, hats, and coats as well as donating money for the shipping.

Units from Colorado, New York, Minnesota, North Carolina, South Carolina, Oregon, and Utah presented Blue Star and Gold Star banners and pins to military families.

A lot of times in our areas, the moms usually receive the Gold Star -- the Blue Star and Gold Star banners. But in Florida, a Blue Star banner was presented to a very proud dad.

The National Security Program encompasses so many different components that it is hard to capture all of them in such a short time. There is more details in the written report.

Remember May is coming up and that is National Military Appreciation Month. At this time, I would like to share with you a quote from Christina Koffman, an Army wife.

She states we as a nation have a solemn obligation to care for those who fight and defend our way of life. When a soldier takes the oath of office, his or her family takes that office too. Behind every soldier in uniform today is a family struggling with the stresses of war.

In closing, I ask for all of you to please keep our military in your thoughts and prayers and never forget they are the ones putting their lives on the line every day for our freedom.

Madam National President, that concludes my report.

PRESIDENT NELSON: Thank you, Vickie.

(Applause.)

PRESIDENT NELSON: We will now hear from Veterans Affairs & Rehabilitation Chairman Nancy Brown-Park.

CHAIRMAN BROWN-PARK: Madam National President, can I ask the members of the National Veterans Affairs & Rehabilitation Committee that are here to please stand.

(Applause.)

CHAIRMAN BROWN-PARK: These women truly work hard all year long from Creative Arts Festival to tracking VAVS hours, working, you know, to try to promote homeless veterans. They actually do an amazing job.

It is almost impossible to not be overwhelmed with pride when you read the reports from divisions, departments, and units, Veterans Affairs and Rehabilitation chairmen across the country.

Our members are living each day your focus of service, not self. There are so many amazing stories, but I've been asked to just share one, but there are so many amazing stories.

In Wisconsin, the American Legion Auxiliary President Joan and their executive board approved a Plan of Action with four goals for our homeless women's veterans project.

Goal number one was to establish a grant program, which offers assistance in the form of grants to women veterans that are homeless or at risk of being homeless. To date, this grant fund has raised over \$50,000 in donations.

(Applause.)

CHAIRMAN BROWN-PARK: And those donations have come from the Wisconsin Legion Family and they have distributed over \$35,000 in grant assistance to 27 homeless or at risk women veterans.

Goal number two was to establish a list of volunteers that included Auxiliary members from each district, county, and unit that were willing to be the connection to

women veterans and their communities when personal contact is required to complete or to assist in a grant request.

To date, they have 30 American Legion Auxiliary members volunteering to be that connection to women veterans who need help.

Goal three was developed to develop to a program called Making Connections Women to Women with three issues in mind. The first was to help women veterans know about VA benefits they have and have earned.

The second was to connect to VA hospital representatives and other community resources and help get the VA benefit information to women veterans in small communities and rural areas of Wisconsin.

Making Connections Women to Women is designed to empower Wisconsin American Legion Auxiliary members to become a resource of information, honor the military service of women veterans, and to create awareness in their communities, ensuring all women veterans are aware of VA benefits, services, and other community programs.

To date, the Department of Wisconsin has helped six Making Connections Women to Women workshops.

Their fourth goal was to create a written resource directory of VA benefits to share with The American Legion family and other veteran service organizations and all veterans.

All of the homeless women's veterans program's documents were shared with Wisconsin Auxiliary members and are posted on their department website. And I will tell you it is a step-by-step that you go back and do yourself. So if you have a pencil, I'll give you that website because you might want to look at it. It's www.amleginauxwi.org.

VOICE: One more time.

CHAIRMAN BROWN-PARK: Okay. www.amleginauxwi.org, O-R-G. And truly there's pictures. It's step-by-step. It's an amazing program and really very simple as you go through the process to look at it. So take a little time when you get back to look at it.

So hats off to the Department of Wisconsin and their homeless women's veterans program Chair Retired Department Secretary/Treasurer Kathy Wollmer, retired I say. So she found -- after she retired, she saw a need and she's filling that need.

So, Madam President, with your approval today, we have awarded two \$1,000 mini creative arts grants for local Creative Arts Festivals.

The first to Palo Alto Veterans Hospital, Pat Klein, hospital representative, and Anita Biggs, Department Chairman, and the second with the help of Martha Corriher went to Salisbury WG, Bill Hefner, North Carolina VA Hospital, Department Chairman Sharon DuVell (phonetic).

So we created a brand new grant for them this year. It's exciting. So we've given out to two hospitals to help them because their budgets have been cut. So we've actually gotten two and with Kris' approval, we've given away \$2,000. So that's pretty exciting.

(Applause.)

CHAIRMAN BROWN-PARK: So we want to keep giving that money out for mini Creative Arts Festivals because we think that's the way to get your community aware of what we really do in local creative arts.

So please keep working for our veterans and each of you can do just that by raising funds for the National Creative Arts Festival to help us meet our financial goal to provide in kind donations for the Ride To Recovery and adding volunteers in your local VA hospitals and veterans' homes.

Madam National President, this concludes my remarks.

PRESIDENT NELSON: Thank you, Nancy.

(Applause.)

PRESIDENT NELSON: We will now hear from Krisann Owens, our Poppy Chairman.

CHAIRMAN OWENS: Madam President, good morning, ladies.

VOICES: Good morning.

CHAIRMAN OWENS: The Poppy Program is enjoying an enlightening year. Our members have embraced a few changes to the program and are actively working to make the poppy very popular.

Our members are educating communities about the poppy story and poppies could be seen through the holidays at many functions, which included a very detailed Christmas tree garland made entirely of poppies.

Veterans' Day and Pearl Harbor Day saw poppies being worn by veterans everywhere. As one department chairman said, it was like a sea of red poppies.

One unit put pin backs on 350 poppies to be handed out. Now, that's dedication.

Miss Poppy Program is still popular around the country and Miss Poppies are seen at many functions throughout the communities including craft fairs.

The Poppy Poster Contest is in full swing and we're looking forward to seeing what the children are producing.

The Poppy Fields Across America Project is gaining in popularity. Many units have committed to producing a poppy field in their community and it's a simple project to engage your members.

And there's a side note to this. We've discovered that poppies when germinating like most plants are very sensitive to the climate. We had a lot of units that planted the poppies in the fall and, of course, they were wiped out with the first freeze. So we want to make sure that you keep that in mind when you're planting your poppy fields.

And, Madam President, may I introduce any of the Poppy Committee members that are here?

Are there any members from the National Poppy Committee?

(Applause.)

CHAIRMAN OWENS: Thank you.

How many poppy chairmen do we have, department chairmen? Oh, wow.

Well, thank you, Madam President.

PRESIDENT NELSON: Thank you, Krisann.

(Applause.)

PRESIDENT NELSON: Please join me in thanking all of the national chairmen for their report.

(Applause.)

PRESIDENT NELSON: Personally a big thank you from me for all that you have done, for the reports that you've made both oral and written, and for taking the pod project forward.

It's exciting for me to go around the country and hear from the different units that it's working for them and it's given them an easier way to work our program. So thank you all.

Before we go on, we have a special day today. Our National Central Division Vice President Florence Briggs is celebrating her birthday.

Can you stand up, Florence?

(Applause.)

PRESIDENT NELSON: Wait, wait, wait, wait, wait, wait, wait, wait. Jan Pulvermacher had a birthday this week.

Can you stand up, Jan.

(Applause.)

PRESIDENT NELSON: Anyone else have a birthday this week? Oh, one more up here, Peggy. So we have three birthdays this week. Oh, one more. Who else? Stand up. Wow. Let's sing happy birthday to everyone.

VOICES: Happy birthday to you, happy birthday to you, happy birthday dear birthdays, happy birthday to you.

(Applause.)

PRESIDENT NELSON: Thank you.

We will now hear from our National Secretary and Executive Director Dubbie Buckler with her report.

SECRETARY BUCKLER: Thank you, Madam President.

I'd just like to share a few things with you and run through some items that I think would be of interest to you. Some will be repetitive just -- but on purpose.

You heard last night when both Linda Boone who is the Chair of Foundation and Nicole Clapp who is President of the Foundation Board and Nicole Clapp who is Chair of the Finance Committee, you heard talk about direct mail.

Well, one of the things that's wonderful about the American Legion Auxiliary is that you never know what year it is. Our membership runs as a calendar year. Our fiscal year runs from October to the end of September. The administrative year runs from approximately the 1st of September to approximately the end of August. And then we have the IRS who has all of their forms and things that have to be done on a calendar basis.

So when you look at someone from your department or National Headquarters and they're saying, well, what year is it and there's a pause, there's a reason for that.

So one of the things that we shared was that for the calendar year 2011, I just want to repeat this because there's been a lot of discussion over the last couple of years, a lot of it directed at me, about the direct mail campaigns, but the end result is in 2011 calendar year, it netted, netted \$330,000 for the American Legion Auxiliary.

Now, that is awesome and that came from 85,000 different gifts, 35,000 of those were from non-members of the American Legion Auxiliary. I just wanted to repeat that because that really is a milestone for the organization and it's -- whether you love it or hate it, it does work. So it's one of the reasons why we do that.

Quadriga who is the company that we are working with is a \$5,000 sponsor of this conference and they will be a \$10,000 sponsor of the National Convention. So they are in turn investing back in us.

(Applause.)

SECRETARY BUCKLER: And along with that theme of investing in us, I always like to do a little pulse poll. Anybody get this?

(Laughter.)

VOICES: Yeah.

SECRETARY BUCKLER: Anybody know what I'm holding up?

(Laughter.)

SECRETARY BUCKLER: Okay. This is a very scientific poll, hands up in the air. How many people like the magazine, thumbs up?

(Whereupon, a show of thumbs up.)

SECRETARY BUCKLER: How many people don't like it?

(Whereupon, a show of thumbs down.)

SECRETARY BUCKLER: So we're doing okay. We -- are we starting to meet your expectations with what you want to see in the magazine? Okay.

(Applause.)

SECRETARY BUCKLER: One of the things that Linda Boone pointed out last night that I want to share is we've talked a lot over the last couple of years about the American Legion Auxiliary needs to invest in itself. And one of the ways we invest in ourselves is by spreading the word through a variety of means, but raising awareness about who we are.

National President Kris, before her National President Carlene, before her -- I mean, we can just go on and on back. I've heard you all who've been past national presidents say that as you travel across the country, you're always surprised at how many people do not know who the American Legion Auxiliary is.

So there's a lot of work yet to be done, but one of the things we're -- so we're trying. One of the things that we've tried to do to improve our identity and raise awareness first off internally is by, you know, branding -- we've shared this before -- but branding all of our -- my little arthritic fingers aren't doing a good job of fanning these, but you now have an awful lot of materials and they have the same look and feel. And that's by design so that it better emphasizes, makes a better, more lasting impression about who we are, what we do, and why we matter. So branding is really important and we have taken that very seriously at National Headquarters. And I hope you like what we're doing with this.

So in general, are you liking what you're seeing coming out from this?

(Applause.)

SECRETARY BUCKLER: Now, one of the newest additions to the family now that I fanned them -- I won't have my little hands last and probably the last one -- well, anyway, one of the newest additions is The American Legion Family brochure that has the --

(Applause.)

SECRETARY BUCKLER: So you like that?

VOICES: Yeah.

SECRETARY BUCKLER: Not that anything can be done quickly around here because that took a year and a half working with The Legion to come up with that, but it got done. So, you know, sometimes things take a little longer than you might anticipate, but we're glad that you like that.

And what we're finding out at National Headquarters is it's hard to keep those in stock already. So we do have a supply of those.

On the back of the cover, I want to -- I just want to point out what we did. We talked about investing in ourselves. We try to do that through branding. We had an advertiser who didn't pay for their ad to appear on the back cover and at the very last minute, right literally like the day before this thing was to go to press, I said, well, okay, well, yank it and we're just going to create an ad for the American Legion Auxiliary Foundation and put it on the back because that -- that's prime space on a magazine.

So did we get an advertiser who paid for that? No. But we took that space and we invested it in ourselves by putting an ad, if you will, by putting a message on the back cover of the magazine. Hopefully we won't be doing that each issue because it would be nice to have someone who's paying for that back side.

But I want you to understand why we did it, because we took it as an opportunity. At the last minute, things happen and so let's just invest in ourselves. So that's just -- just wanted to explain a little further because we had -- I had some questions about that afterwards why we did that.

(Applause.)

SECRETARY BUCKLER: Another way that we're going to try to invest in ourselves by providing materials and resources that help us do a better job of being who we are and explaining internally who we are, what we do, and we matter, and that is the mission training video.

How many of you went to one of the mission trainings? This is an opportunity to stretch your arm, too, so you can just kind of wave them around and get some blood flowing?

The request was, gee, there are people who can't go to those, we -- it would be nice if we could put those on the video, get that information boiled down.

So we're going to prepare five video -- a five disc video series that would be arranged by the PODs and the shooting for that is going to begin literally after we get back from this meeting.

So once we get that done, edited down, we'll know exactly how many discs that takes and we'll be offering a set to the departments and we'll be offering available at cost.

So I can't tell you what that's going to be, but, you know, we just try to make it so that there's no profit being made at your National Headquarters. But we do have to recover the cost to do that. So just stay tuned for that, but we're excited about that.

We hit a milestone moment this year with the American Legion Auxiliary's management information system, what we lovingly call the ALAMIS. When I say that, how many of you do not know what I'm talking about?

Oh, you all love it, don't you? Okay. Didn't get quite the enthusiastic response that some of the other stuff had.

But we have hit a milestone because phase one which was the implementation phase, I'll just -- just to put it in perspective, we imported data, and I'm not going to do a

deep dive into this, but we imported data that had been managed by The American Legion for 18 years, realized it was coming over in a different vehicle and a different format than what we expected. So, you know, the launch of the ALAMIS was a little rough. We know that. Oh, that's an understatement. Yes, we do know that.

And I would like you all – Marta, stand up. This is when you stand up, Marta. Yeah, no, no. You are not going to throw things at her. This woman has endured and her staff so many phone calls, anxious moments, comments, some of them -- one of the reasons we have a character initiative, some of them who kind of fell off that wagon. And she has done it with a smile on her face 90 percent of the time and I just would like to recognize what she and her staff have done --

(Applause.)

SECRETARY BUCKLER: -- to bring this management information system to where it is. Most of the bugs are out of it now and we hit a milestone. And that is we've entered phase two and we have now -- we -- remember we said we would leave it up to departments to determine if they would like to have units coming on line. We now have some 50 units that have been authorized to come on to the system.

They're test -- yes, Marta is over there test, test -- coming on as test units. They're -- they will be able to see their members and they can make updates to their member profiles. And they can pull a real-time membership roster.

So this is a real milestone that we've been able to move from the departments into the unit level for that kind of interaction with the system.

So even though it doesn't sound like a big deal, it really is a big deal. And for any of you who are -- are any of you here in one of those test units that's on line?

(Whereupon, there was a show of hands.)

SECRETARY BUCKLER: Oh, look at those hands up. Great. So we think it's a good thing. We're hearing good feedback from those that have done that. And we just want you to know that for all we -- the wealth of knowledge, the wealth of passion we have in this room, we are all beholden to those who have any knowledge about IT.

IT people rule the world. Just -- we all just need to understand that. We can ask for whatever we want, but IT people rule the world and we now have the stars aligned a little bit. We're able to bring some of the units on line.

So we just -- I wanted to share that because that really is -- it doesn't sound like much when I'm up here standing, but that was a really big deal.

(Applause.)

SECRETARY BUCKLER: It was a really big project. Thank you.

Okay. I'm sorry. And so Marta is anxious to have more interaction. So she has said if you -- in your departments, if you have any units that you're ready to authorize to come on line, all they need to do is send a message to the ALAMIS help at American Legion or alafveterans.org. So trust me, your departments know the email address for the ALAMIS.

So if your departments are ready to bring a unit online, they just need to email us and let us know and we're ready to go that direction. So, big milestone.

Another thing I'd like to say to all of you and to Madam President is you really have a terrific National Headquarters staff. And some of them are here.

(Applause.)

SECRETARY BUCKLER: Thank you for that.

And some of them here have been introduced. I want to ask Tim to stand up again.

(Applause.)

SECRETARY BUCKLER: He does it so reluctantly.

(Laughter.)

SECRETARY BUCKLER: But I want to emphasize something that your -- the external auditor said last night. We get audited. This is a -- you saw the numbers last night. This is a big organization, 800,000 members. It's a big organization. Your National Headquarters is a big operation. It's in the business world a \$25 million enterprise.

I really want you to be proud because we haven't done anything to put you on the front page of any newspaper that would embarrass this organization.

(Applause.)

SECRETARY BUCKLER: And that -- thank you. And that's a lot of work that you don't see and we don't expect you to understand it. I'm not asking you to understand it. Just want you to be aware that to get an audit where you don't -- for an organization of this size where we don't have any recommendations for procedures that you should change, that's huge. That is just huge.

And, my gosh, if we have one thing down, we do have policies, rules, and procedures down pat. We've got checks and balances out the wazoo and you don't need to be worried about anybody absconding at your National Headquarters with anything that they don't -- that they shouldn't be taking.

Rules about reimbursement, I will tell you that the National Controller came into the National Secretary's Office and said, Madam Secretary, you've turned this in a little late and we can't reimburse you for it. And I said that's fine.

So we do follow the rules and we have a lot of them. We are -- our 401(k) is audited. Our magazine is audited. And regardless of what the actual scale is, we've gotten an A plus on all of those. And I'm just really proud of that and want to share that with you.

(Applause.)

SECRETARY BUCKLER: Another thing is back to the magazine; one of the things that we're going to be doing this year is a reader survey. And in the magazine publication business, you should be doing these every four or five years. We haven't done one for 11 years. We're well overdue to have one done.

And we're doing one this year. And one of the reasons when I got here that we waited is because if I didn't hear anything else loud and -- well, I've heard a lot of things loud and clear. But one of the things I heard loud and clear when I got here was the magazine was not something when I arrived on the scene that anybody really was enamored with.

So we did a real overhaul of the magazine and it needs to be in place in its overhauled mode -- how do you like that for a sentence -- before you go out then and ask people what they think of it and what -- you know, who you are.

So if you get a letter -- because this is totally random, you won't all get a special invitation to participate in this. It doesn't work that way. This is a truly random reader survey. But if you get a letter to participate in it, please do because that's how we determine what the content should be, but it also helps attract advertisers.

And I hope you've noticed that the qual -- or the caliber of advertising is inching up, but we're not going to get Ford on the back cover of our magazine yet because we're not there. It -- we're not doing it frequently enough and we just have to continue getting A plus audits on the magazine.

And we have to have a reader's survey that advertisers can see that shows that we care enough about our product to ask our members what they think about it. So that's going to happen.

I just want you to be aware of it because if you get one of those, it really is legitimate. No, nobody is going to come and hand you a million dollar check if you fill it out. There's no sweepstakes associated with it, but we really do want you to participate in that.

The Girls State operations guide, that's been a big deal. That's been a big project in the works. I want to mention it again because when I sent the first compiled rough draft to counsel general, and he has had a big hand in this and he has reviewed it meticulously, so he called and he said, okay, I've gone through this and I have some comments.

Now, I'm used to this. And that means, you know, put phone on speaker because I'm going to be typing really fast or I'm going to be writing really fast. He said my first comment -- I can't do his voice -- my first comment -- is that better -- this is outstanding.

(Applause.)

SECRETARY BUCKLER: So I don't think we should publish it as a Girls State guide. I think we should publish it as an Americanism and Youth Program guide. I said, okay, I'll meet you half way.

We have people expecting a Girls State Program and operations guide, so let's go ahead and do what we said we were going to do. And then when this is -- when we do the final pass and it's on the site, the Legion is going to take it and adapt it. We're going to make it more generic and adapt it as a program and operations guide for all the Americanism and Youth programs within the Legion family.

So kudos to us. Woo, woo, woo, woo, woo, woo.

(Applause.)

SECRETARY BUCKLER: Not that we get excited about anything very much. So that was just a really big deal.

