

# Travis Manion Foundation

Financial Statements  
Years Ended March 31, 2020 and 2019



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

215/567-7770 | [bbdcpa.com](http://bbdcpa.com)

# TRAVIS MANION FOUNDATION

## CONTENTS

---

|  |   |
|--|---|
| INDEPENDENT AUDITOR'S REPORT                         | 1 |
| FINANCIAL STATEMENTS                                 |   |
| <i>Comparative Statements of Financial Position</i>  | 2 |
| <i>Comparative Statements of Activities</i>          | 3 |
| <i>Comparative Statements of Functional Expenses</i> | 5 |
| <i>Comparative Statements of Cash Flows</i>          | 7 |
| <i>Notes to Financial Statements</i>                 | 8 |

---



## INDEPENDENT AUDITOR'S REPORT

**The Board of Directors  
Travis Manion Foundation  
Doylestown, Pennsylvania**

We have audited the accompanying financial statements of the Travis Manion Foundation (a nonprofit organization), which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 the Travis Manion Foundation as of March 31, 2020 and 2019, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*BBD, LLP*

**Philadelphia, Pennsylvania  
July 15, 2020**

# TRAVIS MANION FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

March 31, 2020 and 2019

---

|  | <u>2020</u>                | <u>2019</u>                |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>                                |                            |                            |
| Cash and cash equivalents                    | \$ 1,917,740               | \$ 407,582                 |
| Accounts receivable                          |                            |                            |
| Contributions - restricted for the endowment | 687,000                    | 250,000                    |
| Contributions - other                        | 390,000                    | 118,200                    |
| Program service revenue and other            | 1,226                      | 6,735                      |
| Inventory                                    | 104,968                    | 101,814                    |
| Prepaid expenses                             | 231,579                    | 98,592                     |
| Other assets                                 | <u>45,975</u>              | <u>61,692</u>              |
| <b>Total assets</b>                          | <b><u>\$ 3,378,488</u></b> | <b><u>\$ 1,044,615</u></b> |
| <br>   |                            |                            |
| <b>LIABILITIES</b>                           |                            |                            |
| Accounts payable and accrued expense         | \$ 238,071                 | \$ 279,022                 |
| Deferred revenue                             | 26,544                     | 7,911                      |
| Refundable advances                          | <u>53,925</u>              | <u>-</u>                   |
| <b>Total liabilities</b>                     | <b><u>318,540</u></b>      | <b><u>286,933</u></b>      |
| <br>   |                            |                            |
| <b>NET ASSETS</b>                            |                            |                            |
| Without donor restrictions                   | 4,404                      | 412                        |
| With donor restrictions                      | <u>3,055,544</u>           | <u>757,270</u>             |
| <b>Total net assets</b>                      | <b><u>3,059,948</u></b>    | <b><u>757,682</u></b>      |
| <br>   |                            |                            |
| <b>Total liabilities and net assets</b>      | <b><u>\$ 3,378,488</u></b> | <b><u>\$ 1,044,615</u></b> |

