



2018 ANNUAL REPORT

Summary of Accomplishments



**FROM THE DESK OF B.J. LAWRENCE
CHAIRMAN OF THE BOARD, VFW FOUNDATION**

Over the last year, I've crisscrossed the United States and a good part of the globe traveling thousands of miles, meeting countless individuals, doing everything I can on behalf of the VFW to advance the care of our nation's service members, veterans and their families.

Even though this activity often takes me far from home and those I love, I am invigorated by the deep importance of my mission as an advocate for those men and women who bravely defend our great nation.

It is an incredible, personal honor to bring attention to our veterans so that they will never be forgotten in their time of physical, emotional or financial need.

I am extremely proud of the VFW Foundation and its innovative programs which continue to strongly lead the way for veterans service organizations in alleviating worry among our veterans, and effectively addressing the issues which personally impact them and their families.

Just for a moment consider these two incredible VFW Foundation milestones which occurred in 2018:

\$11 million+

The value of financial assistance awarded to veterans and military families since 2004 to help cover their basic needs (rent, mortgage, utilities, vehicle repair, food, etc.) in times of crisis.

\$5.7 million

The amount of scholarships awarded to more than 1,287 veterans and service members through VFW's "Sport Clips Help A Hero Scholarship" since January 2014.

Yes, your donation dollars are making a positive impact!

Please know the VFW Foundation has and will continue to utilize your donation dollars to the highest standards of responsible accountability. For example, 87 cents out of every donated dollar goes to direct outreach services — a figure that few other national nonprofit charities can match.

I ask that you review the following *Annual Report & Summary of Accomplishments, 2018*, which will give you a comprehensive overview of our operations and financial information. Finally, I offer my personal gratitude for your past support and I humbly ask that you continue to remember those who ensure our nation remains safe!

Sincerely,

A handwritten signature in black ink, appearing to read "B.J. Lawrence", with a stylized flourish at the end.

B.J. Lawrence
Chairman of the Board, VFW Foundation
Commander-in-Chief, VFW

VFW FOUNDATION

BOARD OF DIRECTORS

Vincent "B.J." Lawrence

Chairman of the Board

Term of Office – 07/25/18 – 07/24/19

Commander-in-Chief, VFW

Debra Anderson

Secretary-Treasurer

Term of Office – 07/27/16 – Present

Quartermaster General, VFW

Anthony Principi

Board Member

Term of Office – 12/15/05 – 03/04/21

Re-elected to three-year term 03/04/18

Former U.S. Secretary of Veterans Affairs

Michael DeRosa

Board Member

Term of Office – 03/05/11 – 02/26/20

Re-elected to three-year term 02/26/17

Owner, Burger King Franchisee

Kevin Jones

President

Term of Office – 07/24/18 – Present

Adjutant General, VFW

Jan Owens

Board Member

Term of Office – 12/17/18 – Present

Gordon Logan

Board Member

Term of Office – 10/06/11 – 02/26/20

Re-elected to three-year term 02/26/17

CEO/Founder, Sport Clips Haircuts

Admiral Patrick Walsh, USN (Ret.)

Board Member

Term of Office – 02/26/17 – 02/26/20

Term Expiration Date: 02/26/20

STAFF

Richard Potter

Director

Kevin Jamison

Assistant Director, Corporate Relations

Richard Freiburghouse

Manager

Benjamin Vargas

Assistant Manager, Special Projects

Rebecca Curtis

Senior Program Coordinator

Jason Couch

Grants Coordinator

Renee Martin

Gift Processing Coordinator

MISSION

To support programs and services that secure, manage, and distribute resources to improve the lives of veterans, military service personnel, their families and the communities in which they live.

VISION

To memorialize the past so America never forgets the personal sacrifices of those who have defended its freedoms; yet always looking forward to honor and provide for those among us who, through their military service, are dedicated to maintaining our security and democratic way of life.

ENSURING THAT U.S. SERVICE MEMBERS, THEIR FAMILIES, AND VETERANS ARE NEVER FORGOTTEN!

The VFW Foundation is the official 501(c)(3) charity of the Veterans of Foreign Wars of the United States (VFW), and exists solely to raise the funds and awareness necessary to operate VFW programs and services for America's veterans, military service members and their families.

The VFW Foundation supports and manages a wide variety of programs and services (most with a national geographic emphasis). These are provided to those we serve at **no cost** and **VFW membership is not required**.

Our organization constantly adapts to the urgent needs of U.S. service members, military families and veterans. In the 2017-18 fiscal year, we distributed \$4,645,508 to VFW programs and services that directly support the needs of these deserving individuals.

Much of the funding for VFW programs and services comes from ongoing associations with corporations such as USAA, Humana, Sport Clips, Burger King Franchisees and other patriotic companies, many of which have undertaken fundraising and cause-marketing efforts on the behalf of the VFW.

Additional revenue comes from corporate and foundation grants, the Combined Federal Campaign (CFC) and other federated giving programs, corporate matching gifts, donor-advised funds, estate gifts, vehicle donations, and of course through the generosity of individual donors. It is important to note that we receive no government funding. Thus, we are exceedingly grateful for the generous support from corporations, foundations and individuals who share our belief that America's service members deserve to know that America *truly* cares.

