



LEADING THE CHALLENGE

TO DO WHAT IS RIGHT FOR AMERICA'S VETERANS





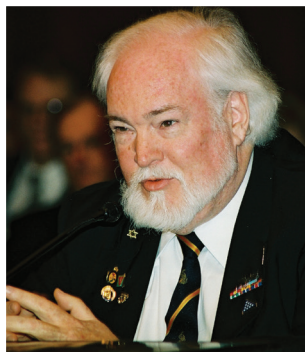
VISION:

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



It has been 44 years since the last U.S. combat troops pulled out of South Vietnam, ending what was then America's longest war. For the 9 million of our fellow citizens who wore the uniform, and for the 2.8 million of us who served in the Southeast Asian theater, the war was over, or so we thought. We learned quickly that though the shooting had stopped, the war had not ended for us.

As you will see in the pages that follow, we remain at the front in the battle for justice, ensuring that our nation keeps its promise to all who served, no matter their war. We will always live up to our founding principle: "Never again will one generation of veterans abandon another."

This year, we have achieved what many in Washington doubted could be done.

For seven years, our VVA chapters and state councils have been staging "Faces of Agent Orange" town hall meetings to tell the story of what has happened to us, to our children, and to our grandchildren as a result of exposure to Agent Orange while serving our country.

Our members 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 let's get the Toxic Exposure Research Act enacted into the law of the land.

On December 16, President Obama signed into law H.R. 6416, the *Jeff Miller and Richard Blumenthal Veterans Health Care and Benefits Improvement Act*. This legislation, a necessary first step, will establish the groundwork for the research we need on the health of our veterans' children and grandchildren, whom we believe have been impacted by exposures during our military service—and in keeping with our founding principle, this legislation will ensure that our newer veterans will not have to wait 50 years for answers, as it provides for the children of our Gulf War veterans as well as the children of our OEF/OIF/OND veterans.

We embrace these newly minted veterans as our own; many of them are, in fact, our sons and daughters. While attention has appropriately been accorded them, we must never forget that every veteran, regardless of when or where they served, deserves the respect of a grateful nation. Vietnam Veterans of America will be here as long as it takes to get the job done.

Despite our ambitious goals and full agenda, despite the obvious needs of America's veterans, we have also remained on sound footing. The following pages point out not only our achievements and ambitions but also the careful management of our resources so that we can make those dreams real for us and for the succeeding generation of veterans whom we have vowed we will never abandon.

Sincerely,

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

John Rowan

National President, Vietnam Veterans of America



"VVA REMAINS AT THE FRONT IN THE BATTLE FOR JUSTICE, ENSURING THAT OUR NATION KEEPS ITS PROMISE TO ALL WHO SERVED."

Overview 2016/17



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 38th year "In Service to America."

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 38th year "In Service to America." In keeping with our founding principle, "Never again will one generation of veterans abandon another," VVA's theme of "Vets Connect" enables it to reach out to our newer veterans in many ways.

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

Our national membership continues to grow. We now have over 83 thousand members, with 651 chapters in all 50 states, Guam, Puerto Rico, the Philippines, and the Virgin Islands. Our 48 State Councils coordinate the activities of the local chapters. VVA's national activities are closely coordinated with the work of the chapters and state councils; victories gained at the national level are implemented locally. Our affiliated, supporting organization, the Associates of Vietnam Veterans of America, has over 9,000 members with 13 state-level organizations.

As you can see in the pages that follow, the members of VVA, a 501© (19) tax-exempt organization, are hard at work in their communities. Our chapters and state councils sponsored a wide variety of volunteer programs, including support for homeless shelters; outreach and education on the health issues facing veterans and their families; working with veterans at the VA Medical Centers and at the VA Regional offices; alcohol- and drug-abuse education projects; crime-prevention campaigns; sponsorship of youth sports, Boy Scouts/Girl Scouts, and Big Brother/Big Sister programs; educational scholarships to veterans and their children; relief to fellow citizens affected by natural disasters and chronic poverty; and many kinds of support for our servicemen and women serving around the globe.



