



In Service to America

from Vietnam to the Global War on Terrorism

2012 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: 33 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 year, the U.S. Senate unanimously passed a resolution designating March 30th—the date in 1973 when the last operational combat units exited South Vietnam—as “Welcome Home Vietnam Veterans Day.” However belated the recognition of the service and sacrifice of those of us who served in Southeast Asia during the years of what was then America’s longest war, it is appreciated.

For far too long, citizens of all political persuasions blamed those who served for the failures of those who led, those officials whose military as well as political policies failed. Returning veterans were not welcomed into the bosom of a grateful nation; instead, many were ignored at best, scorned at worst. The psychological issues faced by many Vietnam vets can be traced not simply to what they experienced in Vietnam, but to this unwelcome home.

Yet from adversity comes strength. Our roots grew out of the tensions and the turbulence of that era. Many of us felt that we had to come together in our own organization to fight once again for those we left behind, and for those who were still not home. Our sense of patriotism runs deep, and our sense of justice is strong. We were, and remain, an activist organization. VVA fought for passage of the Agent Orange Act back in 1991. We brought recognition to PTSD, Post-traumatic Stress Disorder. We were instrumental in getting Congress to take a chance on Advance Appropriations for the VA’s health accounts. We worked in concert with younger veterans and other military and veterans service organizations to pass the Post-9/11 G.I. Bill. We will always live up to our founding principle: *Never again will one generation of veterans abandon another.*

Perhaps America has grown up. Today, Americans embrace those who have volunteered for military service and have placed themselves in harm’s way—whether they agree or disagree with the mission in Iraq or Afghanistan. These newly minted veterans, and those who continue to serve despite deployment after deployment, are offered a variety of opportunities and events across the nation by Americans who want to honor them and to thank them.

“Better late than never” may be a cliché, but it really is never too late to say, “Thank You for Your Service, and Welcome Home.”

Sincerely,

A handwritten signature in black ink, appearing to read "John Rowan".

John Rowan
President, Vietnam Veterans of America



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

Overview 2011-2012

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 33RD 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 67,000 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 today.

As 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



The In Memory Plaque, located on the national Vietnam Veterans Memorial site in Washington, D.C., honors the memory of those men and women who served in the Vietnam War and later died as a result of their service.



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

The Faces of Agent Orange town hall meetings, convened by our veterans in their in their communities, have given us the opportunity to focus on the effects of Agent Orange on the children of Vietnam veterans. By bringing this sad story to audiences around the country, we have also been able to reach those veterans who were previously unaware of the toxic legacy of dioxin.

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.

This year, VVA achieved one of its top legislative priorities, the creation of a Veterans Economic Opportunity within

the Veterans Benefits Administration. In response to VVA's advocacy, VA Secretary Eric Shinseki preempted any congressional action by creating a new Office of Economic Opportunity within the Veterans Benefits Administration headed by a deputy under secretary.

VVA was a leader in the fight to pass the Post 9/11 GI Bill, which provides educational benefits for veterans who have served since 9/11. Now VVA is fighting to ensure that those predatory, for-profit colleges, which have sprung up to feast on federal dollars, are unable to recruit veterans with their false promises.

On a single night in January 2012, more than 62,500 veterans were homeless. While this number continues to reveal a national disgrace, there is hope. The rate of homelessness among veterans has fallen by 7.2 percent since January 2011. VVA's Homeless Veterans Committee has been at the forefront of this fight for decades, both as providers and policymakers, and credit is due to the chair and members of this hard-working committee whose expertise and passion are respected throughout the community of homeless veteran providers.

VVA continues to maintain a strong and aggressive Veterans Benefits Program. Unlike other areas of the law, there are

**NEVER
AGAIN** will one
generation
of Veterans
**abandon
another.**



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. Today, we have approximately 700 accredited service officers nationwide, who represent more than 30,000 veterans for claims before the Department of Veterans Affairs.

