



Serving
then.

Serving
now.

2015 ANNUAL REPORT





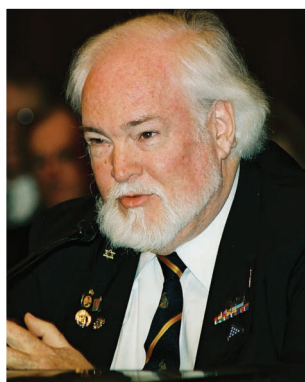
Vision:

We are leading the challenge to do what is right for America and its veterans.

Mission:

Using the shared vision of our membership, we aggressively advocate on issues important to veterans; provide programs and services that improve the well-being of all veterans and their families; and serve our communities.

VVA: 36 Years in Service to America



A Letter from the President

At Vietnam Veterans of America, it is our duty and our privilege to uphold the legacy of the veterans of the Vietnam War Era. Much of what we must concern ourselves with is painful, sometimes even more so because it didn't have to be that way. Our long struggle for the children and grandchildren of veterans exposed to Agent Orange and other toxins is a case in point.

Military sexual assault is another problem that bedeviled the military in Vietnam and bedevils it today.

Post-traumatic Stress Disorder, homelessness, economic inequality, and more—each is a difficult problem that Vietnam Veterans of America is committed to fighting against, to rectifying, and to correcting.

What keeps me going and impresses me most are my fellow veterans and associates—I am awed by their dedication, hard work, and humility—for all generations of veterans, including their sons and daughters who are among our newest veterans.

VVA is strong, it's active, and it's righting wrongs and helping those less fortunate.

And along the way, we are enjoying the camaraderie and the joy as we work side by side with our fellow veterans and our families, in fulfillment of our mission, In Service to America.

Sincerely,

A handwritten signature in dark ink, appearing to read "John", with a long, sweeping horizontal stroke extending to the right.

John Rowan
President, Vietnam Veterans of America

We embrace these newly minted veterans
as our own; some of them even served with us in Vietnam;
many of them are, in fact, our sons and daughters.



**"WE HAVE CHANGED THE PUBLIC PERCEPTION OF VIETNAM VETERANS;
WE HAVE PROVOKED REFORM IN GOVERNMENT SERVICES TO MEET THE
EVOLVING NEEDS OF OUR VETERANS; AND WE REMAIN AT THE FOREFRONT,
SUCCESSFULLY ADVOCATING FOR THE NEEDS OF ALL GENERATIONS
OF VETERANS, INCLUDING THOSE RETURNING TODAY, MANY
OF WHOM ARE OUR CHILDREN AND GRANDCHILDREN."**

OVER- VIEW

2014–2015



**“Never
again
will one
generation
of veterans
abandon
another.”**

—Vietnam Veterans
of America’s
founding principle

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 36th year “In Service to America.”

In keeping with our founding principle, “Never again will one generation of veterans abandon another,” VVA’s theme of “VetsConnect” 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 75 thousand members, with over 650 chapters in all 50 states, Guam, Puerto Rico, the Philippines, and the Virgin Islands. Our 48 State Councils coordinate the activities of local chapters. VVA’s national activities are closely coordinated with the work of the local 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 8,400 members with 13 state-level organizations.

As you can see in the pages that follow, the members of VVA, a 501© (19) tax-exempt organization, worked hard in their communities. Our local chapters and state councils sponsored a wide variety of volunteer programs that included 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 today, in locations across 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, Vietnam Veterans of America has created the Veterans Health Council (VHC) in partnership with other health-care professional advocacy organizations, unions, pharmaceutical companies, and health-care providers. The mission of the VHC is to improve the health of America’s veterans through education and information about the



Photos by Michael Keating



**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.**

illnesses and maladies associated with military service. The Veterans Health Council website—www.veteranshealth.org—provides veterans, their families, and their health-care providers with crucial information pertaining to health conditions associated with military service.

This year, in addition to delivering expert testimony before Congress, federal agencies, and nongovernmental organizations, VVA, in partnership with the Veterans Legal Services Clinic at the Yale School of Law, has yielded several important legal decisions involving veterans' healthcare.

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.