And another thing that I want to share, this is kind of a hooray moment, this is the generic Girls State logo. If your department doesn't have a Girls State logo, you can use this logo.

If you want to create your own, you -- we have to go through the -- all the -- and I'm not going to go into details because we've had lots and lots and lots and lots of discussion about this. We can create -- you know, you can create one and as long as it conforms with all of the trademark requirements, we can approve whatever -- you know, a different logo.

But when this one was first adopted before I got here, it didn't have the emblem on it, so counsel gen -- and neither did the Boys State one, so we're not, you know, alone. The counsel general said you got to put the emblem on there.

So -- and then what you have to do with trademark, a lot of you know and Ginny knows this well, you have to keep your trademarks updated which means you have to file them, which means there are attorneys involved, which means there are costs involved.

So updating our trademarks was a \$25,000 expenditure. And one of the things that counsel general said in the Girls State workshop was that The American Legion owns the trademarks and emblems for the American Legion Auxiliary.

So he said this is what it's going to be. It's going to be \$25,000, blah, blah, blah, blah. And I thought about that and called him back and I said, counsel general, if The American Legion owns the trademark, shouldn't The American Legion be the one to pay for that?

(Applause.)

SECRETARY BUCKLER: So we all owe quite a thank you to The American Legion because they are paying to update all of our trademarks. So that's not an expense the American Legion Auxiliary had to incur.

(Applause.)

SECRETARY BUCKLER: A couple other quick things. National President Kris announced that the credit card was going to launch. Kathy, are you trying to get my attention because I'm not doing something right?

CHAIRMAN DUNGAN: No. I wanted your attention because before you left the guide, I failed to recognize my committee and I would like to recognize Vickie's committee that worked on this project.

SECRETARY BUCKLER: You know, that's excellent because this has been a lot of work. So if you all didn't hear Kathy, would this year's Girls State Committee and Vickie Koutz stand up with last year's Girls State Committee.

(Applause.)

SECRETARY BUCKLER: Oh, heck, if you've ever been on a Girls State Committee, stand up because this has been a long-time work in progress.

(Applause.)

SECRETARY BUCKLER: Okay. So lots of people have had a hand in this. And, Kathy, thank you very much. It was a big deal.

Okay. Another big deal is how many of you currently have a credit card through the American Legion Auxiliary Bank of America?

(Whereupon, there was a show of hands.)

SECRETARY BUCKLER: Okay. I'm going to talk candidly here. As of December 31st, Bank of America ended its relationship for that credit card program. And I'm saying things you know, but I want to emphasize something.

So if you have the card, you can continue to use the card, but it doesn't earn the same benefits to you and it earns no benefits to the American Legion Auxiliary now.

In April, and you're going to hear more about this tomorrow, we're going to be launching the USAA American Legion Auxiliary credit card. And they're really beautiful designs. I hope you look at them.

You will probably, if you hold a card currently, you will probably get some sort of a notice. This is how this works in the industry. Bank of America is going to want to send you a card with a standard expiration date in hopes of keeping you as a customer.

I'm personally asking that when the USAA card launches that you consider breaking the relationship with Bank -- your Bank of America card and apply for the USAA card because there's going to be -- you're going to hear about it tomorrow.

There are going to be better perks for you, certainly better royalties back to the organization, which we intend on sharing with departments. So it's a win, win, win all the way around.

Apply for the card and then go charge like crazy and then the Auxiliary benefits. So it's one of the few times will you hear me say put it on your credit card.

And then finally I want to -- another big milestone we've hit is with the volunteers and service to America. The American Legion Auxiliary call to Service Corps VISTA Project, it may be a mouthful, but it is a federal grant that was awarded to the American Legion Auxiliary.

And this year, we eclipsed the million dollar mark in resources that the American Legion Auxiliary has received human resources, VISTA, Americorps National Volunteers and Service through that grant. That's huge. That's a million dollar milestone for external resources that have come to this organization.

(Applause.)

SECRETARY BUCKLER: And we now have currently 55 VISTAs that are working either within the American Legion Auxiliary or some 20 other organizations that are part of the American Legion Auxiliary Call to Service Corps consortium.

So there are organizations that know about us that didn't through this project. They have resources thanks to the American Legion Auxiliary. So just want to share that because I think that's great news.

So with that, those are the things that I thought would be of interest to you.

Thank you, Madam President.

(Applause.)

PRESIDENT NELSON: Thank you, Dubbie.

Is there any new business to come before this meeting?

(Whereupon, there was no response.)

PRESIDENT NELSON: Okay. If not, I'm going to ask the NEC, how many of you have seen the membership recruitment video that was distributed at the membership workshop?

(Whereupon, there was a show of hands.)

PRESIDENT NELSON: Not very good. So here's your homework. You go home and find out why that video has not been distributed throughout your department. It was given to your presidents and your membership chairmen incoming for this year. And it was their responsibility to make sure that it was distributed within your department.

It's a great video. It was professionally done. And it's to take and use within your community to help you promote our organization. It's a short video. You can show it to rotary clubs, to schools, to any organization and it's to help you recruit members.

So we're making the tools available, but they're not getting out. So that's your homework. So are you going to do it? All right. It's also on the website, so you can download it right from the website. But we want you to go home and in your report, that should be number one. We have a tool for you to use and get that out to your unit members.

I'm also going to take one moment of personal privilege. I haven't been home this year only five days and that was at Christmas, so the only people I saw that week were my family.

Some of the members that are here from Minnesota, stand so I can wave.

(Applause.)

PRESIDENT NELSON: Hello, everybody. Thank you for coming.

I'd like to thank everyone for your participation and reiterate the important role that each of you plays in the success of this organization. I look forward to seeing all of you and hope that all of you and your members present will be at our building workshops that afternoon. These begin at one o'clock. You've been assigned a number on your badge which one to attend.

And I'd like to remind you that we have listened to you. We've changed the way we're going to open our session this year. We're going back to the traditional opening. It will be at 7:30 in the International Ballroom Center. It's free and we want the full America Legion Family to come.

So anyone who is with you, your husband, your sons, your -- anyone who's here, your children, whoever is here is invited to come to the festivities. We have two wonderful National Veterans Creative Arts Gold Medal winners who will help entertain us. So we look forward to seeing every one of you at that.

And right now I'll call upon Dubble who has some announcements.

SECRETARY BUCKLER: There was a loud -- was that an uh for Kris, an uh for uh? Okay. All right.

Announcements. One, remember if you haven't signed in, you're not here. So the sign-in sheet now is right up here. If you haven't done so yet, make sure that you sign in up here. So that's the only way we officially record your attendance.

National President Kris just mentioned that she hasn't been home but for about five days. So she travels, as is the role of the National President. You can travel with her on Facebook.

How many of you have followed the National President on Facebook?

(Whereupon, there was a show of hands.)

SECRETARY BUCKLER: Okay. If you haven't, it's easy. If you know how to go to the web, rather than trying to angle in, just Google American Legion Auxiliary National President and the National President's Facebook page will pop up there for you to select.

Now, just an interesting factoid: Facebook hosts about 20 percent of all the pictures that were taken just last year. They have 10,000 times more pictures on Facebook than is on the Library of Congress. I think the reason is partly because of the National President who surely has a large percentage of those pictures that are on Facebook.

VA&R Chair Nancy Brown-Park and Children & Youth Chair Janet Jefford invite you to a reception tomorrow night from six to nine p.m. in Room 4101. So many of you received the invitation, but you're wanting to know where it is. The room number is 4101. Everybody got that? Okay.

National President and Vice President Peggy Thomas share that the Department Presidents Breakfast will be Tuesday at 7:30 a.m. in Suite 7202, Tuesday at 7:30 a.m. in Suite 7202.

I have a number of divisional meetings to announce. The Southern Division will be meeting today at four p.m. in the back of Lincoln West, four p.m. today for the Southern Division will have a meeting in the back of Lincoln West.

Western Division will meet at the back of this room following this meeting. Western Division meet at the back of this room following this meeting.

The Northwest Division will meet briefly upon adjournment also at the back of the room. Hopefully you will know which part of the back of the room you guys are going to --

(Laughter.)

SECRETARY BUCKLER: This will be a great opportunity to find out what one of these other divisions is doing. Just kind of wander over there.

Okay. There's a correction to announce -- oh, let me -- the Eastern Division meeting will be Monday at five p.m. There will be a meeting of the Eastern Division on the terrace outside the hotel restaurant which is located in the lobby immediately following the joint session with The Legion on Monday which is -- that's approximately five p.m.

Okay. Correction to announce. The Wisconsin's ALA website, the correct web address is www.amlegion.com, L-E-G-I-O-N, auxwi.org. I'll leave that up here if anybody needs to get that.

And then I've been asked to clarify something by some members of the Membership Committee and that is on our website, there's just a wealth of information and, you know, we try to keep it all current, but it links you to things that have existed for a while. And we found -- someone found on there a document that says that a DD-214 is required to provide eligibility.

So I just want to clarify. I've sent this information out to several people, but a DD-214 is not required to provide verifying -- to verify a potential member's eligibility based on deceased wartime veteran. And the reasons it's not required is, one, they were not issued until after the Korean War, two, not every discharged wartime servicemember today even receives a DD-214.

A DD-214 is issued when an active-duty servicemember has served 180 continuous days or more. A veteran who serves only one day during a time war is eligible -- during time of conflict is eligible for Legion -- for membership in The Legion.

The DD-214 does serve to verify the veteran's eligibility for certain government provided benefits. A servicemember can be honorably discharged and not receive a DD-214 and occasionally it happens, especially today, counsel general said that a servicemember serves up to 179 days, is pulled off active duty for a week and then put back on active duty just so that you don't have 180 days which I think -- well, I won't give you my editorial comment on that.

But, anyway, so acceptable documentation to verify eligibility does include a DD-214, but it can include official military orders, official military service citations or awards, letters related to the veteran's service, military service on official government letterhead, or proof of service in an allied service other than a branch of U.S. military.

So, anyway, this information has been shared. I was just asked to share it from the podium because there was evidently some confusion on that.

And the Minnesota Caucus will meet today at six p.m. in the Cardozo -- does that sound right -- Cordozo, Cardozo, Cardozo. It looks like it's C-A-R-D-O-Z-O Room. Minnesota Caucus today at six p.m.

And, Madam President, that's all the announcements I have.

PRESIDENT NELSON: And I'll call on National Chaplain Nini Lynch to offer the benediction.

CHAPLAIN LYNCH: May we pray. Our most gracious Heavenly Father, we thank you for the presence of your divine spirit within these walls this day. We ask that you remain with us as we continue in service this week.

Bless our leaders, Lord, with your wisdom. Keep each of us always aware of our dependence upon you for successes in all of our endeavors. In all things to you, we give the honor and the glory. Amen.

VOICES: Amen.

PRESIDENT NELSON: Will our pages, Shirley and Sarah, please retire the colors.

(Colors retired.)

PRESIDENT NELSON: This meeting of the 2012 National Executive Committee meeting is now adjourned.

(Ringing of the bell.)

(Whereupon, at 10:30 a.m., the above-entitled meeting was adjourned.)

APPENDIX A

**National Mid-Year Reports:
National Chairmen**

AMERICANISM

CHAIRMAN: MELANIE TAYLOR

Objective # 1 Be a patriot through Unit involvement in community events. Promote the ALA's value of Americanism through community education about flag etiquette and respect by demonstrating leadership in support of our country and our military.

Departments have reported participating in flag retirement ceremonies, flag education within their community schools, yellow ribbon ceremonies for returning troops, deployment ceremonies, parades, holiday events in their post home and communities, Wreaths Across America, Healing Fields, and Ride 2 Recovery programs. They have sent boxes to the troops as well as remembering their families at home with food baskets and presents for the children. Flags have been placed at cemeteries, along parade routes, presented to schools and the proper way to dispose of the flag was shown.

Highlights: Students at St. Mary School, Bloomington, Wisconsin, presented a beautiful Veterans Day tribute. They read the story *America's White Table*, by Margot Theis Raven, displayed a POW/MIA memorial table and each veteran in attendance was presented a hand made poppy boutonniere. As part of the Operation Welcome Home Troops, one unit in New Mexico works with the Warrior Transition Battalion at Fort Bliss providing guided fishing trips and other R and R for the veterans. One District in California sponsors a Naturalization program each year with approximately 600-900 new citizens each year. The make poppy corsages and boutonnieres for these new citizens would wear during the citizenship ceremony. This takes place during the month of February, Americanism month. Hawaii has special ceremonies on the USS Arizona Memorial and at the Punchbowl Cemetery on Pearl Harbor Day.

Objective # 2 Increase awareness and participation in youth activities that support proper respect for our flag and loyalty to our country.

Departments all across the Nation have distributed information about the Americanism Essay Contest to their schools including the students who are home schooled. The deadline dates are emphasized and the importance of submitting the Essay with the Cover Sheet. Units are awarding cash prizes along with plaques and inviting the winners to read their Essay at the Unit meetings.

Highlights: Madera Unit 131 participated in the Pocket Flag Project by involving the local JROTC Instructor Brad Roberson and his cadets to help fold 300 flags on November 30th, which were put into 21 boxes that were shipped to troops in Afghanistan. Juniors in Florida packed Girl Scout cookies and pocket flags and sent them to overseas troops. In Michigan the Department Americanism Chairman worked with 27 Juniors on their Americanism Patch.

Objective # 3 Promote Auxiliary participation in The American Legion Americanism programs.

Units' members have reported participation as judges, escorts, drivers, and statistical officers at Oratorical contests. Some units have helped sponsor Junior Shooting Sports programs and will man the concession booths and selling tickets. They will also participate in the American Legion Baseball programs.

**AUXILIARY EMERGENCY FUND
CHAIRMAN: MARIE GOEDE**

“Many hands make light work.” ... John Heywood. This is so true in Auxiliary Emergency Fund program as indicated by the number of donations by Units, Counties, Districts, Departments, Memorials, etc. From 9/1/11 to 12/14/11 twenty two (22) departments have donated \$31,956.39. Because of these donations several grants were given to our members in time of need. Thank you so much for your generosity. Divisional Chairmen were asked to submit a report and the following is what I received:
CENTRAL - JULIA MOORE, CHAIRMAN

I received reports from six of the nine Departments. I have remained in contact with the nine Departments all year, sending them any information that I have received and also corresponding with them regarding the importance of this fund and fundraising. The amounts contributed so far this year are: Illinois-\$1355.32, Iowa-\$2323.06, Michigan-\$2248.00, Ohio-\$1841.00 and Wisconsin-\$3701, which totals \$11468.38 from the Central Division.

Iowa--the Chairman gave a presentation at the School of Instruction and gave a talk at her District meeting, she has sent materials to all Districts and encouraged them to ask for a \$5 donation from each Unit in their Districts. One Unit answers Roll Call with things such as "one cent for each cup of coffee you had today" or "two cents for each can of pop" or "five cents if you went shopping today." Then each member has to donate accordingly and this money will be donated to the AEF. The person who donated the largest amount gets the door prize.

Michigan-encouraged members to "think outside of the box" on how to raise funds. An article was printed in their November newspaper and a mailing will be going out to all Units and Districts in January. Even though there isn't a report form for this fund, they have designed a Unit report form for the Units in Michigan.

Wisconsin-has been busy reporting and promoting this fund in Unit mailings, the Wisconsin Publication and the Paper Fair. She has used this fund as a tool to recruit new members. They are encouraging everyone to contribute 10% more than the previous year. Ideas for fundraising are book sales, thrift sales, bake sales, taking a collection at every meeting, white elephant sales, and blind auctions.

In Illinois, we have a Division level in the Department. We usually hold a raffle for fundraising. At our Fall Meeting, we didn't have any ways and means, so I requested a collection for the AEF, which we did.

EASTERN – ALICE SAXTON, CHAIRMAN

Department of Connecticut (Susan O’Leary) is selling cutlery and using the AEF fund raising calendar that was put into the Program Information Conference packets, (along with brochures and other information on AEF). The calendar will also be in our department newsletter for the month of January. To date only \$125.00 has been sent into Department but there is definitely more to come. A reminder to get in donations and the strong need for the monies as well as information on the fund has been put into the January newsletter. At some of the Districts they are using the calendar to collect money at their meetings for AEF.

Department of Maryland (Diane M. Wood) has collected \$ 1,194.72 to date but has not reported any fundraising efforts.

Department of New Hampshire (Carol A. Maynard) handed out the AEF fundraising calendar at their conference in October but has not heard of any results since.

Department of New Jersey (Carol A. Martin) has collected \$ 515.00 to date but has not reported any fund raising efforts.

Department of Pennsylvania (Helen Cole) reports that the Department AEF Plan of Work directly reflects that of National and the members were educated on the fund and how to retrieve information off the National website. At their September "Fair" brochures were handed out to everyone and the program theme was "Members helping Members". Helen herself painted 100 bookmarks and raised \$ 93. October and November flyers were sent to each unit and council encouraging them to hold fundraisers. An article was put into the Department newsletter keeping everyone aware of the continued need for fundraisers. It was asked that all AEF funds be sent to Department for better record keeping, they are then sent to National. So far \$ 5,507.50 has been raised \$ 1,539.97 more than last year's total. Collections were taken at both Legion College programs as well as educating the attendees about AEF. The Department President, Vice President, and sectional Vices have all agreed to speak on AEF wherever they go.

Department of Rhode Island (Cathy J. Card) reports that a fundraiser called "The American Legion Auxiliary Has Talent" was held on 11/12/11 and raised over \$ 900.00 while the members had a lot of fun and were educated on AEF.

NORTHWESTERN – BEVERLY WOLFF, CHAIRMAN

The Department Chairmen have been encouraging the Emergency Fund at the unit meetings, as well as, the department conferences.

One department held a silent auction in conjunction with their Fall Conference. Along with the auction they held a Mystery Bag Sale. The bags were filled with everything from fishing lures to notebooks and many different items in between. The bags were stapled shut to complete the mystery. Besides the fun that The Legion Family had, over \$3000.00 was raised for the Auxiliary Emergency Fund.

Several departments rely on donations given as memorials in honor of deceased members.

The department chairman placed a cover letter along with the Emergency Fund Application. These were placed in packets and distributed by the department president during fall meetings, so the units would have the material at the beginning of the year. The Northwestern Division Chairmen have been keeping busy raising monies for a very important program of the Auxiliary. They have gone to the grassroots of the organization. They are bringing the valuable information to the unit members and stressing the fact that we never know when we might need help from the Auxiliary Emergency Fund.

SOUTHERN – WANDA EXUM MOORE, CHAIRMAN

All the Departments in Southern Division have presented their Plans of Action to their respective membership. In concise, informative, easily understandable style; they have familiarized their members with the purpose of the AEF---what it's there for...what it does...where all the money comes from...why we need it...and why all the paperwork. Each Department Chairman has her own unique style. Some of them are listed below: The Department Chairman of Florida's emphasis is on "members helping members". She makes a point of reminding us that the need is year round--not just in time of disaster. She is asking members to add 10% to their last year's donation goal. This remarkable

Department granted \$23,000 [\$3870 to National, the rest in Department AEF] to eligible members last year and they are well on there way this year.

The Department Chairman of Alabama's Plan of Action is laced with enthusiasm. She has really created some excitement in her state with her rallying shout out to her membership: "Let's Give the Other Departments Something to Talk About!" The Department President has also chosen the AEF Program for part of her President's Project.

Oklahoma AEF Chairman puts a personal twist on her Plan of Action. She brings it home to Oklahoma with a story of one of their members who had donated to the AEF in the past. "Never did she think she may apply for an AEF grant someday. Five years ago her house flooded. This member and her husband lived in a tent for six months. They applied for help from FEMA and AEF. The income from the two sources helped them to construct a metal house in which to live. They now have a nice little home and are very grateful for the AEF support they received."

The AEF Chair of North Carolina knows, first-hand what she is talking about. At Fall Conference, she ended her Plan of Action with, "I personally know the value of the AEF. I know the good it can do because I was a recipient. The AEF came to my rescue with temporary help in education. It turned my life around and put me on a positive road to recovery. I want to make sure the funds will be there for other members in crisis." Pay it forward.

