

**STUDENT VETERANS OF AMERICA
FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2024 AND 2023**



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**STUDENT VETERANS OF AMERICA
TABLE OF CONTENTS
YEARS ENDED MARCH 31, 2024 AND 2023**

| | |
|--|----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS | |
| STATEMENTS OF FINANCIAL POSITION | 4 |
| STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS | 5 |
| STATEMENTS OF FUNCTIONAL EXPENSES | 6 |
| STATEMENTS OF CASH FLOWS | 8 |
| NOTES TO FINANCIAL STATEMENTS | 9 |



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 statements of financial position as of March 31, 2024 and 2023, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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, 2024 and 2023, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Estimate

As discussed in Note 1 to the financial statements, in 2024, SVA modified the revenue recognition policy related to conference fees – event sponsorship and exhibition revenue. Our opinion is not modified with regard to this matter.

Basis for Opinion

We conducted our audits 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.

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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.

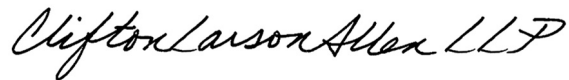
Board of Directors
Student Veterans of America

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.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information is comprised of the audited statement of financial position as of a fiscal year end, but does not include the audited financial statements as of and for the year then ended in their entirety, and does not include our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Arlington, Virginia
September 10, 2024

**STUDENT VETERANS OF AMERICA
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2024 AND 2023**

| | 2024 | 2023 |
|---|--------------|------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 5,736,267 | 9,052,206 |
| Grants and Contributions Receivable, Net | 2,030,276 | 3,427,502 |
| Accounts Receivable | 20,062 | 108,007 |
| Investments | 521,964 | 250,000 |
| Prepaid Expenses and Other Assets | 296,058 | 107,192 |
| Property and Equipment, Net | 108,687 | 204,350 |
| Right-of-Use Asset - Operating, Net | 86,673 | 290,497 |
| Total Assets | \$ 8,799,987 | 13,439,754 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable | \$ 199,876 | 47,953 |
| Lease Liability - Operating | 121,280 | 402,292 |
| Total Liabilities | 321,156 | 450,245 |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Undesignated | 1,800,558 | 5,736,101 |
| Board-Designated | 1,000,000 | 1,000,000 |
| Total Net Assets Without Donor Restrictions | 2,800,558 | 6,736,101 |
| With Donor Restrictions | 5,678,273 | 6,253,408 |
| Total Net Assets | 8,478,831 | 12,989,509 |
| Total Liabilities and Net Assets | \$ 8,799,987 | 13,439,754 |

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED MARCH 31, 2024 AND 2023**

| | 2024 | | | 2023 | | |
|---------------------------------------|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| REVENUE AND SUPPORT | | | | | | |
| Grants and Contributions | \$ 1,252,823 | \$ 1,529,600 | \$ 2,782,423 | \$ 54,666 | 2,026,620 | \$ 2,081,286 |
| Conference Fees | 837,438 | - | 837,438 | 1,130,262 | - | 1,130,262 |
| Business and Industry Roundtable | - | - | - | 20,000 | - | 20,000 |
| Other Income | 35,626 | - | 35,626 | 19,036 | - | 19,036 |
| Donated Goods and Services | 1,028,170 | - | 1,028,170 | 1,565,618 | - | 1,565,618 |
| Investment Return, Net | 64,149 | - | 64,149 | 11,842 | - | 11,842 |
| Net Assets Released from Restrictions | 2,104,735 | (2,104,735) | - | 2,781,580 | (2,781,580) | - |
| Total Revenue and Support | 5,322,941 | (575,135) | 4,747,806 | 5,583,004 | (754,960) | 4,828,044 |
| EXPENSES | | | | | | |
| Program Services: | | | | | | |
| Program and Chapter Services | 6,561,322 | - | 6,561,322 | 5,239,469 | - | 5,239,469 |
| Government Affairs | 580,417 | - | 580,417 | 414,864 | - | 414,864 |
| Research | 300,047 | - | 300,047 | 375,890 | - | 375,890 |
| Communications and Marketing | 308,416 | - | 308,416 | 621,521 | - | 621,521 |
| Total Program Services | 7,750,202 | - | 7,750,202 | 6,651,744 | - | 6,651,744 |
| Supporting Services: | | | | | | |
| General and Administrative | 949,012 | - | 949,012 | 772,419 | - | 772,419 |
| Fundraising | 559,270 | - | 559,270 | 380,335 | - | 380,335 |
| Total Supporting Services | 1,508,282 | - | 1,508,282 | 1,152,754 | - | 1,152,754 |
| Total Expenses | 9,258,484 | - | 9,258,484 | 7,804,498 | - | 7,804,498 |
| CHANGE IN NET ASSETS | (3,935,543) | (575,135) | (4,510,678) | (2,221,494) | (754,960) | (2,976,454) |
| Net Assets - Beginning of Year | 6,736,101 | 6,253,408 | 12,989,509 | 8,957,595 | 7,008,368 | 15,965,963 |
| NET ASSETS - END OF YEAR | <u>\$ 2,800,558</u> | <u>\$ 5,678,273</u> | <u>\$ 8,478,831</u> | <u>\$ 6,736,101</u> | <u>\$ 6,253,408</u> | <u>\$ 12,989,509</u> |