Whenever possible, VVA assists all veterans, no matter when or where they served. This holds true whether or not the claimant is a VVA member. 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 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 information on an ongoing basis. *The VVA Veteran*, VVA's bimonthly news magazine, is mailed to all VVA members. VVA has expanded its reach through the use of electronic media. On the web, VVA can be found at www.vva.org. Our e-newsletter, *The Web Weekly*, provides our subscribers with latest developments in veterans' health and legislation. Our YouTube channels and FaceBook pages are further expanding our reach and our number of followers continues to grow.



265,000
MILITARY WOMEN

are estimated to have served their country during the **Vietnam war.**

Approximately American military
11,000 women were
stationed in Vietnam.

Highlights: 2011-2012

Agent Orange/Dioxin and Toxic Exposures

VVA is committed to ensuring that all veterans exposed during their service receive the care and compensation they have earned by their service to our nation. This includes those who served in Vietnam, Thailand, Cambodia, Korea, and Laos, as well as those who flew on C-123s, aboard Navy vessels, and on certain military installations and other facilities in and outside the continental U.S., including Guam, Puerto Rico, Hawaii, Johnson Island, Ft. Detrick, Okinawa, and elsewhere.

As a result of VVA's effective advocacy, in 2010, the VA finally recognized Parkinson's disease, B-cell leukemias, and ischemic heart disease as associated with exposure to Agent Orange (or other herbicides). In May 2011, the VA included chronic lymphocytic leukemia and small-cell lymphocytic lymphoma in the definition of the Agent Orange presumptive disease Non-Hodgkin's lymphoma.

Our fight doesn't end with the veteran. We are now engaged in a fierce battle for the innocent victims of our long-ago war—our children, and their children's children, whose health has been compromised by our exposure during military service. The generational legacy of toxic exposures is now a top legislative priority for Vietnam Veterans of America.

From coast to coast, VVA has mobilized at the grassroots, hosting Agent Orange Town Hall meetings to collect personal stories of the children for the "Faces of Agent Orange" project and to share information about dioxin and its toxic legacy.

The VVA Self-Help Guide to Service Connected Disability Compensation for Exposure to Agent Orange is regarded as one of the best resources available to veterans on the topic. Due to the high demand of this publication, VVA, in the last two years, has printed and distributed 30,000 copies, and the demand for this publication continues to grow.

Women Veterans

VVA's Women Veterans Committee has worked tirelessly to secure a strong cornerstone in the foundation of equity and equality—their energy and unwavering commitment have had an immeasurable impact on the health care and benefits of all women veterans.

VVA has been a leading and persistent voice about Military Sexual Trauma, pushing for recognition of the seriousness and extent of this institutional disorder and its effects on the morale, esprit de corps, and combat readiness of today's service members. At long last this issue is subject of



Left: One of our younger volunteers, Jeremy Carr, associate member of VVA Chapter 862, was honored by President Obama for his volunteer work with the chapter.

Below: On Memorial Day and Veterans Day, VVA Membership Chair Charlie Hobbs greets visitors at the VVA information and outreach tent on the grounds of the Vietnam Veterans Memorial.



countless hearings on Capitol Hill, and finally there is hope that MST victims will be afforded some level of protection for speaking out, and we will no longer hear of incidents where they have been labeled with “personality disorders” and booted out of the military.

As a result of VVA's advocacy, the “Long-term Health Outcomes of Women Veterans Service During the Vietnam Era” is underway, with the first wave of the study begun in May—it is the most comprehensive examination of Vietnam-era women veterans to date and is designed to evaluate the long-term mental and physical health effects of military service in women during the Vietnam era.

Homeless Veterans

The VVA Homeless Veterans Committee continues its long-time advocacy on behalf of veterans, working toward the goal of ending veteran homelessness. In August, the committee was rewarded for its ceaseless efforts by the successful passage of H.R. 1627. This legislative priority of VVA allows for the expansion of the VA's Special Needs Grants; it provides for parity, allowing the children of male veterans to join the children of female veterans in being eligible for services; and it reauthorizes programs critical to the success of the Secretary's “Five-year Plan to End Veteran Homelessness.”

