

Travis Manion Foundation

Financial Statements
Years Ended March 31, 2021 and 2020



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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, 2021 and 2020, 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, 2021 and 2020, 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
June 30, 2021**

TRAVIS MANION FOUNDATION

STATEMENTS OF FINANCIAL POSITION

March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 6,471,307	\$ 1,917,740
Accounts receivable		
Contributions - restricted for the endowment	124,500	687,000
Contributions - other	332,500	390,000
Program service revenue and other	3,080	1,226
Inventory	91,119	104,968
Prepaid expenses	208,380	231,579
Other assets	<u>16,988</u>	<u>45,975</u>
Total assets	<u>\$ 7,247,874</u>	<u>\$ 3,378,488</u>
LIABILITIES		
Accounts payable and accrued expense	\$ 428,385	\$ 238,071
Deferred revenue	15,516	26,544
Refundable advances	-	53,925
Note payable	<u>696,600</u>	<u>-</u>
Total liabilities	<u>1,140,501</u>	<u>318,540</u>
NET ASSETS		
Without donor restrictions	1,752,861	4,404
With donor restrictions	<u>4,354,512</u>	<u>3,055,544</u>
Total net assets	<u>6,107,373</u>	<u>3,059,948</u>
Total liabilities and net assets	<u>\$ 7,247,874</u>	<u>\$ 3,378,488</u>

See accompanying notes

TRAVIS MANION FOUNDATION

STATEMENT OF ACTIVITIES

Year ended March 31, 2021 with comparative totals for 2020

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2021	2020
REVENUE AND SUPPORT				
Contributions	\$ 5,130,122	\$ 3,410,000	\$ 8,540,122	\$ 8,799,283
In-kind contributions	4,789,657	-	4,789,657	2,759,483
Program service revenue	455,029	-	455,029	628,482
Investment income	15,305	-	15,305	6,320
Sales, net of cost of goods sold of \$ 56,910 in 2021 and \$54,977 in 2020	22,024	-	22,024	60,014
Net assets released from restrictions	<u>2,111,032</u>	<u>(2,111,032)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>12,523,169</u>	<u>1,298,968</u>	<u>13,822,137</u>	<u>12,253,582</u>
EXPENSES				
Program services	9,636,803	-	9,636,803	9,008,904
Supporting services				
General and administrative	447,465	-	447,465	511,601
Fundraising	<u>690,444</u>	<u>-</u>	<u>690,444</u>	<u>430,811</u>
Total expenses	<u>10,774,712</u>	<u>-</u>	<u>10,774,712</u>	<u>9,951,316</u>
CHANGE IN NET ASSETS	1,748,457	1,298,968	3,047,425	2,302,266
NET ASSETS				
Beginning of year	<u>4,404</u>	<u>3,055,544</u>	<u>3,059,948</u>	<u>757,682</u>
End of year	<u>\$ 1,752,861</u>	<u>\$ 4,354,512</u>	<u>\$ 6,107,373</u>	<u>\$ 3,059,948</u>

See accompanying notes

TRAVIS MANION FOUNDATION

STATEMENT OF ACTIVITIES

Year ended March 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contributions	\$ 5,434,283	\$ 3,365,000	\$ 8,799,283
In-kind contributions	2,759,483	-	2,759,483
Program service revenue	628,482	-	628,482
Investment income	6,320	-	6,320
Sales, net of cost of goods sold of \$54,977	60,014	-	60,014
Net assets released from restrictions	<u>1,066,726</u>	<u>(1,066,726)</u>	<u>-</u>
Total revenue and support	<u>9,955,308</u>	<u>2,298,274</u>	<u>12,253,582</u>
EXPENSES			
Program services	9,008,904	-	9,008,904
Supporting services			
General and administrative	511,601	-	511,601
Fundraising	<u>430,811</u>	<u>-</u>	<u>430,811</u>
Total expenses	<u>9,951,316</u>	<u>-</u>	<u>9,951,316</u>
CHANGE IN NET ASSETS	3,992	2,298,274	2,302,266
NET ASSETS			
Beginning of year	<u>412</u>	<u>757,270</u>	<u>757,682</u>
End of year	<u>\$ 4,404</u>	<u>\$ 3,055,544</u>	<u>\$ 3,059,948</u>

See accompanying notes

TRAVIS MANION FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2021 with comparative totals for 2020