The Department of Texas' AEF Chairman says the state has done an excellent job of creating a 'routine practice' of monthly donations to AEF. "Many of our units donate to the AEF on a monthly basis, while some have fundraisers that yield substantial results. Whether large or small, Texas Auxiliary members know that their donations make a difference in assisting sisters in need." She included an impressive, long, report of monthly donations to date. It speaks volumes for the effectiveness of this system.

We have heard some of the different styles of the Plan of Action. Now it's on to methods of distribution. How is the Southern Division Chairman getting their Plan/Information out to their respective memberships?

They are all using Conference reporting of course they have spoken, and handed out flyers at District, Division and special functions. The Department monthly mailing is a valuable aid and at the top of their lists. Email has become the great communicator--a quick, effective, way to reach a lot of membership.

How are the Southern Division Department AEF Chairmen planning to raise 'Goal + 10%' this year? They have provided the members with lots of great fun[d]raising ideas. It was so hard to pick out just a few to share, however, here goes:

One Department Chair used the "IN HONOR OF JEANNIE...ADD10%" flyer as a fundraising idea. This young ALA member, stricken with cancer, unemployment, and only a few months to live; only wanted to be allowed to live out her short life ---in her own home, with her child by her side. The money she received from the AEF allowed her to do just that. This Chairman asked for donations in honor and memory of Jeannie, and don't forget to add 10%.

Another great fun[d]raising idea includes our juniors. This AEF Chairman suggested, "Have your juniors do a talent show or a short theater production to get the entire family and community involved."

And still another Department AEF Chairman is promoting “The Silly Tax Form” It is so silly! It makes me laugh to read it. It is definitely a fun way to give a donation to the AEF. I liked it so much, I am sharing it with all Southern Division Chairmen in January and recommending they use it. The Silly Tax Form charges you ‘taxes’ on a list of things: Live in a house...tax is \$1.00, live in an apartment...tax is \$.50, have a car...tax is \$.25, have a TV...tax is \$.25, and so on with possessions. If you have children, grandchildren...tax are \$.05 each [if you have over 10 grandchildren they are tax free! The presents cost you enough already.] Dogs, cats, and birds are \$.10 each. There are some fines: did not attend an Auxiliary meeting this past year...\$.75 fine. However, you get to subtract money if you attended District meetings -\$.75, and State Convention - \$.25.

I loved this fun[d]raising idea. When I envision it, I laugh. I don’t know if it is suppose to be funny, but it sure is for me. This Department AEF Chairman suggests: “Hold an annual hurricane party where everyone brings a covered dish. All wishing to eat will make a donation to the AEF. I don’t know--you bring food but unless you pay, you just sit and watch every else eat. I think it is funny.

The Auxiliary Emergency Fund Program is a success if we raise the money needed. For the Southern Division it is not an ‘if’, it is a ‘when’. The first half of the year has been about Awareness, Information, Ideas, and Enthusiasm. January will begin Tracking, Calculations, Goal-Setting, and where we are as versus where we need to be.

As Southern Division AEF Chairman, I have provided the states with encouragement, information, and suggestions. However, I must say, these ladies are powerhouse members. They are doing a great job all on their own. I am very proud to be a part of the team. Go Team!

WESTERN DIVISION – JOYCE ARENT, No report

CAVALCADE OF MEMORIES

CHAIRMAN: ELIZABETH STEWART

The National Cavalcade of Memories Committee and the National Communications Committee continue to work to complete restoration projects at American Legion Auxiliary National Headquarters.

Presidents and Secretaries toured National Headquarters during the recent conference and saw the results of Vice-Chairman Kenya Ostermeier and the Communication's staff's labor of love with the beautiful preservation display of the Edith Hobart dress and media pieces. Kenya spent many long hours at National Headquarters with the Communications team going through boxes of historical materials and selecting noteworthy publications pieces representative of the organization throughout the decades. All the pieces selected for the decades through the 2000's have now been expertly framed for archival safekeeping and are hung at ALA National Headquarters in Indianapolis, Indiana.

Preliminary work is underway by the Communications team with IUPUI School of Information on a 'virtual' tour of the National Cavalcade. We anticipate that you can at some future time click onto the Auxiliary website and take the grand tour of the National Cavalcade of Memories. Communications and Business Development Director Mike Butt has been in close contact with Professor Joseph Defazio who is interested in helping us put together a multimedia presentation for the Cavalcade of Memories. Defazio is looking for his best and brightest and most creative students for this project and his generous offer is contingent to selecting capable students for this project. Initially the Professor said he may be able to start the project in January. Likely, according to Butts, the students will want to tour the Cavalcade. To kickoff the project.

Cavalcade of Memories informational material was presented at the mission training workshops along with others in the Organizational Support Group POD.

Members of this committee are contributing regularly to the In the Know E Bulletins. Susan Lind of Unit 97 in the Department of Arizona is working with her members to commemorate the Arizona Centennial by completing biographies of the service members who sponsored their eligibility in the Auxiliary. Each member will interview the family member or surviving relatives, research on-line using ancestry and military unit websites and check on-line archived newspapers they have compiled a sample biography form to pinpoint the military point of view as they talk with family members. Before and after photos of the service men and women would be a great addition.

Through a comprehensive Plan of Work distributed at its Department Fall Conference, Kansas Department chairman Trish Ward created an informational supplement outline of directions to help members and units understand and embrace the Cavalcade of Memories program. Many Units do not have the space opportunity to develop a unique Cavalcade but through activities at the Department level, Units all over the nation can adopt a creative and proactive approach to this fun and special program.

The Department of Kansas developed a Reflections book many years ago that contains comments and submissions from Past Department Presidents. This historical book is being updated with materials and pictures to give a new and fresher look. It is the Department and Unit intention to scan the entire book into a pdf format and burn contents to a CD. What a great idea. Target date for completion is the May 2012 Department Convention, according to Ward who also reported that a new curio cabinet is being

positioned in a more visual conference room at Department Headquarters to allow their more revered treasures to be easily reviewed and enjoyed by all. (Another good idea for units.) Ward says that since technology plays such an important role in today's business and social environment, she has encouraged members and units to participate on some level in activities outlined in the Plan of Work. Simple picture histories to on-line research offer fun and interesting ways for members to discover the rich history of their unit, past leaders and members. A Cavalcade doesn't have to have its own room. A special area of your Post Home, shelf or wall space, is a great place to start. Gather pictures of your presidents and start a Cavalcade for future generations to enjoy.

Glenda Waddell reports that the Department of Texas is interviewing outstanding members to feature their stories in the Cavalcade of Memories history project of women who inspired units and provided great leadership during the years.

The Department of Michigan is collecting information for unit histories, particularly those activities that benefit veterans. Information was distributed at fall conference on the Veterans History Project and members plan to honor their service men and women with commemorative buttons, collecting items for homeless veterans, holding gift shops and visiting in the hospitals. 'A Gift of Time to Honor Our Veterans' fits perfectly with the National President's theme, according to Sue Verville, historian.

By year-end this committee is looking forward to hearing many success stories. Please report those to the chairman by July 1, 2012 and email or send pictures of activities in your Units/Departments. Mailing address: Lib Stewart, 160 Stewart Road, Kings Mountain, NC 28086 or lib.kmherald@gmail.com.

A recent "success" story from Olivia Headley, first president of Hollywood Unit 43, Los Angeles, California, is being distributed with this report and was included in the national chairman's oral presentation at the Washington, DC conference. Headley, who organized the unit in 1995, said Unit 43 is the auxiliary to the Post to the Stars, organized in 1919 and all male for 75 years. The original charter which hung in a room at the Post and over the years was moved and lost, said Olivia. President Judy Ulrick found it, bought a file cabinet and the charter was duplicated and framed on Dec. 18, 2011, a perfect Christmas present for the 80 member Unit. Headley, who edits the Unit bulletin, wrote about "The Lost Charter" in a recent publication.

This committee is proud of what our Units are doing to create awareness in your communities.

Past Auxiliary members have stories to tell about their life outside the auxiliary - leaders in local and state government, long time educators, Girls Nation Senators, service men and women. Work with your Unit and Department Historian to collect some of that information and report also to the National Historian (June 1, 2012.) Use technology to create and maintain pictures and records for future generations of auxiliary members and your families to enjoy.

Keeping memories are important and looking back at your history - whether it's displayed in a special room at the Post or Headquarters, in a history, scrapbook, or in computer files is something future generations will long cherish.

Olivia Headley says it all in this poem she featured in Unit 43's recent bulletin.

An Auxiliary Member is a representative of Unit 43. Whatever I do or say reflects directly upon the unit

As an Auxiliary Member, I am responsible for my unit. It can be no more than what each

member makes it.

As an Auxiliary Member, I will not criticize what my fellow members do for the unit unless I have a better suggestion and I am prepared to do it myself

As an Auxiliary Member, I must remember that the fact that I bear the title of a member is not enough. I must continue to be an active member

As an Auxiliary Member I should treat my fellow member with the respect, honor, and understanding that I would like to receive

"It is not my right to be an Auxiliary Member, it is an honor. I should respect that Honor by abiding to all auxiliary precepts

Unit 43 does me an honor by calling on me. I am not doing my unit a favor by serving. It is both an obligation and a privilege

Whatever differences my fellow members and I may have, we are all bound together by the bonds of our loyalty to our unit and to all American Veterans."

CHILDREN & YOUTH CHAIRMAN: JANET JEFFORD

Through monthly communications with department chairmen and articles in the new E-bulletin, the Children & Youth committee is encouraging members to actively work towards fulfilling the program objectives.

The first objective is to develop, implement and monitor programs and activities that contribute to the physical, mental and emotional health and wellness of children and youth of military families. By far Operation Military Kids is the most popular program under this objective. Departments have held OMK workshops, filled hero packs, donated toys and baby items, and held Christmas parties. The Department of Arizona held a family fun day with the Readiness Support Group at Luke Air Force base for 40 families of deployed military. The day was filled with fun things to do such as crafts and a petting zoo. Santa made an appearance, gift cards were handed out and each family received a turkey and \$125 in cash.

Jacksonville Unit 283 hosted a "Night at the Mosh" (Museum of Science and History) for Operation Military Kids. All four floors of the museum were open all night for the sixty children in attendance. The museum staff told the children about the animals and opened the cages so they could pet them. After a snack of pizza and soda, they were escorted up on the roof for stargazing. After tucking the children into their sleeping bags, the unit members were able to get two hours sleep before waking the children at 6 AM so they would be ready for their parents to bring them home.

Objective two asked Auxiliary Departments and Units, along with their Legion Family, to undertake a Children & Youth program or activity other than a national Auxiliary-supported program/activity. The program/activity should have military children and youth as its target population. Units in Illinois are accomplishing this objective with their *Operation Care Bear* project. A child with a deployed parent receives a stuffed animal that wears a vest made by a unit member. Inside the breast pocket of the vest is a note from the deployed parent that the child can read over and over again. To date, over the last five years, 2500 bears have been distributed. In New York, members are crocheting baby blankets, hats and sweaters for military families that have a baby during a deployment cycle. The Department of Idaho has a project, *Operation Warm Heart*, which raises money for children from low income families from the Mountain Home Air Force Base.

The third objective centered on supporting the Children & Youth programs of The American Legion. Many units and departments focused on promoting Halloween safety. Unit 18 in Opelika, Alabama held a Halloween party for 50 children. They played games, served hot dogs, chips and "blood" tomato juice. A unit in California downloaded the Halloween safety brochure onto their school district's website, reaching over 22,000 students and their parents.

Many departments, such as Ohio and Missouri, report raising awareness and donations for the Children's Miracle Network. In Florida, sixteen Auxiliary members got up early and traveled to St. Petersburg to help "man" the phones at 7 AM for the Children's Miracle Network, *All Children's Hospital*, one day Telethon. Department Officers presented a check in the amount of \$24,372.00 from Unit donations made to Department.

Members in Puerto Rico went to the hostel Portal de Amor in San Germán, an institution which houses battered and abandoned children by their parents. They brought a donation of \$100.00 on behalf of the children and youth committee and a basket filled with fruits and sweets. Chairman Eunice Penchi reported that “It was great to see the joy on the faces of these children.”

This year the POD concept was introduced to our members. Ohio has embraced this concept. Their Honorary Junior President’s project is the Hero packs. Juniors are collecting Items and writing letters to both the child who will receive the pack and to their military “hero”. The project will be completed at Girls State and all packs will be given to the National Guard youth camp for military kids. The Department of Pennsylvania is running a similar POD program.

VISTA volunteer, Laura Baim, has been notifying Departments of potential Youth Hero and Good Deed recipients. Through her effort and the work of many units and departments, 51 Good Deed awards have been presented. In Connecticut, 25 Good Deed awards were presented to 25 Girls Scout troops for their efforts to organize a “sock hop” for veterans. They collected over 500 pairs of socks and 100 undershirts for the VA hospital.

Seven Youth Hero awards have been awarded. In Texas, 6 year-old Taylor Martin called 911 for her unresponsive mother. Taylor, who had just started kindergarten, thought her mother was pretending to sleep. However, when she didn’t wake up, Taylor knew something was wrong. After practicing dialing 911 in school, just once, she knew what to do. She picked up the phone and dialed. She listened to the responders instructions and waited on the phone, while taking care of her 1 year old sibling.

The second story comes from Florida. Calvin Mason Wilder, age 14, was with his family driving to a baseball tournament when a devastating car accident kept them from getting to the game. The rear tire failed, making the car they were in flip over. His one brother was ejected from the car instantly. After the vehicle stopped Mason went into action. He pulled his other two brothers out of the vehicle. With Mom still in the car, he first helped his Dad who was bleeding badly. Knowing that his father’s situation was more critical than the situation his mother was in, he first made a tourniquet for his father’s arm then pulled his mother from the driver seat. Presenting these awards not only provides well-deserved recognition for these youth but also helps to provide community recognition for the American Legion Auxiliary.

With approximately 70% of Departments reporting, members have embraced the objectives of the C&Y program and are working hard to accomplish the C&Y mission “to protect, care for and support children and youth, particularly those of veterans’ families and military families.”

COMMUNITY SERVICE

CHAIRMAN: MARTHA CORRIHER

Auxiliary members began their year of Community Service on fire and ready to get the job done for our veterans, active duty service members and their families.

There were questions regarding who, why, where and how to accomplish this program. We gave explanations, examples of ideas and again stressed President Kris's request to get back to our mission of serving our veterans, active duty service members and their families. While some units haven't caught on to the concept of how to find their local target group, they are getting involved within their communities, getting their name and the purpose of our organization recognized.

There is confusion about this Mid Year report. This chairman heard comments like why do we have to do this report we haven't done it before; why did they change the date to report because our units don't report to us until the end of the year and the list goes on. However, by the hard work of the Divisional Chairmen and committee members, I am happy to report that 61% of the departments reported. This chairman gives a standing ovation to Donna Ray, Central Division Chairman for getting 100% reporting and before my deadline. Congratulations to Diana King, Southern Division Chairman for having 78% reporting, Lynda Stadler, Eastern Division and Doris Theiss, Western Division each with 50% reporting and Sherry Woltjer Northwestern Division Chairmen had 14% reporting. Special thanks to committee members Diane Spencer, Shari German, Carolina Koveleski and Sandra Neylon for assisting the division chairmen.

Now to read about some exciting and creative Community Service Project accomplished to date.

Many units have Adopt a Vet, Care Packages Abroad, Vet Day of Fun, Military Family Fun Day; Make a Difference Day, and National Family Day of Volunteering. Units held baby showers for active duty military wives, provided babysitting service, did home repairs for vets, and distributed food to needy veterans and military families. Units provided meals during Thanksgiving and Christmas, assisted Gold Star Families and sponsored special female veteran activities and gifts. Resource fairs were held for the homeless veterans' population.

The Department of Maryland has a program, Pop Top Stars. They collect canned food that has pull pop tops and give it to the homeless veterans who live under a bridge near their VAMC. To date they have collected over 100 pounds of food.

Pennsylvania reports assisting with homecoming events, Ride 2 Recovery and promotes Random Acts of Kindness throughout their communities.

Illinois has a project called Pillowcases for Homeless Vets. They fill pillowcases with a variety of items the veterans need and distribute them.

Delaware assist with their local Stand Downs and hold Employment Expo's for the veterans.

Rhode Island promotes Operation Military Kids.

Wisconsin promotes their Camo Quilt project sending the quilts to troops overseas.

Alabama collected children's PJ's and sent them to the 1165th National Guard for distribution in Afghanistan.

Indiana helped to furnish items, valued at \$5,300.00 for a new homeless and low income housing project for veterans.

Missouri helped their own in Joplin with monetary contributions and hands on help to clear debris after their disasters.

Montana applied for a grant sponsored by the merchants association so that they could assist needy veterans and their families.

Oklahoma adopted 32 veterans at a male halfway house providing 32 packages that included blankets, hats, gloves and other personal items.

North Carolina collected toys and food for veterans and military families during the holiday seasons. Units also promoted and assisted in MLK Day projects promoting A Day of Service.

Kentucky worked with Blue Star Mothers to serve veterans meals in their communities.

South Carolina laid 37 wreaths at Fort Jackson's National Cemetery during Christmas.

Texas assisted their own veterans, military and families during their brush with Mother Nature's rampage. They also helped sponsor "Take a Solider Fishing" (TASF) event. It is free to the veterans and families for this 3 day event. They work with the Texas Parks and Wildlife Department to make this happen.

Virginia participate in "Wrapped in Love" where they asked each Auxiliary member to wrap a ribbon around a coat, hat and gloves and bring it to their Fall Conference and then presented them to their 3 VA hospital's homeless shelter.

Florida drove over 170 miles during a 5 hour time frame delivering new and gently used household goods to homeless veterans staying in the Cabin in the Woods.

Mississippi provided transportation for homebound veterans for doctor visits, errands, and whatever else was needed.

Tennessee collected and donated ten boxes of coats to their area's homeless veteran center.

California provided food, clothes, bus passes and more for "Veterans Recovery House." They participated in Welcome Home project many times.

Utah worked raising money for "Heroes At Home Wish List Registry". They collected over \$3,000.

Georgia hosted a Veterans Day Breakfast free of charge to all veterans honoring them for their service.

Arizona paid visits to veterans, visits in jails, prisons, VAMC and nursing homes thanking them for their service and provided them with needed items.

Auxiliary members have done much more than what is printed here. This is just a sample of the many different projects units are doing throughout the country. Stay tuned for many more success stories and exciting activities being accomplished by you, the American Legion Auxiliary.

Remember one thing; it only takes a spark to start a fire. We want the auxiliary to start a wildfire in Community Service; we are well on our way and this is one fire we don't want to put out.

CONSTITUTION & BYLAWS

CHAIRMAN: SHARON CONATSER

Constitution & Bylaws and Standing Rules are the backbone of our organization. Do you know where yours are or when they were last reviewed? Units across the 21 Departments that sent a mid-year report are busy reviewing, revising, or looking for... theirs.

Several chairmen had tables at an informational paper fair with Constitution & Bylaws quizzes available at fall or mid-winter conferences. They handed out samples of Constitution & Bylaws and Standing rules for the Units to use. One chairman held drawings throughout the day to be sure that members visited her resource table.

School of Instruction at fall conference found members playing "Are you Smarter than your Constitution & Bylaws chairman", Jeopardy, and other fun games. Congratulations to the Departments that included hour long programs at their Department meetings to keep members informed and learning about their Constitution, Bylaws and Standing Rules.

Department Chairmen in 5 Departments reported that 50% to 75% of all their Units have reviewed and revised their governing documents. Most Departments reporting are in the process of or will begin the process at their mid-winter conference of reviewing their Department Constitution, Bylaws and standing rules.

Have you thought about sharing copies of the National and Department Bylaws with your Units? Three Departments are being proactive and doing just that. One Unit even presents them to each new member they sign up.

One Department is reviewing all of their governing documents including the Department Office Employee Manual and Rules and Regulations for the Department Awards and Trophies to make them part of the Department Standing rules, so that the things that "everyone knows" are now written down in one place. This chairman is very energetic and forward thinking! Electronic documents are updated online after every convention and distributed to all Units.

