



AT VVA, ★ EVERY DAY

★★★

VETERANS' DAY

★★★





VISION:

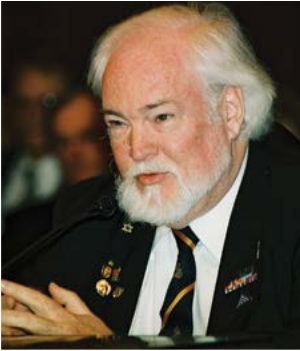
We are leading the challenge to do what is right for America and its veterans.

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



This year marks the thirtieth anniversary of our founding convention. At long last, our country is recognizing and thanking us for our service. In ceremonies across the nation, Vietnam War 50th Anniversary events are being held; by act of Congress, March 29 is now Vietnam Veterans Day, and our fellow citizens are extending their hand in gratitude.

We are glad for this long-anticipated recognition, however, we still have a long road ahead. We have much work to do to address the unmet needs of our aging Vietnam veterans as we assist our younger brother and sister veterans, who look to us for mentorship and leadership. The list remains long, from Post-traumatic Stress Disorder, military sexual trauma, and suicide prevention, to joblessness, education, homelessness, and more.

This year, we have been fully engaged in a crusade for our children and grandchildren. It's bad enough that we have had to bear the cross of exposure to toxic agents during our military service; it is worse to see our children and grandchildren afflicted with health conditions we suspect may have been derived from our exposure and to think we are the cause of their hurt and pain.

The *Toxic Exposure Research Act* has been introduced in the Senate and the House. This bicameral, bipartisan bill is the most significant veterans' legislation since the enactment of the *Agent Orange Act of 1991*. This act directs the VA secretary to select one VA Medical Center to serve as the national center for the research, diagnosis, and treatment of health conditions of descendants of those exposed to toxic substance while in our armed forces, no matter when or where their veteran parent served. The newest generation of veterans should not have to wait as long as we have to get the government to do the right thing for our offspring.

We must not forget that every veteran, regardless of when or where he or she served, deserves the respect of a grateful nation, a nation that makes good on its promises when it sent them off to fight in defense of our Constitution. Vietnam Veterans of America will be here as long as it takes to get the job done.

Sincerely,

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

John Rowan
President, Vietnam Veterans of America



“NEVER
AGAIN

WILL ONE
GENERATION
OF VETERANS
ABANDON
ANOTHER.”

—Vietnam Veterans of America's
founding principle

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

Army photo by Sgt. Joseph Truckley. Army Spc. Tyree Turnage, left, assigned to U.S. Southern Command, and Army Spc. Deiondra Fernandez, assigned to 549th Military Police Company, 385th Military Police Battalion, 3rd Infantry Division, cross the finish line during an equipment run at Fort Stewart, Ga., Mar. 2, 2018. The run was part of Basic Leader Course 04-18. Photo courtesy of DoD.

OVERVIEW 2015/16



**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 37th
year "In Service to
America."**

In keeping with our founding principle, "Never again will one generation of veterans abandon another," VVA's theme of "VetsConnect" enables it to reach out to our newer veterans in many ways. VVA has grown from humble beginnings in 1978 into one of our nation's most respected and successful veterans' service organizations on the national, state, and local levels. The organization's many successes are a direct result of the hard work of thousands of dedicated men and women: our members; our national committee and task force chairs; our national officers; and the staff at our national headquarters in Silver Spring, Maryland.

Our national membership continues to grow. We now have 80 thousand members, with over 650 chapters in all 50 states, Guam, Puerto Rico, the Philippines, and the Virgin Islands. Our 48 State Councils coordinate the activities of local chapters. VVA's national activities are closely coordinated with the work of the local chapters and state councils; victories gained at the national level are implemented locally. Our affiliated, supporting organization, the Associates of Vietnam Veterans of America, has over 9,000 members with 13 state-level organizations.

As you will see in the pages that follow, the members of VVA, a 501© (19) tax-exempt organization, have been hard at work in their communities. Our local chapters and state councils sponsor a wide variety of volunteer programs that include 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-



Defense Secretary Ash Carter, back right, and Veterans Affairs Secretary Bob McDonald prepare to lay a wreath at the Vietnam Veterans Memorial in Washington, D.C., March 29, 2016. DoD photo by Navy Petty Officer 1st Class Tim D. Godbee. Photos courtesy of DoD.



