

Annual Report 2009



30 years



 Operation USA
give and it gets there

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Dear Friends,

Thirty years ago, quite unexpectedly, I found myself moved to act in response to shocking images of refugees coming out of Vietnam. I had no idea that the resulting airlift of medical supplies would comprise the core of my life's work.

This has been quite an adventure—and one that would not have been possible without the tremendous support of a legion of donors, both large and small, one-time and ongoing. I give thanks to all of you and hope you take equal pride with us here at Operation USA for the valuable work we have achieved in these thirty years.

We began celebrating our 30th year with a dinner co-hosted by our longtime board member and supporter, Julie Andrews, at the Los Angeles home of Betty and Stanley Sheinbaum. Looking back at projects spanning 99 countries made for quite a celebration. People who have known us for most of our three decades made a special effort that night to support our work.

Today, we find ourselves facing new challenges both here at home and around the world. It is clear that the work of an agency that grew from one simple act of compassion is needed now more than ever. While we certainly wish that such needs could have diminished, we are ready to bring the lessons of these past thirty years to the decades ahead—bolstered by knowing that we have you by our side.

Sincerely,

Richard M. Walden
President & CEO



Vietnam, 1982



“Operation USA is the little ship that gets in the harbor where the big ships cannot go.”

Dame Julie Andrews
Board of Directors, Operation USA

Operation USA helps communities alleviate the effects of disasters, disease and endemic poverty throughout the world by providing privately-funded relief, reconstruction and development aid. We provide material and financial assistance to grassroots organizations that promote sustainable development, leadership and capacity building, income generating activities, education and health services, and advocate on behalf of vulnerable people. Learn more at www.opusa.org.



RELIEF DONE RIGHT
30 YEARS
99 COUNTRIES

\$350 MILLION IN AID DELIVERED

3617 Hayden Avenue, Suite A
Culver City, CA 90232
t. 310.838.3455 • 800.678.7255 f. 310.838.3477
Federal Tax I.D. #95-3504080

BEYOND POLITICS

Operation USA is committed to operating 100% free of government funding.

The agency was founded to bring aid to where it is most needed—politics aside. Government restrictions make it extremely difficult for relief agencies to work in a number of countries—yet there is an increasing need for humanitarian aid.

MYANMAR

As the year began, it became clear that more aid was still needed in the wake of last year's Cyclone Nargis in Myanmar (formerly Burma) where the restrictive political climate often proves difficult for outside agencies. Drawing on contacts from decades of work in the region, a grant was made to the local NGO Emergency Assistance Team Burma—which works on and across the Thai-Burmese border—ensuring essential aid would reach those in need.

CUBA

Operation USA has a long history in Cuba and works to keep U.S. licenses to ship to partners there, as well as for travel to monitor those projects. Not all of our requests are granted—the State Department's Cuba Desk recommended dropping our longest hospital partner from our Commerce Department license this year. We were able to reverse the State Department recommendation, and continue our work with Havana's three main pediatric hospitals. After 50 years of economic blockade, we hope and expect that U.S. policy towards Cuba will soon emphasize interchange, aid, trade and tourism as being in both countries' interest.

SRI LANKA

2009 saw an end to three decades of civil war in Sri Lanka. This conflict has left 300,000 civilians internally displaced—and created a raging debate over the fate of the Tamil people. Politics and ethnic hostility continue as stumbling blocks to providing much-needed aid.

In spite of frequent challenges and additional damage brought by the conflict, a number of post-Tsunami projects continue. Operation USA funded the Visions Learning Center, serving underprivileged youth from districts across the island. In partnership with Sri Lanka's Consortium of Humanitarian Agencies, Operation USA completed work on a large-scale water and sanitation project in Kallady, the site of Operation USA's largest Tsunami relief project. OpUSA remains committed to this long-term recovery effort.



DISASTER RELIEF

The core of our mission is providing the most essential of aid in situations of the most extreme need.

