



2020 ANNUAL REPORT

VVA will be here for as long as it takes to make sure that those who serve our country receive the care and respect they have earned.



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President's Message

When we came home from our war, we needed a lot of help—our GI Bill was not the education bill of our predecessors from War World II and Korea—it had been reduced to practically nothing. PTSD as we know it was still being called post-Vietnam Syndrome. Nobody understood the toll our exposure to chemical defoliants would take on our health and our lifespans. And the politics of the time left us exposed to both the left and the right. We were either baby killers or whiners.

We vowed that we would never let this happen to another generation of veterans. Despite these limitations, we have succeeded beyond our wildest dreams.

On Capitol Hill we fought for a post-9/11 GI Bill that has allowed the newer generations of veterans to obtain educational benefits we could only dream of. We are proud that today, 37 percent of these veterans have a college degree.

As a result of our efforts, PTSD is a household word. Today, our fellow Americans are aware of the psychological toll of combat and understand the impact of trauma, whether from a car accident, rape, or other horrific experience. With awareness have come advances in therapies and treatment.

As you will read in the pages that follow, we continue to fight for the recognition and treatment of all wounds, disabilities, and illnesses resulting from service—including toxic wounds caused by exposure to burn pits, chemicals, and radiation, as well as Agent Orange .

Vietnam Veterans of America will be here as long as it takes to get the job done.

John Rowan
National President, Vietnam Veterans of America

Overview 2019/20



Vietnam Veterans of America, the only congressionally chartered national veterans' service organization dedicated to working on behalf of the nation's Vietnam-era veterans and their families, began its 41st year "In Service to America." In keeping with our founding principle, "Never again will one generation of veterans abandon another," VVA's theme of "Vets Connect" enables it to reach out to our newer veterans in many ways.

VVA has grown from humble beginnings in 1978 into one of our nation's most respected and successful veterans' service organizations on the national, state, and local levels. The organization's many successes are a direct result of the hard work of thousands of dedicated men and women: our members; our national committee and task force chairs; our national officers; and the staff at our national headquarters in Silver Spring, Maryland.

Our national membership continues to grow. We now have over 87,000 members, with 658 chapters in all 50 states, Guam, Puerto Rico, the Philippines, and the Virgin Islands. Our 48 State Councils coordinate the activities of the local chapters. VVA's national activities are closely coordinated with the work of the chapters and state councils;

victories gained at the national level are implemented locally. Our affiliated, supporting organization, the Associates of Vietnam Veterans of America, has over 10,000 members.

As you can see in the pages that follow, the members of VVA, a 501(c)(19) tax-exempt organization, are hard at work in their communities. Our chapters and state councils sponsored a wide variety of volunteer programs, including support for homeless shelters; outreach and education on the health issues facing veterans and their families; working with veterans at the VA Medical Centers and at the VA Regional offices; alcohol- and drug-abuse



education projects; crime-prevention campaigns; sponsorship of youth sports, Boy Scouts/Girl Scouts, and Big Brother/Big Sister programs; educational scholarships to veterans and their children; relief to fellow citizens affected by natural disasters and chronic poverty; and many kinds of support for our servicemen and women serving around the globe.

Because there is very little outreach to the men and women who served in the military, and because too

many veterans succumb to diseases that can be traced back to their time in service, VVA launched the Veterans Health Council (VHC) in partnership with other healthcare professional advocacy organizations, unions, pharmaceutical companies, and healthcare providers. The mission of the VHC is to improve the health of America's veterans through education and information about the health risks associated with military service. The Veterans Health Council website—www.veteranshealth.net—provides veterans, their families, and their healthcare providers with crucial information pertaining to the health of our veterans.

Nationally, our Government Affairs Department worked with key officials in the Administration, with leaders in Congress, and with senior staff in the Department of Veterans Affairs to move VVA's legislative agenda and policy priorities. We are determined that adequate healthcare services are available for our returning troops as well as for Vietnam veterans. We continue to deliver expert testimony before Congress, federal agencies, and nongovernmental organizations.

We have led the charge and galvanized action on issues such as military toxic exposure; Post-traumatic Stress Disorder; homeless, minority, and women veterans; the fullest possible accounting of American POW/MIAs; and veterans in the justice system. Among this year's top legislative victories: *The Mission Act*, which includes additional funding for veterans healthcare; the expansion of the Caregivers Act to pre-9/11 veterans and their families, thereby making Vietnam

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veterans and their families eligible for the program; and the *Blue Water Navy Vietnam Veterans Act* which will provide presumptive service connection for veterans who served offshore of Vietnam.

Our partnership with the Veterans Legal Services Clinic at the Yale Law School continues to yield important legal decisions involving healthcare and benefits earned by our veterans through their service.