42,000 Native Americans served in Vietnam; they suffered the highest per capita rate of wounded or killed of any ethnic group.

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 men and women serving today, in locations across the globe.

Because there is very little outreach to the men and women who served in the military, and because too many veterans succumb to diseases that can be traced back to their time in service, Vietnam Veterans of America has established the Veterans Health Council (VHC) in partnership with other healthcare professional advocacy organizations, unions, pharmaceutical companies, and healthcare providers. The mission of the VHC is to improve the health of America's veterans through education and information about the illnesses and maladies associated with military service. The Veterans Health Council website—www.veteranshealth.net—provides veterans, their families, and their healthcare providers with crucial information pertaining to health conditions associated with military service.

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

Nationally, our Government Affairs Department worked with key officials in the Administration, with leaders in Congress, and with senior staff in the Department of Veterans Affairs to move VVA's legislative agenda and policy priorities.

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

VVA continues to maintain a strong and aggressive Veterans Benefits Program. Unlike other areas of the law, there are stringent regulations regarding attorney representation of disabled veterans before the U.S. Department of Veterans Affairs. As a result, veterans frequently find themselves



facing the VA without adequate representation during their initial application for VA benefits. In an effort to level the playing field, veterans must seek legal assistance outside of traditional legal channels.

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

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

VVA's Veterans Benefits Program has consistently maintained one of the highest favorable decision rates at the Board of Veterans Appeals, and in this year, won 75 percent of its cases. Due to our 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 in 2016 provided greater public awareness about issues dealing with Vietnam-era veterans as well as challenges facing our newly minted veterans, working with national news media and by distributing information through our e-newsletter and social media channels. Our recent web page redesign takes full advantage of updated technology to feature the great work of VVA nationally and locally, with design features that work well on PCs, tablets, and mobile devices. *The VVA Veteran*, VVA's award-winning news magazine, is mailed to all VVA members of the organization every other month.

Since 1993, VVA's Veterans initiative Program has been supporting the efforts of the Department of Defense in its mission to account for Americans listed as POW or MIA. By returning artifacts taken during the war and by helping locate gravesites of Vietnamese soldiers, we encourage Vietnamese witnesses to assist in the location and recovery of Americans listed as missing.

We continue to fight for the recognition of the health consequences of Agent Orange and other toxic chemicals.

Photo courtesy of Mokie Porter.

Because PTSD became a recognized psychiatric disorder in 1980—five years after the Vietnam War officially ended, we, the veterans of that war, were the first to be assessed for and treated for PTSD.

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.

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

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

Integrity: We tell the truth and take responsibility;

Compassion: We care about comrades and others in need;

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

A soldier reads some of the 58,272 names etched into the Vietnam Veterans Memorial in Washington, D.C., July 22, 2015.

The soldier is a member of the Army Reserve. Army photo by Sgt. Ken Scar. Photo courtesy of DoD.



HIGHLIGHTS

2015/16

PRISONERS OF WAR/ MISSING IN ACTION

VVA's highest priority is accounting for those last-known alive, those known to be in captivity in Vietnam, Laos, and Cambodia who were not returned at the end of the war. VVA continues to work toward the fullest possible accounting on multiple fronts—with government agencies charged with the mission of personnel recovery; with the National League of POW/MIA Families; with our chapters and state councils; and with former adversaries in Vietnam and elsewhere. This year, a memorandum of understanding for sharing information between the Defense POW/MIA Accounting Agency and VVA was signed.

Since 1993, VVA's Veterans Initiative Program has supported the efforts of the Department of Defense in its mission to account for Americans listed as POW or MIA. By returning artifacts taken during the war and by helping

locate gravesites of Vietnamese soldiers, VVA encourages Vietnamese witnesses to assist in the location and recovery of Americans listed as missing. In an effort to receive more information about the Vietnamese missing in action, the committee created a new PSA, "The Veterans Initiative Needs Your Help."

WOMEN VETERANS

VVA continues in its fight to bridge the gender gap in services provided to our women veterans, working tirelessly for the reform of a system that was largely designed to meet the needs of men, and advocating for timely and geographically accessible care for all women veterans. Thanks to our efforts, women veteran program managers are now assigned to each VA regional office.

We continue to advocate for the victims of sexual assault. By the Department of Defense's own reporting, we know



Photos courtesy of Kate O'Hare-Palmer.