A MASSIVE EARTHQUAKE STRIKES CHINA

On May 12, 2008, a magnitude 7.9 earthquake hit China's Sichuan province. More than 70,000 people lost their lives in what was the worst disaster in China's recent history. Among the fatalities were more than 9,000 children and their teachers, who died when thousands of inadequately constructed school buildings collapsed. After surveying the damage first hand, Operation USA partnered with Honeywell Hometown Solutions, the philanthropic arm of Honeywell Corporation, to reconstruct a primary school near Chengdu.

A ribbon-cutting for the "Honeywell Villages United Primary School" was held just after the one-year anniversary of the quake. The new school now serves seven villages offering nursery, pre-school and primary education to 350 children. Honeywell technology was used throughout the school, ensuring the highest levels of safety and security. Also built to be energy-saving and green, the school establishes a new model for rural China.

HURRICANES GUSTAV & IKE HIT HAITI, CUBA AND THE U.S. GULF COAST

September 2008. A succession of hurricanes leaves widespread physical damage, power outages and flooding across Haiti, the Dominican Republic, Jamaica and Cuba—along with Louisiana, Mississippi and Texas. The storms claimed hundreds of lives and left essential infrastructure in tatters. Arriving on the heels of a deepening food crisis in Haiti, the hurricanes escalated an already dire situation, raising the levels of disease and malnutrition.

Operation USA's response began immediately with a shipment of vital medications to community health clinics in Mississippi and Louisiana. Water purification tablets, medical supplies and critically needed food and nutritional aid were sent to partner agencies in Cuba and Haiti, including pediatric hospitals in Pinar Del Rio and Havana. The construction of a



feeding center was the beginning of a long-term project in Haiti with partner L'Athletique du Haiti.

EXTREME STORMS—INDIA AND THE UNITED STATES

The year was marked by severe storms, which brought widespread flooding around the world. In Bihar, India, the late summer Koshi River floods destroyed homes and livelihoods in largely agricultural areas. Operation USA partnered with local NGO Seeds to reconstruct a vocational training center to bring new livelihood opportunities to those who lost so much.

The summer then brought rainstorms to the Midwest, causing some of the worst flooding in over a decade. The floods took the lives of 24 people, displaced tens of thousands and destroyed millions of acres of crops. Operation USA coordinated with the National Association of Community Health Care Centers and state and local officials to deliver emergency medical, shelter and nutritional supplies to the thousands affected by the storms. Additionally, OpUSA made a series of grants to small family farmers left with no crops to harvest.

EARTHQUAKE RECOVERY IN PAKISTAN

Operation USA continues to support the building of a rural primary health clinic and a health outreach program in Maldhera, Pakistan—one of the areas hardest hit by the massive earthquake in 2005. This expands the project from an initial purchase of an ambulance, which provides this very remote community the ability to transport urgent cases to larger hospitals.

KEEPING CLOSE TO HOME

For the third consecutive year, Operation USA did nearly 50% of its work here in the USA.

COMMUNITY CLINICS PROGRAM EXPANDS

Operation USA's Clinics Supply Program provides, on average, more than \$5 million worth of materials each year. Partnering with manufacturers, distributors, wholesalers and hospitals, donated products are shipped directly to clinics based on their assessed needs.

Nonprofit community clinics provide healthcare to all people, regardless of their ability to pay. Today, the demand for their services is rapidly increasing

just as their funding is decreasing. For over 27 years, Operation USA has provided supplies, equipment and medicines—free of charge—to community clinics and health centers throughout California. Since Hurricane Katrina, this program model has been expanded to meet new needs—and now provides supplies throughout the U.S. Gulf Coast.

DISASTER CACHE CREATED

2009 saw the creation of Operation USA's Regional Preparedness Program which pairs disaster response protocols with a large cache of emergency supplies. Staged in our Port of Los Angeles warehouse, this disaster cache of emergency medical, shelter and infrastructure supplies—including generators donated by Mitsubishi Heavy Industries America—is now ready for immediate deployment in the face of a disaster in Los Angeles, or beyond.

