

In Service to America

from Vietnam to the Global War on Terrorism



2011 Annual Report





Vision:

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



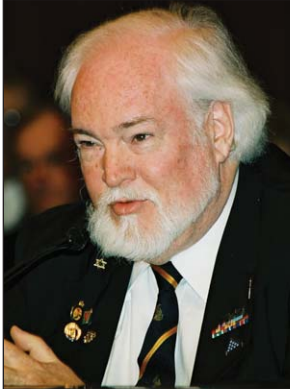
Mission:

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.



A Letter from the President

VVA: 32 Years in Service to America



“The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their nation.”

This sentiment was expressed in 1789 by President George Washington, the father of our country. Today, 43 presidents later, and with American

servicemen and women engaged in bloody conflicts halfway across the globe, the needs of three generations of veterans has perhaps never been greater. And how we as a nation treat them, and how we as a people appreciate them, will go a long way towards healing them, and showing future generations the honor of service to country.

Eleven years into the Global War on Terrorism, with mounting casualties in a guerilla war where friend by day is foe by night, we continue our fight to ensure that our nation will never again blame the warrior for the war.

And today, no matter how a war-weary public feels about our involvement in the Global War on Terrorism, the American people have opened their hearts to those who have answered their nation's call to service.

Reports in newspapers and magazines, on cable outlets and television, in blogs and online publications, bring home the true costs of war: the catastrophic wounds suffered by our troops and the lifelong care they will need; the suicides and array of mental and emotional hurts like Post-traumatic

Stress Disorder, Traumatic Brain Injury that plague so many of them; and the economic stress far too many of them are subjected to when they choose to leave military service, stress that often leads to foreclosures of their homes for some, and life on the streets for others.

We have fought hard, and we have prevailed in our battle to ensure that there are adequate health-care services available for all veterans. On Capitol Hill, we have succeeded with unprecedented funding increases for the VA's health-care budget. But we know that in these tight economic times our work is not done, because budget-cutters will have their axes and knives out looking for easy targets. We don't intend to let health care and benefits for veterans be an easy target.

As there continues to be little outreach to the men and women who have served our nation honorably, VVA has initiated the Veterans Health Council, a partnership of dozens of interested health-care and advocacy organizations whose mission is to inform veterans and their families, along with private clinicians, about those health conditions that may derive from their military service, particularly in wartime.

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.

Sincerely,

A handwritten signature in blue ink, appearing to read "John Rowan". The signature is fluid and stylized, with a long horizontal stroke extending to the right.

John Rowan
President, Vietnam Veterans of America

Never again
will one generation of
veterans abandon another.

—Vietnam Veterans of America's founding principle



Overview: 2010 - 2011

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 32nd 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 the 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 65 thousand members, with 651 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 7,800 members with 13 state-level organizations.

As you can see in the pages that follow, the members of VVA, a 501(c)(19) tax-exempt organization, worked hard. 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

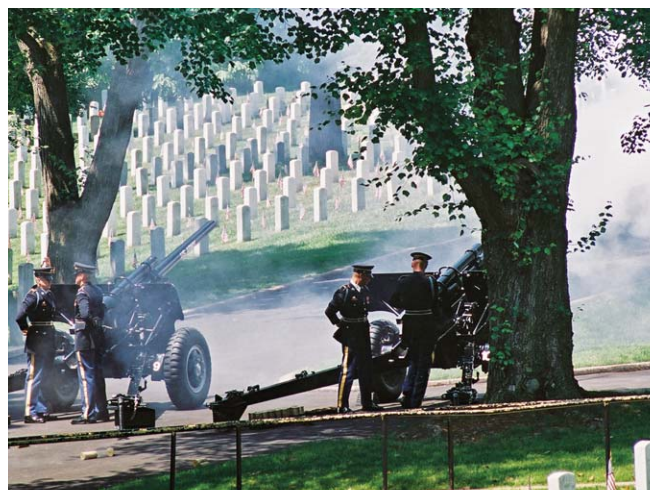
Centers and at the VA Regional offices; alcohol- and drug-abuse education projects; crime-prevention campaigns; sponsorship of youth sports, Boy Scouts/Girl Scouts, and Big Brother/Big Sister programs; educational scholarships to veterans and their children; relief to fellow citizens affected by natural disasters and chronic poverty; and many kinds of support for our servicemen and women serving in Iraq, Afghanistan, and elsewhere in the Global War on Terror.

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

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.

