

VIETNAM VET



2021

ANNUAL REPORT

Leave No Veteran Behind...

THE MISSION CONTINUES



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Despite the challenges of a global pandemic, VVA continued in its mission to look out for the welfare of America's veterans.

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PRESIDENT'S MESSAGE



FY 2021 was the year of the COVID-19 pandemic for VVA, as it was for the world. The alert status for our fellow veterans was extremely high from the very beginning. The virus was especially deadly among those with preexisting conditions. Nursing homes and state veterans' homes were hit hard.

We worked overtime to educate our members and to encourage them to follow all recommended protocols regarding the virus. The impact of almost a year of isolation and loneliness because of the pandemic took its toll. We saw a massive increase in calls to veterans crisis lines. We did our best to keep connected via telephone or video.

Beyond the health effects, the coronavirus pandemic caused widespread economic havoc in all sectors, and VVA was far from immune. We operated under a "survival" budget that required many painful decisions. Early in the year, all travel was canceled; we closed our office; our headquarters staff worked from home; and our Board of Directors and State Council Presidents met online.

With a funding shortfall of more than \$6 million, reductions were made that affected all functions of the organization, including national office staff, officers, the Board of Directors, the CSCP, and the many standing and special committees. More than \$4 million was cut from expenses, and VVA's reserve fund was accessed for \$1.6 million.

However, we have also clarified that we are downsizing—not disappearing. As you will see in the pages that follow, despite the challenges of a global pandemic, VVA continued in its mission to look out for the welfare of America's veterans.

The trust, flexibility, and enthusiasm from our members at all levels of VVA—our chapters, state councils, committees, and Board of Directors, as well as the staff—keep us strong, focused, and moving toward a national recovery.

JOHN ROWAN

President, Vietnam Veterans of America



OVERVIEW 2020/21

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 42ND YEAR "IN SERVICE TO AMERICA," AS AMERICA AND THE WORLD SHUT DOWN DUE TO THE PANDEMIC.

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. 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.

Our national membership continues to grow. We now have over 88,000 members, with 658 chapters in all 50 states, Guam, Puerto Rico, the Philippines, and the Virgin Islands. This year, VVA eliminated annual dues and is now providing a single option, a life membership at \$50, half the previous fee of \$100.

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 10,000 members.

As you can see in the pages that follow, the members of VVA, a 501c(19) tax-exempt organization, continued to serve our communities as we pivoted in the face of the pandemic. Our chapters and state councils met virtually and in socially distanced groups to strategize on how best to continue their support of a wide variety of volunteer programs—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; JROTC programs; Boy Scouts/Girl Scouts, and Big Brother/Big Sister programs; 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.

Nationally, our Government Affairs Department worked via Zoom 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. VVA succeeded



in persuading Congress to identify toxic exposure as its highest priority in testimony delivered virtually before a joint House and Senate Veterans' Affairs hearing.

We are determined that adequate healthcare services are available for our returning troops as well as for Vietnam veterans.

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

Quarantines put in place to help stop the spread of COVID-19 forced most of our 300 VVA Veteran Service Officers to work from home. Thanks to the VVA's advocacy, \$1,471,181 in benefits was paid out to veterans this year.

themselves facing the VA without adequate representation during their application for VA benefits. 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 using a veterans' service organization such as VVA. 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's Veterans Benefits Program has consistently maintained a high favorable decision rate at Board of Veterans Appeals. VVA Benefits Department Appeals Attorneys have received a favorable outcome for 803 cases at the Board of Veterans Appeals from March 2020 through February 2021. Of all the organizations representing veterans and their families, VVA has consistently had one of the lowest denial rates. In 2020, only 14 percent of its claims denied. Due to our winning success rate, an ever-increasing number of claimants are requesting VVA representation and assistance.

Our communications team 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.

In response to the pandemic deaths, VVA volunteer leaders and staff undertook a five-month-long investigation into the circumstances contributing to the over 1,010 COVID-19 fatalities in 47 State Veterans Homes. We published our findings in a report, "America's Aging Veteran Population and the COVID-19 Pandemic;" notified the press; and provided sources for

both the media and legislators. By Memorial Day, our story was front and center, thanks to coverage in major outlets, including *The Wall Street Journal* and *The Washington Post*. We are especially proud that our report hit a significant nerve, highlighting the shortfalls in veteran geriatric care, and that our investigation and report resulted in hearings on Capitol Hill and the passage of legislation to provide increased resources for State Veterans Homes.

