

TRAVIS MANION FOUNDATION
Financial Statements
March 31, 2025 and 2024
With Independent Auditor's Report

Travis Manion Foundation
Table of Contents
March 31, 2025 and 2024

Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-18

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Travis Manion Foundation:

Opinion

We have audited the financial statements of Travis Manion Foundation (a nonprofit organization), which comprise the statement of financial position as of March 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Travis Manion Foundation as of March 31, 2025, and the changes 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.

Basis for Opinion

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

Other Matter

The financial statements of Travis Manion Foundation as of and for the year ended March 31, 2024 were audited by BBD, LLP who joined with WithumSmith+Brown, PC on April 1, 2024 and expressed an unmodified opinion on those financial statements dated July 24, 2024.

Responsibility of Management 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, 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 Travis Manion Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of the effectiveness of Travis Manion Foundation'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 Travis Manion Foundation's ability to continue as a going concern for a reasonable period of time

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

A handwritten signature in blue ink that reads 'Withum Smith & Brown, PC'.

August 13, 2025

Travis Manion Foundation
Statements of Financial Position
March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 1,493,127	\$ 855,353
Accounts receivable	340	208
Contributions receivable, net	2,528,927	1,954,927
Inventory	123,282	186,480
Prepaid expenses	154,395	170,660
Investments	7,195,940	8,593,265
Property and equipment, net	1,932,954	269,837
Right of use asset - operating lease	-	7,500
Other assets	<u>8,520</u>	<u>10,324</u>
 Total assets	 <u>\$ 13,437,485</u>	 <u>\$ 12,048,554</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expense	\$ 580,796	\$ 540,940
Deferred revenue	152,792	120,637
Lease liability	<u>-</u>	<u>7,500</u>
Total liabilities	<u>733,588</u>	<u>669,077</u>
 Net assets		
Without donor restrictions	7,613,917	8,028,779
With donor restrictions	<u>5,089,980</u>	<u>3,350,698</u>
Total net assets	<u>12,703,897</u>	<u>11,379,477</u>
 Total liabilities and net assets	 <u>\$ 13,437,485</u>	 <u>\$ 12,048,554</u>

The Notes to Financial Statements are an integral part of these statements.

Travis Manion Foundation
Statement of Activities
Year Ended March 31, 2025 With Comparative Totals for 2024

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
Revenue and support				
Contributions	\$ 9,286,390	\$ 1,955,814	\$ 11,242,204	\$ 11,639,593
Contributions of non-financial assets	2,026,032	-	2,026,032	373,568
Program service revenue	1,408,075	-	1,408,075	1,034,244
Investment income	373,388	78,496	451,884	1,011,624
Sales, net of cost of goods sold of \$116,157 in 2025 and \$115,634 in 2024	103,191	-	103,191	93,941
Net assets released from restrictions	295,028	(295,028)	-	-
Total revenue and support	13,492,104	1,739,282	15,231,386	14,152,970
Expenses				
Program services	11,946,244	-	11,946,244	9,917,009
Supporting services				
General and administrative	854,602	-	854,602	834,573
Fundraising	1,106,120	-	1,106,120	1,091,939
Total expenses	13,906,966	-	13,906,966	11,843,521
Change in net assets	(414,862)	1,739,282	1,324,420	2,309,449
Net assets				
Beginning of year	8,028,779	3,350,698	11,379,477	9,070,028
End of year	\$ 7,613,917	\$ 5,089,980	\$ 12,703,897	\$ 11,379,477

The Notes to Financial Statements are an integral part of this statement.

Travis Manion Foundation
Statement of Activities
Year Ended March 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Contributions	\$ 9,151,010	\$ 2,488,583	\$ 11,639,593
Contributions of non-financial assets	373,568	-	373,568
Program service revenue	1,034,244	-	1,034,244
Investment income	1,011,624	-	1,011,624
Sales, net of cost of goods sold of \$115,634	93,941	-	93,941
Net assets released from restrictions	<u>4,265,836</u>	<u>(4,265,836)</u>	<u>-</u>
Total revenue and support	<u>15,930,223</u>	<u>(1,777,253)</u>	<u>14,152,970</u>
Expenses			
Program services	9,917,009	-	9,917,009
Supporting services			
General and administrative	834,573	-	834,573
Fundraising	<u>1,091,939</u>	<u>-</u>	<u>1,091,939</u>
Total expenses	<u>11,843,521</u>	<u>-</u>	<u>11,843,521</u>
Change in net assets	4,086,702	(1,777,253)	2,309,449
Net assets			
Beginning of year	<u>3,942,077</u>	<u>5,127,951</u>	<u>9,070,028</u>
End of year	<u>\$ 8,028,779</u>	<u>\$ 3,350,698</u>	<u>\$ 11,379,477</u>

