



Student Veterans of America

Financial Statements
Year Ended December 31, 2019

Student Veterans of America

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Student Veterans of America

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Independent Auditor's Report

Board of Directors
Student Veterans of America
Washington, DC

We have audited the accompanying financial statements of **Student Veterans of America (SVA)**, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Student Veterans of America** as of December 31, 2019, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited SVA's financial statements, and our report dated October 21, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter - COVID-19

As more fully described in Note 12 to the financial statements, SVA may be materially impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

BDO USA, LLP

June 3, 2020

Financial Statements

Student Veterans of America

Statement of Financial Position (With Summarized Comparative Totals at December 31, 2018)

<i>December 31,</i>	2019	2018 (Summarized)
Assets		
Cash and cash equivalents	\$ 1,422,075	\$ 2,587,992
Grants and contributions receivable, net	855,419	1,574,559
Accounts receivable, net	61,904	27,075
Investments	306,651	303,963
Prepaid expenses and other assets	632,966	416,449
Property and equipment, net	309,995	320,675
Total assets	\$ 3,589,010	\$ 5,230,713
Liabilities and net assets		
Liabilities		
Accounts payable	\$ 44,366	\$ 84,723
Deferred revenue	676,780	736,015
Deferred rent	305,728	348,973
Total liabilities	1,026,874	1,169,711
Commitments and contingencies		
Net assets		
Net assets (deficit) without donor restrictions	70,483	(175,380)
Net assets with donor restrictions	2,491,653	4,236,382
Total net assets	2,562,136	4,061,002
Total liabilities and net assets	\$ 3,589,010	\$ 5,230,713

See accompanying notes to financial statements.

Student Veterans of America

Statement of Activities and Change in Net Assets (With Summarized Comparative Totals for the Year Ended December 31, 2018)

<i>Year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 (Summarized)
Revenue and support				
Grants and contributions	\$ 459,004	\$ 1,584,850	\$ 2,043,854	\$ 2,061,813
Conference fees	851,747	-	851,747	551,571
Business and industry roundtable	235,000	-	235,000	375,000
Other income	40,935	-	40,935	60,877
Donated goods and services	-	25,000	25,000	15,345
Investment return, net	3,598	-	3,598	1,434
Net assets released from restrictions	3,354,579	(3,354,579)	-	-
Total revenue and support	4,944,863	(1,744,729)	3,200,134	3,066,040
Expenses				
Program services:				
National conference	1,499,254	-	1,499,254	859,016
Research	691,844	-	691,844	651,467
Chapter services and grants	553,356	-	553,356	527,654
Leadership institute services	485,732	-	485,732	424,548
Program support	233,735	-	233,735	547,644
Regional Summits	229,046	-	229,046	-
Scholarships	154,714	-	154,714	287,303
Alumni and veterans center initiatives	-	-	-	2,677
Total program services	3,847,681	-	3,847,681	3,300,309
Supporting services:				
General and administrative	528,496	-	528,496	409,901
Fundraising	322,823	-	322,823	114,945
Total supporting services	851,319	-	851,319	524,846
Total expenses	4,699,000	-	4,699,000	3,825,155
Change in net assets	245,863	(1,744,729)	(1,498,866)	(759,115)
Net (deficit) assets, beginning of year	(175,380)	4,236,382	4,061,002	4,820,117
Net assets, end of year	\$ 70,483	\$ 2,491,653	\$ 2,562,136	\$ 4,061,002

See accompanying notes to financial statements.

Student Veterans of America
Statement of Functional Expenses
(With Summarized Comparative Totals for the Year Ended December 31, 2018)