With fighting raging across the globe, we are focused on ensuring that there are adequate healthcare services available to our returning troops as well as to Vietnam veterans. Beyond giving testimony on a multitude of issues, including fixing the Department of Veterans Affairs, homelessness among veterans, military sexual trauma, POW/MIA concerns, military toxic exposures, employment programs and entrepreneurship opportunities for service-disabled veterans, VVA is leading a grassroots effort to educate veterans and their families about the long-term health effects of war.

VVA continues to maintain 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 initial application for VA benefits. In an effort to level the playing field, veterans must seek legal assistance outside of traditional legal channels.



Photos by Mokie Porter

One of the more successful strategies employed by veterans is utilizing a veterans' service organization such as VVA. VVA offers disabled veterans and claimants a full-service Benefits Program. Whenever possible, 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.

Our Veterans Benefits Program serves veterans in several different ways. From the veteran's perspective, our most important effort is providing assistance in prosecuting claims for benefits before the VA. We offer claimants help at all levels of their claims process. VVA's programs and services are designed to implement the organization's commitment to assist veterans of all eras and their dependents in obtaining benefits from the VA to which they are entitled by virtue of their service.

VVA's Veterans Benefits Program has consistently maintained one of the highest favorable decision rates at the Board of Veterans Appeals, and in this year, won 82 percent of its cases. Due to our winning success rate, an ever-increasing number of claimants are requesting VVA representation and assistance. Few attorneys are willing to take on veterans' benefit cases before the VA issues an initial denial, since federal statutes restrict the fees that an attorney can charge in such cases. Through the Veterans Benefits Program, VVA provides the professional representation necessary for the successful disposition of BVA appeals.

**VVA remains
at the front
in the battle
for justice,
ensuring that our
nation keeps its
promise to all who
served.**



Advocacy: Our veterans are committed to ensuring fairness in the treatment of veterans so that never again will one generation of veterans abandon another;

Meaningful Achievement: We strive to make a difference, focusing on issues that stand as critical barriers to a fulfilling life for veterans and all Americans;

Integrity: We tell the truth and take responsibility;

Compassion: We care about comrades and others in need;

Camaraderie: We support each other and feel we're all members of one family.

HIGH- LIGHTS 2014–2015



WOMEN VETERANS

VVA's Women's Committee continues to work to close the gender gap in services provided to our nation's 2.2 million women veterans. This year, VVA joined SWAN in filing a petition on behalf of Military Sexual Trauma survivors, calling for the need for an equitable process for MST claims. As a result of VVA's advocacy the VA has announced expanded eligibility for veterans in need of mental health care due to Military Sexual Trauma.



Photos by Michael Keating

VVA's Women Veterans Committee has worked tirelessly for over 36 years, leading the charge to ensure that women veterans received appropriate and quality health care. Today, women veterans are the fastest growing group served by the Department of Veterans Affairs, with 55 percent of returning women veterans requiring some form of treatment.

VETERANS IN THE JUSTICE SYSTEM

A percentage of our veterans who have served our nation honorably return home from combat and find themselves self-medicating with alcohol and/or drugs to cope with their alienation from a society they feel no longer accepts nor understands them. Way too many of these young men and women are ending up entangled in the justice system.

As a result of VVA's advocacy, today there are over 250 Veterans Courts around the country, with more coming on board each month. First initiated in 2008 by VVA members in Buffalo, New York, these courts are succeeding in getting the mental health and substance abuse help needed by veterans who have been arrested for non-violent offenses, and they are keeping out of prison those men and women who shouldn't be there. VVA chapters partner with these courts, and our Vietnam veterans serve as mentors for those veterans who have lost their way and are being offered a second chance.

**As a result of
the successful
advocacy
by VVA, the
Department of
Veterans Affairs
ALLOCATED
\$696M
for a new,
highly effective
hepatitis C drug**

Photo by Michael Keating



THE VVA VETERAN

Now in its 35th year, *The VVA Veteran* remains committed to presenting clear, accurate, informative, and entertaining reports on issues and subjects relevant to America's veterans, especially its Vietnam veterans. Our goal is to educate, to excite, and to energize our membership while broadcasting to the outside world the important work that VVA does. For the second year running, *The VVA Veteran* was recognized with the prestigious Apex Award for Publication Excellence.