Another key media campaign in FY2021 for the Communications Department centered on combating foreign disinformation targeted at veterans through social media channels. Working with the Cybersecurity and Infrastructure Security Agency of the U.S. Department of Homeland Security (CISA), we produced and distributed a graphics campaign targeted at bringing awareness to the risks of foreign trolls, along with tips on learning to recognize them. This work is critical in arming our citizens to defend our nation against cyberwarfare.

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, Facebook pages, and use of Twitter are further expanding our reach, and our number of followers continues to grow.



AGENT ORANGE AND OTHER TOXIC EXPOSURES

This year, we were successful in achieving the inclusion of bladder cancer, hypothyroidism, and Parkinsonism in the *FY2021 National Defense Authorization Act*, thereby correcting a long-lingering injustice. Now afflicted Vietnam veterans will receive the care and benefits they have earned by their service in our long-ago, unpopular war.

Vietnam veterans have been severely affected by these diseases for years without desperately needed healthcare and compensatory relief. For these veterans, presumptive service connection not only means receiving disability compensation, but also entitlement to life-saving VA medical care.

Too many of our fellow Vietnam veterans have gone to their graves waiting for just this, for their government to do the right thing and grant service-connection for exposure to Agent Orange and other rainbow agents.



TOO MANY OF OUR FELLOW VIETNAM VETERANS HAVE GONE TO THEIR GRAVES WAITING FOR JUST THIS, FOR THEIR GOVERNMENT TO DO THE RIGHT THING AND GRANT SERVICE-CONNECTION FOR EXPOSURE TO AGENT ORANGE AND OTHER RAINBOW AGENTS

ENDING THE WIDOW'S TAX

VVA successfully lobbied Congress to include provisions to end the inherently unfair Dependent Indemnity Compensation (DIC) offset in its *2020 National Defense Authorization Act*. The offset dictated that a surviving spouse

of a veteran could only qualify for DIC if the loved one received 100% total and permanent disability for 10 or more years unless the veteran was deemed dying of an injury or disease related to military service. The offset often

placed the surviving spouse in a disadvantageous financial position, frequently creating an undeserved financial crisis.



Despite the many challenges of COVID-19, VVA was able to keep the National VVA JROTC Program active

PALOMARES LAWSUIT

VVA marked an unprecedented legal victory in 2021 as it joined the Yale Veterans Legal Services Clinic and retired U.S. Air Force Chief MSG Victor Skaar in pursuing a ground-breaking class-action lawsuit on behalf of the veterans of the “broken arrow” Palomares Nuclear Disaster (1966). The successful suit ensures Class Certification for “all veterans present at any point during the cleanup of plutonium dust at Palomares whose application for service-related disability compensation based on exposure to ionizing radiation the VA has denied or will deny.” VVA was proud to stand with these veterans in their fight to get the healthcare and benefits they earned because of their service and gratified to see VA recognizing and compensating another type of service-related “toxic wound.”



U.S. AIR FORCE



The VVA Veteran

The VVA Veteran marked its 40th year of publication, examining the Vietnam War and the interests, concerns, and aspirations of its veterans. It has proven a lifeline for VVA members, keeping them current on VVA committees' activities, helping them reconnect with their past and lost friends, and chronicling the achievements of local VVA chapters.

Amid the celebration, however, there was loss. With the restrictions necessitated by COVID-19, The VVA Veteran had to halt the print edition with the May/June 2020 issue. The publication remains available online and VVA hopes this will be a temporary hiatus and not a permanent end to the print publication.


Using Zoom technology, we launched two new series: “The Outlet” and “Dispatches,” and recorded interviews with people in the arts and news, focused on the Vietnam War and its veterans.



THE CHALLENGE IS HERE. AND IT IS US.