	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	2021	2020
Salaries and related expenses								
Salaries	\$ 855,823	\$ 1,226,520	\$ 969,503	\$ 3,051,846	\$ 141,436	\$ 201,328	\$ 3,394,610	\$ 3,129,742
Payroll taxes and benefits	110,740	139,701	113,539	363,980	26,393	19,486	409,859	388,698
Total salaries and related expenses	966,563	1,366,221	1,083,042	3,415,826	167,829	220,814	3,804,469	3,518,440
Advertising	45,992	48,720	39,963	134,675	31,289	18,672	184,636	296,223
Consulting and outside services	66,383	101,416	67,654	235,453	48,307	20,435	304,195	237,883
Depreciation and amortization	9,779	4,889	9,779	24,447	-	-	24,447	23,847
Equipment and services	3,291	3,492	2,220	9,003	327	531	9,861	32,775
Event registration	187	-	13,300	13,487	36	-	13,523	81,821
Grants	52,520	26,206	36,591	115,317	529	-	115,846	646,866
Insurance	2,672	1,794	861	5,327	17,883	148	23,358	39,706
Licenses and permits	168	74	81	323	49	22	394	8,411
Meetings and events	514	8,074	11,966	20,554	651	18,116	39,321	296,715
Occupancy	50,209	71,255	45,563	167,027	17,086	58,354	242,467	260,559
Other	6,535	30,090	8,916	45,541	30,155	54,727	130,423	187,055
Postage and shipping	55,814	18,718	2,400	76,932	20,144	40,960	138,036	112,456
Printing	3,600	11,228	634	15,462	3,046	40,236	58,744	53,816
Professional fees	62,052	135,948	102,729	300,729	63,175	104,458	468,362	617,938
Supplies	161,492	102,349	40,996	304,837	13,986	56,700	375,523	633,143
Telephone	8,799	12,970	7,621	29,390	1,192	1,774	32,356	30,363
Travel	-	919	662	1,581	4,977	12,536	19,094	113,816
Subtotal	1,496,570	1,944,363	1,474,978	4,915,911	420,661	648,483	5,985,055	7,191,833
In-kind expenses	4,616,142	7,191	97,559	4,720,892	26,804	41,961	4,789,657	2,759,483
Total expenses	\$ 6,112,712	\$ 1,951,554	\$ 1,572,537	\$ 9,636,803	\$ 447,465	\$ 690,444	\$ 10,774,712	\$ 9,951,316

See accompanying notes

TRAVIS MANION FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2020

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

See accompanying notes

TRAVIS MANION FOUNDATION

STATEMENTS OF CASH FLOWS

Years ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 3,047,425	\$ 2,302,266
<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)
Depreciation and amortization	24,447	23,847
(Increase) decrease in		
Accounts receivable		
Contributions - other	57,500	(271,800)
Program service revenue and other	(1,854)	5,509
Inventory	13,849	(3,154)
Prepaid expenses and other assets	27,739	(132,987)
Increase (decrease) in		
Accounts payable and accrued expenses	190,314	(40,951)
Deferred revenue	(11,028)	18,633
Refundable advances	(53,925)	53,925
Net cash provided by operating activities	<u>3,294,467</u>	<u>955,288</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other assets	<u>-</u>	<u>(8,130)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Collection of contributions received for endowment	562,500	563,000
Proceeds from issuance of note payable	<u>696,600</u>	<u>-</u>
Net cash provided by financing activities	<u>1,259,100</u>	<u>563,000</u>
Net change in cash and cash equivalents	4,553,567	1,510,158
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,917,740</u>	<u>407,582</u>
End of year	<u>\$ 6,471,307</u>	<u>\$ 1,917,740</u>

See accompanying notes

TRAVIS MANION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

(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 to strengthen America's national character. Through Operation Legacy service projects, TMF members share the legacy of character of fallen heroes through organizing 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 3,000 participants to serve in 2020. These included large scale food drives, "buddy checks" consisting of 220 volunteers checking in on 3,460 members struggling with social isolation, and 204 total projects providing relief during COVID. TMF also activates communities through a national 5K race series, the 9/11 Heroes Run. In 2020, despite the COVID pandemic, 53 locations hosted virtual runs with more than 13,000 participants honoring 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 delivered 88 personal development seminars that provide individualized tools and knowledge that helped 2,834 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.

In 2020, TMF hosted the first cohort of the "Spartan Leadership Program" consisting of 20 veterans and families of the fallen who participated in a 6-month immersive leadership experience in order to experience personal growth and increase 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. 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. 1,850 Veterans Mentors inspired 56,595 youth through Character Does Matter in 2020, 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, 2021 and 2020

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 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, 2021 and 2020

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 \$3,525,000 were received from three donors in 2021. Contributions of \$2,996,400 were received from two donors in 2020. In-kind contributions of \$4,576,218 were received from three donors in 2021. In-kind contributions of \$2,141,616 were received from one donor 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 \$184,636 in 2021 and \$296,223 in 2020.

TRAVIS MANION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

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.

(3) CONTRIBUTIONS RECEIVABLE

The contributions receivable at March 31, 2021 and 2020 are expected to be collected as follows:

	<u>2021</u>	<u>2020</u>
In less than one year	\$372,000	\$1,014,500
In one to five years	<u>85,000</u>	<u>62,500</u>
	<u>\$457,000</u>	<u>\$1,077,000</u>

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

(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, 2021 and 2020.

