

2020 Annual Report



Army veteran Racheal Robinson,
COVID-19 Emergency
Relief recipient



Dr. Trill, veteran entrepreneur
and Master's Program participant

LETTER FROM THE PRESIDENT

On behalf of our board, staff, and those we serve, I thank you for supporting the PenFed Foundation during these unprecedented times. As the COVID-19 pandemic began in March 2020 and the world started to shut down, the PenFed Foundation sprang into action.

We were proud to be the first veterans service organization to launch a COVID-19 emergency relief program, which was open to all veterans, active-duty, Reserves and National Guard. In just four days, we had received more than 6,000 applications and garnered national media attention. Within one week of launching, our financial assistance was already reaching the hands of creditors and landlords, ensuring veterans and service members could pay their rent, mortgage, and car payments during the height of the crisis.

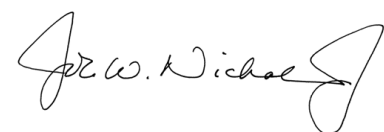
Due to the pandemic, veteran unemployment tripled in 2020. Our Military Heroes program—which focuses on supporting veterans on the path to financial stability—received nearly double the number of applications we see in a typical year. Thanks to our donors, and partners like Army Emergency Relief, Gary Sinise Foundation, and the Pritzker Military Museum & Library, we helped more than 5,000 veterans and their family members with financial assistance in 2020.

We were also proud to be the first veterans service organization to provide tools and resources for veteran-owned businesses to navigate the pandemic. Through our Veteran Entrepreneur Investment Program (VEIP), we reached more than 3,300 veteran entrepreneurs in 2020.

VEIP tailored the launch of the Master's Program, a one-year intensive program to prepare growth-stage, veteran-owned start-ups to raise investor funds, to meet the needs of the ongoing pandemic. In September, the inaugural cohort launched with ten veteran-owned companies thanks to support from SOS International LLC. In 2021, VEIP will prepare 20 companies to raise investor funds through two additional cohorts of the Master's Program.

In 2021, we will focus on getting veterans back to work by supporting veteran entrepreneurs with education, preparation, and investment through VEIP. We will continue our tradition of "firsts" by becoming the first veteran service organization to launch an investment fund to support veteran-owned startups.

Your continued support is greatly appreciated as we help even more veterans and their families recover from the pandemic in 2021. We remain committed to our mission to empower military service members, veterans and their communities with the skills and resources to realize financial stability and opportunity. Thank you for supporting our Nation's Defenders.



General John W. Nicholson, Jr.
U.S. Army, Retired
President, PenFed Foundation



THE PENFED FOUNDATION LEADERSHIP

BOARD OF DIRECTORS

The Honorable Deborah Lee James, *Chair*
Fred B. Caprio, CLU, *Vice Chair*
Sandra L. Patricola, *Secretary/Treasurer*
Edward B. Cody
James C. Dinegar
Colonel James F. Quinn, USA (Retired)
Alfred Rudolph

DIRECTOR EMERITUS

Major Edward D. Dauksz, USMC (Retired)
The Honorable Frederick F.Y. Pang
David B. Schaeffer
Colonel Robert W. Siegert, III, USA (Retired)

CEO

James Schenck

PRESIDENT

General John W. Nicholson, Jr.,
U.S. Army (Retired)

CHIEF DEVELOPMENT OFFICER

Tamara O'Neil

DIRECTOR OF OUTREACH

CSM (R) David M. Clark

DIRECTOR OF PROGRAMS

Daria Teutonico

DIRECTOR OF VETERAN ENTREPRENEURS

Seda Goff

PENFED FOUNDATION'S RESPONSE TO COVID-19

In early March 2020, the staff and leadership began to anticipate the additional hardships the military community would have with the looming COVID-19 crisis, and the Foundation made the bold decision to use its existing resources to immediately open a COVID-19 Emergency Financial Relief program for veterans and service members.

The economic impact of COVID-19 threatened the financial stability of millions of Americans with more than 33 million people in the U.S. filing unemployment claims by early May. The COVID-19 pandemic created unique challenges in helping veterans and service members realize financial stability and opportunity. Our veteran community was already one of the most financially vulnerable prior to the pandemic, with veterans making up 11 percent of the homeless population and 1.5 million veterans living in poverty – most of them between the ages of 18 and 34.

The mission of the PenFed Foundation's COVID-19 Emergency Finance Relief Program was simple—to help as many veterans and service members as we could, as fast as we could. With this goal in mind, **PenFed Foundation became the first national veterans service organization to start COVID-19 relief program open to all veterans and service member.**

To build this new program quickly, PenFed Foundation used the structure of our pre-existing emergency financial assistance program, "Military Heroes Fund," which offers financial assistance for wounded, ill, and injured post 9-11 combat veterans who are experiencing an unexpected short term financial setback.

