



# **2019 ANNUAL REPORT**

## **Summary of Accomplishments**





## **FROM THE DESK OF WILLIAM "DOC" SCHMITZ CHAIRMAN OF THE BOARD**

In 2019, we saw North Korea-U.S. nuclear talks stall, tensions flare in Southwest Asia and the Middle East, and a continuance of the conflict in Afghanistan. The threat of terrorism was a daily concern.

The world is indeed a fragile place.

According to statistics from the U.S. Department of Defense, America has 1,359,685 active-duty service personnel with an additional 799,845 people in reserve components. Although deployment numbers fluctuate daily, a rough estimate is that 200,000 U.S. troops serve overseas today.

Our service members sometimes are unknowingly taken for granted. Perhaps it is because these brave men and women perform critical duties to keep us safe with little fanfare or recognition.

Since 1899, the Veterans of Foreign Wars of the United States (VFW) has ensured that those who have defended our freedoms will never be forgotten. This includes strong advocacy for VA compensation, survivor benefits and both the original GI Bill and the more recent Post 9/11 GI Bill.

As the official 501(c)(3) charity of the VFW, the VFW Foundation raises money for impactful VFW programs and services that address educational, financial and medical necessities. In 2019 VFW accredited veteran service officers helped more than 108,000 veterans recoup over \$1.6 billion in VA benefits. The VFW's *Unmet Needs* program has now distributed over \$11.6 million to military families for expenses due to rent, mortgage, utilities, vehicle repair and other basic needs. That's why the VFW Foundation is so important.

**But we can't continue to do this exemplary and vital outreach without the support of patriotic Americans such as you.**

I am pleased to report that the VFW Foundation continues to be a conscientious steward of your philanthropic investments with the highest standards of competence and transparency. Please take a few moments to review the following pages, 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 respectfully invite you to remember us in the coming year as we respond with compassion to benefit America's service members, veterans and military families!

Respectfully yours,

A handwritten signature in black ink that reads "William Schmitz". The signature is stylized and includes a large, sweeping flourish at the end.

William "Doc" Schmitz  
Chairman of the Board

**VFW FOUNDATION**

## **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 2018-19 fiscal year, we distributed nearly \$3.5 million 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 Burger King Franchisees, Humana, Philips, Sport Clips, Twisted X, USAA, 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 2019-20 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.
- Awarded more than \$7.2 million in scholarships to over 1,600 veterans and service members through the VFW's "Sport Clips Help A Hero Scholarship" program since January 2014.
- Awarded \$2.1 million in annual educational awards to middle and high school students through the VFW's *Patriot's Pen* and *Voice of Democracy* patriotic essay contests. Total participation in these two competitions in 2019 surpassed 151,000 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 2019 alone, the VFW helped more than 108,000 veterans recoup over \$1.6 billion in new claims for benefits and disability compensation.
- VFW members contribute approximately 9.4 million volunteer hours annually in support of beneficial community activities all across the U.S. as well as donate \$44.1 million each year to local service projects.

## THE YEAR IN REVIEW

- Collaborated with Burger King franchisees across the country to raise over \$614,000 for the VFW's *Unmet Needs* program. Since the program was established in 2004, the VFW has granted more than \$11 million to assist over 10,000 military families with urgent financial needs.
- Coordinated fundraising campaigns and processed gifts and grants totaling \$2,368,815 including:
  - \$1.25 million in contributions and pledges from Sport Clips Haircuts to our 2019 "*Help A Hero Scholarship*" program to provide service members and veterans financial assistance needed to complete education goals without incurring excessive student loan debt.
  - \$80,120 in contributions from the Combined Federal Campaign and state/local campaigns.
  - \$920,542 from private foundations.
  - \$68,153 in corporate matching gifts.
- Awarded grants totaling nearly \$360,000 to 361 VFW Posts and Auxiliaries to support youth service organizations, food pantries, school programs, homeless veterans and other local community projects.
- Awarded additional grants totaling \$100,000 to 501(c)(3) nonprofits and VFW Posts and Auxiliaries for projects directed toward improving the lives of military service personnel, veterans and their families.
- Served as a fiscal agent for VFW Departments, Posts, and Auxiliaries for more than 100 contributions totaling over \$400,000.