Year ended December 31,	Program Services							Supporting Services				2019 Total	2018 (Summarized)
	National Conference	Research	Chapter Services and Grants	Leadership Institute Services	Program Support	Regional Summits	Scholarships	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
Salaries and benefits	\$ 319,876	\$ 374,120	\$ 203,221	\$ 86,494	\$ 134,645	\$ 84,035	\$ 43,215	\$ 1,245,606	\$ 244,875	\$ 157,756	\$ 402,631	\$ 1,648,237	\$ 1,416,858
Conference and meetings	915,676	22,906	-	245,175	4,500	100,670	-	1,288,927	-	-	-	1,288,927	638,292
Professional fees	116,811	47,763	240,106	25,000	55,956	-	-	485,636	240,704	116,349	357,053	842,689	521,303
Scholarships and grants	-	-	-	-	-	-	100,000	100,000	-	-	-	100,000	322,471
Travel	29,045	79,011	6,130	99,606	4,079	18,795	428	237,094	3,195	2,210	5,405	242,499	317,134
Occupancy	44,902	49,661	27,842	11,853	18,450	11,522	5,922	170,152	19,846	21,616	41,462	211,614	222,205
Information technology	12,776	21,284	48,415	3,372	5,250	3,404	1,685	96,186	5,783	6,151	11,934	108,120	146,131
Dues and subscriptions	4,648	62,187	2,789	1,187	1,848	1,154	593	74,406	323	8,260	8,583	82,989	24,069
Depreciation and amortization	12,883	14,249	7,988	3,401	5,294	3,306	1,699	48,820	9,781	6,203	15,984	64,804	66,797
Other	7,237	5,903	5,724	3,676	1,739	4,780	538	29,597	101	1,964	2,065	31,662	30,220
Advertising and marketing	6,438	2,874	9,482	5,262	875	693	281	25,905	1,617	1,026	2,643	28,548	67,033
Donated goods and services	25,000	-	-	-	-	-	-	25,000	-	-	-	25,000	25,000
Office expenses	3,962	11,886	1,659	706	1,099	687	353	20,352	2,271	1,288	3,559	23,911	27,642
Total Expenses	\$ 1,499,254	\$ 691,844	\$ 553,356	\$ 485,732	\$ 233,735	\$ 229,046	\$ 154,714	\$ 3,847,681	\$ 528,496	\$ 322,823	\$ 851,319	\$ 4,699,000	\$ 3,825,155

See accompanying notes to financial statements.

Student Veterans of America

Statement of Cash Flows (With Summarized Comparative Totals at December 31, 2018)

Year ended December 31,	2019	2018 (Summarized)
Cash flows from operating activities:		
Change in net assets	\$ (1,498,866)	\$ (759,115)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	64,804	66,797
Decrease in discount to present value	-	(67,511)
Net realized and unrealized (gains) losses	(554)	646
Loss on disposal of property and equipment	-	2,674
Changes in assets and liabilities:		
Grants and contributions receivable, net	719,140	1,697,309
Accounts receivable, net	(34,829)	158,435
Prepaid expenses and other assets	(216,517)	(233,473)
Accounts payable	(40,357)	26,513
Deferred revenue	(59,235)	103,019
Deferred rent	(43,245)	(35,821)
Net cash (used in) provided by operating activities	(1,109,659)	959,473
Cash flows from investing activities:		
Purchases of investments	(2,309)	(2,255)
Sales of investments	175	175
Purchases of property and equipment	(54,124)	(23,456)
Net cash used in investing activities	(56,258)	(25,536)
Net (decrease) increase in cash	(1,165,917)	933,937
Cash and cash equivalents, beginning of the year	2,587,992	1,654,055
Cash and cash equivalents, end of the year	\$ 1,422,075	\$ 2,587,992

See accompanying notes to financial statements.

Student Veterans of America

Notes to the Financial Statements

1. Organization and Summary of Significant Accounting Policies

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 US military into campus life and the civilian community; to offer financial and educational assistance to student veterans attending colleges and universities in the US; 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.

The following is a summary of the significant accounting policies of SVA.

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.

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.

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Notes to the Financial Statements

Investments

Investments consist of fixed-income mutual funds and cash held for investment purposes. These investments are recorded at fair market value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of software and equipment maintenance, conference and other expenses that benefit future periods.

Property and Equipment and Related Accumulated Depreciation

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.

Deferred Revenue

Payments for conference registrations and exhibitor fees received in advance are deferred to the appropriate year in which the conference is held.

Net Assets

The net assets of SVA are classified as follows:

Net assets without donor restrictions represent funds that are available for support of SVA's operations.

Net assets with donor restrictions represent amounts that are subject to donor-imposed restrictions to be used for a particular purpose or within a specific time period.

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Notes to the Financial Statements

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 their 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 pledges receivable in the accompanying statement of financial position. Conditional contributions are recognized when the conditions are substantially met. There were no conditional contributions as of December 31, 2019.

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.

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Notes to the Financial Statements

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.

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.

Concentrations of 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 this institution and has not experienced any historical credit losses on its cash and cash equivalents. Amounts on deposit in excess of federally insured limits at December 31, 2019 approximate \$1.2 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.

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Notes to the Financial Statements

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.

Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 presentation. These reclassifications have no effect on the previously reported change in net assets.