If your Department does not have a Fall Conference or Mid-Winter Conference, be proactive, like one chairman and send each Unit information on how Constitution and Bylaws should be written along with samples of each. Three sections were included, Constitution, Bylaws, and Standing Rules.

Have you thought about inviting your Department Chairman to make a presentation at a leadership workshop, District meeting, County meeting or Division meeting? One chairman is taking the lead and doing just that. She is traveling her Department to help everyone update their governing documents. Way to go! Her report shows that this is working!

EDUCATION

CHAIRMAN: CORAL MAY GROUT

Each of the members of the Education Committee has helped with our program this. Information on the program has been provided through the e-Bulletin, National News, and through bulletins and other forms of communication directly with Department chairmen. Divisional chairmen collected mid-year reports from their assigned departments and these were used in the preparation of their reports.

Our first goal for 2011-2012 is to focus attention on educational and scholarship opportunities for military children, whether their parent(s) are active duty or reserve. Working under the assumption that many children in our schools have a parent in the military or one who has served in the military, Unit have really focused on this goal. The Give 10 program was identified in nearly every report received. Many Units, such as Cainjack Unit #123 in North Carolina, are going well above and beyond the donation of 10 items. This Unit collected \$1400 in school supplies through a collaborative effort with the Post. A Unit in California raised \$1038 in school supplies and these were donated to military children at an Air Force base nearby. A Unit in Florida uses its member to read to elementary school students. Another participates in “United Through Reading” with the USO. Yet another Unit reported that a member donates 4 hours every other Saturday to read for the Literacy Program for adults at the local library. Unit participation in scholarship programs is evident in every report submitted. Units have donated to the ALA Foundation, supported Department scholarships, collaborated with other organizations to provide local scholarships, and promoted Unit scholarships to post-secondary schools or summer camps. One Kentucky Unit raised funds so that needy students could travel to Washington, DC with their classmates on a field trip.

Our second goal is to educate school administrators about the unique mental health issues facing children of our military. Although the mid-year reports did not identify a substantial amount of Unit participation on this goal, there were a few reports that spoke to this major problem for children. In Massachusetts, one Unit is working with a Collaborative to serve as a contact for twenty school districts. Administrators contact the Director of the Collaborative, who, in turn, contacts the Unit. The Unit then provides the information to the administrators. In other departments, Units have formed working relationships with Operation Military Kids to help children of the military. Unfortunately, there is little information available for distribution on ALA KIDDS. So, this has hampered some degree of participation. In Florida, 5 Units have conducted education programs with school administrators about mental health issues of the children of the military.

And, our final goal is to enhance respect for the sacrifices of our military heroes among school children by scheduling Veterans in the Classroom programs at your local school. In Georgia, Units have been involved on several fronts, including visiting elementary schools to discuss our programs and to arrange for Unit and Post member to visit classrooms. The Camden Unit #203 (South Carolina) scheduled a Veterans in the Classroom program at a school. In Kentucky, Unit members created a display that is being used to educate students about the different branches of the military. Veterans continue to make sacrifices long beyond their days in the service. In California, one veteran member of the American Legion donated the proceeds from his insurance policy

to fund a scholarship program through the Unit. In Michigan, a Unit schedules veterans to visit a different grade level each month throughout the school year. Many Units reported that they received significant press for their Veterans in the Classroom and similar events. Since the ALA programs have been reconfigured into a POD structure this year, several Units reported POD-type activities. South Carolina's Clinton Unit #56 sponsored a drive to purchase trees in memory of individual veterans. When the town's new high school opened, the trees were in place throughout the ground of the school. The Auxiliary also donated a new flagpole for the school. The Unit has an excellent working relationship with school personnel. When guidance staff was concerned about a homeless child, she contacted the Unit. The members raised funds for educational financial assistance to the student. The Unit promoted education through Give 10 and the Auxiliary's scholarship programs at all levels.

FINANCE

CHAIRMAN: NICOLE CLAPP

Since we met at National Convention, your national finance committee has held two sets of conference calls in November and met for the past few days here in D.C. As you know, the primary roles of your national finance committee include a variety of tasks monitoring financial statements, investment planning, fundraising campaigns, member benefits, and policy review. I would like to ask the national finance committee members to please stand and be recognized. Each of these members takes their responsibility very seriously and brings invaluable skills and knowledge to the discussions. My sincere thanks to each of them Vice Chr. Desi Stoy, Linda Newsome, Jan Pulvermacher-Ryan, and Carlene Ashworth for your time and dedication.

Year to Date Financial Report

Tim Bresnahan, our Controller, will present the budget-to-actual summary highlighting revenue, expenses, assets, liabilities, and investments as of December 31, 2011. Feel free to ask any questions you may have.

Investment Review Presentations by UBS Financial Services and Valeo Financial Advisors

UBS Financial Services reviewed the previously circulated UBS Client Review reports with the committee, highlighting the NPSEF investment performance as of December 31, 2011. With a return of 4.3%.

As both NPSEF portfolios have been set to automatically rebalance, semi-annually and when any additions or withdrawals occur. No recommendations were made.

Valeo Financial Services reviewed the investment performances within the General Fund, Spirit of Youth Fund, the Helen Colby Small Fund, and the PUFL Fund as of the end of the year with a return of 6.0%. During the review and presentation, Valeo recommended re-allocating the current overweight in bonds by moving 2-4% into emerging market equities in some foreign countries when the target price is reached. The Finance Committee approved the recommendation and we had further discussions regarding our investment philosophy as our meetings here in DC.

Fundraising Campaigns

The successful fundraising effort by Quadriga is continuing with three campaigns designated for the ALA and one for the ALA Foundation this fiscal year. We appreciate your continued support of these efforts.

Member Benefits

USAA Credit Card Affinity Program

We need to thank the National Headquarters' staff for successfully negotiating a 5 year contract with USAA regarding a credit card affinity program for members with an annual royalty guarantee of \$25,000. Our intent is to continue sharing the royalty revenue with the Departments. Thank you to the NEC members that responded so quickly to the email voting so that there would not be a delay in launching this program. This program will begin in April. USAA does not offer the option of a corporate credit card. Discussions continue with banks that still offer a corporate credit card.

PUFL Electronic Distribution of Annual Payment

Earlier this year, departments received notification regarding the electronic annual PUFL disbursements payments to the departments in February. National Treasurer/Membership

Director Marta Hedding and the membership team created a tracking system to update the PUFL database to maintain its accuracy.

PUFL Payment Plan

National Headquarters' staff presented their detailed analysis regarding the costs associated with setting up and maintaining a PUFL payment plan to the Finance Committee. The implementation and maintenance costs for a payment plan would far outweigh any benefits. The expense for this payment plan would be approximately \$33,000 annually for approximately 800 new PUFL members per year.

Computer Programming set-up \$5,500-7,000

Annual Programming Maintenance and Statements \$3,000

(includes late payment statements, annual dues statements)

PT Staff Position (includes taxes and benefits) \$25,000

Postage and Printing \$5,000

The Finance Committee recommends to not go forward on the PUFL payment plan but wanted the information presented to you , the NEC, for your consideration.

Policy Work

National President's Special Project Funds

The consensus of the Finance Committee was that policies going forward should use the term American Legion Auxiliary as the header. The term National Headquarters should only be used in polices where appropriate, specifically when tied to personnel or location.

The committee revised and approved the amended National President's Special Fund policy. The committee struck the following language from item #9 "and the wording National Secretary".

The committee struck item #10: Which stated: funds shall not be taken from the General Fund and moved to the National President's special project in the event the National President's special project does not receive or have adequate funds for the National President's special project projected expenses.

Unbudgeted Solicitations of Funds

The committee approved the draft Unbudgeted Solicitations of Funds policy.

National Public Relations Campaign

ALA Leadership is working on a three to five PR Campaign Plan that was presented that the Financial Forecasting meeting in January and further discussions occurred at the Finance Committee this week. The first year funds total approximately \$1 million, would be released from reserves.

ALA GIRLS STATE CHAIRMAN: KATHY DUNGAN

I am honored to be the National Chairman of the Girls State program. What an exciting year! Girls State chairmen and directors are in full swing planning their Girls State session. I received excellent Mid-year reports from the departments sharing how they are meeting the three objectives of the program.

First Objective: Utilize the Internet and social networking sites to increase visibility of our program. Departments and units reported a substantial increase in use of the internet and social networks, such as Facebook and Twitter, and blogging activities.

Other ways used to increase visibility are:

Departments set up Girls State websites, while others have a page on their department website. Sites are used to post documents such as health forms, registration forms, Girls State Handbook, and many other useful documents.

Facebook pages are used during the Girls State session to track their week by sharing pictures and information to family and friends. Facebook pages are also set up for alumnae to stay in touch. Some departments have a “closed” Facebook page just for staff members to use to plan their program. Blogging is also used to share activities.

Several of the departments have plans to establish e-units for alumnae and staff members.

Second Objective: Instill a commitment of volunteerism and awareness of our mission in all Girls State citizens. Most departments have some type of service project at their Girls State session. Citizens stuff Hero backpacks and give to children of active military. Some have a session on how to make poppies and pocket flags. Many have citizens bring personal care items, socks or other items for distribution to Veteran’s Hospitals and Stand downs. One department visited a military training facility and provided candy and popcorn, and also distributed pocket flags.

Departments reported other ways to bring awareness to our programs, such as having flag disposal ceremonies by the local post at the sessions. Poppy programs are presented with the citizens participating. Some departments use Auxiliary PowerPoint presentations at their Girls State sessions. Citizens wrote letters to hospitalized veterans on Girls State stationery. One Girls State’s chorus and music staff visited a Veteran’s Hospital and presented a music program. Another department collected a “delegate tax” at Girls State in the amount of \$1400 which was given to Fisher House. Programs of volunteerism are incorporated in their sessions.

To instill a commitment of volunteerism and an awareness of the Auxiliary’s mission, Florida offers a department award, the Amelia M. Reese Trophy. A unit must show in a written report that their returning Girls State citizen actively participated in the unit’s overall programs. This encourages units to keep their citizens involved in all Auxiliary activities and volunteer opportunities that they may host. What an excellent way to further the citizen’s Girls State experience, and possibly gain a new Auxiliary member.

Third Objective: Continue to attract participants, grow the program by keeping it relevant and current, and encourage departments to increase scholarship funding. Departments reported many fundraising ideas. Some included seeking donations from non-profit organizations such as the Elks, Moose Lodge, and VFW; businesses, and civic organizations. Other ideas include establishing a memorial scholarship for a loved one or hosting a car and motorcycle show.

To attract participants, one department reported that college credit was given upon completion of the program, along with providing an essay, and 40 hours internship. Several departments reported that universities offer tuition and housing scholarships to outstanding citizens. One university offers each participant a \$1600 cash scholarship to attend their university. Some citizens can earn college credit through an online course. Departments and units offer a number of scholarships. Promotion of the Samsung scholarship is always a top priority.

To keep programs relevant and current, departments are doing many things. Some hold workshops in the fall, some are redesigning and seeking national approval of their new Girls State logo, while others are rebuilding and trying new ideas. Girls State Boards critique the session to determine weaknesses and strengths. Some departments strive to keep abreast of the new technology reporting that they use PowerPoint, video, electronic registration and text message communication. I especially like the following quote from one department stating, "All of the counselors in the city are between 18-30, keeping the *atmosphere* in the city very current." It is enlightening to see younger women, especially Girls State citizens, volunteer with the program. An added bonus is that many become members of the Auxiliary!

These activities are just a small glimpse of how departments and units are meeting the Girls State objectives. One of my divisional chairman quoted John Quincy Adams: "If your actions inspire others to dream more, learn more, and become more, you are a leader." I think that quote is so true of our Girls State program. One of the Girls State program's goals is to train future leaders of tomorrow. If you have ever attended a Girls State session, you know that the citizens are an inspiration to us and other citizens. They dream big, and they are eager to learn. They will make outstanding leaders for their communities and state.

JUNIOR ACTIVITIES

CHAIRMAN: LISA WILLIAMSON

The members that make up the 2011-2012 Junior Activities Committee are hard-working ladies, dedicated to promoting and mentoring our Junior members. Our Divisional Chairmen were able to procure Mid-Year Reports from 37 Departments, a fantastic increase from the 22 received last year. Eastern Division Junior Activities Chairman Carolyn Baranowski beat the bushes and is able to boast 100% reporting! Northwestern Division Chairman Susie Clyde missed the 100% mark by one Department! Thank you to both, Carolyn and Susie! And this is an example that “yes, it can be done!” I also want to let the Department Junior Activities Chairman know that I am truly grateful for their time and energy to take on this position, and I appreciate the time it took to provide reports, especially during the holiday season! Thank you, one and all!

Trying to condense those Department reports down to a paragraph or two is extremely difficult; we have some very imaginative Junior members and equally wonderful senior members that help guide them.

Here are some highlights by division:

CENTRAL DIVISION - The Juniors in **Michigan** have aided Michigan’s American Legion Wilwin Lodge, a one-of-a-kind place of relaxation and recovery for soldiers returning from active duty that allow them to reconnect with their families in a peaceful and quiet environment, but with all the comforts of home. The Juniors have helped set up an “Elmobility Room” for use at the Wilwin Lodge for the children of returning veterans. The Elmobility Room provides the children with a fun and engaging environment to play while their parent(s) attend unit briefings, meetings or just some “down time.” The Elmobility Room is a mobile version of the Sesame Rooms created and donated by Sesame Workshops, and it is operated and managed by Michigan’s American Legion Reconnect Committee. A perfect example of helping our veterans hand-in-hand with our Legion Family!

EASTERN DIVISION - Maryland’s Junior Project is the Military Initiative of the “Believe in Tomorrow Children’s Foundation.” This Foundation provides exceptional hospital and respite housing services to critically ill children and their families, bringing comfort, joy and hope to children, enabling them to renew their spirits mentally and physically. This Foundation provides overnight accommodations to families of children receiving treatment at the world-renowned Johns Hopkins Children’s Center in Baltimore, Maryland. The Military Initiative gives priority to members of the U.S. Armed Services who have a child with a life threatening illness. When a child receiving treatment for a life-threatening illness has a parent in the United States Armed Services, many times the family is far from home without the family support, and one parent will likely deploy during the child’s treatment. Maryland’s goal for this project is \$4,500, and both Junior and Senior members are encouraged to raise funds with all proceeds to benefit the Junior Project. An honorable project that fits in with the Auxiliary’s mission of helping our military and their family!

NORTHWESTERN DIVISION - The Junior members of **Colorado** Springs Unit 5 sent over 1500 Christmas cards to our troops deployed overseas just this past holiday season. Nineteen boxes of cards were donated by Current, Inc. The Juniors, with some help of their classmates and JROTC cadets, signed the cards. The cards were then mailed with

money they had earned through various fundraisers. A very simple project, but one that our active duty military can certainly appreciate!

SOUTHERN DIVISION - Florida's Junior members are focusing on Operation: Military Kid. They are making bookmarks and requesting a \$1 donation for them, hoping to collect \$700 for purchasing items for OMK Hero Packs. Fifty OMK Hero packs were assembled at Fall Conference in November; Honorary Department Officers will distribute these Hero Packs to children of deployed military during an event in Orlando scheduled held earlier this month. As well, a couple of Juniors volunteered at OMK's "Night at the Museum of Science & History," helping to watch 60 younger children of military families and serving pizza and drinks. Although not directly related to OMK, we need to mention the Tampa Junior group helped sew and stuff 125 bears for Mac Dill Air Force Base so the deploying parent could give them to their children. All perfect examples of our youth helping military youth! Again, very fitting to our Mission!

WESTERN DIVISION - Sadly, **Nevada's** Unit 14 is the only active group within the Department of Nevada, but they don't let that hold them back.

What particularly stands out is their contribution to their local American Legion Family's main focus – Adopt A Military Family (AMF). The Juniors fixed a picnic meal for our Adopt A Military Family, with hot dogs, ice cream, apple pie and lemonade on the 4th of July. They also brought baked goods during the AMF children's birthdays this summer. This fall, the girls made a yellow ribbon wreath for their AMF to hang on their door while the father was sent on a special training mission. They have even baked brownies, just to say thank you to the entire family for their sacrifice.

This Junior group also initiated and followed through on a "Letters from Home" project. Teaming up with the City of Las Vegas, the Juniors attend events to help the public make handmade greeting cards which would be sent to deployed military. In October, 97 cards were made. During the holidays, 175 note cards and 175 gift bags were made and mailed. The city donated the supplies and paid the postage for the cards to go out to deployed military.

These Juniors are also concentrating on the National President's Scholarship Patch through two fundraisers – a "Field of Poppies" afghan raffle and a Cookie Recipe Calendar. They hope to raise enough money for all eight Juniors to earn this patch.

When it comes to the Junior Activities technology objective, these Juniors have a wonderful Facebook page that they continue to update regularly. Go see it at: <http://www.facebook.com/groups/238856602800416/#!/pages/NV-ALA-Jr-Unit-14/139556489456078>. They may be the only active Junior group in Nevada, and they may be small in number, but they are huge in stature. They have actively worked all three objectives of this year's Junior Activities program, and are excellent examples in fulfilling the Mission of the American Legion Auxiliary!

Through the Mission delivery our Junior members have embarked on this year, the American Legion Auxiliary will continue to be a viable and sought-after organization. What our Junior members do for our veterans, military and their families draws notice to the American Legion Auxiliary, the premier veterans service organization. And for that, we can all be proud!

LEADERSHIP CHAIRMAN: MARY DAVIS

“Certainly a leader needs clear vision of the organization and where it is going, but a vision is of little value unless it is shared in a way so as to generate enthusiasm and commitment. Leadership and communication are inseparable.” Claude I. Taylor Fall conference in the Department of Maryland opened with a two hour leadership meeting. Department Chairman Linda Newsom presented an informative, enjoyable program for members beginning with her expectations for the upcoming year. Past leaders then participate in a panel discussion. This type of presentation allowed members a forum for gathering information and sharing in a relaxed setting. Also on the agenda were presentations of “Protocol” and “How to Run a Meeting.” It was reported that these spontaneous and informative presentations received ‘rave’ reviews.

Delaware Department chairman Beverly Buchanan reported that she is focusing on encouraging all members to take the Leadership correspondence course. Scheduling Leadership classes at District Conferences has been high on the agenda for Georgia Department Chairman Susie Mash. She is trying something different this year. In the past, educating members about the programs had been the main objective. This time, she reports, members were asked what their needs were, and the agenda was tailored to address their concerns. Members are now reviewing Parliamentary Procedures and Protocol; Financial challenges, including a short course on tax regulations; District and Unit Constitution and Bylaws; Plans of Action and getting back to the basic Auxiliary mission.

In updating the manner in which they reach out and communicate with every member, the Department of Texas has developed an innovative process. They have prepared an “ABCs of Leadership” book which includes traditions and protocols; they then developed an even newer version with additional information including the senior and junior leadership courses and a flag etiquette booklet. They then created a DVD with all of this great information and distributed to their members.

New Mexico Leadership Chairman Theresa Montoya believes, “To become an effective leader, one needs to understand that not all are created equal and that everyone is unique and special in one form or another.” She is working to help each Unit as they present their unique challenges. She has been working to help the Units understand the need to support the mission of the organization by stepping up to leadership roles.

Departments such as North Carolina, Florida, and Minnesota have also held leadership meetings or presentations at the fall District conferences. They have conducted workshops, after the election of officers, to outline the duties and responsibilities of those newly elected officers and those appointed to chairmanships.

The Plan of Action for the American Legion Auxiliary states that “If a unit exceeds membership goals, financial success, volunteerism and other goals and objectives of the American Legion Auxiliary, these are reflective of good leadership.”

Useful leadership tools are available to help our members as they strive to become leaders, no matter what the position they pursue. Keep in mind that members who volunteer to lead will be instrumental in helping us all discover the path to a better organization.

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LEGISLATIVE CHAIRMAN: ANN REHBEIN

American Legion Auxiliary members have been participating in legislative activities in various ways while following the objective to promote and support The American Legion priorities/agenda.

