Project Healing Waters Fly Fishing, Inc.
2011 Annual Report

“Just as a salmon run brings new life and rejuvenation to a river, rivers are bringing rejuvenation and recovery to Veterans all across the United States through Project Healing Waters.” — SFC, USA Special Forces

OUR MISSION IS STRAIGHTFORWARD: PROJECT HEALING WATERS FLY Fishing is dedicated to the physical and emotional rehabilitation of disabled active military service personnel and veterans through fly fishing and fly tying education and outings. We provide opportunities for participants to learn fly fishing, tying, casting and rod building with experienced volunteers in both the classroom setting and on the water. Ours is not an event-driven program. Our on-going classes have helped participants by providing an activity for their hands and their minds; the camaraderie that has developed among the participants, and between participants and volunteers, has been remarkable.

Project Healing Waters Fly Fishing, Inc. (PHWFF) is maturing as an organization and has witnessed impressive growth since its inception. The original program at Walter Reed Army Medical Center in 2005 has expanded to now include programs at 119 locations in 41 states after adding 26 new program in 2011, an increase of 28%. During the financial planning for 2012, it was apparent that our Regional Coordinators expect additional growth in 2012, and, as a result, our budget for next year reflects the expectation of continued expansion of programs in a $1.4M budget approved by the Board of Trustees.

Our organization, including the Board, staff, Regional Coordinators and Program Leads in the field, continue to be optimistic about our growth and the achievements that have sustained this growth. We are gratified that the work of Project Healing Waters Fly Fishing continues to find acceptance with participants, hospital staff and volunteers alike. The fact that we are receiving more unsolicited requests for program starts at VA medical centers and clinics is a reflection of the increasing awareness of and appreciation for our program and its benefits.

Though the economy remained tumultuous in 2011, the generosity of people and organizations ensured that the efforts of PHWFF could continue our long-term relationships with those who placed service to our country before their own welfare. We appreciate the support of all who have contributed to PHWFF.

Project Healing Waters Fly Fishing Organization

The PHWFF Board of Trustees establishes the mission and objectives of PHWFF. The Board is responsible for establishing broad policies, providing oversight to ensure sound financial management, and acquiring adequate resources to support the activities of PHWFF.
Warren Phillips is our new Chief Executive Officer and is responsible for operations and management; he serves in this capacity as a volunteer. Warren has an outstanding background as a leader in industry, academia, and philanthropy. Our Founder Ed Nicholson retains the title of President. The national headquarters of PHWFF in La Plata, Maryland, includes three paid staff members, supplemented by several volunteers, who perform the administrative tasks of running PHWFF. We began working out of donated office space during 2011 and expect to move into leased space in February 2012. This will consolidate the work of staff in one location.

The country is divided into fourteen geographic regions, each with its own Regional Coordinator who oversees the various programs in that region. These Regional Coordinators, along with their Program Leads, are all volunteers and serve as the link to our participants as they plan and conduct the hands-on activities for participants. Each program is managed at the local level and based at a Department of Veterans Affairs (VA) facility (97), Department of Defense military facility (10), Warrior Transition Units (7) or other locations (5). The steady growth in the number of PHWFF programs allows us to serve a greater number of men and women each year.

The Regional Coordinator Committee (RCC) was chartered in 2011 to act as a communications bridge between the Program Leads, Regional Coordinators (RC) and staff, and to provide more autonomy at the regional level. Comprised of three senior Regional Coordinators, the RCC has assumed leadership of a number of projects and is planning the second Regional Rendezvous for RC’s in July 2012 in Spokane.

PHWFF also relies on an extensive network of volunteers who make it possible for us to reach out to participants nationwide. The volunteers conduct on-going classes and share their knowledge about fly fishing with the participants. Classes include fly casting, fly tying, rod building, and fly fishing, in addition to fishing outings. During 2011, these volunteers assisted more than 3000 participants learn the art of fly fishing. We are indebted to these volunteers who have donated 97,000 hours in 2011 to help us achieve our mission; at the hourly rate of $21.36, those volunteer hours have a cash value of more than $2,000,000.

**Highlights of 2011**

The Patriot Award is our highest form of recognition given to an individual or group who has made substantial contributions to the mission of PHWFF. Patriot Awards were presented in 2011 to Phil Johnson, Ed Felker, and Cathy and Roy Magarigal for their outstanding contributions and personal sacrifices to support PHWFF.

