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Examination Of Financial Statements  
Of Disabled American Veterans  
National Headquarters And Service  
Foundation For Year Ended  
December 31, 1971, And Life  
Membership Fund For 6 Months  
Ended December 31, 1971

B-55712

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

~~701321~~ 096245

NOV. 17. 1972



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-55712

National Commander  
Disabled American Veterans c. 769

The General Accounting Office has examined the financial statements of the Disabled American Veterans (DAV) National Headquarters and Service Foundation for the year ended December 31, 1971, and the Life Membership Fund for the 6 months ended December 31, 1971. Our examination, required by the act of June 17, 1932, as amended December 18, 1967 (36 U.S.C. 90i), was made in accordance with generally accepted auditing standards and included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

In our opinion, subject to the outcome of certain legal proceedings described in note 3 to the National Headquarters financial statements, the accompanying financial statements (apps. A through I) and supplemental schedules (schs. 1 and 2) which were submitted to us by DAV present fairly the financial position of the National Headquarters, the Service Foundation, and the Life Membership Fund at December 31, 1971, and the results of their operations and changes in their financial position and fund balances for the periods then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year and with applicable Federal laws, except for the change in the accounting period of the Life Membership Fund, which we approve.

As provided for by the act of August 30, 1964 (36 U.S.C. 1102), DAV engages a firm of certified public accountants to make an annual audit of its accounts and financial statements and to review the National Headquarters' accounting procedures and systems of internal control. The audit does not, however, relieve us of our responsibilities under 36 U.S.C. 90i. Our tests of the firm's audit permitted us to reduce our own testing of DAV's accounting records.

Comptroller General  
of the United States

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**FINANCIAL STATEMENTS**

DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

BALANCE SHEET, DECEMBER 31, 1971 AND 1970

-- A S S E T S --	1971	1970
OPERATING AND SPECIAL PURPOSE FUNDS:		
Current assets:		
Cash.....	\$ 422,100.40	\$ 454,779.57
United States Government securities - at cost and accrued interest (approximates market).....	4,773,572.20	1,089,484.66
Accounts receivable (from rental of lists and from chapters, departments, and others).....	383,680.57	294,440.71
Materials and supplies - at the lower of cost (first-in, first-out) or market:		
Direct mail solicitations material..	1,368,414.64	851,948.42
Emblems, jewelry, etc.....	112,569.31	111,996.45
Prepaid supplies, insurance, etc.....	109,593.28	103,586.07
Prepaid postage.....	103,421.14	66,468.27
Total current assets.....	<u>7,273,351.54</u>	<u>2,972,704.15</u>
Investments in securities - at cost or value when donated (approximate market value: 1971, \$3,606,000; 1970, \$1,767,000).....	3,521,011.12	2,217,276.12
Property leased to others - at cost (less accumulated depreciation: 1971, \$1,535,532.09; 1970, \$1,424,966.26)...	1,918,758.86	1,984,188.13
Land, buildings and equipment - at cost (less accumulated depreciation: 1971, \$710,296.02; 1970, \$575,238.48).....	<u>2,989,590.56</u>	<u>2,940,682.26</u>
 Total operating and special purpose funds assets.....	 <u>\$15,702,712.08</u>	 <u>\$10,114,850.66</u>

See notes to financial statements.

-- LIABILITIES AND FUND BALANCES --	1971	1970
OPERATING AND SPECIAL PURPOSE FUNDS:		
Current liabilities:		
Accounts payable:		
Suppliers, etc.....	\$ 286,262.20	\$ 370,943.25
DAV Service Foundation.....	3,625.58	82,616.58
Taxes withheld from employees.....	14,855.58	13,531.30
Other.....	178,626.11	101,679.39
Accrued liabilities:		
Vacation pay.....	322,116.49	285,540.94
Salaries and wages.....	235,658.43	166,756.84
Real estate taxes.....	52,647.72	52,774.22
Payroll taxes.....	11,666.25	17,874.85
Other.....	26,723.60	12,983.13
Total current liabilities.....	<u>1,132,181.96</u>	<u>1,104,700.50</u>
Deferred credits - dues and service fees collected in advance, etc.....	523,766.23	492,240.74
Special purpose funds balances (Exhibit D):		
Scholarship Fund.....	340,138.00	391,768.00
Disaster Fund.....	37,933.83	37,933.83
Operating fund balance (Exhibit C) (Note 4).....	13,668,692.06	8,088,207.59
Total operating and special purpose funds liabilities and funds balances.....	<u>\$15,702,712.08</u>	<u>\$10,114,850.66</u>