In Defense of LA's Homeless Veterans

Instead of providing a refuge for Los Angeles's large homeless veteran population, many of whom are still dealing with the demons of their wartime experiences, the VA has leased sections of the 387-acre West Los Angeles VA Medical Center to car rental companies, hotels, oil companies, and private schools. This action is in flagrant violation of a century-old covenant, deeding this land in perpetuity to the federal government for the sole use to benefit wounded warriors and veterans. In June, in an effort to remedy this long-time infringement of veterans' rights, VVA joined as a plaintiff in a lawsuit that challenges the unethical and illegal use of this land.

PTSD and Substance Abuse

The link between PTSD and suicide is strong. With the high rate of suicide among recently returned troops as well as those who returned from our war more than forty years ago, VVA continues to advocate and educate, encouraging all veterans to see that no veteran is left alone in a moment of need.

VVA's Post-traumatic Stress Disorder/Substance Abuse Committee worked closely with the National Suicide Prevention Resource Center, the Substance Abuse and Mental Health Services, and the National Center for PTSD



VVA Minority Affairs chair Jerry Yamamoto and VVA Connecticut State Council President Patty Dumin keep the promise to assist all veterans, no matter their war



to identify barriers and explore new avenues for care and treatment for those veterans with PTSD. In Washington, VVA pushed for the Department of Defense and the Department of Veterans Affairs to implement systems that have been researched and shown to more accurately assess PTSD.

Prior to PTSD being recognized as an invisible wound of war, a number of Vietnam veterans suffering from Post-traumatic Stress Disorder were discharged under other-than-honorable conditions, thus making them ineligible for disability compensation and other benefits. In December 2012, VVA joined a class-action lawsuit against the four branches of service, contending that the military has refused to review or upgrade the discharge statuses of thousands of Vietnam War-era veterans with service-related PTSD. The lawsuit is ongoing.

The Veterans Health Council

The Veterans Health Council (VHC) continues its efforts to both educate and inform America's veterans, their families, and its partners in the health-care community about the illnesses and maladies associated with military service. VHC brochures have been revised, reprinted, and distributed at several national conferences as well as at other national and local events.

VHC presentations were delivered at a number of professional meetings, trainings, and academic

conferences. This year, the VHC entered into a partnership with the NAACP to explore ways to focus attention by African Americans on health issues that are associated with their military service.

In addition to serving as a source for journalists on military health, the VHC also presented expert testimony before both the House and the Senate Veterans Affairs Committees and their subcommittees, as well as the Congressional Men's Health Caucus, various federal agencies such as the Department of Health and Human Services, and several of its entities.

Prisoners of War/Missing in Action

The fullest possible accounting of POW/MIAs remains VVA's top priority. The committee continues to work 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. 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.

In March, the 22nd Veterans Initiative delegation travelled across Vietnam taking information—photographs and maps



Vietnam veterans from across the nation convened in Reno for VVA's 15th biennial national convention. The delegates debated national resolutions and constitutional amendments and voted for VVA's national leaders—officers and board members—for the upcoming two years. An Agent Orange Town Hall meeting on the generational legacy of dioxin was convened by AVVA for the delegates and their families.



provided by American veterans—to help 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 a 1st Sgt. at FB Tomahawk in 1968, when the firebase was overrun, accompanied the delegation as a witness to the burial of 27 PAVN from that battle.

In search of answers, VVA's POW/MIA Committee travelled to Ukraine on three occasions to meet with former Soviet veterans. As a result of this effort, VVA was presented with a list of coordinates of 209 downed American aircraft—this list contained fate-clarifying information which had been previously unavailable to the the Defense POW/Missing Personnel Office. In gratitude for the assistance of the veterans of the former Soviet Union, members of the POW/MIA Committee, along with VVA Chapters 10 and 55, shipped 8 tons of discarded wheelchairs and medical equipment for distribution by the All-Ukrainian Union of War Veterans.

Employment and Economic Opportunity

VVA continues to work with top VA leadership to ensure the resources are there to foster independence among veterans, particularly recently separated and disabled veterans, with a focus on the real unemployment problems facing the National Guard and Reserves, as well as transitioning military/veterans.

