



# **NATIONAL EXECUTIVE COMMITTEE MEETING**

MARCH 19-20, 2011

RENAISSANCE WASHINGTON HOTEL  
WASHINGTON, D.C.





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## MEMBERS PRESENT

### NATIONAL OFFICERS

National President .....	Carlene Ashworth
National Vice President .....	Kris Nelson
Central Division National Vice President .....	Donna Fuelling
Eastern Division National Vice President .....	Charlotte Hagan
Northwestern Division National Vice President .....	Lynne Wild
Southern Division National Vice President.....	Pat Knight
Western Division National Vice President.....	—
National Chaplain .....	Vickie Thrower
National Historian .....	Gwenda Schroeder-Zulch
National Secretary .....	Mary “Dubbie” Buckler
National Treasurer .....	Marta Hedding

### PAST NATIONAL PRESIDENTS

Pearl Behrend  
Linda Boone  
Linda Newsome  
Syble Deshotel  
Phyllis Bachman  
Barbara Kranig  
Virginia Hobbs  
Elizabeth Stewart  
Kris West  
Elsie Bailey-Comer  
Katherine Morris  
Carol Van Kirk  
JoAnn Cronin  
Jan Pulvermacher-Ryan  
Desireé Stoy  
Rita Navarreté

## NATIONAL EXECUTIVE COMMITTEEWOMEN

Alabama .....	Mary Harrison
Alaska .....	Francisca Guilford
Arizona .....	Debbie Collins
Arkansas .....	Nancy Followell
California .....	Norma DuVall
Colorado .....	Karen Wessling
Connecticut .....	Donna Morin
Delaware .....	Beverly Buchanan
District of Columbia .....	Marcia Hooper
Florida .....	Mary Kelly-Perkins
Georgia .....	Lola Harper
Hawaii .....	Laura Hashimoto
Idaho .....	Jean Stephan
Illinois .....	Julia Moore
Indiana .....	Janet Barnaby
Iowa .....	Frank Kirk
Kansas .....	Sharon Spiker
Kentucky .....	Kathy Daudistel
Louisiana .....	Kathy Thistrup
Maine .....	Lois Hubbard
Maryland .....	Mary Lou Kline
Massachusetts .....	Rosemary Tower
Michigan .....	Judy Lynch
Minnesota .....	Marsha Bible
Mississippi .....	Angela Kilcrease
Missouri .....	Bonnie Kelsey
Montana .....	Sandra Runkel
Nebraska .....	Carol Ulrich
Nevada .....	Cinnamin Stephens
New Hampshire .....	Sharon Cook
New Jersey .....	Debbie Tomasetti
New Mexico .....	Jo Ann Rodgers
New York .....	Karyn Porempski
North Carolina .....	Sue Jones
North Dakota .....	Gigi Moore
Ohio .....	Martha Lee Thatcher
Oklahoma .....	Linda Deutser
Oregon .....	Cheryl Park
Pennsylvania .....	Barbara Mills
Puerto Rico .....	Maria Montanez
Rhode Island .....	Barbara Golde
South Carolina .....	Brenda Collins
South Dakota .....	Joan Spears
Tennessee .....	Glenda Vilseck
Texas .....	Barbara Kundert
Utah .....	Nina Mason
Vermont .....	Patricia Jones
Virginia .....	Susan Lee
Washington .....	Kathy Kerr
West Virginia .....	Patricia Moore
Wisconsin .....	Gayle Janson
Wyoming .....	Linda Feezer

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**SATURDAY, MARCH 19, 2011**  
**PROCEEDINGS**

PRESIDENT ASHWORTH: Okay. This National Executive Committee Meeting will now come to order.

(Ringing of the bell.)

PRESIDENT ASHWORTH: I wanted to get your attention and you all stood up. We want to make sure that you have disabled all your electronic devices or placed them in the silent mode. And I would ask you to please remain standing for the opening ceremonies.

Now I'm supposed to bang the gavel three times, but since you're all already standing, I will proceed.

Preness Thomas White and Kim Palasota will now advance the colors.  
(Colors advanced.)

PRESIDENT ASHWORTH: National Chaplain Vickie Thrower will offer the invocation.

CHAPLAIN THROWER: Please bow your heads, each in your own faith.

Heavenly Father, we come to you asking for your blessings and help as we conduct our Executive Committee Meeting. We pray for your guidance in the matters at hand and ask that you will clearly show us how to conduct our work with a spirit of joy and enthusiasm.

Give us the desire to find ways to excel in our work. Helps us to work together and encourage each other to excellence. We ask that you would challenge each other to reach higher and farther and to be the best that we can be for the American Legion Auxiliary.

We ask your blessings on our veterans, our servicemen and women. We ask this in your name. Amen.

VOICES: Amen.

PRESIDENT ASHWORTH: Thank you, Vickie.

The Chair calls upon Americanism Chairman Ann Rehbein to lead the Pledge of Allegiance and the National Anthem.

VOICES: 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.

Oh, say can you see, by the dawn's early light, what so proudly we hail'd at the twilight's last gleaming? Whose bright 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. Oh, say, does that star-spangled banner yet wave o'er the land of the free and the home of the brave?

PRESIDENT ASHWORTH: Thank you.

The Constitution & Bylaws Chairman Mary Davis will lead us in the preamble to the Constitution.

VOICES: 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 100 percent Americanism; to preserve the memories and incidents of our associations 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 ASHWORTH: National Security Chairman Janet Jefford will offer the POW/MIA Resolution.

CHAIRMAN JEFFORD: The American Legion Resolution 288 adopted at the 67<sup>th</sup> 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 POWs, 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 ASHWORTH: Would the color bearers please retire and the audience be seated.

(Ring of the bell.)

PRESIDENT ASHWORTH: The midyear meeting of the National Executive Committee is convened.

I want to welcome all of you here and I hope that your travels to be here tonight went smoothly and not too many challenges were encountered.

I'm very pleased to see all of you here and I'm very excited to begin conducting the business at hand.

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

As caretakers, you have the judiciary obligation to act on behalf of the organization and advance its interests.

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 responsibilities very seriously and I hope that you do the same.

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

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

I would also like to welcome all Past National Presidents, National Chairmen, and many National Committee members. I welcome your support in being part of the team to get the job done.

I'm also glad to see so many department representatives here tonight. 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 tonight and thank them for their diligence and hard work in putting this meeting together for us.

Now, for everyone in the room, how many of you are here for the first time?

(Show of hands.)

PRESIDENT ASHWORTH: Good. Wow. Lots of good hands. Wonderful. Thank you.

(Applause.)

PRESIDENT ASHWORTH: My hope is that you will find this meeting to be one of interest and definitely one that would allow you to observe your National Executive Committee and awareness assembly activities at work.

On that note, let's get started. Please remember that anyone wishing to speak is first asked to make their way to the microphone in the center aisle. This is the only way that your remarks can be heard for recording by our reporter for the transcripts of the meeting. You must be recognized by the Chair before speaking.

In lieu of having our National Secretary call roll of the National Executive Committee, I ask that your attendance be documented by signing in the appropriate space on the attendance sheet that is being provided. Each of you is charged with the responsibility to document your attendance at this meeting. These sheets will be collected at the close of the meeting.

It is now my pleasure to introduce to you the head table. And I'm very proud to introduce to you or present to you, as you all know her already, Kris Nelson, our National Vice President.

(Applause.)

PRESIDENT ASHWORTH: Donna Fuelling, Central Division National Vice President.

(Applause.)

PRESIDENT ASHWORTH: Charlotte Hagan, Eastern Division National Vice President.

(Applause.)

PRESIDENT ASHWORTH: Lynne Wild, Northwestern Division National Vice President.

(Applause.)

PRESIDENT ASHWORTH: Pat Knight, our Southern Division National Vice President.

(Applause.)

PRESIDENT ASHWORTH: And I'm sorry that Darlene McLaughlin who is our Western Division National Vice President is unable to be with us this weekend due to illness. So please keep Darlene in your prayers.

Vickie Thrower, our National Chaplain.

(Applause.)

PRESIDENT ASHWORTH: Gwenda Schroeder-Zulch, our National Historian.

(Applause.)

PRESIDENT ASHWORTH: Mary "Dubbie" Buckler, our National Secretary.

(Applause.)

PRESIDENT ASHWORTH: Marta Hedding, our National Treasurer.

(Applause.)

PRESIDENT ASHWORTH: Chris Dickey will serve as Parliamentarian for this meeting.

(Applause.)

PRESIDENT ASHWORTH: Preness Thomas White, my personal page from the Department of Texas in the back of the room.

(Applause.)

PRESIDENT ASHWORTH: And Kim Palasota, also my personal page from the Department of Texas.

(Applause.)

PRESIDENT ASHWORTH: Before we begin with the consent agenda, I would like to remind everyone that the Minute Approval Committee is responsible for approving this year's NEC meeting minutes. This committee consists of the NECs from New Mexico, Minnesota, and Mississippi.

We will be utilizing a consent agenda in lieu of multiple motions to handle many of the basic business items. These items are listed on your agenda and include the approval of the proceedings from the August 2010 pre-convention NEC Meeting.

And please note that the official proceedings will be corrected to reflect that the NEC from the Department of Virginia and the Past National President Pearl Behrend was also present at that meeting.

May I again remind you that it is important to sign in at these NEC meetings properly and legibly. And if there are any other corrections we need to make, please notify Tamara Shumate at National Headquarters and we will update the official record and will not be reprinting all of these proceedings for the attendee additions. Just make note on yours.

Confirmation of special appointments and appointment changes and the Charter cancellation since August of 2010. You received information on each of these items prior to this meeting and 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 and with no discussion necessary. If a member wishes to discuss any of the items or make corrections to an item, the Chair will entertain a motion to remove the item from the consent agenda prior to voting.

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

I want to again remind all of you that anyone wishing to speak is first asked to make their way to the microphone in the center aisle and wait to be recognized by the Chair before speaking.

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

(Whereupon, there was no response.)

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

MS. THISTRUP: Madam President, Kathy Thistrup, NEC from the Department of Louisiana. I make a motion that we accept the consent agenda as presented.

PRESIDENT ASHWORTH: Okay. Do I need a second? Do I need a second? Yeah. I need a second.

MS. LYNCH: Madam President, Judy Lynch, NEC from Michigan. I second that motion.

PRESIDENT ASHWORTH: The motion has been made to adopt the consent agenda. There is no debate on a consent agenda.

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

VOICES: Aye.

PRESIDENT ASHWORTH: Those opposed, no.

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: Motion carried.

It now gives me great pleasure to call upon my good friend, our National Vice President Kris Nelson, to bring you greetings.

VICE PRESIDENT NELSON: National President Carlene, fellow Auxiliary members, Kim and Mike, welcome to our annual NEC awareness assembly legislative conference.

National President Carlene, National Secretary Dubbie, and several volunteers and staff members have put in many hours to assure that you will have an informative conference.

It only takes the power of one member to make a difference to a person in need. It only takes the power of one voice to turn an idea into a legislative bill. It only takes the power of one ask to increase our membership. And it only takes the power of one you to become engaged in this conference.

May our attendance at this conference leave us with the power of at least one idea that we can implement in our department to engage our members in joining us in our mission of service to veterans and their families.

Welcome to Washington, D.C.

(Applause.)

PRESIDENT ASHWORTH: Thank you, Kris.

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

PAST NATIONAL PRESIDENT NAVARRETÉ: Thank you.

National President Carlene, National Executive Committeewomen, and members all, President Carlene in her installation remarks announced her theme as the power of one. And I partly quote one person has the power to change another person's attitudes, hopes, and dreams. Collectively the power of one member in one unit or one post with one idea in one community can be extremely powerful.

Our Past National President Sherry McLaughlin during her greetings to the NEC group in 2003 made reference to Past National Presidents as being like gold nuggets, each unique and is a different size, shape, personality, but each share one thing in common, their love of the organization and their willingness to serve their year to make a difference.

It is with my pleasure to join this group and to confirm that each one of

us accepted your challenge to be that power of one as we continue to make a difference in serving the American Legion Auxiliary.

National President Carlene, we wish for you a most productive meeting and a successful awareness assembly.

May I have the privilege of presenting the Past National Presidents. I would ask those present to stand and be recognized as I call your name and the year of service given.

Pearl Behrend, 1987-1988.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Linda Boone, 1992-1993.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Linda Newsome, 1994-1995.

(Applause.)

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

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Phyllis Bachman, 1996-97.

(Applause.)

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

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Virginia Hobbs, 1998-1999.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Elizabeth Stewart, 1999-2000.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Kris West, 2000-2001.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Elsie Bailey-Comer, 2002-2003.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Katherine Morris, 2003-2004.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Carol Van Kirk, 2005-2006.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: JoAnn Cronin, 2006-2007.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Jan Pulvermacher-Ryan, 2007-2008.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: Desireé Stoy, 2008-2009.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: And yours truly, Rita Navarreté, 2009-2010.

(Applause.)

PAST NATIONAL PRESIDENT NAVARRETÉ: What a support we give to you.

PRESIDENT ASHWORTH: Thank you, Rita.

At the 2009 National Convention, we approved the establishment of the ALA Audit Committee which serves as the Risk Assessment Committee as mandated by the IRS. Past National President Virginia Hobbs chairs our National Audit Committee.

Many of you know Ginny Hobbs as the Past National President from the Department of Kentucky. What many of you may not know is that outside of the ALA, Ginny has over 30 years' experience as a bank examiner for the federal government.

As a professional bank auditor, she has expertise in assessing internal audit procedures and controls and works with the details of audit and risk maintenance on a daily basis around the entire country.

We are indeed fortunate to have someone of her background and professionalism serving in this capacity. She has done an outstanding job getting this committee up to full speed quickly, working with our auditor, Mike Alerding, our National staff, and her committee members.

I now call on Audit Chair Hobbs to present her report.

CHAIRMAN HOBBS: Thank you, Madam President Carlene.

The American Legion Auxiliary's National Audit Committee has come a long way in the 18-month life that it's had. From the summer of 2009 to now, we have established an outstanding committee of professionals with appropriate backgrounds and expertise participating in large public risk assessment audits.

When we look at the American Legion Auxiliary, we frequently fail to consider that it's a corporation, like Exxon, McDonald's, or Marriott. While our purpose is different from any for-profit corporation, the governance structure and responsibilities are similar.

Every year, corporations have an annual stockholder meeting like our National Convention where the officers are elected. At that same meeting, corporate shareholders elect a portion of the Board of Directors.

I say a portion because corporate board members are typically elected for staggered three-year terms in order to consistently provide an experienced base of members. Corporate boards are also typically limited to no more than 15 members.

You may be wondering, Why in the world is she telling me all this? But the reason is very simple. The American Legion Auxiliary's corporate governance has the same needs and responsibilities as that of for-profit corporations.

Unfortunately, our 62-member Board of Directors is a cumbersome size to work with and the one-year terms do not promote a highly trained, experienced governing body.

When you sit there as a National Executive Committeewoman, your first responsibility is to make decisions which are in the best interest of the National organization of the American Legion Auxiliary, not your department and not your unit.

You're encouraged to share information with your department and unit, but it is the well-being of the National organization that is your primary responsibility here.

Since the makeup of our National Executive Committee changes every year, I remind you that the National Audit Committee is really the ALA's Risk Assessment Committee and the new IRS Form 990 expects every nonprofit in good standing to have an Audit Committee.

The IRS 990 report is the ALA's annual report to the federal government and to the public, and it requires much more detailed information about the operations of the ALA.

Why? Because the ALA has been granted tax-exempt status by the Internal Revenue Service. The purpose of the 990 is to provide information to the IRS so that they can verify that the ALA is being operated in a manner consistent with its exempt purpose.

There are a dozen parts and several detailed schedules in the IRS Form 990 and your Audit Committee will help develop and review the content for the whole thing. You won't and shouldn't ever see much of us. We do our work in the background impartially and at arm's length.

The Audit Committee consists of three staggered, three-year term appointments confirmed by the NEC and two liaison members, one from the Auxiliary's Foundation Board, its elected treasurer, Deb McBride from Colorado, and one from the National Finance Committee, Nicole Clapp from the Department of Iowa.

Nicole is also the chief executive of a major regional hospital in Wisconsin. Nicole is an individual who lives and breathes 990 compliance with her day job. I do audits with my day job. She has to deal with 990 compliance.

You might be interested to know that when the applications came in for the two additional Audit Committee appointments, then National President Rita Navarreté had the names removed and sent the applications to me for further review and rank based upon their qualifications. We both independently had the same individuals in our top three. I didn't know their names. And when we reviewed our lists together, President Navarreté and I quickly agreed on the top two. Both accepted and were reconfirmed last summer.

Anne Hathaway, a member of the Department of Illinois, is one of the members. She started as a Junior member. Anne has lived from time to time in Washington, D.C. She has served in the Department of Treasury and as executive director of the Office of Vice President Dan Quayle. She's even traveled with the President on Air Force One.

I wonder if that was when Harrison Ford was on it.

(Laughter.)

CHAIRMAN HOBBS: Anne also served as chief of staff for a \$420 million operation with 500 employees and served as director for the Hudson Institute and is now president of Hathaway Strategies, LLC.

The other appointed committee member is Paula Parker-Sawyers who lives in Silver Spring, Maryland. She had the audacity to take vacation so she's not able to be with us tonight as I had invited her.

Paula also has vast experience in public risk assessment audits as a former city councilor and deputy mayor of the 12<sup>th</sup> largest city in the United States. She is an adjunct faculty member of the International IU Center of

Philanthropy and is the national director of outreach for the National Campaign to prevent teen and unplanned pregnancy.

Now, another interesting fact about this Audit Committee, all of us are Girls State alumnae and have worked with Girls State or Girls Nation as counselors and advisors.

Did you ever expect to have your investment in Girls State pay off like this?

(Laughter.)

CHAIRMAN HOBBS: Madam President, your National Audit Committee has accomplished much in our short life. We've held one in-person, all-day training meeting, developed the ALA and ALA Foundation Audit Charter which was approved at the NEC meeting in August, and held two teleconference meetings with our auditors, one to plan the audit and the second to review the combined ALA and Foundation audit.

The ALA Foundation is a supportive entity to the Auxiliary and therefore is part of the Auxiliary's combined audit. The Audit Committee approved the audit which our auditor will present to you in a couple of minutes.

In addition to reviewing the audit, our Committee has the responsibility of reviewing the 990 for the ALA and its Foundation. You'll recall that last year during the transition to the revolutionary new IRS Form 990, the National President appointed an ad hoc 990 Review Committee.

Now that the Audit Committee is in place, the preparation and review of the 990 is one of our responsibilities. I didn't want to say pleasures because it's no pleasure dealing with the 990.

The ad hoc committee included then President Rita Navarreté, National Vice President Carlene Ashworth, Past National President JoAnn Cronin, and Rosemarie Hauck, NECwoman from the Department of Missouri. All served admirably and duly retired their ad hoc roles with honors and pleasure, I'm sure.

I would encourage every member of the National Executive Committee to review the 990 that was filed for our National Headquarters for the year 2008. You can find Form 990 in the new member -- in the new comma member section of our new website. And to find that, you go to [www.ala.org](http://www.ala.org), F-O-R, forveterans, V-E-T-E-R-A-N-S, .org.

The 990 review will be the focus of the Audit Committee's meeting this spring and that will be the 2009 990.

Madam President, at this time, it is my pleasure to introduce the Auxiliary's external auditor to present the audit report. Mike Alerding is a certified public accountant and is the managing partner of Alerding & Company, LLC.

Mr. Alerding has over 30 years' experience in public accounting, serving clients in various industries including many not-for-profit entities across the country.

He has served as the director for over 40 nonprofit boards, professional societies and government entities, chairing 12 of them, and serving on many independent audit committees with assets ranging from \$200,000 to \$200 million.

He also lives by the service, not self rule and is responsible for establishing six foundations. He professionally speaks around the country on best practices for boards and is a frequent writer for business publications. He has received numerous community leadership awards along with being honored as the SBA's Accounting Advocate of the Year.

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

Mike, if you would, the floor is yours.

(Applause.)

MR. ALERDING: What I love most about that is you said 30 years and as of two days ago, it was 40.

(Applause.)

MR. ALERDING: So I love that. I love to get just a little bit younger.

Thank you all. And I will be brief.

This is an important process for the NEC, and I really truly appreciate your comments, Ginny, on the whole governance concept, the structural concept.

And for those of you who had the I wouldn't say pleasure but have had to sit through my little chats the last few years, you know that I've been on a mission to get the organizational structure looked at independently of the ALA to make sure it's modern and it fits within the guidelines of the Internal Revenue Service because like them or not, which probably most of you don't, but even if you don't, we need them because you can't exist without them.

And they have given the ALA a special exemption. That exemption allows you to not pay income taxes. More importantly, allows those who contribute to this organization the ability to deduct and, therefore, reduce their income taxes. That is a privilege according to the IRS. We don't want to lose that.

Right now they're on a bit of a rampage and it's their goal to eliminate about one-third of the 501(c)(3)s out there. And they're making some progress. They're not going to get this organization, but why take a chance. Let's make sure that we run it, as Ginny just said, as you would run any corporation responsibly. And that's what a lot of my comments will be about today.

I'm going to breeze through this a little bit. Each of you have got or had the opportunity to have a copy of the audited financial statements. Those are the basis for which you represent yourself to the rest of the world. In some sense, it's a marketing tool. You let the rest of the world know how did we do.

Now, I'm an accountant, so right away I would lean toward numbers. But if you really look at that entire document, only a few pages are numbers. The rest of them are verbiage on what the organization is, what its mission is, and how it operates.

Ginny is right. All of you, if you have the opportunity, really should look at the Form 990, not just if you're in a situation where you can't sleep. I grant you it will put you to sleep.

Some of that is very important for you to know because the mission that you have is so critical going forward as new vets are coming out of the

service. As things change economically, as the needs for those veterans change, your mission will be changing. It will be evolving. And you'll see part of that in the Form 990.

So I'm going to review a number of things you'll see today. First and foremost, those financial statements are your responsibility, this organization, the NEC. They're your reflection of what has happened this year.

Our job is to do an independent audit. We're engaged by the Audit Committee to come in and do an independent clean audit of the financial statements from cradle to grave. This, I believe, is our fifth year of doing that. We work with Dobbie and Marta and their staff. And Tim is -- since I have one other brethren here, I got to mention Tim.

(Laughter.)

MR. ALERDING: Tim does just a terrific job. Stand up, Tim.

Tim just does a heck of a job.

(Applause.)

MR. ALERDING: In doing all that, one of the things we test so that you all know since you're responsible is that we really work hard at testing internal controls at the Headquarters location. And those are critical because you want to make sure that all the money that's collected, all \$8 million a year, is put under some sort of control system to make sure what comes in comes in and gets recorded, what goes out, goes out legally and in a manner that is reflective of your mission.

The consolidated statements, as you heard earlier, include not just ALA Headquarters, but they also include the Foundation. One of the things that's very important to understand is that there are somewhere in the neighborhood of 5,900 ALA associated units or I think we refer to them as legal entities that are not included in those financials.

The only thing you see in those financial statements is Headquarters. That's it. There are a whole lot of the rest of you out there. So when people look at your organization and they say, wow, this organization has eight million or so in revenues and 27 million assets, not even close.

Some day, I'm 62 years old and before I go, I'm going to get them all put together somehow. I swear I am because you would hope I do it rather than the Internal Revenue Service because they're looking at that. And they want to make sure anyone carrying your banner is under the control of an organization that has some form of governance. And that's you.

So right now that governance is a loosely associated governance. And I think what eventually will evolve both at the Legion and the Auxiliary is some sort of a consolidated report. That's what I believe.

I'm going to run through it here. Those statements that you see there don't just go to you. They don't just go to the management, but more importantly, they go to donors.

You're going to see in a minute that one of the things that the Auxiliary really needs some work with is donations, not just membership dues. Membership dues are a given and they're dropping. And it's a dangerous, dangerous situation I'll talk about.

But as importantly, you need donations. In order for you to solicit those donations, you have to have a set of financial statements that tell the reader that you're a responsible organization and that you have needs.

