



2017 APSC Annual Report

501 (c) (3) Public Charity: 45-3827638

W30 – Military & Veterans Organizations
(National Taxonomy of Exempt Entities Code)

Mission Statement

Assist Veterans and their Surviving Spouses in obtaining VA Benefits. This service is provided at no cost to the Veteran or their family

Dear Fellow Patriots,

2017 has been a wonderful year for APSC and for the Veterans and their families that we serve, but results versus goals were mixed internally. Our highlights include:

- Our documented & extended benefits since inception have grown from \$58,546,152 as of December 31, 2016 to \$83,490,788 as of December 31, 2017 – an increase of nearly \$25,000,000 dollars. (see exhibit 1)
- We opened 629 new Pension files 2017 (see exhibit 2)
- Our ratios are excellent as fund raising was only 2.530% of Revenue and Admin came in at only 1.571%.
- Our We retained our qualification for the BBB Seal

The following is an overview of American Patriot Service Corp.'s income and expenses for 2016:

Revenue:

• Contributions and Grants	144,955	
• Program Service Revenue	<u>12,667</u>	
Total Revenue		<u>\$ 157,626</u>

Expenses:

• Administrative Overhead	4,416	
• Fund Raising Expenses	6,332	
• Program Service Expenses	<u>118,076</u>	
Total Expense		<u>\$ 128,824</u>

Net Income **\$ 28,802**

Net Assets as of December 31, 2017 **\$ 46,507**

Leadership Roster as of December 31, 2017:

Name	Address	Phone #	Position Held	Description of Duties	Dates of Service
Robert L Payne	90 West 500S Suite 603 Bountiful, UT 84010	(801) 318- 7810	Exec. VP Corporate Counsel & VA Acc. Attorney	Supervise all Legal Functions & all correspondence with the VA	December 15, 2017 to Present
Richard Nelson	562 S. 10 West Farmington, UT 84025	(801) 949- 1598	CEO/President and Board Member	Supervision, Direction, Accounting & Compliance	November 2011 to Present
David Tucker, CPA	1443 South 2000 East Salt Lake City, UT 84108	(801) 573- 4940	Sec/Treasurer and Board Member	Approve Invoices, Sign Checks, CEO Evaluation Finance Committee	November, 2011 to Present
Stan Benfell	757 W 700 South Woods Cross, UT 84087	(801) 397- 3030	Board Chairman and Member	Approve Invoices, Sign Checks, CEO Evaluation, Board Meetings	November 2011 to Present
Rayfel Bachiller	11582 Hickory Valley Drive Sandy, UT 84092	(801) 430- 8762	Board Member	CEO Evaluation Team VA Issues	November 2011 to Present
Phillip C. Wright	2085 Orchard Dr. Bountiful, UT 84010	(801) 337-8317	Board Member	Fund Raising Finance Committee Govt. Relations	June 2015 to Present

Appendix – Detailed Objectives & Results

2017 Objectives

- Increase our outreach to Veterans, especially the expected influx of Vietnam Veterans
- Improve the quality and quantity of our services
- Improve our fund-raising results
- Maintain and if possible, improve our operating ratios
- Increase our Membership Income

Specific goals to meet our objectives were set as follows:

1. Recruit a Paid in-house VA Accredited Attorney to supervise our Legal Team
2. Confirm at least \$75,000,000 dollars in documented and extended benefits by year end
3. Generate \$31,500 in membership donations
4. Generate \$40,000 dollars in Corporate and In-Kind donations
5. Generate \$80,000 dollars in Pay-it-Forward Gifts
6. Generate 800 new pension files
7. Generate \$18,000 dollars in Program Service Revenue
8. Increase our Pay-it-Forward Donation to an average of 200 dollars/gift
9. Sign up at least 1 new major corporate sponsor
10. Manage our affairs so that at least 90% of all expenditures in 2016 support our primary service activity.