---

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF ACTIVITIES

Year ended March 31, 2020 with comparative totals for 2019

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Totals              |                   |
|--|-------------------------------|----------------------------|---------------------|-------------------|
|  |                               |                            | 2020                | 2019              |
| <b>REVENUE AND SUPPORT</b>   |                               |                            |                     |                   |
| Contributions  | \$ 5,434,283                  | \$ 3,365,000               | \$ 8,799,283        | \$ 5,350,863      |
| In-kind contributions  | 2,759,483                     | -                          | 2,759,483           | 3,199,233         |
| Program service revenue  | 628,482                       | -                          | 628,482             | 590,604           |
| Investment income  | 6,320                         | -                          | 6,320               | 4,647             |
| Sales, net of cost of goods sold of<br>\$54,977 in 2020 and \$45,373 in 2019 | 60,014                        | -                          | 60,014              | 49,048            |
| Net assets released from restrictions  | <u>1,066,726</u>              | <u>(1,066,726)</u>         | <u>-</u>            | <u>-</u>          |
| <b>Total revenue and support</b>   | <u>9,955,308</u>              | <u>2,298,274</u>           | <u>12,253,582</u>   | <u>9,194,395</u>  |
| <b>EXPENSES</b>  |                               |                            |                     |                   |
| Program services   | 9,008,904                     | -                          | 9,008,904           | 8,721,009         |
| Supporting services  |                               |                            |                     |                   |
| General and administrative   | 511,601                       | -                          | 511,601             | 500,861           |
| Fundraising  | <u>430,811</u>                | <u>-</u>                   | <u>430,811</u>      | <u>713,697</u>    |
| <b>Total expenses</b>  | <u>9,951,316</u>              | <u>-</u>                   | <u>9,951,316</u>    | <u>9,935,567</u>  |
| <b>CHANGE IN NET ASSETS</b>  | 3,992                         | 2,298,274                  | 2,302,266           | (741,172)         |
| <b>NET ASSETS</b>  |                               |                            |                     |                   |
| Beginning of year  | <u>412</u>                    | <u>757,270</u>             | <u>757,682</u>      | <u>1,498,854</u>  |
| <b>End of year</b>   | <u>\$ 4,404</u>               | <u>\$ 3,055,544</u>        | <u>\$ 3,059,948</u> | <u>\$ 757,682</u> |

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF ACTIVITIES

Year ended March 31, 2019

|  | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|--|---------------------------------------|------------------------------------|-------------------|
| <b>REVENUE AND SUPPORT</b>                   |                                       |                                    |                   |
| Contributions                                | \$ 4,292,923                          | \$ 1,057,940                       | \$ 5,350,863      |
| In-kind contributions                        | 3,199,233                             | -                                  | 3,199,233         |
| Program service revenue                      | 590,604                               | -                                  | 590,604           |
| Investment income                            | 4,647                                 | -                                  | 4,647             |
| Sales, net of cost of goods sold of \$45,373 | 49,048                                | -                                  | 49,048            |
| Net assets released from restrictions        | <u>1,613,875</u>                      | <u>(1,613,875)</u>                 | <u>-</u>          |
| <b>Total revenue and support</b>             | <u>9,750,330</u>                      | <u>(555,935)</u>                   | <u>9,194,395</u>  |
| <b>EXPENSES</b>                              |                                       |                                    |                   |
| Program services                             | 8,721,009                             | -                                  | 8,721,009         |
| Supporting services                          |                                       |                                    |                   |
| General and administrative                   | 500,861                               | -                                  | 500,861           |
| Fundraising                                  | <u>713,697</u>                        | <u>-</u>                           | <u>713,697</u>    |
| <b>Total expenses</b>                        | <u>9,935,567</u>                      | <u>-</u>                           | <u>9,935,567</u>  |
| <b>CHANGE IN NET ASSETS</b>                  | (185,237)                             | (555,935)                          | (741,172)         |
| <b>NET ASSETS</b>                            |                                       |                                    |                   |
| Beginning of year                            | <u>185,649</u>                        | <u>1,313,205</u>                   | <u>1,498,854</u>  |
| End of year                                  | <u>\$ 412</u>                         | <u>\$ 757,270</u>                  | <u>\$ 757,682</u> |

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2020 with comparative totals for 2019