VVA continues to push for the improvement of the Veterans Benefits Administration's claims processing and delivery of service to veterans. Through legislative action, administrative advocacy, and meetings with Department of Veterans Affairs executive staff, VVA is committed to reducing the claims backlog, and to ensuring veterans are provided timely and quality services at all VA facilities.

VVA maintains a strong and aggressive Veterans Benefits Program. Unlike other areas of the law, there are stringent regulations regarding attorney representation of disabled veterans before the U.S. Department of Veterans Affairs. As a result, veterans frequently find themselves facing the VA without adequate representation during their application for VA benefits. To level

the playing field, veterans must seek legal assistance outside of traditional legal channels.

One of the more successful strategies employed by veterans is using a veterans' service organization such as VVA. Today, we have a network of 300 accredited service officers across the nation.

VVA offers disabled veterans and claimants a full-service Benefits Program. VVA assists all veterans, no matter when or where they served. This holds true whether the claimant is a VVA member or not. This is our way of ensuring that we live up to our founding principle, "Never again will one generation of veterans abandon another." VVA representation is also provided free of charge to any individual seeking any VA benefits.

VVA's Veterans Benefits Program has consistently maintained a high favorable decision rate at Board of Veterans Appeals.

From March 2019 through January 2020, VVA Benefits Department Appeals Attorneys received a favorable outcome for 819 cases at the Board of Veterans Appeals. Due to our winning success rate, an ever-increasing number of claimants are requesting VVA representation and assistance.

Now in its 40th year, our award-winning bimonthly news magazine, *The VVA Veteran*, continues to educate, excite, and energize our membership while broadcasting to the outside world what VVA does.

Our Communications department in 2020 provided greater public awareness about issues dealing with Vietnam-era veterans as well as challenges facing veterans of the Global War on Terror, by working with national news media and by distributing information on an ongoing basis.

VVA continues to expand its reach with the use of electronic media. On the web, VVA can be found at vva.org. Our e-newsletter, *The Web Weekly*, provides our subscribers with the latest developments in veterans' health and legislation. Our YouTube channels, Face Book pages, and use of twitter are further expanding our reach, and our number of followers continues to grow.

POW-MIA

Our number one priority remains the fullest possible accounting of America’s POW/MIAs. On May 7, 1975, the official end of the war, there were 2,636 Americans listed as missing in Southeast Asia. Thanks to the advocacy of the families, Vietnam veterans, and what is now the POW/MIA Accounting Agency—as well as the work of VVA’s Veterans Initiative program—the number is now 1,584, with 999 accounted for since 1975. We continue to ensure support for the efforts of the Joint Task Force to locate and recover the remains of American servicemen missing in Vietnam, Laos, and Cambodia.



In February, our Veterans Initiative Program completed its 27th mission to Vietnam. For 22 days, the VI team travelled from North to South for meetings with Vietnamese veterans and officials at the national, province, district, and commune levels to share information leading to the recovery of the war dead. We returned maps and other fate-clarifying information to assist the Vietnamese in locating the remains of their war dead. Since 1994, VVA has provided information to assist in the recovery of more than 1,500 Vietnamese remains from the war.

This year we were successful in achieving the passage of the *POW/MIA Flag Act*, which was signed into law P.L. 116-67. The POW/MIA flag will now be displayed to the immediate left of the national colors whenever the American flag is displayed on prominent federal properties.



"We continue to look for information like your pilots, and we continue to look forward to receiving information from our missing from war. We have four million members"

— Veterans Association of Vietnam Director of External Relations, Col. Tran Ngoc Dan.

Veterans in the Workplace

We are promoting meaningful jobs for veterans in the public and private sectors through job preparation and training, as well as promoting veterans in business.

We have taken the lead in fighting for funding for veterans’ employment and training programs, and for action by the Executive Branch that would ensure that the three percent goal of awarding federal contracts to veterans—and especially service-connected disabled veterans—is met if not exceeded. We continue to advocate for the integrity of veterans’ preference laws and regulations at all agencies.

Addressing Veteran Suicide

We continue to encourage the VA to create a culture that proactively seeks out lonely, homeless, family-less, disaffected veterans and brings them in from the cold. On Capitol Hill, we are advocating for the expansion of the VA’s Vet Center network, which has provided support and help to thousands of veterans and their families dealing with the psychological wounds of war.

Two out of three veterans who commit suicide are over 55 years of age. Millions of dollars are being spent to understand why veterans are dying by their own hand, yet the numbers don’t seem to lessen. The “whys” of this American tragedy may be unique for each who attempts to take their life, but they are no mystery: ***Demons borne of the horrors of war, horrors they have experienced.*** Returning from a war zone to a society that does not understand what they went through often leads to drinking and/or drug use to ease the pain. Add to that the burdens of fiscal uncertainties and failed relationships often results in the loss of hope.



