

# Travis Manion Foundation

Financial Statements  
Years Ended March 31, 2024 and 2023



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# TRAVIS MANION FOUNDATION

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the accompanying financial statements of Travis Manion Foundation (a nonprofit organization), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Travis Manion Foundation as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Travis Manion Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of Travis Manion Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Travis Manion Foundation's ability to continue as a going concern for a reasonable period of time

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

BBD LLP

**Philadelphia, Pennsylvania**  
**July 24, 2024**

# TRAVIS MANION FOUNDATION

## STATEMENTS OF FINANCIAL POSITION

March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 855,353	\$ 1,633,832
Investments	8,593,265	5,133,382
Accounts receivable, net		
Contributions	1,954,927	2,320,558
Program service revenue and other	208	361
Inventory	186,480	166,467
Prepaid expenses	170,660	198,932
Property and equipment, net	269,837	300,941
Right of use asset - operating lease	7,500	36,519
Other assets	<u>10,324</u>	<u>11,378</u>
<b>Total assets</b>	<b><u>\$ 12,048,554</u></b>	<b><u>\$ 9,802,370</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued expense	\$ 540,940	\$ 647,041
Deferred revenue	120,637	48,782
Lease liability	<u>7,500</u>	<u>36,519</u>
<b>Total liabilities</b>	<b><u>669,077</u></b>	<b><u>732,342</u></b>
<b>NET ASSETS</b>		
Without donor restrictions	8,028,779	3,942,077
With donor restrictions	<u>3,350,698</u>	<u>5,127,951</u>
<b>Total net assets</b>	<b><u>11,379,477</u></b>	<b><u>9,070,028</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 12,048,554</u></b>	<b><u>\$ 9,802,370</u></b>

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF ACTIVITIES

Year ended March 31, 2024 with comparative totals for 2023

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 9,151,010	\$ 2,488,583	\$ 11,639,593	\$ 10,568,478
In-kind contributions	373,568	-	373,568	2,875,320
Program service revenue	1,034,244	-	1,034,244	973,020
Investment (loss) income	1,011,624	-	1,011,624	(123,431)
Sales, net of cost of goods sold of \$115,634 in 2024 and \$120,688 in 2023	93,941	-	93,941	85,079
Net assets released from restrictions	4,265,836	(4,265,836)	-	-
<b>Total revenue and support</b>	<u>15,930,223</u>	<u>(1,777,253)</u>	<u>14,152,970</u>	<u>14,378,466</u>
<b>EXPENSES</b>				
Program services	9,917,009	-	9,917,009	12,007,792
Supporting services				
General and administrative	834,573	-	834,573	733,786
Fundraising	1,091,939	-	1,091,939	1,238,736
<b>Total expenses</b>	<u>11,843,521</u>	<u>-</u>	<u>11,843,521</u>	<u>13,980,314</u>
<b>CHANGE IN NET ASSETS</b>	4,086,702	(1,777,253)	2,309,449	398,152
<b>NET ASSETS</b>				
Beginning of year	<u>3,942,077</u>	<u>5,127,951</u>	<u>9,070,028</u>	<u>8,671,876</u>
End of year	<u>\$ 8,028,779</u>	<u>\$ 3,350,698</u>	<u>\$ 11,379,477</u>	<u>\$ 9,070,028</u>

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF ACTIVITIES

Year ended March 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 5,458,762	\$ 5,109,716	\$ 10,568,478
In-kind contributions	2,875,320	-	2,875,320
Program service revenue	973,020	-	973,020
Investment loss	(123,431)	-	(123,431)
Sales, net of cost of goods sold of \$120,688	85,079	-	85,079
Net assets released from restrictions	<u>5,223,098</u>	<u>(5,223,098)</u>	<u>-</u>
<b>Total revenue and support</b>	<u>14,491,848</u>	<u>(113,382)</u>	<u>14,378,466</u>
<b>EXPENSES</b>			
Program services	12,007,792	-	12,007,792
Supporting services			
General and administrative	733,786	-	733,786
Fundraising	<u>1,238,736</u>	<u>-</u>	<u>1,238,736</u>
<b>Total expenses</b>	<u>13,980,314</u>	<u>-</u>	<u>13,980,314</u>
<b>CHANGE IN NET ASSETS</b>	511,534	(113,382)	398,152
<b>NET ASSETS</b>			
Beginning of year	<u>3,430,543</u>	<u>5,241,333</u>	<u>8,671,876</u>
<b>End of year</b>	<u>\$ 3,942,077</u>	<u>\$ 5,127,951</u>	<u>\$ 9,070,028</u>

