



FULFILLING OUR PROMISES
TO THE MEN AND WOMEN WHO SERVED

Annual Report 2012

DAV MISSION STATEMENT

We are dedicated to one single purpose: empowering veterans to lead high-quality lives with respect and dignity. We accomplish this by making sure veterans and their families can access the full range of benefits available to them; fighting for the interests of America's injured heroes on Capitol Hill; and educating the public about the great sacrifices and needs of veterans transitioning back to civilian life.

This mission is carried forward by:

- ★ Providing free, professional assistance to veterans and their families in obtaining benefits and services earned through military service and provided by the Department of Veterans Affairs and other agencies of government;
- ★ Providing outreach concerning its program services to the American people generally, and to disabled veterans and their families specifically;
- ★ Representing the interests of disabled veterans, their families, their widowed spouses and their orphans before Congress, the White House and the Judicial Branch, as well as state and local government;
- ★ Extending the DAV's mission of hope into the communities where these veterans and their families live through a network of state-level Departments and local Chapters; and
- ★ Providing a structure through which disabled veterans can express their compassion for their fellow veterans through a variety of volunteer programs.

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Arthur H. Wilson
National Adjutant &
Chief Executive Officer



Larry A. Polzin
National Commander



Donald L. Samuels
Chairman
Board of Directors

Dear Friends of DAV,

An unfortunate product of the wars in Iraq and Afghanistan are the many thousands of men and women who, like generations before them, become wounded, injured or ill as a result of their service. For more than nine decades, DAV has been empowering those veterans to lead healthy and successful lives after leaving military service.

Our mission simply is one of service and advocacy on behalf of the men and women who put their lives on the line to ensure our safety, to protect our freedoms and cherished way of life. What is right for our nation and our citizens is to take care of those who served. We do this by never forgetting their sacrifices. We do this by keeping our promise to them: to provide the resources and services they need to enjoy the best quality of life possible.

We are a strong and influential advocate for veterans and we fight to ensure they receive the full range of services and protections they deserve. We accomplish this by providing free professional assistance to all veterans and their families in obtaining benefits from the Department of Veterans Affairs (VA) and advocating for their rights on Capitol Hill, and we do it all for free, without any government funding.

As an organization of veterans serving veterans, DAV has a proven track record of results. Each year we assist with more than 300,000 claims to obtain needed benefits through 100 offices throughout the United States and Puerto Rico. No other organization has helped more veterans lead high-quality lives after service than ours. Our National Service Officers counsel and assist veterans and their families in filing claims for VA disability compensation, rehabilitation and education programs, pensions, death benefits, employment and training programs. They provide free services, such as information seminars, and counseling and community outreach activities. Our Transition Service Officers provide benefits counseling and assistance to service members filing initial claims for VA benefits. By filing compensation claims at separation centers where service medical records and examination facilities are readily available, we are able to provide prompt service to these future veterans.

Because the need is so great, DAV is assisting more veterans than ever. Our Mobile Service Offices are reaching veterans in small towns and communities far from our National Service Offices. We are offering our services and expertise to those men and women as they prepare to leave the military service and return to civilian life. Our Voluntary Services Programs are giving more aid to hospitalized veterans and community support than ever before. Our nationwide Transportation Network continues to log countless miles helping injured and ill veterans get to their appointments at VA medical centers. Our Celebrity Entertainment Program is expanding to brighten the lives and bring comfort to those lonely veterans at VA hospitals.

In the pages that follow, you'll learn more about DAV's accomplishments and compassionate commitment to meeting the needs of our injured heroes and their families. Those who support our programs through their generosity, as well as the public at large, have a right to know just how their gifts are used and the positive impact DAV has on veterans and their families. Because of our commitment to this principle, our books are always open. We are proud of our record of wise stewardship and dedication to our mission. As you read this annual report, we are confident you will feel the warmth of knowing you have played a vital role in helping the men and women who decided that the ideals of our country were greater than themselves. We're glad to answer any questions about DAV's financial status and our work on behalf of America's injured and ill veterans and their families.

NATIONAL SERVICE PROGRAM



National Service Officers expertly navigate claims files and the complex claims processing system.

Fulfilling our promises to the men and women who served is accomplished through service. Service has always been the pillar of our organization. Our largest endeavor in fulfilling DAV's mission is our National Service Program. In 100 offices throughout the United States and in Puerto Rico, we employ a corps of approximately 260 National Service Officers (NSOs) and 34 Transition Service Officers (TSOs) who provide free, professional counseling and representation to veterans of all generations and their families with claims for benefits from the Department of Veterans Affairs (VA), the Department of Defense and other government agencies.

Veterans need not be members to take advantage of our assistance, which is provided free of charge. With outlays of \$45,034,562 in 2012, these direct services make up the largest item in our budget for program activities. Between January 1, 2012, and

December 31, 2012, our NSOs and TSOs assisted veterans and their families with more than 300,000 claims for VA benefits, obtaining for them more than \$5 billion in new and retroactive benefits. DAV truly is an organization of veterans helping veterans, as all our service officers incurred injury or illness related to their wartime service.

Our NSOs function as attorneys-in-fact, assisting veterans and their families in filing claims for VA disability compensation, rehabilitation and education programs, pensions, death benefits, employment and training programs. They provide free services such as information seminars, and counseling and community outreach activities such as the Mobile Service Office (MSO) Program. They also represent veterans and active duty military personnel before Discharge Review Boards, Boards for Correction of Military Records,

mentored by tenured supervisory NSOs. The National Service staff at National Service and Legislative Headquarters administers and oversees the successful completion of this training.

An NSO's training does not stop after completing 16 months of initial training because the laws, regulations and policies that govern veterans' benefits continue to change and grow in complexity. That's why equipping our NSOs with state-of-the-art computers and keeping their cutting-edge advocacy skills up to date is of paramount importance. DAV is the only veterans service organization to have a training program certified for college credit for Legal Research and Writing; Administrative Law; Litigation; Introduction to Paralegalism; Patho-Physiology and Human Anatomy by the American Council on Education.

In addition to these training programs, supervisory staff and selected NSOs from field offices across the country receive specialized instruction in management and leadership development. The goal is to produce the most highly trained representatives possible to serve veterans and their families.

NATIONAL APPEALS OFFICE

The Board of Veterans' Appeals (BVA) is the highest appellate level within the VA responsible for final decisions concerning entitlement to veterans' benefits. Roughly 96 percent of the claims before the board involve disability compensation issues. Our highly skilled National Appeals Officers serve appellants in the preparation of written briefs for BVA review and conduct formal hearings before Veterans' Law Judges. DAV maintains the largest staff of any advocacy group. In 2012, we completed more than 13,000 appeals representing more than 31.1 percent of all cases decided by the BVA. Almost 47 percent of the cases represented by DAV resulted in remands that allowed for additional consideration or development for 6,424 claimants. In addition, more than 29 percent of the cases represented by DAV were allowed and the denial of benefits was overturned. Both DAV's remand and allowance rates were above the BVA average of 45.8 percent and 28.4 percent, respectively.

JUDICIAL APPEALS

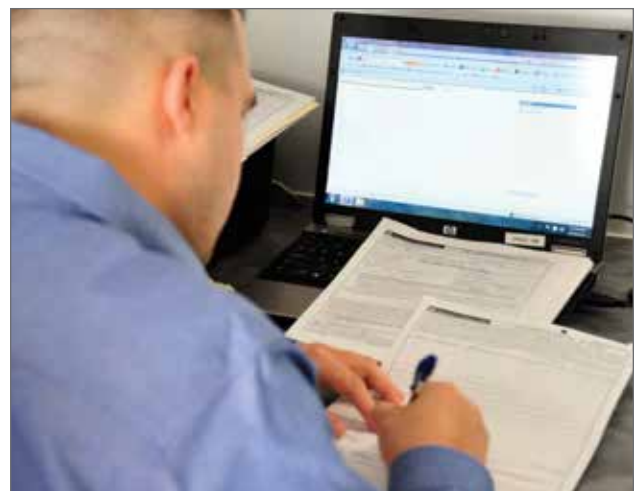
DAV continues its *pro bono* representation program for veterans seeking review of claims decisions in the United States Court of Appeals

for Veterans Claims. In 2012, the BVA took action on more than 13,000 cases involving DAV clients. Each case was reviewed to identify those in which a veteran's claim was improperly denied. Thanks to DAV and our relationship with two private law firms, more than 1,000 of these cases previously denied by the BVA were appealed to the court. This represents an increase of nearly 800 percent over the volume of appealed cases before DAV expanded this program just five years ago.

