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Examination Of Financial Statements  
Of Disabled American Veterans  
National Headquarters, Service  
Foundation, And Life Membership  
Fund For Year Ended  
December 31, 1972

B-55712

*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

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DEC. 7, 1973



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

B-55712

Mr. John T. Soave  
National Commander  
Disabled American Veterans  
National Headquarters  
P. O. Box 14301  
Cincinnati, Ohio 45214

C719

Dear Mr. Soave:

The General Accounting Office has examined the financial statements of the Disabled American Veterans (DAV) National Headquarters, the Service Foundation, and the Life Membership Fund for the year ended December 31, 1972. 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. C760

In our opinion, except for the direct charge to the operating fund for payment of past service costs on the revised retirement plan as explained in note 7 to the financial statements, the accompanying financial statements (exhibits A through I) and supplemental schedules (schs. 1 and 2) present fairly the financial position of the National Headquarters, the Service Foundation, and the Life Membership Fund at December 31, 1972, and the results of their operations and changes in financial position and fund balances for the period 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.

As provided 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

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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 did permit us to reduce our own testing of DAV's accounting records.

Sincerely yours,

A handwritten signature in cursive script, reading "James B. Stacks". The signature is written in dark ink and is positioned above the typed name.

Comptroller General  
of the United States

EXHIBITS

DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

BALANCE SHEET, DECEMBER 31, 1972 AND 1971

A S S E T S

	<u>1972</u>	<u>1971</u>
OPERATING AND SPECIAL-PURPOSE FUNDS:		
Current assets:		
Cash	\$ 550,263.84	\$ 422,100.40
U.S. Government securities--at cost and accrued interest (approximate market)	7,560,776.61	4,773,572.20
Accounts receivable	318,015.32	383,680.57
Materials and supplies:		
Direct mail solicitations material	1,933,880.51	1,368,414.64
Emblems, jewelry, etc.	95,070.73	112,569.31
Prepaid supplies, insurance, etc.	111,290.37	109,593.28
Prepaid postage	<u>140,886.15</u>	<u>103,421.14</u>
Total current assets	10,710,183.53	7,273,351.54
Investments in securities--at cost of value when donated (approximate market value: 1972, \$6,148,000; 1971, \$3,606,000)	5,797,639.40	3,521,011.12
Property leased to others--at cost (less accumulated depreciation: 1972, \$1,646,771.71; 1971, \$1,535,532.09)	1,807,519.24	1,918,758.86
Land, buildings and equipment--at cost (less accumulated depreciation: 1972, \$862,151.18; 1971, \$710,296.02)	<u>2,977,427.58</u>	<u>2,989,590.56</u>
Total operating and special-purpose funds assets	<u>\$21,292,769.75</u>	<u>\$15,702,712.08</u>

The notes on pages 18 to 20 are an integral part of this statement.

## L I A B I L I T I E S   A N D   F U N D   B A L A N C E S

	<u>1972</u>	<u>1971</u>
OPERATING AND SPECIAL-PURPOSE FUNDS:		
Current liabilities:		
Accounts payable:		
Suppliers, etc.	\$ 486,792.58	\$ 286,262.20
Taxes withheld from employees	15,488.69	14,855.58
DAV Service Foundation	2,857.85	3,625.58
Other	183,589.50	178,626.11
Accrued liabilities:		
Retirement plan	459,855.00	-
Vacation pay	361,261.84	322,116.49
Salaries and wages	225,809.58	235,658.43
Real estate taxes	46,963.30	52,647.72
Payroll taxes	13,739.13	11,666.25
Other	<u>35,889.52</u>	<u>26,723.60</u>
Total current liabilities	1,832,246.99	1,132,181.96
Deferred credits--dues and service fees collected in advance, etc.	568,903.28	523,766.23
Operating and special-purpose funds balances (exhibits C and D):		
Operating Fund	17,698,820.71	13,668,692.06
Scholarship Fund	760,048.00	340,138.00
Disaster Fund	<u>432,750.77</u>	<u>37,933.83</u>
Total operating and special-purpose funds liabilities and funds balances	<u>\$21,292,769.75</u>	<u>\$15,702,712.08</u>