Victory

Passage of the *Blue Water Navy Vietnam Veterans Act of 2019*

With the passage of the *Blue Water Navy Act*, PL 116-123, we have achieved justice for the Sailors and Marines suffering from the health effects of Agent Orange who served in the territorial waters off Vietnam. Many have waited for decades to receive medical support and disability compensation for Parkinson’s disease, prostate cancer, ischemic heart disease, Type 2 diabetes, and other conditions associated with exposure to Agent Orange. Like their boots-on-the-ground counterparts, they are now presumed exposed to Agent Orange.

The *Blue Water Navy Act* recognizes Vietnam veterans who served within 12 nautical miles seaward from the demarcation line of the waters of Vietnam and Cambodia between January 9, 1962, and May 7, 1975. Initially, the blue-water veterans were accorded the same presumptions of service-connection as their boots-on-the-ground brothers. This changed in 2002 when the VA, under pressure from the Office of Budget & Management, changed its policy, citing lack of evidence to back up the claim that Blue Water Navy veterans were exposed.

The *Blue Water Navy Act* also expands the dates of Agent Orange exposure in or near the Korean DMZ for veterans who served from April 1, 1968 - August 31, 1971, to September 1, 1967 - August 31, 1971, and recognizes the claims for the adult children with spina bifida whose parents served in Thailand.

Though they never ventured into the rivers and deltas of South Vietnam as their Brown Water Navy brothers did, many of our "Blue Water" veterans are afflicted with the same illnesses attributed to exposure to Agent Orange.

The Battle to Protect the Personal Information of our Veterans and Servicemembers

This year, VVA and the Department of Defense signed a settlement agreement in a lawsuit in which VVA challenged DoD’s leaking of personal information belonging to active-duty and veterans. Since 1985, DoD has been operating a website/database for the sole purpose of allowing those engaged in financial and legal transactions to verify a servicemembers’ eligibility for the benefits and forbearance provided by the *Servicemembers Civil Relief Act*,



the federal law designed to protect our servicemembers from financial burdens during deployment. When VVA discovered that the SCRA site allowed personal and private information, including details pertaining to the military service of millions of veterans and active-duty servicemembers, to be easily accessed by identity thieves and companies who sell data, we filed suit to protect our veterans from identity theft.

Veterans Incarcerated & in the Justice System

One out of five veteran inmates are in prison today because of PTSD or TBI directly related to military trauma. Had there been a Veteran Treatment Court during the Vietnam War, we may have saved countless veterans from incarceration.

Thanks to the pioneering work of Vietnam veterans, today there are hundreds of active Veterans Treatment Courts functioning in America. The purpose of the courts is to save veterans struggling with PTSD and TBI from incarceration. With the help of a veteran mentor and a good judge’s order, the veteran instead lands in a supportive network with access to treatment and counseling.

Toxic Exposures During Military Service: Forever Chemicals

In February on Capitol Hill, VVA held a briefing for Congress to hear our concerns about the firefighting and military use and toxicity of the forever chemical Per and Polyfluoroalkyl Substance (PFAS) in Aqueous Film-Forming Foam (AFFF). First introduced in the 1970s, Multiple generations of veterans have used AFFF and may have been exposed to unsafe levels of PFAS.



Homeless Veterans



The number of veterans experiencing homelessness increased in 2020, a concerning regression following the 50 percent reduction in veteran homeless

Of every 10,000 veterans in the United States, 21 were experiencing homelessness at the start of 2020.

since 2009, when President Obama had launched a federal effort to address the issue. We are working to ensure that federal funding is available to target homeless veterans and to support their reintegration into civilian life through housing, training, and supportive services. We continue to press the VA to identify best-practice models which address the unique needs and issues of homeless women veterans and to implement these practices in programs for homeless women veterans nationwide.

Women Veterans

Nearly 7,000 women served in the military in the Southeast Asia theater of operations. Though most who served were nurses, other positions were opened to women as a result of personnel shortages as well as societal changes in the role of women. In 1973, 55,000 women were in the active-duty military, making up 2.5 percent of the armed forces.

Today, there are nearly 2 million women veterans in the United States, making up 10 percent of the overall veteran population.

Since 1982, we have been at the lead in the fight for appropriate healthcare for all women veterans. Thanks to our effective advocacy over the past three decades, the VA has made significant improvements, innovations, and advancements in meeting the needs of women veterans. And our work continues.



Today, the VA is reporting a seven-fold increase in the number of women 55 and older who use VA hospitals. On average, women lose one activity of daily living or mobility starting at age 65. As women historically outlive men—often resulting in reduced income as well as housing issues—we have led the charge to get these services listed in the VA system.

With the increasing number of women in military service, the VA is facing healthcare issues they had not been

faced with before, e.g., prenatal care, counseling victims of military sexual trauma, and understanding the unique problems faced after facial disfigurement or loss of a limb.