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EXHIBIT B

DISABLED AMERICAN VETERANS  
NATIONAL HEADQUARTERS

STATEMENT OF OPERATING FUND CONTRIBUTIONS, REVENUE AND  
SERVICE COSTS AND EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

	1971	1970
CONTRIBUTIONS AND REVENUE (less related direct costs and expenses):		
Contributions and revenue received from direct mail solicitations, etc., less related direct costs and expenses - 1971, \$9,240,139.47; 1970, \$7,497,350.33 (Schedule 1).....	\$ 9,871,454.99	\$5,307,447.31
National dues and service fees.....	1,061,510.72	935,444.63
Donations and bequests.....	233,672.02	109,696.50
Income on investments.....	188,177.42	127,102.62
Rental from leased property, less related direct costs - 1971, \$183,923.62; 1970, \$175,820.07.....	178,150.08	186,379.13
Sale of emblems, etc., less related direct costs - 1971, \$125,506.27; 1970, \$97,944.83.....	51,522.48	45,388.72
Miscellaneous.....	23,158.23	41,086.28
Total.....	<u>11,607,645.94</u>	<u>6,752,545.19</u>
SERVICE COSTS AND EXPENSES (net) (Schedule 2):		
Free service to all veterans and dependents - maintenance of staff of attorneys in fact (national service officers) located in all Veterans Administration offices.....	2,801,252.30	2,443,092.71
Special service to members - publication of Disabled American Veterans monthly magazine, less advertising and subscription revenue.....	251,740.92	232,045.31
Free service to motorists - cost of lost key returns and special orders, less contributions received.....	22,270.79	25,976.88
General service to veterans and members and other expenses - National Headquarters expenses for administration of all activities, including membership, and maintenance of records.....	2,667,740.18	2,520,432.73
Total.....	<u>5,743,004.19</u>	<u>5,221,547.63</u>
OTHER EXPENSES:		
Loss on sale of securities.....	225,237.28	
Grant to Boy Scouts of America.....	33,920.00	39,500.00
Grant to World Veterans Federation....	25,000.00	
Appropriation to DAV Auxiliary.....		5,000.00
Total.....	<u>6,027,161.47</u>	<u>5,266,047.63</u>
EXCESS OF CONTRIBUTIONS AND REVENUE OVER SERVICE COSTS AND EXPENSES.....	<u>\$ 5,580,484.47</u>	<u>\$1,486,497.56</u>

See notes to financial statements.

DISABLED AMERICAN VETERANSNATIONAL HEADQUARTERSSTATEMENT OF CHANGES IN OPERATING FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

	1971	1970
FUND BALANCE, JANUARY 1.....	\$ 8,088,207.59	\$6,851,710.03
ADD - Excess of contributions and revenue over service costs and expenses - Exhibit B.....	5,580,484.47	1,486,497.56
Total.....	13,668,692.06	8,338,207.59
DEDUCT - Appropriation to Scholarship Fund - Exhibit D.....		250,000.00
FUND BALANCE, DECEMBER 31.....	<u>\$13,668,692.06</u>	<u>\$8,088,207.59</u>

See notes to financial statements.

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DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

STATEMENT OF CHANGES IN SPECIAL PURPOSE FUNDS BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

	.....SCHOLARSHIP FUND.....		.....DISASTER FUND.....	
	1971	1970	1971	1970
FUND BALANCE, JANUARY 1.....	\$391,768.00	\$177,450.00	\$37,933.83	\$42,991.83
ADD:				
Appropriation from Operating Fund..		250,000.00		
Contributions received during the year.....			215.00	2,542.00
Total.....	391,768.00	427,450.00	38,148.83	45,533.83
DEDUCT - Disbursements for scholar- ships and disaster relief.....	51,630.00	35,682.00	215.00	7,600.00
FUND BALANCE, DECEMBER 31.....	<u>\$340,138.00</u>	<u>\$391,768.00</u>	<u>\$37,933.83</u>	<u>\$37,933.83</u>

See notes to financial statements.