(5) PAYCHECK PROTECTION PROGRAM

In April 2020, TMF received a loan of \$624,000 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 was payable in 24 monthly installments from August 2021 to July 2023, was charged interest at 1%, was unsecured, and was guaranteed by the Small Business Administration. Under the terms of the Paycheck Protection Program, the loan may be forgiven if the proceeds are used for qualifying expenses. Since TMF incurred the qualifying expenses, the loan was forgiven in December 2020, and the loan proceeds of \$624,000 have been reported as contributions in the accompanying 2021 statement of activities.

In February 2021, TMF received a second loan of \$696,600 under the Paycheck Protection Program. The loan is payable in 60 monthly installments from June 2022 to May 2027, bears interest at 1%, is unsecured, and is guaranteed by the Small Business Administration. Under the terms of the Paycheck Protection Program, the loan may be forgiven if the proceeds are used for qualifying expenses. Since TMF had not incurred the qualifying expenses as of March 31, 2021, the loan proceeds of \$696,000 have been reported as a note payable in the accompanying 2021 statement of financial position.

TRAVIS MANION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

(6) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2021 and 2020:

	<u>Balance</u> <u>March 31, 2020</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>March 31, 2021</u>
Purpose restrictions				
Character Development and Veteran Youth Mentorship	\$ 967,709	\$2,085,000	\$(1,188,197)	\$1,864,512
Community Engagement by Veterans and Families of the Fallen	-	45,000	-	45,000
Personal Development and Training for Veterans and Families of the Fallen	537,835	255,000	(622,835)	170,000
Special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	1,505,544	2,385,000	(1,811,032)	2,079,512
Time restrictions				
For future periods	300,000	1,025,000	(300,000)	1,025,000
To be maintained indefinitely				
Endowments	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
	<u>\$3,055,544</u>	<u>\$3,410,000</u>	<u>\$(2,111,032)</u>	<u>\$4,354,512</u>
	<u>Balance</u> <u>March 31, 2019</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>March 31, 2020</u>
Purpose restrictions				
Character Development and Veteran Youth Mentorship	\$336,000	\$1,490,000	\$ (858,291)	\$ 967,709
Community Engagement by 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
Time restrictions				
For future periods	-	300,000	-	300,000
To be maintained indefinitely				
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>

The endowments included contributions receivable of \$124,500 at March 31, 2021 and \$687,000 at March 31, 2020. The historical cost of the endowments was \$1,250,000 at both March 31, 2021 and 2020. The Board of Directors and management have not yet established investment and spending policies for its endowments.

(7) OPERATING LEASES

TMF leases its main office in Doylestown, Pennsylvania under a lease that expires January 2022. TMF also leases five satellite offices throughout the United States under leases expiring at various dates from July 2021 to June 2022.

Rent expense, which is included in occupancy expense in the accompanying statements of functional expenses, was \$155,632 for 2021 and \$142,166 for 2020. The minimum annual lease commitments under these leases are \$72,168 for 2022 and \$10,084 for 2023.

TRAVIS MANION FOUNDATION

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(8) DONATED MATERIALS AND SERVICES

Certain donated materials and services received during 2021 and 2020 were recorded at their fair value and consisted of the following:

	<u>2021</u>	<u>2020</u>
Advertising	\$4,600,718	\$2,354,381
Airfare	96,600	61,360
Consulting and other services	3,656	24,100
Marketing promotional materials	9,403	16,264
Rent	28,480	13,850
Supplies	<u>50,800</u>	<u>289,528</u>
	<u>\$4,789,657</u>	<u>\$2,759,483</u>

(9) 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 \$19,995 as of March 31, 2021.

(10) 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.

(11) 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's made contributions of \$15,526 to the plan in 2021 and made no contributions to the plan in 2020.

(12) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects TMF's financial assets as of March 31, 2021 and 2020 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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,471,307	\$ 1,917,740
Contributions receivable	457,000	1,077,000
Accounts receivable	<u>3,080</u>	<u>1,226</u>
Total financial assets	6,931,387	2,995,966
Financial assets restricted for specific purposes unrelated to established programs	-	(12,835)
Financial assets restricted for established programs beyond one year	(500,000)	-
Financial assets time restricted beyond one year	(85,000)	-
Financial assets to be maintained indefinitely	<u>(1,250,000)</u>	<u>(1,250,000)</u>
Financial assets available within one year	<u>\$ 5,096,387</u>	<u>\$ 1,733,131</u>

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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.

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2021, 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 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 "nonessential" business for what has been an extended period of time. COVID-19 continued to impact TMF operations in fiscal years 2021 and 2022, including the loss of Event Revenue as events were moved, cancelled or modified, including the 9/11 Heroes Run. Other impacts include uncertainty about the corporations' ability to continue their philanthropic giving, as well as individuals and foundations directing their funding toward direct COVID relief.

Except as noted above, no material subsequent events have occurred since March 31, 2021 that required recognition in the financial statements.