Because there is very little outreach to the men and women who served in the military, and because too many veterans succumb to diseases that can be traced back to their time in service, VVA launched the Veterans Health Council (VHC) in partnership with other 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 health risks associated with military service. The Veterans Health Council website—www.veteranshealth.net—provides veterans, their families, and their health-care providers with crucial information pertaining to the health of our veterans.

VVA now has over 83 thousand members, with 651 chapters in all 50 states, Guam, Puerto Rico, the Philippines, and the Virgin Islands.

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

Among this year's top legislative victories: The enactment of a statute that would transfer the VA's healthcare budget from the discretionary budget line of the ledger to the mandatory line of the ledger through advance appropriations; and the passage of legislation calling for the research, diagnosis, and treatment of health conditions in the children and grandchildren of veterans exposed to toxic substances while serving in our armed forces.

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

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

VVA maintains a strong and aggressive Veterans Benefits Program. Unlike other areas of the law, there are stringent regulations regarding attorney representation of disabled veterans before the U.S. Department of Veterans Affairs. As a result, veterans frequently find themselves facing the VA without adequate representation during their initial application for VA benefits. In order 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 a network of over 1,000 accredited service officers nationwide, who represent more than 30,000 veterans for claims before the Department of Veterans Affairs.

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

VVA's Veterans Benefits Program has consistently maintained one of the highest favorable decision rates at Board of Veterans Appeals. VVA's attorneys achieved an all-time low denial rate of 9.6 percent and won 78.5 percent of its cases. Due to our winning success rate, an ever-increasing number of claimants are requesting VVA representation and assistance. Through the Veterans Benefits Program, VVA provides the professional representation necessary for the successful disposition of BVA appeals. Training is a critical element of our success. This year, we held our advanced service officer training in Tucson. Our seminars are recorded and shared through our benefits training website.

Our Communications Department in 2017 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.

VVA continues to expand its reach with 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 the latest developments in veterans' health and legislation. Our YouTube channels, Face Book pages, and use of twitter are further expanding our reach, and our number of followers continues to grow.

Now in its 37th year, our award-winning bimonthly news magazine, The VVA Veteran, continues educate, excite, and energize our membership while broadcasting to the outside world what VVA does.

Today, VVA has a network of over 1,000 accredited service officers nationwide, who represent more than 30,000 veterans for claims before the Department of Veterans Affairs.

**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.



HIGHLIGHTS

2016/17

POW/MIA

VVA's highest priority remains the 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. We continue to work toward the fullest possible accounting on multiple fronts—with government agencies charged with the mission of personnel recovery; with the National League of Families; with our chapters and state councils; and with former adversaries in Vietnam and elsewhere.

Since 1994, our 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.

Funding the VA Health Care System

For more than a decade, VVA's top legislative goal was to enact a statute that would transfer VA's healthcare budget line from the discretionary side of the ledger to the mandatory side. Together, with our fellow Veterans Service Organizations, we came up with the idea of advance appropriations for the VA's healthcare accounts. A bill was introduced in the House; companion legislation in the Senate swiftly followed; and this measure was approved with sizeable majorities from both houses of Congress. And we achieved what we had sought for so long.

Women Veterans

Women veterans still face cultural roadblocks in a system that was largely designed to meet the needs of men.

Since 1982, VVA has championed appropriate and quality healthcare for all women veterans. However, women veterans still face cultural roadblocks in a system that was largely designed to meet the needs of men. We continue

to monitor the local VA Women's Clinics, where concerns remain with policies, care, treatment, delivery mode, and services.

Capt. John Brooks Sherman

In May, VVA National President John Rowan presented a black lacquered box to Brown University. The box contained the watch and knife of U.S. Marine Corps Capt. John Brooks Sherman, Class of '62, Brown University's first loss in Vietnam. On March 25, 1966, Vietnamese veteran Nguyen Y Chi witnessed the crash. Prior to burying the pilot, he removed his pocket knife and aviator's watch. In 1990, Chi led U.S. recovery teams to the burial site. Years passed, and he resolved to return the items to the family of the pilot whose name he did not know. In the veteran-to-veteran spirit of the Veterans Initiative, Chi entrusted these items to VVA. After careful research, we were able to determine that there were no living relatives and presented them to Brown Library.