DAV currently works with two of the most accomplished law firms in the country dealing with veterans' issues in court. This partnership has allowed the program to grow exponentially over the last few years. And DAV is proud to have them in prominent roles in our enlarged program at the court. We hope to report still another substantial jump in the number of cases this time next year.

MOBILE SERVICE OFFICE PROGRAM

The Mobile Service Office (MSO) Program continues to seek new venues to bring DAV's service to veterans and dependents in their own communities. By putting our service offices on the road, assisting veterans where they live, DAV is increasing their accessibility to benefits. With 10 specially equipped MSOs visiting communities across the country, this outreach effort generates a considerable amount of claims work from those veterans who may not otherwise have the opportunity to seek assistance at our National Service Offices. During 2012, our MSOs traveled more than 108,000 miles, visiting 878 cities and towns. Our NSOs interviewed 17,352



Mobile Service Offices increase veterans' access to DAV benefits assistance services.

veterans and other potential claimants. The Harley-Davidson Foundation, in August 2010, pledged a second donation of \$1 million over four years to partner with DAV to continue the Harley's Heroes® Program. During 2012, the MSOs participated in 183 days of activities for 163 Harley-Davidson dealerships as part of this program, up from 155 dealerships in 2011, reflecting a 5-percent increase in Harley-Davidson dealership participation. Nearly \$857,000 was expended for the MSO Program in 2012.

OUTREACH PROGRAMS

The National Service Department has the cooperation, support and assistance of Department and Chapter Service Officers across the country. Each receives the training and information necessary to assist those we serve. Our Department and Chapter Service Officer Certification Training Program guarantees the vitality and growth of our local service programs. This provides an environment where our Hospital Service Coordinators, Department and Chapter Service Officers and volunteers work together for the common goal of service to wounded, injured and ill veterans. After updating and revamping this annual training initiative in 2012, DAV trained and certified 1,824 Department and Chapter Service Officers in 38 states.

During 2012, we conducted 32 Information Seminars at various Chapters across the country, which enabled DAV to educate 3,360 individuals in the benefits they have earned. These Information Seminars provide the opportunity for veterans to discuss VA benefits with our NSOs in their own community, giving Chapters an opportunity to recruit new members and encourage their involvement.

Since 2006, DAV NSOs have offered services at other community-based events, including participation with state and county fairs, air shows, Major League Baseball, the National Football League, National Hockey League, NASCAR and college campuses across the country.

WOMEN VETERANS

Serving in record numbers, women make up nearly one-fifth of today's active duty, Guard and reserve military forces. More than 150 women service members have made the ultimate sacrifice in combat deployments in Iraq and Afghanistan. Thousands more were critically wounded by visible and invisible injuries. Women veterans are enrolling in VA health



The first woman elected as a DAV Department-level Commander, Delphine Metcalf-Foster, center, joined by DAV National Deputy Legislative Director Joy Ilem, left, and Legislative Research Consultant Amy Hogan, right, was a special guest speaker at the California VA's annual Women Veterans Leadership Conference "A Call to Service, A Call to Action."

care in unprecedented numbers, and they are seeking a wide array of VA benefits and services that they have fully earned. As a consequence, the VA at all levels is experiencing a large influx of new women veterans, including those of childbearing age who are in need of gender-specific services that VA traditionally did not provide.

VA acknowledges the need to make an internal cultural change to improve and expand services for women veterans and to tailor its programs to meet their needs. DAV is helping to make that change by fostering greater awareness of women veterans and working cooperatively with VA officials through our legislative, communications and foundation resources; providing testimony before Congress; and conducting a variety of forums and discussion groups in the nation's Capital and throughout the country.

DAV continues our determined advocacy for women and is the leading veterans service organization in promoting the needs of women veterans at the National, Department and Chapter levels. In addition, DAV's own Women's Advisory Committee, made up of women veterans from across the country, meets annually at our National Convention to help set our agenda on women and their needs. To ensure women's unique experiences and sacrifices in serving our nation in uniform are properly recognized, DAV actively seeks out and recruits women veterans. Nearly 60 women now serve as NSOs and TSOs.

We fight for veterans' rights by making sure their voices are heard in Congress.



NATIONAL LEGISLATIVE PROGRAM

DAV's National Legislative Department is responsible for developing, strengthening and expanding federal policies, programs, benefits and services that empower injured and ill veterans to lead high quality lives with respect and dignity. DAV works with Congress, the Department of Veterans Affairs (VA) and other federal agencies that help to fulfill our promises to the men and women who served. The guiding principles of advocacy efforts come directly from our legislative agenda as set forth by the resolutions adopted by delegates to our annual National Convention and set forth in DAV's Constitution and Bylaws.

The Legislative Department works closely with Members of Congress and their staffs to promote, enact and implement reasonable, responsible legislation, regulations and policies. We accomplish this through myriad activities both "inside the beltway" and by drawing upon the grassroots strength of the 1.2 million DAV members across the country. Reaching out through DAV's Commander's Action Network, we were able to generate 50,000 letters and emails to members of the Senate and House of Representatives in support of our legislative priorities; we expect to double that number in 2013. Thanks to our hard-earned reputation in Washington, D.C., we are regularly invited to testify before congressional committees overseeing veterans programs to offer our insights on the challenges veterans face and comment on legislative proposals under consideration. DAV also leverages influence over budget and policy formulation through our role as a co-author of the annual *Independent Budget*, which is endorsed each year by dozens of military and veterans organizations.

Despite political gridlock and budget stalemates in Congress this past year, the Legislative Department was able to advance some significant parts of our agenda and add to the success of our Stand Up for Veterans grassroots initiative. Although originally



National Commander Donald Samuels, left, meets with Secretary of Veterans Affairs Eric K. Shinseki.

oriented towards veterans of the wars in Iraq and Afghanistan when it was launched several years ago, the Stand Up initiative continues to influence the development of sound veterans policy along multiple tracks: adequate funding for VA health care, caregivers of injured heroes, women veterans and post-deployment health and mental health issues such as traumatic brain injury and post-traumatic stress disorder.

The most important achievement of the Stand Up initiative was passage of the Veterans Health Care Budget Reform and Transparency Act, which authorized advance appropriations for veterans health care programs. In response to intense pressure by our Legislative Department in Washington, D.C., a unified coalition of veterans service organizations working with us and an activated grassroots network across the nation, Congress passed and the President signed this historic law in October 2009. Congress is now required to approve funding one year in advance for VA medical care services and facilities, which helps to insulate them from the annual budget stalemates and government shutdown threats.

Ensuring sufficient, timely and predictable funding for veterans health care has been and remains one of DAV's highest legislative goals. Last year, for the 15th time in 16 years, Congress failed to complete the budget and appropriations process on time, choosing instead to pass a temporary continuing resolution to fund the government for the first half of fiscal year 2013 at the fiscal year 2012 levels. However because of advance appropriations, the VA health care system had already received a full year's budget for fiscal year 2013 in the prior year's appropriations. Moreover, thanks to pressure from DAV and other VSOs, Congress also provided the Veterans Benefits Administration (VBA) with increased funding to support its efforts to reform the claims process and reduce an enormous backlog of pending claims. In addition, our Legislative Department worked with key

leaders in Congress to pressure the Administration to clarify that all VA funding should be exempt from any reductions that could be caused by across-the-board cuts to much of the federal budget.