The Notes to Financial Statements are an integral part of this statement.

Travis Manion Foundation
Statements of Functional Expenses
Year Ended March 31, 2025 With Comparative Totals for 2024

	Program Services				Supporting Services		Totals	
	Community Engagement by Veterans and Families of the Fallen	Character Development and Veteran Youth Mentorship	Personal Development and Training for Veterans and Families of the Fallen	Total	General and Administrative	Fundraising	2025	2024
Salaries and related expenses								
Salaries	\$ 883,502	\$ 2,056,085	\$ 2,229,998	\$ 5,169,585	\$ 293,765	\$ 411,217	\$ 5,874,567	\$ 5,235,991
Payroll taxes and benefits	127,606	323,150	327,335	778,091	29,707	60,487	868,285	716,262
Total salaries and related expenses	1,011,108	2,379,235	2,557,333	5,947,676	323,472	471,704	6,742,852	5,952,253
Advertising	174,945	154,021	165,113	494,079	15,774	9,476	519,329	460,245
Consulting and outside services	45,830	320,268	123,122	489,220	36,871	28,001	554,092	392,531
Depreciation and amortization	-	-	-	-	93,344	-	93,344	31,959
Equipment and services	58,665	3,049	127,116	188,830	1,717	1,241	191,788	138,284
Event registration	22,042	264	106,295	128,601	-	79,471	208,072	183,853
Grants	190,714	110,259	789,667	1,090,640	12,252	18,942	1,121,834	754,175
Insurance	26,570	5,852	3,022	35,444	15,507	463	51,414	62,937
Licenses and permits	7,838	-	1,457	9,295	-	-	9,295	6,839
Meetings and events	19,329	136,691	167,504	323,524	8,501	131,573	463,598	341,436
Occupancy	140,944	140,370	132,368	413,682	14,166	28,864	456,712	491,877
Other	29,246	64,139	170,681	264,066	76,162	116,056	456,284	479,160
Postage and shipping	47,877	26,941	22,275	97,093	19,431	10,016	126,540	86,650
Printing	8,833	28,301	30,146	67,280	1,611	7,432	76,323	96,154
Professional fees	252,979	332,432	258,884	844,295	81,008	37,752	963,055	718,751
Supplies	597,804	267,834	251,224	1,116,862	71,433	57,331	1,245,626	989,867
Telephone	10,576	25,703	27,152	63,431	3,765	4,973	72,169	67,984
Travel	1,474	36,128	56,540	94,142	69,414	102,051	265,607	214,998
Subtotal	2,646,774	4,031,487	4,989,899	11,668,160	844,428	1,105,346	13,617,934	11,469,953
In-kind expenses	219,207	-	58,877	278,084	10,174	774	289,032	373,568
Total expenses	\$ 2,865,981	\$ 4,031,487	\$ 5,048,776	\$ 11,946,244	\$ 854,602	\$ 1,106,120	\$ 13,906,966	\$ 11,843,521

The Notes to Financial Statements are an integral part of this statement.

Travis Manion Foundation
Statements of Functional Expenses
Year Ended March 31, 2024