We continue our fight in Congress for additional women’s healthcare providers in the VA; and improvements in the care, treatment, delivery mode, and monitoring of services to women veterans.

Justice for Palomares Radiated Veterans

Working with Yale Veterans Law Clinic, we achieved a historic decision when the U.S. Court of Appeals for Veterans Claims certified the first-ever class of veteran claimants in a direct appeal from the VA benefits system. In a groundbreaking 6-3 decision issued on December 6, 2019, the Court certified a class of elderly disabled veterans exposed to ionizing radiation while cleaning up a nuclear bomb disaster in Palomares, Spain.

In 1966, an Air Force bomber crashed following a midair collision, releasing four hydrogen bombs and spreading radioactive plutonium dust across the Spanish countryside. Servicemembers were sent in to clean up the radioactive debris, living among the wreckage for weeks while they removed 5,400 drums of radioactive contamination.

The Air Force had maintained there was no harmful radiation at Palomares; that contamination risks were slight; and that all safety precautions were observed. Declassified documents have since revealed radiation detected around the bombs was significantly elevated and testing of airmen working nearby pointed to marked plutonium contamination.

Now, more than fifty years later, many of these veterans have radiation-related illnesses that require medical treatment. Others have died from these conditions, and their survivors continue to fight for recognition and benefits.



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Photo by Ken Williamson

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Beechhurst, New York

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Veterans Against Drugs
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Bluefield, West Virginia

APPOINTMENTS

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Red Bank, New Jersey

Household Goods Program
Tom Corey
Jupiter, Florida

National Chaplain
Father Phillip Salois
North Smithfield, Rhode Island

National Disciplinary Committee
Al Huber
Rock Island, Illinois

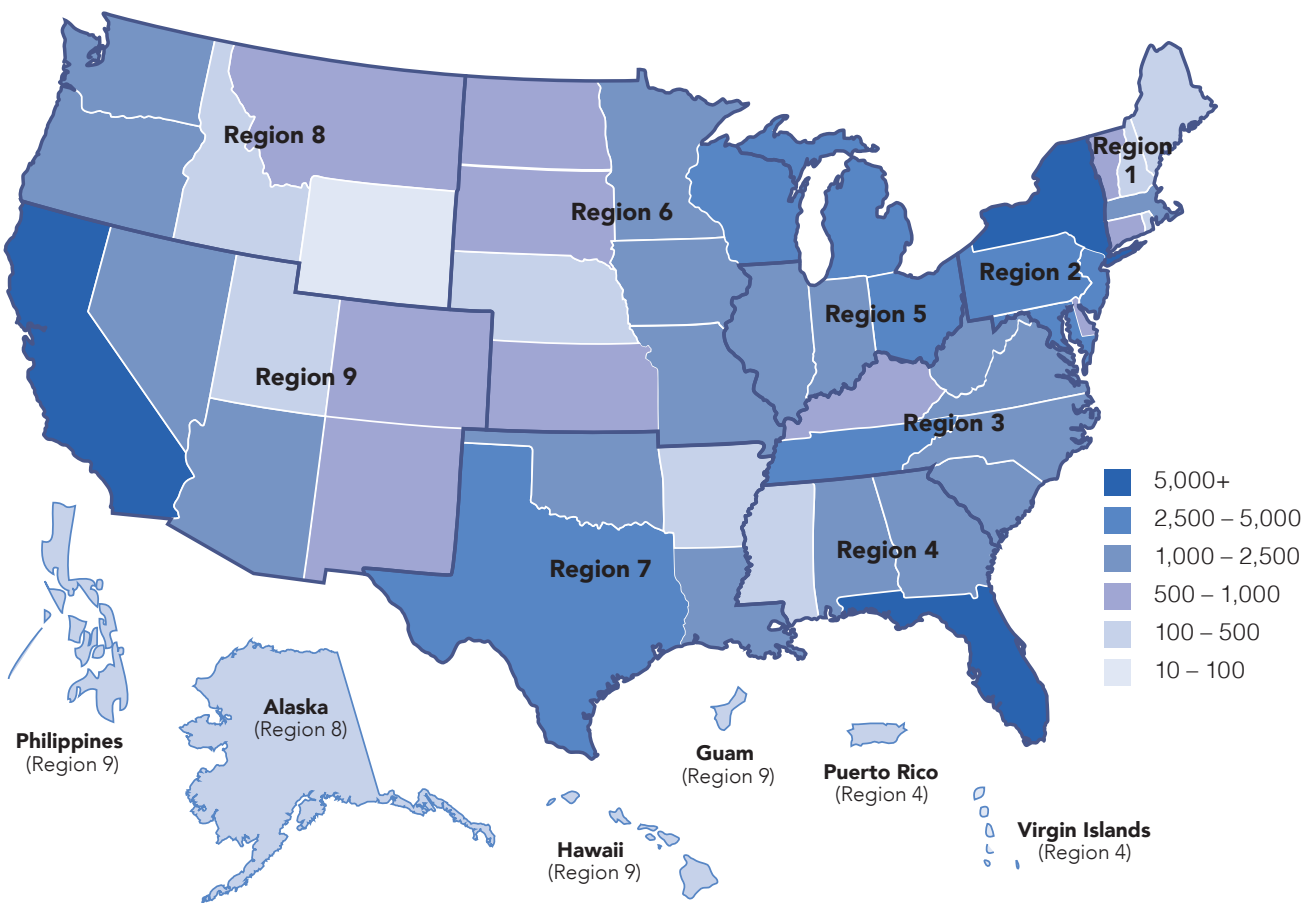
Sergeant-At-Arms
Grant Coates
Sidney, New York

