

*Financial Statements*

**THAT OTHERS MAY LIVE FOUNDATION**

*December 31, 2020 and 2019*

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**Financial Statements**

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**(With Independent Auditor's Report Thereon)**

THAT OTHERS MAY LIVE FOUNDATION

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## **Independent Auditor's Report**

Board of Directors  
That Others May Live Foundation

We have audited the accompanying financial statements of That Others May Live Foundation (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The 2019 financial statements were audited by other auditors whose report dated July 15, 2020 expressed an unmodified opinion on those 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 audit. We conducted our audit 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 of 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 That Others May Live Foundation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Summarized Comparative Information**

Other auditors have previously audited That Others May Live Foundation's 2019 financial statements, and their report dated July 15, 2020 expressed an unmodified opinion on those audited financial statements. The summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Schatz, Tschagg, Whittemut, Mitchell & Shuilen, LLP*

Maitland, Florida  
April 9, 2021

THAT OTHERS MAY LIVE FOUNDATION

**Statements of Financial Position**

December 31, 2020 and 2019

	<u>Assets</u>	
	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 81,325	244,567
Investments (notes 3 and 5)	<u>1,424,859</u>	<u>1,246,490</u>
Total assets	<u>\$ 1,506,184</u>	<u>1,491,057</u>
	<u>Liabilities and Net Assets</u>	
Liabilities:		
Accounts payable	<u>\$ 10,632</u>	<u>-</u>
Total liabilities	<u>10,632</u>	<u>-</u>
Net assets:		
Without donor restrictions	1,495,552	1,474,595
With donor restrictions (note 4)	<u>-</u>	<u>16,462</u>
Total net assets	<u>1,495,552</u>	<u>1,491,057</u>
Total liabilities and net assets	<u>\$ 1,506,184</u>	<u>1,491,057</u>

See accompanying notes to financial statements.

THAT OTHERS MAY LIVE FOUNDATION

Statements of Activities

For the year ended December 31, 2020

(With summarized comparative information for the year ended December 31, 2019)

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions	\$ 118,723	-	118,723	318,560
Fundraising	66,136	-	66,136	200,821
In-kind contribution	4,425	-	4,425	
Interest and dividends	41,454	-	41,454	37,263
Net unrealized and realized gains on investments	35,216	-	35,216	142,970
Net assets released from restrictions	16,462	(16,462)	-	-
Total support and revenue	282,416	(16,462)	265,954	699,614
Expenses and other:				
Program expenses	199,900	-	199,900	237,682
Management and general	13,145	-	13,145	129,551
Fundraising expenses	48,414	-	48,414	30,305
Total expenses	261,459	-	261,459	397,538
Change in net assets	20,957	(16,462)	4,495	302,076
Net assets, beginning of year	1,474,595	16,462	1,491,057	1,188,981
Net assets, end of year	\$ 1,495,552	-	1,495,552	1,491,057

See accompanying notes to financial statements.

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Statements of Functional Expenses

For the year ended December 31, 2020

(With summarized comparative information for the year ended December 31, 2019)

	2020			Total	2019 Total
	Program Services	Supporting Services Management and General	Fund Raising		
Salaries and related expenses	27,417	914	2,132	30,463	-
Advertising and marketing	-	-	-	-	10,074
Conferences and meetings	-	-	-	-	17,960
Direct fundraising expenses	-	-	-	-	30,305
Facilities and equipment rental	721	166	223	1,110	36,609
Grants and assistance	58,636	-	-	58,636	42,239
Insurance expense	385	48	48	481	966
Professional fees	94,864	10,385	39,385	144,634	12,696
Management expense	-	-	-	-	214,357
Merchant fees	-	505	-	505	6,938
Office expense	3,364	224	898	4,486	3,911
Taxes and licenses	2,767	-	306	3,073	2,660
Telephone and IT expense	11,746	903	5,422	18,071	8,069
Travel expense	-	-	-	-	10,754
Total expenses	<u>\$ 199,900</u>	<u>13,145</u>	<u>48,414</u>	<u>261,459</u>	<u>397,538</u>

See accompanying notes to financial statements.



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**Statements of Cash Flows**

Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,495	302,076
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains on investments	(38,020)	(142,970)
Net increase in cash flow from changes in:		
Accounts payable	10,632	(12,833)
Net cash provided by (used in) operating activities	<u>(22,893)</u>	<u>146,273</u>
Cash flows from investing activities:		
Proceeds from the sale of investments	221,232	225,272
Purchase of investment securities	<u>(361,581)</u>	<u>(262,588)</u>
Net cash used in investing activities	<u>(140,349)</u>	<u>(37,316)</u>
Net (decrease) increase in cash and cash equivalents	(163,242)	108,957
Cash and cash equivalents - beginning of year	<u>244,567</u>	<u>135,610</u>
Cash and cash equivalents - end of year	<u>\$ 81,325</u>	<u>244,567</u>

See accompanying notes to financial statements.