Working together with other veterans service organizations in the Partnership for Veterans Health Care Budget Reform, VVA achieved its highest legislative priority, the passage of H.R. 1016/ S. 423, the Veterans Health Care Budget Reform and Transparency Act. This legislation provides funding a full year in advance for the healthcare budget of the Department of Veterans Affairs. Now, with predictable funding for the VA, Medical Center directors are no longer held in limbo as Congress reworks and adjusts the budget, missing the start of the next federal fiscal year. They can now hire the needed clinicians, purchase state-of-the-art medical devices, and commence construction and maintenance projects that had been on hold.

We succeeded in getting unprecedented funding increases for the VA's healthcare budget, ensuring that there are adequate healthcare services available for our returning troops. Beyond giving testimony on a multitude of issues, including homelessness among veterans, POW/MIA concerns, Agent Orange/dioxin and Persian Gulf illnesses, employment programs and entrepreneurship opportunities



Top: On POW/MIA Day, VVA Chapter 20 makes the long trip from Rochester, New York, to pay tribute to those whose names are etched on *The Wall* in Washington, D.C.

Center: In August, the Seminole Tribe of Florida presented the colors at the Opening Ceremony of VVA's National Leadership Conference, held in Orlando, Florida.

Bottom: The Memorial Day 21-gun salute at Arlington National Cemetery



On Veterans Day, Hal Winton and other members of VVA Montgomery Alabama Chapter 607 conducted a Flag Disposal Ceremony. Montgomery Girl Scout Troop 9215 participated in the ceremony.

The Wall, Veterans Day 2011

At Walter Reed Army Hospital: VVA National Board member John Margowski recognizes fellow veteran Hendres Kelly for going above and beyond on behalf of those injured in the line of duty.

for service-disabled veterans, VVA has succeeded in its efforts to have the Department of Veterans Affairs conduct a follow-up study to the National Vietnam Veterans Longitudinal Study of 20 years ago, which is expected to provide definitive answers about the long-term effects of combat-related PTSD and other mental disorders, such as the chronicity of PTSD and the relationship of PTSD to physical illnesses.

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. One of the more successful strategies employed by veterans is utilizing a veterans' service organization such as VVA.

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 provided free of charge to any individual seeking any VA benefits.

VVA's Veterans Benefits Program has consistently maintained one of the highest favorable decision rates at the Board of Veterans Appeals. 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.

Our Communications Department provided greater public awareness about issues dealing with Vietnam-era veterans, as well as challenges facing veterans of the Global War on Terror, working with national news media and by distributing written information on an ongoing basis. *The VVA Veteran*, VVA's bimonthly news magazine, is mailed to all VVA members. VVA's *Web Weekly*, an electronic newsletter provides regular updates of new information added to www.vva.org.

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they have earned.**

—Vietnam Veterans of America's founding principle



Highlights: 2010 – 2011

Welcome Home Vietnam Veterans Day

On March 7, the U.S. Senate unanimously passed a resolution, introduced by Sen. Richard Burr (R-NC), making March 30th—the date in 1973 when the last operational combat units exited South Vietnam—"Welcome Home Vietnam Veterans Day." VVA state councils and chapters across the nation worked with their local governments to observe the day with appropriate ceremonies and activities.

Legislative Agenda

On March 18, VVA National President John Rowan presented VVA's legislative agenda before the joint House and Senate Veterans' Affairs Committees, calling for the need for real accountability and transparency in the management of the Department of Veterans Affairs.

Noting that it is becoming more and more apparent that the legacy of exposure to Agent Orange/dioxin has often-profound effects on the children and grandchildren of Vietnam veterans, as has the toxic cloud that enveloped the ammo dump at Khamisiyah during Gulf War I, Rowan cited the need for research and treatment for health effects associated with every generation of veterans and their progeny.

Rowan called on Congress to establish a separate account for the funding of the outreach activities of the VA, noting

the VA has both a legal responsibility and ethical obligation to reach out to all veterans and their families to inform them of the benefits to which they are entitled—and the possible long-term health issue they may experience that are associated with each branch of service.

Women Veterans

Women are serving at unprecedented levels in our nation's armed forces, making up 20 percent of today's military. VVA's Women Veterans Committee has worked tirelessly for over 30 years to close the gender gap in services provided to our women veterans. Recent victories in Congress include providing full-time Women Veterans Program Managers at every VA Medical Center; enacting a comprehensive study of the long-term consequences on women who served in or near a war zone; securing legislation to allow women veterans prenatal care at VA Medical Centers; and establishing a pilot program for childcare. VVA's continued presence has also brought about a cultural change at the very top of the Department of Veterans Affairs, where a major four-year study of women Vietnam veterans will be undertaken. This is the first comprehensive study ever done on these war-zone female veterans.