With nearly a million unemployed veterans in America, one of VVA's top legislative priorities has been the creation of a Veterans Economic Opportunity office within the Veterans Benefits Administration. In response to VVA's advocacy, VA Secretary Eric Shinseki preempted congressional action by creating this new Office of Economic Opportunity, consolidating a trio of VA programs—education, loan guaranty, and vocational rehabilitation, allowing for enhanced coordination and the reduction of any duplication of services.

VVA has long been active in the realm of preserving Veteran's Preference and ensuring that the federal government has real programs to hire and train veterans. Another VVA victory was the passage of the VOW to Hire Heroes Act, signed by the president in November. The VOW Act offers tax incentives for hiring unemployed veterans, and provides for expanded education and training benefits and programs to facilitate the seamless transition from the military to the civilian sector.

Minority 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.

The VVA Minority Affairs Committee continues to spread the word among the ethnic minority veterans regarding the



On Veterans Day, members of VVA Chapter 82, Nassau County, New York, travelled to Washington, D.C., to pay tribute to those whose names are on The Wall and remembered by the In Memory Plaque.

services provided by the VA, all the while ensuring that the VA is adequately serving minority veterans.

This year the committee reached out to members of the following organizations: the NAACP; the Congressional Black Caucus Foundation; the Congressional Hispanic Caucus Institute; the Asian Pacific American Institute for Congressional Studies; and local ethnic veterans community programs.

In addition to working with the VA Center for Minority Veterans and the Office of Tribal Government Relations, the committee was invited to participate in the White House Initiative on Asian American Pacific Islanders.

Veterans Against Drugs and Violence

VVA's Veterans Against Drugs and Violence Program—now being implemented in 39 states—is hard at work getting the anti-drug and -violence message out to children and parents across our nation. 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.

Each VAD project is tailored to the local community; In Alaska, for example, the VAD program offers a wilderness camping trip on horseback. In Silver Spring, the first annual Veterans Against Drugs ice skating event was launched on Valentine's Day. Held just a block from the VVA National

headquarters, VVA staff organized and spread the word, excited for this first outreach event in the local community.

In April, the committee presented the VAD program to the veterans incarcerated in Maryland's Jessup Correctional Institution—the prisoners hope to implement a VAD program like that held by the veterans in Angola Prison, where hundreds of schoolchildren come each month to hear the inmates testify about the devastating effects of drugs on their lives.

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 mentors' presence and dedication are critical to the success of the courts.

As a result of VVA's advocacy, these Veterans Courts have been established in dozens of jurisdictions across the nation, and the courts are succeeding in getting the mental-health and substance-abuse help needed by veterans who have been arrested for non-violent offenses.

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Women Veterans

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Veterans

Against Drugs
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North Smithfield, Rhode Island