VETERANS HEALTH COUNCIL

VVA's Veterans Health Council continues to inform America's veterans, their families, and our partners in the health-care community about health conditions associated with military service. Of particular note this year is VVA's work on Hepatitis C, a liver disease that kills more Americans than any other infectious disease—and veterans born between 1945 and 1965 account for over 75 percent of hepatitis C infections. As a result of the successful advocacy by VVA, the Department of Veterans Affairs allocated \$696 million for a new, highly effective hepatitis C drug. VVA continues to fight for the abolition of the VA's Death Panels, which determine who among those affected with the disease receive the treatment, restricting the medications to veterans with advanced liver disease.



VVA's Veterans Health Council took the lead on Capitol Hill, urging members of Congress to take action on the Hepatitis C epidemic amongst Vietnam veterans.

ON CAPITOL HILL

In March, VVA National President John Rowan presented the organization's legislative agenda and policy initiatives to the Joint House and Senate Veterans Affairs Committee on Capitol Hill. At the top of the list, fixing the VA, addressing the legacy of toxic exposures, and gaining the fullest possible accounting of the missing and killed in all wars, particularly in Southeast Asia during the Vietnam War.



Photo by Michael Keating

**VVA delivered to
the White House a
14-POINT
PLAN
to address the
immediate needs
of veterans**

In May, the VA wait-time scandal, which first broke in Phoenix, was the focus of media attention, and VVA leaders responded, fielding hundreds of interviews with the press. The systematic underfunding of the system which created the staffing shortages had been a frequent subject of grave concern, reflected in VVA congressional testimony and in conversations with the administration. In June, VVA delivered to the White House a 14-point plan to address the immediate needs of veterans who depend on the VA health care system.



Photo by Mokie Porter

In June, Rep. Mike Honda (D-Calif.) introduced H.R.4816, the Toxic Exposure Research and Military Family Support Act of 2014, which would expand VA care for veterans and their descendants who have been exposed to Agent Orange and other toxins.

**As a result of
VVA's advocacy,
today there
are over**

250

**VETERANS
COURTS**

**around the
country, with
more coming on
board each month**

PRISONERS OF WAR/MISSING IN ACTION

In January, VVA's Veterans Initiative team undertook its 24th mission to Vietnam, bringing fate-clarifying information on missing Vietnamese veterans to share with the former enemy. By returning artifacts taken during the war and by helping locate gravesites of Vietnamese soldiers, VVA encourages Vietnamese witnesses to assist in the location and recovery of Americans listed as missing from the war. Traveling from North to South, the team participated in 28 meetings in a period of 20 days, meeting with Vietnamese veterans and officials. The team did an excellent job of communicating the urgency of providing information on our MIAs now—the witnesses are dying and there is a boom in development, all of which is impacting our accounting efforts.

Vietnam Television covered the entire VVA trip, gathering footage for a series of documentary news stories to be aired in conjunction with the 20th anniversary of normalization between the United States and Vietnam. Of particular note is a special on MIAs—featuring VVA's Veterans Initiative Program—which has been aired repeatedly throughout Vietnam, and carries the message of reconciliation and mutual cooperation needed to urge witnesses to come forward with any information related to our MIAs.



Photos by Mokie Porter

Since 1994, the Veterans Initiative has provided the Vietnamese with 300 cases that have accounted for some 13,000 Vietnamese killed in action. Helping the families of the former enemy locate and bury their dead is a step toward closure and peace for American veterans.

VVA's highest priority is accounting for those last-known alive—those known to be in captivity in Vietnam, Laos, and Cambodia who were not returned at the end of the war. VVA continues to work toward the fullest possible accounting on multiple fronts—with government agencies charged with the mission of personnel recovery; with the National League of Families; with our chapters and state councils; and with former adversaries in Vietnam and elsewhere. (Pictured above, VVA POW/MIA chairs Grant Coates and Richard DeLong at Hoa Loa Prison in Hanoi.)