	Program Services				Supporting Services		
	Community Engagement by Veterans and Families of the Fallen	Character Development and Veteran Youth Mentorship	Personal Development and Training for Veterans and Families of the Fallen	Total	General and Administrative	Fundraising	Total
Salaries and related expenses							
Salaries	\$ 799,612	\$ 1,832,369	\$ 1,974,035	\$ 4,606,016	\$ 251,002	\$ 378,973	\$ 5,235,991
Payroll taxes and benefits	105,942	271,833	267,311	645,086	19,657	51,519	716,262
Total salaries and related expenses	905,554	2,104,202	2,241,346	5,251,102	270,659	430,492	5,952,253
Advertising	130,905	92,948	115,578	339,431	21,458	99,356	460,245
Consulting and outside services	23,321	186,694	81,509	291,524	68,261	32,746	392,531
Depreciation and amortization	-	-	-	-	31,959	-	31,959
Equipment and services	48,024	4,136	84,594	136,754	1,224	306	138,284
Event registration	31,377	-	73,161	104,538	-	79,315	183,853
Grants	167,821	118,447	455,200	741,468	5,000	7,707	754,175
Insurance	26,165	4,571	2,452	33,188	29,400	349	62,937
Licenses and permits	6,664	-	175	6,839	-	-	6,839
Meetings and events	17,673	124,082	167,521	309,276	19,768	12,392	341,436
Occupancy	72,707	149,248	200,177	422,132	15,618	54,127	491,877
Other	53,087	37,736	134,842	225,665	122,535	130,960	479,160
Postage and shipping	20,475	17,511	13,298	51,284	10,805	24,561	86,650
Printing	12,650	15,787	9,200	37,637	3,535	54,982	96,154
Professional fees	211,428	202,163	167,825	581,416	95,970	41,365	718,751
Supplies	506,894	201,148	185,027	893,069	70,296	26,502	989,867
Telephone	10,285	24,138	24,484	58,907	4,257	4,820	67,984
Travel	-	18,336	45,652	63,988	60,406	90,604	214,998
Subtotal	2,245,030	3,301,147	4,002,041	9,548,218	831,151	1,090,584	11,469,953
In-kind expenses	200,870	3,120	164,801	368,791	3,422	1,355	373,568
Total expenses	\$ 2,445,900	\$ 3,304,267	\$ 4,166,842	\$ 9,917,009	\$ 834,573	\$ 1,091,939	\$ 11,843,521

The Notes to Financial Statements are an integral part of this statement.

Travis Manion Foundation
Statements of Cash Flows
Years Ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating activities		
Change in net assets	\$ 1,324,420	\$ 2,309,449
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Net realized and unrealized gain on investments	(112,032)	(749,416)
Depreciation and amortization	93,344	31,959
Property contributed in-kind	(1,737,000)	-
Amortization of right of use asset	7,500	29,019
Change in operating assets and liabilities		
Accounts receivable	(132)	153
Contributions receivable	(574,000)	365,631
Inventory	63,198	(20,013)
Prepaid expenses and other assets	17,214	28,471
Accounts payable and accrued expenses	39,856	(106,101)
Operating lease liability	(7,500)	(29,019)
Deferred revenue	32,155	71,855
Net cash provided by (used in) operating activities	<u>(852,977)</u>	<u>1,931,988</u>
Investing activities		
Purchases of property and equipment	(18,606)	-
Proceeds from sale of investments	2,263,000	1,249,442
Purchases of investments	<u>(753,643)</u>	<u>(3,959,909)</u>
Net cash provided by (used in) investing activities	<u>1,490,751</u>	<u>(2,710,467)</u>
Net change in cash and cash equivalents	637,774	(778,479)
Cash and cash equivalents		
Beginning of year	<u>855,353</u>	<u>1,633,832</u>
End of year	<u>\$ 1,493,127</u>	<u>\$ 855,353</u>
Supplemental disclosure of cash flow information		
Non-cash investing activity		
Property contributed in-kind	<u>\$ 1,737,000</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of these statements.

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

1. NATURE OF OPERATIONS

Travis Manion Foundation ("TMF"), a nonprofit organization incorporated in the Commonwealth of Pennsylvania in 2007, was founded to provide assistance to the families of fallen heroes and military veterans and emphasizes service to the community as exemplified by these fallen heroes and military veterans.