Sergeant-At-Arms

Grant Coates
Sidney, New York

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Michael Swift
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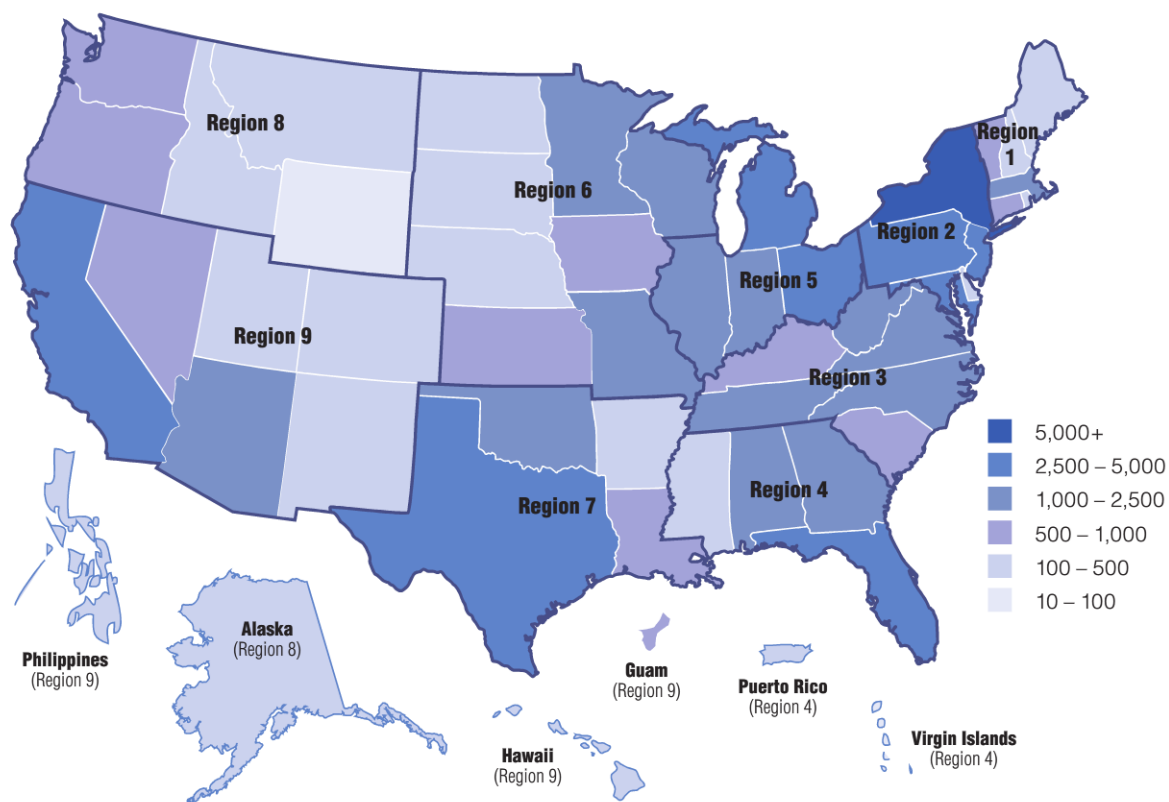
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Judith McCombs
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The Organization At a Glance



VVA's State Council Presidents and Directors en route to Capitol Hill: Vietnam Veterans of America will be here as long as it takes to make sure that those who serve our nation receive the care and respect they have earned.



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 29, 2012, and February 28, 2011, 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 29, 2012, and February 28, 2011, 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 20, 2012

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

February 29, 2012, and February 28, 2011

	2012	2011
Assets		
Current Assets		
Undesignated Cash and Cash Equivalents	\$ 4,924,816	\$ 5,418,493
Accounts Receivable	872,479	777,204
Prepaid Expenses and Other Assets	30,206	52,560
Total Current Assets	5,827,501	6,248,257
Investments - at Market Value		
Undesignated	2,872,516	2,549,385
Designated for Life Memberships	3,107,686	2,985,110
Total Investments	5,980,202	5,534,495
Property and Equipment		
Furniture and Equipment	346,220	386,184
Software	233,295	233,295
Total Property and Equipment	579,515	619,479
Less Accumulated Depreciation	(225,348)	(147,745)
Net Furniture and Equipment	354,167	471,734
Other Assets		
Deposits	41,819	41,819
Prepaid Expenses and Other Assets	-	230,564
Total Other Assets	41,819	272,383
Total Assets	\$ 12,203,689	\$ 12,526,869

See accompanying Notes to Financial Statements.

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

February 29, 2012, and February 28, 2011

	2012	2011
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,481,097	\$ 1,184,659
Accrued Expenses	213,194	188,008
Current Portion of Deferred Life Member Dues		
Payable to State Councils and Chapters	112,045	109,454
Deferred Revenue	91,673	89,553
Total Current Portion of		
Deferred Life Member Dues	203,718	199,007
Current Portion of Deferred Revenue	80,649	79,022
Current Portion of Capital Lease Obligations	38,949	42,825
Due to State Councils and Chapters	183,780	389,187
Due to Associates of Vietnam Veterans of America, Inc.	—	7,371
Total Current Liabilities	2,201,387	2,090,079
Long-Term Liabilities		
Deferred Life Member Dues, Net of Current Portion		
Payable to State Councils and Chapters	1,620,542	1,532,357
Deferred Revenue	1,283,426	1,253,746
Total Deferred Life Member Dues,		
Net of Current Portion	2,903,968	2,786,103
Deferred Revenue, Net of Current Portion	80,019	107,181
Capital Lease Obligations, Net of Current Portion	82,946	121,914
Deferred Rent Payable	311,640	255,902
Total Long-Term Liabilities	3,378,573	3,271,100
Total Liabilities	5,579,960	5,361,179
Unrestricted Net Assets	6,623,729	7,165,690
Total Liabilities and Net Assets	\$ 12,203,689	\$ 12,526,869