Even with the political morass enveloping Washington, the Legislative Department was successful in advancing a number of new policies with the enactment of the Honoring America's Veterans and Caring for Camp Lejeune Families Act of 2012. This law strengthened programs for the recovery and rehabilitation of veterans suffering from TBI, and expanded home and automobile adaptation assistance for disabled veterans. It also contained several statutory changes to support the claims transformation efforts, including one developed and promoted by DAV to remove unnecessary bureaucratic delays for veterans appealing claims decisions.

Throughout 2012, the Legislative Department was actively engaged with Congress and the VBA to oversee the ongoing efforts to transform the veteran benefits claims processing system from an outdated, inefficient, paper-based system into a modern, paperless, and intelligently automated system. We remain steadfastly focused not just on reducing the backlog, but also on creating a new culture inside the VBA that is built upon the simple goal of deciding each claim correctly the first time. In support of this DAV priority, our Legislative Department testified multiple times before congressional committees to outline our recommendations for building a new claims reform process based on quality, accuracy and accountability.

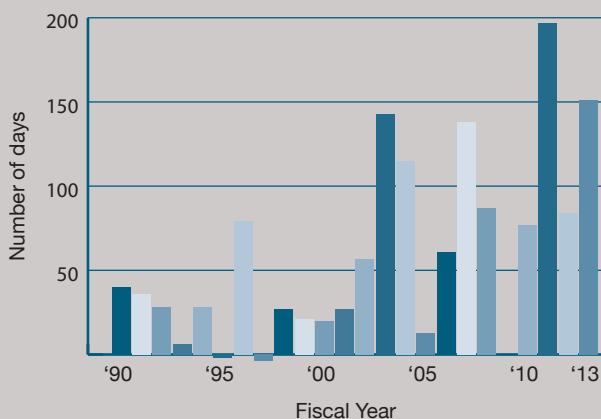
Last year, the VBA rolled out a new organizational model to all of its regional offices and is scheduled to finish deploying its new Veterans Benefits Management System (VBMS) by the end of 2013. For years, we have

pressed the VBA and Congress to commit to a fully paperless system, and in 2012 the VBA made the pivotal decision to convert all active claims files to digital formats prior to any processing. We will continue to push the VBA to complete this transformation while ensuring that Congress maintains sufficiently vigorous and comprehensive oversight over them.

The Legislative Department will continue to promote all of DAV's legislative priorities over the next year, taking advantage of the opportunities that arise as a result of our excellent reputation as the foremost advocate for our nation's wounded, ill and injured veterans. In addition to the efforts outlined above, we will also put special emphasis on sustaining the VA health care system and its infrastructure needs; expanding services to meet the needs of veterans' caregivers from all eras; improving timely access to mental health care; and strengthening transition, vocational rehabilitation and employment programs for America's injured heroes. In performing this work, no funds from charitable contributions are used to cover the expenses of our Legislative Program, with the exception of contributions donated explicitly to fund legislative efforts. All other legislative operations are funded from membership dues.

During 2012, \$1.6 million was spent on legislative activities. While the costs of the Legislative Program are only about one percent of total expenditures, it is an essential part of our mission that has been proven to leverage that investment to achieve substantial gains for the men and women who served. The successes and ongoing efforts of this program demonstrate our dedication, strength and leadership in advocating for the protection of veterans' rights and all the benefits they have earned by their sacrifices.

VA APPROPRIATIONS DELAYS, 1990-2013



Congress and the Administration have failed to complete their budget and appropriations work on time for 15 of the past 16 years going back to fiscal year 1998. The DAV-backed advance appropriations law (P.L. 111-81) has helped shield the VA health care system from the worst effects of these budget failures, but other veterans' programs still face challenges caused by the broken budget process. DAV is working to strengthen and expand advance appropriations to other VA programs, including information technology, research, construction and VBA operations in order to provide all veterans' programs with more sufficient, timely and predictable funding.

NATIONAL VOLUNTARY SERVICES PROGRAM

DAV is committed to supporting the distinguished service, loyalty and devotion of our volunteers, who on a daily basis help us fulfill our promises to the men and women who served. During 2012, the organization devoted \$43,480,120 to voluntary service initiatives through an extensive network of programs.

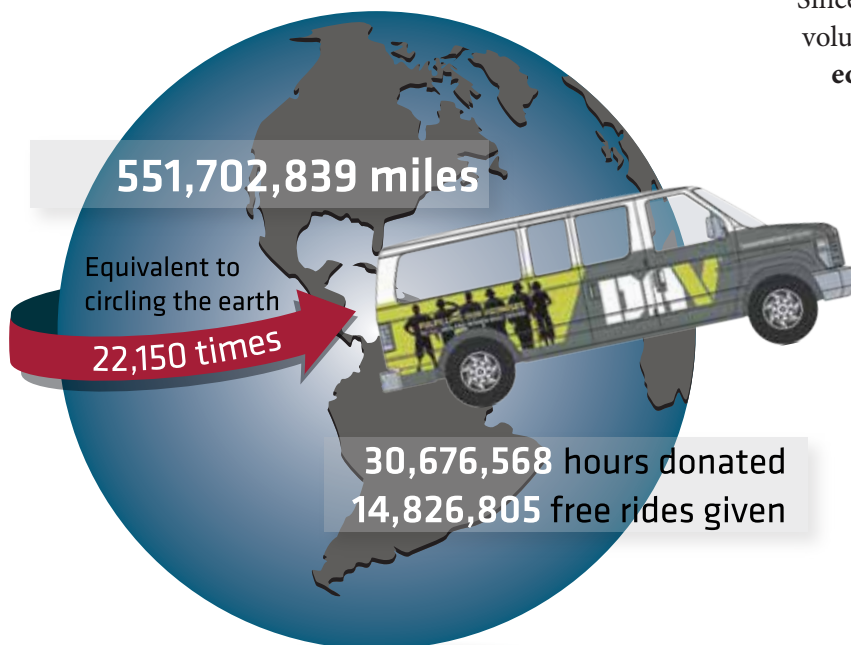
DAV Nationwide Transportation Network

One of the largest volunteer programs is our nationwide Transportation Network, through which volunteers provide transportation to veterans who need help getting to and from Department of Veterans Affairs (VA) medical centers for appointments and treatment. More than 190 DAV Hospital Service Coordinators manage the transportation needs of veterans to and from nearly every VA medical facility in the country. In 2012, 117 vans were added to the Transportation Network. Since its inception in 1987, 2,586 vans have been purchased by the National Organization, Chapters, Departments and the National Service Foundation Columbia Trust at a cost of \$56,658,892 and donated to VA. In 2012, Ford Motor Company generously donated \$200,000 for the



Transportation Network volunteers like James Krall of Columbia, S.C., provide veterans free rides to and from VA medical facilities..

Transportation Network Volunteers 1987-2012

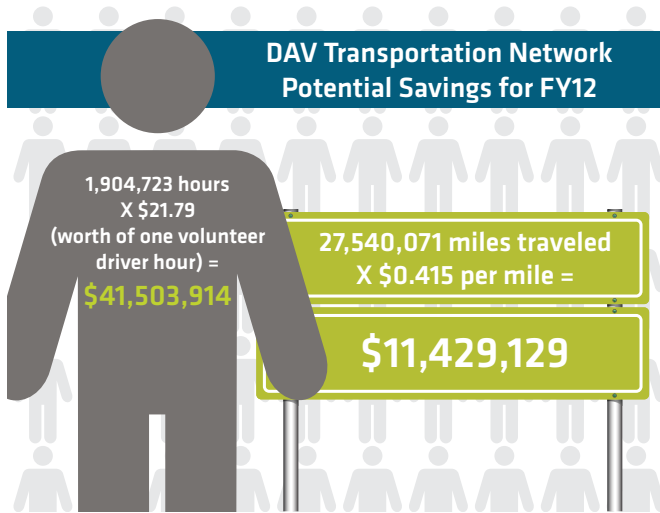


purchase of an additional eight vehicles, representing our continued partnership with Ford. These vans were also donated to VA facilities for use in the Transportation Network.