THE PANDEMIC AND THE AGING VETERAN EXPERIENCE


The challenge is here. And it is us: VA estimates that nearly 55 percent (10,881,049) of America’s veterans are 65 years or older. The needs of these veterans are rarely discussed and often overlooked.



Leave No Veteran Behind...

THE MISSION CONTINUES

AMERICA'S AGING VETERAN POPULATION AND THE COVID-19 PANDEMIC REPORT



of long-term care for our elderly veterans, many of whom are overlooked, disenfranchised, or without family. We wanted to make sure the VA had oversight at these facilities and to learn how the homes are being managed during the pandemic.

Our report, *The Mission Continues: America's Aging Veteran Population*, and the COVID-19 Pandemic, includes the findings of a five-month-long investigation into the circumstances contributing to the over 1,010 fatalities in 47 state veterans homes. The report criticized the VA for not enough regulation and not enough oversight and stressed the importance of strategic planning and oversight for the care of this aging demographic.

In July, we submitted a statement for the record before the House Veterans Affairs Committee Subcommittee on Health regarding *Who's in Charge? Examining Oversight of State Veterans Homes during the COVID-19 Pandemic*.

WOMEN VETERANS



At long last, we achieved the passage of the *Deborah Sampson Act*. The legislation—named for Revolutionary War veteran Deborah Sampson Gannett—includes expansion

of women veterans support services with oversight of women’s healthcare in the VA, establishes a new Office of Women’s Health, and extends coverage of healthcare for newborn children of veterans from seven to fourteen days.

It includes provisions that help all veterans—women and men—who experience military sexual trauma, intimate partner violence, sexual assault, or sexual harassment to get the support and the care that they need.

The measure includes additional funding for primary care and emergency care clinicians in VA’s Women Veterans Health Care residency programs, a requirement for gender-specific services at every VA medical facility, a mandate for a new policy to end harassment and sexual assault at all VA locations, and a new assessment of the availability of prosthetics specifically for women veterans.



MINORITY AFFAIRS



VVA’s Minority Affairs Committee directly addressed the racial divide ripping through the U.S. with an important press release that condemned racism and recognized the plight of minority communities in the United States. Systemic racism continues to affect minority veterans, their VA benefits, and health care. Minority veterans comprise 22 percent of the veteran population. Evidence shows that injustices occur both during and after their time in the military. Racial disparities in VA services are pervasive. VVA is the lead organization for Vietnam veterans’ issues and, as such, is uniquely qualified to be a catalyst for progress in racial disparities among veterans. During the Vietnam War the country witnessed racially charged sentiments stemming from the Civil Rights movement. VVA’s founding principle, “Never again will one generation of veterans abandon another,” should guide VVA to be a leader in implementing change.

EXPANSION OF THE CAREGIVERS ACT

On October 1, 2020, VVA applauded the expansion of VA’s Program of Comprehensive Assistance for Family Caregivers (PCAFC), the initiative that has provided support to family caregivers of wounded post-9/11 veterans, to include veterans “seriously injured in the line of duty on or before May 7, 1975.” The PCAFC provides, based on eligibility and other individual criteria, various forms of support for family caregivers, including a stipend, education and training, mental health counseling, and financial assistance when traveling with a veteran for medical appointments. Ongoing advocacy efforts by VVA, along with other VSOs, has long made it clear that family caregivers are critically important in the lives of many service-injured veterans. Moving from that awareness to enabling legislation and a consolidated caregiver program has taken more than a decade.

VVA conducted seminars for VVA members on the new VA Caregiver Expansion Bill which became effective in October, opening accessibility for Vietnam War veterans. Under the expansion, caregivers of veterans who served during the Vietnam War and earlier became eligible for a monthly payment from VA, and eligibility was further broadened by expanding the term “serious injury” to include illnesses and diseases from Agent Orange exposure.




Vietnam Veterans of America was live.
Published by Margaret Porter · November 19, 2020 ·

Join us now! Representatives from VA are LIVE to discuss the VA Caregiver Support Program's expansio...
See more

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zoom

MEDIA LITERACY

To raise awareness amongst veterans and all Americans about the risk of disinformation in the weeks before Election Day and beyond, VVA and the Cybersecurity and Infrastructure Security Agency of the U.S. Department of Homeland Security (CISA) released a series of public-awareness products designed to help veterans and other Americans identify disinformation and prevent its spread. The products included posters and other resources that were posted to VVA.org and disseminated to VVA members and partners as part of a broader effort to build a more resilient electorate by encouraging the American public to recognize trusted sources of information.