Summarized Financial Information

The financial statements include certain prior year summarized comparative information as of and for the year ended December 31, 2018. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with SVA's financial statements as of and for the year ended December 31, 2018, from which the summarized information was derived.

Recently Adopted Authoritative Guidance

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The update also requires additional disclosure to enable readers of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. SVA adopted this update, along with all subsequent amendments (collectively, "Accounting Standards Codification (ASC) 606") in 2019 under the modified retrospective method. The update was applied to all contracts that were not completed at the date of initial application. Additionally, SVA applied the practical expedient (i) to account for revenues with similar characteristics as a collective group rather than individually, (ii) to not adjust the transaction price for the effects of significant financing components (if any), and (iii) to not disclose the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period when the performance obligations relate to contracts with an expected duration of less than one year. The adoption of this update did not materially impact the financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard clarified and improved current guidance by providing criteria for determining whether a nonprofit is receiving commensurate value in return for the resources transferred. The outcome of the analysis determines whether the contract or grant constitutes either a contribution or an exchange transaction (i.e., ASC 606). The guidance also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. SVA adopted this update in 2019 under the modified prospective basis. The adoption of this update did not materially impact the financial statements.

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Notes to the Financial Statements

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the 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 January 1, 2022. Management is currently evaluating the impact of this ASU on their financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, Fair Value Measurement. The ASU is effective for SVA beginning on January 1, 2020. Management is currently evaluating the impact of this ASU on their financial statements.

SVA has assessed other accounting pronouncements issued or effective during the year ended December 31, 2019 and deemed they were not applicable to SVA or are not anticipated to have a material effect on the financial statements.

2. 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 statements of financial position because of donor-imposed or other restrictions.

<i>December 31,</i>	2019	2018
Cash and cash equivalents	\$ 1,422,075	\$ 2,587,992
Grants and contributions receivable, net	855,419	1,574,559
Accounts receivable, net	61,904	27,075
Investments	306,651	303,963
Total	2,646,049	4,493,589
Less donor-imposed restrictions	(2,491,653)	(4,236,382)
Financial assets available to meet cash needs for general expenditures within one year	\$ 154,396	\$ 257,207

*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.

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Notes to the Financial Statements

3. Grants and Contributions Receivable

As of December 31, 2019 and 2018, grants and contributions receivable of \$855,419 and \$1,574,559, respectively, consisted of amounts due from corporations and foundations and were expected to be received in less than one year. All amounts are deemed fully collectible.

4. Investment Return

The composition of investment return, net is as follows for the years ended December 31:

	2019	2018
Interest and dividends	\$ 3,219	\$ 2,255
Net realized and unrealized gains (losses)	554	(646)
Less: investment management fees	(175)	(175)
Total investment return, net	\$ 3,598	\$ 1,434

5. Property and Equipment

Property and equipment consists of the following at December 31:

	2019	2018
Leasehold improvements	\$ 265,932	\$ 265,932
Furniture and fixtures	140,635	140,635
Website development costs	126,093	78,093
Computer and other equipment	108,752	102,628
Total property and equipment	641,412	587,288
Less: accumulated depreciation and amortization	(331,417)	(266,613)
Property and equipment, net	\$ 309,995	\$ 320,675

Depreciation and amortization expense was \$64,804 and \$66,797 for the years ended December 31, 2019 and 2018, respectively.

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Notes to the Financial Statements

6. Net Assets With Donor Restrictions

Net assets with donor restrictions were available with the following restrictions at December 31:

	2019	2018
Subject to the passage of time:		
Promises to give which are unavailable for expenditure until due	\$ 855,419	\$ 1,574,559
Subject to expenditure for specified purpose:		
Chapter services and grants	253,202	554,217
Research	537,884	1,191,729
National conference	109,990	291,831
Scholarships	413,613	283,613
Program support	321,545	319,749
Leadership institute services	-	20,684
	\$ 2,491,653	\$ 4,236,382

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 years ended December 31, 2019 and 2018, net assets released from restrictions were as follows:

	2019	2018
Satisfaction of purpose restrictions:		
National conference	\$ 491,831	\$ 476,100
Chapter services and grants	716,771	421,406
Scholarship	154,714	269,887
Leadership institute services	510,684	362,615
Research	691,844	357,176
Program support	233,735	547,762
Regional summits	305,000	-
Total satisfaction of purpose restrictions	3,104,579	2,434,946
Total satisfaction of time restrictions	250,000	300,000
Total satisfaction of purpose and time restrictions	\$ 3,354,579	\$ 2,734,946

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Notes to the Financial Statements

7. Fair Value Measurement

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis. In accordance with the accounting standards for fair value measurement for those assets and liabilities that are measured at fair value on a recurring basis, SVA has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument. Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

Level 3 - Unobservable inputs for the asset or liability, including SVA's own assumptions in determining the fair value measurement.