*During 2011, PHWFF conducted 30 national and international trips that took 76 participants to some of the finest fishing locations, including Alaska, Bahamas, Montana, Colorado, Michigan and Virginia.*
Again this year, each region recognized a Volunteer-of-the-Year and two Participants-of-the-Year to acknowledge individuals who had distinguished themselves. We are grateful to Orvis and Temple Fork Outfitters for providing rods and reels for the worthy recipients. More information about the recipients can be found on our website.

Just as we recognize outstanding supporters, volunteers and participants, so too do we receive recognition from those we serve. Staff at hospitals and clinics have presented us with recognition awards, and disabled veterans themselves have given us heartwarming tokens of their appreciation.

During 2011, PHWFF conducted 30 national and international trips that took 76 participants to some of the finest fishing locations, including Alaska, Bahamas, Montana, Colorado, Michigan and Virginia. Additionally, PHWFF took many more participants to local fishing venues.

International programs have provided global recognition and this year generated exchange trips with our allies in Canada (Project Healing Waters Canada) and the UK (Fishing for Heroes) to fishing locations in Canada, the UK and USA. Given the success of these trips, it is expected that they will be repeated and possibly expanded in 2012.

Attendance at the International Fly Fishing Tackle Dealers Show demonstrated almost universal recognition of our program by the fly fishing industry and a willingness to enter into mutually beneficial business relationships.

The van purchased by PHWFF with the $30,000 grant provided by the Philip L. Graham Fund has been an asset to the programs in the National Capital area. It has been used to transport wounded warriors and disabled veterans to 17 fishing outings, to fly fishing shows, fly tying events and special dinners in their honor, and to car-pool the volunteers to various classes. The van is an attention grabber on the highways because of the graphic design wrap that was custom made for our vehicle. On the road, people honk and give us the “thumbs up” sign as they drive by.

Once again in 2011 we experienced considerable media coverage. PHWFF was featured in episodes of Curtis Fleming’s Fly Rod Chronicles, including the Big Horn River trip, the 2-Fly at Rose River Farm, and two episodes of the Smith River, MT. The Battle at Boxwood was filmed in 2011 and is scheduled to air in February 2012 on the Outdoor Channel. Fly Rod Chronicles included PHWFF participants and did segments about PHWFF in three other shows that aired in 2011: the Brazos Ranch in New Mexico, Part I and Part II, and a Harman’s North Fork Invitational in West Virginia. Our 2-Fly Tournament was highlighted on an ABC local broadcast and a video about PHWFF was shown during halftime of Sunday Night Football in November. PHWFF was showcased in countless articles in local newspapers and magazines, as well as TV spots all over the country.
In July, Douglas Dear, Chairman of the Board of Trustees, was named L.L. Bean Outdoor Hero after nationwide voting. A few months later, PHWFF won the Toyota Halftime Handoff during Sunday Night Football. These awards brought us $5,000 and $10,000, respectively, along with significant publicity. We now have a PHWFF YouTube channel that exhibits all the existing videos about PHWFF, and we utilize Facebook, Constant Contact and Twitter to keep in touch with our supporters.

The rod building contest that occurs in the first three months of the year has become a very popular activity. In 2011, 130 rod kits were built, more than three times the number in 2009, and 220 kits have been ordered for the 2012 season. Another drift boat was constructed by our participants to add to the PHWFF fleet, this one in Asheville, NC. Detailed information about our fishing trips and other events can be found under “Events & Activities” on our website: www.projecthealingwaters.org.

**The Future**

In 2012, we expect that the number of programs will increase, as will the number of participants and volunteers. With the end of the war in Iraq, there will be a continued emphasis on expanding within the VA healthcare system. We are hopeful about developing a relationship with an Eastern Shore developer for a volunteer training facility. Other goals for the year will be the development of a Strategic Plan and obtaining more volunteer support to augment the paid staff at the national level. Using nonprofit benchmarking, we will continue to develop the capabilities and effectiveness of the PHWFF Board of Trustees.