## EXHIBIT B

## DISABLED AMERICAN VETERANS

## NATIONAL HEADQUARTERS

## STATEMENT OF OPERATING FUND CONTRIBUTIONS AND REVENUE AND

## SERVICE COSTS AND EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 1972 AND 1971

	<u>1972</u>	<u>1971</u>
CONTRIBUTIONS AND REVENUE:		
Contributions and revenue received from direct mail solicitations, etc., less related direct costs and expenses-- 1972, \$11,909,633.80; 1971, \$9,240,139.47 (schedule 1)	\$10,564,925.77	\$ 9,871,454.99
National dues and service fees	1,135,272.50	1,061,510.72
Donations and bequests	163,421.59	233,672.02
Income on investments	352,867.42	188,177.42
Rental from leased property less related direct costs--1972, \$173,922.95; 1971, \$183,923.62	188,151.04	178,150.08
Gain or loss (-) on sale of securities	132,036.92	-225,237.28
Sale of emblems, etc., less related direct costs--1972, \$154,115.81; 1971, \$125,506.27	42,161.68	51,522.48
Appropriation from DAV Service Foundation	22,848.00	-
Miscellaneous	<u>1,405.63</u>	<u>23,158.23</u>
Total	<u>12,603,090.55</u>	<u>11,382,408.66</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	3,497,232.43	2,801,252.30
Special service to members--publication of Disabled American Veterans monthly magazine less advertising and subscription revenue	270,395.78	251,740.92
Free service to motorists--cost of lost-key returns and special orders less contributions received	26,509.13	22,270.79
General service to veterans and members and other expenses--National Headquarters expenses for administration of all activities, including membership, and maintenance of records	<u>2,787,889.56</u>	<u>2,667,740.18</u>
Total	<u>6,582,026.90</u>	<u>5,743,004.19</u>
EXCESS OF CONTRIBUTIONS AND REVENUE OVER SERVICE COSTS AND EXPENSES	<u>\$ 6,021,063.65</u>	<u>\$ 5,639,404.47</u>

The notes on pages 18 to 20 are an integral part of this statement.

EXHIBIT C

DISABLED AMERICAN VETERANS  
NATIONAL HEADQUARTERS

STATEMENT OF CHANGES IN OPERATING FUND

BALANCE FOR THE YEARS ENDED DECEMBER 31, 1972 AND 1971

	<u>1972</u>	<u>1971</u>
OPERATING FUND CONTRIBUTIONS AND REVENUE (exhibit B)	\$12,603,090.55	\$11,382,408.66
OPERATING FUND SERVICE COSTS AND EXPENSES (exhibit B)	<u>6,582,026.90</u>	<u>5,743,004.19</u>
EXCESS OF CONTRIBUTIONS AND REVENUE OVER SERVICE COSTS AND EXPENSES (exhibit B)	6,021,063.65	5,639,404.47
FUND BALANCE, JANUARY 1	13,668,692.06	8,088,207.59
APPROPRIATIONS TO:		
Scholarship Fund (exhibit D)	-500,000.00	-
Disaster Fund (exhibit D)	<u>-500,000.00</u>	<u>-</u>
Total	<u>18,689,755.71</u>	<u>13,727,612.06</u>
DEDUCT:		
Funding of retirement plan past service liability (note 7)	930,000.00	-
Grant to Boy Scouts of America	35,935.00	33,920.00
Grant to Audie L. Murphy Memorial Foundation	25,000.00	-
Grant to World Veterans Federation	<u>-</u>	<u>25,000.00</u>
Total deductions	<u>990,935.00</u>	<u>58,920.00</u>
FUND BALANCE, DECEMBER 31	<u>\$17,698,820.71</u>	<u>\$13,668,692.06</u>

The notes on pages 18 to 20 are an integral part of this statement.