So that's where these go. They don't just go to you and you put them in the file. They're a public document. They're filed along with the Form 990. It's electronically filed. Anyone that wants to look at it can and many do including, as you see, a number of watchdog organizations that have cropped up and are now analyzing all these not-for-profit statements.

Let me give you some highlights here of some of the financial information. Last year, you had about \$6.8 million worth of revenue at Headquarters. You spent about \$6.8 million. That's why they call it not for profit. You were successful.

You had a \$4,000 profit is what it boils down to. Now, I'm joking a little bit. But last year, you lost a quarter of a million plus. You weren't alone in that, but keep in mind at this level, I'm just talking about operations. I'm not talking about investments and investment income. I'm talking about running the Auxiliary according to your mission. You took in less than you spent.

I'll also tell you that your membership income, that is the dues income, doesn't cover membership expenses. Your dues income is short of what it takes to take care of the membership. Folks, I think they call that leading into a left hook. Eventually it has to stop.

Right across the street here, Congress is spending all this time chatting about how we cannot spend beyond our means and that's what you've been doing about the last five years. And we'll talk a little bit about that as we get into it.

In 2006 -- I'll just give you a five year. Every year, I kind of update this a little bit just to give you a quick five-year look because I know many of you are here only for a year. That's a concern of mine as I've already expressed.

I think we need terms that are much longer so that you have the experience, you have the knowledge, and you have the ability to govern. If you're only here for a while, it's difficult to say I'm a governor.

This five years gives you a really interesting snapshot. Let's take a look at that. Contributions are truly that. That's what people just contribute. They contribute because they believe in your mission.

And you can see that back in 2006, you were at a million six fifty-two. That consistently dropped for the next four years to a dangerously, in my opinion, low level of 814,000 last year. Just not very good.

Here last year -- and Dubbie and the administrative staff recognized this a couple of years ago that in order to make money, you have to spend money. I don't care who you are. I don't care. It just doesn't come because you're special. It comes because you work at it.

And this past year, you'll see in the numbers that the Auxiliary spent more money on fund raising and as a result, look what happened. Gee, I wonder how that worked. You spend some, you get some. That's something you'll see in another slide a little bit later. You're below the averages of what people spend to raise money. And I think you're going to see some of the effects.

The next column, the middle column is the most telling column. Now, I understand that membership numbers have dropped. I get that. It concerns me. It concerns the Internal Revenue Service because if you're a membership organization and your membership numbers are dropping, they're saying then why are you there. Why should we give you that privilege if that's what's happening.

But look at these numbers, ladies. These numbers don't lie. You were at 4.3 million in 2006. You're down to 3.9 now. Your numbers are dropping. If there's not something done very soon with dues structure, if you don't increase dues, you won't make it. You will not be able to keep up.

And I can tell you because I'm the auditor and I know these things. There's no fat in this organization. Trust me when I tell you there's not one dollar that's spent in that organization that doesn't need to be spent and there's probably needs that aren't even there.

So that's a pretty telling slide. The next one is even more telling as what I referred to earlier operating income. Operating income is what you take in versus what you spend on the mission, not on your investments. And as you can see from this, over the last five years, you've had some pretty rough years.

Now, I grant you economic times have been difficult. I won't deny that. And you can take a look on here and look at 2008. It was a stinker. You weren't alone in that. Everybody was a stinker in 2008. You were really a stinker though. It was not good.

You've lost 2.9 million from operations in the last five years. Those are American dollars, 2.9. The auditors get concerned when we see that. We call that a going concern issue. And what that means is are you going to be able to stay in operations for any length of time.

If you're not, the auditors have to step back and say I wonder if we could really give a clean audit opinion if we don't think they're going to be there a year from now. We're not to that point. We are absolutely not to that point, but we're getting there if this continues.

Now, on the other side of this, there's investment income. You have about 20 million in investments. They go back to the very, very, very, very beginning. We've got historians here who can tell us how far back it went, but a long time ago.

And you have done a pretty good job of investing those over the years. I was talking to the Finance Committee today how the investment itself, the investments themselves have been pretty well managed and you can look over the years.

Five years ago, you make two million. You lost a big chunk as everybody did in 2008. You took your hit. You've recovered it and you're back to a cumulative 4.1 million you've made on your investments in the last five years.

You take the operating losses off of that, however, and the net, net, net, net, net that you've made in the last five years is 1.3 million. And I think that's probably terribly deficient when it's an organization of this stature and of this nature.

I know that you're all part of the ALA. I know that you all live and breathe it. But sometimes when you're that deeply into an organization, you don't realize the respect with which the general public holds you. Sometimes you don't understand that.

And these numbers don't always reflect the kind of respect I would think that organizations would get in the public domain. I think what I'm saying is it could be better.

Here's these programs -- here's these indicators that are economic indicators and these, I don't make these up. These come from watchdog organizations, the IRS and other places. As a general rule, the benchmark for program expenses, that's the amount, the percentage of your expense you spend on your mission, the things you're supposed to do.

The range is 65 to 75 percent as a rule and you're at 86. On the one hand, you want to give yourselves a hand. On the other hand, you have to ask yourself, well, that's fine and it's a whole lot better than spending 10 percent on it, which some of these silly organizations have done, you look at your administrative in general.

That is the ability for you to have an administrative staff and a Headquarters and board, an organization that manages the organization. And you'll see you're right in that. You're at the low end of that percentage. Your actual percentage is six percent. The range is anywhere from about five to ten.

The last benchmark is the one that for the last three or four years I've been on a little bit. You've been below the benchmark. And you spent this past year eight percent of your expenses on fund raising expenses. You spent money to make money.

The range is anywhere from 10 to 20 and I would tell you that's a low - more often than not, your not-for-profits are in the 15 to 20. Now, that's not bad. We all read in the paper about the organizations that spend 70 cents to gain a dollar. That's not what I'm talking about.

I'm talking about an organization that is investing in itself. This past year, that number went from six to eight percent. Congratulations. That really is a good jump. But it also resulted in a lot more donations and that's really what's going to have to happen.

A couple of indicators or highlights, if you will, I already talked about, 81 percent of your assets are in investments. So of your 20 some million in assets, 81 percent are investment. That's excellent.

Ninety-three percent of those investments are in mutuals, the remainder in some partnership and hedge funds, not a great problem there. Your balance is pretty good.

Your cash returns on your investments, that's the cash money you receive from your investments, was about a three percent return this year. Really not bad in this environment. In fact, pretty good in this environment.

And then 96 percent of the assets you have are unrestricted. What that means is there's no outside restriction on the spending of those assets. It means they can be spent for operation.

We did the audit. I want to report very quickly. We had no

disagreements with management. We had only minor adjusting entries that were really cleanup entries which is pretty rare.

The most important thing I can tell you is there were no weaknesses in internal accounting control. And that's pretty remarkable, very remarkable for an organization of this size with this kind of dollars and all the transactions, probably a hundred thousand transactions.

Our auditors didn't find one situation where there was a weakness in the internal control system which I think is really a tribute to Dubbie and Marta and Tim for the way they run that organization because they run it very well.

(Applause.)

MR. ALERDING: And I won't get into my tirade because they're giving me the high sign. I've got to get out of here, but many of you have already heard and don't want to hear it again.

This organizational structure, I know that Ginny and I have had many discussions, Dubbie, many of the Past Presidents and I have had a discussion, there needs to be a whole new look on the organizational structure, not changing the NEC. Everybody, don't get all upset. I don't want to throw you all out. What I want to do is get another organization in here that helps you govern. Sixty-two of you is a little tough to do anything with. I don't care who you are.

I coach football teams. Try to get 11 people to do anything. Sixty-two I can't even imagine. What I want and what I suggested is that we go through a process that shrinks this into a corporate structure that Ginny referred to, a real Board of Directors that is elected by this organization that has rotating three-year terms, that have people in there who are professional governors, who understand governance, but also have the passion for the organization.

My father told us all in my family, and he raised seven kids by himself, and we were all very active, and one thing he told us very early in life is that for every good not-for-profit, you better have the three W's. About a third of them should be work. That's the passion people. A third of them should be wisdom. That's the old folks. And a third of them should be just wealthy.

(Laughter.)

MR. ALERDING: And we don't care whether they ever show up at a meeting frankly. Just send the money.

My father just died in April. He was 90 years old. And right before he died, I told him I had just jumped on to another board and I couldn't understand why. And I said but I'm hoping now I'm finally to the age and the hair color I can play the wisdom role and get out of that worker role.

(Laughter.)

MR. ALERDING: And he's lying and he's laying there and literally on his death bed and I just was waiting for a comment from him. And there was a little pause and he just kind of laughed a little bit and said, no, you're not quite there yet.

(Laughter.)

MR. ALERDING: You will need a board that has that. You would really be effective. And I cannot tell you how much pressure it would relieve from this organization, the NEC, to have to do a lot of the things that you don't want to do. For the most part, let's just be honest, you don't want to do them and you

don't -- you're not as experienced in doing them. I just think it makes a lot of sense and I'll shut up.

Some real findings from the audit. This is the last couple of slides. One, there was a clean audit opinion. There were no variances in our audit opinion. Two, no material weaknesses in internal control. Three, membership related revenues are declining. We talked about that. Operating income was break even. You made \$4,000 this year.

Investments, this is a critical number now, your investments you have since 2006 have declined \$4.3 million. That's not all from the market going down. That's because you've had to spend them in order to keep the organization running which means eventually you erode that.

Organizational model, okay.

Summary of recommendation, I'll finish with this. These are pretty brief and I've talked about them pretty much already.

There has to be some process put into place to increase membership dues. There has to be some process put into place to increase membership dues. I don't know when, what century they were last raised, but it was centuries ago, a long time ago.

I bought a water -- I bought a bottle of water in this hotel and it was \$2.50. And that's half what it costs -- that's six months worth of dues. Now, there's got to be a better way. There has to be.

Planned giving needs to be part of the process here, a real live planned giving process that I know Dubbie has really got a handle on. We're going to get that started. But let's just be real honest. The demographics of this organization lead itself very heavily toward a good planned giving process.

Continue to focus on increasing contributions from members, outside donors, and those are going to pass. You are going to pass. Some of you here probably sooner than others, but you are going to pass, folks.

(Laughter.)

MR. ALERDING: Continue to focus on both mission and financial sustainability. The new mantra of the not-for-profit world is financial sustainability. How are we going to stay afloat? That's a focus I think really would be important in the next few years.

And then as I just spouted about, the organizational changes to the structure of the organization I think would really make a big difference.

Any questions, comments?

(Whereupon, there was no response.)

MR. ALERDING: A little bit too big. Okay. A little too much. Well, I do appreciate your time very much. And I do want to emphasize how much respect I have for your organization and the things you do.

I've got some personal stories about some people and I will tell you, you touch people in ways you don't even know. And many of you do, but many of you don't. And I do appreciate, on behalf of those people, I do appreciate all you do.

Thank you.

(Applause.)

CHAIRMAN HOBBS: Thank you, Mike.

Madam President, the Audit Committee has approved the audit report and I move its adoption.

PRESIDENT ASHWORTH: It has been moved to adopt the audit report. Is there any discussion?

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: All those in favor of its adoption, say aye.

VOICES: Aye.

PRESIDENT ASHWORTH: Opposed, no.

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: Motion carried.

Thank you, Ginny.

And thank you, Mike.

(Applause.)

PRESIDENT ASHWORTH: I now call on Finance Committee Chairman Desiree Stoy for the Finance Committee Budget Report.

CHAIRMAN STOY: Madam President, members of the NEC, good evening.

VOICES: Good evening.

CHAIRMAN STOY: Since we last met, your National Finance Committee has met on two occasions, during the first quarter in November of 2010 and during the second quarter the last few days here in Washington, D.C.

As you know, the primary roles of your National Finance Committee include a variety of tasks. As an example, monitoring financial statements. So allow me to share with you some of the key points revealed in the FY11 budget to actual report for our first quarter that the NEC received prior to your arrival to this meeting.

So we'll start with the good news. Okay? We anticipated our revenue for the first quarter to be 2.49 million. Our actual income was 3.46 million. That's right. We realized a 38, over a 38 percent increase.

Now, this windfall was due primarily to greater fund raising returns. And as Mike just shared with you, the importance of investing in fund raising. This windfall, our fund raising returns exceeded our projected income by over 50 percent in that first quarter.

And earlier -- the other part of our windfall was early receipt of membership dues. How about that? We received dues faster. Faster dues processing meant earlier receipt which equates to improved cash flow.

Now, on the flip side, this cash flow advantage will in all probability level out because as we know, our trend is we are not a growing organization.

The Finance Committee would also like to acknowledge the departments for processing their dues timely. Ninety percent of the departments were successful in the transition to the new membership processing system, 90 percent.

Now, approximately 10 percent are still struggling, but we are pleased to report that they have been offered assistance at a nominal cost. So there's help for the five of you who are still struggling.

The FY11 first quarter numbers reflect that anticipated donations for

the AEF are trailing behind. AEF assistance grants have outpaced donations.

As well, the creative arts numbers were also trailing in the first quarter. However, we're sure that your donations this week will exceed our expectations.

So now let's take a look at the expense side of the ledger. I want to point out that during our first quarter, it was discovered that under activity 132, management and general, line item equipment lease/maintenance was inadvertently excluded from the FY11 budget.

Upon notification to the Finance Committee, consent was given to staff to make the correction. Therefore, in your budget to actual report for quarter ended 12/31/10, activity 132 was adjusted from \$806,529 to \$861,529.

Madam President, by direction of the National Finance Committee, I move for ratification of this action.

PRESIDENT ASHWORTH: The question is on the ratification of the adjustment to the FY11 budget. No second is required since the motion comes from a Committee, but is there any discussion?

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: All those in favor of ratifying the action, say aye.

VOICES: Aye.

PRESIDENT ASHWORTH: All those opposed, no.

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: Motion carried.

CHAIRMAN STOY: Thank you.

Another task of the Finance Committee is overseeing investments. Currently our investments are managed by two companies, Galileo Financial Advisors and UBS Institutional Consulting.

Now, Galileo handles our general fund, our paid up for life account, the Spirit of Youth fund, and the AEF.

Now, ALA FY11 first quarter generated a 5.3 percent return. As most of us know, fourth quarter earnings in the last calendar year had a spike, so that's why -- that's a pretty good number for what we would be our first quarter of our fiscal year.

Now, UBS Institutional Consulting handles the National President's Scholarship Endowment fund. And our first quarter generated 4.19 percent return.

Recent action by your Finance Committee brings our asset allocation in line with our moderate to conservative investment strategy allowing us to reduce risk while at the same time maximizing returns.

I want to share with you a little bit about credit card royalties. In November, departments received their half of the royalty share from the Bank of America Credit Card Program for the 2009 calendar year, January through December 2009. A total of \$26,688.67 was distributed to 51 participating departments.

Congratulations to the departments of Indiana, New York, and Pennsylvania for being big spenders.

(Laughter.)

CHAIRMAN STOY: Departments will receive two more royalty distribution

checks, one this summer for 2010 activity and the final check in 2012 for year 2011 activity. Notice I said final.

The FY11 Finance Committee has charged the National Headquarters staff to continue efforts to secure another vendor in order to provide -- to continue to provide this type of revenue source for both our national organization and for our departments.

But I can tell you financial institutions are not as interested in this form of revenue sharing as they once were. And finding an institution offering a similar opportunity has proven to be very, very difficult.

So now, please note that even though our royalties will be ending, this does not affect your personal credit card account. Okay? What's ending is just our slice of the royalties.

Okay. So this is the part of the program I have dreaded. It's time to say it's now time for questions. But I would ask the very popular and experienced and skillful Tim Bresnahan to make his way to the front of the room to assist with this portion of the program. So in case you ask a question that --

MR. BRESNAHAN: I'm behind you all the way.

CHAIRMAN STOY: Thank you.

He just told me that he's behind me all the way. Earlier he said he was going to a ball game.

(Laughter.)

CHAIRMAN STOY: Okay. What I'd planned to do while he came forward, and you were very quick, I might add, it was my opportunity to recognize the National Finance Committee and to publicly thank them for their hard work and diligence.

So my sincere thanks to Vice Chairman Jan Pulvermacher-Ryan, Nicole Clapp, Carol Van Kirk, and Linda Newsome for their time and effort.

(Applause.)

CHAIRMAN STOY: So do any of you have any questions regarding your financials, the FY first quarter report budget to actual?

(Whereupon, there was no response.)

CHAIRMAN STOY: Tim is so relieved.

(Laughter.)

CHAIRMAN STOY: Okay. Yeah.

PRESIDENT ASHWORTH: All right. Thank you very much.

CHAIRMAN STOY: Thank you, Tim --

PRESIDENT ASHWORTH: Thank you, Tim.

CHAIRMAN STOY: -- for your support.

(Laughter.)

PRESIDENT ASHWORTH: As he scurries from the room.

(Laughter.)

CHAIRMAN STOY: We have accomplished quite a bit in the last few days working as your Finance Committee. We reviewed financial policies. We have a process in place to create some new ones which you will be seeing at your next NEC meeting. We talked about member benefits and the economic indicators that Mike alluded to.

In closing, I want to share with you that your Finance Committee will be meeting this week. Yes, we're not done yet. We'll be meeting this week to develop an economic recovery plan to benefit our organization. And, yes, this plan will include a dues increase for your consideration at National Convention.

This plan will be distributed in April, so you're going to know, just as soon as we finish up, you're going to know. Your Finance Committee looks forward to the next few days of deliberation on this very important task.

(Laughter.)

CHAIRMAN STOY: Madam President, this concludes my report.

(Applause.)

PRESIDENT ASHWORTH: Thank you, Desi.

Are there any questions regarding the Finance report?

(Laughter.)

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: You can go.

We'll now have a Strategic Planning update and the Chair calls upon our Strategic Planning Co-Chair Jan Pulvermacher-Ryan for an update.

CHAIRMAN PULVERMACHER-RYAN: Thank you, Madam President.

Strategic Planning is a process that can be hard to visualize unless you've been through it. Even if you're familiar with Strategic Planning, the effort probably brings to mind thoughts of hard work, conflicting agendas, and endless meetings. Strategic Planning is all of those things, but the results are worth the effort.

Going through the process of determining what the Auxiliary wants to be and how it will turn that vision into a reality is one of the most important things that we as an organization can do.

An analogy applies here. We use a ladder for reaching a destination that is not within reach without it. Climbing the ladder requires placing one foot after another on the rung.

Likewise, an organization might be productive and efficient climbing the ladder without taking time to agree on a strategy for the future.

There is little point, however, to such productivity and efficiency if upon reaching the top of the ladder you find yourself in the wrong place.

Strategic Planning requires that you -- that before you buy the ladder and step foot on it you think about where you are going and discuss the direction with others to be effective in planning and achieving those goals.

Strategic timing takes -- Strategic Planning takes time and is most successful when everyone recognizes the process and allows the time for gathering data, discussing context, sharing ideas, and agreeing on what needs to be done.

Ladders enable us to reach new heights. Similarly this process of Strategic Planning can help an organization achieve its goals.

Three years ago, February 2008, the American Legion Auxiliary embraced Strategic Planning as a road map to our future. Three new initiatives were added to the plan that had been originally approved.

At the present time, gateway to services formerly known as the

clearinghouse has been added to the Auxiliary's website. This addition offers multiple sites for veterans in the military opportunities to explore options of increased value for them and their families.

This one-stop shopping option has five broad categories of support. Resources include family, community, and social support, health and wellness, training and education, and financial and legal support.

Our newly designed website offers this connection in a prominent spot for easy access to these grass-roots organizations that provide a wide variety of support services.

The technology team continues to work with National staff in the development of the new National website. Content and improvements will continue to be added.

The new website will roll out in phases. Phase one was a public launch and was rolled out in March and includes information about who we are and what we do.

The new website is an interactive source of information that will deliver real-time, multi-channel access to Auxiliary information for our members and the community. For instance, you can immediately and directly send any ALA webpage to a friend's Facebook page.

Future phases will include a membership only portal and easier ways to register for ALA events and make donations. These phases require significant integration with the ALAMIS system.

Staff and volunteers listen to the members' input for the redesign and enhancement of the new ALA website. Many improvements have been made. Please go on line and navigate through the process and through the system. You will find much to enjoy.

National Headquarters has recently added a new IT systems administrator and she is making great strides having had previous experience with the exact same ALAMIS software and is down in the trenches getting her hands dirty every day with the system.

A significant decrease in help desk e-mails and calls indicates that most department users have become acclimated to the system. The servers have been moved from the remote site to the company that produced the software providing for faster updates along with more efficiency and environmental stability.

There is still some misconception that the organization has two systems. National Headquarters uses the same ALAMIS system that departments use.

Entering information for new members has been streamlined and is now much faster. In fact, National Headquarters has received zero complaints since the last fixes were put in place.

All departments are processing their membership on the new system except for our foreign units.

What's to come? More reports and clarification of existing reports so that departments have a better understanding of what each report provides, continuation of streamlining functionality and user interface to make the system

more user friendly, a member portal on the website where a member can update her profile which will be available in the next three to six months and payment of dues within the next twelve months.

There will be an opportunity for units to go live within six to twelve months depending upon testing. Departments will determine if or when their units can use the system. The plans are to do extensive testing with a small number of units before opening it up to all units.

Additional volunteers have been added to the unit and department standards team as it's proved to be a really time-consuming project. This team was tasked with building a strong foundation and a solid set of guidelines that would enable units and departments to function efficiently and effectively in carrying out the Auxiliary's mission.

They continue to work on the core requirements for compliance relative to governance, fiscal and audit accountability, and to provide necessary assurance that all legal and task considerations have been appropriately addressed.

As this process evolves, further effort will be given to developing a unit template for the purpose of establishing a baseline requirement for units along with a training module to assist members at both the unit and department levels with effective implementation.

The purpose of this Strategic Planning initiative is to clearly define the goals at all levels of the American Legion Auxiliary, establish minimum standards for each level, develop processes to help each level evaluate how well they meet those standards, assist with the creation of a plan to meet or improve standards of operation and efficiencies, support each level of the organization as planned elements are implemented, and provide a means for ongoing review, evaluation, and training.

The bottom line, our ultimate goal is to stay fresh, timely and efficient, and to increase membership renewal and retention at the unit level and to become the number one Auxiliary to the veterans, service organizations, to entice members to join forces with us to achieve our mission, vision, and to support the purposes of our organization.

Approval at this immediate past National Convention in Milwaukee was a new membership initiative. That team is really just getting started. Part of the delay was the critical illness of the Chairman of the Committee and the appointment of a new individual to assume that responsibility.

I am happy to report, however, that Peggy Brown of New Mexico has made substantial improvement and will be able to join the team for the first face-to-face meeting in Indianapolis in April.

(Applause.)

CHAIRMAN PULVERMACHER-RYAN: I'm sure your prayers worked miracles for her.

This group has started on this project with a number of conference calls and I know that they are all looking forward to moving this initiative into high gear in April.

At the fall meeting of the Long-Range Strategic Planning team, the

material gathered from the focus groups, the National Convention was reviewed and two new initiatives were proposed for adoption by the NEC at this awareness meeting. These two initiatives will focus on leadership issues and concerns and the ALA character initiative which deals with respect, civility and integrity, really just the golden rule.

And thank you, NEC, for your approval of those two initiatives.

All the information of these focus groups was considered for one of these three initiatives. Some was information for National Chairmen, issues or concerns for the National office, and some for working with The American Legion.

There are some that will be given to the Past National Presidents to address with their responses posted on the National website. For your information, every comment, concern, or question has been gathered and disseminated.

At our last National Finance Committee meeting, the National President requested the members consider an educational conference during this administrative year. I'm happy to report that approval was given and I am sure you have all received the information about the learning and listening conference scheduled for Madison, Wisconsin April 16<sup>th</sup> and 17<sup>th</sup>.

Please encourage all your members to attend. This is meant for all ages and levels of the organization. We are hopeful that several more can be added during the next administrative year and I'm pleased to report that we are considering five more for next year, one in each division.

(Applause.)

CHAIRMAN PULVERMACHER-RYAN: And I'm sure the National President will agree with me that if you have people who still want to come to Wisconsin, please feel free to get those registrations in. We still have room for some of you to be there. Okay? We're pleased to be offering that for you.