MILITARY TOXIC EXPOSURE

VVA is committed to ensuring that all veterans exposed to toxic chemicals during their service receive the care and compensation that they have earned through their service. We are now engaged in a fierce battle for the innocent victims of war, the children and grandchildren of our nation's service members whose health has been compromised by their parents' exposure to toxic chemicals during military service. In 2009, VVA initiated the Faces of Agent Orange program to educate the veterans about military toxic exposures and to record the stories of their children and grandchildren.

Since 2010, VVA has held 147 Agent Orange town halls across the U.S., reaching over 15,000 Vietnam veterans and their families. We have recorded hundreds of stories from veterans about their children and grandchildren who are manifesting a range of health issues suspected to be as a result of their exposure to toxins while serving in our nation's armed forces.



**Since 2010, VVA
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across the U.S.,
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15,000
Vietnam veterans
and their families.**

This year VVA held 78 Agent Orange town halls. We continue to mobilize in support of the Toxic Exposure Research Act, which calls for specific research into the birth defects and other health anomalies occurring in the children of veterans exposed to Agent Orange, burn pits, depleted uranium, oil well fires, and other toxins—from Vietnam, Desert Storm, Iraq, Afghanistan, and elsewhere.

While VVA's exploration has centered on the families of Vietnam veterans, the veterans of more recent wars are also reporting health issues in their children. For this reason, VVA is calling for research on the generational legacy of toxic exposures for all who have been exposed while serving in the armed forces.

42,000 NATIVE AMERICANS

**served in
Vietnam; they
suffered the
highest per
capita rate of
wounded or
killed of any
ethnic group.**

PTSD AND SUBSTANCE ABUSE

The invisible wounds of war are shared by too many young veterans of recent wars. Veteran-to-veteran interaction can have a profound effect in coping with these wounds. With the high rate of suicide amongst recently returned troops and the even higher rate of suicide among those who returned from our war more than forty years ago, VVA's PTSD and Substance Abuse Committee continues to focus our legislative and educational efforts on suicide prevention, encouraging all veterans to see that no veteran is left alone in a moment of need. A legislative victory was the House passage of the *Clay Hunt Suicide Prevention for American Veterans Act*.

The results of the National Vietnam Veterans Longitudinal Study confirmed what we know from first-hand experience: Post-traumatic Stress Disorder stays with some Vietnam veterans for decades after the war. Even with treatment, PTSD can be something to manage for a lifetime—for veterans and their families.

ECONOMIC OPPORTUNITIES

Meaningful employment is critical to the successful reintegration of our veterans into the civilian workforce. This year, we succeeded in convincing the Department of Labor to reduce by half the paperwork required by federal contractors who hire veterans under the Vietnam Era Veterans' Readjustment Act of 1974, easing the financial burden on contractors who hire veterans. We continue to urge Congress to level the playing field for the unemployed, underemployed, and small businesses, by updating the Disadvantaged Business Enterprise definition to include Service Disabled, Veteran-owned small businesses.

MINORITY VETERANS

Forty-two thousand Native Americans served in Vietnam; they suffered the highest per capita rate of wounded or killed of any ethnic group, yet their service and sacrifice is not commemorated in the nation's capital. VVA has pledged its support for the American Indian Veterans Memorial Initiative to place a statue on the National Mall that properly recognizes the service and sacrifice of American Indian, Alaskan Native, and Native Hawaiian veterans.

VVA's strength lies in the diversity of its membership, and our mission is to help veterans who served during the Vietnam era, without regard to race, creed, color, religion, sex, sexual preference, or national origin. VVA continues to call for equal treatment, services, and outreach to ethnic minority veterans regarding the services provided by the VA, all the while ensuring that the VA is adequately serving minority veterans.

VETERANS AGAINST DRUGS AND VIOLENCE

VVA's Veterans Against Drugs and Violence Program is hard at work getting the anti-drug and -violence message out to children and parents across our nation. Each project is tailored to the local community; In February, the third annual All Skate Free event was held in Silver Spring, Maryland. While serving cookies and distributing coloring books to the young skaters, VVA was able to engage their parents, spreading the word about VVA's mission to prevent drug and alcohol addiction among our nation's youth. With a focus on patriotism,

the curricula revolve around a core set of values: respect and camaraderie; loyalty and compassion; honesty and integrity; meaningful achievement; and advocacy. At the national level, the committee worked hard to spread the word about the perils of prescription drugs, encouraging all to participate in the National Prescription Drug Take-Back Day.