## DISABLED AMERICAN VETERANS

## NATIONAL HEADQUARTERS

## STATEMENT OF CHANGES IN SPECIAL-PURPOSE FUNDS BALANCES

FOR THE YEARS ENDED DECEMBER 31, 1972 AND 1971

	<u>Scholarship Fund</u>		<u>Disaster Fund</u>	
	<u>1972</u>	<u>1971</u>	<u>1972</u>	<u>1971</u>
FUND BALANCE, JANUARY 1	\$340,138.00	\$391,768.00	\$ 37,933.83	\$37,933.83
ADD:				
Appropriations from Operating Fund to:				
Scholarship Fund	500,000.00	-	-	-
Disaster Fund	-	-	500,000.00	-
Total	<u>840,138.00</u>	<u>391,768.00</u>	<u>537,933.83</u>	<u>37,933.83</u>
DEDUCT:				
Disbursements for scholarship and disaster relief	<u>80,090.00</u>	<u>51,630.00</u>	<u>105,183.06</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$760,048.00</u>	<u>\$340,138.00</u>	<u>\$432,750.77</u>	<u>\$37,933.83</u>

The notes on pages 18 to 20 are an integral part of this statement.

## DISABLED AMERICAN VETERANS

## NATIONAL HEADQUARTERS

## STATEMENT OF CHANGES IN FINANCIAL POSITION

## OPERATING AND SPECIAL-PURPOSE FUNDS

FOR THE YEARS ENDED DECEMBER 31, 1972 AND 1971

	<u>1972</u>	<u>1971</u>
SOURCE OF FUNDS:		
Contributions and revenue	\$12,603,090.55	\$11,382,408.66
Item not requiring outlay of funds-- depreciation of buildings and equipment	268,865.81	256,204.23
Decrease or increase (-) in accounts receivable	65,665.25	-89,239.86
Increase in dues, service fees col- lected in advance, etc.	45,137.05	31,525.49
Increase in accounts payable and accrued liabilities	<u>700,065.03</u>	<u>27,481.46</u>
Total	<u>13,682,823.69</u>	<u>11,608,379.98</u>
USE OF FUNDS:		
Service costs and expenses	6,582,026.90	5,743,004.19
Investment in U.S. Government securities--net	2,787,204.41	3,684,087.54
Investment in other securities--net	2,276,628.28	1,303,735.00
Funding of retirement plan past service liability (note 7)	930,000.00	-
Increase in materials and supplies	547,967.29	517,039.08
Land improvements and purchase of equipment--net	145,463.21	239,683.26
Disbursements for scholarships and disaster relief	185,273.06	51,630.00
Increase in prepaid expenses	39,162.10	42,960.08
Grant to Boy Scouts of America	35,935.00	33,920.00
Grant to Audie L. Murphy Memorial Foundation	25,000.00	-
Grant to World Veterans Federation	<u>-</u>	<u>25,000.00</u>
Total	<u>13,554,660.25</u>	<u>11,641,059.15</u>
INCREASE OR DECREASE (-) IN CASH FOR THE YEAR	128,163.44	-32,679.17
CASH BALANCE:		
January 1	<u>422,100.40</u>	<u>454,779.57</u>
December 31	<u>\$ 550,263.84</u>	<u>\$ 422,100.40</u>

The notes on pages 18 to 20 are an integral part of this statement.

DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

BALANCE SHEET, DECEMBER 31, 1972 AND 1971

A S S E T S

	<u>1972</u>	<u>1971</u>
<b>LIFE MEMBERSHIP FUND:</b>		
Current assets:		
Cash	\$ 78,554.83	\$ 60,745.73
Accrued interest and dividends receivable	<u>35,407.54</u>	<u>29,307.23</u>
Total current assets	<u>113,962.37</u>	<u>90,052.96</u>
Investments--at cost:		
Corporation stocks (approximate market value: 1972, \$6,088,000; 1971, \$5,453,000)	5,518,375.68	5,305,581.44
U.S. Government securities (approximates market)	2,293,225.68	1,781,138.84
Corporation bonds (approximate market value: 1972, \$491,175; 1971, \$678,000)	439,562.50	643,418.49
Uninvested cash (with investment counsel)	<u>301,771.53</u>	<u>24,506.47</u>
Total investments	<u>8,552,935.39</u>	<u>7,754,645.24</u>
Total Life Membership Fund assets	<u>\$8,666,897.76</u>	<u>\$7,844,698.20</u>

The notes on pages 18 to 20 are an integral part of this statement.