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2024**

| | Program Services | | | | Supporting Services | | | | Total |
|--|------------------------------|--------------------|-------------------|------------------------------|------------------------|----------------------------|-------------------|---------------------------|---------------------|
| | Program and Chapter Services | Government Affairs | Research | Communications and Marketing | Total Program Services | General and Administrative | Fundraising | Total Supporting Services | |
| Salaries and Benefits | \$ 1,530,061 | \$ 287,956 | \$ 144,729 | \$ 2,170 | \$ 1,964,916 | \$ 588,690 | \$ 287,440 | \$ 876,130 | \$ 2,841,046 |
| Meetings and Conferences | 1,647,667 | 8,381 | 1,414 | 17 | 1,657,479 | 2,386 | 4,661 | 7,047 | 1,664,526 |
| Professional Services | 978,198 | 100,943 | 43,924 | 121,409 | 1,244,474 | 158,672 | 107,228 | 265,900 | 1,510,374 |
| Donated Goods and Services | 824,598 | - | - | 180,063 | 1,004,661 | 23,509 | - | 23,509 | 1,028,170 |
| IT and Telecommunications | 609,536 | 26,833 | 56,910 | 202 | 693,481 | 52,927 | 28,713 | 81,640 | 775,121 |
| Travel Expense | 273,049 | 64,177 | 9,897 | 57 | 347,180 | - | 30,267 | 30,267 | 377,447 |
| Facility and Equipment | 172,775 | 32,504 | 16,337 | 245 | 221,861 | 66,450 | 32,446 | 98,896 | 320,757 |
| Grants, Contracts, and Direct Assistance | 185,450 | 2,524 | 1,642 | 17 | 189,633 | 4,646 | 2,269 | 6,915 | 196,548 |
| Legal and Accounting Fees | 103,159 | 19,415 | 9,758 | 146 | 132,478 | 39,692 | 19,380 | 59,072 | 191,550 |
| Advertising and Promotion | 126,397 | 5,239 | 1,516 | 20 | 133,172 | - | 14,752 | 14,752 | 147,924 |
| Mailing and Production | 69,431 | 3,581 | 1,519 | 23 | 74,554 | 6,178 | 3,031 | 9,209 | 83,763 |
| Licenses and Fees | 26,115 | 26,186 | 11,189 | 29 | 63,519 | 994 | 10,705 | 11,699 | 75,218 |
| Marketing and Communications | - | - | - | 4,000 | 4,000 | - | 16,000 | 16,000 | 20,000 |
| Other Expenses | 14,886 | 2,678 | 1,212 | 18 | 18,794 | 4,868 | 2,378 | 7,246 | 26,040 |
| Total Expenses | \$ 6,561,322 | \$ 580,417 | \$ 300,047 | \$ 308,416 | \$ 7,750,202 | \$ 949,012 | \$ 559,270 | \$ 1,508,282 | \$ 9,258,484 |