# THAT OTHERS MAY LIVE FOUNDATION

## Notes to Financial Statements

December 31, 2020 and 2019

### (1) Organization and Summary of Significant Accounting Policies

(a) That Others May Live Foundation (the Organization) was established in 2002 to provide scholarships, family counseling, and aid to surviving children of United States Air Force (USAF) rescue heroes who gave the ultimate sacrifice during a rescue mission, training, or other personnel recovery collateral mission. The Organization seeks to accomplish its mission through the implementation of three primary programs: The Beneficiary Assistance Program, the Warfighter Liaison Program, and the Community Ambassador Program. The Beneficiary Assistance Program establishes and maintains direct contact with beneficiaries and indirect contact through family liaison volunteers to determine the needs of beneficiaries and coordinate the beneficiary mentorship program. The Warfighter Liaison Program provides contact to at-home and deployed USAF rescue personnel with deployed unit care packages and morale booster and appreciation events. The Community Ambassador Program assists with rescue personnel appreciation events, deployed member outreach, community awareness and fundraising.

#### (b) *Basis of Presentation*

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic 958, Not-for-Profit Entities.

Unconditional promises to give (pledges) are recorded as receivables and revenue, and the Organization distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- ◆ Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.

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**Notes to Financial Statements**

December 31, 2020 and 2019

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(b) *Basis of Presentation - Continued***

- ◆ Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

**(c) *Cash and Cash Equivalents***

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash equivalents.

**(d) *Investments***

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage or time or by use) in the reporting period in which the income and gains are recognized. Realized gains and losses are computed using the specific-identification method.

**(e) *Property and Equipment***

Property and equipment are stated at cost, or estimated market value at the date of receipt if donated, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. All property expenditures in excess of \$1,000 are capitalized, maintenance and repairs are charged to expense as incurred.

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**Notes to Financial Statements**

December 31, 2020 and 2019

**(1) Organization and Summary of Significant Accounting Policies - Continued**

**(f) *Revenue and Support***

Contributions received are recorded as revenue and support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any such restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

**(g) *Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from these estimates.

**(h) *Income Taxes***

That Others May Live Foundation is exempt from federal income tax under provision of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

In accordance with “Income Taxes” FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and

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**Notes to Financial Statements**

December 31, 2020 and 2019

**(1) Organization and Summary of Significant Accounting Policies - Continued**

***(h) Income Taxes - Continued***

penalties, if any, are included in expenses in the statement of activities. As of December 31, 2020, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization's income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2017 to 2019 are open to examination by federal authorities.

***(i) Concentration of Credit Risk***

The Organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash and cash equivalents.

***(j) Advertising and Promotional costs***

The Organization follows the policy of charging the costs of advertising and promotional costs to expense, as incurred. Advertising and promotional expense was \$0 and \$10,074 for the years ended December 31, 2020 and 2019, respectively.

***(k) Functional Allocation of Expenses***

Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent for each function. All other expenses are distributed based on management's estimate of the relative functional activity.

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Notes to Financial Statements

December 31, 2020 and 2019

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(l) *Prior Year Comparative Data*

The financial statements include certain prior year summarized comparative information. This information has been presented in order to provide an understanding of changes in the Organization's financial position and activities. The prior year information in the statement of activities is presented in total but not by net asset class and, as such, does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In addition, certain amounts have been reclassified in order to conform with the current year's presentation.

(m) *Subsequent Events*

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through April 9, 2021, which is the date the financial statements were available to be issued.

(2) **Liquidity and Availability**

As of December 31, 2020, the Organization has \$1,506,184 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The following table reflects the Organization's financial assets as of December 31, 2020 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 81,325
Investments	<u>1,424,859</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,506,184</u>

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**Notes to Financial Statements**

December 31, 2020 and 2019

**(3) Investments**

Investments consist of the following:

	<b>December 31, 2020</b>		
	<b>Cost</b>	<b>Market Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
Mutual funds	\$ 1,092,320	1,424,859	331,539
	<b>December 31, 2019</b>		
	<b>Cost</b>	<b>Market Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
Mutual funds	\$ 1,087,287	1,246,490	159,203

**(4) Restrictions on Net Assets**

Net assets with donor restrictions at December 31, 2020 and 2019, are related to funds raised that were designated specifically for memorial scholarships for the children of Tech. Sgt. Michael P. Flores. Flores and the other airmen paid the ultimate sacrifice when their HH-60G Pavehawk helicopter, call sign “Pedro 66”, crashed in Afghanistan on June 9, 2010.

	<b>December 31,</b>	
	<b>2020</b>	<b>2019</b>
Tech. Sgt. Michael P. Flores Scholarship Fund	\$ -	16,462

**(5) Fair Value Measurements**

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provided the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

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**(5) Fair Value Measurements - Continued**

The hierarchy give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Organization uses appropriate techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2      Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.



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Notes to Financial Statements

December 31, 2020 and 2019

(5) Fair Value Measurements - Continued

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

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

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of December 31, 2020 and 2019:

	<u>ASSETS AT FAIR VALUE AS OF DECEMBER 31, 2020</u>			
	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Mutual Funds:				
Money market fund	\$ 87,430	-	-	87,430
Equity funds	1,065,769	-	-	1,065,769
Fixed income funds	271,660	-	-	271,660
	<u>\$ 1,424,859</u>	<u>-</u>	<u>-</u>	<u>1,424,859</u>

	<u>ASSETS AT FAIR VALUE AS OF DECEMBER 31, 2019</u>			
	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Mutual Funds:				
Money market fund	\$ 94,041	-	-	94,041
Equity funds	859,635	-	-	859,635
Fixed income funds	233,874	-	-	233,874
Master limited partnership funds	58,940	-	-	58,940
	<u>\$ 1,246,490</u>	<u>-</u>	<u>-</u>	<u>1,246,490</u>