Agent Orange/Dioxin and Toxic Exposures

As a result of VVA's advocacy, the Secretary of Veterans Affairs declared three new conditions—Parkinson's disease, ischemic heart disease, and hypertension—to be presumptive to exposure to Agent Orange/dioxin, allowing veterans to receive treatment and compensation for these three additional health conditions. While the process of recognizing the human health consequences of herbicide exposure is tortuously slow, each addition to the list of service-connected diseases has a large impact on the health and welfare of many, many veterans and their families.

VVA testified before the Institute of Medicine on health conditions, including birth defects, cancers, and learning disabilities in the children and grandchildren of veterans. Through VVA's Faces of Agent Orange campaign, the stories of veterans whose children and grandchildren have health issues believed to be a result of their military service are being recorded and disseminated in an effort to bring attention to this unfortunate legacy.

Agent Orange town hall meetings, hosted by VVA chapters and state councils nationwide, were held to explore issues surrounding exposure to Agent Orange and other toxic chemicals, including scientific information, health effects, and methods of educating the public and elected representatives about the issues of Vietnam veterans, their children, and their families.



VVA is committed to ensuring that all veterans exposed during their service—whether in Thailand, Laos, Guam, Hawaii, Johnson Island, Korea, aboard "blue water" Navy vessels, at military installations in the continental U.S., or elsewhere—are granted service-connected disability compensation for their presumptive diseases.

VVA remains in the lead on Agent Orange, seeking new legislation mandating further enhancements to funding Agent Orange research, epidemiological studies, epigenetic studies of veterans and their progeny, and research into other toxins to which veterans of many generations have been exposed. VVA has laid much of the groundwork for legislation within the next year or two that will assist many veterans and families currently suffering from AO-related illnesses. VVA will continue this work until we get it done.

Homelessness

It is estimated that veterans comprise one-fifth of our nation's homeless population. VVA's Homeless Veterans Committee has been at the forefront in support of homeless veterans since securing passage of P.L. 107-95, the first comprehensive legislation for homeless veterans and their families. VVA fully supports the Administration's five-year plan to end homelessness among veterans.

VVA's Homeless Committee has helped secure increased funding for the VA Grant and Per Diem program; the Department of Labor Homeless Veterans Reintegration Program; and, through persistent advocacy in Congress, has provided over 20,000 HUD-VASH permanent housing choice vouchers for homeless veterans and their families. VVA was instrumental in advocating for the first call center and chat line for homeless veterans, recently established



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by the Department of Veterans Affairs. This call center, which is staffed 24/7, assists homeless veterans and their families with direct links to VA Medical Centers, as well as Federal, state and local resources.

PTSD and Substance Abuse

VVA's Post-traumatic Stress Disorder and Substance Abuse Committee continued in its vocal role on behalf of veterans of all generations. In the press, on Capitol Hill, and on government and non-government committees, VVA advocated for legislation and research for Post-traumatic Stress Disorder, Traumatic Brain Injuries, and Military Sexual Trauma. The committee took a lead in developing and distributing material aimed at suicide education and prevention. The "Suicide Risk and Prevention—Assistance and Resources" informational brochure can be found on www.vva.org. In July, the VA Secretary simplified the process for treatment and compensation for those afflicted with PTSD by not requiring the corroboration of a stressor, related to fear of hostile military or terrorist activity.

The Veterans Health Council

VVA's Veterans Health Council (VHC) continued to expand its reach, presenting expert testimony regarding veterans' health issues before federal agencies and on Capitol Hill; and

distributing information at national conferences, including the national HIMSS Conference and the NAACP convention—at which the NAACP passed a unanimous resolution in support of the VHC. Presentations were delivered at professional meetings, such as the VA Mental Health Conference, the GAINS Center National Leadership Forum, and the United Southern and Eastern Tribes Conference. In addition to participating in a national SAMHSA-sponsored webinar entitled "Mental Health for Military Families," the VHC served as a source for journalists, participating in radio, television, and print interviews on military health.

The POW/MIA Committee

VVA's POW/MIA Committee continued in its mission to seek the fullest possible accounting of those who remain missing from the Vietnam War. In March, the 22nd Veterans Initiative delegation travelled across Vietnam, taking information—photographs and maps provided by American veterans—to assist in the accounting of Vietnamese combatants, with the intent of furthering an environment of mutual cooperation and exchange of fate-clarifying information. Dan Tucker, who was the 1st Sgt. at FB Tomahawk in 1969, when the base was overrun, accompanied the delegation as a witness to the burial of 27 PAVN from that battle.