BUILDING NEW FUTURES

The effects of man-made and natural disasters are not limited by time.

Years after a disaster has occurred, communities are still in need of assistance. Dedicated to rebuilding, Operation USA stays in the field long after many other relief agencies leave.

SANTA ROSA, NICARAGUA

It is a decade now since Hurricane Mitch ravaged this small rural village in the north of Nicaragua. 2009 saw a continued investment in a strong future here with the renovation of the village library and children's reading room, along with the awarding of a new round of scholarships. A children's feeding program has been funded in tandem with the opening of a new cafeteria.

CAMBODIA & VIETNAM

For over 30 years, Operation USA has maintained an active presence in Southeast Asia that began with the shipment of medical and relief supplies to the Vietnamese 'boat people' in 1979. We continue to assist the poorest of the poor in the region. This past year, Operation USA made grants to local partners in both Cambodia and Vietnam. Programs focus on vocational training and counseling for women and children living with HIV/AIDS; health and hygiene services; and microcredit loans, health care and vocational training for those living on less than \$100 year.

NEW ORLEANS

In post-Katrina New Orleans, the water has subsided—but the rebuilding process most certainly continues. While these past years have been difficult for all, the burden on the city's children has been particularly painful. Operation USA has continued to invest in their future, funding The Awesome Girls Mentoring Program and The Children's Bureau of New Orleans—two specialized programs that are designed to bring stability, safety, nurturing and mental health services to at-risk children.

ZAMBIA

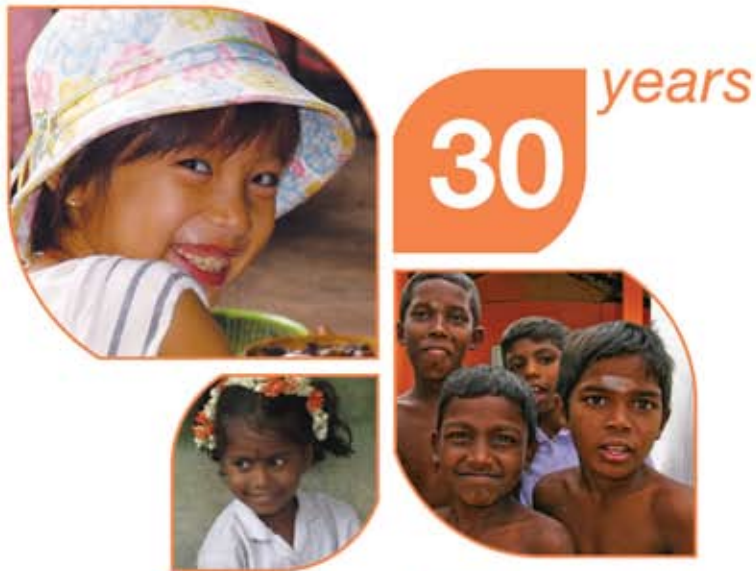
Operation USA prides itself on making the biggest impact possible with the minimum spent. A terrific example of this is a \$5,000 grant which provided health education and services to 19,000 refugees at Kala Camp, Zambia, promoting lifelong healthy living practices, disease prevention, HIV/AIDS awareness, hygiene, maternal and child health and family planning. To further maximize a positive health impact, 19,000 donated Vitamin A capsules were provided for lactating mothers and children—a simple yet enormously effective way to prevent childhood blindness.



Operation USA (aka Operation California, Inc.)