Since the Transportation Network's inception, volunteers have driven **551,702,839 miles, which equates to circling Earth more than 22,150 times, or more than seven trips to and from Mars.** Additionally, in the Transportation Network's 26 years of existence, volunteers donated 30,676,568 hours of volunteer service and provided 14,826,805 free rides to veterans.

In 2012, the DAV Transportation Network provided 1,904,723 hours and drove 27,540,071 miles to give 782,422 free rides to veterans. Using a value per hour of \$21.79 developed by Independent Sector, an organization that provides oversight to nonprofit organizations in America, the value of these hours contributed to the Transportation Network is \$41,503,914.

Each veteran passenger could potentially cost the VA \$0.415 per mile in Beneficiary Travel expense reimbursement for travel to an appointment or treatment. In 2012 alone, the 27,540,071 miles traveled by veterans valued at \$0.415 would have cost the VA \$11,429,129. The Transportation Network continues to fill a substantial need, delivers a powerful impact on local communities, and proves to have great value.



VA Voluntary Service Program

In 2012, volunteers contributed an additional 102,756 hours of service to veterans at VA medical centers, clinics, and nursing homes through the VA Voluntary Service (VAVS) Program. According to the VA, this volunteer time has a value of \$2,239,053, although these in-hospital volunteer hours are not represented in our financial tables that follow. Based upon our interpretation of generally accepted accounting principles, these hours are not recognized as contributed services and therefore are not included. The National Organization continues its commitment to support coordination of programs through VAVS and transportation efforts with a total investment of \$1,222,492, in 2012.

National Disabled Veterans Winter Sports Clinic

In 2012, the National Disabled Veterans Winter Sports Clinic celebrated its 26th year by bringing 355 veterans from across the nation with traumatic brain injuries, spinal cord injuries, orthopedic amputations, visual impairments, neurological conditions and other injuries to the mountain. Set in stunning Snowmass, Colorado, the Clinic allows for veterans to develop winter sports skills and take part in a variety

of workshops and educational sessions that positively impact their rehabilitative journey and readjustment in their communities.

Annually, DAV co-sponsors the Clinic, along with the VA, to meet the unique needs of these veteran participants. Veterans learn Alpine and Nordic skiing and a number of other sports, including cross country skiing, rock climbing, scuba diving, kayaking and snowmobiling. Participation in this weeklong clinic promotes outdoor winter sports as a form of rehabilitation to overcome profound injuries. It's also an opportunity for self-development and education in order to enhance quality of life. The Clinic's extreme outdoor adventures also allow veterans the opportunity to surpass any perceived limitations and to learn to live life to the fullest.



The National Disabled Veterans Winter Sports Clinic, which DAV facilitates in partnership with the Department of Veterans Affairs, introduces catastrophically injured and ill veterans to rehabilitative opportunities to advance their health and challenge perceived limitations.

Youth Volunteer Scholarships

Youth volunteers have the ability to improve, impact, and empower the lives of ill and injured veterans and their families. To encourage our young people to get involved in volunteer work to help our nation's heroes, DAV created the Jesse Brown Memorial Youth Scholarship Program to honor young volunteers who are active participants in the VA Voluntary Service (VAVS) program and/or DAV's Local Veterans Assistance Program (LVAP). Scholarships are awarded on an annual basis and are used to continue the education of the winners. DAV



Youth Volunteer Christina Mae Hess received \$20,000 as the first place recipient of DAV's Jesse Brown Memorial Youth Scholarship. She volunteered more than 347 hours of service at the Department of Veterans Affairs medical center in Martinsburg, W.Va.

has awarded 139 scholarships worth \$968,000 since the inception of the program in 2000. In 2012, DAV awarded \$75,000 in scholarships to eight outstanding youth volunteers.

Celebrity Entertainment Program

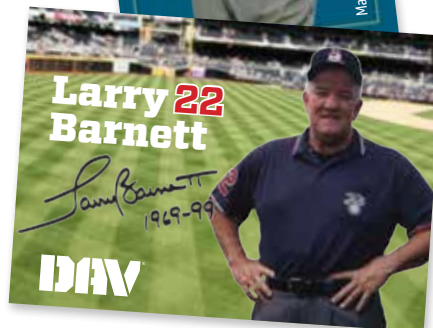
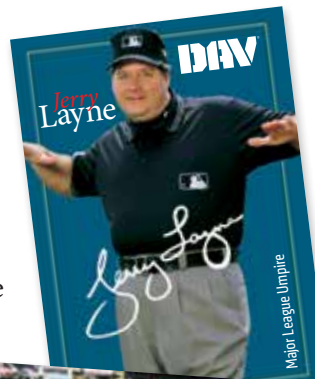
DAV's Celebrity Entertainment Program provides an amazing opportunity for professional athletes and celebrities to generously volunteer their time visiting hospitalized veterans and their families at VA medical centers across the country.

Dedicated celebrities include Major League Baseball Umpire Jerry Lane and retired Major League Umpire Larry Barnett. In 2012, Lane and Barnett made a total of 84 visits to VA medical centers throughout the country.

Local and State Volunteerism

Our promises to veterans do not end after the guns fall silent. Chapters, Auxiliary Units, state-level Departments and associated organizations work to take care of veterans residing within their local communities through various volunteer initiatives. Initiatives range from Homeless Stand Downs to disaster clean-ups. From household chores to providing respite for caregivers. From 5K-Walks to assisting in up-keep of Veteran cemeteries. The Local Veterans Assistance

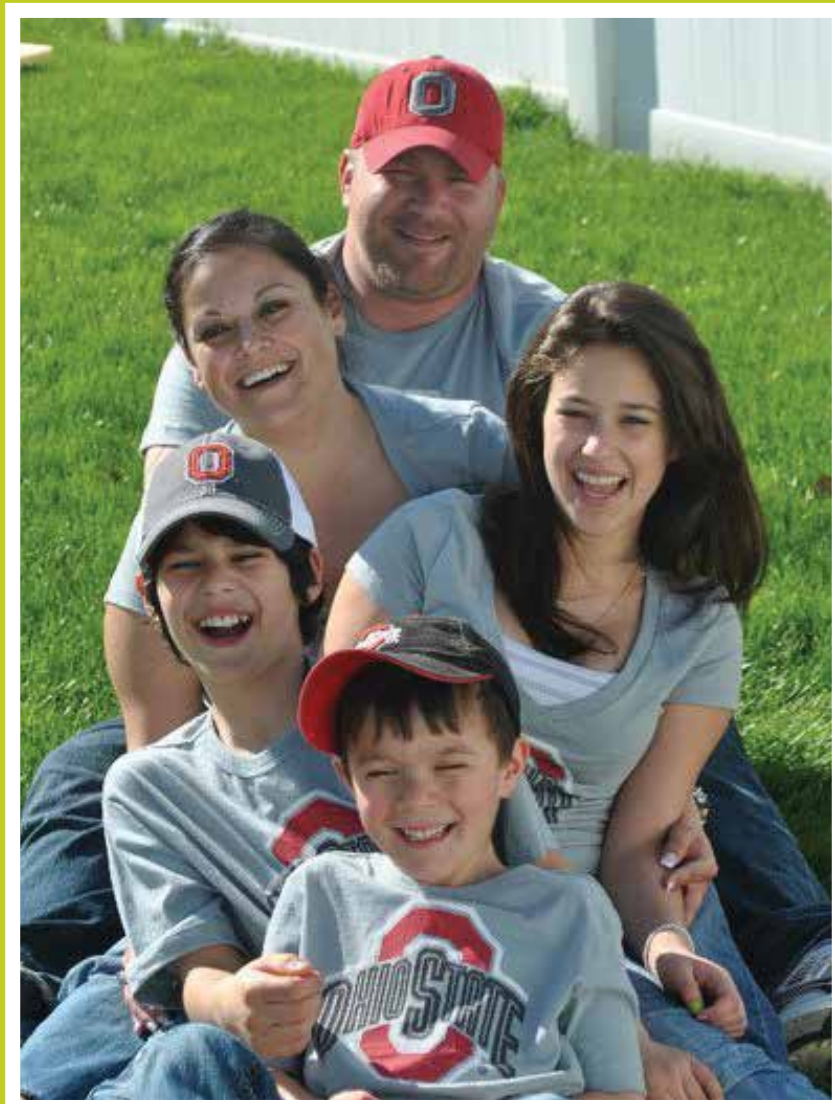
Program recognizes creative volunteerism through a flexible design that allows citizens to take care of those who served and sacrificed for our collective freedom by providing veterans living within their local communities the resources and services they need to enjoy the best quality of life possible. Since the inception of the LVAP program in 2007, 3,453 volunteers donated 1,052,641 hours of service to veterans residing in their local communities.