Strategic Planning is a team effort and does not end when the plan has been written and distributed. On the contrary, Strategic Planning never ends. A well-formed strategic plan will guide decision making and help ensure that all activities and programs are aligned with the organization's mission.

A nice adage to keep in mind is to go slow, to go fast. In other words, take the time to determine the right process and then devote the appropriate amount of time and emphasis to it.

Thank you, Madam President.

(Applause.)

PRESIDENT ASHWORTH: Thank you, Jan.

Any questions?

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: Thank you.

I now call upon National Vice President Kris Nelson to report.

VICE PRESIDENT NELSON: I'd just like to take a minute to talk about the Resolution that we're going to act on tonight and the history of how that Resolution came about.

In January every year, it started about three years ago, we come

together in Indianapolis with Headquarters staff, the National Vice President, the National President, the VA&R Chairman, the Children & Youth Chairman, the Finance Chairman, the Long-Range Strategic Planning Chairman, and we talk about where we want to go in the future. At that meeting, we hear all of the suggestions and problems that departments are having.

This January, we heard that many of the departments feel that the Presidents & Secretaries Conference is too late. So in October when they come to that meeting, they've already had their leadership workshops and the information is too late to get to their grassroots members.

So the purpose of this Resolution is that we can have some flexibility with that conference. One of the ideas that we are throwing around and that will still need some more work is that maybe we can combine the Membership Workshop with the Presidents & Secretaries and then the incoming President, the Membership Chairman, and the Secretary can come in May. You'll have all the information when your year starts. So that's just one of the ideas. So we'd like the flexibility to do that.

So, Madam President, I move the adoption of the following Resolution:

Whereas, Section 3 of the American Legion Auxiliary's standing rules is subtitled Department Presidents & Secretaries Conference and currently reads:

A conference of department Presidents and department Secretaries shall be held annually as soon after the National Convention as possible and;

Whereas, the only other meeting designated in the standing rules is the National Convention which must be held in conjunction with The American Legion and;

Whereas, the Auxiliary plans and conducts other National meetings, conferences, and workshops that address the organization's needs, initiatives, and priorities and;

Whereas, to optimize participation and attendance, the Auxiliary strives to conduct meetings, conferences, and workshops cost-effectively at times practical for intended participants and;

Whereas, there is desire for flexibility to coordinate or combine scheduling and conducting other meetings, conferences, and workshops with the department Presidents & Secretaries Conference and;

Whereas, removing from the standing rules the specification for the scheduling of the department Presidents & Secretaries Conference affords more flexibility for optimizing the cost-efficiency and attendance of that conference and the Auxiliary meetings, conferences, and workshops;

Now, therefore, be it resolved that Section 3 of the American Legion Auxiliary's standing rules be amended to delete the words as soon after the National Convention as possible and be effective upon adoption by the National Executive Committee meeting March 19 and 20, 2011 in Washington, D.C.

Madam President, I move the adoption of this Resolution.

PRESIDENT ASHWORTH: Is there a second?

MS. LEE: Susan Lee, Department of Virginia. I second the motion.

PRESIDENT ASHWORTH: It is -- did all of you hear Susan Lee, Department

of Virginia?

It is moved and seconded to accept the Resolution as just read by National Vice President Kris Nelson.

Is there any discussion?

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: All those in favor of this Resolution, say aye.

VOICES: Aye.

PRESIDENT ASHWORTH: Those opposed to it, no.

(Whereupon, there was no response.)

PRESIDENT ASHWORTH: The affirmative has it. The Resolution is adopted.

VICE PRESIDENT NELSON: Thank you.

PRESIDENT ASHWORTH: Thank you.

(Applause.)

PRESIDENT ASHWORTH: Thank you very much for your attentive participation this evening and please do not forget to review all the documents for tomorrow morning's meeting.

And the Chair will now call upon our National Secretary for announcements. Dubbie.

SECRETARY BUCKLER: Would you like me to sing them or read them?

(Laughter.)

VOICES: Read.

SECRETARY BUCKLER: We've got announcements, so listen up now.

(Laughter.)

SECRETARY BUCKLER: Okay.

VOICE: Read them.

(Laughter.)

SECRETARY BUCKLER: We've had a request that they be read.

First, a reminder that anyone who arrived late for this meeting, be sure to mark the attendance roll sheets. We take attendance at these meetings by the roll, your signing your name, the check box.

So if you have come in and not signed the sheet to show us you're here, please do so because when we do the proceedings of these meetings, someone who's not here writes all that stuff up and they don't have any way of knowing you're here unless you sign those things. So please make sure that happens. Thank you.

Second, some of you received the conflict of interest forms on your chairs this evening. If you have not signed one already, those must be completed and turned in to Joanie Clark, my assistant back there in the back of the room, before you leave this evening.

Have all of you met Joni?

VOICES: No.

SECRETARY BUCKLER: Joni, stand up. They've got to know who you are.

Joni Clark who is the executive assistant to the National Secretary.

(Applause.)

SECRETARY BUCKLER: And in a prior life, well, she still is an ordained

minister, so we are not only keeping you legal, we are trying to keep you holy.

(Laughter.)

SECRETARY BUCKLER: Those who registered for Arlington National Cemetery -- it is late. I'm trying to lighten it up. Those of you who registered for Arlington National Cemetery tour tomorrow be sure to locate your ticket which was included in your registration ticket envelope.

We will begin loading the buses outside the 9<sup>th</sup> Street entrance of the hotel. And do you all know where that is?

For those of you who don't know where it is, will somebody who does show them?

(Laughter.)

SECRETARY BUCKLER: It is -- if you're in the lobby and you're looking -- it's the one that goes -- it's at the top of the escalators and then you would go up the stairs and out to that street. And if you don't see a bus there, my guess is you can surmise you're at the wrong door.

(Laughter.)

SECRETARY BUCKLER: All National Executive Committee members, National officers, Past National Presidents, and National Chairmen are invited to the breakfast tomorrow morning in the Renaissance West which is -- which Renaissance West is this way, okay, which is this way (indicating). Okay. That would be from seven to eight-fifteen tomorrow.

If you would like or if you did not register for the awareness assembly and you would like a new con -- new -- I'm sorry -- new copy of the Constitution & Bylaws, please again see the staff at the back of the room. Now, we -- you've met -- you were introduced to Tim, met Tim, met Joanie.

Stephanie Ayers-Abisi is hopefully checking the website for some important information. Oh, that saddens me.

Mary Beth Dedman, Mary Beth, okay. Stand up so they can see you.

Now, many of you may have known -- know Mary Beth as Mary Beth Richardson. She has a heavier left finger now, left hand -- left finger on her left hand. She is Mary Beth Dedman now.

And Tamara Shumate who is the executive assistant to the National President.

So as an aside, thank you to all of them for all the wonderful things they've done.

(Applause.)

SECRETARY BUCKLER: And you will notice that they look like this (indicating). So do you like the new look of your Constitution & Bylaws? You will now at a glance be able to tell which update -- if you have the current updated version, all the pages now have little flip notes or little footers on them so that hopefully we'll all be looking off of the same page, the same version of the document.

So this is also available on the website and it will be available in two versions, this version suitable for three hole punching, and also in a bi-fold version that you can print off and fold and staple if you want, a little handbook type thing. So we've given it to you both ways.

Also in your -- those of you who registered for awareness assembly, we have -- Madam President, I don't want to knock your -- I don't want to sock you in the process of trying to get my arm around here. We have the new advocacy guide.

And we also have with us during the conference members from the Foundation and there's a table out in the hallway. Deb McBride and Trish Ward are here representing the Foundation. And they have their brochures. And I just kind of want you to look. Hopefully you will notice something.

Somebody said the word. You're a National organization, the largest women's patriotic service organization in the world. We need to have a consistent look and so that's what we're doing.

So from now on, as we get to each one, we now have people on staff who know how to do this wonderful thing. We have the equipment on staff to do it. So we are now doing what any good executive staff should be doing and that is making you all look good with the kind of polished looking materials that all have a consistent look and feel to them.

(Applause.)

SECRETARY BUCKLER: Thank you.

Now, if you really are observant, these looks and feels to these things also are representative of something else that's relatively new and that would be our website.

It was a really big project. This one went off without a hitch. So --

(Applause.)

SECRETARY BUCKLER: -- we hope you will agree that it was worth the wait. Now, how many people have been to the new website?

(Show of hands.)

SECRETARY BUCKLER: How many people like it?

(Show of hands.)

SECRETARY BUCKLER: How many people don't like it?

(Whereupon, there was no response.)

SECRETARY BUCKLER: Yea.

(Laughter.)

SECRETARY BUCKLER: Thank you for allowing me that restrained reaction.

(Laughter.)

SECRETARY BUCKLER: Now, one more announcement. I have two more announcements.

In the I want, you need, I got section of the announcements, better known as tickets, Past National President Syble Deshotel needs a ticket for the Arlington Cemetery Wreath Ceremony.

Syble, raise your hand.

So if you have a ticket that you would like -- you know, somebody is not going to be using, could you please contact her. She also has her room number.

You want me to give it out?

684. The party is in her room.

(Laughter.)

SECRETARY BUCKLER: You all have that number now.

(Laughter.)

SECRETARY BUCKLER: And --

MS. DESHOTEL: You have to bring your own.

SECRETARY BUCKLER: Oh, all right. She's being frugal. You have to bring your own. But she didn't say you couldn't come up and have the party in her room.

You will also notice here at National Convention some bag ladies. There are about six of us carrying around these clear bags. Inside the clear bags, which I'm not doing a very good job turning around, there we go, inside the clear bags -- Diana, could you -- please.

(Laughter.)

SECRETARY BUCKLER: Many of you know this. I just want to repeat. We had a direct appeal fund raiser for the Auxiliary at the end of the year for a little pocket calendar that has information about Auxiliary dates in here.

Unbeknownst to us, unexpected to us, and I want to underscore this, the manufacturer sent us an overload -- I mean, an overage of printing of these. Printing overruns is what it's called. Anyway, we ended up with a few extra copies that we didn't think we were going to have. So to make it simple and because it's March and these need to be used, we've brought them here.

We're walking around and for a \$5.00 free-will donation, that means no paperwork, free-will donation, you can have this. You can have several of them. And on Wednesday, we may be down to let's make a deal.

(Laughter.)

SECRETARY BUCKLER: But we really want you to -- and we're going to have all the money go to the Foundation. Even though this was a fund raiser for the Auxiliary, to make it simple, all the funds would be going to the Foundation.

Now, if you want to buy several of these and you want a receipt, if you will see Deb McBride or Trish Ward at the Foundation table, they will handle giving you a receipt.

Also we have a few of the poppy bags that were an item that was available for a donation last summer. Those will be available also at the Foundation table.

So we hope that you help us lighten our load. There will be six of us for sure walking around with these, Peggy Thomas, Nancy Brown-Park -- oh, they're hawkers.

(Laughter.)

SECRETARY BUCKLER: Trish Ward, Deb McBride, and Marta and I. So we will be your hawking ladies walking around with clear plastic bags. And it will just be a -- we're trying to make this simple. Cash only unless you have your checkbook, but it's no -- I'm sorry, we can't do credit cards for these. This is a -- and it's a free-will donation. So we hope that you take advantage of this very unexpected opportunity to have these things.

And now, is there any news that I need from the back of the room?

(Whereupon, there was no response.)

SECRETARY BUCKLER: Okay. With that, Madam President, I won't take

your book. I'm trying to pick up my stuff. And I thank you.

PRESIDENT ASHWORTH: Thank you, Dubbie.

The National Executive Committee meeting will adjourn until 8:30 a.m. tomorrow morning. And I will see many of you at breakfast. I'm sorry.

CHAIRMAN THOMAS: Madam President --

PRESIDENT ASHWORTH: Yes.

CHAIRMAN THOMAS: -- platform remarks --

PRESIDENT ASHWORTH: Oh, yes, absolutely.

CHAIRMAN THOMAS: -- and presentation.

PRESIDENT ASHWORTH: Please do not leave yet.

Peggy, will you please come forward. You almost let me get away with that. And you're welcome to come over here to this center microphone, Peggy.

CHAIRMAN THOMAS: Thank you, Madam President.

PRESIDENT ASHWORTH: Peggy Thomas, the National Veterans Affairs & Rehabilitation Chairman for a special announcement.

CHAIRMAN THOMAS: Thank you, Madam President.

We have a lady that has taken the Field Service Orientation course and has accumulated, I believe, 79 hours. And she is eligible for the 50-hour pin because they only come in those segments.

So would Dubbie Buckler please stand.

(Laughter.)

CHAIRMAN THOMAS: Our National Secretary.

(Laughter.)

(Applause.)

SECRETARY BUCKLER: Thank you. I didn't know you were going to do this. Thank you.

CHAIRMAN THOMAS: We wanted to surprise her.

SECRETARY BUCKLER: I wasn't even paying attention. Thank you.

CHAIRMAN THOMAS: I'm amazed you were not paying attention while I was speaking.

SECRETARY BUCKLER: I was --

VOICE: She was.

(Laughter.)

SECRETARY BUCKLER: I thought I was paying attention.

CHAIRMAN THOMAS: This concludes my remarks.

(Laughter.)

CHAIRMAN THOMAS: Aren't you glad?

SECRETARY BUCKLER: Thank you, Peggy.

PRESIDENT ASHWORTH: Thank you very much, Peggy.

And congratulations, Dubbie. I think that's great that our National Secretary has gotten her home service hours pin for her first 50 hours.

You are now dismissed until 8:30 a.m. tomorrow. Thank you all very much for being here tonight. Thank you for your attention to our agenda.

(Whereupon, at 9:18 p.m., the above-entitled hearing was concluded.)

**SUNDAY, MARCH 20, 2011**  
**PROCEEDINGS**

(Ringing of the bell.)

PRESIDENT ASHWORTH: This National Executive Committee Meeting will now come to order.

(Ringing of the bell.)

PRESIDENT ASHWORTH: Please rise for the invocation by National Chaplin Vickie Thrower.

CHAPLAIN THROWER: Please bow your heads.

Dear Lord, we are meeting today to conduct matters of the American Legion Auxiliary. Guide our hearts and our minds in the spirit of kindness and of bright thought. Impart your wisdom upon our activities so that our affairs may reach a source of successful conclusion.

Thank you Lord for being our source of guidance. Amen.

VOICES: Amen.

(Ringing of the bell.)

PRESIDENT ASHWORTH: We will now hear form our National Secretary Dubbie Buckler for a brief VISTA update.

SECRETARY BUCKLER: Thank you Madam President and good morning everyone.

VOICES: Good morning.

SECRETARY BUCKLER: You may remember we have a program through the National Organization, the American Legion Auxiliary Call to Service.

Do you all remember that?

VOICES: Yes.

SECRETARY BUCKLER: Well, that's good.

This part of our partnership with the Corporation for National Community Service. I remind you that this incentive began under the vision of then-President Jan Pulvermacher-Ryan. The Organization signed a Memorandum of Understanding (I had to stop and think which one it was) with the Corporation. It was then ratified under the presidency of Desi Stoy. Then we had a change in administration and with that came the Economic Recovery Act from Congress. Through the Economic Recovery Act there were, what was known as stimulus funds that were given, awarded, to the Corporation for National Community Service for special demonstration projects in the United States.

The American Legion Auxiliary by virtue of having established that partnership was selected as one of five special national demonstrations projects with the focus on veterans, which the Corporation had not had prior to that time.

So we established the first American Legion Auxiliary Call to Service Corps VISTA Project. That was successfully completed in its first year. Hopefully you read about in the magazine and in the previous reports that have been given.

And then fast forward to today and we now have been awarded two grants from the Corporation for National Community Service.

We are considered the Corporation's premier veterans service

organization. We are the conduit, the broker, or the liaison or the deal-maker, whatever term you like to use, for other organizations interested in doing programs with veterans. They must come through the American Legion Auxiliary Call to Service Corps. This positions this Organization in a really keen way. We kind of gloss over this when we're talking about it, but we really need to kind of take a step back and realize we really are viewed as the premier veterans service organization by the federal funding agency, the Corporation for National Community Service and by several other organizations that prior to this program was not really aware of the American Legion Auxiliary.

So it has helped position us in a much more prominent way on the national scene as a service organization that indeed cares about veterans and does things for veterans and is the go-to agency, the go-to organization if you have any interest in collaborating or doing something for veterans.

So before I get into details I think that's — pat yourselves and applaud yourselves because you've all been a big part of that.

(Applause.)

SECRETARY BUCKLER: So when Desi was president then we were able to take advantage of this stimulus grant. It was very fast-paced. The money came quickly to the Corporation. The money had to go out quickly from the Corporation. We had to scramble to get the project put together. I'm very proud to say we were able to do that. We had a successful project then and that was implement under President Rita Navarreté's year.

We had the orientation and training at the convention last year in Louisville. Now we have President Carlene, and this year we have been awarded — we were awarded toward the end of the last year and now in this year we have been awarded an extension of the VISTA Project and we are now considered a regular (that's lowercase) sponsoring organization which puts us in three-year funding cycle.

Now it's an annual grant, so the funds have to be awarded on an annual basis, but the expectation is now that we are in a three-year cycle, so we don't have to keep proving ourselves worthy of being considered. We're already considered now on a three-year rotating basis and it's just a matter of the amount of money that would be provided to the Corporation. Now as you all know that could change.

So there's no addition funding guaranteed but at least if there's funding forthcoming we are guaranteed to be recipient of that.

So this year we are putting together what we lovingly call VISTA II, the second year VISTA Project. And we also, for the first time, have been awarded a grant for their AmeriCorps Program.

The Corporation for National Community Service has different programs. The VISTA Project is aimed at alleviating poverty. The AmeriCorps Project is truly a community service program without the restrictions.

Now the tradeoff is for the VISTA Project you don't have to put up a cash match. For the AmeriCorps Project you have to demonstrate that you are providing what would amount to a 25 percent match for those funds. That doesn't have to direct money into, you know, a bank account, but you have to

demonstrate that you are providing a match of 25 percent. You are providing supplies, office space, that kind of thing. It's easy to demonstrate that you're doing that. And this year the Corporation has made available to us up to 55 members of either the AmeriCorps or VISTA Program.

So that's huge. And here's where we are with that, with the AmeriCorps there's more flexibility as I said. In the VISTA Program it is still our American Legion Call to Service Corps Project aimed at alleviating poverty.

Through that we created the American Legion Auxiliary Call to Service Corps Consortium. And we are now providing AmeriCorps volunteers and VISTA volunteers to other organizations for veteran service programs that they're engaged in, but they're not a big enough organizations to go through the process of becoming a sponsoring organization for the Corporation, or stated another way, they didn't have the wherewithal to become a grantee.

So we are brokering or providing volunteers to their program, which means they have to come to us and ask us. Isn't that kinda cool?

So here's where we are. The American Legion Auxiliary is the lead organization, is the directing organization for the consortium and we have these organizations participating.

Big Brothers and Big Sisters, Blue Star Families, National Military Family Association, National Association of State Boards of Education. And I'll just digress there because the program they're doing is using veterans as mentors of children in some school projects, and we've talked often about, gosh, we have kids in school who don't even understand what Veterans Day is. So isn't this a nice way to take this and expand this project so that we have even further outreach?

Operation Homefront, Ride 2 Recovery, Student Veterans of America, The Mission Continues, which is a federal incentive, and then another federal incentive is the Community Blueprint. And the Community Blue Print is a collaboration of national organizations coming together to do a number of things in a cost-effective way because they are working together so that they're not duplicating administrative and planning services. So it truly is more collaborative approach. And through the American Legion Auxiliary they are receiving 12 AmeriCorps volunteers. And all together those organizations that I've mentioned are collectively getting 44, but the member organizations and the Community Blueprint are America's Promise, The American Red Cross, Given Hour, The Military Officers Association of America, and The Veterans' Innovation Center.

So that's kind of an impressive list of organizations now that are very aware of the American Legion Auxiliary as a result of the American Legion Auxiliary Call to Service Corps Project, The American Legion Auxiliary Call to Service Corps VISTA Project, the American Legion Auxiliary Call Consortium.

So collectively that accounts for 44 human beings that are now working with the American Legion Auxiliary to help advance our mission through programs that are being enacted by these other organizations.

So Madam President without going into an awful lot of detail, that

would be kind of boring, I think that's pretty exciting and I wanted to share that with you and thank you for allowing me to that.

(Applause.)

SECRETARY BUCKLER: On a final note, he's not with us, but many of you have met Bob Reeg, who is our D.C. office director. If you haven't met Bob, once you meet Bob will know that you have met Bob.

(Laughter)

SECRETARY BUCKLER: He is delightful. He works for us on a part-time basis and I must say that he does a full-time and a half job working on this and consequently he will be with us later on during the Awareness Assembly, but he's not able to be with us at this meeting today.

So you will be seeing Bob. You all will be entertained, it will just come later on into the programs.

So thank you all very much and thank you Madam President.

(Applause.)

PRESIDENT ASHWORTH: Thank you, Dubbie.

I have asked all of the National Officers and National Committee Chairmen to prepare a written report for you, and the copies of those reports were provided in your NEC packet or emailed to you earlier this month, and the reports will also be available on our national organization's website following the Awareness Assembly, so you can all see them there. And I encourage you to please promote this when you get back home to your departments and let them know that those reports are also available to them.

But in addition to those written reports I have also asked that each chairman prepare a brief oral report for you, so that all of you may hear some of the things that they are doing and things that are going on.

So we are going to begin this morning with some brief reports with our Veterans Affairs & Rehabilitation Chairman Peggy Thomas. Peggy.

And the other chairmen can be prepared to follow Peggy as soon as she gets finished.

CHAIRMAN THOMAS: Madam President, in the famous words by Abraham Lincoln, and I quote, "to bind up the nation's wounds, to care for him who shall have borne the battle and for his widow and his orphans," end quote.

All across this nation this is what the VA and our committee has been working on to accomplish this endeavor all across the nation on every level.

As this is midyear, it seems an appropriate time to access our premium program, Veterans Affairs and Rehabilitation. Even during these tough economic times and declining membership, this program remains rock solid.

The commitment and compassion shown is remarkable, and this chairman is extremely proud to impart that 47 departments have submitted outstanding reports.

(Applause)

CHAIRMAN THOMAS: These are just a few of their accomplishments.

Each year beginning with the first Thursday of December, the Department of Pennsylvania does a whirlwind tour of every VA Hospital and State Veterans Home within one week's time. A Christmas gift shop is held in

each facility. Patients in the VA Hospital and residents of the Veterans Home come in and chose gifts for family members or themselves.

Now this is a common practice in most VA Hospitals, but these volunteers do things a little differently.

Being conscious of the fact that these patients have little or no family visitation, these volunteers make it a really fun time dressing up as Mr. and Mrs. Santa Clause and his elves passing out gifts. Each patient or resident was handed a Christmas card containing \$7.00.

They saw and touched 36 hundred patients, traveling 1,198 miles zigzagging across the state in seven days. They treat these veterans like the heroes they truly are.

The Department of Wisconsin being sensitive to the needs of homeless women veterans, have been very busy working to provide them a shelter. They have secured a former nun's home and turned it into the type of shelter they envisioned. They have promised to give us an update in their final report.

Veterans Creative Arts Festival was also held in La Crosse, Wisconsin in the fall and they also worked at that doing an outstanding job.

The Department of Virginia presented a gift basket called a "Buddy Basket" to each homeless veteran when he or she moved into their new home. This waste basket or laundry basket filled with everything that is needed such as cleaning items, shower curtains and so forth to welcome them into, as I said, their new home.

And at the Spring Conference the Department Chairmen collected a truckload of "Buddy Baskets" and the truck was loaded to capacity and is ready now to distribute those in need.

Our National Headquarters Staff took the initiative to have the Orientation Course last year and are now accumulating field service hours. And those of you in here last night saw the National Secretary receive a pin.

SECRETARY BUCKLER: I'm wearing it.

CHAIRMAN THOMAS: Even though she wasn't aware of it.

(Laughter)

CHAIRMAN THOMAS: The Department of Florida reports that at their Fall Conference they held a shower for homeless veterans. A total of 1,294 new items with an estimated value of \$12,900.00 was collected and distributed to American Homeless Veterans facilities in the state.