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DISABLED AMERICAN VETERANSNATIONAL HEADQUARTERS

STATEMENT OF CHANGES IN FINANCIAL POSITION -  
 OPERATING AND SPECIAL PURPOSE FUNDS  
 FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

	1971	1970
<b>SOURCE OF FUNDS:</b>		
Excess of contributions and revenue over service costs and expenses.....	\$5,580,484.47	\$1,486,497.56
Depreciation of buildings and equipment.....	256,204.23	243,578.76
Increase in dues, service fees collected in advance, etc.....	31,525.49	83,571.76
Increase in accounts payable and accrued liabilities.....	27,481.46	441,464.28
Total.....	<u>5,895,695.65</u>	<u>2,255,112.36</u>
<b>USE OF FUNDS:</b>		
Investment in United States Government securities (reduction).....	3,684,087.54	(1,082,716.49)
Investment in other securities - net..	1,303,735.00	103,869.12
Increase in materials and supplies....	517,039.08	561,549.72
Land improvements and purchase of equipment - net.....	239,683.26	143,932.51
Increase in accounts receivable.....	89,239.86	84,440.87
Disbursements for scholarships and disaster relief - net.....	51,630.00	40,740.00
Increase (reduction) in prepaid expenses.....	42,960.08	(59,162.33)
Payment of notes to Life Membership Fund.....		2,318,383.90
Total.....	<u>5,928,374.82</u>	<u>2,111,037.30</u>
<b>INCREASE (DECREASE) IN CASH FOR THE YEAR.....</b>	<b>(32,679.17)</b>	<b>144,075.06</b>
<b>CASH BALANCES:</b>		
Beginning of year.....	<u>454,779.57</u>	<u>310,704.51</u>
End of year.....	<u>\$ 422,100.40</u>	<u>\$ 454,779.57</u>

See notes to financial statements.

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DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

BALANCE SHEET, DECEMBER 31, 1971 AND 1970

-- A S S E T S --	1971	1970
LIFE MEMBERSHIP FUND (Note 1):		
Current assets:		
Cash.....	\$ 60,745.73	
Accrued interest and dividends receivable.....	29,307.23	
Total current assets.....	<u>90,052.96</u>	
Investments - at cost:		
Corporation stocks (approximate market value, \$5,453,000).....	5,305,581.44	
United States Government securities (approximates market).....	1,781,138.84	
Corporation bonds (approximate market value, \$678,000).....	643,418.49	
Uninvested cash (with investment counsel).....	24,506.47	
Total investments.....	<u>7,754,645.24</u>	
Total life membership fund assets.....	<u>\$ 7,844,698.20</u>	

See notes to financial statements.

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-- LIABILITIES AND FUND BALANCES --	1971	1970
LIFE MEMBERSHIP FUND (Note 1):		
Current liabilities - accounts payable..	\$ 9,550.27	
Fund balance.....	7,835,147.93	
Total life membership fund liabilities and fund balance.....	<u>\$ 7,844,698.20</u>	

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EXHIBIT G

DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

STATEMENT OF CHANGES IN LIFE MEMBERSHIP FUND BALANCE  
FOR THE SIX MONTHS ENDED DECEMBER 31, 1971

ADDITIONS TO FUND:		
Life membership fees.....	\$668,059.26	
Dividends.....	61,908.05	
Interest:		
United States Government securities...	31,760.80	
Corporation bonds.....	29,756.54	
Other.....	<u>4,028.34</u>	
Total.....	795,512.99	
Gain from sales of securities - net.....	<u>8,241.58</u>	\$ 803,754.57
DEDUCTIONS FROM FUND (Note 7):		
Distributions to:		
National Headquarters:		
Service fees.....	267,181.00	
Per capita tax.....	133,628.00	
Chapters.....	194,994.00	
Departments.....	<u>102,875.25</u>	<u>698,678.25</u>
INCREASE IN FUND DURING THE PERIOD.....		105,076.32
FUND BALANCE, JULY 1, 1971.....		<u>7,730,071.61</u>
FUND BALANCE, DECEMBER 31, 1971.....		<u>\$7,835,147.93</u>
SOURCE OF FUND BALANCE, DECEMBER 31, 1971:		
Membership fees, less annual distributions to		
National Headquarters, Chapters and Departments....	\$4,361,597.74	
Interest.....	2,269,183.06	
Gain from sales of securities - net.....	604,359.32	
Dividends.....	564,128.98	
Other.....	<u>35,878.83</u>	
TOTAL.....		<u>\$7,835,147.93</u>

See notes to financial statements.

DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

NOTES TO FINANCIAL STATEMENTS,  
DECEMBER 31, 1971 AND 1970

1. Effective December 31, 1971 the annual accounting period for the Life Membership Fund was changed, by National Headquarters, from that of a fiscal year ending June 30 to that of a calendar year ending December 31, in order to conform to the accounting period of all other funds administered by National Headquarters. Therefore, the accompanying statement of changes in Life Membership Fund balance reflects the changes in such Fund only for the six months ended December 31, 1971. As the financial statements of the Life Membership Fund for the period ended June 30, 1971 are not comparable with the current period, the financial data of such Fund is not presented in comparative format.
2. In 1970 the Disabled American Veterans (DAV) authorized a grant of \$279,883 to the Boy Scouts of America to provide a national Scouting program for physically or mentally handicapped boys. The initial grant payment of \$39,500 was made in 1970, with the remainder of the grant to be paid in annual instalments increasing in amount from \$33,920 in 1971, to \$47,371 in 1976, the date of the final grant payment. The unpaid portion of the grant at December 31, 1971 of \$206,463 is not reflected in the accompanying financial statements as the unpaid portion of the grant is revocable at any time at the discretion of DAV.
3. During 1971 a judgement in favor of DAV resulted from legal proceedings, instituted in 1964, which sought reimbursement for losses and damages from a former agent who handled Properties Solicitation. The former agent has filed notice of appeal of the judgement. The counterclaims previously instituted by the agent seeking alleged unpaid commissions and reimbursement for expenses are still pending.  
  
A former employee of the agent had intervened in the aforementioned legal proceeding and filed a counterclaim against DAV to recover compensation for services rendered. In January 1969 a judgement was entered against DAV for such services. During 1971 the Illinois Appellate Court, on an appeal by DAV, reversed the judgement and dismissed the claim.

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3 - (Continued)

During 1970, legal proceedings which were instituted in 1967 against DAV by another employee of the former agent of DAV, seeking payment of commissions allegedly earned, were dismissed after trial; the plaintiff's appeal from the decision is still pending.

In another legal proceeding, a claimant had filed suit against DAV for amounts due for services allegedly rendered. DAV has denied any indebtedness, and the counterclaim instituted earlier by DAV seeking damages for breach of contract, negligent performance, and wrongful conversion of DAV property is still pending.

In the opinion of legal counsel, the outcome of the above litigation is not presently determinable and, accordingly, the accompanying financial statements give no effect to any amounts which may result from their final disposition. It is expected, however, that substantial legal expense may be incurred in defending against these actions.

4. The balance sheet does not include the net assets held in trust by Disabled American Veterans Service Foundation but available to National Headquarters only upon appropriation by or dissolution of the Foundation. Based upon audited financial statements, net assets of the Foundation were approximately \$430,000 at December 31, 1971.
5. Land, buildings and equipment, and property leased to others, stated at cost, are comprised of the following:

	.....December 31.....	
	<u>1971</u>	<u>1970</u>
Property leased to others....	\$3,454,290.95	\$3,409,154.39
Land and improvements.....	272,235.84	274,608.86
Buildings, building equipment and improvements.....	2,323,159.01	2,264,787.48
Machinery and other equipment	<u>1,104,491.73</u>	<u>976,524.40</u>
Total land, buildings and equipment.....	3,699,886.58	3,515,920.74
Total.....	<u>\$7,154,177.53</u>	<u>\$6,925,075.13</u>

Depreciation and amortization is computed generally on the straight-line method and amounted to \$256,204.23 for 1971 and \$243,578.76 for 1970.

6. DAV leases office space in Washington, D. C. under an agreement expiring in 1978 which provides for annual rentals of approximately \$24,000 for the first five years and \$27,000 for the next five years.

(Continued) - 2.

