

**STUDENT VETERANS OF AMERICA**  
**FINANCIAL STATEMENTS**  
**FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Student Veterans of America  
Washington, DC

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Student Veterans of America (SVA), which comprise the statement of financial position as of March 31, 2022, the related statements of activities and change in net assets, functional expenses, and cash flows for the 15-month period then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SVA as of March 31, 2022, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of SVA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SVA's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SVA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SVA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Arlington, Virginia  
July 29, 2022

**STUDENT VETERANS OF AMERICA  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2022**

**ASSETS**

Cash and Cash Equivalents	\$ 10,722,196
Grants and Contributions Receivable, Net	4,991,086
Accounts Receivable	52,848
Investments	305,279
Prepaid Expenses and Other Assets	181,168
Property and Equipment, Net	<u>281,905</u>
Total Assets	<u><u>\$ 16,534,482</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$ 383,802
Deferred Rent	184,717
Total Liabilities	<u>568,519</u>

**NET ASSETS**

Without Donor Restrictions	
Undesignated	8,070,482
Board Designated	<u>887,113</u>
Total Net Assets Without Donor Restrictions	<u>8,957,595</u>
With Donor Restrictions	<u>7,008,368</u>
Total Net Assets	<u><u>15,965,963</u></u>
Total Liabilities and Net Assets	<u><u>\$ 16,534,482</u></u>

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and Contributions	\$ 8,747,899	\$ 8,837,358	\$ 17,585,257
Conference Fees	711,134	-	711,134
Business and Industry Roundtable	100,000	-	100,000
Other Income	45,782	-	45,782
Donated Goods and Services	2,331,574	-	2,331,574
Investment Return, Net	583	-	583
Gain on Forgiveness of PPP Loans	581,834	-	581,834
Net Assets Released from Restrictions	4,206,412	(4,206,412)	-
Total Revenue and Support	16,725,218	4,630,946	21,356,164
<b>EXPENSES</b>			
Program Services:			
Program and Chapter Services	5,011,808	-	5,011,808
Government Affairs	554,811	-	554,811
Research	475,561	-	475,561
Communications and Marketing	389,581	-	389,581
Total Program Services	6,431,761	-	6,431,761
Supporting Services:			
General and Administrative	1,043,228	-	1,043,228
Fundraising	424,709	-	424,709
Total Supporting Services	1,467,937	-	1,467,937
Total Expenses	7,899,698	-	7,899,698
<b>CHANGE IN NET ASSETS</b>	8,825,520	4,630,946	13,456,466
Net Assets - Beginning of Period	132,075	2,377,422	2,509,497
<b>NET ASSETS - END OF PERIOD</b>	\$ 8,957,595	\$ 7,008,368	\$ 15,965,963

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA  
STATEMENT OF FUNCTIONAL EXPENSES  
FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2022**