See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2024 with comparative totals for 2023

	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	2024	2023
Salaries and related expenses								
Salaries	\$ 799,612	\$1,832,369	\$1,974,035	\$4,606,016	\$251,002	\$ 378,973	\$ 5,235,991	\$ 4,794,044
Payroll taxes and benefits	<u>105,942</u>	<u>271,833</u>	<u>267,311</u>	<u>645,086</u>	<u>19,657</u>	<u>51,519</u>	<u>716,262</u>	<u>662,577</u>
Total salaries and related expenses	905,554	2,104,202	2,241,346	5,251,102	270,659	430,492	5,952,253	5,456,621
Advertising	130,905	92,948	115,578	339,431	21,458	99,356	460,245	514,194
Consulting and outside services	23,321	186,694	81,509	291,524	68,261	32,746	392,531	404,181
Depreciation and amortization	-	-	-	-	31,959	-	31,959	31,958
Equipment and services	48,024	4,136	84,594	136,754	1,224	306	138,284	105,128
Event registration	31,377	-	73,161	104,538	-	79,315	183,853	106,235
Grants	167,821	118,447	455,200	741,468	5,000	7,707	754,175	862,414
Insurance	26,165	4,571	2,452	33,188	29,400	349	62,937	63,535
Licenses and permits	6,664	-	175	6,839	-	-	6,839	3,155
Meetings and events	17,673	124,082	167,521	309,276	19,768	12,392	341,436	442,165
Occupancy	72,707	149,248	200,177	422,132	15,618	54,127	491,877	469,807
Other	53,087	37,736	134,842	225,665	122,535	130,960	479,160	348,738
Postage and shipping	20,475	17,511	13,298	51,284	10,805	24,561	86,650	97,289
Printing	12,650	15,787	9,200	37,637	3,535	54,982	96,154	105,946
Professional fees	211,428	202,163	167,825	581,416	95,970	41,365	718,751	878,957
Supplies	506,894	201,148	185,027	893,069	70,296	26,502	989,867	984,503
Telephone	10,285	24,138	24,484	58,907	4,257	4,820	67,984	43,433
Travel	-	<u>18,336</u>	<u>45,652</u>	<u>63,988</u>	<u>60,406</u>	<u>90,604</u>	<u>214,998</u>	<u>186,735</u>
Subtotal	2,245,030	3,301,147	4,002,041	9,548,218	831,151	1,090,584	11,469,953	11,104,994
In-kind expenses	<u>200,870</u>	<u>3,120</u>	<u>164,801</u>	<u>368,791</u>	<u>3,422</u>	<u>1,355</u>	<u>373,568</u>	<u>2,875,320</u>
<b>Total expenses</b>	<b><u>\$2,445,900</u></b>	<b><u>\$3,304,267</u></b>	<b><u>\$4,166,842</u></b>	<b><u>\$9,917,009</u></b>	<b><u>\$834,573</u></b>	<b><u>\$1,091,939</u></b>	<b><u>\$11,843,521</u></b>	<b><u>\$13,980,314</u></b>