LIABILITIES AND  
FUND BALANCES

	<u>1972</u>	<u>1971</u>
LIFE MEMBERSHIP FUND:		
Current liabilities, accounts payable	\$ 8,484.52	\$ 9,550.27
Fund balance (exhibit G)	<u>8,658,413.24</u>	<u>7,835,147.93</u>
Total Life Membership Fund liabilities and fund balance	<u>\$8,666,897.76</u>	<u>\$7,844,698.20</u>

EXHIBIT G

DISABLED AMERICAN VETERANS  
NATIONAL HEADQUARTERS

STATEMENT OF CHANGES IN LIFE MEMBERSHIP FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1972 AND

FOR THE 6 MONTHS ENDED DECEMBER 31, 1971

	<u>1972</u>	Six months ended December 31, <u>1971</u>
ADDITIONS TO FUND (note 2):		
Life membership fees	\$1,150,445.25	\$ 668,059.26
Dividends	160,785.52	61,908.05
Interest:		
United States Government securities	51,372.01	31,760.80
Corporation bonds	32,672.56	29,756.54
Other	6,913.02	4,028.34
Gain from sales of securities--net	<u>200,533.95</u>	<u>8,241.58</u>
Total	1,602,722.31	803,754.57
DEDUCTIONS FROM FUND:		
Distributions to:		
National Headquarters:		
Service fees	298,376.00	267,181.00
Per Capita tax	149,180.00	133,628.00
Chapters	217,944.00	194,994.00
Departments	<u>113,957.00</u>	<u>102,875.25</u>
Total	<u>779,457.00</u>	<u>698,678.25</u>
INCREASE IN FUND DURING THE PERIOD	823,265.31	105,076.32
FUND BALANCE, BEGINNING OF PERIOD	<u>7,835,147.93</u>	<u>7,730,071.61</u>
FUND BALANCE, END OF PERIOD	<u>\$8,658,413.24</u>	<u>\$7,835,147.93</u>
SOURCE OF FUND BALANCE:		
Membership fees, less annual distribu-		
tions to National Headquarters,		
Chapters and Departments	\$4,732,585.99	\$4,361,597.74
Interest	2,350,575.90	2,269,183.06
Gain from sales of securities--net	807,545.00	604,359.32
Dividends	724,914.50	564,128.98
Other	<u>42,791.85</u>	<u>35,878.83</u>
Total	<u>\$8,658,413.24</u>	<u>\$7,835,147.93</u>

The notes on pages 18 to 20 are an integral part of this statement.

## DISABLED AMERICAN VETERANS SERVICE FOUNDATION

## BALANCE SHEET, DECEMBER 31, 1972 AND 1971

	<u>1972</u>	<u>1971</u>
A S S E T S		
CASH:		
Checking account	\$ 11,222.95	\$ 17,153.99
Savings accounts and invest- ment certificates	383,255.83	363,422.93
DIVIDENDS RECEIVABLE	-	124.50
INVESTMENTS--at cost (approximate market value: 1972, \$55,431; 1971, \$48,850)	<u>51,616.44</u>	<u>51,616.44</u>
Total	<u>\$446,095.22</u>	<u>\$432,317.86</u>
F U N D S I N T R U S T		
GENERAL TRUST ACCOUNT	\$143,573.73	\$147,948.76
NATIONAL D. A. V. SPECIAL RE- SERVE FUND	-	22,400.00
SPECIAL TRUST ACCOUNTS:		
Perpetual Rehab Funds and Permanent Reserve Fund	268,469.96	232,958.22
The National Order of Trench Rats, D. A. V. Legislative Program	<u>34,051.53</u>	<u>29,010.88</u>
Total	<u>\$446,095.22</u>	<u>\$432,317.86</u>