Also members of the 4<sup>th</sup> District in Florida are working with Veterans Affairs and Rehabilitation Services to furnish a new 48-bed homeless veterans facility that will be opening soon in Ocala.

This proves, Madam President, that the "Power of One," can be very powerful.

At this time I would like all of the VA in our committee please stand to be acknowledged.

(Whereupon, committee members stand.)

CHAIRMAN THOMAS: Thank you, ladies.

(Applause.)

CHAIRMAN THOMAS: Madam President this concludes my report.

PRESIDENT ASHWORTH: Thank you, Peggy.

Our next presenter will be Nancy Brown-Park, our Children & Youth Chairman.

CHAIRMAN BROWN-PARK: Madam National President, the purpose of the American Legion Auxiliary's Children & Youth Program is to protect, care for and support children and youth, particularly those of veterans and military families.

I would like to share a few success stories that have made a difference in the lives of children from departments and divisions across the country.

To date the Eastern Division has held 830 children and youth activities, helping 11,871 military kids and their families. That's good.

In Vermont a member of the National Guard serving in Afghanistan lost his house to a fire. Harry N. Cutting, Unit Number 59, Waterbury, Vermont held a fundraiser and raised enough money to purchase three new bikes and helmets to replace the children's lost in the fire.

The Southern Division reported that many activities that benefit military and veterans' children from Christmas Parties for military families, Operation Military Kids and making contact with Big Brothers and Big Sisters.

The Department of South Carolina, Unit 3, President and Children & Youth Chairman Nancy Duncan along with Post Commander John Collins held a joint toy drive. The toys were for children and grandchildren of veterans. Twenty-five volunteers passed out 750 toys. Everything from teddy bears to bicycles, serving 148 children.

In Texas, Beaumont Unit 33, Christine Trahan, Chairman, raised over \$8,000.00 for the American Legion's Children's Home. They held a raffle, a fund-raising carnival, and the first annual "Ragball Tournament," over a three-month time frame. The Unit volunteered 250 hours to help save the home. And from what I understand I think that home is going to be saved.

(Applause.)

CHAIRMAN BROWN-PARK: So thank you to the Southern Division, too, for 100 percent reporting.

In the Central Division, Iowa, has been active with deployed and pre-deployed families, baking cookies and handing out deployment packages to soldiers and meeting and greeting families and their children.

The Family Readiness group leader held local meetings for families and invited Auxiliary members to attend. It gave them a chance to meet and build new relationships with the military families that are left at home.

It will be exciting to hear about those new relationships and the children that they have served in their year-end report.

The Illinois Legion Family attends troops deployments where they make pillowcases and give out guardian bears. They help with registration, take and print pictures and iron them onto pillowcases. Their Juniors also get involved helping soldiers pick out a bear, write notes to their children. They've reported often during those troop deployments they're able to find those military families with children in need of help.

California's Children & Youth Chairman, Anita Biggs and Department

Education Chairman, Harriet Clendenin, feels ALA Kids, kids in danger of depression and suicide is so relevant with childhood suicide directly affecting military veteran and even our own children, that they have joined forces on a campaign to bring awareness of childhood suicide and depression by providing brochures and reference materials for members to distribute to schools and by partnering with other organizations to create awareness.

Units continue to honor youth with the Hero and Good Deed Award, and I want to share just one story with you.

The headline in the Herald Dispatch in a West Virginia newspaper reads, "Teen athletic has earned distinction of "Hero.""

Zack, a star running back for Lincoln County High School, and his dad, Barry, were in the woods outside of Hamlin, West Virginia, on the afternoon of January 16, taking down a deer-hunting tree stand.

The elder Whitten was standing on a ladder approximately 35 feet above the ground when he fell breaking his back, a rib and shattering his left foot.

There was no cell phone service in their location or any other way to call for help, so Zack carefully lifted his unconscious father and carried him out of the woods, down a hill and gently placed him in the Whitten's pickup truck. Then, the 17-year-old drove his injured dad to the Lincoln County Primary Care Facility in Hamlin where an EMS vehicle rushed him to St. Mary's Medical Center in Huntington.

His father underwent surgery for his shattered left foot the very next day. Then, two days later surgery was performed on his spine.

The good news is, Whitten was released for rehabilitation and is improving. But that wouldn't be the case if it weren't for Zack's heroism. In fact, he was cited by the neurosurgeon for his care, handling and particularly carrying his father in such a way not to cause any further damage to his spine.

"I'm proud of him," said Zack's mom. "He's my little miracle man." He deserves that affectionate title and he is indeed a "hero."

It is important that we stay tuned to the needs of veterans and military children. We each have the opportunity to make a difference one child at a time.

So would the hardworking women of the Children & Youth Committee please stand, so we can acknowledge your handwork.

(Whereupon, committee members stand.)

CHAIRMAN BROWN-PARK: Thank you, ladies.

(Applause)

CHAIRMAN BROWN-PARK: Thank you very much. Madam President that concludes my remarks.

PRESIDENT ASHWORTH: Thank you, Nancy.

Our next presenter is Janet Jefford our National Security Chairman.

CHAIRMAN JEFFORD: Madam President, I am proud to report to you today that members in every department have taken your theme to heart and are using their power of one to inspire the Legion family", our communities, and our youth to take care of our military and their families.

In Ohio, National Security Chairman Vicky Buck is using her power of

one to inspire the Department of Ohio to participate in a handmade afghan project for injured military.

Members have been busy knitting or crocheting six by nine inch rectangles. In Vicky's words the nice thing about this project is that we have been able to involve members who can no longer get out into the community but can make the rectangles at home.

They have been very appreciative of the opportunity to feel that they are still contributing.

Over five thousand rectangles were collected at Midwinter Conference, sorted and packed and taken to District Put-together Parties. Each afghan is made up of 49 rectangles each representing a person who has taken the time to send their thoughts of love and thanks.

Ohio's goal is to have 140 afghans ready to be distributed by Memorial Day.

Inspired by our mission, units are adopting military groups and families.

Unit 100 in Lacey, Washington, supports the Wounded Warriors at Joint Base Lewis-McChord by serving home cooked meals to the shoulders at the Warrior Transition Battalion.

A unit in Kentucky adopted 255 soldiers in one military unit sending care packages monthly until the entire unit came home. This effort totaled around 16 hundred boxes worth over \$22 thousand and amounting to over 200 volunteer hours.

Madera (phonetic) Unit 11 in California held a horseshoe tournament to help an active duty military family with expenses for their eight-month-old granddaughter's funeral.

In Gulf Port, Mississippi, Unit 119 adopted a returning soldier with a traumatic brain injury and sent Christmas gifts and food for the soldier and his 76-year-old mother.

In Henderson, North Carolina, Patsy Angel of Unit 77 started an adoptive soldier program where after sending care packages, members try to keep in touch with the soldiers that receive them.

The first soldier to answer Patsy's email was U.S. Sergeant April McDonald (phonetic). They have been corresponding for over two years.

Patsy has been very ill and her daughter knew how much she wanted to meet the sergeant. She contacted McDonald through Facebook and within 48 hours McDonald's military leave was approved and airline tickets were purchased.

So Patsy received a special gift when, at the Unit Christmas Party, in walked Sergeant April McDonald carrying a bouquet of flowers.

She told the Auxiliary how grateful her unit and battalion were for the packages. For Patsy it was like being united with a longtime friend. I think of April as one of my own, Patsy said. I was afraid something was going to happen to me before I met her.

Through our example we are inspiring our youth to lend their support. ALA Unit 113 in Lufkin, Texas shows us that no one is ever too young to

volunteer. Pre-K students from Tulane's Kids Academy made 120 Santa Bags and gave them to Unit 113 to send to the troops. In the words of one four-year-old they can't do anything with stuff because they have to spend their whole lives having to fight the bad things.

(Laughter)

CHAIRMAN JEFFORD: A third grader began a "Socks for Soldiers Campaign" starting with his elementary school, partnering again with Unit 113, young Tanner has collected and shipped over four thousand pairs of socks to date.

(Applause.)

CHAIRMAN JEFFORD: In summary I want to share the words from Norma DuVall the National Security Chairman from California. Although she's writing about California these words apply to each and every department.

"Throughout our State we supported our USOs, welcomed home our troops, invited active duty and retired military to our Post Homes for dinner and friendship, participated in candlelight services honoring our POW/MIAs, passed out Blue and Gold Star banners, supported our Wounded Warriors, prepared ourselves for a natural or manmade disaster, clipped thousands of coupons, and sent thousands of packages overseas. The power of one is truly inspiring the nation."

Will all the members of the National Security Committee please stand and be recognized.

(Whereupon, committee members stand.)

(Applause)

CHAIRMAN JEFFORD: Thanks. Thank you for all you do and I have to give a special recognition to Donna Ray in the Central Division for having 100 percent reporting. Thank you and thank you for all your reports. I have to say I've read every one of them and you have truly inspired me.

Madam President this concludes my remarks.

PRESIDENT ASHWORTH: Thank you, Janet. Great.

(Applause.)

PRESIDENT ASHWORTH: Our next presenter is Ann Rehbein our Americanism Chairman.

CHAIRMAN REHBEIN: Madam National President from sea to shining sea the Units of the American Legion Auxiliary have been leading by example. Flag etiquette, history, disposal and education have been the top areas reported.

Units in the Department of North Carolina have purchased and folded 19,500 pocket flags and given out over 750 flag appreciation certificates for flying the flag. Certificates were given to a superior court judge that has his court recite the Pledge of Allegiance at the beginning of each session. A Bob Evans Restaurant in Durham, North Carolina for putting up the fight to be able to fly the flag in a site of their choosing not what the city ordinance indicated. And a unit member that stood up in her school district and said that the Pledge of Allegiance should only be recited in English.

The Americanism Program overlaps many of the Auxiliary's other programs also. Many units reported organizing flag-wavers for R2R Rides and the Legacy Ride. Wreaths with American flags were placed in conjunction with

Wreaths Across America. Flags were distributed at deployment events and military appreciation days.

Essay Contest information has been distributed and we will soon be judging those entries.

Many Auxiliary Members also assist the American Legion with the Oratorical Contest including two members who served as department finals judges.

An Auxiliary member from northwest Iowa assists her husband as a coach and scorekeeper for the Junior Shooting Sports Program.

Units have participated in Healing Fields, Fields of Honor, Re-Flame and Memorial services all related to Patriots Day or 9/11.

This year will be the tenth anniversary of 9/11. It is one of those days we will always remember where we were and what we were doing. Much like the day JFK was assassinated, or the day the Challenger exploded we will never forget.

It is time now to start planning the commemoration event in your unit or department. I would urge you to do anything from displaying small flags in front of your post home all the way to planning a community wide event that will bring recognition to the American Legion Auxiliary.

I would encourage the NECwomen when they report to their departments to emphasize this activity.

And finally, do you know why the Flag Amendment is the American Legion's number one legislative priority?

Since its founding the American Legion has believed in the power and symbolism of the American flag, understanding the power of the flag under which they served, fought and died. It is with this unwavering belief and emotion that they have stepped forward to protect that flag.

So once again Americanism overlaps another program, Legislation, but that's why we're here this week coming together as an organization for what's right in America. When you talk to your legislators this week, be inform about the Flag Amendment and be proud to support it.

Would the members of the Americanism Committee that are here please stand.

(Whereupon, committee members stand.)

CHAIRMAN REHBEIN: Thank you for all your hard work.

(Applause.)

CHAIRMAN REHBEIN: Madam President that concludes my report.

PRESIDENT ASHWORTH: Thank you, Ann.

Our next presenter is Diane Duscheck, the Community Service Chairman.

CHAIRMAN DUSCHECK: Madam National President, the Community Service Program has been called upon twice this year to partner with outside organizations in order to benefit veterans. Both experiences have been outstanding.

In September the National Auxiliary was contacted by a group called "Mission Serve." A service organization started by First Lady Michelle Obama

and Vice President Joe Biden in order to form a culture of service to others.

The Department of North Carolina accepted this challenge and amassed a work crew of 40 volunteers including the American Legion Family and community members. With great enthusiasm and a spirit of fellowship, this drove of volunteers took on their tasks for the day, yard work, cleaning gutters, work on a handicap ramp, and bagging trash. Flags and signs were erected at the home so that people who passed by would recognize the special day of service. A local newspaper reporter was there to cover the great work being done for the veteran that day. The mayor was so impressed he vowed he would join the American Legion Post and a local minister came by to bless the lunch, the volunteers and their great community spirit.

In a second community service project Auxiliary members from the Department of Virginia and National President Carlene teamed up with a service organization called “US Veterans, Inc., DC,” the Washington, D.C., location of a National Homeless Veteran Service Provider. The thrust of this project was to ready four two-bedroom housing units for veterans.

Volunteers were needed to transfer furniture from moving vans into the apartments, unpack kitchen goods, decorate and serve lunch to volunteers.

The Virginia Auxiliary members and National President Carlene took the opportunity to thank veterans for their service, including both the veterans who were helping as volunteers that day and the veterans who would be moving into the newly furnished apartments.

This venture was also a perfect fit for the “Buddy Baskets” initiative in the Department of Virginia. The laundry baskets are filled with started supplies that are handy when moving into a new apartment of a house.

In both of these projects Auxiliary members interacted with volunteers from other organizations and forged relationships that will benefit veterans. And what you might asks was in it for the volunteers? Laughter, grunts from moving heavy furniture and heavy loads, fellowship and most likely some aching muscles the next day.

This chairman has been in awe over the attitude of Auxiliary members who are thankful for the opportunity to serve, and the attitude that departments had when they said, we’re here to help, let us know what you need.

This is community service. Communities serving veterans.

Would all the members of the National Community Service Committee please stand for recognition.

(Whereupon, committee members stand.)

(Applause.)

CHAIRMAN DUSCHECK: Madam President, this concludes my remarks.

PRESIDENT ASHWORTH: Thank you.

Our next presenter is Sharon Conatser, our National Education Chairman.

CHAIRMAN CONATSER: Madam National President, education certainly carries out the “power of one.”

One educator, one student, one administrator, one class, one mentor, one unit member. Ten pencils, ten pens, ten boxes of crayons, ten pairs of

mitten, ten hats, ten books, ten packs of paper, ten notebooks.

Many of our units throughout the country have been meeting the needs of students in their area. One department stated their cruise for the year by filling a sailboat with school supplies which were distributed to local military bases. Both in public schools and schools on the bases and other military children have been the recipients of the good deeds of our unit members.

Scholarship programs in the departments took on some changes. One department changed their eligibility to include current active duty and reserve personnel.

Numbers of scholarships given by department varies greatly. Some departments give no scholarships, some give one, two or three and one gives thousand dollar scholarships based on donations from their unit which averages 20 to 30 per year.

One department mailed their department scholarship along with National Scholarship information to each of the high schools in their state, asking for email information so that next year they will be able to send most of them electronically, hopefully.

Another unit wrote an article for their statewide newspaper sharing their scholarship opportunities and who to contact. Another unit held a dart tournament to fund their local scholarship. Another department works with the university to provide students who pursue their doctorate degrees in cancer research with scholarships. In 2010 their total was \$65,000. Since the inception of this program, they have contributed over \$1 million.

Units can get very creative in raising their funds. For example they have plaques that you can have a loved one's name placed on the plaque if they have had or have cancer for a fee, of course. They have raffles, dinners, brown-bag sales or just send twenty-five cents per member as their donation. They are being stars in someone's life.

Several departments have an Educator of the Year Program. What a great way to promote the American Legion Auxiliary in your community.

One unit works with veterans to help them obtain their GED. Serving our veterans, way to go, good job. Literacy continues to be worked on in serve departments.

One is geared toward enhancing children's reading skills by creating circles at the local schools or libraries to encourage love for the written word. The program receives widespread publicity. Their governor has bought into this program, and he works hand-in-hand with our American Legion Auxiliary reading at Pre-K and kindergarten classes in Augusta. A series of Dr. Seuss stories are the children's books they use.

United through Reading has been picked up in several departments. This program will provide the link between the child and a deployed parent. Please get onboard and work this program for the support of our military and their children.

One department reported 162 children participating in their United through Reading Program.

And I have a quote that I'd like to share.

“Development a passion for learning, if you do, you will never cease to grow.”

I'd like to ask the hardworking Education Committee to please stand for recognition.

(Whereupon, committee members stand.)

(Applause)

CHAIRMAN CONATSER: Thank you.

Madam President, that concludes my report.

PRESIDENT ASHWORTH: Thank you Sharon.

Our next presenter is our National Girls State Chairman, Vickie Koutz.

CHAIRMAN KOUTZ: Madam National President, a special thanks to all the departments who sent the representatives to the Girls State Conference in September. At the end of the week we learned that although everyone runs their Girls State sessions differently, in the end results are the same.

Not only were they willing to share information about their Girls State sessions, they had the opportunity to give their opinions on what should be in the new Girls State Manual.

Many of you are thinking, Girls State Manual, didn't know we had one. Well we don't yet, but we're going to have.

The purpose of this manual is to provide guidelines for a new chairman. After the first of the year the National Committee worked really hard in teams and began organizing the different sections. A special thanks to these ladies for all the time and effort they put into this. I am happy to say the first draft has been done and we are anticipating the finalization of this within the next couple of months.

In preparation for Girls Nation the committee has had two conference calls and this seems to have worked really well with our committee.

Departments are encouraged to have a service project each year. Some of those are listed in my report. All departments who reported stated they incorporate all the ALA Programs into their week.

The senators at Girls Nation also participate in a service project chosen by the director. When thinking about this, what it could be, our mission came to mind of service not self by honoring the sacrifice of those who serve by enhancing the lives of veterans, military and their families.

Our National President Carlene will be joining us for part of this week. Since she has advocated not only this year, but for many years for our veterans and Wounded Warriors, I came up with the idea of having a picnic for the Wounded Warriors that are staying at the Malone House.

This is a hotel for housing recovering military and their families at Walter Reed Army Medical Center.

It was originally designed for patients and family members for stays of a few nights, but since the start of the war the average stay has stretched from three to four months and in some cases as long as two years.

The Girls Nation Senators will be entertaining the Warriors and their families along with our staff.

If we make a difference in one soldier's life and their family, we will have accomplished what we set out to do; to show them someone does care. I'm

sure when we leave that day we will have tears in our eyes, but smiles on our faces for something we've done.

At this time could I ask the Girls State Committee to please stand.  
(Whereupon, committee members stand.)  
(Applause)

CHAIRMAN KOUTZ: Thank you, ladies. Very hardworking girls.

Madam President this concludes my remarks.

PRESIDENT ASHWORTH: Thank you.

Our next presenter is Martha Corriher, our Poppy Chairman.

CHAIRMAN CORRIHER: Madam National President, the "Power of One," one veteran, one red paper crepe poppy and one donation equals many lives changed by the American Legion Auxiliary Poppy Program.

This program enables our veterans to take part in educating our membership and the public concerning the Poppy Story and its history, while earning a small wage for the putting the poppies together, giving them something creative and useful to do.

The American Legion adopted the poppy as its official flower in 1921, established and adopted the rules governing how the funds can be used, and endorsed this program for the American Legion Auxiliary in 1925. I tell you this for verification because many, many, many questions have come up this year, since we did the little cheat sheet of what you can and what you cannot use Poppy Funds for.

So look in your Unit Handbook, page 82 and it gives you the complete list so that there's no question, because if we deviate from how we spend those funds inappropriately we could end up in much hot water.

So with that being said, please read and share this information with your Legion, with your Auxiliary members and with your SAL, so that we're all on the same page. Please, please read those.

The last update was in 2008. So everything that's in our book is as it should be.

The "Power of One," will be seen daily if we use poppies within our post homes, our units, in our community involvement, but we have to get it out there. And it's just a way to express that every day is Veterans Day, and the purpose of the poppy, and to remember those veterans that gave the ultimate sacrifice for our freedoms today.

This Chairman received many, many wonderful reports on how they're using the poppy to bring awareness to the program not just during the distribution in May over Memorial Day, but every year.

What was just once-a-year distribution has not become a distribution all throughout the year for all holidays. Poppies are used at Christmas to create tray favors, door decorations, cupcake decorations, and the list goes on and on. They're using them for unit fund-raisers decorating them up and you'll see some of these in the photo contest, the Poppy Uses Contest, to bring enhancement to those projects.

The Department of Virginia sends out Poppy postcards and letters different ones throughout the year just to remind you to give you a little boost as

to keep the Poppy Story alive. And I have really enjoyed getting those, and so I hope that other Poppy Chairmen will go out and maybe use some of the same things. Create your own if you have to.

The units thought outside of the box and came up with ways to generate Poppy funds through their designs. Units are even writing about the Poppy to the stories out in a new and refreshing way.

And at this time, Madam President, I would like to read one such poem called the "Power of One."

One red poppy can mean so much. It brings something we can feel and touch. It brings to mind one gone away, wishing they'll come back one day. It can help families that's left behind, nourished and taken care of in kind. Just one unit member distributing our poppy has in her hand a gigantic power.

And this was written by Barbara McCarthy from the Department of Connecticut.

Please read your Plan of Action concerning all the poppy contest rules for the Poppy Poster Contest, Little Miss Poppy and follow those guidelines because there's nothing worse than when you go to your unit function and you don't follow those and you send them in to the national chairman for recognition or to be judged on and they're not followed by the rules.

In the Plan of Action, there are two contests that we're going to be holding this weekend or during the Awareness Assembly and one is the Poppy Uses Contest, and I'm just so excited to say we had 27 departments to participate with 93 photos.

(Applause)

CHAIRMAN CORRIHER: So starting today we will have those photos on display. They are numbered. That's the only thing that you will be seeing other than the photos. Now I will have to say there are a couple that on the photos it has the mother, you know, information that you can figure out who they are. But look at those photos and vote for your favorite. One dollar a vote and we will be issuing a citation once we leave the Awareness Assembly to the department or to that winning photo. They will get a citation.

The other part of our contest is the largest donation made at our table from a department and that does not go onto the photo. But this is what you bring in to make a donation to get a citation for the Poppy Contest, but not only for the Poppy Program, but the money that we generate will go to the Creative Arts Festival, our fund that we do for the National Creative Arts Festival which is such a wonderful program and that we need to sponsor this diligently.

Come by and check it out. We start the contest today at 11:00. It will run through 7:00. We'll have hours on Monday. Tuesday, we will finish up at our adjournment on Tuesday when we get to the March on Washington and we will announce the winners on Wednesday morning.

Would all members of the National Poppy Committee that are in attendance please stand.

(Whereupon, committee members stand.)

(Applause.)

CHAIRMAN CORRIHER: One thing to remember, one hundred years from

now they may not remember your name, they may not remember what you did, personally, but there's one name that they will remember if we're diligent in our hard work and that is the American Legion Auxiliary. That name will be remembered.

(Applause.)

CHAIRMAN CORRIHER: Madam President, thank you for allowing me to serve as your National Poppy Chairman this year. It has been educational and exciting and sometimes a little frustrating, but I have enjoyed it and I wish for you a continued successful Awareness Conference.

PRESIDENT ASHWORTH: Thank you. Thank you, Martha.

(Applause)

PRESIDENT ASHWORTH: The question?

VOICE: Where will those photographs be?

CHAIRMAN CORRIHER: They will be on display at the far end where registration is outside where we will be having the General Assembly for the Awareness.

VOICE: Thank you.

PRESIDENT ASHWORTH: Thank you.

Our next presenter is Coral Grout, our National Public Relations Chairman.

CHAIRMAN GROUT: Madam National President, on behalf of your National Public Relations team I'm pleased to provide you with a short update on what has been taking place this year.

Each month we have worked on three or four different areas. One component of our plan was to send an email bulletin monthly to each department public relations chairman from the divisional chairman. In those few departments where the chairman had no email the same message was sent through the US Postal Service.

Once we were able to obtain the telephone numbers of each of the department chairman, thanks to the hard work of Angela Kilcrease, we then divided up the names among the four committee members. We contacted each department chairman by phone right after the holidays. Each of us have seven items to address including the importance of a midyear report and an annual report as well as information about what was available through the National Headquarters.