Relationships will deepen with Trout Unlimited and the Federation of Fly Fishers. Currently, TU chapters manage PHWFF programs in 48 locations and FFF clubs do the same in 47 locations, with an additional 26 programs operated by independent groups. TU has appointed Alan Folger as Director of a new Veterans’ Service Program. A major component of his responsibilities is to help identify TU chapters who are willing to take on the responsibilities of a PHWFF program in their community. We will forge new relationships with others, such as the Sierra Club. Involvement in saltwater fishing will increase.

The second Regional Rendezvous will be held concurrently with the Federation of Fly Fishers Fair in Spokane. This will be two days of engagement by the Regional Coordinators aimed at sharing best practices, discussing common problems and effective solutions. Following the Rendezvous, the Board of Trustees will have its meeting, and then we will play an active role in the FFF Fair itself for the seventh consecutive year by hosting a workshop about PHWFF and an information booth.

Name recognition will no doubt increase even more as media coverage continues to be outstanding. Documentary filmmaker Steve Hasty has been visiting many of our programs for months to film fishing trips and classes for his upcoming documentary about PHWFF. The final film will be available at the Sundance Film Festival in the fall.
Financial Health

From a financial perspective, fiscal year 2011 was another successful year for Project Healing Waters Fly Fishing, Inc. Most importantly, we were able to increase the number of programs and participants as the result of a 38% increase in contributions. Our major fundraisers, the 2-Fly Tournament at the Rose River Farm, the Mossy Creek Invitational at the Mossy Creek Lodge, and the Defense Commissary Agency (DeCA) Cause Marketing initiative, were again successful and together represented approximately one-third of the total revenue received in 2011. Increasingly, we see more fundraising at the local level, a sign of strong support in the communities we serve.

After participating in many CFC events in the fall of last year, 2011 was our first year of income from the Combined Federal Campaign, the world’s largest and most successful annual workplace charity campaign. It provides all federal civilian, postal and military employees the opportunity to contribute to approved non-profit organizations. Donations in 2011 amounted to $20,000; we look forward to increasing that total in 2012.
Network for Good is another mechanism available for making donations to PHWFF. The total received was $37,600. PayPal donations added $6500. Other donation opportunities and employee giving programs are listed on our website.

Because of our conservative management approach and the commitment of 100% of Board members who each made personal cash donations, we are in a stronger financial position at the end of 2011 and our cash reserve is $625,298, an increase of $43,000. Our goal is to have a ready reserve of a full year’s budget for emergency purposes. We have no debt and the Board has approved a $1.4 million budget for 2012. The ratio of program-to-administrative expenses, an important indicator for non-profits, was an impressive 85%.

A special club has been created to recognize the first 100 individuals who contribute more than $10,000. We hope to announce its success in our 2012 Annual Report.

Askey, Askey and Associates, a certified public accounting firm, conducted an official independent financial operations audit in 2011. As in previous audits, the outcome of the examination was successful in reinforcing the sound financial management practices employed by PHWFF.

We have already become more pro-active in applying for grants in 2012. Along with the solid growth in funding, the organization has continued its development of clear policy and procedures statements. It has also focused efforts of the Board on Governance and financial controls to ensure the donations are properly used to benefit those who need our assistance.

**Summary**

With hard work and the generosity of the many volunteers and contributors, coupled with the unflagging spirit and enthusiasm of our volunteers and staff, our dedication to making a difference in the lives of our participants will succeed. One of our top priorities is fundraising. It is indeed the lifeblood that allows us to achieve our mission and be an enduring and viable organization that can serve the disabled active military service personnel and veterans.

Our sincerest thanks to all for the success we achieved in 2011. We know any success we have is the result of the support of so many and we are grateful. We hope you will again join us as we look forward to doing even more in 2012!

Warren R. Phillips  
CEO

Edwin P. Nicholson  
Founder and President

Douglas M. Dear  
Chairman, Board of Directors
“I owe my gratitude to all those that helped [my son] through this rough time. Thank you, and please continue to help others.” [Mother]

“PHWFF is therapy for the mind and soul... We use our hands, minds, arms and our ability to create and explore a world that is new to all of us disabled vets.” [E-3, USA]

“PHWFF allows each Veteran to heal in his own way. The results are inspiring!” [SFC, USA]

“This program helps me more than I could have ever imagined.” [SGT, USA]