DISABLED AMERICAN VETERANS SERVICE FOUNDATION

STATEMENT OF FUNDS IN TRUST

FOR THE YEAR ENDED DECEMBER 31, 1972

	<u>Total</u>
FUNDS IN TRUST, JANUARY 1, 1972	\$432,317.86
ADDITIONS:	
Contributions	36,011.74
Interest on savings deposits	22,803.89
Dividends on investments	1,187.10
Transfers from the General Trust Account (note)	<u>-</u>
Total	<u>492,320.59</u>
DEDUCTIONS:	
Payments to National DAV	<u>32,632.00</u>
General Expenses:	
Board of Trustees:	
Services	300.00
Travel and expenses	5,283.15
Salaries	884.00
Stenographic services	3,728.75
Professional, legal, and accounting services	1,408.15
Telephone and telegraph	373.97
Printing, postage, and supplies	1,270.73
Other expenses	<u>344.62</u>
Total	<u>13,593.37</u>
FUNDS IN TRUST, DECEMBER 31, 1972	<u>\$446,095.22</u>

<u>General Trust Account</u>	National D. A. V. Special Reserve <u>Fund</u>	<u>Special trust accounts</u>	
		Perpetual Rehab Funds and Permanent Reserve <u>Fund</u>	The National Order of Trench Rats, D. A. V. Legislative <u>Program</u>
\$147,948.76	\$22,400.00	\$232,958.22	\$29,010.88
10,000.00	-	22,711.74	3,300.00
20,615.24	448.00	-	1,740.65
1,187.10	-	-	-
<u>-12,800.00</u>	<u>-</u>	<u>12,800.00</u>	<u>-</u>
<u>166,951.10</u>	<u>22,848.00</u>	<u>268,469.96</u>	<u>34,051.53</u>
<u>9,784.00</u>	<u>22,848.00</u>		
300.00			
5,283.15			
884.00			
3,728.75			
1,408.15			
373.97			
1,270.73			
<u>344.62</u>			
<u>13,593.37</u>			
<u>\$143,573.73</u>		<u>\$268,469.96</u>	<u>\$34,051.53</u>

Note: Between July 1, 1969, and December 31, 1971, \$12,800 was transferred from the Special Trust Account (Perpetual Rehab Funds and Permanent Reserve Fund) to the National D. A. V. Special Reserve Fund. Since the transfers represented allocations of earnings which had been reported as additions to the General Trust Account, such transfers should have been from the General Trust Account. This transfer corrects the previous recording.

DISABLED AMERICAN VETERANS

NATIONAL HEADQUARTERS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1972 AND 1971

1. The financial statements of Disabled American Veterans (DAV) have been prepared on the basis of the following accounting policies.

Leased property

Property leased to others is accounted for under the operating method of accounting for lease transactions and has been segregated from other fixed assets in the balance sheet.

Inventories

Materials and supplies inventories are stated at the lower of cost (principally on the first-in-first-out basis) or market.

Investment gains and losses

Investments in corporate bonds and stocks are recorded at cost or at market value when donated. Gains and losses resulting from the sale of such securities are realized under the average cost method.

Depreciation and amortization

Depreciation and amortization are computed over the estimated useful lives of assets, which range from 3 to 50 years, using the straight-line method. They amounted to \$268,866 for 1972 and \$256,204 for 1971.

2. Effective December 31, 1971, the annual accounting period for the Life Membership Fund was changed from that of a fiscal year ended June 30 to that of a calendar year ended December 31, to conform to the accounting period of all other funds administered by

DAV National Headquarters. Therefore the accompanying statement of changes in Life Membership Fund balance reflects the changes in such fund for the 6 months ended December 31, 1971, and for the year ended December 31, 1972. Additions to the Life Membership Fund for the 6 months ended December 31, 1971, are limited to the 6-month period, whereas deductions represent membership distributions for the membership fiscal year ended June 30, 1972. Deductions in 1972 represent membership distributions for the membership fiscal year ended June 30, 1973.