Balance Sheet June 30, 2009

(with comparative totals for 2008)



Annual Report 2009
Finances, Donors & Shipping Report

 **Operation USA**
give and it gets there

| ASSETS | 2009 | 2008 |
|---|------------------|------------------|
| Current Assets | | |
| Cash | \$1,456,972 | \$883,355 |
| Investment (Note E) | 896,486 | 2,642,714 |
| Inventory (Note A) | 3,303,454 | 3,592,454 |
| Prepaid Expenses | 9,921 | 19,683 |
| Total Current Assets | 5,666,833 | 7,138,206 |
| Equipment (Note A) | | |
| Office Furniture and Equipment | 43,331 | 43,331 |
| Computer Equipment | 92,643 | 87,378 |
| Leasehold Improvement | 8,202 | 8,202 |
| Other Equipment & Supplies | 337,318 | - |
| Less: Accumulated Depreciation | (86,532) | (63,074) |
| | 394,962 | 75,837 |
| Other Assets | | |
| Security Deposits | 8,100 | 8,100 |
| Total Assets | 6,069,895 | 7,222,143 |
| LIABILITIES & NET ASSETS | 2009 | 2008 |
| Current Liabilities | | |
| Accounts payable | \$1,085 | \$187 |
| Total Current Liabilities | 1,085 | 187 |
| Net Assets | | |
| Unrestricted | 3,850,586 | 4,982,043 |
| Temporarily Restricted | 2,218,224 | 2,239,913 |
| Total Net Assets | 6,068,810 | 7,221,956 |
| Total Liabilities and Net Assets | 6,069,895 | 7,222,143 |

A complete audited financial statement is available upon request.
Operation USA is a d.b.a. of Operation California, Inc.

Operation USA

Statement of Activities

Balances For the Year Ending June 30, 2009 (with comparative totals for 2008)

| | 2009 | | | 2008 |
|--------------------------------------|-------------------|------------------------|-------------------|-------------------|
| | Unrestricted | Temporarily Restricted | Total | Total |
| SUPPORT & REVENUE | | | | |
| Support | | | | |
| Contributions - Individuals | \$339,993 | \$156,034 | \$496,027 | \$622,592 |
| Contributions - Organizations | 179,203 | 963,318 | 1,142,521 | 2,277,154 |
| Total Support | 519,196 | 1,119,352 | 1,638,548 | 2,899,746 |
| In-Kind Donations (Note A) | 12,431,164 | - | 12,431,164 | 19,366,858 |
| Revenue | | | | |
| Revenue - Interest | 46,939 | - | 46,939 | 126,373 |
| Revenue - Other | - | - | - | - |
| Unrealized Gain (Loss) on Investment | 41,252 | - | 41,252 | (32,746) |
| Total Revenue | 88,191 | - | 88,191 | 93,627 |
| Total Support and Revenue | 13,038,551 | 1,119,352 | 14,157,903 | 22,360,231 |
| EXPENSES | | | | |
| Program | 873,480 | 1,141,041 | 2,014,521 | 2,427,559 |
| Administrative | 448,099 | - | 448,099 | 262,996 |
| Fund Raising | 128,265 | - | 128,265 | 145,412 |
| In-Kind Contributions (Note A) | 12,720,164 | - | 12,720,164 | 17,065,092 |
| Total Expenses | 14,170,008 | 1,141,041 | 15,311,049 | 19,901,059 |
| Increase (Decrease) in Net Assets | (1,131,457) | (21,689) | (1,153,146) | 2,459,172 |
| Net Assets, Beginning of Year | 4,982,043 | 2,239,913 | 7,221,956 | 4,762,784 |
| Net Assets, End of Year | 3,850,586 | 2,218,224 | 6,068,810 | 7,221,956 |

Note: These figures and all activities described in this report cover Operation USA's fiscal year, July 1, 2008 to June 30, 2009.

MATERIAL AID PROCUREMENT & SHIPPING



Even in this current economic climate, our corporate donors, agency partners and individuals have generously supported Operation USA's material aid program, helping us to deliver critically needed medical, pharmaceutical, nutritional and shelter/disaster supplies and equipment around the world.

The value of all corporate and individual product donations of medications, medical supplies and equipment, disaster and shelter goods for the year 2008-2009 is \$12,431,164.

A total of 297 shipments were sent this year. They ranged from hand-carried international relief packs, to deliveries to nonprofit clinics in four states in the USA, to sea and air shipments throughout the world.