TMF provides the following programs:

Community Engagement by Veterans and Families of the Fallen

TMF Spartan members, led by veterans and families of the fallen, unite communities through large scale service and athletic events. Through "Operation Legacy" service events, TMF members share the legacy of character of our fallen heroes by organizing community service projects that unite veterans, survivors, young adults and inspired civilians. Operation Legacy service events are executed throughout the year with focused campaigns in May, August, November and April. Operation Legacy activated 8,242 participants to serve. These campaigns included activating Spartan members to visit fallen heroes on Memorial Day through "The Honor Project", a back-to-school day of character and service during August, and other service projects around Veterans Day and MLK Day. TMF also unites communities through a national 5K race series, the "9/11 Heroes Run". 98 locations hosted runs with 60,000 participants honoring the heroes of 9/11 and the wars since. Additionally, TMF hosted the "Manion Workout of the Day ("WOD")" on the anniversary of Travis Manion's ultimate sacrifice, activating 4,233 participants and 270 gyms, CrossFit boxes, and GORUCK clubs. Veterans and Families of the Fallen develop strong relationships and feel a sense of purpose by being involved members in TMF's 40 national chapters participating in TMF service and athletic events throughout the year.

Personal Development and Training for Veterans and Families of the Fallen

TMF empowers veterans and families of fallen heroes to thrive in their post-military lives through personal development and life-changing experiences. TMF delivered 62 personal development seminars that provide individualized tools and knowledge that helped 2,117 veterans successfully transition from active duty. 29 veterans and families of the fallen participated in the "Spartan Leadership Program ("SLP")". SLP is a 7-month immersive leadership experience that coaches participants through personal growth and increases their volunteer leadership role within TMF. Also, families of fallen heroes are empowered to flourish on their personal journeys of healing through service-based expeditions. TMF hosted 5 expeditions where 57 survivors spent a week together serving communities in need, in honor of their lost loved ones. They provide camaraderie, support and renewed purpose to surviving family members to learn tools to move forward in their personal journey. Additionally, TMF hosted a national summit as well as seven regional summits where 300 top volunteer leaders honed their leadership skills and shared best practices.

Character Development and Veteran Youth Mentorship

Through "Character Does Matter", veterans and families of the fallen are empowered to develop character in future generations. Veterans and survivors serve as Mentors to lead character education presentations for young adults that draw on a mentor's personal service experience and the value of character in everyday life. These same volunteers also mentor youth through a character and leadership curriculum that includes team-building exercises, discussions and experiential learning challenges. Programs are facilitated by veteran and survivor teams for at least 10 hours of instruction that range in duration from a single day event to a multi-week course. 2,998 trained veteran mentors inspired 126,609 youth through 744 Character Does Matter events in 2024, of which 50% are considered "at-risk" or "under-resourced" youth. As a result, there were 40 TMF youth clubs active at fiscal year-end at schools to promote continued service and character."

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of TMF have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require it to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of TMF. These net assets may be used at the discretion of TMF's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. When restrictions are satisfied, they are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of reporting cash flows, TMF considers all investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

TMF monitors the collectability of accounts received and an allowance for credit losses is recorded based on management's judgment considering historical information, aging of the receivables, an assessment of economic conditions, and reasonable and supportable forecasts of future collections. Services are provided on an unsecured basis. When all collection efforts have been exhausted, the accounts are written off against the related allowance. TMF had no allowance for credit losses at March 31, 2025 and 2024.

Contributions Receivable

TMF records unconditional contributions receivable that are expected to be collected within one year at net realizable value. Contributions receivable with expected collection past one year are recorded at net present value using discount rates applicable to the years in which the promises are received. TMF monitors the collectability of these receivables and an allowance for uncollectable contributions receivable is recorded based on historical experience, an assessment of economic conditions, and a review of subsequent collections. TMF had no allowance for uncollectable accounts at March 31, 2025 and 2024.

Contributions receivable of approximately \$1,907,000 were outstanding from four donors at March 31, 2025. Contributions receivable of approximately \$1,579,000 were outstanding from three donors at March 31, 2024.

Inventory

Inventory consists of clothing and other items available for sale at events. Inventory is valued at lower of cost or net realizable value on the first-in, first-out method.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, as determined by quoted market prices, with gains and losses included in the statement of activities. Dividend and interest income is recorded as earned.

These investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near-term would materially affect these investment balances and the amounts reported in the financial statements.

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

Fair Value Measurements of Assets and Liabilities

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of TMF. Unobservable inputs reflect TMF's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that TMF has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect TMF's own assumptions.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2025 and 2024.