|                                     | Program Services   |  |   | Total               | Supporting Services        |                   | Totals              |                     |
|-------------------------------------|--|--|---|---------------------|----------------------------|-------------------|---------------------|---------------------|
|                                     | Community Engagement for Veterans and Families of the Fallen | Character Development and Veteran Youth Mentorship | Personal Development and Training for Veterans and Families of the Fallen |                     | General and Administrative | Fundraising       | 2020                | 2019                |
| Salaries and related expenses       |  |  |   |                     |                            |                   |                     |                     |
| Salaries                            | \$ 974,724   | \$ 760,182   | \$ 1,099,434  | \$ 2,834,340        | \$ 214,166                 | \$ 81,236         | \$ 3,129,742        | \$ 2,792,616        |
| Payroll taxes and benefits          | 94,495   | 138,554  | 122,572   | 355,621             | 23,450                     | 9,627             | 388,698             | 365,555             |
| Total salaries and related expenses | 1,069,219  | 898,736  | 1,222,006   | 3,189,961           | 237,616                    | 90,863            | 3,518,440           | 3,158,171           |
| Advertising                         | 93,663   | 116,298  | 73,499  | 283,460             | 3,331                      | 9,432             | 296,223             | 248,499             |
| Consulting and outside services     | 33,722   | 95,883   | 60,766  | 190,371             | 36,578                     | 10,934            | 237,883             | 221,547             |
| Depreciation and amortization       | 9,192  | 4,596  | 9,192   | 22,980              | 867                        | -                 | 23,847              | 23,847              |
| Equipment and services              | 22,370   | 3,870  | 5,088   | 31,328              | 491                        | 956               | 32,775              | 25,004              |
| Event registration                  | 53,951   | 166  | 20,103  | 74,220              | -                          | 7,601             | 81,821              | 70,414              |
| Grants                              | 181,048  | 136,106  | 327,212   | 644,366             | -                          | 2,500             | 646,866             | 721,597             |
| Insurance                           | 25,667   | 132  | 150   | 25,949              | 13,757                     | -                 | 39,706              | 37,658              |
| Licenses and permits                | 8,094  | 69   | 81  | 8,244               | 145                        | 22                | 8,411               | 9,226               |
| Meetings and events                 | 102,093  | 84,711   | 63,976  | 250,780             | 6,737                      | 39,198            | 296,715             | 362,010             |
| Occupancy                           | 93,800   | 78,737   | 51,546  | 224,083             | 22,213                     | 14,263            | 260,559             | 241,025             |
| Other                               | 10,985   | 48,350   | 17,997  | 77,332              | 48,302                     | 61,421            | 187,055             | 164,185             |
| Postage and shipping                | 25,055   | 46,034   | 6,169   | 77,258              | 19,706                     | 15,492            | 112,456             | 92,683              |
| Printing                            | 11,652   | 9,704  | 4,386   | 25,742              | 4,413                      | 23,661            | 53,816              | 42,287              |
| Professional fees                   | 272,193  | 182,006  | 99,311  | 553,510             | 27,670                     | 36,758            | 617,938             | 545,209             |
| Supplies                            | 365,153  | 106,906  | 83,306  | 555,365             | 49,747                     | 28,031            | 633,143             | 629,295             |
| Telephone                           | 8,719  | 9,676  | 8,455   | 26,850              | 1,463                      | 2,050             | 30,363              | 29,191              |
| Travel                              | 444  | 35,970   | 16,185  | 52,599              | 28,650                     | 32,567            | 113,816             | 114,486             |
| Subtotal                            | 2,387,020  | 1,857,950  | 2,069,428   | 6,314,398           | 501,686                    | 375,749           | 7,191,833           | 6,736,334           |
| In-kind expenses                    | 2,595,930  | 32,053   | 66,523  | 2,694,506           | 9,915                      | 55,062            | 2,759,483           | 3,199,233           |
| <b>Total expenses</b>               | <b>\$ 4,982,950</b>  | <b>\$ 1,890,003</b>                                | <b>\$ 2,135,951</b>   | <b>\$ 9,008,904</b> | <b>\$ 511,601</b>          | <b>\$ 430,811</b> | <b>\$ 9,951,316</b> | <b>\$ 9,935,567</b> |

