



# 2019 APSC Annual Report

501 (c) (3) Public Charity: 45-3827638  
 W30 – Military & Veterans Organizations  
 (National Taxonomy of Exempt Entities Code)  
 DUNS: 108383573

## Mission Statement

**The mission of American Patriot Service Corp. is to serve our military Veterans and their families by helping Veterans and Surviving Spouses apply for pension benefits from the Department of Veterans Affairs.**

Dear Fellow Patriots,

2019 has been a wonderful and challenging year for APSC and for the Veterans and their families that we serve. Our highlights include:

- Our documented benefits since inception have grown from \$88,368,695 as of December 31, 2018 to \$120,862,094 as of December 31, 2019 – an increase of over \$32 million dollars (see exhibit 1)
- We opened 533 new Pension files 2019
- Our ratios are excellent as fund raising was only 1.914% of Revenue and Admin came in at only 3.301% (see exhibit2)
- We retained our qualification for the BBB Seal

The following is an overview of American Patriot Service Corp.’s income and expenses for 2019:

### Revenue:

• Contributions and Grants	387,961	
• Program Service Revenue	<u>12,234</u>	
 Total Revenue		 <u>\$ 400,195</u>

### Expenses:

• Administrative Overhead	14,477	
• Fund Raising Expenses	6,499	
• Program Service Expenses	<u>432,999</u>	
 Total Expense		 <u>\$ 453,975</u>

**Net Income** **\$ -53,780**

**Net Assets as of December 31, 2017** **\$ 24,610**

## Leadership Roster as of December 31, 2019:

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

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## 2019 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. Maintain a Paid in-house VA Accredited Attorney to supervise our Legal Team
2. Confirm at least \$120,000,000 dollars in documented benefits by year end – this goal was not adjusted
3. Generate \$145,000 in membership income – this goal was adjusted to \$100,000
4. Generate \$275,000 dollars in Corporate and In-Kind donations – because of the VA changes we lost a major corporate donor and had to adjust the goal downward to \$150,000
5. Generate \$90,000 dollars in Pay-it-Forward Gifts – this goal was not adjusted
6. Generate 800 new pension files – this goal was adjusted to 550 cases
7. Generate \$19,440 dollars in Program Service Revenue – this goal was adjusted to \$12,000
8. Increase our Pay-it-Forward Donation to an average of 210 dollars/gift – this goal was not reduced, because of the increased difficulty we asked for additional help hoping to increase the average to 300/gift
9. Sign up at least 1 new major corporate sponsor – that goal was abandoned because of the regulatory climate
10. Manage our affairs so that at least 90% of all expenditures in 2019 support our primary service activity.

In the fall of 2018, we saw significant changes coming from the Department of Veteran Affairs. The VA decided to make massive changes to both the rules and their claims process. They put in lookback rules pertaining to asset transfers, created new forms, nearly doubled the amount of work to prosecute a claim and made it virtually impossible for many of our volunteers to continue to serve the veteran community. Their internal changes also dramatically increased the time to process claims. Because of the unexpectedly massive negative impact on our charity, we had to revise our goals down dramatically.

We show a loss of \$53,780 for 2019, but in actuality we received a grant in 2018 but not all of the funds were used in calendar 2018. APSC uses cash accounting instead of accrual accounting, hence the apparent loss. Even though 2019 was very difficult because of the VA changes, we dramatically reduced expenditures so as to stay solvent.

## 2019 Actual Results

1. **Retain a Paid in-house VA Accredited Attorney – Goal Accomplished.** Robert L Payne a VA Accredited Attorney moved into our offices and worked the entire year. All legal work is under his direct supervision to assist Veterans in applying for earned benefits.
2. **Our Paid Claims goal for 2019 was \$120,000,000 dollars – Goal Accomplished.** Actual Paid claims as of December 31<sup>st</sup> was 120,862,094.
3. **Revised Objective was to generate \$100,000 in sustaining membership donations – Revised Goal Accomplished.** 2019 membership donations came in at \$105,239
4. **Generate \$150,000 in Corporate Donations – Revised Goal Accomplished.** Actual Corporate donations for 2019 were \$154,085.
5. **Generate \$90,000 in “pay it forward” donations from the families of those we have assisted. Goal Accomplished.** 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 2019 were **\$98,321.**
6. **Goal was revised to Identify and assist 550 new Veterans/Surviving Spouses in applying for the non-service-connected pension. We missed our revised goal by 17 as we ended the year at 533 new cases.**
7. **2019 revised goal was to generate \$12,000 in Program Service Revenue. Revised Goal Accomplished with revenue of \$12,234**
8. **2019 Goal was to average at least \$210 dollars per pay it forward gift.** We raised our goal per case by \$90.00 dollars because the new VA regulations dramatically increased our costs. This was a bold move because historically our average pay-it-forward gift in 2018 was \$211.15, \$214.80 in 2017, \$193.60 in 2016 and \$156.88 in 2015. **Goal Accomplished with an average gift of \$307.34 in 2019**
9. **Sign up 1 new major corporate sponsor – Because of market conditions this goal was abandoned**
10. **2019 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 1.914% of revenue and Administrative expense were 3.301% of revenue. Total Expenditures in 2019 were **\$ 453,975** with primary service activities accounting for **432,999** generating a ratio of 95.38%.

## Conclusion

We are very pleased with our accomplishments and the progress we have made, especially in surviving and now thriving in spite of the new regulatory environment at the VA. Our fundamentals are excellent, and we are positioned to continue to grow very quickly. But there is a cautionary note going forward. The VA made major changes to how the Aid and Attendance benefit is processed. This caused a massive slowdown of our existing cases as well as our new cases. It is taking a year to process cases that used to take 90 days. These changes are dramatically impacting our volunteers, doubling the amount of work to process a claim, and likely dramatically extending, at least temporarily, the amount of time it takes the VA to process a claim.

For more information, please visit our website at: [www.apscnp.org](http://www.apscnp.org)