7. Deductions from the Life Membership Fund represent distributions for the membership year July 1, 1971 through June 30, 1972.
8. During 1971 substantially all eligible employees participated in a contributory retirement plan. The plan was funded by employee and DAV contributions by the purchase of annuity policies, and DAV had no additional liability to employees thereunder.

Subsequent to December 31, 1971, DAV adopted, effective March 15, 1972, a substantially revised retirement plan not requiring contributions by the employees. Following the effective date of the revised retirement plan, additional past service liability was funded through payment by DAV of \$930,000 into the plan. This amount will be reflected in the financial statements for the year ending December 31, 1972.

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(Concluded) - 3.

DISABLED AMERICAN VETERANS SERVICE FOUNDATION

BALANCE SHEET, DECEMBER 31, 1971 AND 1970

	1971	1970
<u>A S S E T S</u>		
CASH:		
Checking accounts.....	\$ 17,128.99	\$ 18,016.71
Savings accounts and investment certificates.....	363,422.93	237,818.81
Office fund.....	25.00	25.00
RECEIVABLES:		
National D. A. V. - Cash collected under the 1970 Fund Raising Appeal.....		82,616.58
Dividends.....	124.50	277.25
INVESTMENTS - At cost (approximate market value, \$48,850).....	51,616.44	49,610.57
TOTAL.....	<u>\$432,317.86</u>	<u>\$388,364.92</u>
<u>L I A B I L I T Y   A N D</u> <u>F U N D S</u>		
PAYABLE TO NATIONAL D. A. V. - Expenses incurred for the 1970 Fund Raising Appeal.....		\$ 13,929.04
FUNDS IN TRUST:		
General Trust Account.....	\$147,948.76	147,136.10
National D. A. V. Special Reserve Fund.....	22,400.00	15,500.00
Special trust accounts:		
Perpetual Rehab Funds.....	221,159.85	101,313.38
Permanent Reserve Fund.....	11,798.37	3,614.27
1970 Fund Raising Appeal.....		82,616.58
The National Order of Trench Rats, D. A. V. Legislative Program.....	29,010.88	24,255.55
Total.....	<u>432,317.86</u>	<u>374,435.88</u>
TOTAL.....	<u>\$432,317.86</u>	<u>\$388,364.92</u>

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DISABLED AMERICAN VETERANS SERVICE FOUNDATION

STATEMENT OF FUNDS IN TRUST  
FOR THE YEAR ENDED DECEMBER 31, 1971

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	TOTAL	GENERAL TRUST ACCOUNT
FUNDS IN TRUST, JANUARY 1, 1971.....	\$374,435.88	\$147,136.10
ADDITIONS:		
Contributions:		
General.....	37,750.39	
1970 Fund Raising Appeal.....	17,863.60	
Interest on savings deposits.....	19,880.60	18,425.27
Dividends on investments.....	1,077.72	1,077.72
Gain on sale of investments.....	2,768.32	2,768.32
Transferred to National D. A. V. Special Reserve Fund.....		
Transfer to Perpetual Rehab Funds.....		
Total.....	<u>453,776.51</u>	<u>169,407.41</u>
DEDUCTIONS:		
General expenses:		
Board of Trustees:		
Services.....	600.00	600.00
Travel and expenses.....	8,837.04	8,837.04
Salaries.....	2,250.00	2,250.00
Stenographic services.....	4,023.00	4,023.00
Professional, legal, and accounting services.....	1,294.16	1,294.16
Telephone and telegraph.....	464.53	464.53
Printing, postage, and supplies.....	3,591.56	3,591.56
Expenses of 1970 Fund Raising Appeal	288.98	288.98
Other expense.....	109.38	109.38
Total.....	<u>21,458.65</u>	<u>21,458.65</u>
FUNDS IN TRUST, DECEMBER 31, 1971.....	<u>\$432,317.86</u>	<u>\$147,948.76</u>

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.....SPECIAL TRUST ACCOUNTS.....				
NATIONAL D. A. V. SPECIAL RESERVE FUND	PERPETUAL REHAB FUNDS	PERMANENT RESERVE FUND	1970 FUND RAISING APPEAL	THE NATIONAL ORDER OF TRENCH RATS, D. A. V. LEGISLATIVE PROGRAM
\$15,500.00	\$101,313.38	\$ 3,614.27	\$ 82,616.58	\$24,255.55
	25,966.29	8,484.10	17,863.60	3,300.00
				1,455.33
6,900.00	(6,600.00)	(300.00)		
	100,480.18		(100,480.18)	
22,400.00	221,159.85	11,798.37		29,010.88