Operation USA and its cooperating agencies delivered aid to 45 foreign countries including: Afghanistan, Armenia, Aruba, Barbados, Brazil, Cambodia, Chad, Cuba, D.R. Congo, Dominican Republic, Ecuador, El Salvador, Ethiopia, Georgia, Ghana, Guatemala, Guyana, Haiti, Honduras, India, Kenya, Malawi, Mali, Mexico, Moldova, Morocco, Myanmar (Burma), Nicaragua, Niger, Nigeria, Pakistan, Panama, Peru, The Philippines, Russia, Sierra Leone, Sri Lanka, Sudan, Swaziland, Thailand, Uganda, Vietnam, West Bank/Gaza, Zambia and Zimbabwe.

We are pleased to welcome new pharmaceutical donors this year. Apotex Corporation provided significant support to our national emergency response and international programs. The Harvard Drug Group joins the ranks of our prescription medication donors. We also celebrate 25 years of continuing support from donors Kaiser Permanente and Cardinal Health; as well as significant donations from Dava Pharmaceuticals, and partner agencies World Vision, Heart to Heart International, Globus Relief and Giving Children Hope.



Learn more at www.opusa.org



MAJOR CONTRIBUTORS

Operation USA is grateful to the donors who have sustained our organization throughout our 30-year history. We take this opportunity to acknowledge those individuals, foundations, corporations and organizations who provided essential support in the last year.

INDIVIDUALS

(Donations of \$1000 or more)

| | | |
|-------------------------------|----------------------------|---|
| Kirsti Aho | Hari Chandran | Clive Hollick |
| Claudia Ackley | David Colleran | Constance Hughes |
| Julie Andrews & Blake Edwards | Ry Cooder | Mary Jo Hurwitz |
| Carol & Parker Andrews | Eleanor Crook | Tasnim & Haamid Jaffer/ The Sulaimaniyah Trust |
| Dr. Karunyan Arul | Nicole David & Brian Braff | Rehan Jaffer |
| Joan Baez | Kimberly & John Emerson | Nancy & John Jenkins |
| Karen & David Bakken | Jonathan Estrin | Barbara Karl |
| A.E. Benjamin Jr. | Mary Estrin | Catherine Kimmel |
| Robin & Ed Berman | Shari & Richard Foos | Lori Knowles |
| Christopher Borchert | Campbell Forrester | Roger Kohn |
| Mary Jane Brinton | Jeff Franklin | Robert Kulus |
| Jackson Browne | Dr. Stanley Frileck | Bach Mai & Gary Larsen |
| Dave Brubaker | Irena Gernstein | Mark A. Kleiman |
| Andrew Budker | Anne Gibson | Thomas Lehrer |
| Leslie & Donald Burnet | Joel Greenwald | William Lehrer |
| Charles Byrne | Drew Hagen | Steve Levitan |
| Tara Carson | Shirley Harmison | Mike Madani |
| Martha & Tim Catlin | Ben Harper | Michael Mahdesian |
| | Maureen Haywood | Bill Maher |
| | Dr. Laurence Heifetz | Gary Margolis |
| | Michael Hemmelman | Kathleen McGrath |
| | Ethan Higbee | |



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JoAnne & Francis Mitchell
Maria Mohiuddin Verjee &
Tabreez Verjee
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Alberta Munoz
Helen D. Murphy
Maureen Murphy
Terri Murray
Richard E. Nicholson/
Westcliff Medical
Laboratories, Inc.
Susan E. Nugent
Lorraine Parmer/The
Parmer Family Fund
Robert Penner/ The Watch
Connection
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Eric Peterson
Emerson Piro
Richard Posey
Bonnie Raitt
Tristan Renz/TPR
Investments, L.P.
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C. Mertz
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Cameron MacKintosh, Inc.
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Cascade Designs
Dava Pharmaceuticals
Harvard Drug Group
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Lipscomb Entertainment
McKesson
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Merrill Lynch & Co.
Foundation, Inc.
Microsoft Giving Campaign
Mitsubishi Heavy Industries
America, Inc.
Moldex Metric
Murphy, Murphy &
Nugent, LLC
National Building
Contractors, Inc
Owens & Minor
PL Developments