See accompanying notes



# TRAVIS MANION FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

Year ended March 31, 2023

	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	\$ 1,043,444	\$ 1,855,881	\$ 1,211,694	\$ 4,111,019	\$ 193,914	\$ 489,111	\$ 4,794,044
Payroll taxes and benefits	135,284	246,708	139,607	521,599	86,798	54,180	662,577
Total salaries and related expenses	1,178,728	2,102,589	1,351,301	4,632,618	280,712	543,291	5,456,621
Advertising	189,782	156,408	63,212	409,402	49,666	55,126	514,194
Consulting and outside services	53,398	200,117	48,307	301,822	70,806	31,553	404,181
Depreciation and amortization	-	15,979	15,979	31,958	-	-	31,958
Equipment and services	88,428	4,736	10,005	103,169	1,244	715	105,128
Event registration	33,411	150	36,005	69,566	6,138	30,531	106,235
Grants	180,525	114,123	554,467	849,115	11,299	2,000	862,414
Insurance	27,627	3,351	828	31,806	31,518	211	63,535
Licenses and permits	3,145	-	-	3,145	10	-	3,155
Meetings and events	42,941	126,930	171,310	341,181	17,691	83,293	442,165
Occupancy	199,040	120,021	54,664	373,725	12,280	83,802	469,807
Other	77,579	60,148	33,900	171,627	78,970	98,141	348,738
Postage and shipping	28,013	13,421	9,663	51,097	11,813	34,379	97,289
Printing	22,201	44,681	26,372	93,254	4,698	7,994	105,946
Professional fees	289,993	211,019	197,303	698,315	55,145	125,497	878,957
Supplies	533,559	187,119	164,628	885,306	36,202	62,995	984,503
Telephone	7,823	16,797	12,817	37,437	1,745	4,251	43,433
Travel	15,313	47,856	8,416	71,585	46,282	68,868	186,735
Subtotal	2,971,506	3,425,445	2,759,177	9,156,128	716,219	1,232,647	11,104,994
In-kind expenses	2,803,891	4,620	43,153	2,851,664	17,567	6,089	2,875,320
<b>Total expenses</b>	<b>\$ 5,775,397</b>	<b>\$ 3,430,065</b>	<b>\$ 2,802,330</b>	<b>\$ 12,007,792</b>	<b>\$ 733,786</b>	<b>\$ 1,238,736</b>	<b>\$ 13,980,314</b>

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See accompanying notes

# TRAVIS MANION FOUNDATION

## STATEMENTS OF CASH FLOWS

Years ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 2,309,449	\$ 398,152
<b>Adjustments to reconcile changes in net assets to net cash provided (used for) by operating activities</b>		
Unrealized and realized (gains) losses on investments	(749,416)	245,424
Depreciation and amortization	31,959	31,958
(Increase) decrease in		
Accounts receivable		
Contributions	365,631	(2,084,183)
Program service revenue and other	153	5,325
Inventory	(20,013)	7,606
Prepaid expenses and other assets	28,471	(53,269)
Increase (decrease) in		
Accounts payable and accrued expenses	(106,101)	111,257
Deferred revenue	71,855	6,462
<b>Net cash provided (used for) by operating activities</b>	<u>1,931,988</u>	<u>(1,331,268)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	-	(250,167)
Proceeds from sale of investments	1,249,442	-
Purchase of investments	<u>(3,959,909)</u>	<u>(2,155,586)</u>
<b>Net cash used for investing activities</b>	<u>(2,710,467)</u>	<u>(2,405,753)</u>
<b>Net change in cash and cash equivalents</b>	(778,479)	(3,737,021)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>1,633,832</u>	<u>5,370,853</u>
<b>End of year</b>	<u>\$ 855,353</u>	<u>\$ 1,633,832</u>

See accompanying notes

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

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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 Engagement by Veterans and Families of the Fallen**

TMF Spartan members, led by veterans and families of the fallen, unite communities through large scale service and athletic events. Through "Operation Legacy" service events, TMF members share the legacy of character of our fallen heroes by organizing community service projects that unite veterans, survivors, young adults and inspired civilians. Operation Legacy service events are executed throughout the year with focused campaigns in May, August, November and April. Operation Legacy activated 7,848 participants to serve in 2024. These campaigns included activating Spartan members to visit fallen heroes on Memorial Day through "The Honor Project", a back-to-school day of character and service during August, and other service projects around Veterans Day and MLK Day. TMF also unites communities through a national 5K race series, the "9/11 Heroes Run". In 2024, 100 locations hosted runs with 60,000 participants honoring the heroes of 9/11 and the wars since. Additionally, TMF hosted the "Manion Workout of the Day (WOD)" on the anniversary of Travis Manion's ultimate sacrifice, activating 4,000 participants and 300 gyms, CrossFit boxes, and GORUCK clubs. Veterans and Families of the Fallen develop strong relationships and feel a sense of purpose by being involved members in TMF's 40 national chapters participating in TMF service & athletic events throughout the year.

#### **Personal Development and Training for Veterans and Families of the Fallen**

TMF empowers veterans and families of fallen heroes to thrive in their post-military lives through personal development and life-changing experiences. TMF delivered 73 personal development seminars that provide individualized tools and knowledge that helped 2,731 veterans successfully transition from active duty. In 2024, 28 veterans and families of the fallen participated in the "Spartan Leadership Program (SLP)". SLP is a 7-month immersive leadership experience that coaches participants through personal growth and increases their volunteer leadership role within TMF. Also, families of fallen heroes are empowered to flourish on their personal journeys of healing through service-based expeditions. In 2024, TMF hosted 5 expeditions where 53 survivors and 9 veterans spent a week together serving communities in need, in honor of their lost loved ones. They provide camaraderie, support and renewed purpose to surviving family members to learn tools to move forward in their personal journey. Additionally, TMF hosted a national summit as well as seven regional summits where 300 top volunteer leaders honed their leadership skills and shared best practices.