HOMELESSNESS

Despite efforts by the administration to eradicate homelessness in the veterans' community, it remains a major issue. VVA's Homeless Veterans Committee works to end veteran homelessness on multiple fronts—continuing to champion legislation aimed at supporting community-based organizations that deliver services; establishing supportive services grants; and expanding access to the Homeless Veterans Reintegration Program so that veterans will receive the skills needed to keep them off the streets.

At our Leadership Conference in Wichita, a seminar on planning a homeless stand down included plans for set up; for engaging the community; and tips for acquiring donations and contributions for the homeless veterans.

Nowhere are the homeless more evident than in Los Angeles. For the past thirty years, VVA has been fighting against the improper use of the West LA VAMC. In January, victory was achieved when the VA signed an agreement to dedicate the West LA VA campus to serve veterans in need as was the original intent when the land was donated to the federal government in 1888, setting in motion a review of the homeless problem and calling for an immediate increase in staff and funding, a master plan for the West LA VAMC Campus, and the establishment of a foundation to raise funds to assist homeless veterans.

LEADERSHIP & EDUCATION CONFERENCE IN WICHITA



The Leadership & Education Conference in Wichita was a great success, and featured an extensive array of seminars and training so that VVA's leadership could be provided with accurate and up-to-date information, in order to reach out to veterans and their families to educate them on health issues and their benefits. Thursday's Agent Orange town hall drew nearly 150 people, including Sen. Jerry Moran who recently introduced the Toxic Exposure Research and Military Family Support Act (S.2738).

Photos by Michael Keating

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THE ORGANIZATION AT A GLANCE