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2019

|                                     | Program Services   |  |   | Total               | Supporting Services        |                   |                     |
|-------------------------------------|--|--|---|---------------------|----------------------------|-------------------|---------------------|
|                                     | Community Engagement for Veterans and Families of the Fallen | Character Development and Veteran Youth Mentorship | Personal Development and Training for Veterans and Families of the Fallen |                     | General and Administrative | Fundraising       | Total               |
| Salaries and related expenses       |  |  |   |                     |                            |                   |                     |
| Salaries                            | \$ 739,562   | \$ 676,825   | \$ 956,380  | \$ 2,372,767        | \$ 184,359                 | \$ 235,490        | \$ 2,792,616        |
| Payroll taxes and benefits          | 98,193   | 86,610   | 128,650   | 313,453             | 18,524                     | 33,578            | 365,555             |
| Total salaries and related expenses | 837,755  | 763,435  | 1,085,030   | 2,686,220           | 202,883                    | 269,068           | 3,158,171           |
| Advertising                         | 90,940   | 103,108  | 28,106  | 222,154             | 13,015                     | 13,330            | 248,499             |
| Consulting and outside services     | 34,651   | 39,340   | 58,364  | 132,355             | 54,961                     | 34,231            | 221,547             |
| Depreciation and amortization       | 9,196  | 4,598  | 9,196   | 22,990              | 857                        | -                 | 23,847              |
| Equipment and services              | 16,710   | 2,272  | 4,588   | 23,570              | 587                        | 847               | 25,004              |
| Event registration                  | 47,242   | -  | 22,922  | 70,164              | -                          | 250               | 70,414              |
| Grants                              | 200,049  | 134,455  | 386,487   | 720,991             | 537                        | 69                | 721,597             |
| Insurance                           | 23,652   | 932  | 1,232   | 25,816              | 11,540                     | 302               | 37,658              |
| Licenses and permits                | 9,032  | 59   | 81  | 9,172               | 32                         | 22                | 9,226               |
| Meetings and events                 | 61,373   | 89,215   | 108,413   | 259,001             | 2,918                      | 100,091           | 362,010             |
| Occupancy                           | 77,914   | 51,015   | 65,275  | 194,204             | 26,759                     | 20,062            | 241,025             |
| Other                               | 32,581   | 18,815   | 22,073  | 73,469              | 45,086                     | 45,630            | 164,185             |
| Postage and shipping                | 27,604   | 7,784  | 9,522   | 44,910              | 12,110                     | 35,663            | 92,683              |
| Printing                            | 5,523  | 11,536   | 6,746   | 23,805              | 635                        | 17,847            | 42,287              |
| Professional fees                   | 221,889  | 141,344  | 100,537   | 463,770             | 17,203                     | 64,236            | 545,209             |
| Supplies                            | 315,883  | 91,753   | 98,190  | 505,826             | 55,892                     | 67,577            | 629,295             |
| Telephone                           | 6,305  | 7,619  | 9,878   | 23,802              | 2,906                      | 2,483             | 29,191              |
| Travel                              | -  | 33,247   | 8,552   | 41,799              | 44,150                     | 28,537            | 114,486             |
| Subtotal                            | 2,018,299  | 1,500,527  | 2,025,192   | 5,544,018           | 492,071                    | 700,245           | 6,736,334           |
| In-kind expenses                    | 3,111,889  | 2,867  | 62,235  | 3,176,991           | 8,790                      | 13,452            | 3,199,233           |
| <b>Total expenses</b>               | <b>\$ 5,130,188</b>  | <b>\$ 1,503,394</b>                                | <b>\$ 2,087,427</b>   | <b>\$ 8,721,009</b> | <b>\$ 500,861</b>          | <b>\$ 713,697</b> | <b>\$ 9,935,567</b> |

See accompanying notes



# TRAVIS MANION FOUNDATION

## STATEMENTS OF CASH FLOWS

Years ended March 31, 2020 and 2019

|   | <u>2020</u>         | <u>2019</u>       |
|---|---------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                   |
| <i>Change in net assets</i>   | \$ 2,302,266        | \$ (741,172)      |
| <i>Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities</i> |                     |                   |
| Contributions received for endowment  | (1,000,000)         | (250,000)         |
| Depreciation and amortization   | 23,847              | 23,847            |
| (Increase) decrease in  |                     |                   |
| Accounts receivable   |                     |                   |
| Contributions - other   | (271,800)           | 744,100           |
| Program service revenue and other   | 5,509               | (559)             |
| Inventory   | (3,154)             | (9,289)           |
| Prepaid expenses  | (132,987)           | 58,311            |
| Increase (decrease) in  |                     |                   |
| Accounts payable and accrued expenses   | (40,951)            | (22,696)          |
| Deferred revenue  | 18,633              | 3,735             |
| Refundable advances   | 53,925              | -                 |
| <b>Net cash provided by (used for) operating activities</b>   | <u>955,288</u>      | <u>(193,723)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                   |
| Purchase of other assets  | <u>(8,130)</u>      | <u>(3,200)</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                     |                   |
| Collection of contributions received for endowment  | <u>563,000</u>      | <u>-</u>          |
| <b>Net change in cash and cash equivalents</b>  | 1,510,158           | (196,923)         |
| <b>CASH AND CASH EQUIVALENTS</b>  |                     |                   |
| Beginning of year   | <u>407,582</u>      | <u>604,505</u>    |
| <b>End of year</b>  | <u>\$ 1,917,740</u> | <u>\$ 407,582</u> |