Convention keynote speaker Bill Robinson, the longest held POW in American History. Robinson was shot down and captured in 1965. He was held in the Hanoi Hilton and a series of other North Vietnamese POW camps until his release in 1973.



Sens. Jerry Moran (R-Kansas) and Richard Blumenthal (D-Connecticut) and representatives Dan Benishek (R-Michigan) and Mike Honda (D-California) were joined by VVA president John Rowan as they introduced the Toxic Exposure Research Act.

zero tolerance for sexual assault in the military has failed, with the Pentagon finding that 52 new cases are being reported daily, and that 62 percent of the women who reported their sexual assault experienced retaliation in a military culture that protects the accused and ostracizes survivors—and because they lack faith in the system, men and women often do not report assaults.

VVA has succeed in its efforts to get the VA to increase mental health services to veterans who were victims of military sexual assault, and as many women veterans go to Vet Centers rather than to a VA hospital, Vet Centers have been allocated \$258 million to address the unmet mental health needs of veterans in rural areas.

MILITARY TOXIC EXPOSURE & VETERANS RIGHT TO KNOW

Twenty-five years ago, we were the lead organization advocating and agitating for the passage of the Agent Orange Act of 1991. This legislation recognized that troops who served in the Vietnam theater of operations had been exposed to a

toxic agent that was associated with several health-defying diseases. Over the past quarter of a century, we have seen the addition of a dozen or so maladies with some degree of association as determined by experts empaneled by the Institute of Medicine.

We continue to advocate for our Vietnam veterans who served in Southeast Asia in the Navy. Our Blue Water veterans were exposed during their service and have health challenges due to their service, yet our government refuses to acknowledge the connection.

The Edgewood program was motivated by Cold War fears of possible Soviet biological or chemical warfare attacks. Initially the tests were defensive in nature—soldiers were often injected or given an antidote shortly after exposure—to discover the best ways to survive such attacks. But subsequent tests were designed for offensive capabilities.

In January, an appeals court handed veterans who were unwitting victims of chemical and biological experiments a long overdue victory in a toughly fought lawsuit brought seven years ago on their behalf by VVA and Swords to Plowshares.



This Memorial Day, VVA National Treasurer Wayne Reynolds presented the VVA wreath in honor of the 58,315 fallen, whose names are etched into the granite Wall the Vietnam Veterans Memorial.



Marsha Four, VVA National President, testified March 31 before the joint Senate and Veterans Affairs Committees. Confirming that the POW/MIA issue remains VVA's highest priority, she thanked the House Veterans Affairs Committee for the passage of the Toxic Exposure Research Act and urged the Senate to follow suit.

Instead of money, the victorious veterans of the Edgewood Chemical/Bio Testing Appeal were granted access to detailed information about the experiments and access to healthcare provided by the experimenter, the U.S. Army, when the court affirmed an injunction ordering the U.S. Army to provide all former test subjects with any newly acquired information about the substances to which they were exposed.

FACES OF AGENT ORANGE

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

Since 2010, we have held 214 hall meetings, reaching over 25,000 veterans and their families. The Agent Orange network is expanding as more and more veterans become aware of the effects of their military exposure on their children and grandchildren. The Faces of Agent Orange Facebook page and YouTube channel are gaining followers, and we are receiving an increasing number of inquiries regarding Agent Orange health effects and benefits. VVA members from across the country have been contacting their elected representatives and senators with a clear and simple message: If you really want to help the veterans you represent, understand the lingering legacy of toxic exposures and support this legislation—and get the *Toxic Exposure Research Act* enacted into the law of the land.

THE VETERANS HEALTH COUNCIL

The Veterans Health Council continues in its efforts to inform America's veterans, their families, and our partners in the healthcare community about medical conditions associated with military service. VVA has fought hard on Capitol Hill to ensure



VVA's 17th National Convention was our largest convention ever. To set the course for the next two years, some 800 delegates gathered in Springfield, Illinois, to deliberate on our guiding resolutions and constitutional amendments and to elect the next term's officers and board of directors. VVA National president John Rowan was elected to an unprecedented sixth term.



In January, VVA hosted its fourth annual Veterans Against Drugs and Violence Skate-a-thon in Silver Spring, Maryland.

that the VA has the necessary funding to treat and cure veterans with Hepatitis C, and we are now engaged in holding educational seminars hosted by our chapters and state councils to inform our veterans of this deadly, silent disease. Early detection and the new curative treatments for Hep C will save veterans lives.