The 36 midyear reports show that department chairmen were indeed serious about their commitment to the program this year.

We've seen some out the box thinking by several departments and we've also seen more attention paid to online communications.

The Public Relations program has been intertwined with other Auxiliary programs including Veterans Affairs & Rehabilitation, Americanism, Membership, Education, Children & Youth, and Community Service.

Our midyear report highlights many activities that can be shared, and this morning I'd like to add a few more ways the Auxiliary has been getting the word out.

New York as a department has outlined more than 125 thousand inches

of publicity in this first six months of PR.

(Applause)

CHAIRMAN GROUT: A California unit distributed literature about the Legion Family at a Legion Family Christmas Party for an army reserve unit that has been deployed three times since 9/11.

With much media coverage, a unit in North Carolina dedicated a monument in memory of three service personnel killed in combat.

Another unit also in North Carolina, received publicity for donating 200 transport blankets that are used with the injured as they're flown back to the United States.

Mississippi sends out an email newsletter, but in addition, they also use Facebook to send invitations to their activities.

Other departments, such as Texas, have prepared materials to assist units in creating their own Facebook pages.

The Department of Wisconsin has developed a new public relations CD toolkit. Its outstanding. And there are others in other departments in progress.

We hope that everyone in this room is taking advantage of the many public relations tools that are available through the National Headquarters. We have numerous press releases and speeches available for downloading; free.

The e-News includes information about what many units are doing. The *Auxiliary* magazine does the same in addition to its many wonderful articles which we hope you read.

We are in the process of revising and developing more materials for you to use. Our team has also prepared a bulletin related to the suggestions from last year's National Convention from the Focus Groups. While some of the suggestions have been implemented, there's certainly many areas where we can improve and expand. Sharing is a wonderful way to avoid reinventing the wheel.

So later this spring we'll be providing you with a bulletin outlining some of the public relations tools that have been developed by the departments across our nation. Stay tuned.

Would the members of the hardworking National Public Relations Committee Team, including Tabitha (phonetic), please stand.

(Whereupon, committee members stand.)

(Applause.)

CHAIRMAN GROUT: Thank you for your hard work and your efforts on behalf of the American Legion Auxiliary and the "Power of One," this year.

Madam President that concludes my report.

PRESIDENT ASHWORTH: Thank you, Coral.

Our next presenter is the Vice Chairman of our Junior Activities Committee, Norma Tramm.

VICE CHAIRMAN TRAMM: Madam President it is a privilege for me to share the words of Lisa Williamson, the National Chairman for Junior Activities.

The goal of the Junior Activities Program is to encourage Juniors to continue their participation into senior membership. Junior Activities should support the work of the Auxiliary and instill the ideals of our Organization.

There are many Junior Activities resources such as the Junior

Leadership Course, the National Junior Meeting and the Junior Patch Program; however today we are going to showcase the shining light of this program, the girls themselves.

Although Junior officers are honorary in title, Juniors conduct their own meetings, carry out their own activities, and are highly encouraged to participate in Auxiliary functions with the emphasis on the current year's Plan of Action.

As a reminder this year's Plan of Action for Junior Activities emphasis, number one, service projects that enhance our military veteran family. Number two, promoting the National President's Scholarship. Number three, seeking our Junior's help when it comes to today's technology.

We wanted to feature some of our dedicated Junior members and how they are supporting these objectives.

Upon returning home to Ohio, being elected as the Honorary National Junior Auxiliary President, Sabrina Cobb was able to meet with National President Carlene. With Carlene's approval Sabrina announced her special emphasis of the year, the National President's Scholarship Fund. Both Carlene and Sabrina would be pleased if Junior Auxiliary members also concentrate on fund-raising for the National President's Scholarship. And Sabrina doesn't just pay lip service to this project. She headed up a bake sale at her school to help raise funds for the scholarship. She also was asked to speak on cable TV about the scholarship and all that we do.

Honorary National Junior Chaplain Kayla Robnett from the Department of Kentucky hasn't taken her duties as a leader lightly either.

So far this year she's been involved with several service projects. Care packages have been sent overseas for Christmas with homemade Christmas Cards. Also many packages of shirts, underwear, socks, and gloves were donated for the homeless veteran. Plans to create "Hero Packs" are in works, as well as doing something special for the soldiers and the veterans for Memorial Day.

As a senior, Kayla, too, has been promoting the National President's Scholarship to her fellow classmates.

Operation: Military Kids, OMK, is a collaboration between 4H and the Army Youth Development Project that supports youth impacted by a parent's deployment.

By partnering with organizations such as the American Legion Auxiliary, OMK provides youth program opportunities, for example, Juniors can partner with OMK to organize special events such as Home front Kids Canteen or stuff backpacks for children of a deployed parent know as "Hero Pack." Speak Out for Military Kids is OMK's youth-driven community outreach program.

Honorary Central Division Junior Vice President Paige Nieland from Iowa has focused on helping military kids like herself and has joined the Speak Out for Military Kids Team in Iowa. This group helps kids overcome the frustrations and anxieties of being alone when a loved one is deployed.

She at Kansas retreat where they told their stories and participated in

team building activities.

Honorary Eastern Division Junior Vice President Danielle Cobb chose to focus on Child Welfare Foundation this year because she wants to help out children around the nation to have a life that they deserve, just like the rest of us.

Her fundraising goal is to reach \$500 by National Junior Meeting in August. And I have a sneaking suspicions that she'll accomplish her goal and then some.

Raising money for Honor Flight has been the emphasis for Honorary Northwestern Division Junior Vice President Kathleen Stuck from South Dakota.

Honor Flight was created to honor America's veterans for all their sacrifices by transporting our heroes to Washington, D.C., to visit and reflect at their memorials. Top priority is given to the senior veteran, World War II survivors, along with those other veterans who may be terminally ill.

Technology has been a focus as well. Most of the Honorary Junior Officers often read our Junior Facebook page and you can see some of Sabrina's travel photos there as well.

Kayla has been helping her Department Junior Chairman with Facebook as well as contacting Juniors through text and email.

Danielle has helped others understand how to use technology such as internet searches and how to use their phones to text. She also set up the Department of New York's Facebook page.

The Honorary Junior Officers have represented our great organization through all their travels. Sabrina has traveled to Ohio, Pennsylvania, New York and will join us in Alaska in April.

Paige traveled to Wisconsin, Missouri, Kansas and her home state of Iowa. She also plans to travel to Ohio in May. And the others have done extensive traveling within their own departments. What a great opportunity for Juniors to help in their own destiny, knowing that they can make a difference. "The Power of One."

What an opportunity that they might not have had if it weren't for the American Legion Auxiliary and your Junior Auxiliary Program.

Would the Junior Activities Committee please stand and be recognized for their hard work so far, and we know their hard work to come.

(Whereupon, committee members stand.)

(Applause.)

VICE CHAIRMAN TRAMM: This concludes the Junior Activities Report.

PRESIDENT ASHWORTH: Thank you, Norma.

Our next presenter is Melanie Taylor, the National Leadership Chairman.

CHAIRMAN TAYLOR: Madam National President, your departments have shown true leadership and they are working hard, and I quote you, "To prove that the power of one Auxiliary program can change the life of one member, and the influence of one enthusiastic member, can revitalize the entire unit."

Arizona, California, Georgia, Illinois, Maine, New Hampshire, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas,

Vermont, and Wisconsin reported holding department leadership workshops, not only for their department officers and chairmen, but also district and unit members as well.

Membership, Finance, Girls State, Poppy, Junior Activities, National Security, Education and VA&R Programs along with how to do an audit, setting up a treasurer's books, understanding the new consolidated report form, constitution and by laws and standing rules were discussed.

Arizona's Jane Shoemaker completed eight of her 12 workshops, handing out 300 copies of the brochures at the department workshop and 110 pamphlets were made for presentations in their Fall Conference.

Linda Fercho in California has completed five workshops and has certified 46 new instructors and recertified 18 previous instructors. She personally made 200 leadership workbooks and distributed 200 of these CDs, and then she handed those out at the Leadership Conference.

Illinois's Leadership Chairman Mary Jamie Moak successfully completed 15 leadership classes in their five divisions with another six classes scheduled, besides the certified leader course scheduled for their conference in March and a leadership class at their department convention.

Alaska, Hawaii, Iowa, Kansas, Nebraska, Oregon and Utah Leadership Chairmen have sent out monthly bulletins within their department promoting leadership.

Units within the departments were given multiple answer history quizzes and were encouraged to go online to the National website and take the Senior and Junior Leadership courses.

Some units got creative and went on letter writing campaigns inviting eligible women to come to their meetings. What a clever way for those women to see just exactly what those Auxiliary Units are doing to help our veterans, their children and their communities.

Units in one department wrote to their department leadership chairman letting her know what topics they wanted to see covered for the remainder of the year.

Units throughout the country have reported holding meetings to go over duties and responsibilities expected of all officers and chairmen besides the program training sessions.

Units were told, don't try to make a member fit a program, find a program that fits the volunteer and if you need to modify a program without changing the goal, so be it.

Mentoring is starting to take hold in some departments and others are still resistant. I can only hope and will continue to encourage our departments to take the wisdom of the experienced member and share it with the eager younger members in order for our Organization to continue on and that mentoring is a necessary tool to grow.

Would all the members of the Leadership Committee please stand for recognition.

(Whereupon, committee members stand.)

(Applause.)

CHAIRMAN TAYLOR: Madam President that concludes my report.

PRESIDENT ASHWORTH: Thank you, Melanie.

Our next presenter is Tammy Ryberg, our Auxiliary Emergency Fund Chairman.

CHAIRMAN RYBERG: Madam National President.

Well hello everyone.

VOICES: Hello.

CHAIRMAN RYBERG: Don't we belong to a great organization the American Legion Auxiliary?

VOICES: Yeah.

(Applause)

CHAIRMAN RYBERG: Yeah. And you know within this Organization we have a program that just helps us, the Auxiliary Emergency Fund.

You know this is one program too that solely, solely, depends and relies on donations either by fundraiser or a personal donation. So please remember because that is why it is so necessary that we give to this to make sure the program keeps surviving.

Well since we have this program I thought I'd share a couple of success stories and naturally due to confidentiality there will be no naming.

The first one is a lady, she's in her mid-seventies. She's a 63-year-old member from the state of Minnesota. Well she lives in an area that doesn't have floods. Guess what, there was a flood. She lost everything in her basement. Everything. You know you have your furnace, you have your water heater, you have your seasonal decorations, or most women do, furniture, the carpet, the walls, the ceiling, insulation, everything.

Well she was pretty shook, and naturally no flood insurance. So she went to the banks, nothing. Finally a credit union gave her a small loan and guess what, with loans what? You pay them back. So she didn't know about the AEF Program. So another lady told her about it. She did apply and guess what, they granted her \$1800 to replace some of the items. And when you live in Minnesota what was one of the main things you need? A furnace.

She is so thankful and was so glad that someone told her about program. And there is something that we do forget. We need to spread the word what this program is.

Okay, the second story. This is just a 14-year member from California. She's young. Five children. The last child she had was an emergency C-section. The baby boy was in the Neonatal ICU Unit for over a month. Naturally due to this she had to stay longer out of work. Her workplace would only give her six weeks off.

So against her doctor's orders she had to go back to work. But when she was home, her 48-year-old husband has a severe heart attack and he cannot work any more. They got really, really behind in all their bills. She also did not know about the Auxiliary AEF Program.

So one of the members from California went over and told her about it. She applied. She got \$1900. Two months' rent and to pay some other bills. I even got a personal thank you note from her. I do not have nothing to do with

the applications, but she thanked me because she was so glad about this program.

You know these ladies, these are just two stories out of hundreds that come in. Please go home too and remind whoever your AEF Department Chairman is, you can tell a success story as long as you don't say names. But if you hear about them, tell them so that everybody gets to know what this program is all about.

Also go back and as you heard yesterday, the AEF Program is way behind in donations. NECs, you need to go back, work with the department chairmen or anybody else here and see if you can give this program an extra boost. And here is where the "Power of One" comes in.

You know you can give \$25 individual donation, and you will get a pen and a certificate. Your department has to order these and mainly you do it online. But there is sometime in your life that you may need help and you want this program to still be here so you can apply for it. So please go back, challenge and work with your AEF Department Chairman.

Okay. Now would all the members of the National Committee for the AEF please stand and be recognized. And I thank you.

(Whereupon, committee members stand.)

(Applause.)

CHAIRMAN RYBERG: Madam President that concludes my remarks.

PRESIDENT ASHWORTH: Thank you, Tammy.

Well, I would just like to recognize and thank all of the awesome wonderful amazing women who serve as our National Chairmen, so would you please stand and be recognized.

(Whereupon, committee chairmen stand.)

(Applause.)

PRESIDENT ASHWORTH: And that includes you Norma as a vice chairman.

They're doing a great job and I am very, very proud of them. They're doing amazing things and I hope that if you have any questions about any of our programs that you will make sure you contact our National Chairman and let them provide you with answers or get the answers for you.

A quick reminder to everyone that there are still registration slots available for the upcoming Learning and Listening Conference on April 16 and 17. Its being held in Madison, Wisconsin. And remember this conference will offer leadership training for members of the American Legion Auxiliary provided by four national chairmen, two past national presidents, the national vice president, and myself. The Learning and Listening Conference is an answer to member requests for leadership training and I really hope to see many, many of you there.

Does anyone have any questions about the Learning and Listening Conference that you're not sure about that we can provide you with answers?

(Whereupon, no response heard.)

PRESIDENT ASHWORTH: Great you all know all the answers and so we'll see you all there. Right?

(Laughter)

PRESIDENT ASHWORTH: Okay. Is there any new business to come before this meeting?

(Whereupon, no response heard.)

PRESIDENT ASHWORTH: Wonderful.

I would like to thank everyone for your participation and reiterate what an important role each one of you plays in the success of our organization.

I hope to see all of you at Arlington National Cemetery for the laying of the wreath to honor all of your service members this afternoon. And the Chair calls upon our National Secretary for some announcements.

SECRETARY BUCKLER: There's a little tight quarters up here in case you wonder why transition takes us a minute.

Thank you, Madam President.

A quick reminder, we still have calendars available for donations, so the ladies with the clear bags are still out and about. Not that there's any competition going on.

(Laughter.)

SECRETARY BUCKLER: Also Jo Ann Rodgers who is the NEC from New Mexico brought little post-it pads and sticky things and said if you're a member of the NEC and did not receive one of these, if you would see her. Jo Ann, would you wave?

There she is.

Another reminder that those of you who registered for the Arlington National Cemetery should be sure to locate your ticket it was included in your registration packet. We'll begin loading the buses at 11:00 a.m., outside the 9<sup>th</sup> Street entrance.

Please dress according to the weather. It's supposed to around the 50s, but you know that when you get out it will be cool, and you'll want to comfortable for walking.

The buses will return to the hotel no later than 3:30. And you all know that it's hard to predict exactly when we'll be finished and when we'll return.

We had some people who indicated they still have tickets available. So if you still have a ticket available for the Arlington Cemetery Tour, how about standing. And those who need a ticket -- well we're just down to one. Okay, Shelly has one. So those who need one, you know the person to tackle.

(Laughter)

SECRETARY BUCKLER: Reminder again from Martha's remarks, the Poppy Contest. The voting will begin today at 12:30 p.m., and goes through 7:00 p.m., this evening. It resumes again at 8:00 a.m., tomorrow morning. Poppies can be dropped off and registered -- well we're beyond that. No earlier than 10:00 a.m., today, so hopefully you all got that done.

The doors for the Awareness Assembly Opening Session will open at 6:15 this evening. And the Opening Ceremony Session begins at 6:30 p.m., in the grand ballroom.

Also, a reminder that the next meeting of the National Executive Committee will be in Minneapolis, Minnesota, during the National Convention on Saturday, August 27, 2011, and will begin approximately at 8:00 a.m., more

details to follow.

If you did not sign in, registering your attendance is important, so please see Joni in the back of the room if you're a member of the NEC and you did not remember to sign in last night. That's the only way of knowing that you're here, and we're all going to go home and sleep and we're gonna forget who was here and who wasn't so it's very important that you sign those sheets. So lovely Joni is in the back waving her hand.

And the last announcement I have for this morning is that several of you have asked about National President Carlene's "Power of One," pin. Both of her Pages have them. I have some. So if you do not have a "Power of One," pin and would like one, if you'll please come see one of her Pages or up here as we conclude they'll be available. And Madam President, that concludes my announcements.

PRESIDENT ASHWORTH: Thank you.

Do you have tickets?

SECRETARY BUCKLER: Oh, I'm sorry I beg your pardon. Okay. Judy from the Department of -- I was asking people who have tickets available to the Arlington Cemetery Tour just stand. So Judy and Shelley -- no, you don't?

VOICE: I have two for the Opening Ceremony.

SECRETARY BUCKLER: Oh, for tonight? Oh, beg your pardon. Okay. You have a ticket for tonight? Two. Okay. So for the Opening Ceremony?

So I beg your pardon. That got recorded incorrectly.

So two tickets for Opening Ceremony tonight; see Judy from Michigan. That does the got one, want one, need one event section of the announcements. Okay. Thank you. I'm sorry.

(Laughter)

PRESIDENT ASHWORTH: Vickie Thrower, our National Chaplain, is going to offer a short, non-denominational service in this room at the close of this meeting, and I really hope that most of you or all of you will stay for that. She's put together a very nice little program and I hope that you will stay and be involved in that or be a part of it.

And I now call upon Vickie to offer the benediction.

(Ringing of the Bell.)

CHAPLAIN THROWER: Please bow your heads.

Dear Lord, thank you for the blessings that we have received and for the reports that we've heard during the Executive Committee Meeting. We ask that you continue to guide us for the remainder of our Awareness Assembly, in your name. Amen.

VOICES: Amen.

PRESIDENT ASHWORTH: Would the Pages please retire the colors.

(Whereupon, at 9:20 a.m., the above-entitled meeting concluded.)

## **APPENDIX A**

### **National Mid-Year Reports:**

### **National Chairmen and American Legion Auxiliary Foundation**

## AMERICANISM ANN REHBEIN

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

**Objective # 1 (Summarize it here)** Support of our country and our military  
Summarize what Depts have done: Departments have reported the distribution of blue star banners, participating in R2R programs, deployment and welcome home ceremonies, parades, holiday events at all times of the year and sending boxes to troops as well as remembering the families at home with food baskets and presents. Flag etiquette is taught at every level, flags, flag pins, and flag hats have been distributed. Flags have been placed at cemeteries, proper disposal of the flag and proper folding of the flag have been highlighted.  
Highlights: Unit 79 in New Port Richey held a Luminary Ceremony honoring the lives of the 273 Fallen Heroes from the State of Florida, Ohio Units gave certificates to individuals and businesses to honor them for displaying the American flag at all times. In Indiana, members are encouraged to wear red every Friday to show support for our troops. In Michigan, many of their units send packages to troops and one unit received an American Flag flown in battle in Iraq with over 30 letters thanking them for their support. Maine Unit members held a program in the Hall of Flags at the state capitol using flags dating back to 1875. Junior Auxiliary members were used to read the story and history of each flag. The Department Chairman of New York reports a “back to basics” approach to the program and has coined the following slogan, “If you think you feel good now about being an American, you can feel twice as good practicing it.”

**Objective # 2 (Summarize it here)** Increase awareness/participation in youth activities that support proper respect for our flag and loyalty to our country.  
Summarize what Depts have done: Departments have distributed information about the Americanism Essay Contest to their Units and schools including home schooled areas.  
Highlights: Beverly Neel of Nebraska has compiled a comprehensive booklet to be distributed to schools that included not only information on the Americanism Essay but many other programs of The American Legion and American Legion Auxiliary.

**Objective # 3 (Summarize it here)** Promote Auxiliary participation in The American Legion Americanism programs.  
Summarize what Depts have done: Unit members have participated as escorts and judges at Oratorical contests, drivers, statistical officers and coaches for the Junior Shooting Program and have anticipated working concession booths, selling tickets and keeping score for American Legion Baseball programs.

## **AUXILIARY EMERGENCY FUND TAMMY RYBERG**

1. Make sure the Units and Departments know the AEF program and to spread it to the members. The Department Chairman sent out the information on where to get the forms for the members needing assistance. Brochures were given and sent out of the details for the purpose of the Fund. Lists of resources to contact in the event of financial distress was handed and sent out. Many Fall Conferences and Fall District Meetings held a program on the Auxiliary Emergency Fund.

Wisconsin held a workshop at their annual Information forum and they explained the AEF program, hand outs were given and input was solicited. Along with Wisconsin, Illinois, Missouri, New York, Maine, Nebraska, Colorado, Washington, Utah, South Dakota, North Dakota, Montana and many more Departments wrote articles for the Unit bulletins and articles to their Department paper stressing the Auxiliary Emergency Fund program for the members.

2. Departments find ways to raise donations for the AEF program by, cake walks, pie sales, 50/50 chances, bakeless sales and etc.. Maine donates in memory of a member that has passed away. New York donates 20 cents per member. Minnesota had a Silent Auction at their Fall Conference. They had 60 baskets made, filled and donated by Units, Districts and members. Plus there were lots of other items. They brought in a total of \$5,159.50 for the Auxiliary Emergency Fund. Utah with “The Power of One Little Piggy” had a piggy bank at the Fall meeting and the members put their pocket change in it for the AEF. It was easy and fun. Some Departments had guess how many in a jar, jelly beans, sunflower seeds, beads, little snickers. Lots have different kind of raffles, quilts, pictures, weekend at a motel, etc.. Utah is doing a mystery dinner theater in May for the AEF, sounds interesting. Challenges are a great way to get the extra buck for the program. As of Feb. 4, 2011, Departments have donated \$ 37,023.22, to the Auxiliary Emergency Fund and 54 Grants have been given. What a fantastic amount, but it doesn't stop here, we have to keep on working to go over the goal from last year. But mainly to make sure the donations keep coming in so there are funds available to the members that need the assistance. Thanks to everyone for being there and donating to this worthwhile program for our members.

## **CAVALCADE OF MEMORIES**

### **KENYA OSTERMEIER**

Progress has been made in the programs and activities outlined in the Plan of Action:

Highlights: A project to frame a magazine cover from each decade since our organization's inception is almost completed. It was fascinating to see that our basic objectives have remained, yet we are open to change when it enables our programs to succeed. A final selection will be made of the covers we have chosen so far, and then a decision will be made on framing them as reasonably as possible. They will be displayed in the National Headquarters office.

Highlights: Working with PNP Carol Van Kirk, a pedestal has been ordered for the eagle sculpture donated by the Department of Nebraska in her honor. It should be arriving any day.

Highlights: Three estimates for the acrylic case for the Edith Hobart dress have been turned in. Work should begin on that shortly. Gabby Kienitz from the Indiana State Museum is still assisting with that project as we get closer to its completion.

Highlights: Work will begin in February to create a virtual tour of the Cavalcade and office for the web site.

Highlights: Committee members have done bulletins with excellent ideas on Cavalcade projects to do on the local Unit level

Highlights: Many of you know the tragic story of the heroic sacrifices made by four chaplains aboard the Dorchester after it was hit by torpedoes at 12:55 a.m. on February 3, 1943. As the Dorchester sank, the chaplains were seen linked arm in arm, praying. They had given encouragement and their life jackets to crew members. Fox, Goode, Poling and Washington were posthumously awarded the Distinguished Service Cross and the Purple Heart, and in 1948, Congress declared February 3 to be Four Chaplains Day. On February 3, 1951, President Truman dedicated a chapel in the chaplains' honor at Grace Baptist Church in Philadelphia. When the building was sold, the chapel fell into disrepair, and the foundation overseeing the chapel moved it to the Philadelphia Naval Shipyard in 2001. The chapel was repaired in 2004 and given the name Chapel of the Four Chaplains. In 2006, at The American Legion's 88th National Convention in Salt Lake City, the National Executive Committee passed a resolution that supported awarding the Medal of Honor to Fox, Goode, Poling and Washington. For several years members of the American Legion Auxiliary contributed money toward the construction of this chapel. The Four Chaplains Foundation awarded Past National President Dora Seymour a Humanitarian Award on April 28, 1981 and in 1985 Past National President Helen Gardener received a medallion for supporting the Foundation. Both of these items are on display in the Cavalcade of Memories at National Headquarters. Also of note - a Past National Chaplain of the Auxiliary, Isadora Fox, was the widow of George L. Fox, one of those four chaplains who gave his life on the Dorchester. There are several Auxiliary connections to the chapel, so I thought members would enjoy hearing about it on its 68th Anniversary, February 3, 2011. Information

was obtained from the American Legion National Headquarters web site, the Four Chaplains Foundation web site and Honorary Past National President, Miriam Junge.