To promote volunteerism at local and state levels, the DAV's National Service Foundation established the Columbia Trust, which allows well-funded Chapters and Departments to provide help to Chapters and Departments that lack funds to support their service programs. In addition

to the generous support received from Chapters and Departments, the National Organization has contributed a total of \$4,526,021 to the Columbia Trust since its inception.

We respond not just to the needs of veterans returning home, but to the needs of their entire families.



STATE SERVICES AND DISASTER RELIEF



Louisville, Ky., National Service Officers Jody Strachan, far right, and Timothy Duke, far left, present a disaster aid voucher to disabled veteran Thomas Coder and his wife, whose home was destroyed when a tornado struck West Liberty, Ky.

DAV operates a program that provides direct grants to help veterans and their families in times of need, as well as a plan to fund state-level services to these veterans and families. During 2012, spending on these programs totaled \$4,052,249.

DISASTER RELIEF PROGRAM

When disaster strikes, our National Service Officers are dispatched to the affected area to provide monetary assistance, conduct benefit counseling and to offer referral services. We provided disaster relief grants in the aftermath of natural disasters and emergencies in various areas around the nation to help veterans and their families secure temporary lodging, food and other necessities. During 2012, almost \$200,000 was granted to fire, tornado and hurricane victims. Since the program's inception in 1968, \$9,038,051 has been disbursed.

STATE SERVICE PROGRAM

We help fund services that our state-level Departments provide to veterans and their families. In some cases, these Department programs extend, supplement or dovetail services we provide through our nationwide programs. In other cases, Departments have created entirely new programs to meet the unique needs of veterans in their states. Grants to Departments under this program totaled \$3,779,900 in 2012.



**We empower
veterans to live
high-quality and
fulfilled lives.**



PUBLICATIONS AND OTHER COMMUNICATIONS



The National Communications Department oversees internal and external communications programs, including media relations, publications, contacts with other organizations and a variety of public outreach initiatives to tell the DAV story. A full-color magazine keeps our members informed about important issues and our government's policies affecting the federal benefits and services they've earned. This bi-monthly publication also showcases the many successful service programs and accomplishments of our state-level Departments and local DAV Chapters nationwide.

Our Communications staff produces news releases, speeches, op-eds, brochures, print advertisements, public service announcements, videos and other materials that provide information about DAV and our full range of free services that empower veterans to live high-quality lives with respect and dignity. In addition to these traditional tools, social media such as Facebook, Twitter and YouTube also enable DAV and its members to build an even stronger community that can help us carry out our mission, now and in the future.

Marking a major milestone along the road to DAV's second century of service and advocacy, in 2012 the National Communications Department implemented a comprehensive strategy to create greater awareness, both among our members and the general public, of who we are and how we serve all veterans. We have refreshed our principal communications to help clarify and better explain our organization and the positive impact we have in the lives of veterans.



We have significantly grown our social media community using the Facebook platform, which provides individuals with a way to directly engage with DAV as frequently as they choose. DAV page "Likes" (captured audience) grew from 65,016 in 2011 to 148,000 in 2012. Our Facebook "reach" (number of people who received an impression of a page post) soared from 268,000 in 2011 to 2.98 million in 2012. And the number of people talking about DAV in their

own Facebook posts climbed from 8,166 in 2011 to 30,500 in 2012.

Our Twitter following went from 3,200 in 2011 to 8,000 in 2012. Meanwhile, DAV YouTube subscribers

topped the 1,000 mark, and our videos garnered 400,000 views in 2012. The “DAV Heroes” video, which began its run in the fall, has proven to be very popular.

A comprehensive Internet website (www.dav.org) is another vital information and educational resource for veterans and the general public. Our website provides timely, easy access to legislative matters, service programs and critical issues. It also allows our members, as well as the general public, to make their voices heard on important public policy issues through an electronic mail feedback feature.

Activity on DAV’s website grew considerably during the year, from 1.5 million visits in 2011 to 2.1 million in 2012. Likewise the number of unique visitors showed a marked increase, from 1.15 million to 1.5 million.

Special events such as celebrity visits to veterans hospitals and air shows at military bases and civilian venues help us reach the public to inform them of our free services and volunteer opportunities in their own communities. Our Airshow Outreach program works with the owners of two vintage B-25 Mitchell bombers to bring DAV’s message to these veteran-friendly audiences across the nation. Through this unique outreach program, DAV has been able to reach millions of Americans with our message of service and volunteerism in support of wounded, injured

and sick veterans.

With such a vast array of programs, our Communications Department is able to provide in-depth research and resources to help explain issues more fully and sharpen the focus of news stories. As a result, our educational public service and outreach programs continue to promote awareness of veterans’ issues and honor disabled veterans’ service to our nation. A total of \$8,763,245 was spent on publications and other outreach in 2012.

Another important part of our communications efforts is making sure DAV and Auxiliary members and other supporters are aware of vital issues and involving them in our grassroots advocacy program. Active members of the DAV Commander’s Action Network, or DAV CAN, receive e-mail alerts about pending legislation urging them to let their elected officials know about our support for legislation that helps empower wounded, ill and injured veterans

to lead high-quality lives with respect and dignity. And by expanding the DAV CAN to include all of our members who have provided us their email addresses in the past. In stimulating this activity, we hope to dramatically increase participation in the DAV CAN by grassroots members to help support DAV’s case to Congress on issues affecting veterans and their families. To join DAV CAN, go to www.dav.org/voters/JoinCAN.aspx.



DAV CONNECTS WITH MEMBERS THROUGH SOCIAL MEDIA



The November/December issue of DAV Magazine marked our iPad debut. Current issues are made available on the App Store.

MEMBERSHIP PROGRAM



DAV's lifeblood is its members: the veterans we serve and those who support our mission. This support has made DAV what it is today.

DAV is committed to its membership's overall success. This commitment has enabled DAV to become the leading voice for this nation's injured and ill veterans and their families. This commitment is expressed in our mission statement and is carried forth in our actions.

Our founders formed DAV because they believed there was a need to structure an organization through which injured and ill veterans could make themselves heard in the halls of government. That concept of veterans helping veterans is our continuing legacy.

For more than nine decades, DAV has evolved to meet the needs of its members and the ever-changing demographics and social change to ensure all veterans are able to lead high quality lives with respect and dignity.

Today, with the convergence of technology and social diversity, DAV members continue to play a vital role as agents of change. They will drive our organization's adaptation toward emerging trends and effectively respond to the needs of the 21st-century veteran and new issues.

