

# Heart of America Patriot Foundation

## 2020 Annual Report and Future Vision

Our Foundation's revenues originate from three sources: The Patriot Benefit, donations from individuals and corporations, and foundation grants. The chart on page 2 summarizes these sources, and includes our 2021 budget.

While the pandemic reduced our net gain from the 2020 Patriot Benefit by \$8,400, our dedicated donors and corporate sponsors made up the difference with an 18% increase over 2019. We received our first grant in 2019 and nearly quadrupled the amount in 2020. Grants will be key to our transition from success to significance as we begin implementing our future vision in 2021 (outlined later in this report).

The Board is committed to operating an extremely cost-effective organization. We reduced our administrative expense ratio from 10.2% in 2019 to 5.7% in 2020 and plan to drive it down to less than 3% in 2021. We remain an all-volunteer foundation with no paid employees in order to maximize our support to veterans.

We refused to let the pandemic diminish that support. By cutting costs and increasing grant revenue in 2020 we raised our disburseable income by nearly \$30,000. It is important to note that in 2018 we began partnering with colleges and universities who agreed to match our contributions. In 2020 these matching funds reached \$112,500, more than doubling the \$55,500 matched in 2019 and brought our total 2020 impact to over \$230,000.

***Our Vision for the Future.*** Following the 2020 Patriot Benefit, the HOAPF Board decided to narrow its focus to address an unmet need of veterans and their dependents. The chart below summarizes the GI Bill and clearly identifies an area of need (yellow highlight). Our strategic focus going forward will be to assist dependents of deceased or 100% disabled veterans as they pursue their education.

Chapter	Description	Beneficiaries	Benefit
33	GI Bill	Veterans	Tuition/fees Book stipend Housing allowance
35	Fry Scholarship	Dependents of veterans who died in the line of duty	Tuition/fees Book stipend Housing allowance
	Dependents Educational Assistance Program (DEA)	Dependents of 100% disabled or deceased veterans	Stipend only

Most expenses veterans incur while pursuing a collegiate education are covered by Chapter 33 of the GI Bill. The same is true for dependents of service members who die in the line of duty, which are covered by the Fry Scholarship under Chapter 35 of the GI Bill.

However, dependents of deceased or 100% disabled veterans do not receive the same level of support. They qualify for the Dependents Educational Assistance (DEA) Program and receive only

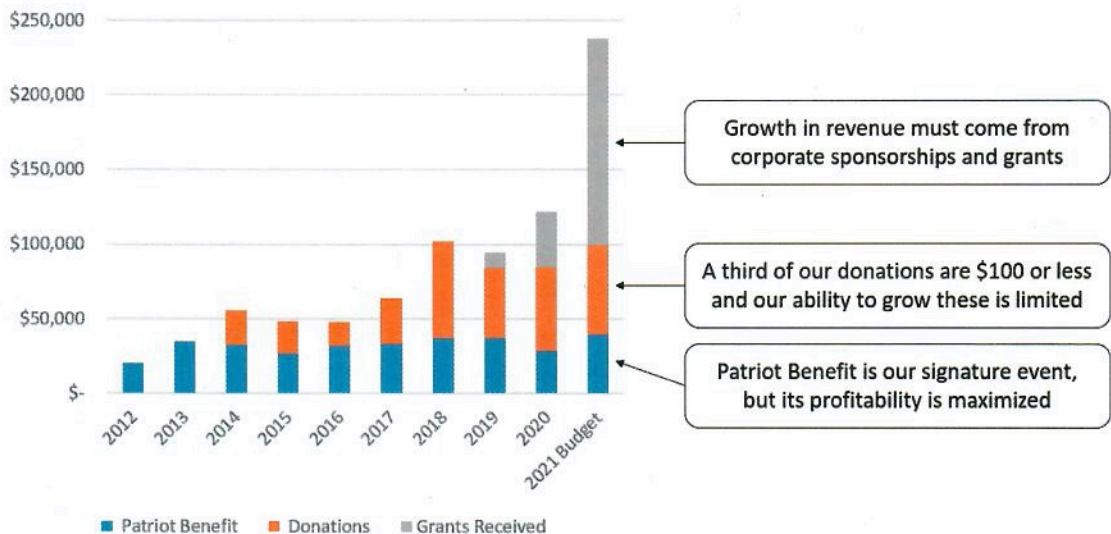
a stipend that helps cover student living expenses. It does not cover tuition, books, and fees, leaving DEA-qualified students in need of other sources of funding for these costs. There are almost 500 DEA-qualified students at our six partner colleges and universities alone.

Therefore, HOAPF recast our vision to:

***A nation where dependents of 100% disabled or deceased veterans can attain a debt-free college education.***

Our 2021 budget takes a first step towards accomplishing our vision. We anticipate the Patriot Benefit, our signature event, will once again, bring a “full house” of teams and net approximately \$40,000. That means we must raise \$198,000 through contributions from our donors, corporate sponsors, and grants from foundations. The chart below compares the historical and budgeted revenues needed to reach our goal for 2021. The budgeted revenues cover administrative expenses, endowment payments, and \$225,000 of contributions to our collegiate partners for DEA scholarships. Partner institutions will match dollar-for-dollar HOAPF contributions, bringing the total available funding per year for DEA scholarships to \$450,000. See chart on page 3.