## **CHILDREN & YOUTH NANCY BROWN-PARK**

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

Objective # 1 ALA Kids in Danger of Depression and Suicide. A project that builds referral networks of public and private support at the community level for the social and mental well being of military children. Units are encouraged to work with their local Big Brothers and Sisters, Boys and Girls Clubs, school counselors, teachers, Guard and Reserve family readiness group representatives, Operation Military Kids, and other stakeholders in their communities. Local units can implement KIDDS public awareness events to raise community knowledge and support of military children by participating in National Childrens Mental Health Awareness Day in May. Plan community events and gatherings that bring together military and non-military families.

Summarize what Depts have done: Across the Country Departments are reporting that units are working in their local communities to improve the lives of military and veterans children. Units are building relationships with Family Readiness Group Leaders by attending local meetings for military families. These meetings give them the opportunity to meet and build new relationships and trust. Operation Military Kids is a large part of many departments Children and Youth program. From volunteering at camps, packing Hero Packs for kids during pre-deployment events and hosting Christmas parties with a focus on military families. Units report working many different ways with Boys and Girls Clubs, from helping to raise money, tutoring, and seminars on tobacco and alcohol.

Highlights: Unit 193 from the Department of Florida volunteered with Boys and Girls Clubs to tutor military kids on local a Navy Base. In Pennsylvania, Lilly Unit #628 members volunteered at a week long camp for military kids and taught Americanism programs each evening ending with a flag retirement ceremony. Oak Orchard/Riverdale Unit #28, Millsboro, Delaware sponsored a Tobacco and Alcohol Education program provided by the Delaware National Guard for the local Boys and Girls Club at their post pavilion.

Objective # 2 (Summarize it here) Department or Unit Innovative Activity – Auxiliary Departments and Units, along with their Legion Family may undertake a military 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.

Summarize what Depts have done: Departments and units reported fundraisers for The American Legion Children's Home in Oklahoma. Some have raised several thousand dollars.

Highlights: Beaumont Unit 33 raised \$8000.00 for The American Legion Auxiliary Children's Home. Over three months the fundraiser included a

Ragball Tournament, raffles and fundraising Carnival spending 250 volunteer hours.

Objective # 3 Support the implementation of children and youth programs of The American Legion.

Summarize what Depts have done: From the east to the west departments have supported the Children and Youth programs of The American Legion. Working as a family they report having hosted many different Halloween safety activities. Highlights: Units distributed bags of candy for Safe Halloween Night and another sponsored a spook house and Halloween party with food and games.

Objective # 4 Recognize and affirm positive actions of children and youth

Summarize what Depts have done: Departments have supplied information and forms for the hero and good deed program

Highlights: West Virginia Unit 93 nominated a 15 year old young man, David Brown, for a Youth Hero Award after he alerted his family to a fire in their family home. His unselfish act allowed his mother and sister to escape. David was burned severely and spent Christmas hospitalized with his burns.

## **COMMUNITY SERVICE DIANE DUSCHECK**

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

### Objective # 1 Plan Community Service activities that aid veterans, active-duty servicemembers and their families.

Summarize what Depts have done: American Legion Auxiliary units have partnered with the American Legion Family and community members to assist veterans, military, and their families.

Highlights: Auxiliary members and their friends helped the families of servicemembers by raking lawn, building a deck, and babysitting for younger children. Christmas parties were held for families of the deployed, and children received teddy bears and pillowcases decorated with their deployed parent's photo. To help families make ends meet, food baskets, toys, and gently used clothing were distributed.

Homeless veterans received donated blankets, coats, and bags of comfort items, all personal belongings we take for granted every day. Through a Homeless Vet Shower, household items were collected, and hundreds of veterans have been assisted through Stand Downs.

The unique needs of veterans have also been met. To help a veteran relocate closer to his family, funds were appropriated to rent a trailer for his cross-country move with additional funds for the first month's apartment rent in his new location. An automobile was donated to another veteran who had been wounded in Iraq so he could drive himself to appointments at the VA hospital and his wife could get to work. Haircuts and meals were provided to a home hospice veteran.

### Objective # 2 Plan Community Service activities that promote the economic security of veterans, active-duty servicemembers and their families.

Summarize what Depts have done: Units and departments have worked tirelessly to aid homeless veterans who not only need housing, but clothing, home furnishings, career skills, and jobs.

Highlights: Promoting the economic security of veterans has taken many forms. One department has taken on a project of furnishing fifty-two apartments for homeless veterans. The housing project will provide a safe environment in which veterans can receive counseling for drug and alcohol use, and post traumatic stress. Veterans will have help finding jobs or will get schooling that will help them to secure jobs in the future. The goal of this facility is to get the veterans ready to integrate into the community within two years. Other departments have sponsored job fairs, bringing together veterans with a multitude of skills and employers in need of qualified workers.

## **CONSTITUTION & BYLAWS**

### **MARY DAVIS**

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

Can the world of Constitution and Bylaws be fun and exciting?

To most of us, the mere thought of having to pick up a copy of Robert's Rules of Order is a daunting task and who wants to read a constitution or bylaws.... boring.

On the other hand, consider this...

Should our secretary be appointed or elected?

How many members must be present to constitute a quorum?

Our president won't come to meetings; can we fire her?

How often are we required to hold meetings?

Can we hold a "secret" meeting?

These are examples of the hundreds of questions that come up every year as we hold meetings to conduct Auxiliary business. As the Chairman of the Constitution and Bylaws committee, I am frequently asked these and other intriguing, interesting questions. They present welcome challenges not unlike an exciting mystery story.

In almost all cases, the answers to these procedural questions can be found in our governing documents. I always recommend that the first place to look is the Unit Constitution and Bylaws, followed by a review of Department and National Constitution and Bylaws, Unit Handbook and Roberts Rules. And, don't forget that most states have adopted laws that pertain to the activities of non-profit corporations.

All of these resources provide a wealth of information that will help guide us as we do the great business of the American Legion Auxiliary. Keep them handy and, if you can't find the answer to your question, contact me and I will help.

I would like to take the opportunity to share a couple of examples of Constitution and Bylaw initiatives that have worked well this year; referred to as 'best practices.'

In the Department of Arizona, Chairman Debra Allen Munchbach, has helped institute a policy which affords every new Unit the benefit of professional drafting and review of their Constitution and Bylaws. The Department's New Unit's committee commits to helping these Units.

Carol Junge of Illinois has implemented a practice that assists units with their revision process.

These and other great Constitution and Bylaws activities in all of our department and Units are essential. Without governing documents that provide order and structure, we have chaos.

So do you believe Constitution and Bylaws can be fun and exciting? You bet; it's a world of adventure I welcome you all to explore. Happy Roberts Ruling!

## EDUCATION SHARON CONATSER

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

**Objective # 1** Focus attention on education and scholarship opportunities for military children, whether their parent(s) are active duty or reserve.

One Department has a “Post Freshman Scholarship” which supports veterans and veteran’s families needing financial assistance after their freshman year. The Give 10 program is supported across our departments as they donated everything from school supplies to mittens, gloves and hats to keep children warm. One department supplied check lists for their Units of possible items to donate. Several states reported mailing scholarship applications to all schools in their state. Departments reported having an “Educator of the Year” program. This is a great way of educating the schools and administration about our programs and our organization. The “United through Reading” program has been embraced throughout the country to help our military children stay in touch with their parent(s) while they are deployed. One department had 162 children participate in this program. Another Department contacted military children that are Home Schooled, to make sure they know of the opportunities also. One Unit contributes items to be used as “positive behavior” rewards. Another Unit uses skype to communicate with Units and schools.

**Objective # 2** Educate school administrators about the mental health issues facing children of our military

ALA KIDDS is beginning to catch on. Communicating with the schools when they volunteer to read or help with one of the other programs seems to be the best way to communicate our concern for these children. Bullying is one of the biggest issues facing our children, especially our military children. These children don’t always feel they fit in at public school. This feeling is magnified since they change schools some many times as their families are transferred.

**Objective # 3** Enhance respect for the sacrifices of our military heroes among school children by scheduling Veterans in the Classroom programs at your local school

In Maine, they hosted “Literacy for Tomorrow Begins with me” program. The Governor, working with Department leadership, attended Pre-K-K classes reading to the classes. Expansive publicity inspired other Units to request information on how to start the program in their area. Some departments used American Education Week and the Veterans in the Classroom programs together. This was very successful.

The Power of One – Take the program one step at a time to help educate our youth, helping them attain their goals for higher education. Thanks to the 23 Departments who sent their mid-year report.

**ALA GIRLS STATE  
VICKIE KOUTZ**

Thirty-nine (39) departments actually completed Mid-Year Reports for the Girls State program.

Once again, departments are planning to incorporate all programs of the American Legion Auxiliary into their Girls State sessions.

The majority of the sessions are held on College Campuses, with the smallest amount of delegates attending: 45 (Department of Alaska) and the largest amount attending: 860 (Department of Ohio).

Delegate fees range from \$75 to \$400 per delegate, with additional fees collected from several departments.

Service Projects selected for this year from departments are as follows:

- Letter writing for Honor Flight Program
- VA drive for VA Homes
- Wounded Warriors
- VA Hospitals
- Thank you cards to service personnel
- Non-perishable items for Homeless Veterans
- Non-perishable items for Food Pantry
- Pocket Flag Program
- Blood Drives
- Donations to Family Readiness Group
- OMK (Operation Military Kids)
- Socks for Veterans
- Clothes for Homeless Veterans
- Hero Packs for Troops

As we join together as a “Team of One”, it shows how much our members love volunteering and giving of their time to insure our Veterans are well taken care of.

## JUNIOR ACTIVITIES LISA WILLIAMSON

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

### ***Objective #1 To encourage participation in service projects that serve our military, veterans and their families.***

Summarize what Depts have done: Of the 22 Departments reporting, a total of 111 Juniors participated in over 35 service projects with a cost of \$1611 and 1147 hours. At least 266 veterans/military families were helped.

Our Juniors have participated in the VA Volunteer program. They have distributed poppies, pillows, lap blankets and bears, and made tray favors. Many Junior groups have made and sent various greeting cards to VA residents, while some have made decorations for veterans to decorate their hospital rooms at Christmas.

Washington Juniors collected 56 pounds of soda pop tabs to give to the Vancouver Veterans Hospital Kidney and Liver Transplant Unit to help with their budget. They are collecting pop tabs in competition with Oregon Juniors to see which can donate the most.

While visiting veterans in senior or veterans homes, the girls write letters for them, read to them, sing Christmas carols, send out birthday cards, play games, host and play Bingo or just listen to them share. Some Juniors even wrapped and distributed Christmas gifts for local veterans. One Junior group raised funds to purchase a *Wii* for a local home.

Juniors have helped at their local VA or Veterans Christmas Gift Shops, sorting gifts, wrapping gifts, setting up, helping veterans select gifts, and even donated items.

Our Juniors are involved with military deployments in various ways. They have adopted soldiers deployed to Afghanistan and send care packages monthly. One Junior group in New York adopted a Coast Guard Squadron. During the holidays, Juniors have made Christmas cards and ornaments. Younger Juniors write "Dear Hero" letters to be sent to deployed servicemen and women. Juniors from Missouri completed 2 large handmade quilts which were sent to an Air Force Base hospital in Germany and given to recovering soldiers. Of course, many Junior folded Pocket Flags to be sent in care packages.

Juniors have reached out to help military children in their schools. Some have also participated in "Give 10" for children of deployed parents at schools. Our Juniors from all over have packed Hero Packs from Operation: Military Kid with candy, tablets, pens, paper, stuffed animals and other items to be distributed to children of deployed soldiers.

Some of our ALA programs that Juniors have supported include raising \$362 for the Auxiliary Emergency Fund, raising \$500 to finance a Girls State scholarship in memory of 2 deceased members, working with the Children and Youth during community holiday programs and promoting the Poppy program in many ways to include distribution and serving as Miss Poppy.

All Units have Juniors helping with Post and Unit activities, to include participating in Veterans Day, Memorial Day and POW/MIA ceremonies and leading groups in the Pledge of Allegiance. Some Juniors march in Veteran Day and Armed Forces Day parades in their area. Many Units have Juniors have helped place flags on the graves for Memorial Day and made Veterans Day cards for the Legionnaires in their Post. Veterans and their families join Legion Family members for annual American Legion Thanksgiving and Christmas dinners, and the Juniors are always there to participate by serving and delivering meals. They, of course, are also involved in Children's Christmas Parties at their home Post. Juniors help the American Legion Family with proper flag retirement, fundraisers, planting flowers, helping the homeless veterans, being a part of a precision drill team, and some even co-chair ALA offices with Senior members.

For the first time ever, two Junior members are part of the Department of Wisconsin's Membership Team, working with TAL, SAL, ALA, and ALR.

*Highlights:* There are three Juniors that deserve a pat on the back:

Amber Conklin, Honorary Department of Iowa President, has been saving and collecting cell phones to be turned into cash for phone cards for our active duty military serving in Iraq and Afghanistan.

Honorary Department of New Mexico President Samantha Kiriluk announced her Special Project as "Lap Blankets for Veterans". So far, she has made, collected and handed out many lap blankets at the VA Hospital, and has made a real difference to the veterans at the Albuquerque VA Hospital.

The Honorary Department President from Wisconsin, Mariah Pursley, headed a fundraiser which earned \$541.25 to the American Legion Children's Home in Oklahoma earmarked for Christmas gifts.

These girls understand the importance of focusing on our ALA outreach programs in order to support our military, the veteran and their families.

***Objective # 2 To promote the National President's Scholarship peer-to-peer, by raising awareness of the rules and application process in schools, communities and on military bases.***

Summarize what Depts have done: Most Juniors are eligible for this scholarship, so they may be personally impacted by their fundraising efforts. There is the Junior Activities Patch Program where raising money for the National President's Scholarship earns Junior Members a Special Patch. Donations for this scholarship can be raised a variety of ways. Juniors can solicit donations from family, friends, Legion Family members or contribute themselves. Fundraising activities can be coordinated.

The goal is for the youth of our organization to be involved and aware of the scholarship project.

Of the 22 Departments that reported for Mid-Year, there are at least 16 girls actively promoting the National President's Scholarship. I am sure that now the holidays are over, schools counselors, parents and high school students will begin concentrating on scholarship opportunities for their soon-to-be graduates;

NOW is the time to get that information out! I am confident that we will be able to report higher numbers down the road.

*Highlights:* With National President Carlene Ashworth's approval, Honorary National Junior President Sabrina Cobb of Ohio is focusing on the National President's Scholarship Fund as her special emphasis this year. Both the National President and the Honorary National Junior President would be pleased if any Junior Auxiliary member would consider following Sabrina's lead and focusing their efforts on the National President's Scholarship.

***Objective # 3 To empower our Junior members by seeking their assistance to increase the use of technology (such as e-mail, Internet, Facebook and other social networking sites) in promoting Auxiliary programs.***

Summarize what Depts have done: You've heard it before and you'll continue to hear it – Junior members are the future leaders of our organization. I also believe that they are our CURRENT leaders when it comes to communicating electronically – Internet, email, social networking sites and texting. We are going to give them the opportunity to teach us! How empowering is that?!?!?!? The basis of this Objective inspires our Junior members to help educate others about the basics of e-mail, Internet, social networking sites such as Facebook, MySpace, Twitter, websites and practicing internet safety. Juniors are excited about educating our Senior members in technology. They really like teaching us, and it gives them a feeling of contributing to our organization and a say in their future.

Many Juniors continue to work the Junior Patch Program, hoping to earn at least one new patch this year, with emphasis on the new Technology Patch. With all the social networking sites out there, many girls will earn this patch.

The Junior Patch Program is a very effective resource that allows Juniors to participate regardless of where they live, or whether they belong to an active Junior group.

Of the Departments that reported, 30 girls are assisting others with Technology, while 49 are participating in the Patch Program.

## **LEADERSHIP COMMITTEE**

### **MELANIE TAYLOR**

This Chairman is pleased to have received 23 Department Leadership Mid-year Reports. After spending many hours contacting each and every department secretary for the name, address, phone number and email address of their respective department leadership chairman I was able to establish my department chairman listing.

Each department leadership chairmen received via my email all National Committee bulletins to share with their districts and units within their departments.

Arizona, California, Georgia, Illinois, Maine, New Hampshire, New York, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, Vermont and Wisconsin reported holding department leadership workshops not only for their department officers and chairmen but also district and unit members as well. Membership, Finance, Girls State, Poppy and VA&R programs along with Constitution & Bylaws and Standing Rules were discussed.

Arizona has completed 8 of her 12 workshops handing out 300 copies of the brochure at the Department workshop and 110 pamphlets were made for presentation at their Fall Conference.

California has completed 3 of her 5 workshops and has certified 46 new instructors and recertified 18 previous instructors, and has two more leadership workshops scheduled in February and March 2011. She personally made 200 Leadership Workbooks and then copied it onto over 100 CDs that she also handed out. Georgia has held 3 workshops with an average attendance of 40 members and prepared 160 workbooks to handout, Maine has presented 4 out of 7 districts with a leadership workshop and provided an overview handbook and Wisconsin set up several 3 hour workshops throughout the state and provided revised leadership booklets to those who attended also.

Illinois has successfully completed 15 leadership classes in their five divisions with another 6 classes scheduled besides a Certified Leader Course at their conference in March and a leadership class at their department convention.

Indiana has set their goal of making their units and districts more productive by going over their Constitution & Bylaws to bring them up to date and in line with the National and Department changes. The National Leadership Correspondence Course was given out to districts and units. They are not keen on mentoring.

“We have a long way to go yet to get mentoring on its way”. The older members are threatened and feel they will loose their position.

Kentucky had one unit in Perryville who reported 7 members completed the Leadership Course on line. Several units have established a mentoring program and are encouraging juniors to attend meetings to observe the proper way to open, hold and close a meeting.

New York has held 30 Unit leadership training sessions, 12 County leadership sessions, 1 District session, 22 Officer training sessions and 21 program training sessions throughout the state. Subjects included meeting agenda, Roberts' Rules of Order, how to conduct an audit, and the new Consolidated Report Form.

Pennsylvania held a “Legion College” where six panel members discussed the ALA program with 300 members in attendance.

Alaska, Hawaii, Iowa, Kansas, Nebraska, Oregon and Utah Leadership Chairmen have sent out monthly bulletins within their departments, promoting leadership.

Madam President, your Departments have shown true leadership and are working hard, and I quote “to prove that the power of one Auxiliary program can change the life of one member, and the influence of one enthusiastic member can revitalize an entire unit. Here’s to the power of one!” Carlene Ashworth, National President.

Melanie Taylor  
National Leadership Chairman

## LEGISLATIVE KATHY DUNGAN

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

Objective # 1: Educate Auxiliary members on their rights and responsibilities as citizens to let their voices be heard by communicating with their congressmen through letter writing, emails, phone calls and personal visits.

Our members are hard at work supporting legislative matters affecting our veterans and families. I received twenty reports and all are actively communicating with their elected officials by writing, emailing, calling and sending faxes on behalf of veterans and their families. Many have held fall program fairs, PowerPoint presentations, workshops, and legislative meetings. “Get Out the Vote” campaigns were a priority during the elections, with members transporting seniors and members to the polls to vote, working at the polls, and attending town hall meetings, luncheons, legislative breakfasts, and meet/greet candidate events, resulting in a report of 651 volunteer hours. Several departments held joint legislative programs with The American Legion. Articles were written for department newsletters. Some departments promoted veterans’ issues on a Legislative page on their website. The Auxiliary’s Advocacy Guide, the pamphlet “How a Bill Becomes a Law,” and the Legion’s *Dispatch* were distributed or posted on websites. Congressmen were invited to attend and speak at Fall/Spring meetings and Mid-Winter Conferences.

Highlights: Unit 77 of Houston, TX, focused their efforts on emailing 55 letters to U.S. Senators and 55 U.S. Representatives, 40 State officials, and 5 local officials regarding issues such as PTSD, veterans’ hospitals and supporting our troops. Unit 28 of Delaware had “meet the candidate night” with 26 candidates participating and 200 community guests in attendance.

Objective # 2: Promote support of The American Legion’s initiatives and Legislative agenda.

Departments distributed lists of elected officials and worked to obtain volunteer members to serve on the National Legislative Council in order to have a contact person for every congressman in every state. Some of The American Legion’s tools used by members were: *The Dispatch*, The American Legion’s Legislative Action Center website, and the Legislative weekly updates received by email. Members responded to the Legion’s “Call to Action” regarding the “DREAM Act” and the Flag Amendment by communicating with their congressmen.

Highlights: The Department of New York reported 92 members communicated with legislators, 334 letters and emails were sent, legislative alerts were sent out by email to members about the Dream Act and Gold Star Parent legislation, 64 legislators participated in activities, and 30 members enrolled in TAL Legislative Action Center. The Dept. of Washington held a joint Legislative session at their Mid-winter conference using a PowerPoint presentation about becoming a veterans’ advocate, and a table was set up with a board presentation and brochures were available.

## **MEMBERSHIP**

### **KRISANN M. OWENS**

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

#### **Objective # 1 Engage to Retain Current Members**

Identify and offer meaningful volunteer opportunities in which members can participate to support and deliver the Auxiliary's mission.

Summarize what Depts have done: Departments have been encouraging Units to participate in projects and events to showcase the many programs that the ALA has to offer. They are providing our members with the tools needed to successfully provide current and potential members with the information necessary to engage them with our variety of programs and opportunities to serve veterans and their families. Department officers and chairmen are providing mentoring and support to our members and potential members are benefiting from this engagement.

Highlights: Personal contact is proving to be the number one way to see responses in either renewals or for engaging new members. Our members are having fun, they're excited about the ALA programs and this is very attractive to current and potential members. We are seeing a resurgence in our current members volunteering more often due to the fun aspect.

#### **Objective #2 Attract New Members**

Become a community center by raising the activity level of community involvement in the ALA programs that will encourage responsible, active citizenship with total support of our military service members and their families.

Summarize what Depts have done: Departments and Units have hosted military family events, participated in deployment ceremonies, Welcome Home events, supported Town Hall meetings, hosted programs at local schools, hosted events that raise funds for local charities that are ALA mission driven and participated with community leaders to promote local events.

Highlights: Departments and Units have participated in State and County Fairs, craft shows, car shows, street festivals, farmers markets, parades, city council meetings, town hall meetings, Stand Down's and school events, all designed to engage with as many people as possible to promote the many opportunities the ALA has for volunteering as well as to highlight our service and commitment to our active duty military, our veterans and their families.

## NATIONAL SECURITY JANET JEFFORD

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

**Objective # 1** - Participate in Department of Defense and other outside programs that support our military and their families throughout the entire deployment cycle.

**Summarize what Depts. have done:** Units are supporting and assisting military families by providing monetary contribution,, repairing cars and homes, providing daycare, offering transportation, clipping coupons, and supporting the USO. Units were especially active over the holidays hosting parties, handing out Christmas gifts, and delivering trees to families of deployed soldiers. The Legion Family has hosted homecoming parties and picnics as well as “send-off” events for deploying military units. Many Units report being involved with their local Family Readiness Groups (FRG), supporting Yellow Ribbon events, and sending hundreds of care packages overseas. **Highlights:** Unit 44 in Elephant Butte New Mexico has sent 5002 care packages as of December 2010. In Oregon, Tigard Unit 158 hosted a Welcome Home Again parade for the 41<sup>st</sup> Brigade troops for the third year in a row. Lunch was provided for over 1000 troops and their families along with an evening of dining and dancing for the troops.