Honoring and remembering at the Vietnam Veterans Memorial: VVA Chapter 20 pays tribute to those who made the ultimate sacrifice.



Former Secretary of State Colin L. Powell appeared at VVA's October board Meeting to accept the Minority Affairs Committee Diversity Award. VVA President John Rowan presented General Powell with the organization's highest award, the VVA Commendation Medal.

Employment

VVA was in the forefront in bringing about a much-needed course correction in the operation of the Center for Veterans Enterprise (CVE) at the VA to better serve veteran-owned and service-disabled, veteran-owned businesses. VVA succeeded in securing an Executive Order, instructing the Federal government to steer more business in procurement to all small businesses, and to ensure that veteran entrepreneurs continue to be at the forefront before policymakers and procurement officials. As a result of VVA's advocacy, a veteran-owned small business can now own and register more than one company in the VA Small Business Database, and the veteran business owner does not have to work from the primary business location each day to demonstrate participation in the day-to-day operations of the company.

Minority Affairs

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. The VVA Minority Affairs Committee continues to spread the word among the ethnic minority veterans regarding the services provided by the VA, all the while ensuring that the VA is adequately serving



Service Officer Training was held at the VVA National Headquarters in Silver Spring, Maryland.

minority veterans. This year, VVA was able to establish contact with representatives from the Native American community and Alaskan Natives.

Veterans Against Drugs and Violence

VVA's Veterans Against Drugs Task Force, along with the incarcerated veterans of VVA Chapter 689, Angola, Louisiana, produced a powerful video, aimed at today's youth. The prisoners shared their experiences with drugs and alcohol, revealing how their use led to their downfall and incarceration, with the hopes that the youth of today will heed their message to not follow in their footsteps.

Veterans Incarcerated

VVA continues to support legislation to facilitate the establishment of Veterans Treatment Courts, which provide for compassionate responses by the criminal justice system to many veterans who have served honorably in the armed forces. Vietnam veterans serve as volunteer mentors, dedicated to helping those who have been less fortunate in the transition from the military to civilian life. The mentor's presence and dedication are critical to the success of the courts.



The purpose of the In Memory Plaque, located on the national Vietnam Veterans Memorial site in Washington, D.C., is as it reads, "to honor the memory of the men and women who served in the Vietnam War and later died as a result of their service."



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Advisor

Nancy Switzer, President,
Associates of Vietnam Veterans
of America
Rochester, New York

National Committee Chairs

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Other Toxic Substances**

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Edinburg, Virginia

Constitution

Leslie DeLong
Lafayette, Louisiana

Credentials

Jim Blount
Virginia Beach, Virginia

Disaster Relief Task Force

Craig Tonjes
Fort Myers, Florida

Economic Opportunity

Richard Davidge
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Elections

Scott DeArman
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Bruce Whitaker
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Government Affairs

Patrick Welch, PhD
Williamsville, New York

Homeless Veterans

Sandy Miller
Birdsboro, Pennsylvania

Membership Affairs

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Minority Affairs

Jerry Yamamoto
Harbor City, California

National Disciplinary Committee

Al Huber
Rock Island, Illinois

POW/MIA Affairs

Gary Jones
St. Louisville, Ohio

PTSD and Substance Abuse

Tom Hall, PhD
Kansas City, Missouri

Public Affairs

Keith King
Detroit, Michigan

Resolutions

Fred Elliott
Rochester, New York

Rules

Dan Stenvold
Park River, North Dakota

Veterans Benefits

Jerry Klein
Wellington, Florida

Veterans Health Care

Pat Bessigano
Lowell, Indiana

Veterans Incarcerated

Terry Hubert
Washoe Valley, Nevada

Women Veterans

Marsha Four
Springfield, Pennsylvania

Veterans Against Drugs Task Force

Dave Simmons
Bluefield, West Virginia

Appointments

National Chaplain

Father Phillip Salois
North Smithfield, Rhode Island

Sergeant-At-Arms

Grant Coates
Sidney, New York

Parliamentarian

Michael Swift
Baltimore, Maryland

VA Voluntary Service Representative

Judith McCombs
Brooklyn, New York

State Council Presidents

Alabama — Wayne Reynolds

Alaska — William Lee

Arizona — William J. Messer

Arkansas — Jim Bryant

California — Steve Mackey

Colorado — Rhy Paris

Connecticut — Patricia Dumin

Delaware — Paul Davis

Florida — Jerry Klein

Georgia — Lionel Marmolejo

Idaho — Robert Seal

Illinois — Al Huber

Indiana — Patricia Bessigano

Iowa — Ray Hutchison

Kansas — Ron Zink

Kentucky — Darrel Martin

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Maine — John W. Wallace

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Massachusetts — Paul Richards

Michigan — Ken Diegel

Minnesota — Maynard Kaderlik

Mississippi — Rex Moody

Missouri — Charles P. Stapleton

Montana — Beverly Stewart

Nebraska — Dottie Barickman

Nevada — Darrol Brown

New Hampshire — Raymond Goulet, Jr.