“Through the art and meditative therapy of fly-fishing, I am beginning to find peace and tranquility in my life, relatively free of internal conflict. Life challenges still remain; however, my ability to cope with these challenges is stronger now.” [Lt. Col (Ret.), Canada]

“... I had just had my left leg amputated below the knee, leaving me a double amputee. PHWFF turned out to be the perfect thing to help my recovery. I looked forward to getting out and fishing, which provided me much needed motivation in the seemingly endless physical therapy sessions I was enduring at the time.” [SGT, USAF]

“Being outdoors with nature and with the patience and understanding of my healthcare team, commander, 1SG and PHWFF volunteers somehow eased the physical pain and brought peace to my mental being. For the first time, my days were not dark, somehow there was a light at the ‘End of the Tunnel.’” [SFC, USA]

“I will never be able to thank you enough. I am a stronger person both physically and mentally due directly to PHWFF.” [CPT (Ret.) USA]

“I owe Project Healing Waters Fly Fishing more than I could ever say. I was run down and had lost myself. Fly tying every week and fishing most every week is a dream and helps me get through my struggles and find myself again.” [SPC (Ret.) USA]

“The experiences I had will forever assist me in the battle to be a functional member of society - something I was not until I was introduced to fly fishing and the wonderful care and gratitude of PHWFF volunteers and staff.” [Disabled Veteran]
New England Region Programs
Augusta, ME / Togus VAHC
Kennebec Valley Chapter TU / Maine Council TU

Bedford, MA / Edith Nourse Rogers Memorial Veterans Hospital
Massachusetts Bay Flyfishers

Brackston, MA / VA Boston Healthcare Systems,
Brackston Campus
Southeast Mass TU

Providence, RI / Providence VAHC
Narragansett Chapter of TU

Portsmouth, NH / Vet Center
Great Bay Chapter TU

Northampton, MA / Northampton VAHC
Pioneer Valley TU

White River Junction, VT / WRJ VAHC
Greater Upper Valley Chapter of TU

Western NY / PA Region Programs
Batavia, NY / VA Western NY Healthcare system at Batavia
Lake Erie Chapter FIF

Buffalo, NY / Buffalo Vet Center
Lake Erie Chapter FIF

Buffalo, NY / VA Western NY Healthcare system at Buffalo
Western New York TU

Canandaigua, NY / Canandaigua VAHC
Canandaigua Lake TU

Albany, PA / James E. Van Zandt Medical Center
Albough PHWFF

Erie, PA / Erie VAHC
Northwest PA TU

Pittsburgh, PA / Aspenwall VAHC
Penn’s Woods West TU

Mid-Atlantic Region Programs
Lyons, NJ / Lyons Campus of the VA
New Jersey Health Care
PHWFF New Jersey

Fort Drum, NY / Ft. Drum WTV
Tuft Hill / Black River Chapter TU

New York, NY / Manhattan Campus of the VA
NY Harbor Healthcare System
Veteran Amerlers of New York

Northport, NY / Northport VAHC
Veteran Anglers of Long Island

Syracuse, NY / Syracuse VAHC
Irroposis / Madison Chapter TU

Utica, NY / Rome VA Outpatient Clinic
New Hartford American Legion Post 1376 Fly Fishing

Allentown, PA / Allentown VA Outpatients Clinic
Hokenduaqua Chapter TU

Wilkes-Barre, PA / Wilkes-Barre VAHC
Sinning Cooper Sr., Chapter TU

National Capital Region Programs
Bethesda, MD / Walter Reed National
Military Medical Center
PHWFF National

Fort Meade, MD / Ft. Meade WTV
Retomic Retour Chapter of TU

Perry Point, MD / Perry Point VAHC
Patapsco Valley of TU

Fort Belvoir, VA / Ft Belvoir WTV
PHWFF National

Quantico, VA / Quantico Marine Corp Base
PHWFF National

Tennessee Valley Region Programs
Johnson City, TN / Mountain Home VAHC
Cherokee Chapter TU

Nashville, TN / Nashville VAHC
Middle Tennessee Fly Fishers

Huntsville, TN / Tennessee Valley
Healthcare System Aten C. York Campus
Lynchburg Fly Fishing Club

Ft. Campbell, KY / Ft. Campbell WTV
Middle Tennessee Fly Fishers

The Virginias Region Programs
Newport News, VA / FL Eustis WTV
Fly Fishers of Virginia

Richmond, VA / Hunter McGuire VAHC
Fly Fishers of Virginia

Salem, VA / Salem VAHC
Roanoke Valley TU

Beckley, WV / Beckley VAHC
Kanawha Valley TU

Hampton, VA / Hampton WTV
Fly Fishers of Virginia

Huntington, WV / Huntington VAHC
Kanawha Valley TU

Clarksburg, WV / Clarksburg VAHC
Mountaineer Chapter 153 TU

Mid-South Region Programs
Atlanta, GA / Atlanta VAHC
Fly Fishing for Vets, Inc.