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2023**

| | Program Services | | | | Supporting Services | | | | Total |
|--|------------------------------|--------------------|-------------------|------------------------------|------------------------|----------------------------|-------------------|---------------------------|---------------------|
| | Program and Chapter Services | Government Affairs | Research | Communications and Marketing | Total Program Services | General and Administrative | Fundraising | Total Supporting Services | |
| Salaries and Benefits | \$ 1,199,256 | \$ 253,271 | \$ 170,808 | \$ 52,777 | \$ 1,676,112 | \$ 430,934 | \$ 243,784 | \$ 674,718 | \$ 2,350,830 |
| Meetings and Conferences | 1,368,540 | 15,957 | 10,762 | 3,326 | 1,398,585 | 27,151 | 15,360 | 42,511 | 1,441,096 |
| Professional Services | 482,657 | 22,676 | 15,293 | 328,998 | 849,624 | 26,437 | 33,971 | 60,408 | 910,032 |
| Donated Goods and Services | 1,325,601 | 8,235 | 5,554 | 204,291 | 1,543,681 | 14,011 | 7,926 | 21,937 | 1,565,618 |
| IT and Telecommunications | 83,592 | 14,203 | 32,574 | 1,692 | 132,061 | 6,016 | 7,560 | 13,576 | 145,637 |
| Travel Expense | 256,483 | 22,615 | 2,498 | 839 | 282,435 | (2,011) | 11,754 | 9,743 | 292,178 |
| Facility and Equipment | 155,875 | 32,920 | 22,201 | 6,860 | 217,856 | 56,011 | 31,686 | 87,697 | 305,553 |
| Grants, Contracts, and Direct Assistance | 160,121 | 46 | 32 | 10 | 160,209 | 80 | 45 | 125 | 160,334 |
| Legal and Accounting Fees | 19,584 | 4,136 | 2,789 | 862 | 27,371 | 213,057 | 3,981 | 217,038 | 244,409 |
| Advertising and Promotion | 81,737 | 12,755 | 35,246 | 19,306 | 149,044 | - | 6,934 | 6,934 | 155,978 |
| Mailing and Production | 23,720 | 431 | 291 | 90 | 24,532 | 733 | 415 | 1,148 | 25,680 |
| Licenses and Fees | 70,404 | 21,974 | 61,932 | 1,966 | 156,276 | - | 8,564 | 8,564 | 164,840 |
| Other Expenses | 11,899 | 5,645 | 15,910 | 504 | 33,958 | - | 8,355 | 8,355 | 42,313 |
| Total Expenses | \$ 5,239,469 | \$ 414,864 | \$ 375,890 | \$ 621,521 | \$ 6,651,744 | \$ 772,419 | \$ 380,335 | \$ 1,152,754 | \$ 7,804,498 |

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2024 AND 2023**

| | 2024 | 2023 |
|---|----------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ (4,510,678) | (2,976,454) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities: | | |
| Depreciation and Amortization | 96,295 | 93,308 |
| Amortization of Right-of-Use Asset - Operating | 203,824 | 198,147 |
| Changes in Assets and Liabilities: | | |
| Grants and Contributions Receivable, Net | 1,397,226 | 1,571,618 |
| Accounts Receivable, Net | 87,945 | (63,193) |
| Prepaid Expenses and Other Assets | (188,866) | 73,976 |
| Accounts Payable | 151,923 | (335,849) |
| Lease Liability - Operating | (281,012) | (271,069) |
| Net Cash Used by Operating Activities | (3,043,343) | (1,709,516) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (272,596) | (256,099) |
| Sales of Investments | - | 311,378 |
| Purchases of Property and Equipment | - | (15,753) |
| Net Cash Provided (Used) by Investing Activities | (272,596) | 39,526 |
| CHANGE IN CASH AND CASH EQUIVALENTS | (3,315,939) | (1,669,990) |
| Cash and Cash Equivalents - Beginning of Year | 9,052,206 | 10,722,196 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 5,736,267 | \$ 9,052,206 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Noncash Transactions Arising from the ASC 842 Adoption: | | |
| Recognition of Right-of-Use Asset - Operating | \$ - | \$ 488,644 |
| Recognition of Lease Liability - Operating | - | (673,361) |
| Write Off of Deferred Rent | - | 184,717 |
| Total | \$ - | \$ - |

See accompanying Notes to Financial Statements.