DAV has nearly 5,000 members dedicated to the recruitment of new members to help ensure our membership base remains strong and vibrant well into the future.

With 52 state-level Departments and 1,355 active Chapters nationwide, we closed the 2011/2012 membership year with 1,222,021 veterans in DAV.



**We are veterans
serving veterans,
because no one
should go it alone.**



Women veterans and the filmmakers of the documentary "Service: When Women Come Marching Home" meet on Capitol Hill for the film's screening. From left to right are veteran Alexis Courneen and service dog Sooner, filmmakers Marcia Rock and Patricia Lee Stotter, and veterans Layla Mansberger, BriGette McCoy, Alicia Thompson, Mariette Kalinowski and Angela Arellano.

PUBLIC AWARENESS OUTREACH



J.R. Martinez was named 2012 Outstanding Disabled Veteran of the year for his willingness to become a role model through personal counseling, television appearances and public speaking engagements that have provided a shining example for all disabled veterans to follow.

The men and women returning home from service face obstacles most people can't fathom in their daily lives. They must find jobs and often housing in a difficult economy, as well as relearn how to relate to their families after having been away for long periods of time. Accessing basic and needed health services can be daunting. As many veterans struggle to regain a sense of normalcy, they must start the long and often difficult process of healing and rehabilitation so that they can begin to rebuild the lives they once knew. DAV is here to help them every step of the way.

Too many of our injured heroes haven't accessed the benefits and services they've earned. Generally, these veterans aren't aware of their rights and benefits or the free help our National Service Program can provide

with filing for VA and other government benefits.

Further, many aren't aware of the wide range of other programs we offer for ill and injured veterans and their families. In a nontraditional approach, the Public Awareness Outreach Program asks our donors to help identify those veterans and put them in contact with us. In 2012, \$21,837,392 was spent on this large-scale outreach effort, an investment that's making a real difference in the lives of veterans and their families. This program supplements the outreach efforts already built into our other program services. It offers the American public an even greater opportunity to become personally involved in identifying and assisting those men and women who have served our nation.

**We are dedicated
to the service of
our nation's ill and
injured heroes.**



FUNDRAISING

DAV has the honor of working on behalf of and giving back to the brave and selfless men and women who fought to protect our freedoms each and every day, but we do not do this alone. Last year, more than 2.7 million donors decided to stand beside our veterans to ensure their lives are fulfilled with the honor and dignity they deserve and their rights and benefits are preserved.

A hero is someone who shows great courage or has noble qualities. What also often holds true of heroes is that they do not think of themselves in this manner. This certainly holds true for many of our fallen and injured veterans, and it also holds true for the millions of kind and caring individuals who give selflessly of themselves to support our veterans, just as our veterans supported each other and our nation during their service. While we may not know the names and faces of all of the individuals who contribute to DAV, their voices are heard loud and clear through their loyal and generous support and through the kind words and messages we receive.

One such message was from Walt and Moneen Lang, who said, "Our gift to you (DAV) is our way of saying thank you to veterans for their service to our country. It's the smallest thing we could do."

This is just one example of the many generous friends who have joined our community of heroes by responding to a mailing or email, becoming or giving to one of our corporate partners, making a legacy gift or large outright contribution, or asking others to



"DAV service officers and volunteers have helped me and many of my veteran friends when there was seemingly no other recourse... With our gifts, we feel we are doing our part in continuing to aid the service members of our great country."

Victor and Donna Luna

become involved in our promise to provide a secure and bright future for all veterans.

This year, from the generosity of our donors, DAV raised \$106,582,065 in fundraising revenue. DAV also acquired more than 400,000 new supporters from all 50 states.

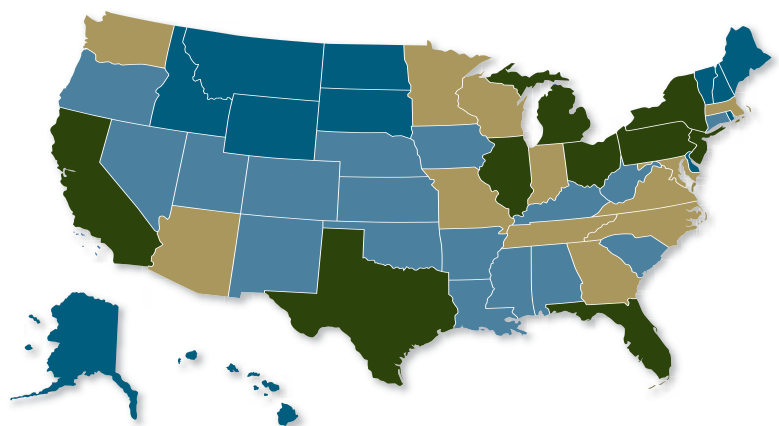
Direct Marketing

Direct mail, email and online initiatives continue to be the core foundation of our fundraising program. This past year, more than 68.7 million mailing pieces and more than 25.6 million emails were sent, resulting in gross support of \$94.7 million dollars. While direct mail accounts for 97% of these funds, we continue to expand and enhance our digital fundraising activities. This past year, we generated almost \$3 million in email and online revenues, up from \$2.6 million in 2011. We are excited about this growth, as generating online

dollars is less expensive, and the average gift size is three times more than direct mail.

DAV DONOR COUNT BY STATE (in thousands)

■ Below 50 ■ 50-150 ■ 151-300 ■ 301+



Moneen and Walt Lang



“My heart for wounded veterans continues to grow. Ensuring their sacrifices are never forgotten is what I want my greatest legacy to be.”

Orie Frazer
Gift Planning Donor

Gift Planning

Each year, the brave men and women who have served are honored by individuals who decide to include DAV in their will. These special individuals ensure their support for veterans leaves a legacy. A legacy that inspires others to stand alongside our injured heroes and a legacy of caring for others. We are truly humbled by the generosity and kindness of those who have chosen to honor and support those who have served in this manner.

This past year, more than \$9.3 million in support was generated from bequests. While the income from this source makes up just 9% of our overall revenue, we will continue to expand and enhance our efforts to secure a greater number of these types of gifts, as the average gift from these sources is significantly higher than others. This past year, the average gift of a bequest was approximately \$29,000.

Corporate Partnerships

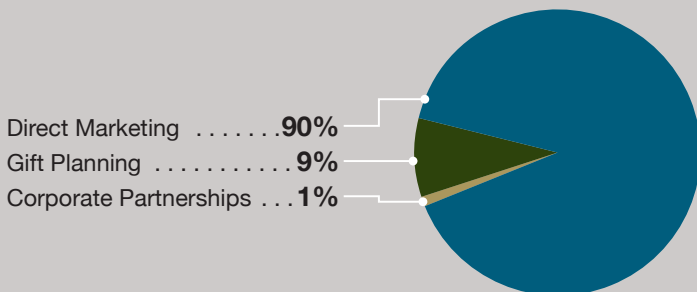
This past year, more than 40 companies and organizations around the country raised funds in support of DAV’s programs and services. Through their generosity and the kindness of their employees and customers, \$691,341 dollars were raised. In addition, their campaigns garnered significant increased awareness of DAV, which will result in increased funds and supporters, and more importantly, will ensure that more of our injured and ill veterans gain access to the benefits they need and deserve.