This time of year is typically the busiest time for legislative work on a state level. Most states meet only for a short time typically January – June with the busiest months being February through April. Nationally, legislative work is done year round with Congress meeting 174 days in 2011.

Members contact their legislators face to face, by phone, fax, email, and snail mail and have reported to their chairmen the responses they have received.

The American Legion's Legislative Center web page is a valuable information resource. Here members can find Legislative Testimony, a weekly legislative update, point papers and priority sheets, the Legislative question of the week and information on using the THOMAS web site to locate all things happening on the hill. The *Dispatch* also provides information. The American Legion Auxiliary's *Advocacy Guide* explains how to be advocate starting on the grassroots level.

The American Legion believes the most important issues in the coming months will be funding related. The FY13 DoD budget proposal will be foremost with anticipated changes in retirement, health care and other benefits. Curbing the jobless rate of veterans – nearly one million veterans are currently unemployed and the Flag Protection Amendment are also high on the list.

Vice Chairman Marcia Wheatley has been working very hard to encourage departments to find Legislative Council Members. A legislative Council member needs to be on friendly terms (preferably have a personal relationship) with the Member of Congress with whom she works, so that she can communicate the views of The American Legion. It is very important that all these positions be filled. Many Department Chairmen are helping to achieve this but much more work needs to be done.

Locally many Units have hosted town hall meetings such as one in California where a Unit co-sponsored with the Legion and SAL a town hall meeting with 200 people in attendance along with the new chief of police and new council members. Units take the opportunity to meet with legislators at other events such as parades, dinners, and legislative days.

In Arizona legislative meetings are held the first Saturday of each month at the Veterans Home in Phoenix with all topics relating to laws that affect veterans and their families. The main focus is on Education and Training, Jobs & Economic Opportunities and Health & Wellness. A state veteran's bill was passed allowing any veteran to come to Arizona and get their in-state rate to attend any college or university.

In Washington, an Auxiliary Legislative Action sheet was distributed at fall conferences and Department mailings asking each member to become an informed grassroots action person regarding issues for veterans, their families, and within their communities. They were asked to keep a copy near their phone or on their bulletin board, so the numbers are available whenever needed.

The work of this session is just beginning – it's time to get actively involved.

MEMBERSHIP

CHAIRMAN: TRISH WARD

Milestones that were reasonable, a theme that was believable and a numeric objective that was achievable defined the first steps for the national membership team when determining the initiatives for the 2011-2012 administrative year. The team was committed to create a presence with which every member could identify and embrace, and what better idea then to focus the spotlight on our veterans themselves. The challenge evolved to encourage our members to make their eligibility visual, assist departments with tools and ideas to gain individual and collective “buy in,” and to add a little pride, passion and purpose that would make all believe this was the year we could truly stop the slide. “Honoring Their Service” became the call to action for the nearly 800,000 American Legion Auxiliary members and with it a promise to bring renewed focus and attention to our membership initiatives. As together we capitalize on the energy and enthusiasm our members retain for the special veterans in their lives, together we will expand our ranks in support of our military, veterans and their families. The five divisions of the American Legion Auxiliary embraced the two primary objectives of the membership initiatives, retain existing members and encourage new members, with creativity and commitment. Overall, Departments achieved the first milestone of 55% of their numeric objective with more than 40 eclipsing the second milestone of 70%.

Everybody loves chocolate! What better incentive then “The Power of Chocolate – using our M&M buddies: Membership, Mentoring & Motivation” to encourage the Western Division to new heights! Whether it is organizing mini-workshops or designing certificates for each unit that achieved a milestone, members were out in force, vocal in spirit and empowered to achieve their stated objectives. Departments reported that they made sure to immediately recognize and encourage units as they neared and achieved Department numeric objectives. One unit made a personal call to a member who hadn’t renewed and through conversation re-inspired her to continue her membership. They reported, “Sometimes we forget there is a real person behind the signature on the membership check.” Whether they used “cupcake wars” to inspire or refocused attention on the real needs of their members, Departments out west know the 100% numeric objective is within reach.

The 70% milestone was on the minds of all 12 Departments in the Eastern Division. Many Department Chairmen have looked at generational trends within their membership ranks and responded with strategies to help members understand and embrace the differences that make each unique. Themes to engage such as “With Purpose, Passion and Pride, We Honor those Who Served” to the fun and whimsical “Spot a Member Wherever You Go,” members remained focused on the ultimate goal of achieving the 100% numeric objective. Departments reported they continued to stress personal contact and encouraged PUFL membership commitments. Weekly reporting by local leadership helped all stay on track and teaming up with other community volunteer organizations has helped many increase their visibility and drive new membership opportunities. It was all about early renewals for one department while others have actively issued challenges among the ranks. Being accountable and urging members to make membership play an active role in all their programs has the Eastern division on track for assuring success.

An active and vibrant membership landscape defines the dedicated members of the Northwestern Division with members embracing creativity and innovation to help drive their efforts. Many have returned to the success of traditional fundraising events to help support those financially challenged with the proceeds earmarked for member assistance. As one chairman reported, “Earning the trust and confidence of the members has helped us gain “buy in” that our organization is committed to making the membership experience in our department positive.” Department leadership came together to help solve problems with ingenuity, such as forming a task force to reprint over 1,500 membership cards. Through this effort, they were able to make personal contact with the unit chairmen and now feel they have created active and open communication at the grassroots level. Others have reported great success aligning with their American Legion counterparts and together the teams have formed a true “Legion Family” mentality in approach to membership. As the Northwestern Division has maintained first place in the division standings for most of the year, the small but mighty seven departments look to collectively make a realistic run to all achieving the 100% numeric objective.

“Southern Division TO THE TOP” is the call to action adopted by the Southern Division to help energize the departments and their members to new levels of enthusiasm and activism. The division’s goal from the beginning was to become a contender for top division numerically and to no longer be a “cellar dweller.” Recently, they formed the “70% club,” and have welcomed new Departments as they reached this milestone. They report their very active Facebook site is used as a virtual “meeting room” for all to bounce off ideas, share success stories and come up with solutions to problems as a team. Throughout the departments, the leadership teams have been using motivational tools to inspire members, putting Department Presidents to work knocking on doors and embracing the national membership theme “Honoring Their Service” with posters, images and stories about those who have served. New units are being chartered, those struggling are receiving assistance and the team is remaining positive that their efforts will drive the Southern Division “To the Top” when the 100% numeric objective finish line is reached.

Gaining momentum and making membership every member’s responsibility is the mission of the Central Division with the nine Departments in the heartland on task for achieving their national objectives. Departments reported the most important component to their success has been to foster a “team mentality” and to embrace a membership activity at every event. Caravans have been assembled and one department is criss-crossing their state on a 14-day adventure, meeting members and collecting dues along the way. Those that got off to a slow start are now making progress with leadership playing an active role in helping drive outreach into their communities and beyond. Assistance to struggling units has resulted in a new commitment and new focus to realigning priorities so those members remaining can have a plan for keeping their units compliant as they structure plans for future growth. Meeting challenges, opening lines of communication and emphasizing the importance of working as a cohesive Legion Family has provided the Central Division the fuel they need to strive for success and places them on target for achieving their national objectives.

Across the national landscape, conscious effort has been given to share the many benefits, both tangible and intangible of membership in our great organization. Whether “Honoring Their Service” by wearing a commemorative button or providing a personal

touch by reaching through barriers to find eligible women, the members of the five great divisions remain committed to assuring that 2011-2012 is the year we *stop the slide, turn the tide*, and then truly *enjoy the ride* on behalf of those we serve.

**NATIONAL SECURITY
CHAIRMAN: VICKIE KOUTZ**

The members of our great organization opened their hearts and wallets this year with all the accomplishments in the National Security program.

Do you have a yellow ribbon tied on a tree or flagpole in your yard? I do, and I challenge you to do the same. Let's show our military heroes we support them and welcome them home.

Yellow ribbons were visible (we hope above the snow) everywhere across Alaska.

Arizona members partnered with the City of Phoenix to display yellow ribbons at airports. Other ribbons were presented to City Council and their Secretary of State. 300 yellow ribbon lapel pins were presented to department officers for them to wear during their visits in the Department of North Carolina.

Members in Kentucky collected monetary donations to help pay for an artificial limb for a wounded warrior. Facebook was utilized in South Carolina on a project with gifts that were presented to two wounded warriors and their families.

Wounded Warriors in New York were invited to join in transitional classes at a USO center. Michigan and Ohio also supported Wounded Warriors in their departments.

Units in Texas adopted military families. Furniture, food and clothing was purchased as well as helping with household repairs. They partnered with Heroes To Hometown in the hopes of getting a house.

Pre-deployment dinners were served to military families. Care packages were sent. One Unit in Missouri assisted a family whose house had burned.

Welcome Home events in Nebraska provided barracks with personal items, towels, toiletry items and snacks.

Monetary donations were made to USO units from members in Oregon, Rhode Island, Minnesota and Washington. Phone cards and cookies with a value of \$1,950 were donated to the USO in New Jersey.

Illinois members teamed up with a Family Readiness Group to serve dinners and present gifts at Thanksgiving and Christmas.

A unit in Indiana has a program called "Healing Waters" that teaches recovering veterans how to tie fishing flies and then they take them fishing.

New Mexico members hosted Veterans on fishing excursions.

Blue Star and Gold Star banners were presented in Iowa, West Virginia, Vermont, Colorado and Utah. In Florida, one Blue Star banner was presented to a proud Dad. The Blue Star Mothers in a Unit in South Carolina sponsored a Christmas party and another unit sent 33 cases of girl scout cookies to the troops.

Members in Kansas sent \$50,000 worth of coupons overseas and one unit in California donated 90 lbs. with a value of \$115,000.

The CERT program was utilized in Wisconsin with first aid classes, CPR training and information on basic emergency kits.

Donations of \$1,000 for Christmas cards were sent to military families along with calling cards valued at \$750 in Connecticut.

The Department of Maine has a program called "Gifts of Gratitude". They raised money for troops and families with a total of 252 volunteer hours. Their fundraising efforts

raised: \$7,920. 225 boxes for a total of 1,684 lbs with a value of \$8,375. Shipping costs were \$2,911 with expenses totaling \$11,286.

Members from Pennsylvania made blanket liners and scarves and also sent 6,000 letters to troops and Montana members sent care packages filled with Christmas goodies.

Just a reminder to submit paperwork for the National Security Awards.

1. Department National Security Program Award.
2. Military Support Unit Award
3. Yellow Ribbon Program Unit Award (new this year)
4. Dorothy Pearl Civil Preparedness (CERT) Plaque

Please continue to keep our military and their families in your thoughts and prayers and never forget they are the ones fighting for our freedom today.

**PAST PRESIDENTS PARLEY
CHAIRMAN: JOANN CRONIN**

At the conclusion of the National Convention, Past Presidents Parley Chairman were finalizing their Plan of Action and getting it integrated in their Departments. With the enthusiasm of the Chairman as well as the members I am look forward to receiving a lot of entries for our Women of the year as well as honoring the women serving our country. Past President's Parley Chairman Thatcher from Ohio says PPP is a program that uniquely offers every unit the opportunity to recognize and honor four different groups of women. Each of these groups is important not only to the unit, itself, but to our communities. It, adapts to fit every size. There are three groups. The first group; whether they are Past Presidents of a unit, district or department are valuable. They know everyone and can serve as ambassadors. They can mentor to ensure strong leadership and growth. The second group, are the members of our own Unit. These are members who do not hold an office higher then unit president. Even a small Unit can take time to recognize one of their members. These members are honored at Department convention. With the last group you have the opportunity to salute an active duty service woman. In formation was introduced in their plan of action, verbally as well as visually.

The Department of Illinois, Pam Ray, Past President's Parley Chairman, from Illinois, says that Past Presidents continue to wear many hats, as we continue to serve our Units, Districts and Department. She told her Department, that the National PPP Chairman is calling all Past Presidents to continue their support to this organization by accepting responsibility that the wisdom of a past leader can make a difference in just one member or many through mentoring. I received reports from Missouri, Texas and North Carolina and Minnesota.

I am assuming that the Departments that did not report were busy working their Past President Parley programs in their Department. Remember Vice Chairman Barbara Kraing and member Katherine Morris are anxiously awaiting the arrival of your Women of the year packets and your military women candidates.

At President and Secretaries conference, I stated that I wanted every Department to submit a woman of the year and have selected the Military woman in every Branch of the service who is defending our country to be recognized, not only by the Department but on the National level. If you have any questions please feel free to contact one of us.

POPPY

CHAIRMAN: KRISANN OWENS

The American Legion Auxiliary Poppy Program is enjoying a successful year with information about the poppy being spread throughout communities across the country and promoting that every day is Poppy Day.

Poppy production is in full swing in many states and an inquiry was made on not only how to recruit new poppy makers but how to possibly start a production program in their state which is excellent news. Another state indicated that they are putting together a plan to make poppies year-round.

We need to be reminded that any veteran can make the American Legion Auxiliary Poppy. It does not have to be made by hospitalized veterans according to Resolution 15 passed at The American Legion National Executive Committee Meeting in Indianapolis Indiana, May 9-10, 2001.

Educating communities about the Poppy Story is on the rise. Programs have been presented at schools, churches and city council meetings. Poppy bookmarks and poppies were handed out by a Miss Poppy at one local church and was a success charming the congregation.

Miss Poppy programs are very popular with units presenting the Miss Poppy's at Post functions, parades, fairs, craft fairs, nursing homes VA Hospitals and veterans' homes. They are very popular additions to unit programs providing poppies to veterans at dinners and especially on Veterans Day and Pearl Harbor Day or any function where veterans gather.

Poppies used in flower arrangements are being made and given to local churches, nursing homes, City Halls', hospitals, medical centers, restaurants, funeral homes, stores and businesses. Poppy corsages have been used in many functions including the traditional installations, initiations and one unit gave their new female mayor a poppy corsage when she was sworn in.

The Poppy Field is becoming very popular with several units requesting permission from their local city councils to plant a Poppy Field within the city centers in the spring, which of course permission has been cheerfully granted. One unit tried unsuccessfully to plant Poppy Field, however it was their weather that didn't cooperate, but they plan to try again in the spring. This is truly a fun way to engage our members and our communities.

PUBLIC RELATIONS

CHAIRMAN: DIANE DUSCHECK

Twenty-one departments reported on approaches they are using to communicate with their American Legion Family, and also to positively project the Auxiliary image and programs to the general public. The most common method departments are using to communicate with units is a monthly newsletter. Through newsletters, units are able to convey information on future activities, and photos and outcomes of past events. Many departments also maintain websites with pertinent information on Auxiliary programs, eligibility requirements, and links to additional sites of interest. The websites are important sources for Auxiliary members and for the community.

Social media is a second popular method of communication. Twitter, Facebook, and YouTube have expanded the reach of many units and departments. From a Twitter site, “live Tweeting” of conferences and training sessions has touched Auxiliary members, regional politicians and other groups focusing on veterans’ needs. In many departments, leadership training includes educating and informing our members about new and existing programs, and learning to establish accounts and use social media for posting and gleaned information, and increasing the Auxiliary’s visibility. Social media is an especially appropriate method of reporting the activities of the unit’s Junior members since the youth are particularly adept at using social media. The Department of Virginia established its own YouTube Channel where videos of chairmen’s reports at conferences and training sessions can be uploaded for members to view. They have even accessed the National Legion and Auxiliary sites so the national videos are easily available to their members.

Press releases are communicating activities that will be coming and reporting on projects that have been completed. A new unit in Arizona used a newspaper article in a very unique and direct manner. “The American Legion Auxiliary is seeking new members.” The new unit went on to discuss the Auxiliary mission and vision, membership eligibility, and meeting times. Contact information made it easy for community members to join the new Auxiliary unit.

Radio stations are required to provide public service announcements. Units and departments have found that Auxiliary news can be communicated through these service announcements. Likewise church bulletins and displays throughout a town can reach many community members.

Since the National Magazine is a rich source of information, the Department of Texas had a fundraiser to purchase gift subscriptions for the larger Veterans Administration hospitals. Units were challenged to take the project a step further by gifting subscriptions to the local VA clinics. They are also running a contest to challenge units to submit posters of events involving troop support, Americanism, community service, and children and youth. The posters will be displayed at their department convention. The Department of Connecticut took a new route with fundraisers by passing the pertinent information to *patch.com*, which is a website service that streams information by state, regional, and city events.

In New Hampshire, the Public Relations chairman thought outside the box when she submitted an application for a Media Year of Service award. The award winner receives

a twelve month intensive broadcasting and marketing campaign designed to significantly aid a local non-profit organization. The value of the prize is \$100,000. Public relations chairmen in departments and units are using high-tech, low-tech, and no tech methods to convey Auxiliary events and information to members of the American Legion Family and to the community. From Facebook and Twitter, to phone trees and person-to-person contacts, the Auxiliary is reaching out to keep members and communities informed about the great work that is at the heart of the American Legion Auxiliary.

VETERANS AFFAIRS & REHABILITATION CHAIRMAN: NANCY BROWN-PARK

Department, members and units are making progress and fulfilling the objectives outlined in the Plan of Action.

Objective 1: To bring awareness to the plight and ever-increasing number of homeless veterans. Today it is estimated that 1 in 4 homeless are veterans and that includes approximately 6,500 women veterans. Source: 2005 Veterans Census

Highlight: Department of Wisconsin has added Homeless Women Veterans to their Plan of Action and created a program called “Making Connections – Women to Women” They are working with Vets Centers, the American Red Cross and their Veterans Service Officers. They have to date distributed grant funds over \$35,000 assisting 27 homeless or at-risk women Veterans. They have established a list of volunteers that includes Auxiliary members from each district, county and unit that are willing to be the “Connection” to women Veterans in their communities when personal contact is required to complete Grant assistance request.

North Carolina Division one “Honored Their Service” by giving baskets, furniture, mattresses, bed linens and Thanksgiving and Christmas Dinner to two homeless female veterans and their children. They supplied approximate 230 volunteer hours, with donations of \$4,216.70.

Objective 2: To raise \$150,000 to fulfill our obligation as a corporate sponsor of the National Veterans Creative Arts Festival (NVCAF).

Highlight: Departments and units across the country report distributing Creative Arts “Pringles” cans in their Post Homes, Library’s, local business and places of worship to help meet our corporate sponsor obligation.

Department of Arizona sponsored refreshments for the Creative Arts Festival Awards Ceremony at their medical centers. Medals and Certificates were handed out to the Veterans participating. Chairman Carmelite Staker says “that if everyone could see an actual performance they would be forever inspired.”

Objective 3: To increase participation in Ride 2 Recovery (R2R) events. To encourage fundraising and volunteer participation for all scheduled events.

Highlight: California’s VA&R Chairman reported that the California ride was a huge success and their Department Presidents special project. Although there is not a definitive accounting of all the statistics, based on the reports received there were hundreds of unit members who assisted with the R2R events from the start at San Francisco to the finish at the Santa Monica Pier. Member’s provided lunch, dinner and snacks to over 200 riders and support staff.

Objective 4: To increase volunteer services within a VAMC or outpatient clinic by 10 volunteers per Department and to increase volunteers outside a VAMC through Field Service and Home Service by 10 per Department.

Highlight: The Department of Arizona reported 17 Field Service Orientations. Training a total of 170 new Field Service volunteers; 106 Auxiliary Senior members, 106 junior members, 20 Legionnaires, 13 Sons of the American Legion and 1 Dual member. They reported Home Service hours of 9,072 with expenditures and donations of \$25,512.64 and 23 new volunteers participating.

LONG RANGE STRATEGIC PLANNING CHAIRMAN: JAN PULVERMACHER-RYAN

The purpose of a strategic plan is that it is a disciplined approach to deciding what an organization is, what it does and why it does it, with a focus on the future.

Giving credit to the Strategic Planning teams as follows:

The Leadership Initiative team recommended “Boot Camps” for potential leaders and leadership support tools available in a comprehensive booklet or brochure. Further recommended Mission Outreach Trainings to include Juniors, the creation of a new member unit handbook, starting an ALA College, continuing national education conferences, online video program training, streaming meetings of the national organization, providing generation gap training, mentoring programs and Legion Family involvement and in general, opportunities to learn.