VA Voluntary Service
Representative
Kenneth Rose
North Wales, Pennsylvania

Emeritus VA Voluntary Service
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The Organization at a Glance



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Much
remains
to be
done.



Independent Auditors' Report

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Vietnam Veterans of America, Inc., which comprise the statements of financial position as of February 29, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation

of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vietnam Veterans of America, Inc., as of February 29, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As discussed in Note 2 to the financial statements, VVA adopted Accounting Standards Update 2014-09, Revenue from Contracts with Customers, as amended, and Accounting Standards Update 2018-08, Not-for-Profit Entities – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, in 2021. Our opinion is not modified with respect to these matters.

Bethesda, Maryland July 31, 2019

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Statements of Financial Position

VIETNAM VETERANS OF AMERICA, INC. ★ FOR THE YEARS ENDED FEBRUARY 29, 2020, AND FEBRUARY 28, 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Undesignated Cash and Cash Equivalents	\$ 9,382,631	\$ 8,600,508
Accounts Receivable	657,886	827,396
Prepaid Expenses and Other Assets	<u>144,017</u>	<u>194,091</u>
Total Current Assets	<u>10,184,534</u>	<u>9,621,995</u>
Investments - at Market Value		
Undesignated	5,774,143	5,298,462
Designated for Life Memberships	<u>3,881,170</u>	<u>3,644,048</u>
Total Investments	<u>9,655,313</u>	<u>8,942,510</u>
Property and Equipment		
Furniture and Equipment	501,610	557,150
Software	<u>101,707</u>	<u>101,707</u>
Total Property and Equipment	603,317	658,857
Less Accumulated Depreciation and Amortization	<u>(495,853)</u>	<u>(483,813)</u>
Net Furniture and Equipment	<u>107,464</u>	<u>175,044</u>
Other Assets		
Deposits	<u>33,559</u>	<u>33,559</u>
Total Assets	<u>\$ 19,980,870</u>	<u>\$ 18,773,108</u>

See accompanying Notes to Financial Statements.

	<u>2020</u>	<u>2019</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 708,061	\$ 671,931
Accrued Expenses	<u>379,258</u>	<u>246,197</u>
Current Portion of Deferred Life Member Dues Payable to State Councils and Chapters	<u>413,508</u>	<u>413,508</u>
Current Portion of Capital Lease Obligations Due to State Councils and Chapters	43,535	54,849
	<u>220,404</u>	<u>246,395</u>
Total Current Liabilities	<u>1,764,766</u>	<u>1,219,372</u>
Long-Term Liabilities		
Deferred Life Member Dues, Net of Current Portion Payable to State Councils and Chapters	<u>1,489,965</u>	<u>2,021,891</u>
Capital Lease Obligations, Net of Current Portion	60,783	112,640
Deferred Rent Payable	<u>271,255</u>	<u>342,110</u>
Total Long-Term Liabilities	<u>1,822,003</u>	<u>454,750</u>
Total Liabilities	3,586,769	4,109,521
Net Assets Without Donor Restrictions	<u>16,394,101</u>	<u>14,663,587</u>
Total Liabilities and Net Assets	<u>\$ 19,980,870</u>	<u>\$ 18,773,108</u>

See accompanying Notes to Financial Statements.