	Program Services				Supporting Services				
	Program and Chapter Services	Government Affairs	Research	Communications and Marketing	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries and Benefits	\$ 769,520	\$ 438,930	\$ 269,376	\$ 158,793	\$ 1,636,619	\$ 491,208	\$ 334,989	\$ 826,197	\$ 2,462,816
Payroll Services	-	-	-	-	-	69,446	-	69,446	69,446
Consulting Fees	168,652	-	-	181,500	350,152	55,000	25,276	80,276	430,428
Accounting Fees	-	-	-	-	-	224,485	-	224,485	224,485
Audit Fees	-	-	-	-	-	34,600	-	34,600	34,600
Office Rent	-	-	-	-	-	269,443	-	269,443	269,443
Advertising and Marketing	38,620	-	-	11,358	49,978	(970)	-	(970)	49,008
Internet Expenses	79	-	-	-	79	13,811	-	13,811	13,890
IT Infrastructure	75,579	-	7,125	800	83,504	32,678	-	32,678	116,182
Meeting and Entertainment	35,835	8,000	-	-	43,835	-	-	-	43,835
Audio and Visual	159,292	-	1,725	-	161,017	-	-	-	161,017
Food and Facility	403	-	-	-	403	807	-	807	1,210
Conferences and Training	761,431	50	-	-	761,481	30,638	790	31,428	792,909
Depreciation and Amortization	-	-	-	-	-	107,650	-	107,650	107,650
Printing	11,672	-	-	55	11,727	3,400	-	3,400	15,127
Travel	16,508	5,455	2,132	200	24,295	2,361	1,803	4,164	28,459
Scholarships	124,000	-	-	-	124,000	-	-	-	124,000
Chapter Grants	56,518	-	-	-	56,518	-	-	-	56,518
Other Expense	286,705	34,895	119,163	9,971	450,734	104,858	11,509	116,367	567,101
Donated Goods and Services	2,331,574	-	-	-	2,331,574	-	-	-	2,331,574
G&A Allocation	175,420	67,481	76,040	26,904	345,845	(396,187)	50,342	(345,845)	-
<b>Total Expenses</b>	<b>\$ 5,011,808</b>	<b>\$ 554,811</b>	<b>\$ 475,561</b>	<b>\$ 389,581</b>	<b>\$ 6,431,761</b>	<b>\$ 1,043,228</b>	<b>\$ 424,709</b>	<b>\$ 1,467,937</b>	<b>\$ 7,899,698</b>

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA  
STATEMENT OF CASH FLOWS  
FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 13,456,466
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	107,650
Gain on Forgiveness of PPP Loans	(581,834)
Changes in Assets and Liabilities:	
Grants and Contributions Receivable, Net	(4,347,391)
Accounts Receivable, Net	(8,034)
Prepaid Expenses and Other Assets	20,589
Accounts Payable	294,644
Deferred Revenue	(96,221)
Deferred Rent	(70,116)
Net Cash Provided by Operating Activities	8,775,753

**CASH FLOWS FROM INVESTING ACTIVITIES**

Sales of Investments	62
Purchases of Property and Equipment	(46,001)
Net Cash Used by Investing Activities	(45,939)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from Borrowing under PPP Loan	288,487
Net Cash Provided by Financing Activities	288,487

**CHANGE IN CASH AND CASH EQUIVALENTS**

9,018,301

Cash and Cash Equivalents - Beginning of Period

1,703,895

**CASH AND CASH EQUIVALENTS - END OF PERIOD**

\$ 10,722,196

*See accompanying Notes to Financial Statements.*



**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Student Veterans of America (SVA) was incorporated under the laws of the state of Michigan on January 23, 2008. SVA was formed to provide financial and educational assistance to student veteran organizations established on university and college campuses across the United States, aimed at assisting with the transition of veterans who have served, or who are serving in the U.S. military, into campus life and the civilian community; to offer financial and educational assistance to student veterans attending colleges and universities in the U.S.; and to educate and inform student veterans regarding the rights and opportunities which are available to them as veterans through federal, state and local governments and their respective institutions. These activities are primarily funded from grants and contributions.

In June 2021, the board of directors of SVA approved a change in SVA's fiscal year-end from December 31 to March 31. The change was made to better align operating cycles to the fiscal year and took effect with the 15-month period ending March 31, 2022.

**Basis of Accounting**

The accompanying financial statements of SVA are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and have been prepared on the accrual basis of accounting.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

SVA is exempt from the payment of income taxes on its exempt activities under the provisions of Section 501(c)(3) of the Internal Revenue Code. SVA is subject to tax only on its net unrelated business income. Federal and District of Columbia income taxes related to this was \$-0- for the 15-month period ended March 31, 2022.

SVA has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. SVA evaluated its uncertainty in income taxes for the 15-month period ended March 31, 2022, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of March 31, 2022, the statute of limitations for tax years 2017 through 2020 remain open with the U.S. federal jurisdiction or the various states and local jurisdictions in which SVA files tax returns. It is SVA's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense.

**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash Equivalents**

SVA considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. All other highly liquid instruments, which are to be used for the long-term purposes of SVA, are classified as investments.