The Foundation prioritized assistance to those who lost their primary/only income or had an increased financial burden as a direct result of the COVID-19 pandemic. The assistance amount supported 1 month of payment up to \$1500 in the following areas: 1) Rent, 2) Mortgage, 3) Auto Loan/Lease, or 4) Utilities (Electric, Water, Heat). All checks were sent directly to the creditor or landlord after the application was approved.

In the first four days of the program, we received 6,000 applications. The program helped more than 1,117 veterans and service members.

The PenFed Foundation's work to provide COVID-19 relief earned it the award of Nonprofit of the Year by the Northern Virginia Chamber of Commerce and the distinction of being a Top 20 Nonprofit Partner by Military Spouse Magazine.

SPOTLIGHT PROGRAMS

Since 2001, the PenFed Foundation's supporters have helped more than 140,000 military families.

The Veteran Entrepreneur Investment Program

supports military entrepreneurs through its education, preparation, and investment programs. VEIP published its second annual Top Cities for Veteran Entrepreneurs list and conducted numerous business-focused webinars in 2020. Our portfolio companies now include: True Made Foods, Inner River, RentCheck, LeaseLock, Flagship Management, and Tumble.

3,346

military entrepreneurs served in 2020

The Veteran Entrepreneur Investment Program

launched its inaugural Master's Program class in Fall 2020. The Master's Program is a one year intensive program to prepare growth-stage, veteran-owned startups to raise investor funds and scale their companies.

Eight of ten

companies closed investments

Military Heroes program helped more than 1,735 veterans with emergency financial assistance during the pandemic. Additionally, the Dream Makers program helped 239 military families purchase their first homes. The program received 50% more applications over 2019.

5,000

veterans, service members and their family members reached through Military Heroes in 2020

2020 SUCCESS STORIES

RACHEAL ROBINSON : ARMY VETERAN GETS MORTGAGE ASSISTANCE TO AVOID FORECLOSURE

Amid the COVID-19 pandemic, a housing crisis is emerging. According to CoreLogic analysis, new mortgage delinquencies hit an all-time record in April 2020. Unfortunately, the military community has been hit hard by this crisis. When the PenFed Foundation launched its COVID-19 Emergency Financial Relief Program in early March, most of the 6,000 service members and veterans who applied requested help paying their mortgage or rent.

When the pandemic began, Army veteran Racheal Robinson saw an immediate impact when her husband lost his job. Robinson, who served in combat in Iraq, was at risk of foreclosure and losing her family's home. She applied for the PenFed Foundation's COVID-19 relief program in March, and the Foundation was able to assist her with payment on her defaulted mortgage.

"Thank you so much for your assistance, it has come in just the right time!" Racheal said. "Thank you for helping ease the stress of COVID a little this month." Racheal's family is now able to turn their focus to helping others in their community in Minneapolis. "We've been partnering with the community and local churches to get supplies and other essentials to all who are affected in the Northside community."



2020 SUCCESS STORIES

DOCTOR TRILLITYE “TRILL” PAULLIN

Army National Guard Member Shares Entrepreneurship Journey in her Own Words

Doctor Trillitye “Trill” Paullin is among the first ten participants in the Veteran Entrepreneur Investment Program’s inaugural Master’s Program that launched in Fall 2020. After serving in combat in Operation Iraqi Freedom, Dr. Paullin got a Ph.D. in Cellular and Molecular Biology and founded Free to Feed, an organization dedicated to finding solutions for parents of food intolerant infants.

In her own words, Dr. Paullin shares the story of how she was able to overcome her troubled childhood to serve our nation and start her own company.

“Instead of a legacy, my family passed down generations of physical and sexual abuse. I wanted more for my children than hospitals, foster homes, and courthouses. I dreamed of a day when I could provide unity, support, and stability for my family. Throughout my adolescent years, I often thought about my future. I decided the only way to achieve my dreams was to continue my education beyond high school and to surround myself with highly successful and motivated individuals. The means to accomplish this occurred during my last semester of high school when an Army National Guard recruiter visited my school. At only seventeen, I enlisted in the National Guard, and I am proud to say that I am still serving today.

“At nineteen years old, I deployed to Iraq. I was faced with the harsh realization that the country to which I was deployed did not share the freedoms that I had experienced in my life. Consequently, I witnessed true adversity as I was thrust into a world where poverty, hunger, and rampant disease were a part of everyday life.

“Being one of the few women in the country to serve in the military has proven to be an integral part of my identity. I discovered that the abuse inflicted upon me as a child does not define the woman I am today. I have overcome my past and will continue to make a difference in the lives of others. The military has given me the strength to shed the yoke of abuse and focus on the amazing career and philanthropic opportunities that await.