These good corporate citizens have also helped DAV further its mission by providing us with valuable goods and services. Ford has been a loyal friend of DAV since 1922, when Henry Ford provided 50 Model “T”

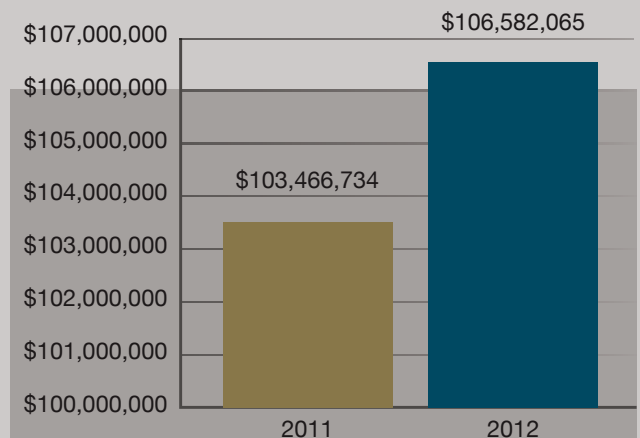


National Headquarters Executive Director Marc Burgess, left, draws the winning ticket in a raffle for a Harley-Davidson motorcycle sponsored by Charles Schwab and Company in support of DAV. He’s joined by Schwab Senior Vice-President for Advisor Services Neesha Hathi. The raffle, conducted at the IMPACT conference in Chicago last November, raised more than \$27,000 for DAV.

SUPPORT BY FUNDRAISING SOURCE



GROSS FUNDRAISING SUPPORT



Fords to help disabled World War I veterans attend the organization's second national convention. Ford continues lending its support today by donating vans for use in DAV's nationwide Transportation Network. Through the generosity of their grants, 164 vans have been purchased and donated to VA over the life of the Transportation Network program. Golden Corral, another long-standing friend of DAV, raised nearly \$1.3 million for DAV Departments and Chapters while providing free meals to more than 300,000 veterans through its 12th Annual Military Appreciation Monday event.

While these wonderful corporate citizens provide this support to DAV without seeking recognition or reward, they are certainly deserving of our gratitude and sincere thanks.



“We are proud of our partnership with the DAV to help veterans of all generations. Veterans are important members of the Harley-Davidson family, and by supporting DAV's Heroes Helping Heroes mobile program, we're continuing to support the men and women who served our country one dealership event at a time.”

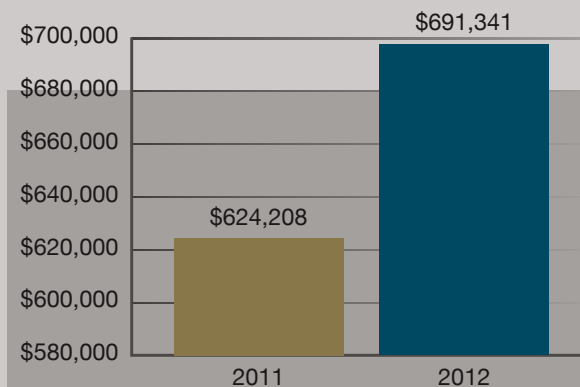
Keith Wandell
 Chairman, President and
 Chief Executive Officer
 Harley-Davidson, Inc.



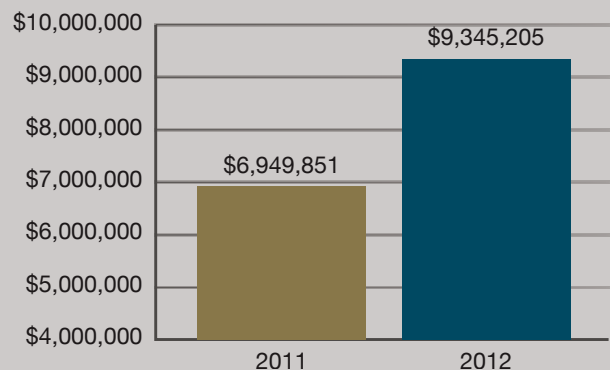
Harley-Davidson Foundation



CORPORATE PARTNERSHIP SUPPORT



BEQUEST SUPPORT



**More than 90 years of
commitment to the
service of those who
sacrificed in our defense.**



2012 FINANCIALS

SUPPORT AND REVENUE

Support

Contributions Received Primarily from Direct Mail Solicitation	97,283,919
Contributed Services and Facilities, Primarily Services	43,430,164
Bequests	9,298,146

Total Support \$150,012,229

Revenue

Membership Dues and Fees	5,231,562
Income from Investments, Net	10,960,165
Realized Investment Gains	4,488,265
Miscellaneous	472,993

Total Revenue \$21,152,985

TOTAL SUPPORT AND REVENUE \$171,165,214

EXPENSES

Program Services

National Service Program	45,034,562
Legislative Service Program	1,581,319
Voluntary Service Program	43,480,120
State Services, Disaster Relief & Memorials	4,052,249
Publications & Other Communications	8,763,245
Membership Program	5,792,312
Public Awareness Outreach	21,837,392

Total Program Services \$130,541,199

Supporting Services

Fundraising Costs	32,374,859
Administrative & General	7,628,513

Total Supporting Services \$40,003,372

TOTAL EXPENSES \$170,544,571

Excess of Support & Revenue Over Expenses \$620,643

Change in Unrealized Appreciation of Investments	21,190,662
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**Excess of Support & Revenue and Change in
Unrealized Appreciation on Investments Over Expenses** \$21,811,305

Pension Liability and Other Postretirement Benefit Obligation Adjustment	-9,555,611
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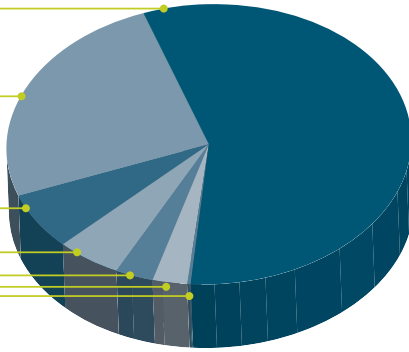
Change in Unrestricted Net Assets \$12,255,694

Unrestricted Net Assets, Beginning of Year \$236,407,230

Unrestricted Net Assets, End of Year \$248,662,924

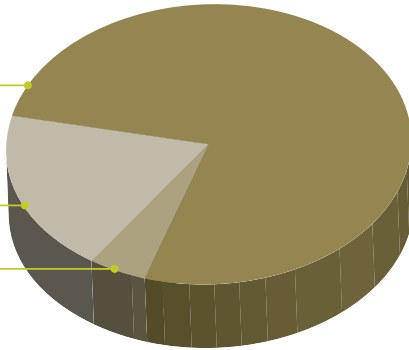
SUPPORT & REVENUE

Contributions	\$97,283,919	56.8%
Contributed		
Services	\$43,430,164	25.4%
Income from		
Investments	\$10,960,165	6.4%
Bequests	\$9,298,146	5.4%
Membership Dues	\$5,231,562	3.1%
Realized Investment		
Gains	\$4,488,265	2.6%
Miscellaneous	\$472,993	0.3%



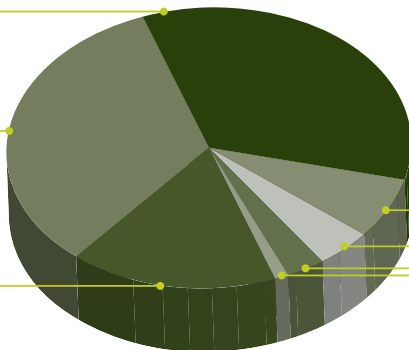
TOTAL EXPENSES

Program		
Services	\$130,541,199	76.5%
Fundraising		
Costs	\$32,374,859	19.0%
Administrative &		
General	\$7,628,513	4.5%



PROGRAM SERVICES

National Service		
Program	\$45,034,562	34.5%
Voluntary Service		
Program	\$43,480,120	33.3%
Public Awareness		
Outreach	\$21,837,392	16.7%



Publications & Other		
Communications	\$8,763,245	6.7%
Membership		
Program	\$5,792,312	4.5%
State Services, Disaster Relief,		
and Memorials	\$4,052,249	3.1%
Legislative Service		
Program	\$1,581,319	1.2%

Complete financial statements have been audited and received an unqualified opinion.

Copies of the statements are available from our National Headquarters upon request.