Capt. John Brooks Sherman with his knife and watch



This year's VVA's Leadership and Education Conference, held in Tucson, was a great success with new leaders from around our nation taking part in an impressive array of seminars and training sessions.

Members of the Tucson chapter of the Scottish American Military Society presented a solemn POW/MIA ceremony (top).

VVA President John Rowan and AVVA President Sharon Hobbs opened the leadership conference with a solemn ceremony to honor the 618 men from Arizona killed or reported missing in action from the Vietnam War.(bottom)

Military Sexual Trauma

This year, sexual assault reports increased by 9.7 percent, with the Pentagon finding that 40 percent of those who reported their assault experienced retaliation.

Military sexual trauma remains a major problem for both men and women.

VVA continues to push for justice for victims of Military Sexual Trauma, advocating for support of Sen. Kirsten Gillibrand's efforts to take the punishment for this crime outside the military chain of command.

Considerable research has shown that sexual trauma is associated with increased physical and mental health problems. In response to our efforts, the VA Vet Center budget was increased, and today Reservists and National Guard MST survivors are eligible for mental-health care from the VA.

Toxic Exposures: Ft McClellan

Once home to the Women's Army Corps, Ft. McClellan, which closed in 1999, has been designated by the EPA as a Superfund site. We continue to advocate for the passage of the Ft. McClellan Health Registry and encourage all women who may have health issues associated with their service at Fort McClellan to file a claim for disability compensation.

From 1929 to 1971, a Monsanto chemical plant operating just south of McClellan in Aniston, Alabama, released polychlorinated biphenyls, exposing the surrounding community. The EPA has also identified three other sources of toxic exposure: a defoliant product by Solutia containing dioxin; nuclear, biological, and chemical weapons; and contamination resulting from the Army Depot of Anniston.

Toxic Exposures: Camp Lejeune

In 2004, we first discovered that the water at Camp Lejeune had been contaminated by high levels of volatile organic compounds. Ever since, our U.S. Marine Corps veterans and their family members have been advocating on Capitol Hill and sharing their litany of health issues with their legislators and the media.

Great strides have been made: The Camp Lejeune contamination catastrophe has been widely reported; necessary scientific studies have been done; legislation has been enacted; and now many Lejeune Marines receive medical care for water-related illnesses.

Toxic Exposure: Research for the Children and Grandchildren

VVA members' families and friends from across the country lobbied for congressional cosponsors; advocates met with their members of Congress at home, wrote letters, orchestrated telephone campaigns, and traveled to Capitol Hill, working tirelessly for cosponsors. Finally, after seven years of grassroots advocacy, President Obama signed into law P.L. 114-315, empowering the Secretary of Veterans Affairs to enter into an agreement with the National Academy of Science, Engineering, and Medicine to conduct research on the health conditions of descendants of veterans with toxic exposure while serving as members of the Armed Forces.

PTSD

While close to 65 percent of all veterans who died by suicide are age 50 or older, male veterans ages 18-34 have the highest rate of suicide.

Suicides by our veterans are at crisis proportions. Substance abuse, often begun as self-medication for the symptoms of PTSD, continues to ruin lives. Family members go through PTSD with their veterans, and the all-too-familiar psychological chaos can damage relationships with loved ones, leading to alienation and homelessness for returning veterans.

By holding workshops on suicide prevention, PTSD, and secondary PTSD; through our advocacy on Capitol Hill; by educating doctors and nurses in the private sector; and by participating in Mental Health summits, we have been fighting to secure policies that ensure resources—such as peer-led social support and clinical help—are easy to access by veterans and their families.

This year, we were successful in achieving passage of *The Fairness for Veterans Act*, which instructs DoD to apply liberal consideration to recent veterans with bad paper who are appealing their discharges on the basis of PTSD. Many of these veterans have physical and mental injuries that persist to this day, yet the VA has refused to provide them healthcare, disability compensation, homelessness assistance, or other services on the basis of their bad-paper discharges.