Statements of Activities

VIETNAM VETERANS OF AMERICA, INC. ★ FOR THE YEARS ENDED FEBRUARY 29, 2020, AND FEBRUARY 28, 2019

	<u>2020</u>	<u>2019</u>
Revenues and Support		
Recycling Program Revenue	\$ 21,438,511	\$ 22,329,272
Less Recycling Program Cost	<u>(15,023,063)</u>	<u>(15,821,420)</u>
Net Recycling Program Revenue	6,415,448	6,507,852
VVA Veteran Newspaper	177,558	200,624
Membership Dues	200,999	247,052
Veterans Support Foundation Grant	250,000	231,082
Contributions	3,294,610	3,212,649
Convention/Conference	107,083	64,290
Royalties	147,189	73,283
Other	<u>3,287</u>	<u>8,976</u>
Total Revenues and Support	<u>10,596,174</u>	<u>10,545,808</u>
Expenses		
Program Services		
National Veterans' Programs	2,618,676	2,484,619
Communications and Public Affairs	1,286,607	1,348,613
Government Relations	855,003	835,012
Veterans' Benefits Program	<u>1,885,131</u>	<u>1,654,576</u>
Total Program Services	<u>6,645,417</u>	<u>6,322,820</u>
Supporting Services		
Support of Affiliates - State Councils and Chapters	286,381	245,891
General and Administrative	1,176,948	1,085,422
Membership Affairs	547,039	572,412
Fundraising	<u>986,409</u>	<u>998,841</u>
Total Supporting Services	<u>2,996,777</u>	<u>2,902,566</u>
Total Expenses	<u>9,642,194</u>	<u>9,225,386</u>
Change in Net Assets from Operations	953,980	1,320,422
Investment Income (Loss)	<u>776,534</u>	<u>211,403</u>
Change in Net Assets	1,730,514	1,531,825
Net Assets, Beginning of Year	<u>14,663,587</u>	<u>13,131,762</u>
Net Assets, End of Year	<u>\$16,394,101</u>	<u>\$ 14,663,587</u>

See accompanying Notes to Financial Statements.

Statements of Cash Flows

VIETNAM VETERANS OF AMERICA, INC. ★ FOR THE YEARS ENDED FEBRUARY 29, 2020, AND FEBRUARY 28, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 1,730,514	\$ 1,531,825
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	68,818	76,726
Loss on Disposal of Furniture and Equipment	(1,238)	-
Net (Gains) Losses on Investments	(497,056)	(11,566)
(Increase) Decrease in Assets		
Accounts Receivable	169,510	(244,116)
Prepaid Expenses and Other Assets	50,074	52,228
Increase (Decrease) in Liabilities		
Accounts Payable	36,130	94,718
Accrued Expenses	133,061	(58,677)
Deferred Life Member Dues	(531,926)	(535,964)
Deferred Revenue	-	(13,380)
Due to State Councils and Chapters	(25,991)	(12,933)
Deferred Rent Payable	<u>(70,855)</u>	<u>76,021</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,061,041</u>	<u>954,882</u>
Cash Flows from Investing Activities		
Purchases of Investments	(7,481,436)	(4,926,835)
Sales of Investments	<u>7,265,689</u>	<u>4,789,060</u>
Net Cash Provided by (Used in) Investing Activities	<u>(215,747)</u>	<u>(137,775)</u>
Cash Flows from Financing Activities		
Curtailments of Capital Lease Obligations	<u>(63,171)</u>	<u>(55,053)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	782,123	762,054
Cash and Cash Equivalents, Beginning of Year	<u>8,600,508</u>	<u>7,838,454</u>
Cash and Cash Equivalents, End of Year	<u>\$ 9,382,631</u>	<u>\$ 8,600,508</u>
Supplementary Disclosure of Cash Flow Information		
Cash Paid during the Year for Interest	\$ 8,293	\$ 11,088
Noncash Investing and Financing Activities		
Equipment Acquired with a Capital Lease	\$ -	\$ 76,317

See accompanying Notes to Financial Statements.

Notes to Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Vietnam Veterans of America, Inc., (VVA) was incorporated in February 1978. On May 23, 1986, VVA was granted a Congressional Charter in recognition of its activities on behalf of Vietnam veterans. Its primary purposes are to foster the improvement of the condition of Vietnam-era veterans; to promote social welfare (including educational, economic, physical, and cultural improvement) in the United States by encouraging the growth, development, readjustment, self-respect, self-confidence, and usefulness of Vietnam-era and other veterans; to improve conditions and channels of communication to assist Vietnam-era veterans; to assist disabled Vietnam-era veterans, other veterans, and the dependents and survivors of such veterans who are in need of assistance; and to give special recognition to the efforts of the members of VVA and Vietnam-era veterans for their helpfulness and service to their country.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of VVA have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires VVA to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of VVA. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of VVA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

VVA had no net assets with donor restrictions as of February 29, 2020.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Adopted Accounting Pronouncements

During fiscal 2019, VVA adopted Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The guidance provided in this ASU will assist in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and whether a contribution is conditional. As required by ASU 2018-08, VVA applied the requirements on a modified prospective basis to agreements that either are not completed as of January 1, 2019 or entered into after January 1, 2019.