VETERANS AGAINST DRUGS AND VIOLENCE

The Congressional Medal of Honor Society developed the Veterans Against Drugs and Violence program in the 1980s, and it was turned over to Vietnam Veterans of America in the 1990s. The program is three-pronged, with an anti-drug curriculum; an anti-violence/bullying program curriculum; and a patriotism curriculum. Our VVA chapters work with youth in schools and after-school programs—the Boys Scouts, the Girl Scouts, religious programs, and many other youth programs to present the core values. The fourth annual Veterans Against Drugs Skate-a-thon was held in Silver Spring, Maryland, in January, so our veterans attending the winter leadership meeting could be on hand to greet our young guests.

ECONOMIC OPPORTUNITIES

Meaningful employment is critical to the successful reintegration of our veterans into the civilian workforce. VVA is working with Congress and the Department of Labor on various fronts to ensure their successful transition. We are advocating for reform of the Veterans Employment and Training Service Program, so that it actually matches veterans with jobs. We are fighting to ensure that the Transition Assistance Program actually helps service members leave the military knowing most of their options for employment, education, and entrepreneurship, and we continue to work with Congress to ensure that veterans are accorded Veterans Preference when applying for government jobs and are given every advantage when seeking employment in private industry or when attempting to set up their own businesses.

HOMELESS VETERANS

We have been working to provide resources and housing for the homeless since VVA's inception. Five years ago, President Obama pledged to eradicate homelessness among the veterans' community, and this work continues, with the current



At Convention: VVA National President John Rowan recognizes Sharon Hodge, Deputy Director of Government Affairs, with the VVA Commendation Medal.



Members of VVA Chapter 10, Cincinnati, Ohio, met with VA Secretary Robert McDonald following his remarks to the assembled delegates

estimate on the number of homeless veterans at 50,000. We are heartened to see resources going to address this national shame. We continue to help local agencies across the country set up programs and initiatives and provide transitional housing referrals for veterans experiencing homelessness.

WEST LA VA MEDICAL CENTER

VVA has long opposed the use of the 388 acres at the West Los Angeles VA Medical Center for purposes other than those consistent with the vision and intention of the donors, back in 1887, when this prize parcel of land was gifted for the use of a National Home for Disabled Volunteer Soldiers.

VVA joined the ACLU and sued the VA for wrongful misuse of this land, and finally, this year, we had a victory. The VA signed a historic agreement, dedicating the West LA Medical Center to serving veterans in need. The property will house homeless, with 1,200 permanent supportive housing units; a “village” for women veterans, many who are dealing with the emotional toll of military sexual trauma; and specialized family support and legal centers, mental health and addiction treatment, and an education and enterprise center to help reintegrate veterans into the community.

PTSD & SUBSTANCE ABUSE

With the high rate of suicide among our recently returned troops, and the even higher rate of suicide by our Vietnam veterans, we are engaged in a full throttle fight for access to treatment for those dealing with PTSD. We are advocating on Capitol Hill for the enactment of bills that will insure programs and funding for our veterans and their families.

Substance abuse, often begun as self-medication for the symptoms of PTSD, coupled with the VA’s overprescribing of opioids for chronic pain management, is taking lives and destroying families. In communities around our nation, we are holding workshops on suicide prevention, PTSD, and secondary PTSD. We are educating families, communities, and medical professionals, with the goal that no veteran is left alone in his or her moment of need.

The emotional and psychological wounds sustained by families, referred to as secondary PTSD, are real. We continue to advocate and educate that the treatment of PTSD must include treatment for the veterans and the families.



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Marsha Four
Vice President
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Special Advisor to the President
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“VVA REMAINS AT THE FRONT IN THE BATTLE FOR JUSTICE, ENSURING THAT OUR NATION KEEPS ITS PROMISE TO ALL WHO SERVED.”