Exchange Traded Funds and Mutual Funds: Valued based on investment managers use of pricing services using market data. These are classified as Level 1.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while TMF believes its valuation methods are appropriate and consistent, the use of different methodologies and assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Property and Equipment

Property and equipment purchases are recorded at cost, less accumulated depreciation, except for donated items, which are recorded at their fair value on the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method estimated useful lives of the assets ranging from 5-10 years for furniture and equipment, automotive and other equipment and 39 years for buildings. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred.

Management reviews the carrying value of long-lived assets on an ongoing basis. When factors indicate that a long-lived asset group may be impaired, management uses an estimate of the undiscounted future cash flows over the remaining life of the assets in measuring whether the long-lived asset group is recoverable. If such an analysis indicates that impairment has in fact occurred, the book value of the long-lived asset group is written down to its fair value, which is estimated using discounted cash flows. No impairment losses were recorded during the years ended March 31, 2025 and 2024.

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

Leases

TMF accounts for leases in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 842. In accordance with ASC 842, TMF determines if an arrangement is or contains a lease at contract inception and recognizes an asset and a lease liability at the lease commencement date. Contract terms determine if a lease will be accounted for as an operating or finance lease. Based on the lease contracts, non-lease components are separated and recorded as other liabilities. As a result, the non-lease components are not included in the lease calculation.

For operating leases, the lease liability is measured at the present value of the unpaid lease payments. The right-of-use ("ROU") asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense is recognized on a straight-line basis over the lease term. As of March 31, 2025, TMF had no operating leases. As of March 31, 2024, TMF has one operating lease. TMF has no financing leases as of March 31, 2025 and 2024.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, TMF uses the risk-free rate at the date of inception of the lease.

TMF has elected not to recognize ROU assets and lease liabilities for short-term leases that have a term of twelve months or less and recognizes the lease payments associated with its short-term leases as an expense on a straight-line basis over the lease term.

Contributions

Contributions received are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional promises to give are recognized as revenue in the period the unconditional promise to give is received and recorded as contributions receivable in the accompanying statements of financial position. Conditional promises to give are recognized as revenue when the conditions are satisfied. Accordingly, amounts received in advance of the conditions being satisfied are included in refundable advances in the accompanying statements of financial position.

Contributions of approximately \$1,997,000 were received from one donor during the year ended March 31, 2025. Contributions of approximately \$2,900,000 were received from four donors during the year ended March 31, 2024. Contributions of non-financial assets of approximately \$1,737,000 were received from one donor during the year ended March 31, 2025.

Donated Materials and Services

Donated materials are recorded as support and expenses or property and equipment at their estimated fair market value. Such donations are reported as without donor restrictions unless the donor has restricted the donation for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as donor restricted support.

Donated services are recorded as support and expenses at their estimated value on the date of receipt if such services require specialized skills which would need to be purchased if they were not donated.

TMF receives a significant amount of volunteer time for its general and administrative and fundraising services. The financial statements do not reflect the value of these contributed services since they do not meet the criteria for recognition.

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

Revenue from Contracts with Customers

TMF accounts for revenue from contracts with customers as exchange transactions in the statements of activities as revenue without donor restrictions.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, TMF performs the following steps in accordance with Topic 606: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the School satisfies each performance obligation.

TMF recognizes revenue from program services during the year in which the related program or event occurs. Program and event revenue is based on published fixed rates and collected either at the time of registration, in advance of the program or event resulting in a deferred revenue balance, or at the time the program or event takes place and immediately recognized as revenue.

Contract assets consist of accounts receivable. The balance of accounts receivable at March 31, 2025, 2024, and 2023 was \$340, \$208, and \$361, respectively. Contract liabilities consist of deferred revenue. The balance of deferred revenue at March 31, 2025, 2024, and 2023 was \$152,792, \$120,637, and \$48,782, respectively.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$519,329 during the year ended March 31, 2025 and \$460,245 during the year ended March 31, 2024.

In-kind contributions of advertising amounted to \$62,510 during the year ended March 31, 2025 and \$69,025 during the year ended March 31, 2024.

Functional Allocation of Expenses

The costs of providing various program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated based upon estimates of time and effort. Significant allocated expenses include salaries, payroll taxes and employee benefits, grants, supplies, and professional fees, which are allocated based upon estimates of time and effort.