New Jersey — Herb Worthington

New Mexico — Gregory R. Neal

New York — Ned Foote

North Carolina — Joe Kristek

North Dakota — Dan Stenvold

Ohio — Thomas Burke

Oklahoma — Nathaniel Washington

Oregon — Tom Owen

Pennsylvania — Jeffrey White

Puerto Rico — Jorge Pedroza

Rhode Island — John Weiss

South Carolina — Avery Taylor

Tennessee — Charlie Hobbs

Texas — Luther "Buster" Newberry

Vermont — John Miner

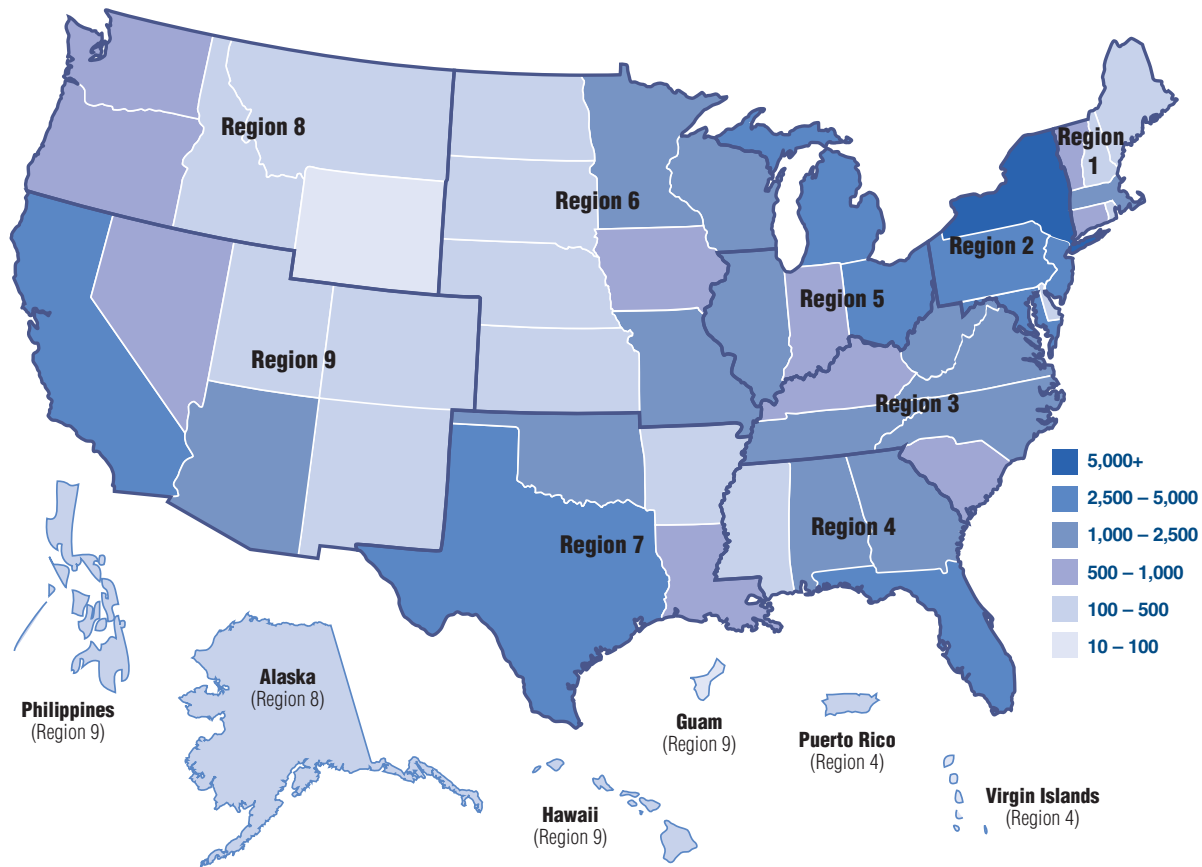
Virginia — Charlie Montgomery

Washington — Bill F. Robins

West Virginia — Dave Simmons

Wisconsin — Richard W. Lindbeck

The Organization **At a Glance**



VIETNAM WAR FACTS

61% percent of the men who were killed in the Vietnam War were 21 years of age or younger.