**Grants and Contributions Receivable**

Unconditional promises to give are recognized as grants and contributions receivable in the period the promises are made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates commensurate with the risk involved applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contributions revenue. Management considers all promises to give to be fully collectible; therefore, no allowance for uncollectible pledges has been established.

**Accounts Receivable**

Accounts receivable consists primarily of amounts due from conference sponsorship fees and sale of exhibit space. SVA uses the allowance method to determine the uncollectible amounts of accounts receivable. The allowance is based upon prior years' experience and management's analysis of subsequent collections. Bad debt expenses are allocated to various programs and supporting services on the statement of activities when allowances on accounts receivable are increased or when accounts written off exceed available allowances.

**Investments**

Investments consist of money market funds. These investments are recorded at cost, which approximates fair market value. Purchases and sales are reflected on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period.

**Property and Equipment**

Property and equipment are recorded at cost. SVA recognizes costs incurred in the development of its website in accordance with the provisions of the accounting standards for website development costs. Accordingly, costs incurred for planning and operating the website are expensed, whereas costs incurred in developing the applications and infrastructure are capitalized and amortized on a straight-line basis over an estimated useful life of three years. Leasehold improvements are recorded at cost and amortized over the shorter of the remaining lease term or the estimated useful life. Depreciation on furniture, fixtures and equipment, and computers is provided for on a straight-line basis over the estimated useful lives of the assets, which range from three to ten years. The cost of property and equipment retired or disposed of is removed from the accounts, along with the related accumulated depreciation, and any gain or loss is reflected in income or expense in the accompanying statement of activities. Major additions of \$500 and greater are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred.

**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Represent resources that are neither invested in perpetuity, nor purpose or time restricted by donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, certain amounts for an operating reserve fund.

*Net Assets With Donor Restrictions* – Represent resources whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the organization pursuant to these stipulations. Net assets may be restricted for various purposes, such as use in future periods or use for specified purposes.

**Revenue Recognition**

SVA recognizes revenue when it satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration SVA expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, SVA combines it with other performance obligations until a distinct bundle of goods or services exists. SVA expects that the period between when SVA transfers goods and services to its customers and when the customers pay for those goods and services will be one year or less. Therefore, SVA has elected the practical expedient not to adjust the promised amount of consideration for the effects of a significant financing component. Amounts received in advance of services performed, but not yet earned, are recorded as deferred revenue. Economic downturns can affect the level of revenues for all the revenue streams or can have a positive impact on cash flows in good economic times. In addition, sponsorships for meeting or conference related revenues can be affected by the location of the meeting or conference.

*Grants and Contributions and Business and Industry Roundtable*

SVA recognizes all unconditional contributed support in the reporting period in which the commitment is made. SVA reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. SVA also reports investment income on funds with donor restrictions as revenue with donor restrictions. When expenses in accordance with the donors' restrictions are incurred, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Amounts that have not been collected as of year-end are included in grants and contributions receivable in the accompanying statement of financial position. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. There were no conditional contributions as of March 31, 2022.

**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

*Conference Fees - Event Registration*

Event registration revenue includes revenue from registrations related to meetings or conferences. Performance obligations are satisfied at the time of the meeting or conference when the services are transferred. Any receipts of registration revenue in advance of this time is deferred until the time of the event. Discounts are offered for early payment for registration depending on the time of purchase. Refunds are for registrations, with a cancellation fee, up to 30 days before the event. No refunds will be made after that date. The event occurred less than 30 days after year-end; therefore, there is no refund liability for SVA. Payment is primarily due at the time of purchase.

*Conference Fees - Event Sponsorship and Exhibitions*

Event sponsorship and exhibitions revenue includes revenue from exhibit space and sponsorship related to meetings or conferences. Performance obligations are satisfied for these revenue streams at the time of the meeting or conference when the services are transferred. Each service is priced separately, and payment terms and conditions vary. Exhibitors receive benefits including full conference registration, tote bag inserts and exhibit table space. These material rights are recognized when the right is exercised or expires.