The VFW Foundation takes great pride in maintaining low administrative costs and highly favorable ratings with charity watchdog groups such as Charity Navigator, GuideStar and the Better Business Bureau. Fiscal Year 2018-19 promises to be a further meaningful evolution in the history of our organization.

SUPPORTING VFW PROGRAMS AND SERVICES

- In collaboration with participating Burger King franchisees, we assisted military families and veterans with rent, mortgage payments, utilities, vehicle repair, medical expenses, food and other basic needs through the VFW *Unmet Needs* program. Since 2004, the VFW has assisted over 9,653 families and awarded more than \$11 million in financial assistance.
- Awarded more than \$5.7 million in scholarships to 1,287 veterans and service members through the “Sport Clips Help A Hero Scholarship” program since January 2014.
- Awarded \$3 million in annual educational awards to middle and high school students through the VFW’s *Patriot’s Pen* and *Voice of Democracy* patriotic essay contest. Total participation in these two competitions in 2018 surpassed 133,000 students!
- Provided direct, pro bono assistance by the VFW’s accredited Veterans Service Officers to help veterans navigate the complex process of securing earned benefits from the U.S. Department of Veterans Affairs (VA). In 2018 alone, the VFW helped 109,000 veterans recoup over \$155 million in new claims for benefits and disability compensation.
- VFW members contribute approximately 10.3 million volunteer hours annually in support of beneficial community activities all across the U.S. as well as donate \$46.9 million each year to local service projects.

THE YEAR IN REVIEW

- Collaborated with Burger King franchisees across the country to raise \$799,756 for the VFW's *Unmet Needs* program. Since the program was established in 2004, the VFW has granted over \$11 million to assist more than 9,600 military families with urgent financial needs.
- Coordinated fundraising campaigns and processed gifts and grants totaling \$5,042,174, including:
 - \$1,283,371 million in contributions and pledges from Sport Clips Haircuts for their 2018 "*Help A Hero Scholarship*" program to provide service members and veterans financial assistance needed to complete education goals without incurring excessive student loan debt.
 - \$124,818 in contributions from the Combined Federal Campaign and state/local campaigns.
 - \$599,623 from other foundations.
 - \$83,439 in corporate matching gifts.
- Assisted VFW Departments and Posts with fundraising that resulted in \$349,211 for their local projects.
- Awarded grants totaling \$399,965 to 405 VFW Posts and Auxiliaries to support youth service organizations, food pantries, school programs, homeless veterans and other local community projects.
- Awarded grants totaling \$100,000 to 19 other 501(c)(3) nonprofits as well as VFW Posts and Auxiliaries for larger scale projects directed toward improving the lives of military service personnel, veterans and their families.

STATEMENT OF FINANCIAL POSITION

ASSETS	<u>8/31/18</u>
CASH AND CASH EQUIVALENTS	\$ 1,437,626
INVESTMENTS, at fair value	9,628,017
ACCRUED INTEREST RECEIVABLE	19,808
FURNITURE, FIXTURES, AND EQUIPMENT, Net of accumulated depreciation of \$52,794	7,547
PREPAID EXPENSES	<u>11,345</u>
Total assets	<u>\$11,104,343</u>

LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 473,701
Payable to affiliate	126,591
Charitable gift annuities	<u>1,906</u>
Total liabilities	602,198
NET ASSETS	
Unrestricted	8,894,749
Temporarily restricted	<u>1,607,396</u>
Total net assets	<u>10,502,145</u>
Total liabilities and net assets	<u>\$11,104,343</u>

STATEMENT OF ACTIVITIES & CHANGES IN NET ASSETS

Year Ended August 31, 2018

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Cash contributions and gifts	\$ 3,434,778	\$ 1,607,396	\$ 5,042,174
Interest, dividends, net realized gains	1,044,259		1,044,259
Net assets released from restrictions	2,223,342	(2,223,342)	
Total support and revenue	<u>6,702,379</u>	<u>(615,946)</u>	<u>6,086,433</u>
Expenses			
Program Services			
Veterans' service activities	4,645,508		4,645,508
Community service and public awareness	498,699		498,699
Support Services			
Management and general expenses	444,889		444,889
Fundraising activities	354,284		354,284
Total expenses	<u>5,943,380</u>	<u> </u>	<u>5,943,380</u>
Changes in net assets before unrealized net investment gains	758,999	(615,946)	143,053
Unrealized net investment gains	(49,741)		(49,741)
Change in net assets	<u>709,258</u>	<u>(615,946)</u>	<u>93,312</u>
Net assets, beginning of year	8,185,491	2,223,342	10,408,833
Net assets, end of year	<u>\$ 8,894,749</u>	<u>\$ 1,607,396</u>	<u>\$ 10,502,145</u>



Army veteran David White, pictured here with wife Emily, and their children, Bailey (7) and Logan (3), received an Unmet Needs grant when his service-connected disabilities forced him to enter an inpatient PTSD treatment program, leaving his family with a single income. The Iraq and Afghanistan veteran said the VFW “truly helped us stay afloat,” allowing them to stay in their home and put tires on the family vehicle.



406 W. 34th Street, Suite 920
Kansas City, MO 64111
Office: 816-968-1128
Fax: 816-968-2789
foundation@vfw.org
www.vfwfoundation.org