West Virginia had the highest death rate—81 per 100,000. The national average was 58.9.

25% of the total U.S. forces serving in Vietnam were draftees, compared to 66% during World War II.

Approximately 2,031 people were missing in action during the Vietnam War. 766 were POWs and 114 died in captivity. There are now 1,672 missing and unaccounted for from the Vietnam War.

The average age of soldiers serving during the Vietnam War was 19. The average soldier's age during World War II was 26.

79% of the draftees who served during the Vietnam War had high school or higher education. 76% of them were from lower middle or working class families.

Approximately 97% of Vietnam veterans were honorably discharged.

Approximately 66% percent of Vietnam veterans have said they were proud of their time in service and what they did during the Vietnam War.

Approximately 87% of the general public now hold Vietnam veterans in high esteem.

Vietnam veterans make up 9.7% of their generation.

9,087,000 military personnel served on active duty during the official Vietnam War Era (August 5, 1964, through May 7, 1975).

8,744,000 personnel were on active duty during the war (from August 5, 1964, through March 28, 1973).

3,403,100 (including 514,000 offshore) served in the Southeast Asia Theater, which included Vietnam, Laos, Cambodia, flight crews based in Thailand, and sailors in the adjacent South China Sea.

2,594,000 personnel served within the borders of South Vietnam.

7,484 women served in Vietnam; 6,250 (approximately 83.5%) were nurses.

Peak American troop strength in Vietnam was 543,482 (April 30, 1969).

A total of 58,156 (which includes men formerly classified as MIA and Mayaguez casualties) died in Vietnam.

Source: VVA Education Guidebook



Independent Auditors' Report

The Board of Directors
Vietnam Veterans of America, Inc.
Silver Spring, Maryland

We have audited the accompanying statements of financial position of Vietnam Veterans of America, Inc. (VVA), as of February 28, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of VVA's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vietnam Veterans of America, Inc., as of February 28, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 13-14 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 audit 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
July 6, 2011

Certified Public Accountants

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

Financial Statements

Vietnam Veterans of America, Inc. | STATEMENTS OF FINANCIAL POSITION

For the Years Ended February 28, 2011, and February 28, 2010

	2011	2010
Assets		
Current Assets		
Undesignated Cash and Cash Equivalents	\$ 5,418,493	\$ 4,382,644
Accounts Receivable	777,204	357,007
Prepaid Expenses and Other Assets	52,560	55,402
Total Current Assets	6,248,257	4,795,053
Investments - at Market Value		
Undesignated	2,549,385	1,523,083
Designated for Life Memberships	2,985,110	2,859,323
Total Investments	5,534,495	4,382,406
Property and Equipment		
Furniture and Equipment	386,184	388,679
Software	233,295	105,219
Total Property and Equipment	619,479	493,898
Less Accumulated Depreciation	(147,745)	(72,323)
Net Furniture and Equipment	471,734	421,575
Other Assets		
Deposits	41,819	57,185
Prepaid Expenses and Other Assets	230,564	494,832
Total Other Assets	272,383	552,017
Total Assets	\$ 12,526,869	\$ 10,151,051

See accompanying Notes to Financial Statements.

Vietnam Veterans of America, Inc. | STATEMENTS OF FINANCIAL POSITION

For the Years Ended February 28, 2011, and February 28, 2010

	<u>2011</u>	<u>2010</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,184,659	\$ 909,572
Accrued Expenses	<u>188,008</u>	<u>187,632</u>
Current Portion of Deferred Life Member Dues		
Payable to State Councils and Chapters	109,454	104,842
Deferred Revenue	<u>89,553</u>	<u>85,780</u>
 Total Current Portion of Deferred Life Member Dues	 <u>199,007</u>	 <u>190,622</u>
 Current Portion of Deferred Revenue	 79,022	 75,758
Current Portion of Capital Lease Obligations	42,825	40,052
Due to State Councils and Chapters	389,187	248,115
Due to Associates of Vietnam Veterans of America, Inc.	<u>7,371</u>	<u>703</u>
 Total Current Liabilities	 <u>2,090,079</u>	 <u>1,652,454</u>
Long-Term Liabilities		
Deferred Life Member Dues, Net of Current Portion		
Payable to State Councils and Chapters	1,532,357	1,467,786
Deferred Revenue	<u>1,253,746</u>	<u>1,200,915</u>
 Total Deferred Life Member Dues, Net of Current Portion	 <u>2,786,103</u>	 <u>2,668,701</u>
 Deferred Revenue, Net of Current Portion	 107,181	 111,242
Capital Lease Obligations, Net of Current Portion	121,914	165,764
Deferred Rent Payable	<u>255,902</u>	<u>98,952</u>
 Total Long-Term Liabilities	 <u>3,271,100</u>	 <u>3,044,659</u>
 Total Liabilities	 <u>5,361,179</u>	 <u>4,697,113</u>
 Unrestricted Net Assets	 <u>7,165,690</u>	 <u>5,453,938</u>
 Total Liabilities and Net Assets	 <u><u>\$ 12,526,869</u></u>	 <u><u>\$ 10,151,051</u></u>