Homeless

9 percent of all homeless adults are veterans; 13,000 veterans live in places unsuitable for human habitation.

We remain on the frontlines in the battle to end veteran homelessness. We are proud to report a 45.5 percent decline



For the past seven years, our chapters and state councils have been staging "Faces of Agent Orange" town hall meetings to tell the story of what has happened to our children as a result of exposure to Agent Orange while serving our country. In December, after 260 Agent Orange town hall meetings nationwide, legislation was passed. North Dakota launched a billboard campaign to alert unsuspecting veterans to the deadly effects of the herbicide. (top)

The Greenbrier East High School JROTC from Lewisburg, WV, performed the POW/MIA Ceremony for the National Board of Directors. President Rowan presented each member of the Greenbrier East High School JROTC with a VVA Achievement Medal for their outstanding presentation. (center)



in homelessness since 2009. Despite this significant progress, the number of homeless veterans has increased by 1.4 percent since 2016. The share of elderly veterans (age 62 or older) more than doubled between 2009 and 2017, and one in ten counted were female veterans. Today, 9 percent of all homeless adults are veterans, a total of 40,056 homeless, with 13,000 veterans living in places unsuitable for human habitation.

We continue our advocacy efforts on Capitol Hill, seeking legislative solutions to address the reintegration challenges facing our returning veterans; we continue to help local agencies across the country set up programs and initiative in their communities; and we provide transitional housing referrals for veterans experiencing homelessness.

Hep C

Hep C has been linked to blood-to-blood exposure through jet gun inoculations; Veterans with the highest risk of HCV are from the Vietnam era.

Early detection and the new curative treatments for Hep C will save veterans lives. Our chapters and state councils have been hosting educational seminars to inform Vietnam veterans about this silent virus and the various tests and treatment options available to them. We have made significant strides in getting Congress to appropriate funding for a Hep C program so that VA can treat all HCV-infected veterans with new and effective medications.

Minority Affairs

VVA's strength lies in our diversity; and our mission is to help all veterans, without regard to race, creed, color, religion, gender, sexual preference, or national origin. This year, in addition to participating in the American GI Forum and the NAACP national conventions, we focused our outreach on our most underrepresented Vietnam veterans, our Native Americans. At outreach events and Agent Orange town halls in Native American communities nationwide, we encouraged tribal leaders to consider having their members trained as veterans service representatives so they could assist tribal members for VA benefits.



In partnership with the Department of Defense 50th Anniversary Commemoration of the Vietnam War, our chapters and state councils hosted ceremonies in their local communities to thank and honor Vietnam veterans and their families for their service and sacrifice.

Economic Opportunities

Meaningful employment is critical to the successful reintegration of our returning veterans.

On Capitol Hill, we are championing legislation that enhances employment opportunities for all veterans. We continue to monitor the Transition Assistance Program to ensure that those leaving the military are informed of their options for employment, education, and entrepreneurship.

We ensure that veterans are accorded Veterans Preference when applying for government jobs and they are given every advantage when seeking employment in private industry. We sponsor and participate in job fairs throughout the country, and we work at the national level with the Small Business Administration, strengthening relationships and supporting legislation that protects and promotes veteran-owned businesses.

Education

When government invests in student veterans, it is a boon for everyone. Reports show that veterans using the GI Bill are more likely to pursue degrees that will lead them to have a greater positive impact on the nation's economy. VVA has been working with Student Veterans of America and other organizations to press the VA to protect the youngest generation of veterans by ensuring the GI Bill is used to produce the best outcomes for students and the economy.

Veterans Against Drugs and Violence

Our VAD volunteers work in their local communities, helping our youth develop responsibility and good judgment.

The Veterans Against Drugs and Violence program, first developed by the Congressional Medal of Honor Society in 1980, was entrusted to Vietnam Veterans of America in the 1990s. With the mantra, "Commit to Life," our veterans work with youth in schools and with after-school programs, presenting one of three programs that are adapted to all ages and geographic areas: an anti-drug program; an anti-violence/ bullying program; and a patriotism program with the goal of helping our youth develop responsibility, good judgment, all the while reinforcing their commitment to their families, schools, communities, and each other.