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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.

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 years ended March 31, 2024 and 2023.

SVA has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification (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 year ended March 31, 2024, 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, 2024, the statute of limitations for tax years 2018 through 2021 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.

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.

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions Receivable

Unconditional promises to give are recognized as grants and contributions receivable in the year 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

SVA uses a combination of historical loss information based on the aging of receivables, current economic conditions, and forward-looking information to determine expected credit losses for receivables and believes that the composition of accounts receivable at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. Based on SVA's analysis, an allowance for credit loss is not needed.

Significant inputs and assumptions used in the estimation of credit losses may include:

- Historical loss experience
- Current economic conditions
- Economic indicators

Investments

Investments consist of certificates of deposit. 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.

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 statements of activities. Major additions of \$1,000 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, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

SVA leases office space. SVA determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating on the statements of financial position.

The ROU asset represents the SVA's right to use an underlying asset for the lease term and the lease liability represents SVA's obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, SVA uses the risk-free rate based on information available at commencement date in determining the present value of lease payments. The ROU asset also includes the lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that SVA will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. SVA has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

SVA's lease agreement do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, SVA considers factors such as if SVA has obtained substantially all of the rights to the underlying asset through exclusivity, if SVA can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

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.

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

SVA recognizes all unconditional contributed support in the year 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 statements 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 statements 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, 2024 and 2023.

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 up to 30 days before the event. Refunds after that date will be issued with management's discretion. No refunds will be issued after the conclusion of the event. No events 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.

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Conference Fees – Event Sponsorship and Exhibitions

Event sponsorship and exhibitions revenue includes revenue from exhibit space and sponsorship related to meetings or conferences. There are several levels of sponsorship for conferences. Sponsors receive benefits such as 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 prior to the event. Management considers these benefits as nominal in nature, and as such the revenue related to event sponsorships and exhibitions is recognized as an unconditional contribution.

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 statements of activities and change in net assets at their estimated fair value, as provided by the donor at the date of receipt. All donated goods and services received were classified as without donor restrictions.

For the year ended March 31, 2024, SVA recorded \$1,028,170 of contributed services. Of this amount, \$1,004,661 was utilized for programs and \$23,509 for general administrative and fundraising services as more fully described on the 2024 statement of functional expenses.

For the year ended March 31, 2023, SVA recorded \$1,565,618 of contributed services. Of this amount, \$1,543,681 was utilized for programs and \$21,937 for general administrative and fundraising services as more fully described on the 2023 statement of functional expenses.

Other details of the contributed nonfinancial assets received during the years ended March 31, 2024 and 2023 are as follows:

| <u>2024</u> | Revenue | Donor | Valuation Techniques |
|---|---------------------|---------------------|---|
| <u>Contributed Nonfinancial Assets Received</u> | <u>Recognized</u> | <u>Restrictions</u> | <u>and Inputs</u> |
| Public Service Announcement Air Time ⁽¹⁾ | \$ 717,258 | None | Airtime Rate as Provided by Donor |
| Online Advertising | 179,581 | None | Advertising Rate as Provided by Donor |
| Online Advertising | 96,302 | None | Advertising Rate as Provided by Donor |
| Coffee Bag Donations | 11,520 | None | Estimates Materials Spent |
| Pro Bono Law Services | 23,509 | None | Estimates of Time and Actual Rates as Provided by Donor |
| Total | <u>\$ 1,028,170</u> | | |
| <u>2023</u> | Revenue | Donor | Valuation Techniques |
| <u>Contributed Nonfinancial Assets Received</u> | <u>Recognized</u> | <u>Restrictions</u> | <u>and Inputs</u> |
| Public Service Announcement Air Time ⁽¹⁾ | \$ 1,261,608 | None | Airtime Rate as Provided by Donor |
| Online Advertising | 202,575 | None | Advertising Rate as Provided by Donor |
| Printed Advertising | 76,435 | None | Advertising Rate as Provided by Donor |
| Printing Services | 25,000 | None | Estimates of Time and Materials Spent |
| Total | <u>\$ 1,565,618</u> | | |

(1) 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.