Asheville, NC / Asheville VAHC
North Carolina Fly Fishing Team

Charlotte, NC / Charlotte VA Outpatient Clinic
Carolina Fly Fishing Team

Cherokee, NC / Cherokee
North Carolina Fly Fishing Team

Durham, NC / Durham VAHC
Triangle Fly Fishers Club

Jacksonville, NC / Camp Lejeune Marine Corps Base
Fly Fishers in Friendship and Fidelity

Richlands, NC / Richlands United Methodist Church
Fly Fishers in Friendship and Fidelity

Salisbury, NC / W.G. Hetzer VAHC
Carolina Fly Fishing Club

Wilmington, NC / Wilmington C50C
Fly Fishers in Friendship and Fidelity

Deep South Region Programs
Bay Pines, FL / Bay Pines VA Health Care System
Suncoast Fly Fishers

Eglin AFB, FL / Eglin VA Center
Panhandle Fly Fishers

Miami, FL / Miami VA Health Care System
Miami PHWFF

New Smyrna Beach, FL / New Smyrna VA
Health Care System
Mid Coast Fly Fishers

Pensacola, FL / Pensacola FL. JAAC Center
North West Florida Fly Fishers

Tampa, FL / James A. Haley Veterans’ Hospital
Tampa Bay Fly Fishing Club

Biloxi, MS / Gulf Coast Veterans Healthcare System
Mississippi Coast Fly Fishers

Rocky Mountain Region Programs
Hot Springs, SD / VA Black Hills Care System
Hot Springs Campus
Veterans in the Fly

Denver, CO / VA Eastern Colorado Health Care System
Front Range Fly Fishers

Pte. Carson, CO / Pt. Carson WTV
Pikes Peak Fly Fishers / Cheyenne Mountain TU

Grand Junction, CO / Grand Junction VAHC
Grand Valley Anglers TU

Helena, MT / VA Montana Health Care System
Pat Barnes Chapter TU

Sheridan, WY / Sheridan VAHC
Little Big Horn TU Chapter

PROJECT HEALING WATERS FLY FISHING, INC.
### South Central Programs
- Shreveport, LA / Overton Brooks VA MC
  North Louisiana Fly Fishers
- Amarillo, TX / Amarillo VA Health Care System
  Amarillo Fly Fishers
- Fort Hood, TX / Fort Hood WITU
  Jack Sparrow Central Texas Fly Anglers
- Lubbock, TX / Charles Wilson VA Outpatient Clinic
  Pinerywood Fly Fishers
- San Antonio, TX / Brooke Army Medical Center
  Guadalupe TU

### The Heartland Programs
- Leavenworth, KS / VA Eastern Kansas Health Care System
  Dwight D. Eisenhower VA MC
  Free State Fly Fishers
- Topeka, KS / VA Eastern Kansas Health Care System
  Flatland Fly Fishers
- Wichita, KS / Robert J. Dole DVA MC & RO
  Great Plains Fly Fishers
- Ft. Leonard Wood, MO / General Leonard Wood AMCH
  MFTA - Springfield
- Springfield, MO / Springfield Vet Center
  MFTA - Springfield
- St. Louis, MO / St. Louis VAMC (Jefferson Barracks Division)
  Oran Fly Fishers
- Omaha, NE / Omaha VA Nebraska - Western Iowa Health Care System
  Cornhusker Fly Fishers, Inc.
- Memphis, TN / Memphis VAMC
  Mid-South Fly Fishing Organization
- Fayetteville, AR / Fayetteville VAMC
  Tightlines Fly Fishers

