

# Travis Manion Foundation

Financial Statements  
Years Ended March 31, 2019 and 2018



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# TRAVIS MANION FOUNDATION

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## 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, 2019 and 2018, 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, 2019 and 2018, 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  
August 14, 2019**

# TRAVIS MANION FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

March 31, 2019 and 2018

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 407,582	\$ 604,505
Accounts receivable		
Contributions	368,200	862,300
Program service revenue and other	6,735	6,176
Inventory	101,814	92,525
Prepaid expenses	98,592	156,903
Other assets	<u>61,692</u>	<u>82,339</u>
<b>Total assets</b>	<u>\$ 1,044,615</u>	<u>\$ 1,804,748</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expense	\$ 279,022	\$ 301,718
Deferred revenue	<u>7,911</u>	<u>4,176</u>
<b>Total liabilities</b>	<u>286,933</u>	<u>305,894</u>
<b>NET ASSETS</b>		
Without donor restrictions	412	185,649
With donor restrictions	<u>757,270</u>	<u>1,313,205</u>
<b>Total net assets</b>	<u>757,682</u>	<u>1,498,854</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,044,615</u>	<u>\$ 1,804,748</u>

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See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF ACTIVITIES

Year ended March 31, 2019 with comparative totals for 2018

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2019	2018
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 4,292,923	\$ 1,057,940	\$ 5,350,863	\$ 5,883,220
In-kind contributions	3,199,233	-	3,199,233	5,559,783
Program service revenue	590,604	-	590,604	592,494
Investment income	4,647	-	4,647	3,500
Sales, net of cost of goods sold of \$45,373 in 2019 and \$48,839 in 2018	49,048	-	49,048	56,279
Net assets released from restrictions	<u>1,613,875</u>	<u>(1,613,875)</u>	<u>-</u>	<u>-</u>
<b>Total revenue and support</b>	<u>9,750,330</u>	<u>(555,935)</u>	<u>9,194,395</u>	<u>12,095,276</u>
<b>EXPENSES</b>				
Program services	8,721,009	-	8,721,009	10,375,702
Supporting services				
General and administrative	500,861	-	500,861	457,023
Fundraising	<u>713,697</u>	<u>-</u>	<u>713,697</u>	<u>554,538</u>
<b>Total expenses</b>	<u>9,935,567</u>	<u>-</u>	<u>9,935,567</u>	<u>11,387,263</u>
<b>CHANGE IN NET ASSETS</b>	(185,237)	(555,935)	(741,172)	708,013
<b>NET ASSETS</b>				
Beginning of year	<u>185,649</u>	<u>1,313,205</u>	<u>1,498,854</u>	<u>790,841</u>
End of year	<u>\$ 412</u>	<u>\$ 757,270</u>	<u>\$ 757,682</u>	<u>\$ 1,498,854</u>

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF ACTIVITIES

Year ended March 31, 2018

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	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 4,570,015	\$ 1,313,205	\$ 5,883,220
In-kind contributions	5,559,783	-	5,559,783
Program service revenue	592,494	-	592,494
Investment income	3,500	-	3,500
Sales, net of cost of goods sold of \$48,839	56,279	-	56,279
Net assets released from restrictions	358,933	(358,933)	-
<b>Total revenue and support</b>	<u>11,141,004</u>	<u>954,272</u>	<u>12,095,276</u>
<b>EXPENSES</b>			
Program services	10,375,702	-	10,375,702
Supporting services			
General and administrative	457,023	-	457,023
Fundraising	554,538	-	554,538
<b>Total expenses</b>	<u>11,387,263</u>	<u>-</u>	<u>11,387,263</u>
<b>CHANGE IN NET ASSETS</b>	(246,259)	954,272	708,013
<b>NET ASSETS</b>			
Beginning of year	<u>431,908</u>	<u>358,933</u>	<u>790,841</u>
<b>End of year</b>	<u>\$ 185,649</u>	<u>\$ 1,313,205</u>	<u>\$ 1,498,854</u>

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See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2019 with comparative totals for 2018