The fifth annual Veterans Against Drugs Skate-a-thon was held in Silver Spring, Maryland. Our drug-free event was held in January, with our VVA leadership on hand to greet our young guests.



On Veterans Day, ceremonies are held across the nation to thank and honor our veterans for their service. VVA Chapter 689, Angola, Louisiana held their annual Veterans Day ceremony and banquet (above); In Washington, thousands gathered at The Wall to pay tribute to those who served and those who made the ultimate sacrifice.



Vietnam Veterans of America National Board of Directors

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ADVISOR

Sharon Hobbs

President, Associates of
Vietnam Veterans of America
Chattanooga, Tennessee



(left to right): Ted Wilkinson, Joe Kristek, Dottie Barickman, Tom Burke, John Miner, Dick Southern, Dennis Andras, Dan Stenvold, Felix Peterson Jr., Michael Demske, Craig Tonjes, Charlie Hobbs, Dave Simmons, Ron Morgan, Sara McVicker, Kerwin Stone, Richard DeLong, Sandie Wilson, Wayne Reynolds, John Rowan, Marsha Four, Charlie Montgomery, and Jerry Yamamoto. Missing: Bill Meeks (Photo by Michael Keating).

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

Economic Opportunity

Frank Barry
Huntington Beach, California

Elections

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Felix Peterson, Jr.
Lawton, Oklahoma

Homeless Veterans

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Birdsboro, Pennsylvania

Membership Affairs

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Minority Affairs

Jerry Yamamoto
Harbor City, California

National Disciplinary Committee

Al Huber
Rock Island, Illinois

POW/MIA Affairs

Grant Coates
Sidney, New York

Richard DeLong

Lafayette, Louisiana

PTSD and Substance Abuse

Tom Hall, PhD
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Park River, North Dakota