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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, 2024 | March 31, 2023 | March 31, 2022 |
|---------------------|-------------------|-------------------|-------------------|
| Accounts Receivable | <u>\$ 20,062</u> | <u>\$ 108,007</u> | <u>\$ 44,814</u> |

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and change in net assets. 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.

Recently Adopted Accounting Pronouncements

The Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended*, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on SVA's financial statements but did change how the allowance for credit losses is determined.

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Change in Accounting Estimate

In previous years, event sponsorships and exhibitions revenue was recorded as program revenue based on the benefits received, which includes full conference registration, tote bag inserts and exhibit table space. Performance obligations were considered satisfied at the time of the meeting or conference when the services are transferred. Based on further review of these benefits in fiscal year 2024, management has determined that these benefits are nominal in nature, and as such the revenue related to event sponsorships and exhibitions is recognized as an unconditional contribution. The change in estimate had no impact on previously reported net assets.

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, SVA has evaluated subsequent events for potential recognition or disclosure through September 10, 2024, the date the financial statements were available to be issued. Other than the event disclosed in Note 7, SVA has determined that there are no subsequent events that have occurred which required adjustment or disclosure in the financial statements.

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 during the year, 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. 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 years ended March 31, 2024 and 2023, grants and contributions from one funder accounted for 23% and 36%, respectively, of the total revenue and support. As of March 31, 2024, 100% of grants and contributions receivable was due from two funders. As of March 31, 2023, 100% of grants and contributions receivable was due from three funders.

NOTE 3 LIQUIDITY AND AVAILABILITY

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

| | <u>2024</u> | <u>2023</u> |
|---|---------------------|---------------------|
| Cash and Cash Equivalents | \$ 5,736,267 | \$ 9,052,206 |
| Grants, Contributions Receivable, Net | 2,030,276 | 3,427,502 |
| Accounts Receivable, Net | 20,062 | 108,007 |
| Investments | 521,964 | 250,000 |
| Total | <u>8,308,569</u> | <u>12,837,715</u> |
| Less: Donor-Restricted Funds | (5,678,273) | (6,253,408) |
| Less: Board-Designated Funds | <u>(1,000,000)</u> | <u>(1,000,000)</u> |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year | <u>\$ 1,630,296</u> | <u>\$ 5,584,307</u> |

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

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.

NOTE 4 GRANTS AND CONTRIBUTIONS RECEIVABLE

As of March 31, 2024 and 2023, grants and contributions receivable consists of the following due from corporations and foundations:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------------|----------------------------|
| Due within One Year | \$ 1,057,500 | \$ 2,157,500 |
| Due One to Five Years | <u>1,000,000</u> | <u>1,307,500</u> |
| Total | 2,057,500 | 3,465,000 |
| Less: Present Value Discount | <u>(27,224)</u> | <u>(37,498)</u> |
| Total Net Grants and Contributions Receivable | <u><u>\$ 2,030,276</u></u> | <u><u>\$ 3,427,502</u></u> |

Discount rates ranging from 0.43% to 3.46% were used as of March 31, 2024 and 2023, 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, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------|--------------------------|
| Leasehold Improvements | \$ 265,932 | \$ 265,932 |
| Furniture and Fixtures | 140,635 | 140,635 |
| Website Development Costs | 283,193 | 283,193 |
| Computer and Other Equipment | <u>131,120</u> | <u>131,120</u> |
| Total | 820,880 | 820,880 |
| Less: Accumulated Depreciation and Amortization | <u>(712,193)</u> | <u>(616,530)</u> |
| Property and Equipment, Net | <u><u>\$ 108,687</u></u> | <u><u>\$ 204,350</u></u> |