The adoption of ASU 2018-08 did not have a material impact on VVA's accounting for contributions or federal grants.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 requires an entity to recognize revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity is expected to be entitled in exchange for those goods or services. On January 1, 2019, VVA adopted ASU 2014-09, using the modified retrospective approach. VVA applied the five-step revenue model stipulated by ASC 606 to all of its significant revenue streams in order to determine when revenue is earned and recognized. The five-step model requires VVA to 1) identify contracts with customers, 2) identify performance obligations related to those contracts, 3) determine the transaction price, 4) allocate that transaction price to each performance obligation, and 5) recognize revenue when or as VVA satisfies a performance obligation.

The adoption of this ASU did not materially impact the timing or amount of revenue recognized by VVA in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the

use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

For financial statement purposes, VVA considers certain money market funds and certificates of deposit to be cash equivalents. VVA's money market funds held within investments designated for deferred life member dues are considered long-term in nature and, therefore, are not considered cash equivalents.

Accounts Receivable

Accounts receivable are reported at their outstanding balances. Management periodically evaluates the adequacy of the allowance for doubtful accounts by considering VVA's past receivables loss experience, known and inherent risks in the accounts receivable population, adverse situations that may affect a debtor's ability to pay, and current economic conditions.

The allowance for doubtful accounts is increased by charges to bad debts expense and decreased by charge offs of the accounts receivable balances. Accounts receivable are considered past due and charged off based on management's determination that they are uncollectible. As of both February 29, 2020, and 2019, management has determined that an allowance for doubtful accounts was not necessary.

Investments

VVA carries equity and debt securities at fair value. Any changes in fair value are recognized in the statements of activities and changes in net assets.

Property and Equipment

Property and equipment and software are recorded at cost and depreciated or amortized using the straight-line method over their estimated useful lives of three to five years. Land is recorded at cost and not depreciated or amortized. VVA's policy is to capitalize purchases over \$3,000. Only assets placed in service are depreciated or amortized.

When fully depreciated/amortized assets are disposed of, the cost of the asset and related accumulated depreciation/amortization are removed from the accounts.

Revenue Recognition

Life Member Dues

As directed by the board of directors, all life member dues are segregated from the general operating funds. VVA uses a twelve-year amortization period over which to recognize life member dues revenue. A portion of the annually determined amount of the life member dues is recognized as revenue in the current period and the remaining portion is paid in the current period to state councils and chapters as their respective shares of the dues. The remaining unamortized balance is carried as a liability entitled Deferred Life Member Dues.

Membership Dues

Membership dues paid by VVA members include portions for both VVA and the respective state councils and chapters. Membership dues are recognized as revenue in the current period and the remaining portion, collected but not recognized as revenue by VVA is paid to the state councils and chapters as their respective shares. VVA recognizes membership dues received as membership dues revenue in the current period.

Recycling Program

VVA's Recycling Program involves the collection of discarded household items and automobiles from the community. The items collected are sold to contracted private companies. VVA deems the items collected to be simultaneously sold to the contracted private companies, without creating any inventory for VVA. Therefore, VVA does not present on its statements of activities and changes in net assets separate amounts for cost of items sold and contribution revenue, both in an amount equal to recycling program revenue, which represents the fair value of the items collected. Recycling program cost presented in the statements of activities and changes in net assets represents VVA's solicitation costs for generating the items collected and sales costs for selling the items. The revenue generated from such sales is exempt from income taxes under the Internal Revenue Code.

Convention and Leadership Conference

VVA sponsors its convention and leadership conference biannually in alternating years. The convention is held in odd-numbered years and the

leadership conference is held in even-numbered years. VVA held a convention during the fiscal year 2019 and a leadership conference during the fiscal year 2020.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services benefits allocated on the basis of employee time and effort.

Income Tax Status

VVA is exempt from the payment of income taxes on its exempt activities under Section 501(c)(19) of the Internal Revenue Code (IRC). Contributions to VVA qualify as charitable contributions as defined in IRC Section 170(c). Income, if any, from unrelated business activities is subject to tax.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, VVA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of VVA and various positions related to the potential sources of unrelated business taxable income (UBIT).

The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2020 and 2019.

VVA's policy would be to recognize interest and penalties, if any, on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were assessed or recorded during fiscal years 2020 and 2019.

VVA's Forms 990, Return of Organization Exempt from Income Tax, that have been filed as of February 29, 2020, for the years ended February 28, 2019, February 28, 2018, and February 28, 2017, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, Leases. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2021.

Subsequent Events

Management has evaluated subsequent events through September 18, 2020, the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

CONCENTRATION OF CREDIT RISK

VVA maintains its cash accounts and certificates of deposit in banks that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Funds held by these banks in excess of the FDIC limits were approximately \$2,918,000 as of February 29, 2020, and approximately \$2,373,000 as of February 28, 2019. Management does not feel this poses a risk to VVA.