	Program Services				Supporting Services		Totals	
	Community Activation	Character and Leadership Development	Veteran and Survivor Support	Total	General and Administrative	Fundraising	2019	2018
Salaries and related expenses								
Salaries	\$ 739,562	\$ 676,825	\$ 956,380	\$ 2,372,767	\$ 184,359	\$ 235,490	\$ 2,792,616	\$ 2,239,921
Payroll taxes and benefits	98,193	86,610	128,650	313,453	18,524	33,578	365,555	293,294
Total salaries and related expenses	837,755	763,435	1,085,030	2,686,220	202,883	269,068	3,158,171	2,533,215
Advertising	90,940	103,108	28,106	222,154	13,015	13,330	248,499	218,505
Consulting and outside services	34,651	39,340	58,364	132,355	54,961	34,231	221,547	178,268
Depreciation and amortization	9,196	4,598	9,196	22,990	857	-	23,847	22,980
Equipment and services	16,710	2,272	4,588	23,570	587	847	25,004	33,578
Event registration	47,242	-	22,922	70,164	-	250	70,414	68,417
Grants	200,049	134,455	386,487	720,991	537	69	721,597	777,393
Insurance	23,652	932	1,232	25,816	11,540	302	37,658	38,878
Licenses and permits	9,032	59	81	9,172	32	22	9,226	11,248
Meetings and events	61,373	89,215	108,413	259,001	2,918	100,091	362,010	209,805
Occupancy	77,914	51,015	65,275	194,204	26,759	20,062	241,025	239,119
Other	32,581	18,815	22,073	73,469	45,086	45,630	164,185	138,946
Postage and shipping	27,604	7,784	9,522	44,910	12,110	35,663	92,683	64,949
Printing	5,523	11,536	6,746	23,805	635	17,847	42,287	35,379
Professional fees	221,889	141,344	100,537	463,770	17,203	64,236	545,209	519,764
Supplies	315,883	91,753	98,190	505,826	55,892	67,577	629,295	586,056
Telephone	6,305	7,619	9,878	23,802	2,906	2,483	29,191	32,638
Travel	-	33,247	8,552	41,799	44,150	28,537	114,486	118,342
Subtotal	2,018,299	1,500,527	2,025,192	5,544,018	492,071	700,245	6,736,334	5,827,480
In-kind expenses	3,111,889	2,867	62,235	3,176,991	8,790	13,452	3,199,233	5,559,783
<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>	<b>\$ 11,387,263</b>

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2018

	Program Services				Supporting Services		
	Community Activation	Character and Leadership Development	Veteran and Survivor Support	Total	General and Administrative	Fundraising	Total
Salaries and related expenses							
Salaries	\$ 631,087	\$ 526,953	\$ 731,693	\$ 1,889,733	\$ 138,252	\$ 211,936	\$ 2,239,921
Payroll taxes and benefits	81,330	66,406	100,244	247,980	18,816	26,498	293,294
Total salaries and related expenses	712,417	593,359	831,937	2,137,713	157,068	238,434	2,533,215
Advertising	62,023	47,819	63,240	173,082	30,749	14,674	218,505
Consulting and outside services	34,464	38,940	57,146	130,550	22,710	25,008	178,268
Depreciation and amortization	8,850	4,425	8,850	22,125	855	-	22,980
Equipment and services	22,374	2,241	5,927	30,542	1,562	1,474	33,578
Event registration	38,270	14	19,781	58,065	-	10,352	68,417
Grants	308,616	83,109	364,837	756,562	20,531	300	777,393
Insurance	23,604	1,513	2,064	27,181	11,181	516	38,878
Licenses and permits	9,039	59	81	9,179	47	2,022	11,248
Meetings and events	9,762	80,937	79,539	170,238	5,235	34,332	209,805
Occupancy	59,980	44,223	85,311	189,514	23,511	26,094	239,119
Other	11,209	10,841	23,530	45,580	44,480	48,886	138,946
Postage and shipping	15,258	7,906	10,844	34,008	15,455	15,486	64,949
Printing	6,874	5,485	6,163	18,522	331	16,526	35,379
Professional fees	253,889	113,074	98,342	465,305	16,278	38,181	519,764
Supplies	249,835	90,966	137,566	478,367	55,276	52,413	586,056
Telephone	7,312	8,397	11,222	26,931	2,864	2,843	32,638
Travel	3,073	48,058	6,851	57,982	39,909	20,451	118,342
Subtotal	1,836,849	1,181,366	1,813,231	4,831,446	448,042	547,992	5,827,480
In-kind expenses	4,677,501	279,043	587,712	5,544,256	8,981	6,546	5,559,783
<b>Total expenses</b>	<b>\$ 6,514,350</b>	<b>\$ 1,460,409</b>	<b>\$ 2,400,943</b>	<b>\$ 10,375,702</b>	<b>\$ 457,023</b>	<b>\$ 554,538</b>	<b>\$ 11,387,263</b>

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENTS OF CASH FLOWS

Years ended March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ (741,172)	\$ 708,013
<i>Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities</i>		
Depreciation and amortization	23,847	22,980
(Increase) decrease in		
Accounts receivable	493,541	(653,841)
Inventory	(9,289)	(6,905)
Prepaid expenses	58,311	(116,706)
Increase (decrease) in		
Accounts payable and accrued expenses	(22,696)	50,610
Deferred revenue	<u>3,735</u>	<u>(1,204)</u>
<b>Net cash provided by (used for) operating activities</b>	(193,723)	2,947
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of other assets	<u>(3,200)</u>	<u>(37,650)</u>
<b>Net change in cash</b>	(196,923)	(34,703)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>604,505</u>	<u>639,208</u>
End of year	<u>\$ 407,582</u>	<u>\$ 604,505</u>

See accompanying notes

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

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### (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 Activation**

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 7,500 participants in 200 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 70 locations with more than 60,000 participants annually--both nationally and internationally--to honor the heroes of 9/11 and the wars since.