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available with the following restrictions at March 31, 2024 and 2023:

| | 2024 | 2023 |
|--|--------------|--------------|
| Subject to Passage of Time: | | |
| Promises to Give Which are Unavailable for Expenditure Until Due | \$ - | \$ 25,000 |
| Subject to Expenditure for Specified Purpose: | | |
| Chapter Services and Grants | 4,206,465 | 5,586,566 |
| Career Center | 1,309,966 | - |
| Scholarships | 161,842 | 641,842 |
| Total Restrictions | \$ 5,678,273 | \$ 6,253,408 |

Net assets were released from donor restrictions by incurring expenses that satisfied purpose restrictions or receipt of payment that satisfied time restrictions. For the years ended March 31, 2024 and 2023, net assets released from restrictions were as follows:

| | 2024 | 2023 |
|---|--------------|--------------|
| Satisfaction of Time Restrictions | \$ 25,000 | \$ 25,000 |
| Satisfaction of Purpose Restrictions: | | |
| Chapter Services and Grants | 1,380,101 | 1,486,746 |
| Scholarship | 634,600 | 159,600 |
| Career Center | 65,034 | - |
| National Conference | - | 519,920 |
| Regional Summits | - | 444,697 |
| Strategic Support | - | 145,617 |
| Total Net Assets Released from Donor Restrictions | \$ 2,104,735 | \$ 2,781,580 |

NOTE 7 COMMITMENTS AND CONTINGENCIES

Operating Leases

SVA leases office space for its headquarters in Washington, DC, under the terms of a noncancelable operating lease which expired 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. In addition, SVA received rent concessions at the inception of the lease as well as concession for the first few months of the lease.

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following table provide quantitative information concerning the SVA's lease as of and for the years ended March 31:

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|-------------------|
| Right-of-Use Asset | \$ 486,594 | \$ 486,594 |
| Right-of-Use Asset Accumulated Amortization | (399,921) | (196,097) |
| Total Lease Cost | <u>\$ 86,673</u> | <u>\$ 290,497</u> |
| | | |
| | <u>2024</u> | <u>2023</u> |
| Operating Lease Cost | \$ 209,516 | \$ 209,516 |
| Short-Term Lease Cost | 5,501 | 3,574 |
| Total Lease Cost | <u>\$ 215,017</u> | <u>\$ 213,090</u> |
| | | |
| | <u>2024</u> | <u>2023</u> |
| Other Information: | | |
| Operating Cash Flows from Operating Lease | \$ 289,023 | \$ 280,604 |
| Remaining Lease Term - Operating Lease | 0.4 Years | 1.4 Years |
| Discount Rate - Operating Lease | 2.06% | 2.06% |

A maturity analysis of annual undiscounted cash flows for the lease liability as of March 31, 2024 is as follows:

| <u>Year Ending March 31,</u> | <u>Amount</u> |
|------------------------------|-------------------|
| 2025 | \$ 121,906 |
| (Less) Imputed Interest | (626) |
| Total Present Value | <u>\$ 121,280</u> |

On December 7, 2023, SVA entered into a new lease agreement for office space in Washington, DC. The new lease, which commenced in September 2024, contains an abatement for rent for several months, annual-based rent escalations and a tenant improvement allowance.

The expected annual cash flows for the new lease are as follows:

| <u>Year Ending March 31,</u> | <u>Amount</u> |
|------------------------------|---------------------|
| 2025 | \$ - |
| 2026 | - |
| 2027 | 147,345 |
| 2028 | 151,027 |
| 2029 | 154,805 |
| Thereafter | 1,213,148 |
| Total | <u>\$ 1,666,325</u> |

**STUDENT VETERANS OF AMERICA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Hotel Commitments

The Organization has entered into hotel contracts for events through 2030. These contracts contain clauses whereby the Organization may be liable for liquidated damages in the event of cancellation. As of March 31, 2024, the maximum liquidated damages under these agreements total approximately \$1,175,000.

NOTE 8 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 4% of employee's eligible earnings from April 1 to March 31. The plan permits additional voluntary contributions by each employee up to annual Internal Revenue Service limits. Employer matching contribution expense totaled \$66,088 and \$57,256 for the years ended March 31, 2024 and 2023, respectively.



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