Veterans Benefits

Tom Burke
New Philadelphia, Ohio

Veterans Health Care

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

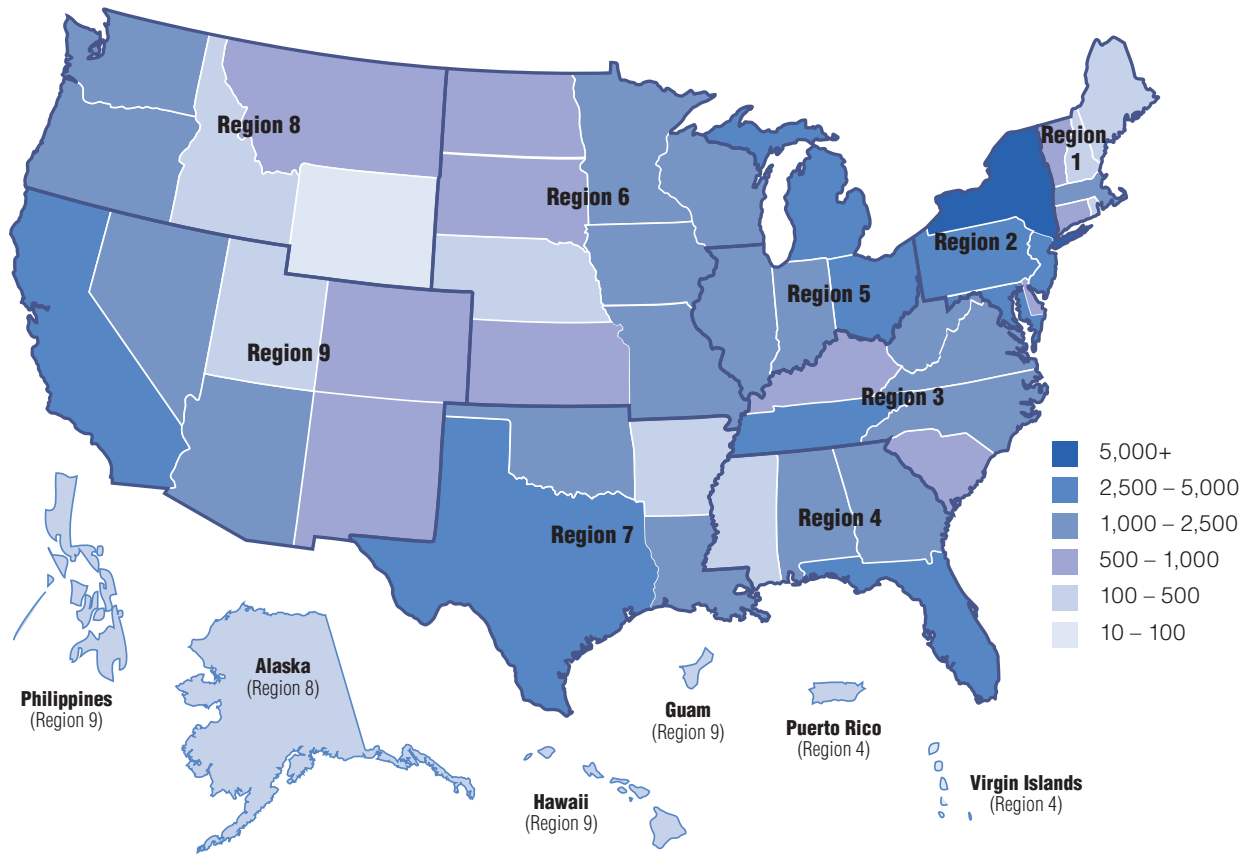


WE HAVE CHANGED THE PUBLIC PERCEPTION OF VIETNAM VETERANS; WE HAVE PROVOKED REFORM IN GOVERNMENT SERVICES TO MEET THE EVOLVING NEEDS OF OUR VETERANS; AND WE REMAIN AT THE FOREFRONT, SUCCESSFULLY ADVOCATING FOR THE NEEDS OF ALL GENERATIONS OF VETERANS, INCLUDING THOSE RETURNING TODAY, MANY OF WHOM ARE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

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

— Vietnam Veterans of America's
Founding Principle

The Organization At a Glance



STATE COUNCIL PRESIDENTS

Alabama — Wayne Reynolds

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Nevada — Thomas George

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Oregon — Ronald H. Morgan

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Texas — Luther "Buster" Newberry

Utah — Dennis Howland

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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 28, 2017 and February 29, 2016, 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 28, 2017 and February 29, 2016, 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.

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.

Mullins PC

Bethesda, Maryland Certified Public Accountants • June 3, 2017

7625 Wisconsin Avenue, Suite 317 | Bethesda, Maryland 20814

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| john@mullinspc.com

Statements of Financial Position

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2017 and February 29, 2016

	2017	2016
Assets		
Current Assets		
Undesignated Cash and Cash Equivalents	\$ 6,667,868	\$ 7,866,163
Accounts Receivable	867,092	720,278
Prepaid Expenses and Other Assets	411,818	84,648
Total Current Assets	7,946,778	8,671,089
Investments - at Market Value		
Undesignated	4,402,449	3,342,744
Designated for Life Memberships	3,453,259	3,670,989
Total Investments	7,855,708	7,013,733
Property and Equipment		
Land	42,566	42,566
Furniture and Equipment	336,050	347,726
Software	235,812	233,295
Total Property and Equipment	614,428	623,587
Less Accumulated Depreciation and Amortization	(335,533)	(355,570)
Net Furniture and Equipment	278,895	268,017
Other Assets		
Deposits	34,559	34,559
Total Assets	\$ 16,115,940	\$ 15,987,398

See accompanying Notes to Financial Statements.