#### **Character Development and Veteran Youth Mentorship**

Through "Character Does Matter", veterans and families of the fallen are empowered to develop character in future generations. Veterans and survivors serve as Mentors to lead character education presentations for young adults that draw on a mentor's personal service experience and the value of character in everyday life. These same volunteers also mentor youth through a character and leadership curriculum that includes team-building exercises, discussions and experiential learning challenges. Programs are facilitated by veteran and survivor teams for at least 10 hours of instruction that range in duration from a single day event to a multi-week course. 2,725 trained veteran mentors inspired 57,987 youth through 907 Character Does Matter events in 2024, of which 50% are considered "at-risk" or "under-resourced" youth. As a result, youth established 40 TMF Clubs at their schools to promote continued service and character development.

### (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.

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# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

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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 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.

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# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

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### **Investments**

Investments in marketable securities with readily determinable market values are measured at fair value in the financial statements. Investment income or loss (including realized gains and losses on investments, interest and dividends) and unrealized gains and losses on investments are included in the statements of activities and changes in net assets. Specifically identified cost is used to determine realized gains and losses for investments sold.

TMF's investments are comprised of a variety of financial instruments. The fair values reported in the statements of financial position are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the statements of financial position could change materially in the near term.

### **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.

### **Property and Equipment**

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are expensed as incurred.

### **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 approximately \$2,900,000 were received from four donors in 2024. Contributions of approximately \$4,500,000 were received from four donors in 2023. In-kind contributions of \$2,682,096 were received from 2 donors in 2023.

### **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.

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

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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 \$460,245 in 2024 and \$514,194 in 2023.

### **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.

### **Leases**

TMF accounts for leases in accordance with the Financial Accounting Standards Board ("FASB") (Topic 842), Leases. Under this guidance, lessees are required to recognize the following for all leases (with the exception of leases with a term of twelve months or less) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use-asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

### **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) INVESTMENTS**

Investments at March 31, 2024 and 2023, valued using Level 1 inputs consisted of the following:

	<b><u>2024</u></b>	<b><u>2023</u></b>
Bank deposits	\$ 263,064	\$1,320,234
Exchange traded funds - equity	3,871,273	3,019,303
Mutual funds – fixed income	<u>4,458,928</u>	<u>793,845</u>
	<b><u>\$8,593,265</u></b>	<b><u>\$5,133,382</u></b>

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

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Investment income (loss) consisted of the following for the years ended March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 262,208	\$ 121,993
Unrealized and realized gains (losses)	<u>749,416</u>	<u>(245,424)</u>
	<u>\$1,011,624</u>	<u>\$(123,431)</u>

### (4) CONTRIBUTIONS RECEIVABLE

The contributions receivable at March 31, 2024 and 2023 are expected to be collected as follows:

	<u>2024</u>	<u>2023</u>
In less than one year	\$ 723,430	\$1,852,750
In one to five years	<u>1,410,070</u>	<u>500,000</u>
	2,133,500	2,352,750
Less: net present value discount	<u>(178,573)</u>	<u>(32,192)</u>
	<u>\$1,954,927</u>	<u>\$2,320,558</u>

TMF has recorded a net present value discount at a 7% discount rate for the year ended March 31, 2024 and a 4% discount rate for the year ended March 31, 2023, respectively.

### (5) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 2,120	\$ 2,120
Automotive and other equipment	<u>337,117</u>	<u>337,117</u>
	339,237	339,237
Accumulated depreciation	<u>(69,400)</u>	<u>(38,296)</u>
	<u>\$269,837</u>	<u>\$300,941</u>

Depreciation expense was \$31,104 for both of the years ended March 31, 2024 and March 31, 2023, respectively.

### (6) LINE OF CREDIT

TMF has a \$150,000 bank line of credit. Advances under the line are unsecured and bear interest at a variable rate equal to the prime rate plus 1% with a floor rate of 5.75%. There were no advances outstanding at March 31, 2024 and 2023.