Roll Giving
SCORE/American
Soccer Inc
Servicon Systems, Inc

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Adelman Foundation
Ayudar Foundation
Blue Shield of California
Foundation
Eli and Edythe Broad
Foundation
Burgundy Foundation
California Community
Foundation
California Healthcare
Foundation
Cole Foundation
Desert Community
Foundation
Ellison Family Foundation
FM Global Foundation
David Geffen Foundation
Grey Family Foundation
Honeywell Hometown
Solutions
Audrey & Sydney Irmis
Charitable Foundation
JKW Foundation
Robert & Kerry Morris
Charitable Foundation

Betty Byfield Paul
Foundation
Dorothy & Jonathan
Rintels Charitable
Foundation
Rosenthal Family
Foundation
Schrillo Family
Foundation
St. Joseph Health System
Foundation
Barbra Streisand Foundation
Summa Group Children's
Foundation
Trani Family Foundation

ORGANIZATIONS

The Actor's Gang
Christ's Center
Disaster Resource Network
ETINA, Environmentalism
Through Inspiration &
Nonviolent Action
Guacamole Fund
International Medical Health
Organization (IMHO)
Marlborough School
Network for Good
Port of Los Angeles
Commission
Port of San Francisco
Commission

South Orange County
Community College District
Associated Student Body
St. John Student Parish,
Catholic Student Organization
Vanguard Charitable
Endowment Program

PARTNERS

Operation USA is proud
to recognize the groups
we have worked with
this past year.

L'Athletique d'Haiti
American Nicaraguan Fund
Awesome Girls Mentoring
Program
Beacon House
Dr. Yeneneh Betru
Foundation
Brother's Brother
Foundation
California Primary Care
Association
Center for Rural Affairs
Center for Women's
Development and
Rehabilitation
Children's Bureau of New
Orleans
Coalition of Orange County
Community Clinics



Community Clinic
Association of Los
Angeles County

Consortium of
Humanitarian Agencies
(Sri Lanka)

Community Health Center
of Arkansas

Council of Community
Clinics

Cyclo Center (Cambodia)

Family Farm Defenders

Food for the Poor

Friendships

Giving Children Hope

Global Health Assistance
Program

Globus Relief

Haven House

Heart to Heart
International

Hindu Women's Society

Homeless Healthcare

Hoosier Organic Marketing

Hope Haven International
Ministries

Institute for Mental
Hygiene

International Organization
for Migration

International Relief Teams

Kingsway Charities

LA Mission

Liang Ping County Health
Bureau (China)

Louisiana Primary Care
Association

Mae Tao Clinic
(Thai-Burma border)

Mahldera Community
Trust (Pakistan)

Medshare International

Mexican Medical
Ministries

Midnight Mission

Ministry of Health,
Nicaragua

Mississippi Primary Health
Care Association

Missouri Rural Crisis
Center

Murshid Hospital and
Health Care Center
(Pakistan)

National Association
of Community Health
Centers

New Orleans Health
Department

Nicaraguan Children's
Fund

Nyemo (Cambodia)

Omeed Clinic (Pakistan)

Paiyagala Preschool
(Sri Lanka)

San Diego Council of
Community Clinics

San Francisco Community
Clinic Consortium

San Francisco Public
Health Department

Santa Rosa Unida
(Nicaragua)

Sarvodaya (Sri Lanka)

Sawed Trust (India)

Seeds (India)

Seenigama Nursery
School (Sri Lanka)

Sihanouk Hospital/Center
of Hope (Cambodia)

Social Services of
Cambodia

St. Thomas Community
Health Center

Texas Association of
Community Health
Centers

USP/Wheels for Humanity

United Armenian Fund

Vietnam Plus

Visions (Sri Lanka)

Vitamin Angels

Walden House

World Vision

YGRO (Sri Lanka)