NATIONAL COMMITTEE CHAIRS

Agent Orange/Dioxin and other Toxic Exposures

Maynard Kaderlik

Montgomery, Minnesota

Conference Planning

Dan Stenvold

Park River, North Dakota

Constitution

Leslie DeLong

Lafayette, Louisiana

Credentials

Jim Blount

Virginia Beach, Virginia

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Sandy Miller

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Membership Affairs

Charlie Hobbs

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Minority Affairs

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Harbor City, California

National Disciplinary Committee

Al Huber

Rock Island, Illinois

POW/MIA Affairs

Grant Coates

Sidney, New York

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PTSD and Substance Abuse

Tom Hall, PhD

Kansas City, Missouri

Public Affairs

Dennis Howland

Ogden, Utah

Resolutions

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Veterans Benefits

Tom Burke

New Philadelphia, Ohio

Veterans Healthcare

Sandie Wilson

Saline, Michigan

Veterans Incarcerated

Dominick Yezzo

Beechhurst, New York

Women Veterans

Kate O'Hare-Palmer

Petaluma, California

Veterans Against Drugs

Dave Simmons

Bluefield, West Virginia

APPOINTMENTS

Household Goods Program

Tom Corey

Jupiter, Florida

National Chaplain

Father Phillip Salois

North Smithfield, Rhode Island

Sergeant-At-Arms

Grant Coates

Sidney, New York

VA Voluntary Service

Representative

Judith McCombs

Brooklyn, New York

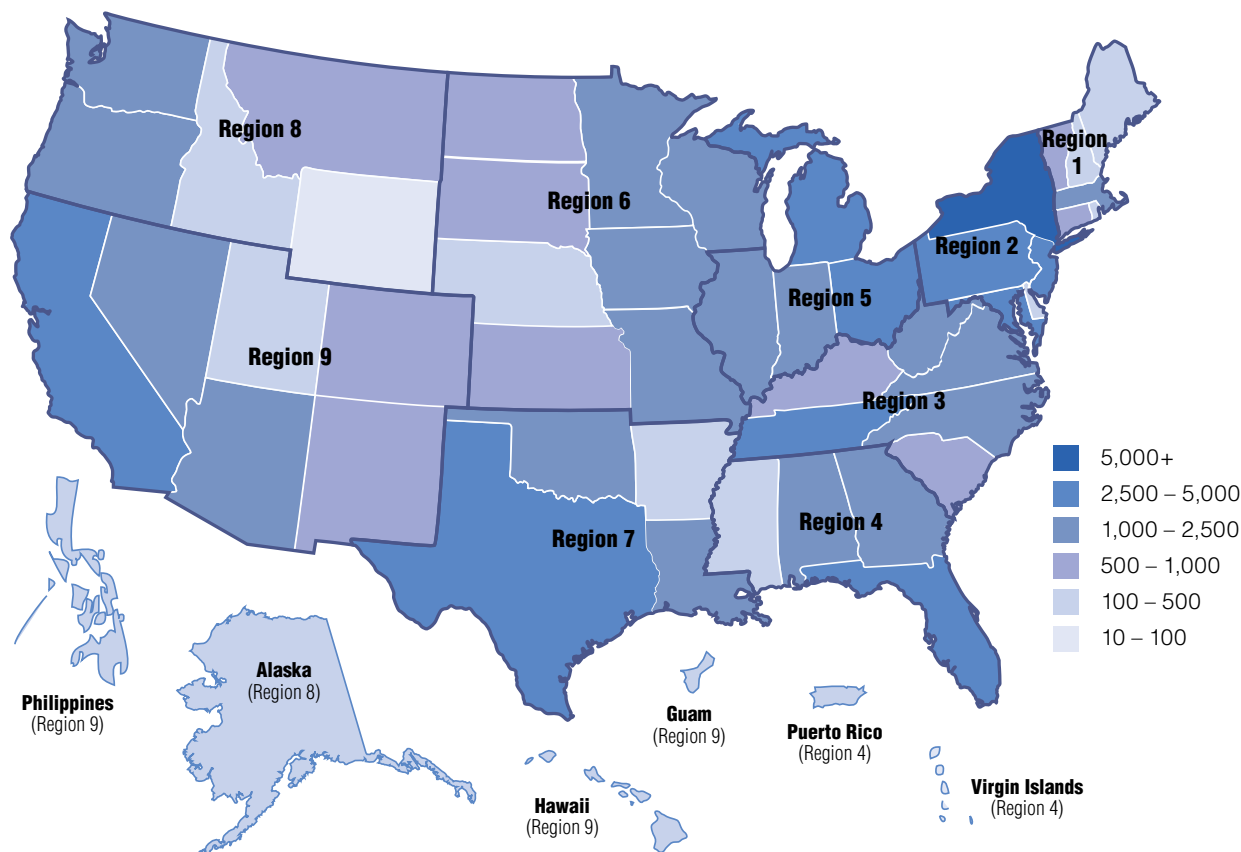


OUR SUCCESSES

are a direct result of the hard work of thousands of dedicated men and women, our members; our national committees and task force chairs; our national officers; and our staff at our national headquarters. Together, we work to address the barriers to the successful transition from military service to civilian life.