Concentrations of Credit Risk

TMF maintains cash deposits at financial institutions. At times, such deposits may exceed federally insured limits from the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation of \$250,000. Any loss incurred or a lack of access of such funds could have a significant adverse impact on financial condition, results of operations, and cash flows.

Income Taxes

TMF is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the accompanying financial statements.

U.S. GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. U.S. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. TMF believes that it had no uncertain tax positions as defined in U.S. GAAP.

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates. Significant estimates include the fair value of investments, the fair value of in-kind contributions, the net realizable value of contributions receivable, and the functional allocation of expenses.

3. INVESTMENTS

Investments at March 31, 2025 and 2024, valued using Level 1 inputs consisted of the following:

	<u>2025</u>	<u>2024</u>
Cash	\$ 9	\$ 263,064
Exchange traded funds - equity	4,086,936	3,871,273
Mutual funds - fixed income	<u>3,108,995</u>	<u>4,458,928</u>
	<u>\$ 7,195,940</u>	<u>\$ 8,593,265</u>

Investment income consisted of the following for the years ended March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 339,852	\$ 262,208
Realized and unrealized gains	<u>112,032</u>	<u>749,416</u>
	<u>\$ 451,884</u>	<u>\$ 1,011,624</u>

4. CONTRIBUTIONS RECEIVABLE, NET

TMF anticipates contributions receivable being collected as follows:

	<u>2025</u>	<u>2024</u>
In less than one year	\$ 1,021,930	\$ 723,430
In one to five years	<u>1,675,140</u>	<u>1,410,070</u>
	2,697,070	2,133,500
Less: Net present value discount	<u>(168,143)</u>	<u>(178,573)</u>
	<u>\$ 2,528,927</u>	<u>\$ 1,954,927</u>

TMF has recorded a net present value discount at a 7% discount rate for the years ended March 31, 2025 and 2024.

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

5. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Furniture and fixtures	\$ 2,120	\$ 2,120
Automotive and other equipment	337,117	337,117
Building	<u>1,755,607</u>	<u>-</u>
	2,094,844	339,237
Accumulated depreciation	<u>(161,890)</u>	<u>(69,400)</u>
	<u><u>\$ 1,932,954</u></u>	<u><u>\$ 269,837</u></u>

Depreciation expense for the years ended March 31, 2025 and 2024 was \$92,490 and \$31,104, respectively.

6. LINE OF CREDIT

TMF has a \$150,000 bank line of credit. Advances under the line are unsecured and bear interest at a variable rate equal to the prime rate plus 1% with a floor rate of 5.75%. There were no advances outstanding at March 31, 2025 and 2024.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2025 and 2024:

	<u>Balance March 31, 2024</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance March 31, 2025</u>
Purpose restrictions				
Character Development and Veteran Youth Mentorship	\$ 56,702	\$ -	\$ (56,702)	\$ -
Spartan Legacy Fund	<u>235,000</u>	<u>1,029,988</u>	<u>-</u>	<u>1,264,988</u>
	291,702	1,029,988	(56,702)	1,264,988
Time restrictions				
For future periods (including Spartan Legacy Fund)	1,808,996	925,826	(238,326)	2,496,496
To be maintained indefinitely				
Endowments	<u>1,250,000</u>	<u>78,496</u>	<u>-</u>	<u>1,328,496</u>
	<u><u>\$ 3,350,698</u></u>	<u><u>\$ 2,034,310</u></u>	<u><u>\$ (295,028)</u></u>	<u><u>\$ 5,089,980</u></u>

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

	<u>Balance March 31, 2023</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance March 31, 2024</u>
Purpose restrictions				
Character Development and Veteran Youth Mentorship	\$ 2,910,142	\$ 444,587	\$ (3,298,027)	\$ 56,702
Spartan Legacy Fund	<u>-</u>	<u>235,000</u>	<u>-</u>	<u>235,000</u>
	2,910,142	679,587	(3,298,027)	291,702
Time restrictions				
For future periods (including Spartan Legacy Fund)	967,809	1,808,996	(967,809)	1,808,996
To be maintained indefinitely				
Endowments	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
	<u>\$ 5,127,951</u>	<u>\$ 2,488,583</u>	<u>\$ (4,265,836)</u>	<u>\$ 3,350,698</u>

Endowments

The restricted net assets to be maintained indefinitely include two endowments, the historical costs of which are \$1,062,797 and \$265,699. The income from the \$1,000,000 endowment has no restrictions. The income from the \$250,000 endowment is restricted for character development and veteran youth mentorship.