See accompanying Notes to Financial Statements.

Vietnam Veterans of America, Inc. | STATEMENTS OF ACTIVITIES

For the Years Ended February 28, 2011, and February 28, 2010

	2011	2010
Revenues and Support		
Recycling Program Revenue	\$ 26,136,159	\$ 18,423,876
Less Recycling Program Cost	(20,184,819)	(14,243,499)
Net Recycling Program Revenue	5,951,340	4,180,377
VVA Veteran Newspaper	131,538	166,753
Membership Dues	331,427	340,622
Veterans Support Foundation Grant	212,500	192,341
Contributions	1,281,934	1,233,360
Convention/Conference	31,343	110,025
Royalties	50,150	68,750
Other	85,832	134,743
Total Revenues and Support	8,076,064	6,426,971
Expenses		
Program Services		
National Veterans' Programs	2,384,388	2,235,184
Communications and Public Affairs	816,495	886,365
Government Relations	709,903	674,335
Veterans' Benefits Program	897,490	938,256
Total Program Services	4,808,276	4,734,140
Supporting Services		
Support of Affiliates - State Councils and Chapters	195,395	184,562
General and Administrative	1,144,433	1,045,278
Membership Affairs	374,905	394,550
Fund-Raising	740,962	690,834
Total Supporting Services	2,455,695	2,315,224
Total Expenses	7,263,971	7,049,364
Change in Unrestricted Net Assets from Operations	812,093	(622,393)
Investment Income (Loss)	899,659	799,693
Change in Unrestricted Net Assets	1,711,752	177,300
Unrestricted Net Assets, Beginning of Year	5,453,938	5,276,638
Unrestricted Net Assets, End of Year	\$ 7,165,690	\$ 5,453,938

See accompanying Notes to Financial Statements.

Vietnam Veterans of America, Inc. | STATEMENTS OF CASH FLOWS

For the Years Ended February 28, 2011, and February 28, 2010

	2011	2010
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 1,711,752	\$ 177,300
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	102,751	80,455
Loss on Disposal of Property and Equipment	—	290
Net Realized and Unrealized (Gains) Losses on Investments	(733,379)	(681,464)
(Increase) Decrease in Assets		
Accounts Receivable	(420,197)	75,557
Prepaid Expenses and Other Assets	267,110	(515,374)
Deposits	15,366	—
Increase (Decrease) in Liabilities		
Accounts Payable	257,087	450,609
Accrued Expenses	376	10,174
Deferred Life Member Dues	125,787	143,727
Deferred Revenue	(797)	1,188
Due to State Councils and Chapters	141,072	(188,785)
Due to Associates of Vietnam Veterans of America, Inc.	6,668	(1,057)
Deferred Rent Payable	156,950	60,406
Net Cash Provided by (Used in) Operating Activities	1,648,546	(386,974)
Cash Flows from Investing Activities		
Purchases of Investments	(6,139,905)	(7,482,412)
Sales of Investments	5,721,195	8,052,368
Purchases of Furniture and Equipment	(152,910)	(197,476)
Net Cash Provided by (Used in) Investing Activities	(571,620)	372,480
Cash Flows from Financing Activities		
Curtailments of Capital Lease Obligations	(41,077)	(39,056)
Net Increase (Decrease) in Cash and Cash Equivalents	1,035,849	(53,550)
Cash and Cash Equivalents, Beginning of Year	4,382,644	4,436,194
Cash and Cash Equivalents, End of Year	\$ 5,418,493	\$ 4,382,644
Supplementary Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 5,387	\$ 2,732
Noncash Transaction from Investing and Financing Activities		
Office Equipment Acquired With Capital Lease	\$ —	\$ 195,212

See accompanying Notes to Financial Statements.