The Membership Initiative team developed a comprehensive list of activities designed to recruit, retain, engage and maintain members in our communities. They suggest simplifying programs, processes and procedures and policy, and marketing our mission outreach programs. We should consider members as a population to serve rather than a market to sell to, and recommend a 6-step process to recruit, engage and retain new members in the organization. Always remembering that like politics, membership is local and personal contact is still the best way to achieve membership goals.

The Character Initiative team recommends providing members with structured guidance on self improvement at nationally sponsored meetings, conferences and conventions, emphasizing to incoming leadership the character qualities that form the foundation of any successful achievement and to annually review with staff the importance of character traits in fostering a positive relationship within the organization.

The Unit and Department Standards team has developed minimum standards for Bylaws and Standing Rules, number of members, unit meetings, elected officers, appointed officers, executive committee, chairmen and co-chairmen for events. They have developed minimum levels of activity that units would be involved in and then choices of participating in programs to achieve those goals. To become a unit that goes beyond the minimum standards, other levels of activity are offered, with incentives for each level specified. They have developed standards for publications, recommended templates on the national website for units to access, brochures to share with communities, press releases provided by national and available on the website, and information technology for units with internet access.

They developed minimum standards for units and department on administrative and financial issues, audits, financial records, budgets, federal IRS 990 income tax and other government regulations, fundraising and all the acts covering the human resources element of each, and recommended a records retention schedule.

A team at national headquarters, headed by National Treasurer Marta Hedding and seven department secretaries are incorporating all these ideas into a Department Operations Guide and including some in the unit handbook, which we hope to have ready by national convention.

“*Gateway to Services*” (formerly the Clearing House initiative) is included on the national website with an icon directing viewers to helpful information for veterans, the military and their families. The site includes information on Family, Community and

Social Support, Health and Wellness, Career, Training and Education and Financial and Legal Support. Check it out, the resources are incredible.

The Technology initiative has been completed with the web redesign and the installation of Imis and future technology issues will be under the purview of the National Public Relations Committee.

Strategic Planning produces a framework that enables the organization to focus its energy, coordinate the efforts of individuals so that they are working toward the same goals, and assesses the organization's response to changing factors and adjusts accordingly. It is really a "document of agreements" about the future of the organization and takes steps to get there.

APPENDIX B: Financial Statements



*AMERICAN LEGION AUXILIARY
NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY
FOUNDATION, INC.*

*CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION*

SEPTEMBER 30, 2011 AND 2010



Alerding & Co., LLC
Consultants • Certified Public Accountants

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

TABLE OF CONTENTS
SEPTEMBER 30, 2011 AND 2010

	<i>Page</i>
Independent Auditors' Report	1-2
Financial Statements:	
<i>Consolidated Statements of Financial Position</i>	3
<i>Consolidated Statements of Activities and Changes in Net Assets</i>	4
<i>Consolidated Statement of Functional Expenses for the Year Ended September 30, 2011</i>	5
<i>Consolidated Statement of Functional Expenses for the Year Ended September 30, 2010</i>	6
<i>Consolidated Statements of Cash Flows</i>	7
<i>Notes to Consolidated Financial Statements</i>	8-25
Supplemental Information:	
<i>Analysis of Deferred Revenue - PUFL</i>	26
<i>Consolidating Statement of Financial Position for the Year Ended September 30, 2011</i>	27
<i>Consolidating Statement of Activities and Changes in Net Assets for the Year Ended September 30, 2011</i>	28
<i>Consolidating Statement of Activities and Changes in Net Assets for the Year Ended September 30, 2010</i>	29

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INDEPENDENT AUDITORS' REPORT

*National Executive Committee
American Legion Auxiliary National Headquarters and
American Legion Auxiliary Foundation, Inc.
Indianapolis, Indiana*

We have audited the accompanying consolidated statements of financial position of AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS and AMERICAN LEGION AUXILIARY FOUNDATION, INC. as of September 30, 2011 and 2010, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the management of AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS and AMERICAN LEGION AUXILIARY FOUNDATION, INC. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with U.S. Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS and AMERICAN LEGION AUXILIARY FOUNDATION, INC. as of September 30, 2011 and 2010, and the changes in its net assets, functional expenses, and cash flows for the years then ended, in conformity with U.S. Generally Accepted Accounting Principles.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 26 through 29 is presented for purposes of additional analysis and is not a required part of the 2011 and 2010 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 basic 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 the consolidated financial statements themselves, and other additional procedures in accordance with U.S. Generally Accepted Auditing Standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the 2011 and 2010 consolidated financial statements taken as a whole.

A. Leasing & Co.

January 20, 2012

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2011 AND 2010

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
<i>Cash and cash equivalents</i>	\$ 940,610	\$ 467,477
<i>Investments</i>	19,926,426	20,911,181
<i>Investments - PUFL</i>	2,806,803	3,033,136
<i>Prepaid expenses</i>	165,274	214,658
<i>Furniture and equipment, net</i>	926,668	957,399
<i>Other assets</i>	<u>299,688</u>	<u>376,865</u>
<i>Total assets</i>	<u>\$ 25,065,469</u>	<u>\$ 25,960,716</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
<i>Accounts payable</i>	\$ 536,593	\$ 504,580
<i>Accrued expenses</i>	289,113	278,148
<i>Accrued scholarships</i>	81,000	83,750
<i>Deferred revenue - dues</i>	2,187,899	1,680,057
<i>Deferred revenue - PUFL</i>	2,811,333	3,016,845
<i>Deferred revenue - other</i>	66,476	670
<i>Liability for pension benefits</i>	<u>621,910</u>	<u>353,786</u>
<i>Total liabilities</i>	<u>6,594,324</u>	<u>5,917,836</u>
Net Assets:		
<i>Unrestricted net assets</i>		
<i>General fund</i>	17,005,136	18,230,680
<i>Other unrestricted funds</i>	<u>1,261,279</u>	<u>1,315,772</u>
<i>Total unrestricted net assets</i>	18,266,415	19,546,452
<i>Temporarily restricted net assets</i>	80,817	225,723
<i>Permanently restricted net assets</i>	<u>780,195</u>	<u>631,331</u>
<i>Total net assets before accumulated other comprehensive income</i>	19,127,427	20,403,506
<i>Accumulated other comprehensive income</i>	<u>(656,282)</u>	<u>(360,626)</u>
<i>Total net assets</i>	<u>18,471,145</u>	<u>20,042,880</u>
<i>Total liabilities and net assets</i>	<u>\$ 25,065,469</u>	<u>\$ 25,960,716</u>

See accompanying Notes to Consolidated Financial Statements.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenue, Gains & Other Support:		
Contributions	\$ 932,415	\$ 946,663
Membership dues	3,860,702	3,881,194
Advertising	479,535	433,665
Other	<u>1,139,756</u>	<u>1,092,785</u>
Total revenue, gains, and other support	<u>6,412,408</u>	<u>6,354,307</u>
Expenses:		
Member services	4,468,823	4,086,587
Youth education services	749,925	763,455
Veteran and military family programs	<u>1,215,945</u>	<u>944,506</u>
Total program services	6,434,693	5,794,548
Management and general	477,250	435,024
Fundraising	<u>285,103</u>	<u>121,234</u>
Total expenses	<u>7,197,046</u>	<u>6,350,806</u>
Change in net assets from operations	(784,638)	3,501
Investment Income (Loss), Net of Expenses	<u>(491,441)</u>	<u>1,884,187</u>
Change in net assets	(1,276,079)	1,887,688
Net Assets Before Accumulated Other Comprehensive Income, Beginning of Year	<u>20,403,506</u>	<u>18,515,818</u>
Net Assets Before Accumulated Other Comprehensive Income, End of Year	<u>\$ 19,127,427</u>	<u>\$ 20,403,506</u>

See accompanying Notes to Consolidated Financial Statements.

*AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.*

*CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2011
(WITH COMPARATIVE TOTALS FOR 2010)*

	Program Services	Management and General	Fundraising	2011 Totals	2010 Totals
<i>Personnel and related benefits</i>	\$ 1,795,241	\$ 191,181	\$ 58,385	\$ 2,044,807	\$ 1,763,335
<i>General operating expenses</i>	478,533	95,745	20,675	594,953	487,247
<i>Conventions and meetings</i>	1,245,495	49,692	559	1,295,746	1,173,993
<i>Occupancy</i>	218,093	24,788	9,915	252,796	254,937
<i>Professional services and fees</i>	309,681	73,467	31,603	414,751	379,416
<i>Printing and publications</i>	845,860	6,019	59,774	911,653	754,864
<i>Postage and freight</i>	742,902	9,574	34,006	786,482	766,986
<i>Grants and scholarships</i>	452,942	-0-	-0-	452,942	347,163
<i>Other</i>	<u>345,946</u>	<u>26,784</u>	<u>70,186</u>	<u>442,916</u>	<u>422,865</u>
<i>Total expenses</i>	<u>\$ 6,434,693</u>	<u>\$ 477,250</u>	<u>\$ 285,103</u>	<u>\$ 7,197,046</u>	<u>\$ 6,350,806</u>

See accompanying Notes to Consolidated Financial Statements.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2010

	Program Services	Management and General	Fundraising	2010 Totals
<i>Personnel and related benefits</i>	\$ 1,553,920	\$ 163,412	\$ 46,003	\$ 1,763,335
<i>General operating expenses</i>	418,277	55,443	13,527	487,247
<i>Conventions and meetings</i>	1,134,266	39,259	468	1,173,993
<i>Occupancy</i>	224,936	20,000	10,001	254,937
<i>Professional services and fees</i>	256,093	104,751	18,572	379,416
<i>Printing and publications</i>	736,318	4,437	14,109	754,864
<i>Postage and freight</i>	747,090	1,347	18,549	766,986
<i>Grants and scholarships</i>	347,163	-0-	-0-	347,163
<i>Other</i>	<u>376,485</u>	<u>46,375</u>	<u>5</u>	<u>422,865</u>
<i>Total expenses</i>	<u>\$ 5,794,548</u>	<u>\$ 435,024</u>	<u>\$ 121,234</u>	<u>\$ 6,350,806</u>

See accompanying Notes to Consolidated Financial Statements.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
<i>Change in net assets</i>	\$ (1,276,079)	\$ 1,887,688
<i>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</i>		
<i>Depreciation and amortization</i>	203,534	90,716
<i>Gain on disposal of assets</i>	(100)	-0-
<i>Net realized (gain) loss on investments</i>	(113,413)	(43,849)
<i>Net realized (gain) loss on investments - PUFL</i>	(7,594)	203,752
<i>Net unrealized (gain) loss on investments</i>	1,364,561	(1,273,887)
<i>Net unrealized (gain) loss on investments - PUFL</i>	150,462	(418,139)
<i>Net periodic pension expense</i>	(16,532)	(11,019)
<i>Changes in operating assets and liabilities:</i>		
<i>Prepaid expenses</i>	49,384	86,337
<i>Other assets</i>	77,177	(256,660)
<i>Accounts payable</i>	32,013	264,796
<i>Other accrued expenses</i>	8,215	14,254
<i>Deferred revenue - dues</i>	507,842	(874,772)
<i>Deferred revenue - PUFL</i>	(205,512)	188,585
<i>Deferred revenue - other</i>	65,806	(42,910)
<i>Liability for pension benefits</i>	(11,000)	-0-
<i>Net cash provided by (used in) operating activities</i>	<u>828,764</u>	<u>(185,108)</u>
Cash Flows From Investing Activities:		
<i>Fixed assets purchased or donated</i>	(172,803)	(518,957)
<i>Proceeds from sale of assets</i>	100	-0-
<i>Change in investments, net</i>	(266,393)	(15,375)
<i>Change in investments - PUFL, net</i>	83,465	(47,934)
<i>Net cash used in investing activities</i>	<u>(355,631)</u>	<u>(582,266)</u>
Net Increase (Decrease) in Cash and Cash equivalents	473,133	(767,374)
Cash and Cash Equivalents, Beginning of Year	<u>467,477</u>	<u>1,234,851</u>
Cash and Cash Equivalents, End of Year	<u>\$ 940,610</u>	<u>\$ 467,477</u>

See accompanying Notes to Consolidated Financial Statements.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

1. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Description of Entities

The accompanying consolidated financial statements include the accounts of the American Legion Auxiliary National Headquarters (the "Auxiliary") and the American Legion Auxiliary Foundation, Inc. (the "Foundation"), collectively referred to as the "Organization". All significant intercompany transactions and balances have been eliminated in consolidation.

The Auxiliary is a national membership veterans' service organization with headquarters located in Indianapolis, Indiana. The Auxiliary was founded in 1919 in conjunction with the establishment of The American Legion by the United States Congress and was incorporated as a not-for-profit organization on November 11, 1932 under the laws of the State of Indiana. Members of the Auxiliary are women who served, or whose relatives served, in the United States Armed Forces during times of declared war and conflict. The mission of the Auxiliary is to honor, advocate for, and enhance the lives of U.S. veterans, military, and their families, and to promote patriotism, national security, and good citizenship. The Auxiliary enacts its mission through scholarship, educational, mentoring, and outreach programs, and by administering and supporting various projects that benefit veterans and military families at home and abroad.

The Foundation was incorporated on September 27, 2007 as a not-for-profit entity under the State of Indiana Not-For-Profit Incorporation Act. The Foundation was organized by the Auxiliary exclusively for the benefit of the Auxiliary and assists in fundraising and offers support in carrying out educational, charitable, and other programs sponsored by the Auxiliary. Accordingly, as required by U.S. Generally Accepted Accounting Principles, the Foundation's accounts and related disclosures are consolidated herein with those of the Auxiliary.

The accompanying consolidated financial statements only include the accounts of the Auxiliary Headquarters and do not include the accounts of other independent affiliated Auxiliary locations including departments (state-level corporations) and units (community-level corporations).

The significant accounting policies followed by the Organization in the preparation of its consolidated financial statements are summarized below:

Basis of Presentation

The Organization utilizes the principles of fund accounting in the preparation of its consolidated financial statements. Therefore, net assets and revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. The three fund accounts include the following:

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Unrestricted Fund

The unrestricted net assets are net assets not subject to donor-imposed restrictions. The unrestricted fund is used to account for all contributions, revenues, and expenses used for the general operations of the Organization.

Temporarily Restricted Fund

The temporarily restricted fund is used to record contributions and revenues that are received or generated that have donor restrictions that limit the use of the donated assets. When a donor restriction expires, temporarily restricted assets are classified as unrestricted net assets and are released from restrictions (Note 5).

Permanently Restricted Fund

Assets held inviolate and in perpetuity are held in the permanently restricted fund and include certain funds restricted for scholarships and other restricted purposes. The net income from these investments and all non-restricted contributions are available for release to the unrestricted fund.

Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and notes to the consolidated financial statements. Actual results could differ from those estimates. Principal estimates made in the preparation of the consolidated financial statements include the allocation of functional expenses and assumptions employed in the determination of pension expense.

Cash and Cash Equivalents

Cash and cash equivalents represent cash invested in checking and money market accounts. All liquid investments with original maturity dates of three months or less are classified as cash equivalents.

Investments and Investment Return

The Organization's investments are valued at fair market value and have a readily determinable fair value. Investment return includes dividends, interest, and realized and unrealized gains and losses on investments carried at fair value.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is first recorded as temporarily restricted and then released from restriction. Other investment return is reflected in the statements of activities as unrestricted, temporarily restricted, or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Furniture and Equipment and Depreciation

Furniture, equipment, and leasehold improvements purchased and expenditures which substantially increase the useful lives of existing assets are recorded at cost. Cost of repairs and maintenance are expensed as incurred. Furniture, equipment, and leasehold improvements are depreciated over the estimated useful lives, which range from 5 to 10 years, using the straight-line method of depreciation.

Support and Revenue Recognition

The Organization records gifts as revenue at the date it receives either cash or an unconditional promise to give from a donor. Assets received from a donor are recorded at fair value and are recorded as unrestricted revenue unless the donor includes stipulations that limit the use of the assets, in which case the revenue is recorded as either Temporarily or Permanently Restricted revenue. When a donor restriction expires, temporarily restricted assets are reclassified as unrestricted net assets and reported as "Net assets released from restrictions" in the consolidated statement of activities and changes in net assets.

Contributions raised through direct mail campaigns by third-party vendors are reported net of the associated cost in the consolidated statement of activities and changes in net assets.

Functional Expenses

Expenses are allocated among various Programs, Management and General, and Fundraising based on management's estimates of time spent by employees, space utilization, or other rational bases.

Dues Income and Per Capita Tax

Dues are recognized as income in the applicable membership period. Membership dues are paid annually based on a calendar year-end.

The per capita tax on members is deemed to be earned and reported as income when received.

Income Taxes

The Auxiliary and the Foundation are organized as not-for-profit corporations and, accordingly, are exempt from Federal and state income taxes under sections 501(c)(19) and 501(c)(3) of the Internal Revenue Code, respectively.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Management of the Organization evaluates all significant tax positions to ensure compliance with the exempt purpose of the Organization as required by U.S. Generally Accepted Accounting Principles, including consideration of any unrelated business income tax. As of September 30, 2011, Management does not believe the Organization has taken any tax positions that are not in compliance with its exempt purpose. The Organization's Federal and state tax returns remain open and subject to examination beginning with the tax year ended September 30, 2008.

Reclassification

Certain amounts from 2010 have been reclassified herein to conform to the 2011 presentation.

Subsequent Events

Subsequent events have been evaluated through January 20, 2012, which is the date the financial statements were available to be issued.

2. FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures (FASB ASC 820) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also establishes a fair value hierarchy, which requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels are defined by FASB ASC 820 as a means of measuring fair value:

Level 1

Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2

Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. The Organization has no Level 2 investments at September 30, 2011.