See accompanying Notes to Financial Statements.

Vietnam Veterans of America, Inc. | **STATEMENTS OF ACTIVITIES**

February 29, 2012, and February 28, 2011

	2012	2011
Revenues and Support		
Recycling Program Revenue	\$ 29,052,066	\$ 26,136,159
Less Recycling Program Cost	(24,865,098)	(20,184,819)
Net Recycling Program Revenue	4,186,968	5,951,340
VVA Veteran Newspaper	116,904	131,538
Membership Dues	354,972	331,427
Veterans Support Foundation Grant	200,000	212,500
Contributions	1,717,734	1,281,934
Convention/Conference	145,489	31,343
Royalties	121,293	50,150
Other	67,538	85,832
Total Revenues and Support	6,910,898	8,076,064
Expenses		
Program Services		
National Veterans' Programs	2,030,200	2,384,388
Communications and Public Affairs	1,040,468	816,495
Government Relations	737,249	709,903
Veterans' Benefits Program	1,165,217	897,490
Total Program Services	4,973,134	4,808,276
Supporting Services		
Support of Affiliates - State Councils and Chapters	209,663	195,395
General and Administrative	1,226,732	1,144,433
Membership Affairs	441,455	374,905
Fund-Raising	774,118	740,962
Total Supporting Services	2,651,968	2,455,695
Total Expenses	7,625,102	7,263,971
Change in Unrestricted Net Assets from Operations	(714,204)	812,093
Investment Income (Loss)	172,243	899,659
Change in Unrestricted Net Assets	(541,961)	1,711,752
Unrestricted Net Assets, Beginning of Year	7,165,690	5,453,938
Unrestricted Net Assets, End of Year	\$ 6,623,729	\$ 7,165,690

See accompanying Notes to Financial Statements.

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

For the Years Ended February 29, 2013, and February 28, 2012

	2012	2011
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ (541,961)	\$ 1,711,752
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	130,043	102,751
Net Realized and Unrealized (Gains) Losses on Investments	(30,637)	(733,379)
<u>(Increase) Decrease in Assets</u>		
Accounts Receivable	(95,275)	(420,197)
Prepaid Expenses and Other Assets	252,918	267,110
Deposits	—	15,366
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	296,438	275,087
Accrued Expenses	25,186	376
Deferred Life Member Dues	122,576	125,787
Deferred Revenue	(25,535)	(797)
Due to State Councils and Chapters	(205,407)	141,072
Due to Associates of Vietnam Veterans of America, Inc.	(7,371)	6,668
Deferred Rent Payable	55,738	156,950
Net Cash Provided by (Used in) Operating Activities	(23,287)	1,648,546
Cash Flows from Investing Activities		
Purchases of Investments	(5,383,224)	(6,139,905)
Sales of Investments	4,968,154	5,721,195
Purchases of Furniture and Equipment	(12,476)	(152,910)
Net Cash Provided by (Used in) Investing Activities	(427,546)	(571,620)
Cash Flows from Financing Activities		
Curtailments of Capital Lease Obligations	(42,844)	(41,077)
Net Increase (Decrease) in Cash and Cash Equivalents	(493,677)	1,035,849
Cash and Cash Equivalents, Beginning of Year	5,418,493	4,382,644
Cash and Cash Equivalents, End of Year	\$ 4,924,816	\$ 5,418,493
Supplementary Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 4,176	\$ 5,387

See accompanying 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 29, 2012, and February 28, 2011, 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 presented 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 convention during the

fiscal year ended February 29, 2012, and a leadership conference during the fiscal year ended February 28, 2011.