TMF follows Commonwealth of Pennsylvania Act 141 ("Act 141"), as amended, to govern spending of endowment funds. The Commonwealth of Pennsylvania has not adopted the Uniform Management of Institutional Funds Act ("UMIFA") or the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Rather, Act 141 governs the investment, use and management of endowment funds.

TMF has adopted an investment policy that is intended to provide a predictable stream of funding to programs from its endowment while seeking to maintain the purchasing power of the endowment assets.

The Board of Trustees is charged to review and oversee all significant financial matters. These responsibilities include oversight of the endowment funds, including investment policy and asset allocation.

To satisfy its long-term rate-of-return objectives, TMF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

TMF has not yet established spending policies for the endowments and, accordingly, has not made any withdrawals from the endowments. TMF will make withdrawals from the endowments upon adoption of a spending policy.

8. OPERATING LEASES

TMF leases its main office in Doylestown, Pennsylvania under a lease that expired in January 2023. The lease is being renewed on a month-to-month basis. TMF also leases satellite offices throughout the United States. These leases are on a month-to-month basis. Rent expense, which is included in occupancy expense in the accompanying statements of functional expenses, was \$150,595 for 2025 and \$187,380 for 2024.

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

9. DONATED MATERIALS AND SERVICES

Certain donated materials and services received during 2025 and 2024 were recorded at their fair value and consisted of the following:

	<u>2025</u>	<u>2024</u>
Advertising	\$ 62,510	\$ 69,025
Airfare	-	151,800
Building	1,737,000	-
Consulting and other services	75,739	62,008
Marketing promotional materials	3,447	3,226
Rent	46,650	2,500
Supplies	100,686	85,009
	<u>\$ 2,026,032</u>	<u>\$ 373,568</u>

In-kind donations for services are valued based on the comparable values to purchase those services in the marketplace. These donations were utilized during the years ended March 31, 2025 and 2024. The in-kind building donation was contributed without donor restrictions and was recorded based on appraised value.

10. EMPLOYEE RETIREMENT PLAN

TMF has established a 401(k) plan for the benefit of employees who satisfy the eligibility requirements of the plan. Under the provisions of the plan, the employees may defer from federal income tax a percentage of their compensation, and, at its discretion, TMF may make matching and profit-sharing contributions to the plan. TMF made contributions to the plan of \$58,591 in 2025 and \$58,557 in 2024.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects TMF's financial assets as of March 31, 2025 and 2024 and the amounts that are available for general expenditures during the twelve months after the date of the statement of financial position. TMF considers all expenditures related to its ongoing activities of providing the established programs as well as the cost of the related overhead as general expenditures.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,493,127	\$ 855,353
Investments	7,195,940	8,593,265
Contributions receivable	2,528,927	1,954,927
Program service revenue and other receivables	340	208
Total financial assets	11,218,334	11,403,753
Financial assets restricted for specific purposes unrelated to established programs	(1,264,988)	(235,000)
Financial assets time restricted beyond one year	(2,496,496)	(1,231,497)
Financial assets to be maintained indefinitely	(1,328,496)	(1,250,000)
Financial assets available within one year	<u>\$ 6,128,354</u>	<u>\$ 8,687,256</u>

Travis Manion Foundation
Notes to Financial Statements
March 31, 2025 and 2024

As part of TMF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due and also has a \$150,000 bank line of credit available.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 13, 2025, the date on which the financial statements were available to be issued. Subsequent to year end, TMF entered into an agreement to acquire The Mission Continues, a nonprofit organization dedicated to empowering veterans to continue serving in our nation's under-resourced communities. The consummation of the transaction is subject to certain regulatory approval requirements, which are in process as of August 13, 2025. No other subsequent events have occurred that require recognition in the financial statements.