“After returning from overseas, I made it my mission to take full advantage of the freedom afforded to me in the United States. I earned a bachelor’s degree in Biology and Chemistry and went on to receive a Ph.D. in Cellular and Molecular Biology. My passion as a scientist and mother of two daughters with food allergies led to me founding Free to Feed, Inc. F2F creates science-based content for breastfeeding through allergies and is developing products to empower parents. We have patented the technology for mothers to analyze their breast milk for allergen proteins. We are excited about our progress and honored to be a part of the PenFed Foundation Veteran Entrepreneur Investment Program. Together, we are working towards ensuring that mothers can be Free to Feed.”



2020 SUCCESS STORIES

PREPARING VETERAN ENTREPRENEURS TO RAISE CAPITAL

Despite the challenges of an ongoing pandemic, in Fall 2020 the Veteran Entrepreneur Investment Program (VEIP) successfully launched its Master’s Program—a one-year intensive program to prepare growth-stage, veteran-owned startups to raise investor funds and scale their companies.

“Veterans have already received some of the best entrepreneurial training in the military, and they have proven their ability to create successful and long-lasting businesses,” said PenFed Foundation Director of Veteran Entrepreneurs Seda Goff. “The goal of the VEIP Master’s Program is to allow veteran entrepreneurs to not see access to capital as a roadblock to creating a successful business.”

With a generous \$200,000 sponsorship from SOSi, a family-owned, government services integrator that works principally in the defense sector, VEIP holds two cohorts of the Master’s Program each year, with ten companies in each cohort.

The program features five key elements designed to prepare veteran entrepreneurs for fundraising and growth: an opening leadership retreat, due diligence boot camp, mentor-matching, fundraising coaching, and an investor Deal Day.



The program’s due diligence boot camp includes weekly educational programs focused on different aspects of entrepreneurship. Topics include traction, unit metrics, accounting, financials, legal, building an investor pitch deck, preparing for meetings with investors, and pitch preparation.

The program opened applications in April and received submission from

approximately 40 veteran-owned companies. The program kicked off on September 12, 2020, with a diverse cohort of 10 veteran-owned companies: 40% of the companies had female co-founders and 60% had minority co-founders. Four branches of the military were represented in the cohort. Post-cohort evaluations showed 100% of participants gained entrepreneurial skills and access to resources they did not possess before taking part in the Master’s Program. Eight of the participating companies have raised investor funds as a result of participating in the program.

“The expert guidance received is second only to the dedication that the Master’s Program staff has routinely shown to all of the organizations that endeavor to make their dream of launching a business a reality.” – feedback from inaugural Master’s Program cohort participant

2020 Master’s Program Company Participants

- **Bon AppéSweet, an organic, vegan chocolate company**
- **Blue Eye Soft, a clinical decision support tool that uses proprietary artificial intelligence to assist healthcare professionals**
- **Critical App LLC, a software solution to assess workplace culture**
- **Elevivo, LLC, a patient education tool for the visually impaired**
- **Free to Feed, a solution to detect the presence of allergens in breast milk**
- **Jedburgh Technologies, a virtual reality platform for language and culture training**
- **Jet-It, a company providing accessible private aircraft ownership and value to owners**
- **Paintru, a company that turns photos into custom, hand-painted artwork**
- **Stasis, a science-based breathwork program to address COVID-19 symptoms, stress, and performance**
- **Tumble, a tech-enabled laundry company that allows for cashless payments, security, and predictive maintenance**

2020 SIGNATURE EVENTS



NIGHT OF HEROES GALA RAISED \$1.5 million

The 16th annual Night of Heroes Gala was held October 24, 2020. The socially-distanced event, which followed all CDC, state and local COVID-safety precautions, was emceed by Washington media personality Tommy McFly. As an organization that values diversity and inclusion, PenFed Foundation was proud to recognize its first transgender honoree, Col. Jennifer Pritzker, in this year's gala.

This year's gala focused on honoring the business, nonprofit and military leaders who support PenFed Foundation's COVID-19 Emergency Financial Relief Program.

The following were honored at the event:

- American Hero Award: COL Jennifer Pritzker, USA Retired
- Veteran Impact Hero Award: Dr. Barbara Van Dahlen
- Military Hero Award: GEN Joseph Lengyel, USAF Retired
- Veteran Entrepreneur Champion Award: SOS International LLC
- Military Partner Award: Army Emergency Relief
- Nonprofit Partner Award: The Gary Sinise Foundation



MILITARY HEROES GOLF CLASSIC RAISED \$585 thousand

Over 75 community and business leaders joined to raise over \$585,000 to support veterans and the military community at the 17th annual Military Heroes Golf Classic on Monday, September 21st, at the championship golf course TPC Potomac at Avenel Farm.