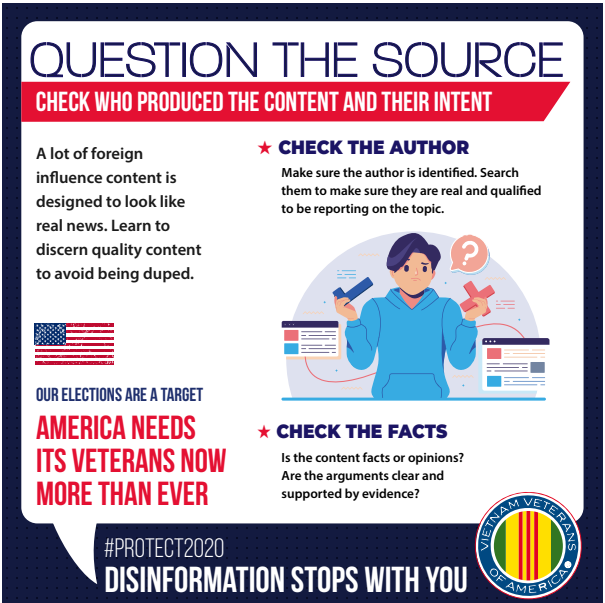
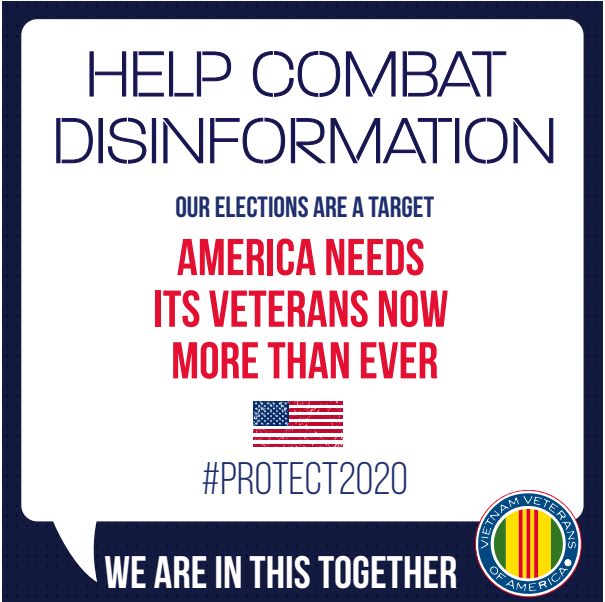


PHOTO COURTESY OF MARVIN J. WOLF, CHAPTER 124

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Photo by Ken Williamson

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Pawcatuck, Connecticut

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Sidney, New York

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Dr. Tom Hall, PhD
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Public Affairs
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Resolutions
Dick Southern
Tuolumne, California

Rules
Joseph Jennings
Linwood, Ohio

Veterans Benefits
John Riling III
Garden City, Michigan

Veterans Healthcare
Chuck Byers
Gilbert, Arizona

Veterans Incarcerated & in the
Justice System
Dominick Yezzo
Beechhurst, New York