**Objective # 2** - Participate in the Military and Family Support programs of The American Legion. **Summarize what Depts have done:** Working as a Legion Family, American Legion, Units report participating in Operation Wounded Warrior, taking care of our wounded soldiers in hospitals and on military installations. Units are distributing Blue Star Banners and hosting teas and luncheons for Blue Star and Gold Star mothers. Many Units remember POW/MIA's by a “moment of silence” and the presence of a covered chair at all their meetings. **Highlights:** In California, Lincoln Village Unit 833 hosted a lunch for 100 wounded soldiers at Los Alamitos Military Base. Placentia Unit 277 presented Blue Star Banners to 19 Marine families at a Thanksgiving dinner held in their honor. A Unit in the Chicago suburbs held a fundraiser for a wounded warrior and raised money by selling special ‘war bonds.’ Since 2003, the Junior members of the Department of New York perform the POW/MIA ceremony at the beginning of the Department’s Mid-winter Conference.

**Objective # 3** - Support implementation of homeland security programs of The American Legion and the American Legion Auxiliary. **Summarize what Depts. have done:** Auxiliary Units are sponsoring CERT training programs and participating in “mock” drills in their communities. Units have compiled lists of emergency phone numbers and distributed them in the community. They support the local Police and Fire Departments and

participate in blood and organ donor drives. **Highlights:** In addition to sponsoring several neighborhood disaster drills, California's General Hunter Liggett Unit 510 participated in San Francisco's Fleet Week, a city-wide disaster drill. The week is designed to highlight the Navy's and Marine Corp's role in disaster relief. South Dakota experienced heavy rains that resulted in severe flooding. The Waubay Unit helped fill sand bags to prevent water from getting into homes and businesses

## **PAST PRESIDENTS PARLEY RITA NAVARRETÉ**

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

Departments across the country are promoting and utilizing the leadership skills of their past presidents, promoting the selection of the “Unit Member of the Year” program and recognition of active duty servicewomen. Midyear reports provide the following highlights:

- Themed their year to support department president’s “television” theme.
- Worked with Gold Star Committee to plan “Award Winning” Past Presidents Convention banquet.
- Created a photograph display of past department and unit presidents.
- In an effort to stay in touch, greeting cards were mailed to past presidents who were unable to attend events.,
- Recognition of a 50 year member.
- Met with Past Department Presidents at all conferences and convention to get input and assistance in operating department business and many “stepping in” to assist,
- Raised funds for nurse’s scholarships.
- \$1000 scholarship to past Honorary Junior President and stipend to the VAVS and Field Representatives and
- Fully utilized as chairmen of committees.

The National Committee recently surveyed Past National Presidents to have them answer the question of how they stay active at the unit and department levels.

**DID YOU KNOW?** Past National Presidents remain actively involved at both the unit and department levels. Some activities reported:

- Regularly attends monthly meeting
- Serving as Secretary or Treasurer
- Serving on various committees (PPP, Constitution/Bylaws, Legislative, Finance, Policy)
- Making annual pledge to both unit and department
- Promoting donations for the National Creative Arts Festival
- Supporting local activities/fundraisers even if not member of the local unit
- Embracing unit with new ideas for fundraiser and also engaging new members in activities and attending department convention

Departments recognize the value of many Past National Presidents as they serve as Chairmen of critical committees such as Finance, Audit, Constitution and Bylaws, Policies and Procedures, and Girls State (Director in two departments). Past presidents are asked to speak at various conferences and many serve as mentors and advisors.

Active Duty Service 2010 Awards: *Heather M Alexander, Lt. Col, USAF, SC* sent “thank you” letter and in part stated “As promised, I safely took the pocket flag you provided me to Afghanistan..and back! Thank you and the wonderful women I met at the convention...to be recognized by such incredibly dedicated and compassionate patriots, was a memory I will treasure....” *Col Mauhee Edmonson, USA, KY* sent “thank you” card expressing in part “thank you for the opportunity to meet such wonderful, kind, professional women such as yourselves.”

As past presidents, giving support to both current and upcoming leaders with open and honest communication is vital to ensure the healthy growth of our organization. Full respect and being kind are to be shown at all times in meeting the many challenges faced by all departments. The National Committee wants all past presidents to be “**The Power of One**” and use their knowledge and wisdom to make a difference in the developing and mentoring the life of one member.

**POPPY**  
**MARTHA CORRIHER**

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

Objective # 1 - Promote/circulate the history of the poppy and significance of its distribution.

Summary: Imagination and creativity was the challenge in finding ways to get the story out.

Summarize what Depts have done: Departments are using Poppy Postcards to contact members, veterans and the media that explains the Poppy history and program. They have gone into school, churches and other outreach programs to share the story

Highlights: The Department Chairman from Virginia keeps the Poppy story alive by sending beautiful Poppy postcards out at holidays and random other times just to keep in touch and to keep the story out there.

Objective #2 - Increase Unit Poppy revenues.

Summary: Units were urged to begin early in the year making their plans for distribution and recognition to our veterans by using Poppy's in publicity and decorations.

Summarize what Depts have done: Units held Poppy Usage contest to showcase Poppy's, held poster contest, crowned Little Miss and Miss Poppy Queens and handed out Poppy bookmarks. Using these tactics during distributions proved to increase revenues.

Highlights: The Department of Texas worked with cub scout packs in their distributions to increase visibility and revenue and in North Carolina distributions were held after church functions to share the story and increase revenue.

Objective #3 - Increase the number of Poppy makers in each department.

Summary: To distribute promotional information on how to recruit makers within their communities and post home.

Summarize what Depts have done: Some departments made visits to local veterans hospitals and nursing home to recruit poppy makers.

Highlights: The Department of Connecticut remarked they have 10 poppy makers and they took kits to their VAMC to show how to make Poppy's and to recruit more poppy makers by demonstration.

## **PUBLIC RELATIONS CORAL MAY GROUT**

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

**Objective # 1** To promote a positive image of the ALA through a variety of materials and resources that will be made available to Departments and Units. Summarize what Depts have done: American Legion Auxiliary Day and Carlene Ashworth Day Proclamations; To date, 234,332 inches of publicity including 7 interviews, 130 news articles, 51 pictures, 14 advertisements, 337 letters of appreciation, 18 special activities in the media for the Hats Off to Homeless Veterans Project of the Department President (NY); American Legion Auxiliary magazines distributed to libraries, doctors' offices, hospitals, and women interested in joining the ALA (OK, MA); Coverage of Juniors making Hero Packs (PA)

**Highlights:** Television interviews at Welcome Home Troops Dinner (AL); Presentation of the Kosuiszki County Aware to honorably discharged husband and wife veterans for service to God, Country, and Others in the County (IN); Press coverage of coat distribution of soups and cookies to teachers (NM); Providing and refreshments to riders in the Ride 2 Recovery (HI); National PR Committee has distributed sample press releases, bulletins on topics to enhance our image, and monthly bulletins and resources for Departments and Units to use.

**Objective # 2** To compile and distribute innovative public relations ideas, as submitted by Units and Departments.

Summarize what Depts have done: Powerpoint CD/ PR Kits for public relations to be used by Units (WI, NC, MI, CT); Tri-fold public relations display that can be placed in local businesses (MN); online monthly newsletters (MS, ME); Workshops on using social networking (Facebook, Twitter); Membership telephone tree for renewals (NM); News conference skits at Conferences (OK, IA MN); PR Poster Contest (TX); ALA Network News Channel 2010 (IL) **Highlights:** Golf tournament to raise funds for Girls State (CA); Smiles Across the Miles, where family pictures and a video are mailed to loved ones serving overseas as completed the first Thursday of each month by Unit members who drive 2 1/2 hours each way to the base (NC);

**Objective # 3** To recognize Units and Departments that establish new websites. Summarize what Depts have done: Website design included in program goals for the year (MT, CA, TX). Where there are many rural units, who are miles apart, several units were encouraged to band together with a shared website (MT). Some Departments have redesigned their websites to make them more user-friendly (IA, MA).

**Highlights:** The Department of CA has identified one new Unit website.

## **VETERANS AFFAIRS & REHABILITATION**

### **PEGGY THOMAS**

Progress has definitely been made in fulfilling the objectives outlined in the Plan of Action:

Objective # 1. To bring awareness to the plight of the ever increasing number of homeless veterans.

Departments have worked with Stand Downs, Homeless Shelters, Homeless Coordinator in VAMC's, and have been working to educate the Unit Members as well as elected officials as to how desperate the situation is.

Highlights: The chairman in the Department of Virginia has worked with the homeless population in the D.C. area. When these veterans get a permanent place to live, she provides them with a "Buddy Basket". This is a large laundry sized basket filled with cleaning supplies and other "house warming" type useful items. It is very well received.

Department of Florida's VA&R Chairman is working with the 4<sup>th</sup> District to furnish a new 48 bed homeless facility in Ocala. This is a work in progress and will be ready soon.

Objective # 2. To raise \$150,000 in donations for the Veterans Creative Arts Festival.

Departments as a whole have promoted and publicized the need for donations. Educating unit members about Veterans Creative Arts Festival and promoting the "Parade of Checks" that will be held at the Awareness Assembly in Washington, D.C. March 20-23, 2011. As a co-sponsor of the Veterans Creative Arts Festival, we need to honor our commitment.

Highlights: Several Departments reported working with their local VAMC in starting a local Veterans Creative Arts Festival. This is one way they promote the importance of donating to this worthwhile project.

Objective #3. Ride 2 Recovery - To increase volunteer participation and encourage fundraising for scheduled events.

When a "Ride" is scheduled for a particular state a site coordinator has been appointed to find posts/units that will work at publicizing the event, fundraising and providing meals for the riders and the support team that travels with them.

Highlights: California, Texas, Florida, Colorado and Hawaii have been states that have worked diligently with these wounded warriors as they ride to promote

awareness to their cause as well as to promote their own health, both physically and mentally.

Objective # 4. To increase volunteers at VA hospitals, outpatient clinics and in Field Service and Home Service.

Departments have held Field Service Orientations and Departments that require Home Service Orientations have done that as well.

Highlights: Illinois, New York and Florida report an increase in Field Service Orientations, as well as an increase in volunteers. Many Departments report they are working diligently to increase their number of VAVS volunteers, and will give a full accounting of numbers in their annual report.

## AMERICAN LEGION AUXILIARY FOUNDATION

Progress has been made in fulfilling the objectives outlined in the Plan of Action:

**Objective #1:** Enhance fundraising activities in the non-member sector  
In support of its primary objective, the Board has been evaluating opportunities to enhance and encourage donations from both members and non-members alike. Activities have included the development of two public service announcements for the purpose of reaching deeper into the global giving community. These PSA's, featuring "Wheel of Fortune" host Pat Sajak and country music artist Michael Peterson, will enable the Foundation to more efficiently spread its message and purpose beyond the core membership of the American Legion Family community.

**Objective #2:** Enhance fundraising activities for the American Legion Auxiliary in the corporate sector.

Board Members have been assigned tasks to investigate corporations and corporate giving opportunities for transmittal to the national development team. This project, ongoing in nature, will serve to reveal, highlight and prioritize other non-profit entities upon which the American Legion Auxiliary Foundation can solicit grants.

**Objective #3:** Expand the Ambassador program and continue to encourage members to join in support of the Foundation.

In October, 2010, the Board was presented a \$75,000 check from Quadriga, Inc. for a donation that exceeded the proceeds from the Foundation Poppy Bag targeted appeal to fewer than 25% of ALA members.

The Foundation is proud to announce that a specially designed series of memorial cards have been developed and will be available for download from the newly launched website later this year. These memorial cards, tasteful in appearance and presentation, will serve to create an easy giving opportunity for those individuals who wish to honor the memory of a friend or family member through donation to our organization. An ALAF newsletter has also additionally been developed for the purpose of maintaining an active presence and highlighting achievements, contributions and projects. Featured items include informational biographies on Ambassadors and financial reporting. The Foundation brochure has been updated in ALA branded format and design consistent with the updated National marketing materials

**Overview:**

It has been a busy and productive time for the American Legion Auxiliary Foundation, as board members continue to focus on the prime objective to serve as fundraising partner to the American Legion Auxiliary. The Board welcomed

new member Allison Martin from the Department of Illinois who was elected to serve as Vice President.

The American Legion Auxiliary Foundation, a 501(c)3 nonprofit benefit corporation was created to expand fund development for the American Legion Auxiliary. The Foundation allows the Auxiliary to develop and invest its assets into a long term savings strategy in the form of an endowment that will allow the Foundation to offer grants for Auxiliary programs at both the Department and National levels. The 501(c)3 status further enables other corporate entities to provide tax deductible donations and additionally expands donation opportunities for the organization.

**APPENDIX B**

**American Legion Auxiliary  
National Headquarters  
Financial Statements**



AMERICAN LEGION AUXILIARY  
NATIONAL HEADQUARTERS  
AND  
AMERICAN LEGION AUXILIARY  
FOUNDATION, INC.

CONSOLIDATED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2010 AND 2009



AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
AND  
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

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SEPTEMBER 30, 2010 AND 2009

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4181 E. 96<sup>th</sup> Street, Suite 180 ♦ Indianapolis, IN 46240  
Mailing Address: P. O. Box 90170 ♦ Indianapolis, Indiana 46290-0170  
Office: (317) 569-4181 ♦ Fax: (317) 569-0564 ♦ (888) 922-4941

## 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, 2010 and 2009, 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, 2010 and 2009, 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 as of and for the years ended September 30, 2010 and 2009, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. This information has been subjected to the auditing procedures applied in the audits of the 2010 and 2009 consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Alerding & Co.*

January 12, 2011

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
AND  
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2010 AND 2009

	<u>ASSETS</u>	
	2010	2009 (Restated)
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 467,477	\$ 1,234,851
Investments	20,911,181	19,578,070
Investments - PUFL	3,033,136	2,770,815
Prepaid expenses	214,658	300,995
Furniture and equipment, net	957,399	529,158
Other assets	<u>376,865</u>	<u>120,205</u>
Total assets	<u>\$ 25,960,716</u>	<u>\$ 24,534,094</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Accounts payable	\$ 504,580	\$ 239,784
Accrued expenses	278,148	261,394
Accrued scholarships	83,750	86,250
Deferred revenue - dues	1,680,057	2,554,829
Deferred revenue - PUFL	3,016,845	2,828,260
Deferred revenue - other	670	43,580
Liability for pension benefits	<u>353,786</u>	<u>288,430</u>
Total liabilities	<u>\$ 5,917,836</u>	<u>6,302,527</u>
<b>Net Assets:</b>		
Unrestricted net assets		
General fund	18,230,680	16,517,873
Other unrestricted funds	<u>1,315,772</u>	<u>1,281,562</u>
Total unrestricted net assets	19,546,452	17,799,435
Temporarily restricted net assets	225,723	186,976
Permanently restricted net assets	<u>631,331</u>	<u>529,407</u>
Total net assets before accumulated other comprehensive income	20,403,506	18,515,818
Accumulated other comprehensive income	<u>(360,626)</u>	<u>(284,251)</u>
Total net assets	<u>20,042,880</u>	<u>18,231,567</u>
Total liabilities and net assets	<u>\$ 25,960,716</u>	<u>\$ 24,534,094</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>Revenue, Gains &amp; Other Support:</b>		
Contributions	\$ 1,348,118	\$ 813,956
Membership dues	3,881,194	4,052,442
Advertising	433,665	353,045
Other	<u>1,092,785</u>	<u>1,103,009</u>
Total revenue, gains, and other support	<u>6,755,762</u>	<u>6,322,452</u>
<b>Expenses:</b>		
Member services	4,086,587	3,912,849
Youth education services	763,455	796,770
Veteran and military family programs	<u>944,506</u>	<u>1,132,631</u>
Total program services	5,794,548	5,842,250
Management and general	435,024	335,110
Fundraising	<u>522,689</u>	<u>377,640</u>
Total expenses	<u>6,752,261</u>	<u>6,555,000</u>
Change in net assets from operations	3,501	(232,548)
<b>Investment Income, Net of Expenses</b>	<u>1,884,187</u>	<u>370,335</u>
Change in net assets	1,887,688	137,787
<b>Net Assets Before Accumulated Other Comprehensive Income, Beginning of Year</b>	<u>18,515,818</u>	<u>18,378,031</u>
<b>Net Assets Before Accumulated Other Comprehensive Income, End of Year</b>	<u>\$ 20,403,506</u>	<u>\$ 18,515,818</u>

See accompanying Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2010  
(WITH COMPARATIVE TOTALS FOR 2009)

	Program Services	Management and General	Fundraising	2010 Totals	2009 Totals
Salaries and wages	\$ 1,224,295	\$ 126,692	\$ 35,825	\$ 1,386,812	\$ 1,367,584
Payroll taxes and related costs	107,415	7,930	3,136	118,481	111,515
Employee benefits	<u>222,210</u>	<u>28,790</u>	<u>7,042</u>	<u>258,042</u>	<u>208,704</u>
Personnel and related benefits	1,553,920	163,412	46,003	1,763,335	1,687,803
General operating expenses	418,277	55,443	13,527	487,247	390,451
Conventions and meetings	1,134,266	39,259	468	1,173,993	1,178,042
Occupancy	224,936	20,000	10,001	254,937	214,962
Professional services and fees	256,093	104,751	79,071	439,915	459,261
Printing and publications	736,318	4,437	355,065	1,095,820	1,063,634
Postage and freight	747,090	1,347	18,549	766,986	778,965
Grants and scholarships	347,163	-0-	-0-	347,163	444,677
Other	<u>376,485</u>	<u>46,375</u>	<u>5</u>	<u>422,865</u>	<u>337,205</u>
Total expenses	<u>\$ 5,794,548</u>	<u>\$ 435,024</u>	<u>\$ 522,689</u>	<u>\$ 6,752,261</u>	<u>\$ 6,555,000</u>

See accompanying Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED SEPTEMBER 30, 2009

	Program Services	Management and General	Fundraising	2009 Totals
Salaries and wages	\$ 1,230,603	\$ 65,881	\$ 71,100	\$ 1,367,584
Payroll taxes and related costs	101,013	4,107	6,395	111,515
Employee benefits	<u>178,923</u>	<u>19,023</u>	<u>10,758</u>	<u>208,704</u>
Personnel and related benefits	1,510,539	89,011	88,253	1,687,803
General operating expenses	379,642	(5,078)	15,887	390,451
Conventions and meetings	1,111,864	62,206	3,972	1,178,042
Occupancy	191,857	8,402	14,703	214,962
Professional services and fees	286,656	140,147	32,458	459,261
Printing and publications	864,504	3,366	195,764	1,063,634
Postage and freight	750,115	8,750	20,100	778,965
Grants and scholarships	444,677	-0-	-0-	444,677
Other	<u>302,396</u>	<u>28,306</u>	<u>6,503</u>	<u>337,205</u>
Total expenses	<u>\$ 5,842,250</u>	<u>\$ 335,110</u>	<u>\$ 377,640</u>	<u>\$ 6,555,000</u>

See accompanying Notes to Consolidated Financial Statements.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
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CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	2010	2009 (Restated)
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 1,887,688	\$ 137,787
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	90,716	39,766
Net realized (gain) loss on investments	(43,849)	13,972
Net realized (gain) on investments - PUFL	203,752	(156)
Net unrealized (gain) loss on investments	(1,273,887)	554,002
Net unrealized (gain) loss on investments - PUFL	(418,139)	52,442
Net periodic pension expense	(11,019)	(40,810)
Changes in operating assets and liabilities:		
Prepaid expenses	86,337	(245,937)
Other assets	(256,660)	33,571
Accounts payable	264,796	(16,384)
Other accrued expenses	14,254	83,424
Deferred revenue - dues	(874,772)	455,196
Deferred revenue - PUFL	188,585	(10,662)
Deferred revenue - other	(42,910)	37,565
Net cash provided by (used in) operating activities	<u>(185,108)</u>	<u>1,093,776</u>
<b>Cash Flows From Investing Activities:</b>		
Fixed assets purchased or donated	(518,957)	(337,153)
Change in investments, net	(15,375)	(27,446)
Change in investments - PUFL, net	(47,934)	10,725
Net cash used in investing activities	<u>(582,266)</u>	<u>(353,874)</u>
<b>Net Increase (Decrease) in Cash and Cash equivalents</b>	<b>(767,374)</b>	<b>739,902</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>1,234,851</u></b>	<b><u>494,949</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 467,477</u></b>	<b><u>\$ 1,234,851</u></b>

See accompanying Notes to Consolidated Financial Statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009

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:

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*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 reported as net assets released from restrictions in the consolidated statement of activities and changes in net assets.

*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.

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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.

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. If applicable, the Organization pays income tax on unrelated business income.

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Subsequent Events

Subsequent events have been evaluated through January 12, 2011, 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, 2010.

**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.

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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	<u>3,033,136</u>	<u>-0-</u>	<u>3,033,136</u>
	<u>\$22,906,873</u>	<u>\$ 1,504,921</u>	<u>\$ 24,411,794</u>

Assets measured at fair value at September 30, 2009 include the following:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,234,851	\$ -0-	\$ 1,234,851
Investments	18,252,782	1,325,288	19,578,070
Investments - PUFL	<u>2,770,815</u>	<u>-0-</u>	<u>2,770,815</u>
	<u>\$22,258,448</u>	<u>\$ 1,325,288</u>	<u>\$ 23,583,736</u>

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)		
	<u>Hedge Fund</u>	<u>Partnerships</u>	<u>Total</u>
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	<u>55,179</u>	<u>-0-</u>	<u>55,179</u>
Ending Balance, 9/30/10	<u>\$ 990,837</u>	<u>\$ 514,084</u>	<u>\$ 1,504,921</u>

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The following schedule summarizes the changes in assets measured using Level 3 inputs during the year ending September 30, 2009:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)		
	Hedge Fund	Partnerships	Total
Beginning Balance, 9/30/08	\$ 881,197	\$ 352,579	\$ 1,233,776
Additions	-0-	50,000	50,000
Dividends, interest and other	-0-	4,461	4,461
Realized losses	-0-	(17,410)	(17,410)
Unrealized gains	54,461	-0-	54,461
Ending Balance, 9/30/09	\$ 935,658	\$ 389,630	\$ 1,325,288

3. INVESTMENTS AND INVESTMENT RETURN

A summary of the Organization's investments and investment returns as of September 30, 2010 and 2009 and for the years then ended are as follows:

	2010		2009	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
<b>Investments:</b>				
Money market funds	\$ 45,690	\$ 45,690	\$ 78,533	\$ 78,533
Common and preferred stock	5,215,518	4,724,661	3,865,079	2,807,392
Mutual funds and other	15,898,874	16,140,830	17,157,246	16,692,145
Total investments	\$ 21,160,082	\$ 20,911,181	\$ 21,100,858	\$ 19,578,070

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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, 2010 and 2009:

	<b>2010</b>				
	<b>General Fund</b>	<b>Other Unrestricted Funds</b>	<b>Total Unrestricted</b>	<b>Temporarily Restricted Funds</b>	<b>Total</b>
Dividends and interest (net of expenses of \$23,703)	\$ 519,663	\$ 32,565	\$ 552,228	\$ 14,223	\$ 566,451
Net realized gains on investments	31,765	(4,101)	27,664	16,185	43,849
Net unrealized gains (losses) on investments	<u>1,192,603</u>	<u>63,711</u>	<u>1,256,314</u>	<u>17,573</u>	<u>1,273,887</u>
Total investment income (loss)	<u>\$ 1,744,031</u>	<u>\$ 92,175</u>	<u>\$ 1,836,206</u>	<u>\$ 47,981</u>	<u>\$ 1,884,187</u>
	<b>2009</b>				
	<b>General Fund</b>	<b>Other Unrestricted Funds</b>	<b>Total Unrestricted</b>	<b>Temporarily Restricted Funds</b>	<b>Total</b>
Dividends and interest (net of expenses of \$20,090)	\$ 866,856	\$ 46,893	\$ 913,749	\$ 24,560	\$ 938,309
Net realized gains (losses) on investments	(14,940)	968	(13,972)	-	(13,972)
Net unrealized losses on investments	<u>(534,109)</u>	<u>(6,044)</u>	<u>(540,153)</u>	<u>(13,849)</u>	<u>(554,002)</u>
Total investment income (loss)	<u>\$ 317,807</u>	<u>\$ 41,817</u>	<u>\$ 359,624</u>	<u>\$ 10,711</u>	<u>\$ 370,335</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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4. FURNITURE AND EQUIPMENT

The Organization's furniture and equipment for the years ended September 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Furniture, office equipment and information technology	\$ 1,191,025	\$ 672,068
Leasehold improvements	<u>38,039</u>	<u>38,039</u>
	1,229,064	710,107
Accumulated depreciation and amortization	<u>(271,665)</u>	<u>(180,949)</u>
	<u>\$ 957,399</u>	<u>\$ 529,158</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>2010</u>	<u>2009</u>
Purpose restrictions accomplished:		
Emergency Fund grants and related expenses	\$ 189,201	\$ 282,547
Veterans Creative Arts Festival and related expenses	131,132	133,780
Scholarship expenses, net of forfeitures	<u>(1,500)</u>	<u>-0-</u>
	<u>\$ 318,833</u>	<u>\$ 416,327</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.