#### **Veteran and Survivor Support**

TMF empowers veterans and families of fallen heroes to thrive in their post-military lives through professional development and life-changing experiences. TMF's "Leading With Your Strengths" seminars provide individualized tools and knowledge that help veterans successfully transition from active duty. Additional 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 and Leadership Development**

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 and range in duration from a single day event to a multi-week course. Veteran Mentors inspired 50,000 youth through Character Does Matter in 2018 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, 2019 and 2018

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### **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 statement 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 hierarchies 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.

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# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

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### 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.

### Deferred Revenue

Deferred revenue represents amounts received from program service revenue that have not been earned.

### 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 when the conditions are satisfied. 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 support unless the donor has restricted the donation to 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 as instructed by the donor.

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.

### Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$248,499 in 2019 and \$218,505 in 2018.

### 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.

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# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

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 August 2016, the Financial Accounting Standards Board ("**FASB**") issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. TMF has adjusted the presentation of its financial statements accordingly, applying the changes retroactively to the comparative period presented. The new standards change the following aspects of TMF's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- A statement of functional expenses was added providing an analysis of expenses by functional and natural expense classifications.
- The financial statements include a new disclosure about liquidity and availability of resources (**Note 8**).

### Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the presentation in the 2019 financial statements.

### (3) CONTRIBUTIONS RECEIVABLE

The contributions receivable at March 31, 2019 and 2018 are expected to be collected as follows:

	<u>2019</u>	<u>2018</u>
In less than one year	\$218,200	\$862,300
In one to five years	<u>150,000</u>	<u>-</u>
	<u>\$368,200</u>	<u>\$862,300</u>

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

### (4) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2019 and 2018:

	<u>Balance</u> <u>March 31, 2018</u>	<u>Additions</u>	<u>Released</u>	<u>Balance</u> <u>March 31, 2019</u>
<b>Purpose restrictions</b>				
Character Does Matter	\$ 381,760	\$ 509,579	\$ 555,339	\$ 336,000
Community activities	294,100	10,000	294,100	10,000
Veteran and Survivor support	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>

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

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	<u>Balance</u> <u>March 31, 2017</u>	<u>Additions</u>	<u>Released</u>	<u>Balance</u> <u>March 31, 2018</u>
<b>Purpose restrictions</b>				
Character Does Matter	\$115,000	\$ 381,760	\$115,000	\$ 381,760
Community activities	-	294,100	-	294,100
Veteran and Survivor support	100,000	370,000	100,000	370,000
Special events	<u>143,933</u>	<u>267,345</u>	<u>143,933</u>	<u>267,345</u>
	<u>\$358,933</u>	<u>\$1,313,205</u>	<u>\$358,933</u>	<u>\$1,313,205</u>

The endowment at March 31, 2019 consisted of a contribution receivable.

### (5) OPERATING LEASES

TMF leases its main office in Doylestown, Pennsylvania under a non-cancelable lease that expires January 2020. TMF also leases two satellite offices in Washington, D.C. and San Diego, California. The lease for the office in Washington, D.C. expires December 2019. The lease for the office in San Diego, California expires June 2022.

Rent expense, which is included in occupancy expense in the accompanying statements of functional expenses, was \$127,165 for 2019 and \$117,384 for 2018. The minimum annual lease commitments under these leases are \$92,619 for 2020, \$38,600 for 2021, \$39,758 for 2022 and \$10,084 for 2023.

### (6) DONATED MATERIALS AND SERVICES

Certain donated materials and services received during 2019 and 2018 were recorded at their fair value and consisted of the following:

	<u>2019</u>	<u>2018</u>
Advertising	\$2,854,597	\$5,175,059
Airfare	59,000	59,000
Consulting and other services	72,158	65,541
Marketing promotional materials	30,138	27,656
Rent	18,131	25,400
Supplies	<u>165,209</u>	<u>207,127</u>
	<u>\$3,199,233</u>	<u>\$5,559,783</u>

### (7) 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.

### (8) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects TMF's financial assets as of March 31, 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.

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 and 2018

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Cash and cash equivalents	\$ 407,582
Contributions receivable	368,200
Accounts receivable	<u>6,735</u>
Total financial assets	782,517
Financial assets restricted by donor for specific purposes or periods	(20,000)
Financial assets to be maintained indefinitely	<u>(250,000)</u>
Financial assets available within one year	<u>\$ 512,517</u>

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. TMF invests cash in excess of its requirements in a money market fund.

### (9) SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 14, 2019, the date on which the financial statements were available to be issued.

In May 2019, TMF received a contribution of \$400,000 from one donor restricted for Character Does Matter. In June 2019, TMF received a contribution of \$500,000 from one donor also restricted for Character Does Matter.

Except as noted above, no material subsequent events have occurred since March 31, 2019 that required recognition or disclosure in the financial statements.