2017 Actual Results

1. **Recruit a Paid in-house VA Accredited Attorney – Goal Accomplished.** Robert L Payne a VA Accredited Attorney joined us and moved into our offices December 15, 2017. We were able to secure a grant to cover his modest salary. All legal work is under his direct supervision to assist Veterans in applying for earned benefits.
2. **Our Paid and Extended Claims goal for 2017 was \$75,000,000 dollars – Goal Accomplished** Actual Paid and extended claims by on December 31st was 83,490,787.
3. **Objective was to generate \$30,000 in membership donations.** 2017 membership donations came in at only \$13,505 as we lost a major corporate member. **Big miss here.**
4. **Generate \$40,000 in Corporate Donations.** Actual Corporate donations for 2017 were \$30,268. **We missed the overall goal by \$9,732.** Our corporate fund raising continues to be very disappointing and needs a lot of work.
5. **Generate \$80,000 in “pay it forward” donations from the families of those we have assisted.** **We exceeded our goal by nearly \$7,000 dollars.** We never charge a fee for our service. We do encourage those that have received assistance from us to “Pay it Forward” since the help they received from us was paid for by someone else. Our “Pay it Forward” Donations for 2017 were **\$86,779.**

6. **Identify and assist 800 new Veterans/Surviving Spouses in applying for the non-service connected pension.** Our hope was to build on our 2016 results of 699 files and grow it to 800. Actual results were less than 2016 and we opened 629 cases. **We came in well below 2016 and missed our goal by 171.**
7. **2017 goal was to generate \$18,000 in Program Service Revenue.** This number is driven by number of new cases that are generated and by the % of people that help us cover the 27.00/file cost of sending files via UPS 2-day service. As was mentioned above, we missed our case count goal by 171, and we only recovered the shipping costs from 79% of those we served in 2017. **We missed this goal by \$5,333.**
8. **2017 Goal was to average at least \$200 dollars per pay it forward gift.** We successfully met our goal in that our average pay-it-forward gift in 2017 was \$214.80 as compared to \$193.60 in 2016 and \$156.88 in 2015. **Goal Accomplished**
9. **Sign up 1 new major corporate sponsor - Goal Accomplished.** We received a large multiyear grant commitment from a major US corporation.
10. **2017 Goal was to manage our affairs so that at least 90% of all expenditures supported our primary service activity. Goal Accomplished.** Fund raising expenses were 2.530% of revenue and Administrative expense were 1.571% of revenue. Total Expenditures in 2017 were \$128,824 with primary service activities accounting for \$118,076 generating a ratio of 91.66%.

Conclusion

We are very pleased with our accomplishments and the progress we have made (for detailed month by month goal versus actual results please refer to Exhibit #2). Though in retrospect our goals may have been a little over ambitious, it did cause us to stretch. Our fundamentals are excellent and we are positioned to continue to grow very quickly.

We are an astonishingly efficient organization. Since inception in 2011 through December 31, 2017, our total expenditures are \$616,582. During that same time we can document \$83,490,787 in paid and extended claims. That means that our expenditures are only .74 tenths of 1% (0.739%) of the benefits that are generated because of our work. Another way to state this is that for every \$1,000 dollars we receive in donations, we have been able to leverage that into over \$135,000 dollars in benefits for our military veterans and/or surviving spouses.

Our other ratios are also excellent.

- Inception to date Fund Raising expenses as a percentage of total revenue is only 1.692%. This is possible because fund raising is conducted by our volunteers. Currently our fund raising expenses are:
 - A part-time employee whose only job is to process donations and prepare & mail receipts
 - The postage to mail receipts
 - Credit Card fees for those that donate through our secure portal
 - Partial allocation of CEO compensation
- Administrative Expense as a percentage of total Revenue since inception is 3.613%. Our goal is to keep fund raising and administrative expenses combined at approximately 5%.
- Programs Service Expenses as a % of Total expenses is just under our target of 95% and comes in at 94.695%
- Total Expense as a % of Claims since inception is a miniscule 0.739%

For detail Revenue, Expense and ratios, please refer to Exhibit #3

As the graph in Exhibit #4 shows, American Patriot Service Corp. is extraordinarily effective and efficient in serving those that served us as it shows in graphic form benefits awarded compared to cumulative cost.

Exhibit #5 shows the number of checks we received by state and by month for Courier reimbursement.

Exhibit #6 shows total Pay it Forward Donations broken down by state and by month.

For more information, please visit our website at: www.apscnp.org