Rolling Thunder participants gather at the Pentagon's north parking lot. Started by two Vietnam War veterans, the annual demonstration ride brings together veterans of all eras and others seeking to pay respects to those who have served. DoD photo by Army Sgt. 1st Class Clydell Kinchen. Photo courtesy of DoD.

THE ORGANIZATION AT A GLANCE



STATE COUNCIL PRESIDENTS

Alabama — Wayne Reynolds

Alaska — Dave Tweden

Arizona — Eugene Crego

Arkansas — Ivory Joe McIntyre

California — Steve Mackey

Colorado — Manuel Pedraza

Connecticut — Patricia Dumin

Delaware — Paul Davis

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Ohio — Cliff Riley

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Rhode Island — John Weiss

South Carolina — Pat Ramsey

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Vermont — Perry Melvin

Virginia — Charlie Montgomery

Washington — Francisco Ivarra

West Virginia — Dave Simmons

Wisconsin — Richard W. Lindbeck



INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Vietnam Veterans of America, Inc., which comprise the statements of financial position as of February 29, 2016, and February 28, 2015, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vietnam Veterans of America, Inc., as of February 29, 2016, and February 28, 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Vietnam Veterans of America, Inc., as of February 28, 2015, were audited by other auditors whose report dated June 24, 2015, expressed an unmodified opinion on those statements.

OTHER MATTER

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

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

Bethesda, Maryland Certified Public Accountants • June 20, 2016

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202.770.6371

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| john@mullinspc.com

STATEMENTS OF FINANCIAL POSITION

Vietnam Veterans of America, Inc. ★ For the Years Ended February 29, 2016 and February 28, 2015

	2016	2015
Assets		
Current Assets		
Undesignated Cash and Cash Equivalents	\$ 7,866,163	\$ 6,147,964
Accounts Receivable	720,278	739,596
Prepaid Expenses and Other Assets	84,648	280,763
Total Current Assets	8,671,089	7,168,323
Investments - at Market Value		
Undesignated	3,342,744	4,757,455
Designated for Life Memberships	3,670,989	3,181,903
Total Investments	7,013,733	7,939,358
Property and Equipment		
Land	42,566	42,566
Furniture and Equipment	347,726	271,668
Software	233,295	233,295
Total Property and Equipment	623,587	547,529
Less Accumulated Depreciation and Amortization	(355,570)	(275,317)
Net Furniture and Equipment	268,017	272,212
Other Assets		
Deposits	34,559	39,289
Total Assets	\$ 15,987,398	\$ 15,419,182

See accompanying Notes to Financial Statements.

STATEMENTS OF FINANCIAL POSITION

Vietnam Veterans of America, Inc. ★ For the Years Ended February 29, 2016 and February 28, 2015

	2016	2015
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 727,305	\$ 761,399
Accrued Expenses	255,029	240,555
Current Portion of Deferred Life Member Dues		
Payable to State Councils and Chapters	159,785	116,455
Deferred Revenue	130,733	95,281
Total Current Portion of Deferred Life Member Dues	290,518	211,736
Current Portion of Deferred Revenue	57,216	131,202
Current Portion of Capital Lease Obligations	43,537	42,818
Due to State Councils and Chapters	261,394	207,144
Total Current Liabilities	1,634,999	1,594,854
Long-Term Liabilities		
Deferred Life Member Dues, Net of Current Portion		
Payable to State Councils and Chapters	1,859,259	1,630,372
Deferred Revenue	1,521,212	1,339,795
Total Deferred Life Member Dues, Net of Current Portion	3,380,471	2,970,167
Capital Lease Obligations, Net of Current Portion	80,708	124,244
Deferred Rent Payable	358,488	374,600
Total Long-Term Liabilities	3,819,667	3,469,011
Total Liabilities	5,454,666	5,063,865
Unrestricted Net Assets	10,532,732	10,355,317
Total Liabilities and Net Assets	\$ 15,987,398	\$ 15,419,182