Women Veterans
Kate O’Hare-Palmer
Petaluma, California

Veterans Against Drugs
Dave Simmons
Bluefield, West Virginia

APPOINTMENTS

Chapel of Four Chaplains
Dennis Beauregard
Red Bank, New Jersey

Household Goods Program
Tom Corey
Jupiter, Florida

National Chaplain
Father Phillip Salois
North Smithfield, Rhode Island

National Disciplinary Committee
Al Huber
Rock Island, Illinois

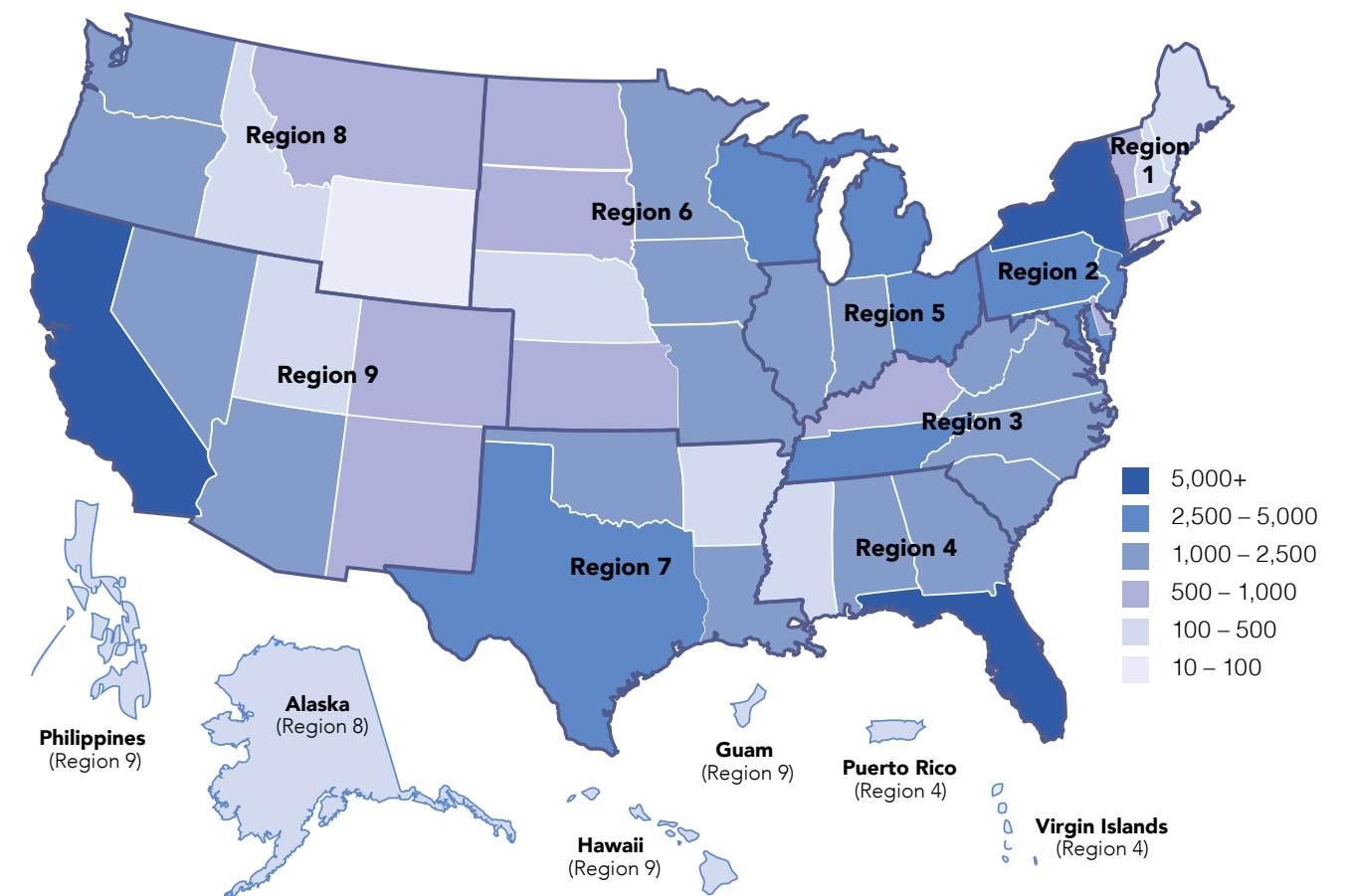
Sergeant-At-Arms
Grant Coates
Sidney, New York