See accompanying notes

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020 and 2019

---

### (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 for Veterans and Families of the Fallen**

TMF Spartan members, led by veterans and families of the fallen, unite communities to strengthen America's national character. Through Operation Legacy service projects, TMF members share the legacy of character of fallen heroes through organizing large-scale community service projects that unite veterans, survivors, young adults, and inspired civilians to address their community's greatest need. Operation Legacy service projects are executed throughout the year with focused campaigns in both April and November that activated over 8000 participants in 280 locations to serve in 2019. TMF also activates communities through a national 5k race series, the 9/11 Heroes Run. These community events are organized in more than 90 locations with more than 60,000 participants annually--both nationally and internationally--to honor the heroes of 9/11 and the wars since.

#### **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 delivers personal development seminars that provide individualized tools and knowledge that help veterans successfully transition from active duty. Additionally, Leadership Expeditions provide the top volunteer leaders—both veterans and survivors-- throughout the country with an intensive training week where they receive education and resources for professional development and personal growth. Participants gain a better understanding of their personal strengths and improve their leadership skills to prepare them to take on increased volunteer roles within TMF.

Also, families of fallen heroes are empowered to flourish on their personal journeys of healing through service-based Expeditions. Service Expeditions are week-long projects for families of the fallen to serve communities in need, in honor of their lost love ones. They provide camaraderie, support, and renewed purpose to surviving family members. Veterans and survivors continue to develop strong relationships and feel a sense of purpose beyond personal development workshops and expeditions by being involved members and participating in TMF events throughout the year.

#### **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 volunteer 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. Veterans Mentors inspired 50,000 youth through Character Does Matter in 2019, of which 50% are considered "at-risk" or "under-resourced" youth.

### (2) SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020 and 2019

---

### **Basis of Presentation**

TMF reports information regarding its financial position and activities according to the following classes of net assets:

#### ***Without donor restrictions***

Net assets that are not subject to donor-imposed restrictions.

#### ***With donor restrictions***

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the TMF and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as "***net assets released from restrictions***". Contributions and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

This category also includes net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be satisfied by actions of TMF.

### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### **Concentration of Credit Risk**

Cash and cash equivalents and accounts receivable represent financial instruments that potentially subject TMF to concentration of credit risk. TMF maintains its cash and cash equivalents at high-quality financial institutions. At times, such deposits may exceed federally-insured limits. TMF has not experienced any losses on its deposits.

### **Fair Value Measurements of Assets and Liabilities**

Accounting principles generally accepted in the United States of America ("***GAAP***") define fair value as 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. 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 the TMF's assumptions about the inputs market participants would use in pricing the asset or liability 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 require 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.

### **Cash and Cash Equivalents**

TMF considers highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Money market accounts are considered cash equivalents.

---

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020 and 2019

---

### Inventory

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

### Other Assets

Other assets is comprised primarily of the cost of trademarks which are being amortized over fifteen years on a straight line basis and the cost of a website which is being amortized over its useful life which is estimated to be three years.

### 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 \$2,996,400 were received from two donors in 2020.

Contributions receivable are valued using Level 2 inputs.

### Donated Materials and Services

Donated materials are recorded as support and expenses 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, and contributions of cash that must be used to acquire property and equipment, are reported as donor restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, TMF reports expirations of donor restrictions when the donated or acquired assets are placed in service.

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.

### Revenue

Program service revenue is recognized at the time the program occurs. Accordingly, revenue from these sources received in advance of the applicable year is included in deferred revenue in the accompanying statements of financial position and is recognized as revenue in the immediate subsequent year.

### Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$296,223 in 2020 and \$248,499 in 2019.

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020 and 2019

---

### 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.

### Income Tax Status

TMF qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and no provision or liability for income taxes is included in the accompanying financial statements.

TMF has adopted an accounting standard regarding uncertain tax positions. The standard 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 the standard.

### Accounting Pronouncements Adopted

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. TMF adopted ASU 2014-09 on April 1, 2019 using the modified retrospective method approach.

TMF performed an analysis of revenue streams and transactions under ASU 2014-09, including applying the portfolio approach as a practical expedient to group contracts with similar characteristics such that revenue for a given portfolio would not be materially different than if it were evaluated on a contract-by-contract basis. The adoption of ASU 2014-09 had no impact on the amount of revenue recognized since revenue continues to be recognized as described above.

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*. This ASU clarifies and improves the scope and accounting guidance for contributions received and made and assists entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance, and in determining whether a contribution is conditional. TMF adopted ASU 2018-08 on April 1, 2019.

### (3) CONTRIBUTIONS RECEIVABLE

The contributions receivable at March 31, 2020 and 2019 are expected to be collected as follows:

|                       | <u>2020</u>        | <u>2019</u>      |
|-----------------------|--------------------|------------------|
| In less than one year | \$1,014,500        | \$218,200        |
| In one to five years  | <u>62,500</u>      | <u>150,000</u>   |
|                       | <u>\$1,077,000</u> | <u>\$368,200</u> |

A discount to present value was not recorded due to immateriality.

TMF had conditional contributions receivable of \$1,000,000 at March 31, 2020 that will be recognized when the conditions are satisfied.

---

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020 and 2019

### (4) 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, 2020 and 2019.

### (5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2020 and 2019:

|   | <b>Balance</b>        |                    |                    | <b>Balance</b>        |
|---|-----------------------|--------------------|--------------------|-----------------------|
|   | <b>March 31, 2019</b> | <b>Additions</b>   | <b>Released</b>    | <b>March 31, 2020</b> |
| <b>Purpose restrictions</b>   |                       |                    |                    |                       |
| Character Development and Veteran Youth Mentorship                        | \$336,000             | \$1,490,000        | \$ 858,291         | \$ 967,709            |
| Community Engagement for Veterans and Families of the Fallen              | 10,000                | -                  | 10,000             | -                     |
| Personal Development and Training for Veterans and Families of the Fallen | 20,000                | 575,000            | 57,165             | 537,835               |
| Special events  | <u>141,270</u>        | <u>-</u>           | <u>141,270</u>     | <u>-</u>              |
|   | 507,270               | 2,065,000          | 1,066,726          | 1,505,544             |
| <b>Time restrictions</b>  |                       |                    |                    |                       |
| Contributions receivable  | -                     | 300,000            | -                  | 300,000               |
| <b>To be maintained indefinitely</b>                                      |                       |                    |                    |                       |
| Endowments  | <u>250,000</u>        | <u>1,000,000</u>   | <u>-</u>           | <u>1,250,000</u>      |
|   | <u>\$757,270</u>      | <u>\$3,365,000</u> | <u>\$1,066,726</u> | <u>\$3,055,544</u>    |
|   | <b>Balance</b>        |                    |                    | <b>Balance</b>        |
|   | <b>March 31, 2018</b> | <b>Additions</b>   | <b>Released</b>    | <b>March 31, 2019</b> |
| <b>Purpose restrictions</b>   |                       |                    |                    |                       |
| Character Development and Veteran Youth Mentorship                        | \$ 381,760            | \$ 509,579         | \$ 555,339         | \$336,000             |
| Community Engagement for Veterans and Families of the Fallen              | 294,100               | 10,000             | 294,100            | 10,000                |
| Personal Development and Training for Veterans and Families of the Fallen | 370,000               | -                  | 350,000            | 20,000                |
| Special events  | <u>267,345</u>        | <u>288,361</u>     | <u>414,436</u>     | <u>141,270</u>        |
|   | 1,313,205             | 807,940            | 1,613,875          | 507,270               |
| <b>To be maintained indefinitely</b>                                      |                       |                    |                    |                       |
| Endowment   | <u>-</u>              | <u>250,000</u>     | <u>-</u>           | <u>250,000</u>        |
|   | <u>\$1,313,205</u>    | <u>\$1,057,940</u> | <u>\$1,613,875</u> | <u>\$757,270</u>      |