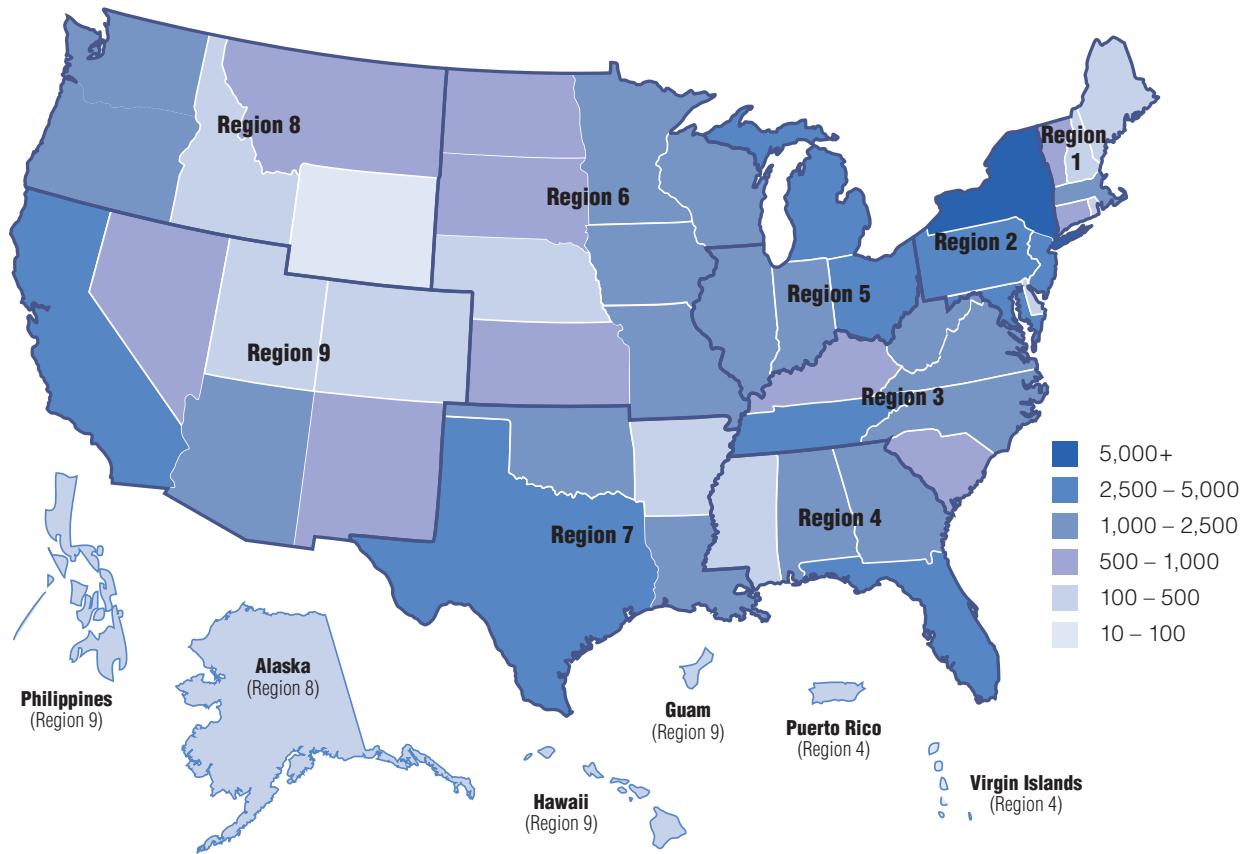


Photo by Patrick Hughes



Photo by Michael Keating



INDEPENDENT AUDITORS' REPORT

Silver Spring, Maryland We have audited the accompanying financial statements of Vietnam Veterans of America, Inc., which comprise the statements of financial position as of February 28, 2015 and 2014, and the related statements of activities and changes in net assets, 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.

Auditor's 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 from 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 auditor's 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 VVA'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 VVA'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. 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 28, 2015 and 2014, 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.

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 28, 2015 and 2014, 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.

The Board of Directors, Vietnam Veterans of America, Inc.

OTHER MATTER

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the

audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland Certified Public Accountants • June 24, 2014

COUNCILOR BUCHANAN MITCHELL, CPAs AND BUSINESS ADVISORS
7910 WOODMONT AVENUE SUITE 500 BETHESDA, MARYLAND 20814-3048 301.986.0600 WWW.CBMCPA.COM

Statements of Financial Position

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Undesignated Cash and Cash Equivalents	\$ 6,147,964	\$ 5,403,276
Accounts Receivable	739,596	459,369
Prepaid Expenses and Other Assets	280,763	266,490
Total Current Assets	7,168,323	6,129,135
Investments - at Market Value		
Undesignated	4,757,455	4,190,144
Designated for Life Memberships	3,181,903	3,216,973
Total Investments	7,939,358	7,407,117
Property and Equipment		
Land	42,566	42,566
Furniture and Equipment	271,668	251,395
Software	233,295	217,887
Total Property and Equipment	547,529	511,848
Less Accumulated Depreciation	(275,317)	(423,571)
Net Property and Equipment	272,212	88,277
Other Assets		
Deposits	39,289	41,559
Total Assets	\$ 15,419,182	\$ 13,666,088

See accompanying Notes to Financial Statements.

Statements of Financial Position

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2015 and 2014

	2015	2014
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 761,399	\$ 709,512
Accrued Expenses	240,555	233,387
Current Portion of Deferred Life Member Dues		
Payable to State Councils and Chapters	116,455	115,609
Deferred Revenue	95,281	94,589
Total Current Portion of Deferred Life Member Dues	211,736	210,198
Current Portion of Deferred Revenue	114,395	360,423
Current Portion of Capital Lease Obligations	42,818	37,495
Due to State Councils and Chapters	207,144	209,859
Total Current Liabilities	1,578,047	1,760,874
Long-Term Liabilities		
Deferred Life Member Dues, Net of Current Portion		
Payable to State Councils and Chapters	1,630,372	1,315,376
Deferred Revenue	1,339,795	1,691,399
Total Deferred Life Member Dues, Net of Current Portion	2,970,167	3,006,775
Deferred Revenue, Net of Current Portion	16,807	11,421
Capital Lease Obligations, Net of Current Portion	124,244	9,820
Deferred Rent Payable	374,600	371,679
Total Long-Term Liabilities	3,485,818	3,399,695
Total Liabilities	5,063,865	5,160,569
Unrestricted Net Assets	10,355,317	8,505,519
Total Liabilities and Net Assets	\$ 15,419,182	\$ 13,666,088

See accompanying Notes to Financial Statements.