\$22,400.00	\$221,159.85	\$11,798.37		\$29,010.88
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SCHEDULES

DISABLED AMERICAN VETERANSNATIONAL HEADQUARTERS

CONTRIBUTIONS AND REVENUE RECEIVED FROM DIRECT MAIL  
SOLICITATIONS, ETC. AND RELATED DIRECT COSTS AND EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

	1971	1970
<b>CONTRIBUTIONS AND REVENUE RECEIVED:</b>		
Direct mail solicitations.....	\$18,042,729.49	\$12,181,321.53
Other revenue.....	1,068,864.97	623,476.11
Total contributions and revenue received.....	<u>19,111,594.46</u>	<u>12,804,797.64</u>
<b>DIRECT COSTS AND EXPENSES:</b>		
Cost of solicitation mailings (materials and postage).....	4,005,495.18	3,649,393.95
Cost of premiums (materials and postage).....	2,574,779.38	1,612,533.38
Salaries and wages.....	1,727,095.39	1,474,748.19
Employees' welfare - hospital care, group insurance, retirement plan, etc.....	183,723.88	163,934.34
Commissions.....	168,454.57	105,136.21
Postage due.....	133,033.57	127,347.69
Payroll taxes.....	132,181.44	108,417.76
Supplies.....	90,741.34	89,923.20
Depreciation and amortization.....	81,613.04	74,342.87
Heat, light, power and water.....	79,185.38	78,931.16
Maintenance and repairs.....	50,457.36	25,835.32
Express and hauling.....	23,583.23	15,677.61
Security service.....	23,324.26	23,873.69
Laundry.....	8,329.65	5,065.26
Rental of equipment.....	7,024.79	54,086.47
Insurance.....	5,790.82	7,062.92
Telephone and telegraph.....	3,392.15	3,206.94
Travel.....	1,983.93	2,793.91
Outside services (data processing)..	318.08	6,200.00
Other.....	7,513.41	6,640.95
Total.....	<u>9,308,020.85</u>	<u>7,635,151.82</u>
LESS - Increase in labor and overhead costs in inventory.....	67,881.38	137,801.49
Total direct costs and expenses.....	<u>9,240,139.47</u>	<u>7,497,350.33</u>
<b>EXCESS OF CONTRIBUTIONS AND REVENUE RECEIVED FROM DIRECT MAIL SOLICI- TATIONS, ETC. OVER RELATED DIRECT COSTS AND EXPENSES.....</b>	<u>\$ 9,871,454.99</u>	<u>\$ 5,307,447.31</u>

DISABLED AMERICAN VETERANSNATIONAL HEADQUARTERS

SERVICE COSTS AND EXPENSES - NET  
FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

	1971	1970
FREE SERVICE TO ALL VETERANS AND		
DEPENDENTS - Maintenance of staff of		
attorneys in fact (national service		
officers) located in all Veterans		
Administration offices:		
Salaries:		
Attorneys in fact (service officers) .	\$1,595,181.02	\$1,382,976.85
Assistants and stenographers for		
attorneys in fact.....	399,637.42	360,893.19
Legislative director, assistants and		
stenographers.....	94,532.63	82,959.41
Total.....	<u>2,089,351.07</u>	<u>1,826,829.45</u>
Employees' welfare - hospital care,		
group insurance, retirement plan,		
etc.....	226,650.53	167,643.48
Expenses of National Commander and		
Staff.....	115,692.03	102,935.52
Expenses of National Convention.....	103,569.15	101,320.53
Payroll taxes.....	92,388.56	78,010.63
Travel expenses.....	47,578.36	45,346.45
Postage, printing, and stationery.....	36,233.66	23,775.82
Rental of space and equipment.....	25,938.66	23,975.04
Supplies.....	20,568.82	18,344.65
Moving expense.....	12,486.97	15,557.07
Depreciation and amortization.....	8,376.83	10,282.31
Insurance.....	5,244.28	5,023.87
Telephone and telegraph.....	4,781.71	6,943.09
Expenses of national officials at		
state conventions.....	3,763.65	9,021.46
Outside service - labor.....	1,683.14	1,043.19
Maintenance and repairs.....	1,483.04	1,089.36
Agency service fees.....	1,200.93	2,115.66
Express and hauling.....	1,084.49	1,293.68
Property taxes.....	916.78	878.98
Other.....	2,259.64	1,662.47
Total - (Forward).....	<u>\$2,801,252.30</u>	<u>\$2,443,092.71</u>

(Continued) - 1.