Level 3

Unobservable inputs reflecting the entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Assets measured at fair value at September 30, 2011 include the following:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 940,610	\$ -0-	\$ 940,610
Investments	18,454,115	1,472,311	19,926,426
Investments - PUFL	2,806,803	-0-	2,806,803
	<u>\$22,201,528</u>	<u>\$ 1,472,311</u>	<u>\$ 23,673,839</u>

Assets measured at fair value at September 30, 2010 include the following:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 467,477	\$ -0-	\$ 467,477
Investments	19,406,260	1,504,921	20,911,181
Investments - PUFL	3,033,136	-0-	3,033,136
	<u>\$22,906,873</u>	<u>\$ 1,504,921</u>	<u>\$ 24,411,794</u>

The following schedule summarizes the changes in assets measured using Level 3 inputs during the year ending September 30, 2011:

	<u>Fair Value Measurement Using Significant Unobservable Inputs (Level 3)</u>		
	<u>Hedge Fund</u>	<u>Partnerships</u>	<u>Total</u>
Beginning Balance, 9/30/10	\$ 990,837	\$ 514,084	\$ 1,504,921
Additions	-0-	41,433	41,433
Realized losses	-0-	(46,498)	(46,498)
Unrealized gains	(27,545)	-0-	(27,545)
Ending Balance, 9/30/11	<u>\$ 963,292</u>	<u>\$ 509,019</u>	<u>\$ 1,472,311</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

The following schedule summarizes the changes in assets measured using Level 3 inputs during the year ending September 30, 2010:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)		
	Hedge Fund	Partnerships	Total
Beginning Balance, 9/30/09	\$ 935,658	\$ 389,630	\$ 1,325,288
Additions	-0-	149,502	149,502
Dividends, interest and other	-0-	(4,751)	(4,751)
Realized losses	-0-	(20,297)	(20,297)
Unrealized gains	55,179	-0-	55,179
Ending Balance, 9/30/10	\$ 990,837	\$ 514,084	\$ 1,504,921

3. INVESTMENTS AND INVESTMENT RETURN

A summary of the Organization's investments and investment returns as of September 30, 2011 and 2010 and for the years then ended are as follows:

	2011		2010	
	Cost	Market	Cost	Market
Investments:				
Money market funds	\$ 207,617	\$ 207,617	\$ 45,690	\$ 45,690
Common and preferred stock	5,211,450	4,578,464	5,215,518	4,724,661
Mutual funds and other	16,120,822	15,140,346	15,898,874	16,140,830
Total investments	\$ 21,539,889	\$ 19,926,427	\$ 21,160,082	\$ 20,911,181

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

The following schedule summarizes the investment income (loss) and its classification in the statements of activities and changes in net assets for the years ended September 30, 2011 and 2010:

	2011				
	General Fund	Other Unrestricted Funds	Total Unrestricted	Temporarily Restricted Funds	Total
<i>Dividends and interest (net of expenses of \$25,609)</i>	\$ 703,419	\$ 44,192	\$ 747,611	\$ 12,096	\$ 759,707
<i>Net realized gains on investments</i>	108,046	3,707	111,753	1,660	113,413
<i>Net unrealized gains (losses) on investments</i>	<u>(1,269,689)</u>	<u>(68,190)</u>	<u>(1,337,879)</u>	<u>(26,682)</u>	<u>(1,364,561)</u>
<i>Total investment income (loss)</i>	<u>\$ (458,224)</u>	<u>\$ (20,291)</u>	<u>\$ (478,515)</u>	<u>\$ (12,926)</u>	<u>\$ (491,441)</u>
	2010				
	General Fund	Other Unrestricted Funds	Total Unrestricted	Temporarily Restricted Funds	Total
<i>Dividends and interest (net of expenses of \$23,703)</i>	\$ 519,663	\$ 32,565	\$ 552,228	\$ 14,223	\$ 566,451
<i>Net realized gains (losses) on investments</i>	31,765	(4,101)	27,664	16,185	43,849
<i>Net unrealized gains on investments</i>	<u>1,192,603</u>	<u>63,711</u>	<u>1,256,314</u>	<u>17,573</u>	<u>1,273,887</u>
<i>Total investment income (loss)</i>	<u>\$ 1,744,031</u>	<u>\$ 92,175</u>	<u>\$ 1,836,206</u>	<u>\$ 47,981</u>	<u>\$ 1,884,187</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

4. FURNITURE AND EQUIPMENT

The Organization's furniture and equipment for the years ended September 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Furniture, office equipment and information technology	\$ 1,316,370	\$ 1,191,025
Leasehold improvements	<u>38,039</u>	<u>38,039</u>
	1,354,409	1,229,064
Accumulated depreciation and amortization	<u>(427,741)</u>	<u>(271,665)</u>
	<u>\$ 926,668</u>	<u>\$ 957,399</u>

5. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions from the temporarily restricted fund to the unrestricted fund by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors, are as follows:

	<u>2011</u>	<u>2010</u>
Purpose restrictions accomplished:		
Emergency Fund grants and related expenses	\$ 304,587	\$ 189,201
Veterans Creative Arts Festival and related expenses	162,990	131,132
Scholarship expenses, net of forfeitures	<u>25,250</u>	<u>(1,500)</u>
	<u>\$ 492,827</u>	<u>\$ 318,833</u>

6. PAID-UP-FOR-LIFE (PUFL) TRUST

In February 1981, the National Executive Committee approved the establishment of a life membership plan to be available to any member. In November 1981, the assets of the Paid-Up-For-Life (PUFL) Plan, formerly known as the Very-Important-Member (VIM) Plan, were segregated into a trust account from which funds equal to the annual dues of life members will be withdrawn each year. The trust agreement provides that the Auxiliary 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. Investment income from the PUFL Membership trust is recorded as a component of deferred income and is not reflected in the consolidated statement of activities and changes in net assets.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

The financial position of the PUFL Membership trust is as follows:

	<u>2011</u>	<u>2010</u>
Assets:		
Cash	\$ 12,806	\$ 3,055
Investments	2,806,803	3,033,136
Other	<u>(8,276)</u>	<u>(19,346)</u>
Total assets	<u>\$ 2,811,333</u>	<u>\$ 3,016,845</u>
Liabilities:		
Deferred revenue - PUFL	<u>\$ 2,811,333</u>	<u>\$ 3,016,845</u>

The cost and market value of investments in the PUFL Membership trust as of September 30, 2011 and 2010 are as follows:

	2011		2010	
	Cost	Market	Cost	Market
Investments:				
Money market funds	\$ 97,333	\$ 97,333	\$ 14,230	\$ 14,230
Mutual funds and other	<u>2,943,237</u>	<u>2,709,470</u>	<u>3,102,211</u>	<u>3,018,906</u>
Total investments	<u>\$ 3,040,570</u>	<u>\$ 2,806,803</u>	<u>\$ 3,116,441</u>	<u>\$ 3,033,136</u>

The following schedule summarizes the PUFL Membership trust investment income (loss) for the years ended September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Dividends and interest (net of expenses)	\$ 111,295	\$ 64,891
Net realized gains (losses) on investments	7,594	(203,752)
Net unrealized gains (losses) on investments	<u>(150,462)</u>	<u>418,139</u>
Total investment income	<u>\$ (31,573)</u>	<u>\$ 279,278</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

7. PENSION PLAN

Prior to 2008, the Auxiliary participated in a defined benefit pension plan covering substantially all of its employees. The plan was frozen on June 30, 2008. Participating employees will continue to vest in the plan; however, benefit payments will be based on the years of service and salary level as of June 30, 2008. The Auxiliary's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Auxiliary may determine to be appropriate from time to time.

Significant balances, costs, and assumptions are as follows:

	<u>2011</u>	<u>2010</u>
Projected benefit obligation	\$ (2,881,226)	\$ (2,714,165)
Fair value of plan assets	<u>2,259,316</u>	<u>2,360,379</u>
Funded status	<u>\$ (621,910)</u>	<u>\$ (353,786)</u>
Accumulated benefit obligation	<u>\$ (2,881,226)</u>	<u>\$ (2,714,165)</u>

Based on actuarial calculations, and in accordance with the provisions of the Employee Retirement Income Security Act (ERISA), there are no payments currently required to be made to the plan.

Amounts recognized in the consolidated financial statements are as follows:

	<u>2011</u>	<u>2010</u>
Liability for pension benefits	\$ 621,910	\$ 353,786
Unrecognized losses (Note 13)	(591,935)	(290,985)
Unamortized prior service cost (Note 13)	(64,347)	(69,641)
Net periodic pension cost	(16,532)	(11,019)
Employer contributions	11,000	0-
Benefits paid	117,298	123,752

Weighted-average assumptions used to determine benefit obligations are as follows:

	<u>2011</u>	<u>2010</u>
Weighted-average assumptions:		
Discount rate	5.16%	5.54%
Rate of compensation increase	N/A	N/A

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Weighted-average assumptions used to determine benefit costs are as follows:

	<u>2011</u>	<u>2010</u>
<i>Weighted-average assumptions:</i>		
Discount rate	4.69%	5.16%
Expected return on plan assets	7.00%	7.00%
Rate of compensation increase	N/A	N/A

The Auxiliary has estimated the long-term rate on plan assets based primarily on historical returns, adjusted for changes in target portfolio allocations, and recent changes in long-term interest rates based on publicly available information.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of September 30:

2012	\$	131,331
2013		134,834
2014		142,032
2015		144,725
2016		149,389
2017-2020		<u>833,316</u>
	\$	<u>1,535,627</u>

Plan assets are held by a bank-administered trust fund, which invests the plan assets in accordance with provisions of the plan agreement. The plan agreements permit investment in equity and debt securities based on certain target allocation percentages.

Asset allocation is primarily based on a strategy to provide stable earnings while still permitting the plans to recognize potentially higher returns through a limited investment in equity securities. Plan assets are re-balanced quarterly. The target asset allocation percentages and the actual plan assets by category at September 30, 2011 and 2010 were as follows:

	<u>Target</u>	<u>2011</u>	<u>2010</u>
Equity securities	35 - 45%	26%	24%
Debt securities	55 - 65%	71%	73%
Other		3%	3%

The market values of the investments are measured by a Level 1 input in accordance with FASB ASC 820.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

8. *PROFIT SHARING PLAN*

The Auxiliary established a 401(k) Profit Sharing Plan subsequent to the freezing of the pension plan in 2008 (Note 7). The plan covers all eligible employees meeting certain age and term-of-employment provisions. Contributions are made by the Auxiliary at the discretion of the National Finance and National Executive Committees. Participants become fully vested in employer contributions after five (5) years of service. The Auxiliary contributed \$34,042 and \$32,567 in 2011 and 2010, respectively.

9. *OPERATING LEASES*

During 2008, the Auxiliary entered into a long-term lease for its National Headquarters' office. The lease agreement calls for monthly lease payments ranging from \$17,428 to \$20,042 through January 2019 plus the Auxiliary's proportionate share of operating costs. Total lease expense for the National Headquarters' Office was \$219,196 and \$234,957 in 2011 and 2010, respectively.

The Auxiliary also leases certain office equipment under terms in excess of one year. This lease requires minimum monthly lease payments of \$856 expiring at March 2013. Lease expense for this lease and other short-term cancelable leases was \$60,823 and \$61,542 for the years ended September 30, 2011 and 2010, respectively.

Future minimum lease payments under the terms of all noncancelable operating leases at September 30, 2011 are as follows:

<i>Year Ending September 30,</i>	
2012	\$ 249,908
2013	227,047
2014	225,396
2015	228,881
2016	232,367
<i>Thereafter</i>	<u>555,356</u>
	<u>\$ 1,718,955</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

10. RELATED PARTY TRANSACTIONS

The Auxiliary and The American Legion National Headquarters (the "Legion") are related parties that are not financially interrelated organizations. The Legion is a national veterans' organization created by an Act of Congress to provide various programs to support veterans, their families, and children and youth. Many of the Auxiliary's programs mirror and/or supplement the efforts of the Legion in supporting these groups. Accordingly, there are shared resources between the two organizations.

The Auxiliary contributes to certain Legion programs and affiliates, such as Citizens Flag Alliance, Children & Youth Fund, Child Welfare Foundation, and Veterans Affairs and Rehabilitation Fund. In 2000, the Auxiliary sold most of its inventory to the Legion. As the inventory items are sold, the Legion pays the Auxiliary a 6% commission on the sale.

Activities between the Auxiliary and the Legion for the years ended September 30, 2011 and 2010 are summarized below:

	<u>2011</u>	<u>2010</u>
Disbursements to Legion:		
National convention	\$ 41,963	\$ 51,033
Legal services	7,500	7,500
National emblem sales	8,352	11,102
GS Conference	5,510	-0-
Contributions to the Legion and its affiliates	2,500	40,000
Access to computer network and IT support	-0-	49,909
Membership processing	-0-	51,828
Other	<u>6,707</u>	<u>10,316</u>
	<u>\$ 72,532</u>	<u>\$ 221,688</u>
Receipts:		
National emblem sales	\$ 51,141	\$ 55,515
Other	<u>-0-</u>	<u>767</u>
	<u>\$ 51,141</u>	<u>\$ 56,282</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

11. NATIONAL PRESIDENT'S SCHOLARSHIP ENDOWMENT

Composition of Endowment Net Assets

The Auxiliary created the National President's Scholarship Endowment Fund (the "Endowment") in 2008 to provide funding for scholarships awarded by the Auxiliary. The endowment consists of quasi endowment funds set aside by the National Executive Committee (NEC) and donor-designated funds. In 2008, the NEC designated \$280,810 of unrestricted net assets as a component of the endowment. The NEC-designated and donor-designated portions of the endowment are classified as unrestricted and permanently restricted, respectively, in the consolidated statements of financial position, and the components are tracked separately for the purpose of recording investment income.

Endowment net assets at September 30, 2011 include the following:

	NEC <u>Designated</u>	Donor <u>Designated</u>	<u>Total</u>
Historic gift value	\$ 312,948	\$ 537,199	\$ 850,147
Accumulated earnings	<u>31,739</u>	<u>103,994</u>	<u>135,733</u>
Endowment net assets, beginning of year	<u>344,687</u>	<u>641,193</u>	<u>985,880</u>
Additions to endowment	-0-	19,956	19,956
Transfers from operating fund	-0-	-0-	-0-
Scholarships paid, net of forfeitures	-0-	(25,250)	(25,250)
Interest and dividends	6,615	12,096	18,711
Realized gains	-0-	1,660	1,660
Unrealized gains (losses)	<u>(14,284)</u>	<u>(26,682)</u>	<u>(40,966)</u>
Change in endowment net assets	<u>(7,669)</u>	<u>(18,220)</u>	<u>(25,889)</u>
Endowment net assets, end of year	<u>\$ 337,018</u>	<u>\$ 622,973</u>	<u>\$ 959,991</u>
Historic gift value	\$ 312,948	\$ 557,155	\$ 870,103
Accumulated earnings	<u>24,070</u>	<u>65,818</u>	<u>89,888</u>
Endowment net assets, end of year	<u>\$ 337,018</u>	<u>\$ 622,973</u>	<u>\$ 959,991</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Endowment net assets at September 30, 2010 include the following:

	NEC <i>Designated</i>	Donor <i>Designated</i>	<i>Total</i>
<i>Historic gift value</i>	\$ 312,948	\$ 522,407	\$ 835,355
<i>Accumulated earnings</i>	<u>8,195</u>	<u>54,513</u>	<u>62,708</u>
<i>Endowment net assets, beginning of year</i>	<u>321,143</u>	<u>576,920</u>	<u>898,063</u>
<i>Additions to endowment</i>	-0-	14,792	14,792
<i>Transfers from operating fund</i>	27,500	-0-	27,500
<i>Scholarships paid, net of forfeitures</i>	(30,250)	1,500	(28,750)
<i>Interest and dividends</i>	7,361	14,223	21,584
<i>Realized gains</i>	9,094	16,185	25,279
<i>Unrealized gains</i>	<u>9,839</u>	<u>17,573</u>	<u>27,412</u>
<i>Change in endowment net assets</i>	<u>23,544</u>	<u>64,273</u>	<u>87,817</u>
<i>Endowment net assets, end of year</i>	<u>\$ 344,687</u>	<u>\$ 641,193</u>	<u>\$ 985,880</u>
 <i>Historic gift value</i>	 \$ 312,948	 \$ 537,199	 \$ 850,147
<i>Accumulated earnings</i>	<u>31,739</u>	<u>103,994</u>	<u>135,733</u>
<i>Endowment net assets, end of year</i>	<u>\$ 344,687</u>	<u>\$ 641,193</u>	<u>\$ 985,880</u>

Governing Board's Interpretation of Relevant Law

The Foundation, incorporated in and governed by the laws of the State of Indiana, has interpreted the Indiana statute Uniform Prudent Management of Institutional Funds Act, enacted in 2007, to require the preservation of the fair value of the original gift as of the date of the gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, and to not require the maintenance of purchasing power. As a result of this interpretation, the Organization 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) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Endowment Draws

Endowment draws, net of forfeitures, of \$25,250 and \$27,250 were made during the years ended September 30, 2011 and 2010 to fund scholarships. Transfers from the operating fund of \$0- and \$30,000 were made to the endowment fund during the years ended September 30, 2011 and 2010.

The Auxiliary has adopted a spending policy relating to future endowment draws. The available endowment draw for each fiscal year beginning October 1 shall be limited to an amount determined by applying a 5% rate to the three-year rolling average market value for the period ending the preceding May 31. The actual endowment draw will be recommended by the National Finance Committee to the National Executive Committee for its approval during the annual budgeting process. Should the National Finance Committee deem it advisable to exceed the 5% limit, the change must be approved by the National Executive Committee.

The NEC-designated portion of the endowment may be added to or expended by the National Executive Committee at their discretion. At the recommendation of the National Finance Committee, and by approval of the National Executive Committee, the endowment spending policy may be suspended in any given year. However, it is the intent of the Auxiliary that the endowment fund shall be maintained in perpetuity.

Investment Policy for the Endowment

Purpose

The primary goal of the Endowment's investment policy is to safeguard the assets of the Endowment, while at the same time gaining a return on the investments held through prudent placement in income and growth oriented vehicles.

Investment Objectives

The objectives of this policy are to invest funds in a method defined as an income and capital appreciation model of investing. This model is based on an investment horizon of greater than five years. Within this model, the parameters of the asset allocation should be as follows:

	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Equity	20%	38%	60%
Fixed Income	25%	45%	75%
Cash and Equivalents	0%	2%	55%
Other Securities	0%	15%	25%

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Investment Plan

The plan is to be reviewed by the Finance Committee and their advisors at least semi-annually at a time set by the Finance Committee.

12. AMERICAN LEGION AUXILIARY FOUNDATION ALA MISSION ENDOWMENT

Composition of Endowment Net Assets

The Foundation created the ALA Mission Endowment Fund (the "Mission Endowment") in 2007 to generate and maximize funds available to benefit and assist in carrying out the educational, charitable and similar programs of the Auxiliary over the long-term. The Mission Endowment consists entirely of donor-designated funds and is classified as permanently restricted in the consolidated statements of financial position.

Endowment net assets were \$223,040 as of September 30, 2011 compared to \$94,132 as of September 30, 2010. The assets of the Mission Endowment were held strictly in a cash account in 2011 and 2010.

Governing Board's Interpretation of Relevant Law

The Foundation, incorporated in and governed by the laws of the State of Indiana, has interpreted the Indiana statute Uniform Prudent Management of Institutional Funds Act, enacted in 2007, to require the preservation of the fair value of the original gift as of the date of the gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, and to not require the maintenance of purchasing power. As a result of this interpretation, the Organization 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) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Endowment Draws

There were no endowment draws during the years ending September 30, 2011 and 2010.

The Foundation has adopted a spending policy relating to future endowment draws. The available endowment draw for each fiscal year beginning October 1 shall be limited to an amount determined by applying a 5% rate to the three-year rolling average market value for the period ending the preceding May 31. The actual endowment draw will be recommended by the American Legion Auxiliary Foundation Board to the National Finance Committee during the annual budgeting process for approval by the National Executive Committee. Should the Foundation Board deem it advisable to exceed the 5% limit, the change must be approved by the National Executive Committee.