VA Voluntary Service
Representative
Kenneth Rose
North Wales, Pennsylvania

Emeritus VA Voluntary Service
Representative
Judith McCombs
Brooklyn, New York

IN SERVICE
TO AMERICA

THE ORGANIZATION AT A GLANCE



STATE COUNCIL PRESIDENTS

Alabama—Wayne Reynolds

Alaska—Craig Wade

Arizona—Randall Schriver

Arkansas—Gerald Corrigan

California—Dean Gotham

Colorado—Stanley Paprocki

Connecticut—Patricia Dumin

Delaware—Paul Davis

Florida—John McGinty

Georgia—Joseph “Spence” Davis

Idaho—Vernon Peterson

Illinois—Al Huber

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Ohio—Cliff Riley

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Pennsylvania—Larry Googins

Puerto Rico—Jorge Pedroza

Rhode Island—Lawrence Matika

South Carolina—Samuel Brick

South Dakota—R. Jack Dean

Tennessee—Michael Cowger

Texas—Kerwin Stone

Utah—Dennis Howland

Vermont—Perry Melvin

Virginia—Charlie Montgomery, Jr.

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, 2021 and 2020, and the related statements of activities, functional expenses 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, 2021 and 2020, 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.

Certified Public Accountants
Bethesda, Maryland
August 20, 2021

7625 Wisconsin Avenue, Suite 317 | Bethesda, Maryland 20814

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| john@mullinspc.com

STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED FEBRUARY 28, 2021, AND FEBRUARY 28, 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Undesignated Cash and Cash Equivalents	\$10,852,209	\$ 9,382,631
Accounts Receivable	2,187,273	657,886
Prepaid Expenses and Other Assets	<u>84,654</u>	<u>144,017</u>
Total Current Assets	<u>13,124,136</u>	<u>10,184,534</u>
Investments - at Market Value		
Undesignated	7,426,110	5,774,143
Designated for Life Memberships / State Councils and Chapters	<u>3,746,803</u>	<u>3,881,170</u>
Total Investments	<u>11,172,913</u>	<u>9,655,313</u>
Property and Equipment		
Furniture and Equipment	501,610	557,150
Software	<u>101,707</u>	<u>101,707</u>
Total Property and Equipment	603,317	658,857
Less Accumulated Depreciation and Amortization	<u>(549,310)</u>	<u>(495,853)</u>
Net Furniture and Equipment	<u>54,007</u>	<u>107,464</u>
Other Assets		
Deposits	<u>33,559</u>	<u>33,559</u>
Total Assets	<u>\$ 24,384,615</u>	<u>\$ 19,980,870</u>

	<u>2021</u>	<u>2020</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,637,125	\$ 708,061
Accrued Expenses	<u>223,516</u>	<u>379,258</u>
Current Portion of Deferred Life Member Dues Payable to State Councils and Chapters	<u>58,268</u>	<u>413,508</u>
Forgivable Loan - PPP	695,482	-
Current Portion of Capital Lease Obligations Due to State Councils and Chapters	<u>60,783</u>	<u>43,535</u>
	<u>1,122,038</u>	<u>220,404</u>
Total Current Liabilities	<u>3,797,212</u>	<u>1,764,766</u>
Long-Term Liabilities		
Deferred Life Member Dues, Net of Current Portion Payable to State Councils and Chapters	<u>-</u>	<u>1,489,965</u>
Capital Lease Obligations, Net of Current Portion Deferred Rent Payable	<u>-</u>	<u>60,783</u>
	<u>246,651</u>	<u>271,255</u>
Total Long-Term Liabilities	<u>246,651</u>	<u>1,822,003</u>
Total Liabilities	4,043,863	3,586,769
Net Assets Without Donor Restrictions	<u>20,340,752</u>	<u>16,394,101</u>
Total Liabilities and Net Assets	<u>\$ 24,384,615</u>	<u>\$ 19,980,870</u>

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED FEBRUARY 28, 2021, AND FEBRUARY 28, 2020