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Vietnam Veterans of America, Inc. ★ For the Years Ended February 29, 2016 and February 28, 2015

	2016	2015
Revenues and Support		
Recycling Program Revenue	\$ 29,669,926	\$ 30,886,571
Less Recycling Program Cost	(23,108,885)	(24,290,819)
Net Recycling Program Revenue	6,561,041	6,595,752
VVA Veteran Newspaper	163,666	180,319
Membership Dues	344,875	296,473
Veterans Support Foundation Grant	130,468	218,169
Contributions	1,553,893	1,740,746
Convention/Conference	108,324	53,880
Royalties	181,807	96,204
Other	28,794	96,250
Total Revenues and Support	9,072,868	9,277,793
Expenses		
Program Services		
National Veterans' Programs	2,276,308	2,278,379
Communications and Public Affairs	1,185,560	1,137,281
Government Relations	785,018	717,534
Veterans' Benefits Program	1,211,865	1,136,492
Total Program Services	5,458,751	5,269,686
Supporting Services		
Support of Affiliates - State Councils and Chapters	212,294	200,728
General and Administrative	1,100,019	1,062,352
Membership Affairs	483,183	442,662
Fund-Raising	763,522	865,690
Total Supporting Services	2,559,018	2,571,432
Total Expenses	8,017,769	7,841,118
Change in Unrestricted Net Assets from Operations	1,055,099	1,436,675
Investment Income (Loss)	(877,684)	413,123
Change in Unrestricted Net Assets	177,415	1,849,798
Unrestricted Net Assets, Beginning of Year	10,355,317	8,505,519
Unrestricted Net Assets, End of Year	\$ 10,532,732	\$ 10,355,317

STATEMENTS OF CASH FLOWS

Vietnam Veterans of America, Inc. ★ For the Years Ended February 29, 2016 and February 28, 2015

	2016	2015
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 177,415	\$ 1,849,798
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	80,252	124,255
Net (Gains) Losses on Investments	994,433	(299,560)
(Increase) Decrease in Assets		
Accounts Receivable	19,318	(280,227)
Prepaid Expenses and Other Assets	196,115	(14,273)
Deposits	4,730	2,270
Increase (Decrease) in Liabilities		
Accounts Payable	(34,09)	51,887
Accrued Expenses	14,474	7,168
Deferred Life Member Dues	489,086	(35,070)
Deferred Revenue	(73,986)	(240,642)
Due to State Councils and Chapters	54,250	(2,715)
Deferred Rent Payable	(16,112)	2,921
Net Cash Provided by (Used in) Operating Activities	1,905,881	1,165,812
Cash Flows from Investing Activities		
Purchases of Investments	(1,498,565)	(5,636,315)
Sales of Investments	1,429,757	5,403,634
Purchases of Furniture and Equipment	(76,057)	(93,369)
Net Cash Provided by (Used in) Investing Activities	(144,865)	(326,050)
Cash Flows from Financing Activities		
Curtailments of Capital Lease Obligations	(42,817)	(95,074)
Net Increase (Decrease) in Cash and Cash Equivalents	1,718,199	744,688
Cash and Cash Equivalents, Beginning of Year	6,147,964	5,403,276
Cash and Cash Equivalents, End of Year	\$ 7,866,163	\$ 6,147,964
Supplementary Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 3,232	\$ 1,412
Noncash Transaction from Investing and Financing Activities		
Equipment Acquired with a Capital Lease	\$ —	\$ 214,821

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

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

Accounts Receivable

Accounts receivable are reported at their outstanding balances.

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

The allowance for doubtful accounts is increased by charges to bad debts expense and decreased by charge offs of the accounts receivable balances. Accounts receivable are considered past due and charged off based on management's determination that they are uncollectible. As of both February 29, 2016, and February 28, 2015, management has determined that an allowance for doubtful accounts was not necessary.

Investments

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

Property and Equipment

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

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

Life Member Dues

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

Membership Dues

Annual membership dues paid by VVA members include portions for both VVA and the respective state councils and chapters. Annual membership dues are recognized as revenue in the current period and the remaining portion, collected but not recognized as revenue by VVA is paid to the state councils and chapters as their respective shares. VVA recognizes one-year membership dues received as membership dues revenue in the current period. VVA recognizes three-year membership dues on a prorated basis. The unamortized portion is recorded as deferred revenue.