At February 29, 2020 and 2019, additional amounts were invested in repurchase agreements of approximately \$4,649,000 and \$4,266,000, respectively that were not covered by insurance. VVA has a security interest in all securities purchased under the repurchase agreements.

LIFE MEMBERSHIPS

Life memberships are offered to VVA members at a fixed amount. In exchange for these dues, VVA is obligated to provide various services to these members for the duration of their lives. VVA has designated funds for providing future services. As of February 29, 2020 and 2019, VVA had \$3,881,170 and \$3,644,048, respectively, of designated investments.

INVESTMENTS

Financial assets measured using Level 1 inputs are based on unadjusted quoted market prices in active markets for identical assets.

Level 2 inputs, if any, include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from observable market data.

Level 3 inputs, if any, are obtained from the entity's own assumptions.

As of February 29, 2020, VVA's investments and their fair values consisted of the following:

	Fair Value	Level 1 Inputs
February 29, 2020		
Money Market Funds	\$ 352,906	\$ 352,906
Mutual Fund Equities	6,809,206	6,809,206
Corporate Equities	2,493,201	2,493,201
Total	\$ 9,655,313	\$ 9,655,313

As of February 28, 2019, VVA's investments and their fair values consisted of the following:

	Fair Value	Level 1 Inputs
February 28, 2019		
Money Market Funds	\$ 2,883,351	\$ 2,883,351
Mutual Fund Equities	2,364,072	2,364,072
Corporate Equities	3,695,087	3,695,087
Total	\$ 8,942,510	\$ 8,942,510

None of VVA's investments are valued using Level 2 or Level 3 inputs.

Investment income consisted of the following at February 29, 2020, and February 28, 2019:

	2020	2019
Interest and Dividends	\$ 279,478	\$ 199,837
Gains (Losses) on Investments	497,056	11,566
	\$ 776,534	\$ 211,403

NET ASSETS

There were no net assets with donor restrictions as of February 29, 2020 or February 28, 2019.

Other than net assets designated for life memberships / state councils and chapters, all other net assets without donor restrictions as of February 29, 2020, and February 28, 2019 were undesignated.

RETIREMENT PLAN

VVA has a defined contribution plan under Internal Revenue Code Section 401(k), covering all employees over the age of 21 after one year of service. Employees of VVA may elect to make pre-tax contributions to the Plan at a rate that may not exceed a dollar limit that is set by law. VVA may make a discretionary matching contribution at a rate determined by the board of directors. During the years ended February 29, 2020, and February 28, 2019, VVA matched up to 4% of an employee's contribution.

LEASE OBLIGATIONS

Capital Lease Obligations

VVA is obligated under multiple capital lease arrangements for office equipment. The leases bear interest at approximately 4.6% to 6.0% annually. Monthly payments range from \$315 to \$5,160 with maturity dates through October 2022.

Future minimum lease payments are as follows:

For the Years Ending February 28,	
2020	71,849
2021	50,916
2022	63,131
2023	13,646
Total Future Minimum Lease Payments	199,542
Interest Portion of Lease Payments	(32,053)
Net Present Value of Lease Payments	\$ 167,489

As of February 28, 2019, equipment and accumulated amortization under capital leases were approximately \$286,000 and \$132,000, respectively. As of February 28, 2018, equipment and accumulated amortization under capital leases were approximately \$286,000 and \$75,000, respectively. Amortization expense for equipment under capital leases was approximately \$57,000 and \$44,000, respectively, for the years ended February 28, 2019 and 2018.

Operating Lease Obligations

VVA leases its office facilities under an operating lease that expires in November 2020. During the year ended February 29, 2020, the lease was modified to extend the termination date to November 2028. The lease stipulates a 4% increase in rent per annum, and VVA is responsible for its proportionate share of operating expenses and real estate taxes.

Rental expense for office facilities for the years ended February 29, 2020, and February 28, 2019, amounted to approximately \$421,000 and \$433,000, respectively.

VVA also leases certain office equipment under an operating a five-year operating lease with fixed monthly payments of \$998.

Future minimum rental commitments are as follows:

For the Years Ending February 28,	
2021	525,422
2022	545,961
2023	567,320
2024	589,534
2025	612,636
Thereafter	2,476,955
Total	\$5,317,828

AVAILABILITY AND LIQUIDITY

The following represents the VVA's financial assets at February 29, 2020:

Financial Assets at Year End:	
Undesignated Cash and Cash Equivalents	\$ 9,382,631
Accounts Receivable	657,886
Investments	5,774,143
Total Financial Assets	15,814,660
Less Amounts Not Available To Be Used Within One Year:	
Net Assets With Donor Restrictions	-
Less: Net Assets With Purpose Restrictions To Be Met in Less Than a Year	-
Designated for Life Memberships / State Councils and Chapters	(3,881,170)
	(3,881,170)

Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 11,933,490
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As part of VVA's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.





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