	<u>2021</u>	<u>2020</u>
Revenues and Support		
Recycling Program Revenue	\$ 12,475,043	\$ 21,438,511
Less Recycling Program Cost	<u>(7,716,931)</u>	<u>(15,023,063)</u>
Net Recycling Program Revenue	4,758,112	6,415,448
VVA Veteran Newspaper	108,394	177,558
Membership Dues	115,636	200,999
Veterans Support Foundation Grant	166,667	250,000
Contributions	3,609,171	3,294,610
Convention/Conference	-	107,083
Royalties	67,003	147,189
Other	<u>7,064</u>	<u>3,287</u>
Total Revenues and Support	<u>8,832,047</u>	<u>10,596,174</u>
Expenses		
Program Services		
National Veterans' Programs	1,325,475	2,618,676
Communications and Public Affairs	918,503	1,286,607
Government Relations	572,753	855,003
Veterans' Benefits Program	<u>1,716,514</u>	<u>1,885,131</u>
Total Program Services	<u>4,533,245</u>	<u>6,645,417</u>
Supporting Services		
Support of Affiliates - State Councils and Chapters	196,799	286,381
General and Administrative	1,105,425	1,176,948
Membership Affairs	374,359	547,039
Fundraising	<u>1,148,618</u>	<u>986,409</u>
Total Supporting Services	<u>2,825,201</u>	<u>2,996,777</u>
Total Expenses	<u>7,358,446</u>	<u>9,642,194</u>
Change in Net Assets from Operations	1,473,601	953,980
Investment Income (Loss)	<u>2,473,050</u>	<u>776,534</u>
Change in Net Assets	3,946,651	1,730,514
Net Assets, Beginning of Year	<u>16,394,101</u>	<u>14,663,587</u>
Net Assets, End of Year	<u>\$20,340,752</u>	<u>\$ 16,394,101</u>

See accompanying Notes to Financial Statements.

STATEMENTS CASH FLOWS

FOR THE YEARS ENDED FEBRUARY 28, 2021, AND FEBRUARY 28, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Unrestricted Net Assets	\$ 3,946,651	\$ 1,730,514
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	53,456	68,818
Loss on Disposal of Furniture and Equipment	-	(1,238)
Net (Gains) Losses on Investments	(2,324,683)	(497,056)
(Increase) Decrease in Assets		
Accounts Receivable	(1,529,387)	169,510
Prepaid Expenses and Other Assets	59,363	50,074
Increase (Decrease) in Liabilities		
Accounts Payable	929,065	36,130
Accrued Expenses	(155,742)	133,061
Forgivable Loan - PPP	695,482	-
Deferred Life Member Dues	(1,845,205)	(531,926)
Due to State Councils and Chapters	901,634	(25,991)
Deferred Rent Payable	<u>(24,604)</u>	<u>(70,855)</u>
Net Cash Provided by (Used in) Operating Activities	<u>706,030</u>	<u>1,061,041</u>
Cash Flows from Investing Activities		
Purchases of Investments	(2,213,456)	(7,481,436)
Sales of Investments	<u>3,020,539</u>	<u>7,265,689</u>
Net Cash Provided by (Used in) Investing Activities	<u>807,083</u>	<u>(215,747)</u>
Cash Flows from Financing Activities		
Curtailments of Capital Lease Obligations	<u>(43,535)</u>	<u>(63,171)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,469,578	782,123
Cash and Cash Equivalents, Beginning of Year	<u>9,382,631</u>	<u>8,600,508</u>
Cash and Cash Equivalents, End of Year	<u>\$ 10,852,209</u>	<u>\$ 9,382,631</u>
Supplementary Disclosure of Cash Flow Information		
Cash Paid during the Year for Interest	\$ 176	\$ 8,293

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2021, AND FEBRUARY 28, 2020

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.

The coronavirus (COVID-19) outbreak in the United States commenced prior to VVA's fiscal year-end and has directly impacted its operations since early spring 2020. The COVID-19 pandemic caused a broad and negative impact on commerce and financial markets around the world including travel restrictions and limits on in-person gatherings.

Accordingly, the extent to which COVID-19 may impact VVA's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of VVA have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires VVA to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of VVA. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of VVA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

VVA had no net assets with donor restrictions as of February 28, 2021.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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 28, 2021 and 2020, 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 \$3,000. 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.

Revenue Recognition

Membership Dues

Membership dues paid by VVA members include portions for both VVA and the respective state councils and chapters. 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 membership dues received as membership dues revenue in the current period.

As directed by the board of directors, all life member dues are segregated from the general operating funds.