The endowments included contributions receivable of \$687,000 at March 31, 2020 and \$250,000 at March 31, 2019. The historical cost of the endowments was \$1,250,000 at March 31, 2020 and \$250,000 at March 31, 2019. The Board of Directors and management have not yet established investment and spending policies for its endowments.

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020 and 2019

---

### (6) OPERATING LEASES

TMF leases its main office in Doylestown, Pennsylvania under a lease that expired January 2020 and is now on a month to month basis. TMF also leases six satellite offices throughout the United States under leases expiring at various dates from August 2020 to June 2020.

Rent expense, which is included in occupancy expense in the accompanying statements of functional expenses, was \$142,166 for 2020 and \$127,165 for 2019. The minimum annual lease commitments under these leases are \$121,304 for 2021, \$81,440 for 2022 and \$10,084 for 2023.

### (7) DONATED MATERIALS AND SERVICES

Certain donated materials and services received during 2020 and 2019 were recorded at their fair value and consisted of the following:

|                                 | <u>2020</u>        | <u>2019</u>        |
|---------------------------------|--------------------|--------------------|
| Advertising                     | \$2,354,381        | \$2,854,597        |
| Airfare                         | 61,360             | 59,000             |
| Consulting and other services   | 24,100             | 72,158             |
| Marketing promotional materials | 16,264             | 30,138             |
| Rent                            | 13,850             | 18,131             |
| Supplies                        | <u>289,528</u>     | <u>165,209</u>     |
|                                 | <u>\$2,759,483</u> | <u>\$3,199,233</u> |

### (8) COMMITMENTS

TMF has entered into an agreement with Syracuse University for Syracuse University to provide evaluation services in order to capture TMF's programmatic outcomes and impact. The agreement is for the period from July 1, 2019 through June 30, 2021 and requires TMF to make eight consecutive quarterly payments of \$19,995 starting August 2019. The remaining scheduled future payments under this agreement are \$99,975 as of March 31, 2020.

### (9) RELATED PARTY TRANSACTIONS

A member of TMF's Board of Directors is the father of TMF's President, who is a non-voting member of the Board of Directors.

### (10) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects TMF's financial assets as of March 31, 2020 and 2019 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>2020</u>         | <u>2019</u>       |
|--|---------------------|-------------------|
| Cash and cash equivalents  | \$ 1,917,740        | \$ 407,582        |
| Contributions receivable   | 1,077,000           | 368,200           |
| Accounts receivable  | <u>1,226</u>        | <u>6,735</u>      |
| Total financial assets   | 2,995,966           | 782,517           |
| Financial assets restricted by donor for specific purposes unrelated to established programs | (12,835)            | (20,000)          |
| Financial assets to be maintained indefinitely   | <u>(1,250,000)</u>  | <u>(250,000)</u>  |
| Financial assets available within one year   | <u>\$ 1,733,131</u> | <u>\$ 512,517</u> |

---

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2020 and 2019

---

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 it also has a \$150,000 bank line of credit available. TMF invests cash in excess of its requirements in a money market fund.

### (11) SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 15, 2020, the date on which the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 19, 2020, Governor Tom Wolf of Pennsylvania as well as Governors of other states ordered the closure of the physical location of every "non-essential" business for what has been an extended period of time. The immediate impact to our operations are as follows: the loss of Event Revenue as events were moved, cancelled, or modified, including the 9/11 Heroes Run. Future potential impacts may include the unknown ability of corporations to continue their philanthropic giving, as well as historical trends showing that during medical crises individual donor giving declines. Additional future effects of these issues are unknown.

Subsequent to year end, TMF applied for and was approved a \$624,000 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. TMF is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

Except as noted above, no material subsequent events have occurred since March 31, 2020 that required recognition or disclosure in the financial statements.