2020 FINANCIAL STATEMENTS

DECEMBER 31 **2020** **2019**

ASSETS

Cash and cash equivalents.....	\$1,374,672	\$1,989,301
Contributions receivable.....	\$11,459	\$26,140
Notes receivable under VEIP.....	\$700,000	\$100,000
Investments under VEIP.....	\$234,421	\$169,421
Prepaid expenses and other.....	\$150,237	\$87,379
Total assets	\$2,470,789	\$2,372,241

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$92,194	\$189,114
ARK loan liability.....	\$16,783	\$53,728
Total liabilities	\$108,977	\$242,842

COMMITMENTS AND CONTINGENCIES

Net assets

Without donor restrictions	\$800,713	\$660,081
With donor restrictions	\$1,561,099	\$1,469,318
Total net assets	\$2,361,812	\$2,129,399

Total liabilities and net assets	\$2,470,789	\$2,372,241
---	--------------------	--------------------

2020 MAJOR DONORS

PRESIDENT'S CIRCLE

These partners donated more than \$200,000 or provided the organization with unsurpassed strategic support in the calendar year 2020

Allied Solutions
 Disabled American Veterans
 Pentagon Federal Credit Union
 SOS International LLC

LEADERSHIP PARTNERS

Cinch Home Services
 CUNA Mutual Group
 MidCountry Bank
 PCSU Financial Services
 SoldierStrong
 VISA

DISTINGUISHED PARTNERS

Gary Sinise Foundation
 HCL America Inc.
 InComm
 Institutional Insurance Group, LLC

Loanpal
 Open Lending/Lenders Protection, LLC
 Pritzker Military Museum & Library
 The Coca-Cola Foundation
 The Lawrence and Nancy Padfield Foundation
 TrueCar, Inc

EXCELLENCE PARTNERS

Arch MI
 Arthur J. Gallagher & Co. Gallagher Bassett Services, Inc
 AT&T
 Auto Financial Group
 BizFlow Corporation
 Blank Rome LLP
 BNY Mellon Charitable Gift Fund
 Bob Woodruff Foundation
 Burns-Fazzi, Brock & Associates
 Fred Caprio
 Carriage Services
 CRIF
 CU Solutions Group, Inc.
 Defense Credit Union Council
 Digital Intelligence Systems, LLC

Douglas Development Group
 FCP Euro
 Federal Home Loan Bank Atlanta
 Fidelity Charitable Gift Fund
 Fiserv, Inc.
 John J. Flynn
 Franklin Madison
 Innospec Fuel Specialties
 MAG Aerospace
 McBride Real Estate Services, Inc.
 Morgan Stanley
 NFP | Meltzer Group
 Protiviti, Inc.
 Purefy Inc
 Rate Reset
 Robert I Schattner Foundation, Inc.
 RSA Security, LLC
 Security 1st Title
 Seguros Multiples
 SL Green Realty Corp
 SolomonEdwards
 Squadron Capital
 Stifel, Nicolaus & Company Inc.
 Textron, Inc.
 The First Alliance Foundation
 The Niner Foundation

Travelers
 Upgrade
 Veterans Canteen Service
 Shashi B. Vohra
 Richard Watkins
 Matthew C. White
 WHITE64

CHAMPIONS OF THE PENFED FOUNDATION

Adam Fuller
 ALM First
 Ankura
 Carlos Wilkinson
 CBIZ, Inc.
 Charles Banchiere
 Community Foundation of Western Nevada
 CoreLogic Real Estate Solutions LLC
 Craig Olson
 Digital Defense, Inc.
 DXC Technology
 ePlus, Inc.
 Fair Isaac Corporation (FICO)
 Flags of Valor
 Frederick Pang

Geri Evans
 Gus Dracopoulos
 James Schenck
 Jason Caron
 Jeanette Seal
 Jill Streit
 John Nicholson
 Joseph Thomas
 Juliette Pahl
 Kevin Williams
 Kim Smith
 Larry Dominguez
 Lindsey Cummins
 Mainline Information Systems
 Matt Roe
 Matt Yearick
 Philip Yates
 PIVnet, Inc.
 PODS Enterprises LLC
 RallyPoint
 Red Coats, Inc.
 Ricardo Chamorro
 Route 66 Extended Warranty
 Russell Rau
 Sandra Patricola
 Schwab Charitable Fund

Scott Wichert
 Service Express
 Stella Wong
 Stephen Gayton
 Stevie Martinez
 SunDun Office Refreshments
 SWBC Foundation
 Tata America International Corp.
 The Washington Post



PenFedFoundation.org
800-558-9224