Statements of Activities and Changes in Net Assets

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2015 and 2014

	2015	2014
Revenues and Support		
Recycling Program Revenue	\$ 30,886,571	\$ 30,740,816
Less Recycling Program Cost	(24,290,819)	(24,938,537)
Net Recycling Program Revenue	6,595,752	5,802,279
VVA Veteran Newspaper	180,319	181,516
Membership Dues	296,473	332,456
Veterans Support Foundation Grant	218,169	165,600
Contributions	1,740,746	1,716,514
Convention/Conference	53,880	216,204
Royalties	96,204	98,322
Other	96,250	37,205
Total Revenues and Support	9,277,793	8,550,096
Expenses		
Program Services		
National Veterans' Programs	2,278,379	2,754,256
Communications and Public Affairs	1,137,281	1,098,706
Government Relations	717,534	694,751
Veterans' Benefits Program	1,136,492	1,150,833
Total Program Services	5,269,686	5,698,546
Supporting Services		
Support of Affiliates - State Councils and Chapters	200,728	205,292
General and Administrative	1,062,352	1,088,488
Membership Affairs	442,662	445,650
Fund-Raising	865,690	711,915
Total Supporting Services	2,571,432	2,451,345
Total Expenses	7,841,118	8,149,891
Change in Unrestricted Net Assets from Operations	1,436,675	400,205
Investment Income (Loss)	413,123	940,661
Change in Unrestricted Net Assets	1,849,798	1,340,866
Unrestricted Net Assets, Beginning of Year	8,505,519	7,164,653
Unrestricted Net Assets, End of Year	\$ 10,355,317	\$ 8,505,519

See accompanying Notes to Financial Statements.

Statements of Cash Flows

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 1,849,798	\$ 1,340,866
Adjustments to Reconcile Change in Unrestricted Net		
Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	124,255	102,600
Net Realized and Unrealized (Gains) Losses on Investments	(299,560)	(842,445)
(Increase) Decrease in Assets		
Accounts Receivable	(280,227)	342,713
Prepaid Expenses and Other Assets	(14,273)	(173,333)
Deposits	2,270	260
Increase (Decrease) in Liabilities		
Accounts Payable	51,887	(171,793)
Accrued Expenses	7,168	3,155
Deferred Life Member Dues	(35,070)	1,713
Deferred Revenue	(240,642)	215,934
Due to State Councils and Chapters	(2,715)	(54,443)
Deferred Rent Payable	2,921	21,223
Net Cash Provided by (Used in) Operating Activities	1,165,812	786,450
Cash Flows from Investing Activities		
Purchases of Investments	(5,636,315)	(3,266,427)
Sales of Investments	5,403,634	3,197,581
Purchases of Furniture and Equipment	(93,369)	—
Net Cash Provided by (Used in) Investing Activities	(326,050)	(68,846)
Cash Flows from Financing Activities		
Curtailments of Capital Lease Obligations	(95,074)	(49,655)
Net Increase (Decrease) in Cash and Cash Equivalents	744,688	667,949
Cash and Cash Equivalents, Beginning of Year	5,403,276	4,735,327
Cash and Cash Equivalents, End of Year	\$ 6,147,964	\$ 5,403,276
Supplementary Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 1,412	\$ 1,476
Noncash Transaction from Investing and Financing Activities		
Equipment Acquired with a Capital Lease	\$ 214,821	\$ —

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

VVA prepares its financial statements on the accrual basis of accounting. Consequently, revenues are recognized when earned and expenses are recognized when the obligations are incurred.

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 February 28, 2015 and 2014, 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 using the straight-line method over their estimated useful lives of three to five years. Land is recorded at cost and not depreciated. VVA's policy is to capitalize purchases over \$2,000. Only assets placed in service are depreciated.