There are several levels of sponsorship for conferences. Sponsors receive benefits such as full conference registration, exhibit tables and other brand awareness, recognition within the meetings program and other benefits. There are no refunds for exhibit space and sponsorships. Payment is primarily due at the time of the event. The value of the benefits received by sponsor are deferred until the event occurs. Any sponsorship value in excess of the benefits received will be treated as contributions with donor restriction. The restrictions will be released at the time of the event.

*Donated Goods and Services*

Donated goods and services consist of goods and services for the National Conference and general and administrative supporting services that are recognized as revenue and expense in the accompanying statement of activities and change in net assets at their estimated fair value, as provided by the donor at the date of receipt.

In addition, SVA produces and distributes public service television announcements that focus attention on student veterans' transition to campus life and the civilian community. These public service announcements are distributed to a media station nationwide and run free of charge. For the 15-month period ended March 31, 2022, SVA recorded \$2,331,574 in contributed public service announcement air time.

**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

*Contract Asset Balances*

Beginning and ending contract asset balances were as follows:

	March 31, 2022	December 31, 2020
Accounts Receivable	\$ 52,848	\$ 44,814

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Salaries and benefits are allocated proportionately among the programs and supporting services to which they relate on the basis of management's best estimate of each employee's time spent on each program or supporting services function. Certain costs have been allocated proportionately among the programs and supporting services to which they relate on the basis of salaries. The expenses that are allocated include occupancy, conference and meetings, travel, information technology, depreciation, dues and subscriptions, advertising and marketing, office expenses, and other expenses.

**Recent Accounting Pronouncements Not Yet Adopted**

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This standard relates to leasing for both lessees and lessors. Under this update, a lessee will recognize lease assets and liabilities on the statement of financial position for all leases with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. The ASU is effective for SVA beginning on April 1, 2022. Management is currently evaluating the impact of this ASU on their financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU was issued is to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets are defined within the ASU as including fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments do not change the recognition and measurement of nonfinancial assets. The ASU is for SVA beginning on April 1, 2022. Early adoption is permitted. The ASU should be applied on a retrospective basis. Management is currently evaluating the impact of this standard on its financial statements.

**Subsequent Events**

In preparing these financial statements, SVA has evaluated subsequent events for potential recognition or disclosure through July 29, 2022, the date the financial statements were available to be issued.

**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 2 CONCENTRATIONS**

**Credit Risk**

SVA's assets that are exposed to credit risk consist primarily of cash and cash equivalents, investments, grants and contributions receivable, and accounts receivable. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. SVA monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents. Amounts on deposit in excess of federally insured limits at March 31, 2022, approximate \$10.4 million. Investments are subject to market fluctuations that may materially affect the investment balance. The grants and contributions receivable and accounts receivable balances consist primarily of amounts due from organizations for grants and contributions and conference fees. Management reviews the grants and contributions receivable and accounts receivable balances as a whole to determine the necessity for an allowance for doubtful accounts.

**Revenue**

During the 15-month period ended March 31, 2022, grants and contributions from four funders accounted for 80% of total revenue and support. At March 31, 2022, 94% of grants and contributions receivable was due from two of these funders.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

The following reflects SVA's financial assets as of the date of the statement of financial position, reduced by amounts not available for general expenditure within one year of the date of the statement of financial position because of donor-imposed or other restrictions.

Cash and Cash Equivalents	\$ 10,722,196
Grants, Contributions Receivable, Net	4,991,086
Accounts Receivable, Net	52,848
Investments	305,279
Total	16,071,409
Less: Donor-Restricted Funds	(7,008,368)
Less: Board-Designated Funds	(887,113)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 8,175,928

SVA is substantially supported by restricted grants and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, SVA must maintain sufficient resources to meet those responsibilities to its donors. Thus, the financial assets may not be available for general expenditures within one year. All unconditional promises to give expected to be collected within one year are available for general expenditures. As part of SVA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 4 GRANTS AND CONTRIBUTIONS RECEIVABLE**

As of March 31, 2022, grants and contributions receivable consists of the following due from corporations and foundations:

	Amount
Due within One Year	\$ 2,304,050
Due One to Five Years	2,750,000
Total	5,054,050
Less: Present Value Discount	(62,964)
Total Net Grants and Contributions Receivable	\$ 4,991,086

Discount rates ranging from 0.43% to 1.86% were used as of March 31, 2022, representing the risk-free rate of return when each pledge was received.