**Comparison of Historical and Budgeted Revenues**



We are creating five-year Memorandums of Understanding (MOU) to establish HOAPF scholarships for low-to-middle income DEA-qualified students at institutions that agree to match our contributions. The HOAPF DEA scholarships will provide an opportunity for these deserving students to stay in school and graduate with minimum debt.

*We believe that by serving low-to-middle income families, certain sponsors will not only qualify for Community Reinvestment Act credit (CRA), but also find that a partnership with HOAPF is a natural fit for their internal CRA strategy. This is especially true given our low administrative expense ratio.*

Illustrated below is the 2021 budgeted contributions chart along with the collegiate matching amounts. The MOUs provide for \$1,000 minimum scholarships, but the schools have the flexibility to increase that amount depending on the financial needs of students. However, if scholarships are disbursed in only \$1,000 increments, almost every DEA-qualified student will be served. These scholarships will be renewable based upon the student remaining DEA-qualified and in good

academic standing. The schools will determine and manage the scholarship amounts based on the student's financial need. Spanning our five-year MOU period this equates to delivery of \$2.25 million in HOAPF scholarships.

### Summary of Budgeted 2021 HOAP Contributions and Collegiate Matching

DEA-Qualified Students	Partner Institutions	HOAPF Contribution	College Match	Total Available Funding	Number of \$1,000 Scholarships
154	Kansas State University	\$ 60,000	\$ 60,000	\$ 120,000	120
120	University of Kansas	60,000	60,000	120,000	120
46	University of Missouri-Kansas City	25,000	25,000	50,000	50
62	Park University	30,000	30,000	60,000	60
50	Johnson County Community College	25,000	25,000	50,000	50
60	Metropolitan Community Colleges	25,000	25,000	50,000	50
492	Total funding per year	225,000	225,000	450,000	450
	Length of MOUs in years	5	5	5	5
	Total impact	\$ 1,125,000	\$ 1,125,000	\$ 2,250,000	2,250

If a windfall of income over and above the 2021 budget is received, the Board will begin expanding partnerships with more colleges and universities in the "heartland." The expansion will include not only those willing to match the HOAPF contributions but also those with DEA-qualified students enrolled.

The success of our new vision will only be possible through the continued generosity of our donors, corporate sponsors, and foundations. We owe an immense debt of gratitude to the sacrifices of deceased or 100% disabled veterans. Helping their dependents graduate from college with minimum debt or debt-free is a small, but tangible, way of acknowledging our never-ending appreciation for the selfless service these veterans gave the United States of America. We need your continued support as we strive to enable *dependents of 100% disabled or deceased veterans to attain a debt-free college education.*

To learn more or donate, please visit [HOAPF.org](http://HOAPF.org) or contact us directly.

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All Gave Some, Some Gave All



# Heart of America Patriot Foundation

## Income Statement

for the year ended December 31

	2020	2019	2018
<b>Revenues</b>			
The Patriot Benefit			
Benefit Registration Fees	\$ 44,500	\$ 54,000	\$ 54,000
Benefit In-Kind Contributions	6,750	9,522	7,000
Course Rental Expense	12,240	12,873	11,437
Benefit Supplies Expense	8,041	10,748	12,180
Catering Expense	1,940	2,442	191
Net Gain from the Patriot Benefit	29,029	37,459	37,192
Donations Revenue	55,613	46,999	64,623
Grant Revenue	37,000	10,000	-
Net Revenue	<u>121,642</u>	<u>94,458</u>	<u>101,815</u>
<b>Administrative Expenses</b>			
Postage, Printing, PO Box Expense	1,878	3,779	3,625
Insurance Expense	2,346	2,234	3,107
Miscellaneous Expense	2,661	3,592	2,683
Total Expense	<u>6,885</u>	<u>9,605</u>	<u>9,415</u>
Disbursable Income	<u>114,757</u>	<u>84,853</u>	<u>92,400</u>
<b>Grants Disbursed</b>			
Colleges and Universities	113,000	80,000	80,000
Other Grants	5,100	25,470	15,000
Total Grants Disbursed	<u>118,100</u>	<u>105,470</u>	<u>95,000</u>
<b>Net Income</b>	<u>\$ (3,343)</u>	<u>\$ (20,617)</u>	<u>\$ (2,600)</u>

## Statement of Fund Balance

for the year ended December 31

	2020	2019	2018
Beginning Fund Balance	\$ 16,522	\$ 37,139	\$ 39,739
Net Income	<u>(3,343)</u>	<u>(20,617)</u>	<u>(2,600)</u>
Ending Fund Balance	<u>\$ 13,179</u>	<u>\$ 16,522</u>	<u>\$ 37,139</u>

## Balance Sheet

December 31

	2020	2019	2018
<b>Assets</b>			
Unrestricted Cash	\$ 11,679	\$ 16,522	\$ 37,139
Pledges Receivable	1,500	-	-
Total Assets	<u>\$ 13,179</u>	<u>\$ 16,522</u>	<u>\$ 37,139</u>
<b>Liabilities and Fund Balance</b>			
Accounts Payable	\$ -	\$ -	\$ -
Fund Balance	13,179	16,522	37,139
Total Liabilities and Fund Balance	<u>\$ 13,179</u>	<u>\$ 16,522</u>	<u>\$ 37,139</u>