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

Life Member Dues

As directed by the board of directors, all life member dues are segregated from the general operating funds. VVA uses a fifteen-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

Annual membership dues paid by VVA members include portions for both VVA and the respective state councils and chapters. Annual 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 one-year membership dues received as membership dues revenue in the current period. VVA recognizes three-year membership dues on a prorated basis. The unamortized portion is recorded as deferred revenue.

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 leadership conference during the fiscal year ended February 28, 2015, and a convention during the fiscal year ended February 28, 2014.

Functional Expense Allocation

The costs of providing VVA's various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services.

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 ending in 2015 and 2014.

VVA's policy would be to recognize interest and penalties 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 ending in 2015 and 2014.

VVA's Forms 990, *Return of Organization Exempt from Income Tax*, that have been filed as of February 28, 2015, for the years ended February 28, 2014, February 28, 2013, and February 29, 2012, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

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 \$1,890,565 as of February 28, 2015, and \$-0- as of February 28, 2014. Management does not feel this poses a risk to VVA. At February 28, 2015 and 2014, additional amounts were invested in repurchase agreements of approximately \$1,991,000 and \$2,188,000, 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 depending on the age of the member. 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, equivalent to the current and long-term liabilities of deferred revenue and liability due to the state councils and chapters. As of February 28, 2015 and 2014, VVA had \$3,181,903 and \$3,216,973, respectively, of designated investments.

INVESTMENTS

As of February 28, 2015 and 2014, VVA's investments and their fair values consisted of the following:

	<i>Fair Value</i>	<i>Level 1 Inputs</i>
February 28, 2015		
Money Market Funds	\$ 273,277	\$ 273,277
Mutual Fund Equities	\$ 601,015	\$ 601,015
Corporate Equities	1,579,993	1,579,993
Corporate Bonds	3,725,972	3,725,972
Mutual Funds - Fixed Income	1,759,101	1,759,101
Total	\$ 7,939,358	\$ 7,939,358

	<i>Fair Value</i>	<i>Level 1 Inputs</i>
February 28, 2014		
Money Market Funds	\$ 479,716	\$ 479,716
Corporate Equities	4,263,028	4,263,028
Corporate Bonds	2,664,373	2,664,373
Total	\$ 7,407,117	\$ 7,407,117

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

Investment income consisted of the following at February 28, 2015 and 2014:

	<i>2015</i>	<i>2014</i>
Interest and Dividends	\$ 113,563	\$ 98,216
Realized Gains on Investments	210,080	531,031
Unrealized Gains on Investments	89,480	311,414
Total	\$ 413,123	\$ 940,661

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 28, 2015 and 2014, VVA matched up to 1% 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 2% to 8.25% annually. Monthly payments range from \$222 to \$1,350 with maturity dates through November 2020.

Future minimum lease payments are as follows:

For the Years Ending February 28,	
2016	\$ 46,027
2017	46,042
2018	42,635
2019	27,098
2020	14,501
Total Future Minimum Lease Payments	176,303
Interest Portion of Lease Payments	(9,241)
Net Present Value of Lease Payments	\$ 167,062

Operating Lease Obligations

As of February 28, 2015, equipment and accumulated amortization under capital leases were approximately \$230,000 and \$65,000, respectively. As of February 28, 2014, equipment and accumulated amortization under capital leases were approximately \$211,800 and \$170,000, respectively. Amortization expense for equipment under capital leases was approximately \$58,000 and \$40,000, respectively, for the years ended February 28, 2015 and 2014.

VVA leases its office facilities under an operating lease that expires in November 2020. 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 28, 2015 and 2014, amounted to approximately \$481,000 and \$481,000, respectively.

Future minimum rental commitments are as follows:

For the Years Ending February 28,	
2016	\$ 494,852
2017	514,646
2018	535,232
2019	556,641
2020	578,907
Thereafter	447,076
Total	\$3,127,354

SUBSEQUENT EVENTS

VVA has evaluated subsequent events through June 24, 2015, the date on which the financial statements were available to be issued.



VIETNAM VETERANS OF AMERICA®

8719 Colesville Road, Suite 100

Silver Spring, MD 20910

301-585-4000 ■ 800-VVA-1316

WWW.VVA.ORG