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 29, 2012, VVA's information returns filed with the Internal Revenue Service for the years ended February 28, 2011, 2010, and 2009, remain open for examination.

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 2012 and 2011.

VVA's policy would be to recognize interest and penalties, if any, on tax positions related to its unrecognized tax benefits in income tax expense in the financial statements. No interest and penalties were assessed or recorded during fiscal years 2012 and 2011.

VVA's Forms 990, Return of Organization Exempt from Income Tax, that have been filed as of February 29, 2012, for fiscal years 2011, 2010, and 2009, 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 approximately \$146,000 as of February 29, 2012, and \$1,446,000 as of February 28, 2011. Management does not feel this poses a risk to VVA. At February 29, 2012, and February 28, 2011, additional amounts were invested in repurchase agreements of approximately \$1,425,000 and \$1,404,000 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 deferred revenue and liability due to the state councils and chapters. As of February 29, 2012, and February 28, 2011, VVA had \$3,107,686 and \$2,985,110 of designated investments.

RELATED PARTY TRANSACTIONS

VVA was awarded grants in the amounts of \$200,000 and \$212,500 from Veterans Support Foundation (VSF), which are included in revenues and support, for the years ended February 29, 2012, and February 28, 2011, 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 29, 2012, and February 28, 2011, VSF owed VVA approximately \$7,000 and \$18,000, respectively, for salaries.

Included in the accounts receivable at February 28, 2011, is \$5,857 of reimbursable expenses paid by VVA on behalf of the Associates of Vietnam Veterans of America (AVVA). Additionally, at February 28, 2011, there was \$7,371 due to AVVA. As of February 29, 2012, there was no receivable or payable balance 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.

INVESTMENTS

As of February 29, 2012, and February 28, 2011, VVA's investments and their fair values consisted of the following:

	<i>Fair Value</i>	<i>Level 1 Inputs</i>
February 29, 2012		
Money Market Funds	\$ 389,963	\$ 389,963
Corporate Equities	3,864,144	3,864,144
Mutual Funds – Fixed Income	1,726,095	1,726,095
Total	\$ 5,980,202	\$ 5,980,202

	<i>Fair Value</i>	<i>Level 1 Inputs</i>
February 28, 2011		
Money Market Funds	\$ 295,610	\$ 295,610
Corporate Equities	3,675,121	3,675,121
Mutual Funds – Fixed Income	1,563,764	1,563,764
Total	\$ 5,534,495	\$ 5,534,495

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 29, 2012, and February 28, 2011:

	<i>2012</i>	<i>2011</i>
Interest and Dividends	\$ 141,606	\$ 166,280
Realized Gains on Investments	91,840	307,305
Unrealized Losses on Investments	(61,203)	426,074
Total	\$ 172,243	\$ 899,659

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.

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	
2013	\$ 41,299
2014	41,299
2015	41,299
2016	2,330
Total Future Minimum Lease Payments	126,227
Interest Portion of Lease Payments	(4,332)
Net Present Value of Lease Payments	\$ 121,895

As of February 29, 2012, equipment and accumulated amortization under capital leases were approximately \$195,000 and \$88,000, respectively. As of February 28, 2011, equipment and accumulated amortization under capital leases were approximately \$195,000 and \$49,000, respectively. Amortization expense for equipment under capital leases was approximately \$39,000 and \$44,000 for the years ended February 29, 2012, and February 28, 2011, 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 29, 2012, and February 28, 2011, amounted to approximately \$447,000 and \$530,000, respectively.

Future minimum rental commitments are as follows:

For the Years Ending February 28,	
2013	\$ 439,921
2014	457,518
2015	475,819
2016	494,852
2017	514,646
Thereafter	2,117,855
Total	\$4,500,611

SUBSEQUENT EVENTS

VVA has evaluated subsequent events through July 20, 2012, the date on which the financial statements were available to be issued.



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