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at March 31, 2022:

Leasehold Improvements	\$ 265,932
Furniture and Fixtures	140,635
Website Development Costs	283,193
Computer and Other Equipment	115,366
Total	805,126
Less: Accumulated Depreciation and Amortization	(523,221)
Property and Equipment, Net	\$ 281,905

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available with the following restrictions at March 31, 2022:

Subject to Passage of Time:	
Promises to Give Which are Unavailable for Expenditure Until Due	\$ 50,000
Subject to Expenditure for Specified Purpose:	
National Conference	50,000
Chapter Services and Grants	5,800,812
Scholarship	567,242
Strategic Support	95,617
Regional Summits	444,697
Total Restrictions	\$ 7,008,368

**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets were released from donor-imposed restrictions by incurring expenses that satisfied purpose restrictions or receipt of payment that satisfied time restrictions. For the 15-month period ended March 31, 2022, net assets released from restrictions were as follows:

Satisfaction of Purpose Restrictions:	
Chapter Services and Grants	\$ 2,313,551
National Conference	811,847
Program Support	431,651
Strategic Support	205,249
Regional Summits	186,023
Scholarship	141,971
Leadership Institute Services	116,120
Total Net Assets Released from Donor Restrictions	<u>\$ 4,206,412</u>

**NOTE 7 PAYCHECK PROTECTION PROGRAM LOANS**

On April 29, 2020, SVA received a loan from Idaho First Bank in the amount of \$293,347 to fund payroll, rent, and utilities through the Paycheck Protection Program (the PPP Loan) offered by the U.S. Small Business Administration (SBA). On March 8, 2021, SBA authorized full forgiveness of the loan amount.

On January 31, 2021, SVA received a second PPP Loan in the amount of \$288,487, subject to similar terms and conditions as the first PPP loan. On February 16, 2022, SBA authorized full forgiveness of the loan amount.

In accordance with ASC 470, SVA accounted for its PPP loans as debt when the loan proceeds were received. When the PPP loans were forgiven in full by the SBA, SVA recognized a gain on debt extinguishment as the legal release requirement has been met. This gain is presented as "Gain on Forgiveness of PPP Loans" in the accompanying statement of activities for the 15-month period ended March 31, 2022.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on SVA's financial position.



**STUDENT VETERANS OF AMERICA  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2022**

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

**Operating Leases**

SVA leases office space for its headquarters in Washington, DC, under the terms of a noncancelable operating lease which expires on August 31, 2024. The rent escalates 3% annually over the term of the lease. The terms of the lease included a lease incentive of \$265,932, which SVA used to build out the office space.

Under U.S. GAAP, all fixed rent increases and lease incentives are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent in the accompanying statement of financial position. The lease incentive is included in the accompanying statement of financial position and is amortized and recognized as a reduction to rent expense over the life of the lease.

Future minimum lease payments required under these operating lease agreements are as follows:

<u>Year Ending March 31,</u>	<u>Amount</u>
2023	\$ 280,604
2024	289,023
2025	121,906
Total	<u>\$ 691,533</u>

Rent expense totaled \$269,443 for the 15-month period ended March 31, 2022.

**NOTE 9 RETIREMENT PLAN**

SVA sponsors a defined contribution plan, which covers all employees who have been employed for at least three months and are 21 years of age. Employees are fully vested in the Plan after three years of service. Employees are eligible to participate and SVA contributed up to 3% of employee's eligible earnings from January 1, 2021 to December 31, 2021, and up to 4% employee's eligible earnings from January 1, 2022 to March 31, 2022. The plan permits additional voluntary contributions by each employee up to annual Internal Revenue Service limits. Employer matching contribution expense totaled \$61,752 for the 15-month period ended March 31, 2022.