### Midwest Regional Programs
- Hines, IL / Edward Hines Jr. VA Hospital
  Drift
- Indianapolis, IN / Richard L. Roudebush VAMC
  Indianapolis Fly Fishers
- Detroit, MI / John D. Dingell VAMC
  Michigan Fly Fishing Club
- Iren Moutains, ME / Oscar G. Johnson VAMC
  Fred Waara Chapter of TU
- Saginaw, MI / Aleda E. Lutz VAMC
  William B. Mondor Chapter of TU
- Minneapolis, MN / Minneapolis VAMC
  Twin Cities Chapter of TU
- St. Cloud, MN / St. Cloud VA MC
  St. Cloud Fly Anglers
- Cincinnati, OH / Cincinnati VAMC
  Northern Kentucky Fly Fishers, Inc. / Buckeye United Fly Fishers, Inc.
- Dayton, OH / Dayton VAMC
  Miami Valley Fly Fishers
- Cleveland, OH / Louis Stokes VAMC
  Emerald Neck Chapter of TU
- Appleton, WI / Appleton Clinic
  Central Wisconsin TU
- Milwaukee, WI / Zabouka VAMC
  Southeast Wisconsin TU

### Northwest Region Programs
- Anchorage, AK / Joint Airbase Elmendorf / Ft. Richardson
  Alaska Fly Fishers
- Juneau, AK / Juneau VA Outpatient Clinic
  Juneau Chapter of TU
- Boise, ID / Boise VAMC
  Teton Trout Club Chapter
- Idaho Falls, ID / Idaho Falls VAMC
  Snake River Cutthroat TU
- Bend, OR / Crivis
  Deschutes TU Chapter
- Portland, OR / Portland VA MC - Vancouver Camp
  Tuatlah Valley TU
- Salem, OR / Salem Vet Center
  Santiam fly Fishers, Inc.
- White City, OR / VA Southern Oregon Rehab Center & Clinics
  Southern Oregon Fly Fishers
- Ft. Lewis, WA / Ft. Lewis WTB
  Puget Sound Fly Fishers
- Lakewood, WA / VA Puget Sound Healthcare System - America Lake Division
  South Sound Fly Fishers
- Seattle, WA / VA Puget Sound Healthcare System - Seattle Division
  Washington Fly Fishing Club
- Spokane, WA / Spokane VAMC
  Spokane Fly Fishers Fishing Organization

### Southwest Region Programs
- Phoenix, AZ / Phoenix VAMC
  Arizona Fly Fishers, Inc.
- Show Low, AZ / Show Low VA Health Care Clinic
  White Mountain Fly Fishers
- Tucson, AZ / Southern Arizona VAMC
  Old Pueblo TU
- Sierra Vista, AZ / Ft. Huachuca WITU
  Old Pueblo TU
- Tucson, AZ / Dry Creek Outfitters
  Old Pueblo TU
- Tucson, AZ / Four Corners
  Old Pueblo TU
- Barstow, CA / Cal Vet Home of Barstow
  High Desert Fly Fishing, Inc.
- Loma Linda, CA / Loma Linda VAMC
  High Desert Fly Fishing, Inc.
- Fresno, CA / Central California Healthcare
  Fresno Fly Fishers for Conservation
- Long Beach, CA / VA Long Beach Healthcare System
  Long Beach Casting Club
- Martinez, CA / Martinez VA Outpatient Clinic
  Diablo Valley Fly Fishers
- Napa Valley, CA / (Yountville) Pathway Veteran's Home
  Napa Valley Fly Fishers
- San Diego, CA / Balboa Naval Hospital
  San Diego Fly Fishers
- Sepulveda, CA / Vet Center Sepulveda
  Sierra Pacific Fly Fishers
- Albuquerque, NM / New Mexico VA Health Care System
  New Mexico Tu
- Taos, NM / Taos VA Clinic
  Enchanted Circle Chapter of TU
- Reno, NV / Reno
  Truckee River Fly Fishers
- Las Cruces, NM / Las Cruces Vet Center
  Mesilla Valley Fly Fishers
- El Paso, TX / Ft. Bliss WTB
  Mesilla Valley Fly Fishers
- Honolulu, HI / Tripler AFB
  Waikiahe 'ulu (Kawili) Chapter of Tu
- Salt Lake City, UT / Salt Lake City Healthcare System
  High Country Fly Fishers