3. In 1970 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; the remainder of the grant is to be paid in annual installments increasing in amount from \$33,920 in 1971 to \$47,371 in 1976, the year of the final grant payment. The unpaid part of the grant at December 31, 1972, of \$170,528 is not reflected in the accompanying financial statements since the unpaid part of the grant is revocable at any time at the discretion of DAV.
4. DAV is involved in various matters of litigation. Legal counsel has advised DAV that it has meritorious defenses and that DAV's ultimate liability, if any, will not be significant.
5. The balance sheet does not include the net assets of the Disabled American Veterans Service Foundation which are held in trust by the foundation and which are available to national headquarters only by appropriation or dissolution of the foundation. Based upon audited financial statements, net assets of the foundation were approximately \$446,000 and \$430,000 at December 31, 1972 and 1971, respectively.
6. DAV leases office space in Washington, D.C., under an agreement expiring in 1978 which provides for annual rents of approximately \$27,000.
7. On March 15, 1972, DAV adopted a revised retirement plan not requiring contributions by its employees. After the effective date of the revised retirement plan, which covers all employees, past service liability

was completely funded through DAV's payment into the plan of \$930,000. Under generally accepted accounting principles, past service liability is amortized over a minimum period of 10 years; however, the payment of the past service liability is reflected in the financial statements as a single, nonrecurring charge to the operating fund.

The total retirement plan cost for the year, including funding of the past service cost and normal cost, was \$1,446,107.

8. For comparative purposes, certain 1971 items have been reclassified to conform with 1972 classifications.
9. Before December 31, 1972, DAV entered into commitments of approximately \$321,000 for the purchase and restoration of property.
10. As of April 30, 1973, the cost of investments in corporate securities of the General Fund and Life Membership Fund were approximately \$5,627,000 and \$6,708,000, respectively. The market value of these investments at that date was approximately \$5,215,000 for the General Fund and \$6,296,000 for the Life Membership Fund.

SCHEDULES

## DISABLED AMERICAN VETERANS

## NATIONAL HEADQUARTERS

CONTRIBUTIONS AND REVENUE RECEIVED FROM DIRECT MAIL  
SOLICITATIONS, ETC., AND RELATED DIRECT COSTS AND EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 1972 AND 1971

	<u>1972</u>	<u>1971</u>
CONTRIBUTIONS AND REVENUE RECEIVED:		
Direct mail solicitations	\$20,975,309.82	\$18,042,729.49
Other revenue	<u>1,499,249.75</u>	<u>1,068,864.97</u>
Total contributions and revenue received	<u>22,474,559.57</u>	<u>19,111,594.46</u>
DIRECT COSTS AND EXPENSES:		
Cost of solicitation mailings (materials and postage)	5,591,863.27	4,005,495.18
Cost of premiums (materials and postage)	3,021,705.94	2,574,779.38
Salaries and wages	1,916,251.10	1,727,095.39
Employees' welfare--hospital care, group insurance, retirement plan, etc.	357,351.54	183,723.88
Commissions	280,200.62	168,454.57
Payroll taxes	153,152.07	132,181.44
Postage due	132,374.27	133,033.57
Supplies	120,456.50	90,741.34
Heat, light, power, and water	94,804.24	79,185.38
Depreciation and amortization	91,911.65	81,613.04
Maintenance and repairs	61,157.64	50,457.36
Express and hauling	28,201.49	23,583.23
Security service	24,058.94	23,324.26
Rental of equipment	10,228.17	7,024.79
Laundry	8,429.65	8,329.65
Insurance	7,039.67	5,790.82
Telephone and telegraph	3,392.06	3,392.15
Travel	1,316.92	1,983.93
Other	<u>14,652.85</u>	<u>7,831.49</u>
Total	11,918,548.59	9,308,020.85
Less increase in labor and overhead costs in inventory	<u>8,914.79</u>	<u>67,881.38</u>
Total direct costs and expenses	<u>11,909,633.80</u>	<u>9,240,139.47</u>
EXCESS OF CONTRIBUTIONS AND REVENUE RECEIVED FROM DIRECT MAIL SOLICITATIONS, ETC., OVER RELATED DIRECT COSTS AND EXPENSES	<u>\$10,564,925.77</u>	<u>\$ 9,871,454.99</u>