13. CONCENTRATIONS

The Organization maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

14. COMPREHENSIVE INCOME

Comprehensive income for the years ended September 30, 2011 and 2010 includes the following:

	<u>2011</u>	<u>2010</u>
Change in net assets	\$ (1,276,079)	\$ 1,887,688
Other comprehensive income:		
Change in unrecognized losses	(300,950)	(81,669)
Change in unamortized prior service cost	<u>5,294</u>	<u>5,294</u>
	<u>(295,656)</u>	<u>(76,375)</u>
Comprehensive income	<u>\$ (1,571,735)</u>	<u>\$ 1,811,313</u>

SUPPLEMENTARY INFORMATION

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

ANALYSIS OF DEFERRED REVENUE – PUFL
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Increases:		
<i>Membership dues</i>	\$ 195,848	\$ 282,570
<i>Investment income</i>	<u>(31,573)</u>	<u>279,278</u>
	<u>164,275</u>	<u>561,848</u>
Decreases:		
<i>Distributions to departments</i>	319,534	328,183
<i>Administrative expense</i>	<u>50,253</u>	<u>45,080</u>
	<u>369,787</u>	<u>373,263</u>
Net Increase	(205,512)	188,585
Deferred Revenue, Beginning of Year	<u>3,016,845</u>	<u>2,828,260</u>
Deferred Revenue, End of Year	<u>\$ 2,811,333</u>	<u>\$ 3,016,845</u>

See Independent Auditors' report on page 1.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011

ASSETS

	<i>Auxiliary</i>	<i>Foundation</i>	<i>Eliminations</i>	<i>Total</i>
Current Assets:				
<i>Cash and cash equivalents</i>	\$ 596,131	\$ 344,479	\$ -0-	\$ 940,610
<i>Investments</i>	19,926,426	-0-	-0-	19,926,426
<i>Investments - PUFL</i>	2,806,803	-0-	-0-	2,806,803
<i>Prepaid expenses</i>	165,274	-0-	-0-	165,274
<i>Furniture and equipment, net</i>	926,668	-0-	-0-	926,668
<i>Other assets</i>	299,668	4,057	(4,037)	299,688
	<u>\$ 24,720,970</u>	<u>\$ 348,536</u>	<u>\$ (4,037)</u>	<u>\$ 25,065,469</u>
<i>Total assets</i>				

LIABILITIES AND NET ASSETS

Current Liabilities:				
<i>Accounts payable</i>	\$ 415,134	\$ 121,459	\$ -0-	\$ 536,593
<i>Accrued expenses</i>	289,113	-0-	-0-	289,113
<i>Accrued scholarships</i>	81,000	-0-	-0-	81,000
<i>Deferred revenue - dues</i>	2,187,899	-0-	-0-	2,187,899
<i>Deferred revenue - PUFL</i>	2,811,333	-0-	-0-	2,811,333
<i>Deferred revenue - other</i>	66,476	-0-	-0-	66,476
<i>Liability for pension benefits</i>	621,910	-0-	-0-	621,910
<i>Total liabilities</i>	<u>6,472,865</u>	<u>121,459</u>	<u>-0-</u>	<u>6,594,324</u>
Net Assets:				
<i>Unrestricted net assets</i>				
<i>General fund</i>	17,005,136	4,037	(4,037)	17,005,136
<i>Other unrestricted funds</i>	1,261,279	-0-	-0-	1,261,279
<i>Total unrestricted net assets</i>	18,266,415	4,037	(4,037)	18,266,415
<i>Temporarily restricted net assets</i>	80,817	-0-	-0-	80,817
<i>Permanently restricted net assets</i>	557,155	223,040	-0-	780,195
<i>Total net assets before accumulated other comprehensive income</i>	18,904,387	227,077	(4,037)	19,127,427
<i>Accumulated other comprehensive income</i>	(656,282)	-0-	-0-	(656,282)
<i>Total net assets</i>	<u>18,248,105</u>	<u>227,077</u>	<u>(4,037)</u>	<u>18,471,145</u>
<i>Total liabilities and net assets</i>	<u>\$ 24,720,970</u>	<u>\$ 348,536</u>	<u>\$ (4,037)</u>	<u>\$ 25,065,469</u>

See Independent Auditors' report on page 1.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011

	Auxiliary				Foundation				Eliminations	Total	
	General Operating Fund	Other Unrestricted Funds	Total Unrestricted	Temporarily Restricted Funds	Permanently Restricted Funds	Auxiliary Total	Unrestricted Funds	Restricted Funds			Foundation Total
Revenue, Gains & Other Support:											
Contributions	\$ 294,356	\$ 207,593	\$ 501,949	\$ 360,847	\$ 19,956	\$ 882,752	\$ 102,395	\$ 128,908	\$ 231,303	\$ (181,640)	\$ 972,415
Membership dues	3,740,757	110,945	3,860,702	-	-	3,860,702	-	-	-	-	3,860,702
Advertising	479,535	-	479,535	-	-	479,535	-	-	-	-	479,535
Other	1,154,557	5,199	1,159,756	-	-	1,159,756	-	-	-	-	1,159,756
Net assets released from restrictions	5,658,205	323,737	5,981,942	360,847	19,956	6,362,745	102,395	128,908	231,303	(181,640)	6,412,408
Total revenue, gains, and other support	-	492,827	492,827	(492,827)	-	-	-	-	-	-	-
Expenses:											
Member services	5,658,205	816,544	6,474,769	(131,980)	19,956	6,362,745	102,395	128,908	231,303	(181,640)	6,412,408
Youth education services	4,153,271	315,532	4,468,823	-	-	4,468,823	-	-	-	-	4,468,823
Veteran and military family programs	574,695	165,240	739,925	-	-	739,925	10,000	-	10,000	-	749,925
Total program services	644,795	571,150	1,215,945	-	-	1,215,945	-	-	10,000	-	1,215,945
Management and general	5,372,761	1,051,932	6,424,693	-	-	6,424,693	10,000	-	10,000	-	6,434,693
Fundraising	656,679	-	656,679	-	-	656,679	26,248	-	26,248	(185,677)	477,250
Total expenses	177,648	37,271	214,919	-	-	214,919	70,184	-	70,184	(185,677)	285,103
Change in net assets from operations	6,187,088	1,089,206	7,276,291	-	-	7,276,291	106,432	-	106,432	(185,677)	7,197,046
Investment Income (Losses)	(528,883)	(272,639)	(801,522)	(131,980)	19,956	(913,546)	(4,037)	128,908	124,871	4,037	(784,638)
Net of Expenses	(458,224)	(202,291)	(678,515)	(12,926)	-	(691,441)	-	-	-	-	(691,441)
Change in net assets	(987,107)	(292,930)	(1,280,037)	(144,906)	19,956	(1,404,987)	(4,037)	128,908	124,871	4,037	(1,276,079)
Net Assets Before Accumulated Other Comprehensive Income, Beginning of Year	18,230,680	1,315,772	19,546,452	225,723	537,199	20,309,574	8,074	94,132	102,206	(8,074)	20,403,506
Interfund Transfers	(238,437)	238,437	-	-	-	-	-	-	-	-	-
Net Assets Before Accumulated Other Comprehensive Income, End of Year	\$ 17,992,243	\$ 1,261,279	\$ 18,266,415	\$ 80,817	\$ 557,155	\$ 18,904,387	\$ 4,037	\$ 223,040	\$ 227,077	\$ (4,037)	\$ 19,127,427

See Independent Auditors' report on page 1.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS
AND
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2010

	General Operating Fund		Other Restricted Funds		Total Unrestricted Funds		Temporarily Restricted Funds		Permanently Restricted Funds		Auxiliary Total		Foundation Permanently Restricted Funds		Foundation Total		Eliminations		Total	
Revenue, Gains & Other Support:																				
Contributions	\$ 436,734	\$ 97,152	\$ 513,886	\$ 309,599	\$ 14,792	\$ 838,277	\$ 411,156	\$ 87,132	\$ 128,288	\$ (39,902)	\$ 946,663									
Membership dues	3,767,248	113,946	3,881,194	-	-	3,881,194	-	-	-	-	-									
Admission	433,665	-	433,665	-	-	433,665	-	-	-	-	433,665									
Other	1,092,785	-	1,092,785	-	-	1,092,785	-	-	-	-	1,092,785									
	\$ 5,730,432	\$ 211,098	\$ 5,941,530	\$ 309,599	\$ 14,792	\$ 6,265,921	\$ 411,156	\$ 87,132	\$ 128,288	\$ (39,902)	\$ 6,354,307									
Net assets released from restrictions	-	318,833	318,833	-	-	-	-	-	-	-	-									
Total revenue, gains, and other support	\$ 5,730,432	\$ 529,931	\$ 6,260,363	\$ (9,234)	\$ 14,792	\$ 6,265,921	\$ 411,156	\$ 87,132	\$ 128,288	\$ (39,902)	\$ 6,354,307									
Expenses:																				
Member services	3,895,302	191,285	4,086,587	-	-	4,086,587	-	-	-	-	4,086,587									
Youth education services	597,533	165,922	763,455	-	-	763,455	-	-	-	-	763,455									
Veteran and military family programs	512,956	411,520	924,476	-	-	924,476	-	-	-	-	924,476									
Total program services	5,005,791	768,727	5,794,518	-	-	5,794,518	-	-	-	-	5,794,518									
Management and general Fundraising	121,212	-	121,212	-	-	121,212	-	-	-	-	121,212									
Total expenses	\$ 5,560,795	\$ 788,572	\$ 6,349,522	\$ -	\$ -	\$ 6,349,522	\$ 45,195	\$ -	\$ 24,858	\$ (24,858)	\$ 6,350,806									
Change in net assets from operations	169,637	(258,620)	(89,189)	(9,234)	14,792	(83,631)	(4,037)	87,132	83,095	4,037	3,501									
Investment Income (Losses), Net of Expenses																				
Change in net assets	1,734,031	92,175	1,836,206	47,981	-	1,884,187	-	-	-	-	1,884,187									
Change in net assets	1,393,668	(166,651)	1,717,017	38,747	14,792	1,800,556	(4,037)	87,132	83,095	4,037	1,887,688									
Net Asset Before Accumulated Other Comprehensive Income, Beginning of Year	16,517,873	1,281,562	17,799,435	186,976	522,407	18,508,818	12,111	7,000	19,111	(12,111)	18,515,818									
Net Asset Before Accumulated Other Comprehensive Income, End of Year	\$ 18,230,680	\$ 1,315,772	\$ 19,546,452	\$ 225,723	\$ 537,199	\$ 20,309,234	\$ 8,074	\$ 94,132	\$ 102,206	\$ (8,074)	\$ 20,403,506									

See Independent Auditors' report on page 1.

*AMERICAN LEGION AUXILIARY
FOUNDATION, INC.
(An affiliate of American Legion Auxiliary, Inc.)*

*FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010*



Alerding & Co., LLC
Consultants • Certified Public Accountants

*AMERICAN LEGION AUXILIARY
FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)*

*TABLE OF CONTENTS
SEPTEMBER 30, 2011 AND 2010*

	<i>Page</i>
Independent Auditors' Report	<i>1</i>
Financial Statements:	
<i>Statements of Financial Position</i>	<i>2</i>
<i>Statements of Activities and Changes in Net Assets</i>	<i>3-4</i>
<i>Statements of Cash Flows</i>	<i>5</i>
<i>Notes to Financial Statements</i>	<i>6-9</i>

Alerding & Co., LLC

Consultants • Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors
American Legion Auxiliary Foundation, Inc.
Indianapolis, Indiana

We have audited the accompanying statements of financial position of AMERICAN LEGION AUXILIARY FOUNDATION, INC. (the "Foundation") as of September 30, 2011 and 2010, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the management of AMERICAN LEGION AUXILIARY FOUNDATION, INC. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the Foundation is an affiliate of American Legion Auxiliary, Inc. (the "Auxiliary"), was organized by the Auxiliary, and operates exclusively for the benefit of and to assist in carrying out the educational, charitable and other exempt purposes of the Auxiliary. As required by U.S. Generally Accepted Accounting Principles, the Foundation presents its financial statements on a consolidated basis with those of the Auxiliary, which consolidated financial statements are presented in a separate document. The accompanying financial statements include only the accounts and disclosures related to the Foundation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AMERICAN LEGION AUXILIARY FOUNDATION, INC. as of September 30, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended, in conformity with U.S. Generally Accepted Accounting Principles.

Alerding & Co.

January 20, 2012

*AMERICAN LEGION AUXILIARY
FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)*

*STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2011 AND 2010*

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 344,479	\$ 36,297
Contributions receivable	20	75,000
Organization costs, net of amortization of \$16,149 and \$12,112 in 2011 and 2010, respectively	4,037	8,074
Total assets	\$ 348,536	\$ 119,371

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$ 121,459	\$ 17,165
Net Assets:		
Unrestricted net assets	4,037	8,074
Permanently restricted net assets	223,040	94,132
Total net assets	227,077	102,206
Total liabilities and net assets	\$ 348,536	\$ 119,371

See accompanying Notes to Financial Statements.

*AMERICAN LEGION AUXILIARY FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)*

*STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011*

	<u>Unrestricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total</u>
Revenue, Gains & Other Support:			
<i>Contributions</i>	<u>\$ 102,395</u>	<u>\$ 128,908</u>	<u>\$ 231,303</u>
Expenses:			
<i>Program:</i>			
<i>Youth Education Services</i>	<u>10,000</u>	<u>-0-</u>	<u>10,000</u>
<i>Management and general:</i>			
<i>Personnel and related benefits</i>	10,018	-0-	10,018
<i>General operating expenses</i>	7,149	-0-	7,149
<i>Conventions and meetings</i>	4,381	-0-	4,381
<i>Professional services and fees</i>	<u>4,700</u>	<u>-0-</u>	<u>4,700</u>
<i>Total management and general</i>	<u>26,248</u>	<u>-0-</u>	<u>26,248</u>
<i>Fundraising:</i>			
<i>Personnel and related benefits</i>	20,048	-0-	20,048
<i>General operating expenses</i>	2,436	-0-	2,436
<i>Conventions and meetings</i>	-0-	-0-	-0-
<i>Professional services and fees</i>	<u>47,700</u>	<u>-0-</u>	<u>47,700</u>
<i>Total fundraising</i>	<u>70,184</u>	<u>-0-</u>	<u>70,184</u>
<i>Total expenses</i>	<u>106,432</u>	<u>-0-</u>	<u>106,432</u>
<i>Change in net assets</i>	(4,037)	128,908	124,871
Net Assets, Beginning of Year	<u>8,074</u>	<u>94,132</u>	<u>102,206</u>
Net Assets, End of Year	<u>\$ 4,037</u>	<u>\$ 223,040</u>	<u>\$ 227,077</u>

See accompanying Notes to Financial Statements.

AMERICAN LEGION AUXILIARY FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2010

	<u>Unrestricted Funds</u>	<u>Permanently Restricted Funds</u>	<u>Total</u>
Revenue, Gains & Other Support:			
<i>Contributions</i>	\$ 41,156	\$ 87,132	\$ 128,288
Expenses:			
<i>Management and general:</i>			
<i>Personnel and related benefits</i>	5,979	-0-	5,979
<i>General operating expenses</i>	5,777	-0-	5,777
<i>Conventions and meetings</i>	4,254	-0-	4,254
<i>Professional services and fees</i>	4,325	-0-	4,325
<i>Total management and general</i>	<u>20,335</u>	<u>-0-</u>	<u>20,335</u>
<i>Fundraising:</i>			
<i>Personnel and related benefits</i>	11,479	-0-	11,479
<i>General operating expenses</i>	1,526	-0-	1,526
<i>Conventions and meetings</i>	3,960	-0-	3,960
<i>Professional services and fees</i>	7,893	-0-	7,893
<i>Total fundraising</i>	<u>24,858</u>	<u>-0-</u>	<u>24,858</u>
<i>Total expenses</i>	<u>45,193</u>	<u>-0-</u>	<u>45,193</u>
<i>Change in net assets</i>	(4,037)	87,132	83,095
Net Assets, Beginning of Year	<u>12,111</u>	<u>7,000</u>	<u>19,111</u>
Net Assets, End of Year	<u>\$ 8,074</u>	<u>\$ 94,132</u>	<u>\$ 102,206</u>

See accompanying Notes to Financial Statements.

AMERICAN LEGION AUXILIARY FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)

STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
<i>Change in net assets</i>	\$ 124,871	\$ 83,095
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
<i>Amortization</i>	4,037	4,037
<i>Changes in operating assets and liabilities:</i>		
<i>Contributions receivable</i>	74,980	(75,000)
<i>Accounts payable</i>	<u>104,294</u>	<u>17,165</u>
<i>Net cash provided by operating activities</i>	<u>308,182</u>	<u>29,297</u>
Net Increase in Cash	308,182	29,297
Cash, Beginning of Year	<u>36,297</u>	<u>7,000</u>
Cash, End of Year	<u>\$ 344,479</u>	<u>\$ 36,297</u>

See accompanying Notes to Financial Statements.

AMERICAN LEGION AUXILIARY
FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

1. SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

AMERICAN LEGION AUXILIARY FOUNDATION, INC. (the "Foundation") was incorporated on September 27, 2007 as a not-for-profit entity under the State of Indiana Not-For-Profit Incorporation Act. The Foundation was organized by the American Legion Auxiliary, Inc. (the "Auxiliary"), a not-for-profit entity headquartered in Indianapolis, Indiana. The Foundation operates exclusively for the benefit of the Auxiliary and assists in fundraising and offers support in carrying out the educational, charitable, and other programs sponsored by the Auxiliary.

The significant accounting policies followed by the Foundation in the preparation of its financial statements are summarized below:

Financial Reporting

As required by U.S. Generally Accepted Accounting Principles, the accounts of the Foundation are reported on a consolidated basis with those of the Auxiliary in a separate document. The accompanying financial statements include only the accounts and disclosures related to the Foundation. Related party transactions with the Auxiliary are reported in Note 2.

Basis of Presentation

The Foundation utilizes the principles of fund accounting in the preparation of its financial statements. Therefore, net assets and revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. The three fund accounts include the following:

Unrestricted Fund

The unrestricted net assets are net assets not subject to donor-imposed restrictions. The unrestricted fund is used to account for all contributions, revenues, and expenses used for the general operations of the Foundation.

Temporarily Restricted Fund

The temporarily restricted fund is used to record contributions and revenues that are received or generated that have donor restrictions that limit the use of the donated assets. When a donor restriction expires, temporarily restricted assets are classified as unrestricted net assets and reported as net assets released from restrictions in the statement of activities and changes in net assets. As of and for the years ended September 30, 2011 and 2010, the Foundation had no income, expenses, or net assets recorded in the temporarily restricted fund.

*AMERICAN LEGION AUXILIARY
FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)*

*NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010*

Permanently Restricted Fund

Assets held inviolate and in perpetuity are held in the permanently restricted fund and include certain funds for scholarships and other restricted purposes. The net income from these investments and all non-restricted contributions are available for release to the unrestricted fund.

Estimates

The preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts in the financial statements and notes to the financial statements. Actual results could differ from those estimates.

Support and Revenue Recognition

The Foundation records gifts as revenue at the date it receives either cash or an unconditional promise to give from a donor. Assets received from a donor are recorded at fair value and are recorded as unrestricted revenue unless the donor includes stipulations that limit the use of the assets, in which case the revenue is recorded as either Temporarily or Permanently Restricted revenue.

Contributions raised through direct mail campaigns by third-party vendors are reported net of the associated cost in the consolidated statement of activities and changes in net assets.

Functional Expenses

Functional expenses for Management and General and Fundraising Expenses are included in the accompanying Statements of Activities and Changes in Net Assets for the years ended September 30, 2011 and 2010.

Income Taxes

The Foundation is organized as a not-for-profit corporation and, accordingly, is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Management of the Foundation evaluates all significant tax positions to ensure compliance with the exempt purposes of the Foundation as required by U.S. Generally Accepted Accounting Principles, including consideration of any unrelated business income tax. As of September 30, 2011, Management does not believe the Foundation has taken any tax positions that are not in compliance with its exempt purpose. The Foundation's Federal and state tax returns remain open and subject to examination beginning with the tax year ended September 30, 2008.

AMERICAN LEGION AUXILIARY
FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Subsequent Events

Subsequent events have been evaluated through January 20, 2012, which is the date the financial statements were available to be issued.

2. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2011 and 2010, the Foundation received contributions of \$181,640 and \$39,902 from the Auxiliary to fund certain organizational and other costs incurred by the Foundation.

3. AMERICAN LEGION AUXILIARY FOUNDATION ALA MISSION ENDOWMENT

Composition of Endowment Net Assets

The Foundation created the ALA Mission Endowment Fund (the "Mission Endowment") in 2007 to generate and maximize funds available to benefit and assist in carrying out the educational, charitable and similar programs of the Auxiliary over the long term. The Mission Endowment consists entirely of donor-designated funds and is classified as permanently restricted in the statements of financial position.

Endowment net assets were \$223,040 as of September 30, 2011 compared to \$94,132 as of September 30, 2010. The assets of the Mission Endowment were held strictly in a cash account in 2011 and 2010.

Governing Board's Interpretation of Relevant Law

The Foundation, incorporated in and governed by the laws of the State of Indiana, has interpreted the Indiana statute Uniform Prudent Management of Institutional Funds Act, enacted in 2007, to require the preservation of the fair value of the original gift as of the date of the gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, and to not require the maintenance of purchasing power. As a result of this interpretation, the Organization 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) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

AMERICAN LEGION AUXILIARY
FOUNDATION, INC.
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011 AND 2010

Endowment Draws

There were no endowment draws during the years ending September 30, 2011 and 2010.

The Foundation has adopted a spending policy relating to future endowment draws. The available endowment draw for each fiscal year beginning October 1 shall be limited to an amount determined by applying a 5% rate to the three-year rolling average market value for the period ending the preceding May 31. The actual endowment draw will be recommended by the American Legion Auxiliary Foundation Board to the National Finance Committee during the annual budgeting process for approval by the National Executive Committee. Should the Foundation Board deem it advisable to exceed the 5% limit, the change must be approved by the National Executive Committee.