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

### (7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2024 and 2023:

	<u>Balance</u> <u>March 31, 2023</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>March 31, 2024</u>
<b>Purpose restrictions</b>				
Character Development and Veteran Youth Mentorship	\$2,910,142	\$ 444,587	\$(3,298,027)	\$ 56,702
Spartan Legacy Fund	-	235,000	-	235,000
	<u>2,910,142</u>	<u>679,587</u>	<u>(3,298,027)</u>	<u>291,702</u>
<b>Time restrictions</b>				
For future periods (including Spartan Legacy Fund)	967,809	1,808,996	(967,809)	1,808,996
<b>To be maintained indefinitely</b>				
Endowments	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
	<u>\$5,127,951</u>	<u>\$2,488,583</u>	<u>\$(4,265,836)</u>	<u>\$3,350,698</u>
	<u>Balance</u> <u>March 31, 2022</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>March 31, 2023</u>
<b>Purpose restrictions</b>				
Character Development and Veteran Youth Mentorship	\$3,338,583	\$2,997,004	\$(3,425,445)	\$2,910,142
Personal Development and Training for Veterans and Families of the Fallen	100,000	1,144,903	(1,244,903)	-
Other	<u>52,750</u>	<u>-</u>	<u>(52,750)</u>	<u>-</u>
	<u>3,491,333</u>	<u>4,141,907</u>	<u>(4,723,098)</u>	<u>2,910,142</u>
<b>Time restrictions</b>				
For future periods	500,000	967,809	(500,000)	967,809
<b>To be maintained indefinitely</b>				
Endowments	<u>1,250,000</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>
	<u>\$5,241,333</u>	<u>\$5,109,716</u>	<u>\$(5,223,098)</u>	<u>\$5,127,951</u>

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

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

### (8) OPERATING LEASES

TMF leases its main office in Doylestown, Pennsylvania under a lease that expired in January 2023. The lease is being renewed on a month-to-month basis. TMF also leases satellite offices throughout the United States. All but one of these leases is on a month-to-month basis. Rent expense, which is included in occupancy expense in the accompanying statements of functional expenses, was \$187,380 for 2024 and \$177,923 for 2023.

The maturities of operating lease liabilities as of March 31, 2024, were as follows:



# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

### Year ending December 31,

2025	\$7,500
Less: Interest	<u>-</u>
<b>Present value of operating lease liability</b>	<b><u>\$7,500</u></b>

The weighted average remaining lease term on operating leases was .25 years and 1.25 years and the weighted average discount rate was 4% and 4% as of March 31, 2024 and 2023, respectively.

### (9) DONATED MATERIALS AND SERVICES

Certain donated materials and services received during 2024 and 2023 were recorded at their fair value and consisted of the following:

	<u>2024</u>	<u>2023</u>
Advertising	\$ 69,025	\$2,713,097
Airfare	151,800	-
Cemetery plots	-	21,980
Consulting and other services	62,008	22,954
Marketing promotional materials	3,226	5,753
Rent	2,500	33,500
Supplies	<u>85,009</u>	<u>78,036</u>
	<u>\$373,568</u>	<u>\$2,875,320</u>

### (10) EMPLOYEE RETIREMENT PLAN

TMF has established a 401(k) plan for the benefit of employees who satisfy the eligibility requirements of the plan. Under the provisions of the plan, the employees may defer from federal income tax a percentage of their compensation, and, at its discretion, TMF may make matching and profit-sharing contributions to the plan. TMF made contributions to the plan of \$58,557 in 2024 and \$55,881 in 2023.

### (11) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following table reflects TMF's financial assets as of March 31, 2024 and 2023 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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 855,353	\$ 1,633,832
Investments	8,593,265	5,133,382
Contributions receivable	1,954,927	2,320,558
Program service revenue and other receivables	<u>208</u>	<u>361</u>
Total financial assets	11,403,753	9,088,133
Financial assets restricted for specific purposes unrelated to established programs	(235,000)	-
Financial assets time restricted beyond one year	(1,231,497)	(467,808)
Financial assets to be maintained indefinitely	<u>(1,250,000)</u>	<u>(1,250,000)</u>
Financial assets available within one year	<u>\$ 8,687,256</u>	<u>\$ 7,370,325</u>

# TRAVIS MANION FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and 2023

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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.

### (12) SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 24, 2024, the date on which the financial statements were available to be issued. No material subsequent events have occurred since March 31, 2024 that required recognition in the financial statements.