Nonprofit Status

The Disabled American Veterans is a tax-exempt organization, and contributions made to DAV are tax deductible. DAV is a federally incorporated, nonprofit organization. It was incorporated by an Act of Congress on June 17, 1932. The organization's Congressional Charter can be found at 36 U.S.C. § 50301 et seq. DAV is recognized by the Internal Revenue Service as tax exempt under 26 U.S.C. § 501 (c)(4). Contributions are deductible pursuant to 26 U.S.C. § 170 (c)(3).

GOVERNING BOARD OF DIRECTORS

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Gallatin, Tennessee

VICE-CHAIRMAN

Joseph Johnston
Batavia, Ohio

SECRETARY

Arthur H. Wilson
Cold Spring, Kentucky

TREASURER

Joseph R. Lenhart
Wapakoneta, Ohio

DIRECTOR

Chad Richmond
Pinson, Alabama

DIRECTOR

Marlowe Benner
Stockton, California

DIRECTOR

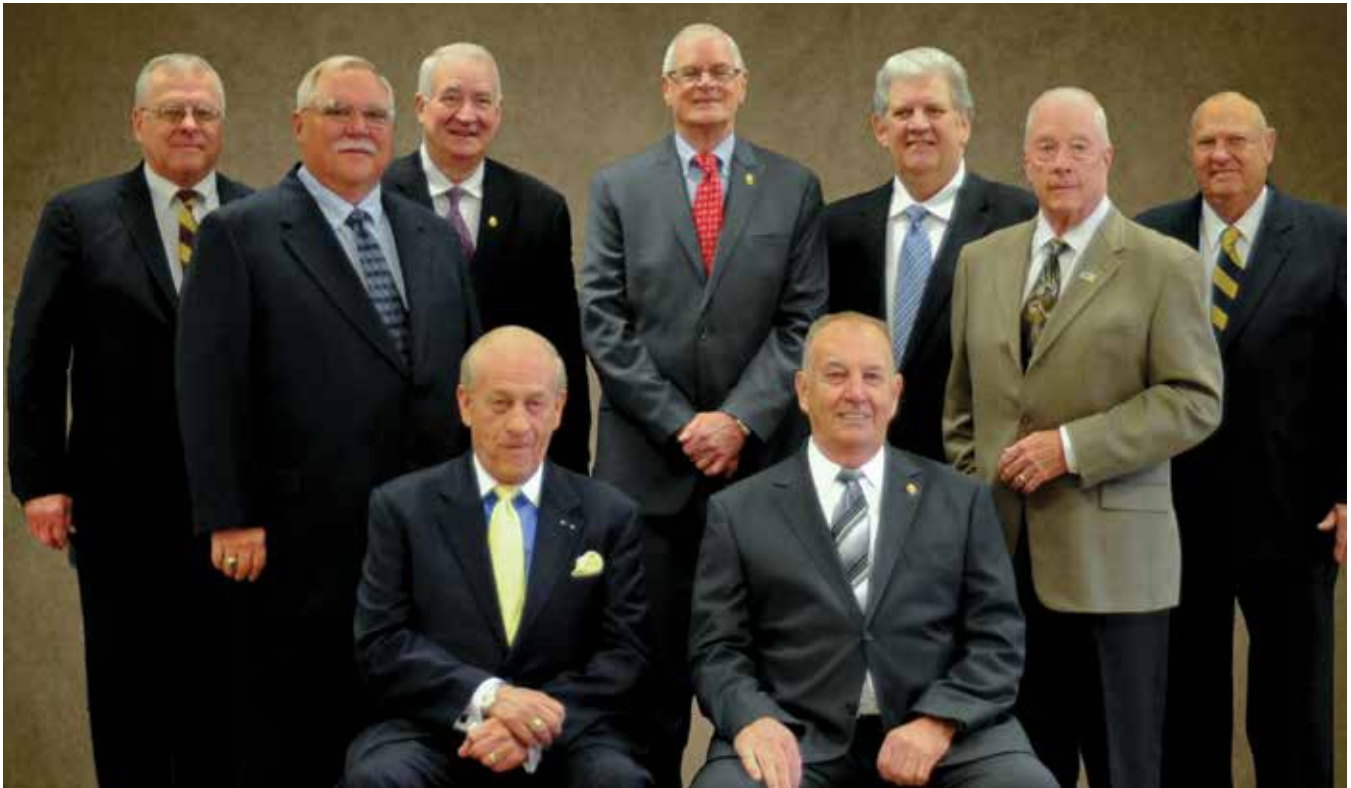
Tim Timmerman
Flora Vista, New Mexico

ADVISOR

Larry A. Polzin
Sylmar, California

ADVISOR

Michael E. Dobmeier
Grand Forks, North Dakota



Back row: Michael Dobmeier, Joseph Lenhart, Joseph Johnston, Chad Richmond, Tim Timmerman, Art Wilson, Marlow Benner. Front row: Donald Samuels, Larry Polzin.

NATIONAL EXECUTIVE COMMITTEE

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Sylmar, California

Senior Vice Commander

Joseph W. Johnston
Williamsburg, Ohio

1st Junior Vice Commander

Vacant

2nd Junior Vice Commander

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3rd Junior Vice Commander

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Gallatin, Tennessee

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Leo R. Mooney
Athol, Massachusetts

NEC 2nd District

David Wilson
Deerfield, New York

NEC 3rd District

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NEC 4th District

H. Mark Wischmann
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NEC 5th District

Robert Frederick Cudworth
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Wapakoneta, Ohio

NEC 12th District

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NEC 13th District

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NEC 14th District

H. G. Krosschell
Rapid City, South Dakota

NEC 15th District

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NEC 16th District

Marlowe Benner
Stockton, California

NEC 17th District

Tim Timmerman
Flora Vista, New Mexico

NEC 18th District

Edward Kawamura
Kapaa, Hawaii

NEC 19th District

Pamela Fay Beale
Anchorage, Alaska

NEC 20th District

Edgar Meiser
Big Spring, Texas

NEC 21st District

Marilyn Smith
Fulton, Arkansas

DAV STRUCTURE

Our national programs are administered by a professional staff under the leadership of National Adjutant Arthur H. Wilson, a disabled veteran of the Vietnam War. Mr. Wilson is the Chief Executive Officer of the National Organization and serves as Secretary of our seven-member Board of Directors. The board is responsible for approval of the annual budget, as well as for the responsible management and investment of all of the organization's assets.

Each member of the Board of Directors is a DAV member. With the exception of the National Adjutant, who is a DAV employee, board members are uncompensated volunteers. Two of these volunteers serve by virtue of their election to national office by the DAV's membership. The remaining four Directors are selected by the National Executive Committee from its ranks.

Our fraternal activities are an essential part of DAV's mission of service to disabled veterans. The National Commander, our official spokesperson, is elected each year by the membership at the National Convention. The National Commander chairs the

National Executive Committee, which includes five Vice Commanders and 21 District Representatives. All are elected at the National Convention. The immediate Past National Commander also serves on the committee, which receives support and guidance from National Judge Advocate Michael E. Dobmeier of Grand Forks, N.D., and National Chaplain Rev. Ronald R. Ringo, Jr., of Montrose, Colorado. These positions are also filled by membership election at the National Convention.

Our business structure is designed to vest control of the organization in its membership and to ensure the greatest degree of operational efficiency possible in the delivery of services to disabled veterans and their families. The National Organization funds and operates programs that serve veterans throughout the United States and its territories and possessions.

Fifty-two Departments and 1,355 Chapters augment the service programs of the National Organization on a local level and, in addition, serve as the essential framework for our fraternal activities.

DAV EMPOWERS VETERANS

RESPECT
ADVOCACY
HONOR
SUPPORT
COMMITMENT



NATIONAL HEADQUARTERS

3725 Alexandria Pike
Cold Spring, KY 41076
859-441-7300
Toll Free 877-426-2838

**NATIONAL SERVICE AND
LEGISLATIVE HEADQUARTERS**

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Washington, D.C. 20024
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