

Fellow Oklahoma Comrades, on the evening of our hard-fought fight to get Congress and especially the Senate to pass the PACT Act, I wanted to thank each of you who has so diligently monitored Action Corps and contacted your Senators and pushed for its passage. Our collective efforts as VFW members have won us this piece of important legislation. This is what we do as VFW members huh? We fight for Veterans.

As I am sure many of you have already read Chief Borland's comments, but I feel it is worthwhile to re-publish the first paragraph of his message. *"Today's passage of the PACT Act is a landmark victory for veterans of all ages, of all conflicts and their families. Too many of our veterans have suffered over the years from effects of toxic exposure, with no medical care, no recompense, and no support to their loved ones. They fought with everything they had to prove their illness was service-connected and were delayed or denied care until death overtook them."* Commander-in-Chief Tim Borland

Comrades, during the beginning of our National Convention the National Council met and first and foremost we received a 3rd Quarter briefing from the Budget & Finance Committee Chairman Larry Maher and Quartermaster General Marc Garduno. I wanted to share some of our National Organization's financial status below.

Currently the General Fund Investment Reserve is \$72,304,130 which is a decrease of 14 million since August 31, 2021. Of the total decrease, \$5.1 million is from net market losses for the year, and \$10 million is the result of transfers made to our pension plan and transfers made to our checking account to support current cash flow requirements.

Over the last year as can be expected, the impact of inflation, the war in Ukraine, and supply chain delays continue to be strong headwinds for the equity markets to overcome. The equity and bond markets have experienced a big pull back so far this year, with the S&P 500 down almost 20% and rising interest rate environment has a negative impact on the value of the existing bonds that the organization holds.

As of May 31, 2022 for the 9-month period FY period, we are running an operating deficit of \$10,321,853. This deficit is larger than typical deficits at this time of the year, but with the guarantee the VFW has in place for the fundraising

program, we still believe that we will end the year around our budget. Good news is that most departments within the National organization are on pace to end the year around or under budget. However, there are a couple of large items that will have an impact on the overall budget for the year. First, travel expenses have increased dramatically this year, and that will affect budgets for the National Convention, National Council of Administration Department Officer Training, Service Officer Training, and other general travel for the organization. However, the VFW should be able to absorb these increases in travel costs due to savings in salaries and benefits. Like many companies the last couple of years, the VFW has experienced a lot of turnover in personnel and there have been several vacancies throughout the year. It is anticipated that the organization will be under budget by approximately \$1.3 million in salaries and benefits.

As of May 31, 2022, the organization has incurred \$5.1 million in net realized and unrealized losses on our General Fund investment portfolio. The VFW has had a very positive run with market performance for the last decade, so it is not uncommon to experience a market downturn like this. Sticking to a solid investment policy and asset allocation will help the organization minimize losses in a market downturn, and also ensure the organization is able to capitalize when the markets rebound.

On August 18-21st the National Council of Administration will meet again in Kansas City, MO. One of the main reasons for this is to review, discuss and approve the FY 2-22-2023 operating budget. As a member of the Budget & Finance Committee I along with others on the committee will be seeing the proposed budget prior to the rest of the Council. I am sure we will all be able to come together and approve a budget that works in the best interest of our organization.

On another note, I have approached Adjutant General Dan West referencing the National Veteran Services Restricted Grant funding; especially since during our Council meeting National Veteran Services Director Ryan Gallucci briefed that they would be looking at the grant process again this year. The restricted grant money distributed to Departments throughout the year for our Veteran Service Operations has not been updated since 2008. Since becoming a council member in October, I have been in review of this process. I currently feel (as so do others), that there is disparity among how the grant money is determined to each department. I have asked that this issue be brought before the NCOA in August.

I will be pushing for more transparency and NCOA input into the process and/or review and approval. This is something that has needed fixing for quite a while. We do not need to push the can down the street any longer.

On a lighter note, I have asked we discuss the possibility of a VFW 125th Anniversary Decanter. Maybe there are already plans for a decanter to be created and available for member to purchase once we get closer to that anniversary. I don't know, but I thought it worthwhile to find out.

Comrades, as always, I wanted to update you on some of the business at the National level. I know that many of you attended our Council sessions during the National Convention. Thank you for participation! As always feel free to contact me if you so desire. Thank you for your service to our Country to our VFW, and to your local community. Please remember, Commander-in-Chief Borland's challenge. Every one of us needs to recruit at least one member. If we do, we can strengthen our organization in so many ways.

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National Council 2022-26

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