Recycling Program

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

and changes in net assets represents VVA's solicitation costs for generating the items collected and sales costs for selling the items. The revenue generated from such sales is exempt from income taxes under the Internal Revenue Code.

Convention and Leadership Conference

VVA sponsors its convention and leadership conference biannually in alternating years. The convention is held in odd-numbered years and the leadership conference is held in even-numbered years. VVA held a convention during the fiscal year 2016 and a leadership conference during the fiscal year 2015.

Functional Expense Allocation

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

Income Tax Status

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

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, VVA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of VVA and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years ending in 2016 and 2015.

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 2016 and 2015.

VVA's Forms 990, *Return of Organization Exempt from Income Tax*, that have been filed as of February 29, 2016, for the years ended February 28, 2015, February 28, 2014, and February 28, 2013, 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 \$2,006,000 as of February 29, 2016, and approximately \$1,890,565 as of February 28, 2015. Management does not feel this poses a risk to VVA.

At February 29, 2016, and February 28, 2015, additional amounts were invested in repurchase agreements of approximately \$3,637,000 and \$1,991,000, respectively that were not covered by insurance. VVA has a security interest in all securities purchased under the repurchase agreements.

LIFE MEMBERSHIPS

Life memberships are offered to VVA members at a fixed amount. In exchange for these dues, VVA is obligated to provide various services to these members for the duration of their lives. VVA has designated funds for providing future services, equivalent to the deferred revenue and liability due to the state councils and chapters. As of February 29, 2016, and February 28, 2015, VVA had \$3,670,989 and \$3,181,903, respectively, of designated investments.

INVESTMENTS

As of February 29, 2016, VVA's investments and their fair values consisted of the following:

	Fair Value	Level 1 Inputs
February 29, 2016		
Money Market Funds	\$ 2,111,583	\$ 2,111,583
Mutual Fund Equities	\$ 2,146,336	\$ 2,146,336
Corporate Equities	809,946	809,946
Mutual Funds - Fixed Income	1,945,868	1,945,868
Total	\$ 7,013,733	\$ 7,013,733

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

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, 2016, and February 28, 2015:

	2016	2015
Interest and Dividends	\$ 116,749	\$ 113,563
Realized Gains (Losses) on Investments	(103,344)	210,080
Unrealized Gains (Losses) on Investments	(891,089)	89,480
Total	\$ (877,684)	\$ 413,123

RETIREMENT PLAN

VVA has a defined contribution plan under Internal Revenue Code Section 401(k), covering all employees over the age of 21 after one year of service. Employees of VVA may elect to make pre-tax contributions to the Plan at a rate that may not exceed a dollar limit that is set by law. VVA may make a discretionary matching contribution at a rate determined by the board of directors. During the years ended February 29, 2016 and February 28, 2015, VVA matched up to 3% of an employee's contribution.

LEASE OBLIGATIONS

Capital Lease Obligations

VVA is obligated under multiple capital lease arrangements for office equipment. The leases bear interest at approximately 2% to 8.25% annually. Monthly payments range from \$222 to \$1,350 with maturity dates through November 2020.

Future minimum lease payments are as follows:

For the Years Ending February 28,	
2017	\$ 46,042
2018	42,635
2019	27,098
2020	14,501
Total Future Minimum Lease Payments	130,276
Interest Portion of Lease Payments	(6,031)
Net Present Value of Lease Payments	<u>\$ 124,245</u>

As of February 29, 2016, equipment and accumulated amortization under capital leases were approximately \$230,000 and \$106,000, respectively. As of February 28, 2015, equipment and accumulated amortization under capital leases were approximately \$230,000 and \$65,000, respectively. Amortization expense for equipment under capital leases was approximately \$41,000 and \$58,000, respectively, for the years ended February 29, 2016, and February 28, 2015.

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, 2016, and February 28, 2015, amounted to approximately \$489,000 and \$481,000, respectively.

Future minimum rental commitments are as follows:

For the Years Ending February 28,	
2017	\$ 514,646
2018	535,232
2019	556,641
2020	578,907
2021	447,076
Total	\$2,632,502

SUBSEQUENT EVENTS

VVA has evaluated subsequent events through June 20, 2016, the date on which the financial statements were available to be issued.



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