Statements of Financial Position

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2017 and February 29, 2016

	2017	2016
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 419,563	\$ 727,305
Accrued Expenses	270,994	255,029
Current Portion of Deferred Life Member Dues		
Payable to State Councils and Chapters	135,666	159,785
Deferred Revenue	110,999	130,733
Total Current Portion of Deferred Life Member Dues	246,665	290,518
Current Portion of Deferred Revenue	47,159	57,216
Current Portion of Capital Lease Obligations	33,335	43,537
Due to State Councils and Chapters	132,984	261,394
Total Current Liabilities	1,150,700	1,634,999
Long-Term Liabilities		
Deferred Life Member Dues, Net of Current Portion		
Payable to State Councils and Chapters	1,773,253	1,859,259
Deferred Revenue	1,433,341	1,521,212
Total Deferred Life Member Dues, Net of Current Portion	3,206,594	3,380,471
Capital Lease Obligations, Net of Current Portion	143,920	80,708
Deferred Rent Payable	322,581	358,488
Total Long-Term Liabilities	3,673,095	3,819,667
Total Liabilities	4,823,795	5,454,666
Unrestricted Net Assets	11,292,145	10,532,732
Total Liabilities and Net Assets	\$ 16,115,940	\$ 15,987,398

See accompanying Notes to Financial Statements.

Statements of Activities and Changes in Net Assets

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2017 and February 29, 2016

	2017	2016
Revenues and Support		
Recycling Program Revenue	\$ 24,385,709	\$ 29,669,926
Less Recycling Program Cost	(18,770,385)	(23,108,885)
Net Recycling Program Revenue	5,615,324	6,561,041
VVA Veteran Newspaper	186,567	163,666
Membership Dues	369,089	344,875
Veterans Support Foundation Grant	253,340	130,468
Contributions	2,183,735	1,553,893
Convention/Conference	57,310	108,324
Royalties	57,637	181,807
Other	5,110	28,794
Total Revenues and Support	8,728,112	9,072,868
Expenses		
Program Services		
National Veterans' Programs	2,542,386	2,276,308
Communications and Public Affairs	1,215,704	1,185,560
Government Relations	791,511	785,018
Veterans' Benefits Program	1,179,837	1,211,865
Total Program Services	5,729,438	5,458,751
Supporting Services		
Support of Affiliates - State Councils and Chapters	222,208	212,294
General and Administrative	1,104,600	1,100,019
Membership Affairs	487,352	483,183
Fund-Raising	786,460	763,522
Total Supporting Services	2,600,620	2,559,018
Total Expenses	8,330,058	8,017,769
Change in Unrestricted Net Assets from Operations	398,054	1,055,099
Investment Income (Loss)	361,359	(877,684)
Change in Unrestricted Net Assets	759,413	177,415
Unrestricted Net Assets, Beginning of Year	10,532,732	10,355,317
Unrestricted Net Assets, End of Year	\$ 11,292,145	\$ 10,532,732

See accompanying Notes to Financial Statements.

Statements of Cash Flows

Vietnam Veterans of America, Inc. ★ For the Years Ended February 28, 2017 and February 29, 2016

	2017	2016
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 759,413	\$ 177,415
Adjustments to Reconcile Change in Unrestricted Net		
Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	86,150	80,252
Loss on Disposal of Furniture and Equipment	53,094	—
Net (Gains) Losses on Investments	(244,915)	994,433
(Increase) Decrease in Assets		
Accounts Receivable	(146,814)	19,318
Prepaid Expenses and Other Assets	(327,170)	196,115
Deposits	—	4,730
Increase (Decrease) in Liabilities		
Accounts Payable	(307,742)	(34,094)
Accrued Expenses	15,965	14,474
Deferred Life Member Dues	(217,730)	489,086
Deferred Revenue	(10,057)	(73,986)
Due to State Councils and Chapters	(128,410)	54,250
Deferred Rent Payable	(35,907)	(16,112)
Net Cash Provided by (Used in) Operating Activities	504,123	1,905,881
Cash Flows from Investing Activities		
Purchases of Investments	(1,287,392)	(1,498,565)
Sales of Investments	690,332	1,429,757
Purchases of Furniture and Equipment	(2,517)	(76,057)
Net Cash Provided by (Used in) Investing Activities	(599,577)	(144,865)
Cash Flows from Financing Activities		
Curtailments of Capital Lease Obligations	(94,595)	(42,817)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,198,295)	1,718,199
Cash and Cash Equivalents, Beginning of Year	7,866,163	6,147,964
Cash and Cash Equivalents, End of Year	\$ 6,667,868	\$ 7,866,163
Supplementary Disclosure of Cash Flow Information		
Cash Paid During the Year for Interest	\$ 4,359	\$ 3,232
Noncash Transaction from Investing and Financing Activities		
Equipment Acquired with a Capital Lease	\$ 147,605	\$ —

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, selfrespect, 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 longterm 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 28, 2017 and February 29, 2016, 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 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 2017, and a leadership conference during the fiscal year 2016.