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 2020, and a leadership conference during the fiscal year 2021.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, occupancy and office expenses, depreciation, information technology costs, and insurance have been allocated among the programs and supporting services benefits allocated on the basis of employee time and effort.

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 2021 and 2020.

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 2021 and 2020.

VVA's Forms 990, Return of Organization Exempt from Income Tax, that have been filed as of February 28, 2021, for the years ended February 29, 2020, February 28, 2019, and February 28, 2018, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, Leases. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

Subsequent Events

Management has evaluated subsequent events through August 20, 2021 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

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 \$5,300,000 as of February 28, 2021, and approximately \$2,918,000 as of February 29, 2020. Management does not feel this poses a risk to VVA.

At February 28, 2021 and 2020, additional amounts were invested in repurchase agreements of approximately \$4,294,000 and \$4,649,000, 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. As of February 28, 2021 and 2020, VVA had \$3,746,803 and \$3,881,170, respectively, of designated investments.

INVESTMENTS

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.

As of February 28, 2021, VVA's investments and their fair values consisted of the following:

	Fair Value	Level 1 Inputs
February 28, 2021		
Money Market Funds	\$ 2,260,007	\$ 2,260,007
Mutual Fund Equities	4,669,860	4,669,860
Corporate Equities	4,243,046	4,243,046
Total	\$ 11,172,913	\$ 11,172,913

As of February 29, 2020, VVA's investments and their fair values consisted of the following:

	Fair Value	Level 1 Inputs
February 29, 2020		
Money Market Funds	\$ 352,906	\$ 352,906
Mutual Fund Equities	6,809,206	6,809,206
Corporate Equities	2,493,201	2,493,201
Total	\$ 9,655,313	\$ 9,655,313

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

Investment income consisted of the following at February 28, 2021 and February 29, 2020:

	2021	2020
Interest and Dividends	\$ 148,367	\$ 279,478
Gains (Losses) on Investments	2,324,683	497,056
	\$2,473,050	\$ 776,534

NET ASSETS

There were no net assets with donor restrictions as of February 28, 2021 or February 29, 2020.

Other than net assets designated for life memberships / state councils and chapters, all other net assets without donor restrictions as of February 28, 2021 and February 29, 2020 were undesignated.

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, 2021 and February 29, 2020, VVA matched up to 4% 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 \$5,160 with maturity dates through October 2022.

Future minimum lease payments are as follows:

For the Years Ending February 28,		
2022		62,228
Total Future Minimum Lease Payments		62,228
Less: Interest Portion of Lease Payments		(1,445)
Net Present Value of Lease Payments	\$	60,783

As of February 28, 2021, equipment and accumulated amortization under capital leases were approximately \$231,000 and \$178,000, respectively. As of February 29, 2020, equipment and accumulated amortization under capital leases were approximately \$231,000 and \$132,000, respectively. Amortization expense for equipment under capital leases was approximately \$46,000 for the years ended February 28, 2021 and February 29, 2020.

Operating Lease Obligations

VVA leases its office facilities under an operating lease that expires in November 2028. 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, 2021 and February 29, 2020, amounted to approximately \$490,000 and \$421,000, respectively.

VVA also leases certain office equipment under an operating a five-year operating lease with fixed monthly payments of \$998.

Future minimum rental commitments are as follows:

For the Years Ending February 28,	
2022	545,961
2023	567,320
2023	589,534
2024	612,636
2025	624,686
Thereafter	1,852,269
Total	\$4,792,406

AVAILABILITY AND LIQUIDITY

The following represents the VVA's financial assets at February 28, 2021:

Financial Assets at Year End:	
Undesignated Cash and Cash Equivalents	\$ 10,852,209
Accounts Receivable	2,187,273
Investments	7,426,110
Total Financial Assets	20,465,592
Less Amounts Not Available To Be Used Within One Year:	
Net Assets With Donor Restrictions	-
Less: Net Assets With Purpose Restrictions	-
To Be Met in Less Than a Year	-
Designated for Life Memberships / State Councils and Chapters	(3,746,803)
	(3,746,803)
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 16,718,789

As part of VVA's liquidity management plan, cash in excess of daily requirements is transferred to income-generating accounts, when practical.





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