DISABLED AMERICAN VETERANS  
 NATIONAL HEADQUARTERS  
 SERVICE COSTS AND EXPENSES - NET, ETC.

	1971	1970
Total - (Forward).....	<u>\$2,801,252.30</u>	<u>\$2,443,092.71</u>
SPECIAL SERVICE TO MEMBERS - Publication of Disabled American Veterans monthly magazine:		
Printing and mailing magazine.....	352,381.28	311,986.56
Advertising agency commissions.....	24,424.89	32,839.06
Salaries.....	12,597.22	12,144.93
Press clipping service.....	3,040.00	2,650.00
Payroll taxes.....	378.55	450.52
Other.....	<u>2,808.59</u>	<u>473.26</u>
Total.....	395,630.53	360,544.33
Less advertising and subscription revenue.....	<u>143,889.61</u>	<u>128,499.02</u>
Remainder.....	<u>251,740.92</u>	<u>232,045.31</u>
FREE SERVICE TO MOTORISTS - Cost of lost key returns and special orders:		
Salaries.....	15,727.88	16,529.03
Searches.....	6,796.55	6,127.75
Postage.....	4,727.07	4,551.50
Employees' welfare - hospital care, group insurance, retirement plan, etc.....	2,154.78	3,752.81
Supplies.....	1,938.92	979.87
Payroll taxes.....	1,027.52	1,190.53
Other.....	<u>849.58</u>	<u>424.70</u>
Total.....	33,222.30	33,556.19
Less contributions received from free service.....	<u>10,951.51</u>	<u>7,579.31</u>
Remainder.....	<u>22,270.79</u>	<u>25,976.88</u>
GENERAL SERVICE TO VETERANS AND MEMBERS AND OTHER EXPENSES - National Headquarters expenses for administration of all activities, including membership, and maintenance of records:		
Salaries.....	1,283,465.16	1,229,285.36
Equipment rental.....	356,801.28	251,094.52
Supplies.....	229,003.23	243,175.61
Postage, printing and stationery.....	143,906.19	136,936.53
Employees' welfare - hospital care, group insurance, retirement plan, etc.....	130,242.85	111,193.43
Total - (Forward).....	<u>\$2,143,418.71</u>	<u>\$1,971,685.47</u>

(Continued) - 2.

BEST DOCUMENT AVAILABLE

SCHEDULE 2

DISABLED AMERICAN VETERANS  
 NATIONAL HEADQUARTERS  
 SERVICE COSTS AND EXPENSES - NET, ETC.

	1971	1970
GENERAL SERVICE TO VETERANS AND MEMBERS AND OTHER EXPENSES - National Head- quarters expenses for administration of all activities, including member- ship, and maintenance of records - (Forward) .....		
	\$2,143,418.71	\$1,971,685.47
Professional fees.....	90,497.20	72,902.95
Travel.....	75,865.93	46,957.50
Payroll taxes.....	70,170.04	65,033.93
Agency service fees and public relations.....	62,862.61	67,269.47
Depreciation and amortization.....	51,070.22	42,616.08
Awards and trophies.....	33,920.08	30,759.17
Insurance.....	31,800.48	29,675.15
Telephone and telegraph.....	26,946.10	22,170.50
Security service.....	23,404.24	22,229.80
Dues and subscriptions.....	13,338.50	2,406.23
Express and hauling.....	9,806.67	6,552.50
Maintenance and repairs.....	6,870.34	5,571.06
Interest.....		60,685.42
Settlement of claim.....		58,500.00
Membership drive awards.....		4,821.28
Other.....	27,769.06	10,596.22
Total.....	<u>2,667,740.18</u>	<u>2,520,432.73</u>
TOTAL.....	<u>\$5,743,004.19</u>	<u>\$5,221,547.63</u>

(Concluded) - 3.

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