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 2017 and 2016.

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 2017 and 2016.

VVA's Forms 990, Return of Organization Exempt from Income Tax , that have been filed as of February 28, 2017, for the years ended February 29, 2016, February 28, 2015, and February 28, 2014, 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 \$2,015,000 as of February 28, 2017, and approximately \$2,006,000 as of February 29, 2016. Management does not feel this poses a risk to VVA.

At February 28, 2017 and February 29, 2016, additional amounts were invested in repurchase agreements of approximately \$2,217,000 and \$3,632,000, 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 28, 2017 and February 29, 2016, VVA had \$3,453,259 and \$3,670,989, respectively, of designated investments.

INVESTMENTS

As of February 28, 2017, VVA's investments and their fair values consisted of the following:

	Fair Value	Level 1 Inputs
February 28, 2017		
Money Market Funds	\$ 654,293	\$ 654,293
Mutual Fund Equities	\$ 229,711	\$ 229,711
Corporate Equities	2,976,238	2,976,238
Fixed Income Securities	301,687	301,687
Mutual Funds - Fixed Income	3,693,779	3,693,779
Total	\$ 7,855,708	\$ 7,855,708

	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

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

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

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

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

Investment income consisted of the following at February 28, 2017, and February 29, 2016:

	2017	2016
Interest and Dividends	\$ 116,444	\$ 116,749
Realized Gains (Losses) on Investments	(133,260)	(103,344)
Unrealized Gains (Losses) on Investments	378,175	(891,089)
Total	\$ 361,359	\$ (877,684)

RETIREMENT PLAN

VVA has a defined contribution plan under Internal Revenue Code Section 401(k), covering all employees over the age of 21 after one year of service. Employees of VVA may elect to make pre-tax contributions to the Plan at a rate that may not exceed a dollar limit that is set by law. VVA may make a discretionary matching contribution at a rate determined by the board of directors. During the years ended February 28, 2017 and February 29, 2016, 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 4.6% to 6.0% annually. Monthly payments range from \$315 to \$2,465 with maturity dates through November 2020.

Future minimum lease payments are as follows:

For the Years Ending February 28,	
2018	\$ 33,335
2019	34,833
2020	33,831
2021	38,591
2022	35,400
2023	22,141
Total Future Minimum Lease Payments	198,131
Interest Portion of Lease Payments	(20,876)
Net Present Value of Lease Payments	\$ 177,255

As of February 28, 2017, equipment and accumulated amortization under capital leases were approximately \$220,000 and \$230,000, respectively. As of February 29, 2016, equipment and accumulated amortization under capital leases were approximately \$48,000 and \$230,000, respectively. Amortization expense for equipment under capital leases was approximately \$48,000 and \$41,000, respectively, for the years ended February 28, 2017 and February 29, 2016.

Operating Lease Obligations

VVA leases its office facilities under an operating lease that expires in November 2020. The lease stipulates a 4% increase in rent per annum, and VVA is responsible for its proportionate share of operating expenses and real estate taxes.

Rental expense for office facilities for the years ended February 28, 2017 and February 29, 2016, amounted to approximately \$485,000 and \$489,000, respectively.

Future minimum rental commitments are as follows:

For the Years Ending February 28,	
2018	\$ 535,232
2019	556,641
2020	578,907
2021	447,076
Total	\$2,117,856

SUBSEQUENT EVENTS

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

At VVA, everyday is Veteran's Day.



VIETNAM VETERANS OF AMERICA®

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