SCHEDULE 2

DISABLED AMERICAN VETERANS  
NATIONAL HEADQUARTERS

SERVICE COSTS AND EXPENSES--NET  
FOR THE YEARS ENDED DECEMBER 31, 1972 AND 1971

	<u>1972</u>	<u>1971</u>
FREE SERVICE TO ALL VETERANS AND DEPENDENTS-- maintenance of staff of attorneys in fact (national service officers) in all Veterans Administration offices:		
Salaries:		
Attorneys in fact (service officers)	\$1,848,343.89	\$1,595,181.02
Assistants and stenographers for attorneys in fact	454,210.03	399,637.42
Legislative director, assistants, and stenographers	<u>111,541.86</u>	<u>94,532.63</u>
Total	2,414,095.78	2,089,351.07
Employees' welfare--hospital care, group insurance, retirement plan, etc.	413,452.75	226,650.53
Expenses of national convention	189,338.57	103,569.15
Expenses of National Commander and staff	144,314.65	115,692.03
Payroll taxes	120,115.09	92,388.56
Travel expenses	66,215.58	47,578.36
Postage, printing, and stationery	34,384.64	36,233.66
Rental of space and equipment	23,968.07	25,938.66
Supplies	23,234.65	20,568.82
Moving expense	22,718.27	12,486.97
Depreciation and amortization	11,232.22	8,376.83
Expenses of national officials at state conventions	10,647.94	3,763.65
Insurance	9,702.42	5,244.28
Telephone and telegraph	5,580.68	4,781.71
Maintenance and repairs	1,675.66	1,483.04
Express and hauling	1,357.49	1,084.49
Outside service--labor	947.67	1,683.14
Property taxes	908.52	916.78
Agency service fees	-	1,200.93
Other	<u>3,341.78</u>	<u>2,259.64</u>
Total	<u>3,497,232.43</u>	<u>2,801,252.30</u>

SCHEDULE 2

	<u>1972</u>	<u>1971</u>
SPECIAL SERVICE TO MEMBERS--publication of DAV monthly magazine:		
Printing and mailing magazine	\$ 397,518.08	\$ 352,381.28
Advertising agency commissions	30,929.86	24,424.89
Salaries	14,704.11	12,597.22
Press-clipping service	2,800.00	3,040.00
Payroll taxes	499.80	378.55
Other	<u>3,864.48</u>	<u>2,808.59</u>
Total	450,316.33	395,630.53
Less advertising and subscription revenue	<u>179,920.55</u>	<u>143,889.61</u>
Total	<u>270,395.78</u>	<u>251,740.92</u>
FREE SERVICE TO MOTORISTS--cost of lost-key returns and special orders:		
Salaries	15,953.19	15,727.88
Searches	8,781.53	6,796.55
Postage	6,855.18	4,727.07
Employees' welfare--hospital care, group insurance, retirement plan, etc.	3,933.44	2,154.78
Supplies	1,621.39	1,938.92
Payroll taxes	1,134.53	1,027.52
Other	<u>1,338.63</u>	<u>849.58</u>
Total	39,617.89	33,222.30
Less contributions received from free service	<u>13,108.76</u>	<u>10,951.51</u>
Total	<u>26,509.13</u>	<u>22,270.79</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	1,360,407.78	1,283,465.16
Equipment rental	382,355.65	356,801.28
Employees' welfare--hospital care, group insurance, retirement plan, etc.	222,963.96	130,242.85
Supplies	185,535.74	229,003.23
Professional fees	101,401.41	90,497.20
Agency service fees and public relations	87,755.36	62,862.61
Payroll taxes	81,047.08	70,170.04
Travel	79,576.90	75,865.93
Postage, printing, and stationery	73,295.56	143,906.19
Depreciation and amortization	48,314.30	51,070.22
Insurance	34,898.15	31,800.48
Telephone and telegraph	27,615.13	26,946.10
Awards and trophies	24,699.56	33,920.08
Security service	24,058.94	23,404.24
Express and hauling	12,524.05	9,806.67
Dues and subscriptions	10,199.57	13,338.50
Maintenance and repairs	10,097.39	6,870.34
Other	<u>21,143.03</u>	<u>27,769.06</u>
Total	2,787,889.56	2,667,740.18
Total	<u>\$6,582,026.90</u>	<u>\$5,743,004.19</u>

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