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The financial position of the PUFL Membership trust is as follows:

	<u>2010</u>	<u>2009</u>
<b>Assets:</b>		
Cash	\$ 3,055	\$ 60,417
Investments	3,033,136	2,770,815
Other	<u>(19,346)</u>	<u>(2,972)</u>
 Total assets	 <u>\$ 3,016,845</u>	 <u>\$ 2,828,260</u>
<b>Liabilities:</b>		
Deferred revenue - PUFL	<u>\$ 3,016,845</u>	<u>\$ 2,828,260</u>

The cost and market value of investments in the PUFL Membership trust as of September 30, 2010 and 2009 are as follows:

	2010		2009	
	Cost	Market	Cost	Market
<b>Investments:</b>				
Money market funds	\$ 14,230	\$ 14,230	\$ 103,966	\$ 103,966
Mutual funds and other	<u>3,102,211</u>	<u>3,018,906</u>	<u>3,168,293</u>	<u>2,666,849</u>
Total investments	<u>\$ 3,116,441</u>	<u>\$ 3,033,136</u>	<u>\$ 3,272,259</u>	<u>\$ 2,770,815</u>

The following schedule summarizes the PUFL Membership trust investment income (loss) for the years ended September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Dividends and interest (net of expenses)	\$ 64,891	\$ 143,263
Net realized gains (losses) on investments	(203,752)	156
Net unrealized gains (losses) on investments	<u>418,139</u>	<u>(52,442)</u>
Total investment income	<u>\$ 279,278</u>	<u>\$ 90,977</u>

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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>2010</u>	<u>2009</u> <u>(Restated)</u>
Projected benefit obligation	\$ (2,714,165)	\$ (2,566,057)
Fair value of plan assets	<u>2,360,379</u>	<u>2,277,627</u>
Funded status	<u>\$ (353,786)</u>	<u>\$ (288,430)</u>
Accumulated benefit obligation	<u>\$ (2,714,165)</u>	<u>\$ (2,566,057)</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>2010</u>	<u>2009</u> <u>(Restated)</u>
Liability for pension benefits	\$ 353,786	\$ 288,430
Unrecognized losses (Note 13)	(290,985)	(209,316)
Unamortized prior service cost (Note 13)	(69,641)	(74,935)
Net periodic pension cost	(11,019)	(40,810)
Employer contributions	-0-	-0-
Benefits paid	123,752	151,162

Weighted-average assumptions used to determine benefit obligations are as follows:

	<u>2010</u>	<u>2009</u> <u>(Restated)</u>
Weighted-average assumptions:		
Discount rate	5.54%	5.16%
Rate of compensation increase	N/A	N/A

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Weighted-average assumptions used to determine benefit costs:

	<u>2010</u>	<u>2009</u>
Weighted-average assumptions:		
Discount rate	5.16%	5.21%
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:

2011	\$ 128,124
2012	135,868
2013	139,310
2014	146,322
2015	148,841
2015-2019	<u>818,798</u>
	<u>\$ 1,517,263</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, 2010 and 2009 were as follows:

	<u>Target</u>	<u>2010</u>	<u>2009</u>
Equity securities	35 - 45%	24%	26%
Debt securities	55 - 65%	73%	72%
Other		3%	2%

The market values of the investments are measured by a Level 1 input in accordance with FASB ASC 820.

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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 \$32,567 and \$27,916 in 2010 and 2009, 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 \$234,957 and \$209,130 in 2010 and 2009, respectively.

The Auxiliary also leases certain office equipment under terms in excess of one year. This lease requires minimum monthly lease payments of \$3,330 expiring at April 2012. Lease expense for this lease and other short-term cancelable leases was \$61,542 and \$62,519 for the years ended September 30, 2010 and 2009, respectively.

Future minimum lease payments under the terms of all noncancelable operating leases at September 30, 2010 are as follows:

<u>Year Ending</u> <u>September 30,</u>		
2011	\$	256,129
2012		238,405
2013		221,910
2014		225,396
2015		228,881
Thereafter		<u>787,723</u>
	\$	<u><u>1,958,444</u></u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
AND  
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009

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 annually to the Legion's 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. In 2009, the Auxiliary also purchased membership processing services from Haynes and Partners Communications, Inc. ("HPC"), a wholly-owned subsidiary of the Legion.

Activities between the Auxiliary and the Legion for the years ended September 30, 2010 and 2009 are summarized below:

	<u>2010</u>	<u>2009</u>
<b>Disbursements to Legion:</b>		
Access to computer network and IT support	\$ 49,909	\$ 77,385
Membership processing	51,828	131,278
National convention	51,033	31,847
Legal services	7,500	7,500
National emblem sales	11,102	14,499
Other	10,316	13,857
Contributions to the Legion and its affiliates	<u>40,000</u>	<u>40,000</u>
	<u>\$ 221,688</u>	<u>\$ 316,366</u>
<b>Receipts:</b>		
National emblem sales	\$ 55,515	\$ 54,834
Other	<u>767</u>	<u>495</u>
	<u>\$ 56,282</u>	<u>\$ 55,329</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
AND  
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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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, 2010 include the following:

	NEC <u>Designated</u>	Donor <u>Designated</u>	<u>Total</u>
Historic gift value	\$ 312,948	\$ 522,407	\$ 835,355
Accumulated earnings	<u>8,195</u>	<u>54,513</u>	<u>62,708</u>
Endowment net assets, beginning of year	<u>321,143</u>	<u>576,920</u>	<u>898,063</u>
Additions to endowment	-0-	14,792	14,792
Transfers from operating fund	27,500	-0-	27,500
Scholarships paid, net of forfeitures	(30,250)	1,500	(28,750)
Interest and dividends	7,361	14,223	21,584
Realized gains	9,094	16,185	25,279
Unrealized gains	<u>9,839</u>	<u>17,573</u>	<u>27,412</u>
Change in endowment net assets	<u>23,544</u>	<u>64,273</u>	<u>87,817</u>
Endowment net assets, end of year	<u>\$ 344,687</u>	<u>\$ 641,193</u>	<u>\$ 985,880</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, end of year	<u>\$ 344,687</u>	<u>\$ 641,193</u>	<u>\$ 985,880</u>

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009

Endowment net assets at September 30, 2009 include the following:

	NEC <u>Designated</u>	Donor <u>Designated</u>	<u>Total</u>
Historic gift value	\$ 280,810	\$ 479,742	\$ 760,552
Accumulated earnings	<u>-0-</u>	<u>43,802</u>	<u>43,802</u>
Endowment net assets, beginning of year	<u>280,810</u>	<u>523,544</u>	<u>804,354</u>
Additions to endowment	32,138	42,665	74,803
Transfers from operating fund	30,000	-0-	30,000
Scholarships paid, net of forfeitures	(27,250)	-0-	(27,250)
Interest and dividends	13,235	24,560	37,795
Unrealized losses	<u>(7,790)</u>	<u>(13,849)</u>	<u>(21,639)</u>
Change in endowment net assets	<u>40,333</u>	<u>53,376</u>	<u>93,709</u>
Endowment net assets, end of year	<u>\$ 321,143</u>	<u>\$ 576,920</u>	<u>\$ 898,063</u>
Historic gift value	\$ 312,948	\$ 522,407	835,355
Accumulated earnings	<u>8,195</u>	<u>54,513</u>	<u>62,708</u>
Endowment net assets, end of year	<u>\$ 321,143</u>	<u>\$ 576,920</u>	<u>\$ 898,063</u>

Governing Board's Interpretation of Relevant Law

The Auxiliary has interpreted the state law of Indiana's House Bill No. 1505, *Uniform Prudent Management of Institutional Funds Act*, to not require the maintenance of purchasing power. The law does 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. 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, 2010 AND 2009

Endowment Draws

Endowment draws of \$27,250 and \$30,250 were made during the years ended September 30, 2010 and 2009 to fund scholarships. Transfers from the operating fund of \$30,000 and \$27,500 were made to the endowment fund during the years ended September 30, 2010 and 2009.

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, 2010 AND 2009

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. 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.

13. COMPREHENSIVE INCOME

Comprehensive income for the years ended September 30, 2010 and 2009 includes the following:

	<u>2010</u>	<u>2009</u>
Change in net assets	\$ <u>1,887,688</u>	\$ <u>137,787</u>
Other comprehensive income:		
Change in unrecognized losses	(81,669)	(209,316)
Change in unamortized prior service cost	<u>5,294</u>	<u>(74,935)</u>
	<u>(76,375)</u>	<u>(284,251)</u>
Comprehensive income	\$ <u>1,811,313</u>	\$ <u>(146,464)</u>

14. RESTATEMENT OF NET ASSETS

Prior Period Adjustment – Correction of Error

During the year ended September 30, 2010, the Auxiliary was made aware of an error in the calculation of the projected benefit obligation for its pension plan as of September 30, 2009. Additionally, the Auxiliary changed discount rates as part of the calculation at September 30, 2009 to more accurately reflect the investments of the plan. As a result of the error and change in discount rates, the consolidated statement of financial position as of September 30, 2009 was restated to recognize a liability for pension benefits of \$288,430 and accumulated other comprehensive income of \$284,251. There was no effect on the consolidated statement of activities and changes in net assets as a result of this restatement.

SUPPLEMENTARY INFORMATION

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
AND  
AMERICAN LEGION AUXILIARY FOUNDATION, INC.

ANALYSIS OF DEFERRED REVENUE – PUFL  
YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>Increases</b>		
Membership dues	\$ 282,570	\$ 259,870
Investment income	<u>279,278</u>	<u>90,977</u>
	<u>561,848</u>	<u>350,847</u>
<b>Decreases</b>		
Distributions to departments	328,183	314,549
Administrative expense	<u>45,080</u>	<u>46,960</u>
	<u>373,263</u>	<u>361,509</u>
<b>Net Increase</b>	188,585	(10,662)
<b>Deferred Revenue, Beginning of Year</b>	<u>2,828,260</u>	<u>2,838,922</u>
<b>Deferred Revenue, End of Year</b>	<u>\$ 3,016,845</u>	<u>\$ 2,828,260</u>

See Independent Auditors' report on page 1.

AMERICAN LEGION AUXILIARY NATIONAL HEADQUARTERS  
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AMERICAN LEGION AUXILIARY FOUNDATION, INC.

CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2010

<b><u>ASSETS</u></b>				
	<u>Auxiliary</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 431,180	\$ 36,297	\$ -0-	\$ 467,477
Investments	20,911,181	-0-	-0-	20,911,181
Investments - PUFL	3,033,136	-0-	-0-	3,033,136
Prepaid expenses	214,658	-0-	-0-	214,658
Furniture and equipment, net	957,399	-0-	-0-	957,399
Other assets	<u>301,865</u>	<u>83,074</u>	<u>(8,074)</u>	<u>376,865</u>
Total assets	<u>\$ 25,849,419</u>	<u>\$ 119,371</u>	<u>\$ (8,074)</u>	<u>\$ 25,960,716</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>				
Accounts payable	\$ 487,415	\$ 17,165	\$ -0-	\$ 504,580
Accrued expenses	278,148	-0-	-0-	278,148
Accrued scholarships	83,750	-0-	-0-	83,750
Deferred revenue - dues	1,680,057	-0-	-0-	1,680,057
Deferred revenue - PUFL	3,016,845	-0-	-0-	3,016,845
Deferred revenue - other	670	-0-	-0-	670
Liability for pension benefits	<u>353,786</u>	<u>-0-</u>	<u>-0-</u>	<u>353,786</u>
Total liabilities	<u>5,900,671</u>	<u>17,165</u>	<u>-0-</u>	<u>5,917,836</u>
<b>Net Assets:</b>				
Unrestricted net assets				
General fund	18,230,680	8,074	(8,074)	18,230,680
Other unrestricted funds	<u>1,315,772</u>	<u>-0-</u>	<u>-0-</u>	<u>1,315,772</u>
Total unrestricted net assets	19,546,452	8,074	(8,074)	19,546,452
Temporarily restricted net assets	225,723	-0-	-0-	225,723
Permanently restricted net assets	<u>537,199</u>	<u>94,132</u>	<u>-0-</u>	<u>631,331</u>
Total net assets before accumulated other comprehensive income	20,309,374	102,206	(8,074)	20,403,506
Accumulated other comprehensive income	<u>(360,626)</u>	<u>-0-</u>	<u>-0-</u>	<u>(360,626)</u>
Total net assets	<u>19,948,748</u>	<u>102,206</u>	<u>(8,074)</u>	<u>20,042,880</u>
Total liabilities and net assets	<u>\$ 25,849,419</u>	<u>\$ 119,371</u>	<u>\$ (8,074)</u>	<u>\$ 25,960,716</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, 2010

	General Operating Fund		Other Unrestricted Funds		Auxiliary Total		Temporarily Restricted Funds		Permanently Restricted Funds		Foundation Total		Eliminations		Total
<b>Revenue, Gifts &amp; Other Support:</b>															
Membership dues	\$ 838,189	\$ 97,152	\$ 935,341	\$ 399,599	\$ 14,792	\$ 1,259,722	\$ 41,156	\$ 87,132	\$ 128,288	\$ (39,902)	\$ 1,248,118				\$ 1,248,118
Advertising	3,762,248	113,946	3,881,194	-	-	3,881,194	-	-	-	-	3,881,194				3,881,194
Other	1,092,785	-	1,092,785	-	-	1,092,785	-	-	-	-	1,092,785				433,665
	6,131,887	211,098	6,342,985	399,599	14,792	6,667,376	41,156	87,132	128,288	(39,902)	6,755,762				1,092,785
Net assets released from restrictions	-	318,833	318,833	(318,833)	-	-	-	-	-	-	-				6,755,762
Total revenue, gifts, and other support	6,131,887	529,931	6,661,818	(9,234)	14,792	6,667,376	41,156	87,132	128,288	(39,902)	6,755,762				6,755,762
<b>Expenses:</b>															
Member services	3,895,302	191,285	4,086,587	-	-	4,086,587	-	-	-	-	4,086,587				4,086,587
Youth education services	597,533	16,922	763,455	-	-	763,455	-	-	-	-	763,455				763,455
Veteran and military family	512,956	431,550	944,506	-	-	944,506	-	-	-	-	944,506				944,506
Total program services	5,005,791	788,757	5,794,548	-	-	5,794,548	-	-	-	-	5,794,548				5,794,548
Management and general	433,770	-	433,770	-	-	433,770	20,335	-	20,335	(19,081)	433,024				433,024
Fundraising	522,689	-	522,689	-	-	522,689	24,858	-	24,858	(24,858)	522,689				522,689
Total expenses	5,962,250	788,757	6,751,007	-	-	6,751,007	45,193	-	45,193	(43,939)	6,752,261				6,752,261
Change in net assets from operations	169,637	(258,826)	(89,189)	(9,234)	14,792	(83,631)	(4,037)	87,132	83,095	4,037	3,501				3,501
<b>Investment Income (Losses):</b>															
Net of Expenses	17,440,011	92,175	1,852,206	47,981	-	1,884,187	-	-	-	-	1,884,187				1,884,187
Change in net assets	1,913,668	(166,651)	1,747,017	38,747	14,792	1,800,556	(4,037)	87,132	83,095	4,037	1,887,688				1,887,688
<b>Net Assets Before Accumulated Other Comprehensive Income, Beginning of Year</b>	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				18,515,818
<b>Interfund Transfers</b>	(209,861)	-	-	-	-	-	-	-	-	-	-				-
<b>Net Assets Before Accumulated Other Comprehensive Income, End of Year</b>	18,230,680	1,315,772	19,546,452	225,723	537,199	20,309,374	8,074	94,132	102,206	(8,074)	20,403,506				20,403,506

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, 2009

	Gen # Operating Fund	Other Unrestricted Funds	Total Unrestricted	Auxiliary		Permanently Restricted Funds	Unrestricted Funds	Foundation Restricted Funds	Foundation Total	Eliminations	Total
				Proce # by Restricted Funds	Auxiliary Total						
<b>Revenues, Gains &amp; Other Support:</b>											
Membership dues	\$ 416,842	\$ 628,849	\$ 1,045,691	\$ 289,850	\$ 42,665	\$ 812,166	\$ 22,562	\$ 7,000	\$ 20,562	\$ (28,012)	\$ 813,856
Advertising	3,988,612	116,130	4,082,442	-	-	4,082,442	-	-	-	-	4,082,442
Other	1,103,009	-	1,103,009	-	-	1,103,009	-	-	-	-	1,103,009
Net assets received from Foundation, grants, and Other support	5,809,208	179,079	5,988,287	289,950	42,665	6,320,902	22,562	7,000	29,562	(28,012)	6,322,452
Total revenue, gains, and Other support	-	416,327	416,327	(416,327)	-	-	-	-	-	-	-
<b>Expenses:</b>											
Member services	5,809,208	595,406	6,404,614	(126,377)	42,665	6,320,902	22,562	7,000	29,562	(28,012)	6,322,452
Youth education services	3,621,269	291,580	3,912,849	-	-	3,912,849	-	-	-	-	3,912,849
Veteran and auxiliary family	602,616	194,154	796,770	-	-	796,770	-	-	-	-	796,770
Total program services	6,785,656	455,975	7,241,631	-	-	7,241,631	-	-	-	-	7,241,631
Management and general	4,900,541	944,709	5,842,250	-	-	5,842,250	-	-	-	-	5,842,250
Fundraising	337,640	-	337,640	-	-	337,640	1,624	-	1,624	(1,624)	337,640
Total expenses	5,613,291	944,709	6,555,000	-	-	6,555,000	32,650	-	32,650	(32,650)	6,555,000
Change in net assets from operations	195,917	(446,303)	(150,386)	(126,377)	42,665	(234,099)	(9,488)	7,000	(2,488)	4,018	(252,549)
<b>Investment Income (Loss), Net of Expenses</b>	317,807	41,817	359,624	10,211	-	370,335	-	-	-	-	370,335
Change in net assets	513,724	(504,486)	9,238	(115,666)	42,665	196,337	(9,488)	7,000	(2,488)	4,018	137,797
<b>Net Assets Before Accumulated Other Comprehensive Income, Beginning of Year</b>	16,325,979	1,264,218	17,590,197	302,642	479,742	18,372,381	16,149	5,450	21,599	(16,149)	18,376,031
<b>Interfund Transfers</b>	(521,830)	321,830	-	-	-	-	5,650	(6,450)	-	-	-
<b>Net Assets Before Accumulated Other Comprehensive Income, End of Year</b>	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

See Independent Auditors' report on page 1.

AMERICAN LEGION AUXILIARY  
FOUNDATION, INC.  
(An affiliate of American Legion Auxiliary, Inc.)

FINANCIAL STATEMENTS  
SEPTEMBER 30, 2010 AND 2009



AMERICAN LEGION AUXILIARY  
FOUNDATION, INC.  
(AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)

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4181 E. 96<sup>th</sup> Street, Suite 180 ♦ Indianapolis, IN 46240  
Mailing Address: P. O. Box 90170 ♦ Indianapolis, Indiana 46290-0170  
Office (317) 569-4181 ♦ FAX (317) 569-0564 ♦ (877) 922-4941

## 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, 2010 and 2009, 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, 2010 and 2009, 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 12, 2011

AMERICAN LEGION AUXILIARY  
 FOUNDATION, INC.  
 (AN AFFILIATE OF AMERICAN LEGION AUXILIARY, INC.)

STATEMENTS OF FINANCIAL POSITION  
 SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash	\$ 36,297	\$ 7,000
Contributions receivable	75,000	-0-
Organization costs, net of amortization of \$12,112 and \$8,075 in 2010 and 2009, respectively	<u>8,074</u>	<u>12,111</u>
Total assets	<u>\$ 119,371</u>	<u>\$ 19,111</u>

	<u>2010</u>	<u>2009</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
Accounts payable	<u>\$ 17,165</u>	<u>\$ -0-</u>
<b>Net Assets:</b>		
Unrestricted net assets	8,074	12,111
Permanently restricted net assets	<u>94,132</u>	<u>7,000</u>
Total net assets	<u>102,206</u>	<u>19,111</u>
Total liabilities and net assets	<u>\$ 119,371</u>	<u>\$ 19,111</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

	Unrestricted Funds	Permanently Restricted Funds	Total
<b>Revenue, Gains &amp; Other Support:</b>			
Contributions	\$ 41,156	\$ 87,132	\$ 128,288
<b>Expenses:</b>			
Management and general:			
Salaries and wages	5,979	-0-	5,979
General operating expenses	5,777	-0-	5,777
Conventions and meetings	4,254	-0-	4,254
Professional services and fees	4,325	-0-	4,325
Total management and general	20,335	-0-	20,335
Fundraising:			
Salaries and wages	11,479	-0-	11,479
General operating expenses	1,526	-0-	1,526
Conventions and meetings	3,960	-0-	3,960
Professional services and fees	7,893	-0-	7,893
Total fundraising	24,858	-0-	24,858
Total expenses	45,193	-0-	45,193
Change in net assets	(4,037)	87,132	83,095
<b>Net Assets, Beginning of Year</b>	12,111	7,000	19,111
<b>Net Assets, End of Year</b>	\$ 8,074	\$ 94,132	\$ 102,206

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, 2009

	Unrestricted Funds	Permanently Restricted Funds	Total
<b>Revenue, Gains &amp; Other Support:</b>			
Contributions	\$ 22,562	\$ 7,000	\$ 29,562
<b>Expenses:</b>			
Management and general			
Salaries and wages	7,103	-0-	7,103
General operating expenses	10,949	-0-	10,949
Conventions and meetings	4,191	-0-	4,191
Professional services and fees	8,173	-0-	8,173
Total management and general	30,416	-0-	30,416
Fundraising	1,634	-0-	1,634
Total expenses	32,050	-0-	32,050
Change in net assets	(9,488)	7,000	(2,488)
<b>Net Assets, Beginning of Year</b>	16,149	5,450	21,599
<b>Interfund Transfers</b>	5,450	(5,450)	-0-
<b>Net Assets, End of Year</b>	\$ 12,111	\$ 7,000	\$ 19,111

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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ 83,095	\$ (2,488)
Changes in operating assets and liabilities:		
Contributions receivable	(75,000)	-0-
Other assets - amortization	4,037	4,038
Accounts payable	<u>17,165</u>	<u>-0-</u>
Net cash provided by operating activities	<u>29,297</u>	<u>1,550</u>
<b>Net Increase in Cash</b>	29,297	1,550
<b>Cash, Beginning of Year</b>	<u>7,000</u>	<u>5,450</u>
<b>Cash, End of Year</b>	<u>\$ 36,297</u>	<u>\$ 7,000</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, 2010 AND 2009

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, 2010 and 2009, 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, 2010 AND 2009

*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.

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, 2010 and 2009.

Income Taxes

The Foundation is organized as a not-for-profit corporation and, accordingly, is exempt from Federal and state income taxes under sections 501(c)(3) of the Internal Revenue Code. If applicable, the Foundation pays income tax on unrelated business income.

Subsequent Events

Subsequent events have been evaluated through January 12, 2011, which is the date the financial statements were available to be issued.

2. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2010 and 2009, the Foundation received contributions of \$39,902 and \$22,562 from the Auxiliary to fund certain organizational and other costs incurred by the Foundation.