# STATEMENT OF FINANCIAL POSITION

<b>ASSETS</b>	<b><u>8/31/2019</u></b>
CASH AND CASH EQUIVALENTS	722,776
INVESTMENTS, at fair value	9,666,008
ACCRUED INTEREST RECEIVABLE	22,003
FURNITURE, FIXTURES, AND EQUIPMENT, Net of accumulated depreciation of \$52,794	5,547
PREPAID EXPENSES	<u>8,714</u>
Total assets	<u><u>10,425,048</u></u>
 <b>LIABILITIES AND NET ASSETS</b>  	
LIABILITIES	
Accounts payable and accrued liabilities	403,529
Payable to affiliate	182,881
Charitable gift annuities	<u>1,892</u>
Total liabilities	<u><u>588,302</u></u>
NET ASSETS	
Unrestricted	8,366,563
Temporarily restricted	<u>1,470,183</u>
Total net assets	<u><u>9,836,746</u></u>
Total liabilities and net assets	<u><u>10,425,048</u></u>



# STATEMENT OF ACTIVITIES & CHANGES IN NET ASSETS

	<b>Year Ended August 31, 2019</b>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue			
Cash contributions and gifts	2,874,427	1,189,544	4,063,971
Interest, dividends, net realized gains	400,811		400,811
Net assets released from restrictions	<u>1,326,757</u>	<u>(1,326,757)</u>	
Total support and revenue	4,602,295	(137,213)	4,464,782
Expenses			
Program Services			
Veterans' service activities	3,329,549		3,329,549
Community service & public awareness	650,359		650,359
Support Services			
Management and general expenses	480,803		480,803
Fundraising activities	<u>476,611</u>		<u>476,611</u>
Total expenses	<u>4,937,322</u>		<u>4,937,322</u>
Changes in net assets before unrealized net investment gains	335,027	(137,213)	(472,540)
Unrealized net investment gains	<u>(192,859)</u>		<u>(192,859)</u>
Change in net assets	(528,186)	(137,213)	(665,399)
Net assets, beginning of year	<u>8,894,749</u>	<u>1,607,396</u>	<u>10,502,145</u>
Net assets, end of year	<u>8,366,563</u>	<u>1,470,183</u>	<u>9,836,746</u>

## BOARD OF DIRECTORS

### Officers

**William “Doc” Schmitz**

Chairman of the Board

Term of Office – 07/24/19 – 07/23/20

*Commander-in-Chief, VFW*

**Kevin Jones**

President

Term of Office – 07/25/18 – Present

*Adjutant General, VFW*

**Debra Anderson**

Secretary-Treasurer

Term of Office – 07/27/16 – Present

*Quartermaster General, VFW*

### Members

**Michael DeRosa**

Board Member

Term of Office – 03/05/11 – 02/26/20

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

*Former Owner, Burger King Franchisee*

**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*

**Ann Panteleakos**

Board Member

Term of Office – 12/17/18 – Present

**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*

## VFW FOUNDATION STAFF

**Richard Potter**

Administrator

**Brooke Brown**

Assistant Manager, Corporate Relations

**Jason Couch**

Grants & External Relations Coordinator

**Rebecca Curtis**

Senior Program Coordinator

**Richard Freiburghouse**

Manager

**Kevin Jamison**

Assistant Director, Corporate Relations

**Renee Martin**

Gift Processing Coordinator

**Benjamin Vargas**

Assistant Manager, Special Projects



Andrea Lopez, of Fresno, Calif., served in the Army for 10 years, primarily stationed in California and Texas. As a single mother she has discovered that no matter how strong and smart someone may be, sometimes they need to lean on others. When she experienced financial hardship, Andrea contacted the VFW's Unmet Needs program and received a gift card that enabled her to purchase groceries.

“Thank you from the bottom of my heart,” said Andrea. “Most of us hate asking for assistance, but it’s wonderful to have people that make it possible for someone like me to not struggle in a time of need.”



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