Vietnam Veterans of America, Inc. | NOTES TO FINANCIAL STATEMENTS

1. 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, 2011 and 2010, 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.

Property and Equipment

Furniture 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. 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 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 pre-

sented in the statements of activities 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, 2011, and a convention during the fiscal year ended February 28, 2010.

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. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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.

As of February 28, 2011, VVA's information returns filed with the Internal Revenue Service for the years ended February 28, 2010, 2009, and February 29, 2008, remain open for examination.

2. 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 \$1,446,000 as of February 28, 2011, and \$1,446,000 as of February 28, 2010. Management does not feel this poses a risk to VVA. At February 28, 2011 and 2010, additional amounts were invested in repurchase agreements of approximately \$1,400,000 and \$730,000 that were not covered by insurance. VVA has a security interest in all securities purchased under the repurchase agreements.

3. 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 deferred revenue and liability due to the state councils and chapters. As of February 28, 2011 and 2010, VVA had \$2,985,110 and \$2,859,323 of designated investments.

4. RELATED PARTY TRANSACTIONS

VVA was awarded grants in the amounts of \$212,500 and \$192,341 from Veterans Support Foundation (VSF), which are included in revenues and support, for the years ended February 28, 2011 and 2010, respectively. The funds are used by VVA to support the veterans' benefits program. VSF is a related party through administrative management members in common.

VVA also provides minimal support and supplies to the operations of VSF. At February 28, 2011 and 2010, VSF owed VVA approximately \$18,000 and \$44,000, respectively, for salaries.

Additionally, in 2010, VVA forgave the amount of the \$107,228 of a \$190,000 loan to VSF, which was recorded as a contribution.

Included in the accounts receivable at February 28, 2011 and 2010, are \$5,857 and \$2,391, respectively, of reimbursable expenses paid by VVA on behalf of the Associates of Vietnam Veterans of America (AVVA). Additionally, at February 28, 2011 and 2010, there was \$7,584 and \$607, respectively, due to AVVA. The president of AVVA is a non-voting member of the VVA board. VVA also provides minimal support and supplies to the operations of AVVA.

5. INVESTMENTS

As of February 28, 2011 and 2010, VVA's investments and their fair values consisted of the following:

	Cost	Fair Value	Level 1 Inputs
February 28, 2011			
Money Market Funds	\$ 295,609	\$ 295,610	\$ 295,610
Corporate Equities Mutual Funds –	2,955,634	3,675,121	3,675,121
Fixed Income	1,574,799	1,563,764	1,563,764
Total	\$ 4,826,042	\$ 5,534,495	\$ 5,534,495

February 28, 2010			
Money Market Funds	\$ 1,291,248	\$ 1,291,248	\$ 1,291,248
Corporate Equities Mutual Funds –	1,368,632	1,631,615	1,631,615
Fixed Income	1,257,600	1,264,921	1,264,921
Mutual Funds – Equity	182,779	194,622	194,622
Total	\$ 4,100,259	\$ 4,382,406	\$ 4,382,406

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.

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

Investment income consisted of the following at February 28:

	2011	2010
Interest and Dividends	\$166,280	\$118,231
Realized Gains (Losses) on Investments	307,305	278,290
Unrealized Gains (Losses) on Investments	426,074	403,172
	\$899,659	\$799,693

6. 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. VVA has not made and does not intend to make any employer matching contributions.

7. 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 February 2015.

Future minimum lease payments are as follows:

For the Years Ending February 28,	
2012	\$ 42,825
2013	38,949
2014	39,831
2015	40,727
2016	11,200
Total Future Minimum Lease Payments	173,532
Interest Portion of Lease Payments	(8,793)
Net Present Value of Lease Payments	\$164,739

As of February 28, 2011, equipment and accumulated amortization under capital leases were approximately \$223,000 and \$71,000, respectively. As of February 28, 2010, equipment and accumulated amortization under capital leases were approximately \$223,000 and \$28,000, respectively. Amortization expense for equipment under capital leases was approximately \$44,000 and \$15,000 for the years ended February 28, 2011 and 2010, respectively.

Operating Lease Obligations

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, 2011 and 2010, amounted to approximately \$530,000 and \$418,000, respectively.

Future minimum rental commitments are as follows:

For the Years Ending February 28,	
2012	\$ 418,813
2013	435,566
2014	452,988
2015	471,108
2016	489,952
Thereafter	2,759,889
Total	\$5,028,316

8. SUBSEQUENT EVENTS

VVA has evaluated subsequent events through July 6, 2011, the date on which the financial statements were available to be issued.



Vietnam Veterans of America

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