The following table summarizes SVA's investments measured at fair value on a recurring basis as of December 31, 2019:

	As of December 31, 2019			
	Total	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Investments at fair value:				
Mutual funds				
Fixed income	\$ 69,227	\$ 69,227	\$ -	\$ -
Total investments at fair value level	\$ 69,227	\$ 69,227	\$ -	\$ -
Investments at cost*				
Cash	237,424			
Total investments	\$ 306,651			

* Cash included in the investment portfolio is not subject to the provisions of fair value measurements as it is recorded at cost and is only included here to reconcile to the accompanying statement of financial position.

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Notes to the Financial Statements

As of December 31, 2018

	Total	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Investments at fair value:				
Mutual funds				
Fixed income	\$ 68,673	\$ 68,673	\$ -	\$ -
Total investments at fair value level	\$ 68,673	\$ 68,673	\$ -	\$ -
Investments at cost*				
Cash	235,290			
Total investments	\$ 303,963			

* Cash included in the investment portfolio is not subject to the provisions of fair value measurements as it is recorded at cost and is only included here to reconcile to the accompanying statement of financial position.

Mutual funds are valued at readily available quoted market prices from an active market where there is significant transparency in the executed/quoted market price.

8. Commitments and Contingencies

Hotel Commitments

SVA has entered into several agreements with hotels providing for room accommodations for its meetings and conferences through 2021. These agreements contain clauses whereby SVA is liable for liquidated damages in the event SVA cancels the event. Management is of the opinion that no material liability is likely. The maximum possible amount of liquidated damages was approximately \$1,240,000 as of December 31, 2019. After considering the January 2020 National Conference (NatCon) event, which occurred as planned, the maximum possible amount of liquidated damages is approximately \$297,000.

Operating Leases

SVA entered into a 108-month noncancelable operating lease for its headquarters in Washington, DC, which expires on August 31, 2024. Under the terms of the lease, 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.

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

Years ending December 31,

2020	\$	263,000
2021		270,000
2022		279,000
2023		287,000
2024		195,000
<hr/>		
Total	\$	1,294,000

Rent expense totaled \$211,614 and \$222,205 for the years ended December 31, 2019 and 2018, respectively.

9. 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 tax related to this was \$0 for the years ended December 31, 2019 and 2018, respectively.

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 years ended December 31, 2019 and 2018, 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 December 31, 2019, the statute of limitations for tax years 2016 through 2018 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.

10. Retirement Plans

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 contributes 3% of each employee's elective deferrals, up to a maximum of 6% of eligible earnings. The plan permits additional voluntary contributions by each employee up to annual Internal Revenue Service limits. Employer matching contribution expense totaled \$696 and \$576 for the years ended December 31, 2019 and 2018, respectively.

11. Related Parties

In 2016, SVA entered into an agreement with a member of the Board of Directors to perform professional services. The Board member's professional services firm was paid \$30,906 and \$40,581 for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019 and 2018, amounts due to the Board member were \$0 and \$500, respectively, for professional services.

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12. Subsequent Events

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic. As of the date of issuance, this public health emergency stands to substantially impact the global economy, including significant volatility in the financial markets. The coronavirus pandemic and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to SVA, its performance, and its financial results. The government-mandated restrictions on travel and requirement for social distancing and shelter-in-place directives have forced cancellation of certain meetings. While the resulting disruptions are expected to be temporary, there is considerable uncertainty around its duration. Although SVA cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on SVA's results of future operations, financial position, and liquidity in fiscal year 2020.

On March 27, 2020, the President of the United States signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act. The CARES Act, among other things, includes provisions related to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, increases limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. In addition, SVA has applied for, and has received, funds under the Paycheck Protection Program on May 4, 2020 in the amount of \$293,347. The application for these funds requires SVA to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of SVA. This certification further requires SVA to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on SVA having initially qualified for the loan and qualifying for the forgiveness of such loan based on future adherence to the forgiveness criteria. Management continues to examine the impact that the CARES Act may have on SVA and is currently unable to determine the impact on its operations and net assets for the year ending December 31, 2020.

SVA has evaluated its December 31, 2019 financial statements for subsequent events through June 3, 2020 the date the financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in these financial statements, except as described above.