



Suzie Mills, veteran entrepreneur and VEIP program recipient

2019 ANNUAL REPORT



Jermaine White, Navy veteran and 2019 Dream Makers program recipient

LETTER FROM THE PRESIDENT

On behalf of our CEO, James Schenck, and our Board Chair, former Secretary of the Air Force Deborah Lee James, we thank you for your support of the PenFed Foundation and our efforts to enable all service members to serve our Nation free of financial worry and for all veterans and their communities to realize financial stability and opportunity. In 2019, we focused on growing our capacity in order to have a greater impact for our deserving beneficiaries. Our men and women in uniform, our veterans, their caregivers and communities tend to be self-reliant types who don't like to ask for help. But sometimes they need help in order to avoid a crisis, have a home, build a business or gain the skills and resources they need to achieve financial stability.

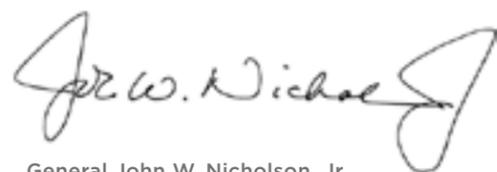
Thanks to the generosity of the Pentagon Federal Credit Union, which pays the PenFed Foundation salaries, office space and the majority of operating expenses, over 95 percent of the funds we receive from our generous donors go directly into our programs.

2019 was an important year in our evolution as we witnessed growth in both our capacity and programs. We saw an increase in our impact through our programs - more emergency financial assistance and caregiver support delivered, more military and veterans in homes, and more veteran entrepreneur companies invested in.

As a result of our growth in 2019, we were able to turn our attention to COVID-19 relief when the pandemic struck our Nation and the world this year. The PenFed Foundation was the first national veteran service organization (VSO) to launch a COVID-19 Emergency Financial Relief program. Supporting veteran entrepreneurs will be essential to rebuilding the economy in the aftermath of the COVID-19 pandemic. In 2020, we will launch our VEIP Master's Program, a one-year intensive program to prepare growth-stage, veteran-owned startups to raise the necessary capital to take their businesses to the next level.

This report details the significant impact delivered by the Foundation in 2019. For 2020, our priorities are to grow our impact further. We will strive to double the number we help with emergency financial assistance; increase the number we help realize the dream of home ownership, educate hundreds of aspiring veteran entrepreneurs and more than double the number of investments we make in veteran owned businesses. We will also work closely with partners to understand the financial literacy and educational needs of our beneficiaries so we can deliver the skills they require to serve free of financial worry and realize the financial stability and opportunity they so richly deserve.

Our entire PenFed Foundation team was honored and humbled to receive the 2020 Nonprofit of the Year Award from the Northern Virginia Chamber of Commerce for the Greater Washington DC Area. We are committed to proving ourselves worthy of this distinction each and every day as we help thousands of our Soldiers, Sailors, Airmen, Marines and Coast Guard service members and veterans. They have been there for us. Please help us to be there for them.



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



THE PENFED FOUNDATION LEADERSHIP

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PENFED CREDIT UNION SUPPORT

The PenFed Foundation is a national 501(c)3 nonprofit organization that relies on the generosity of our donors to help thousands of military families secure a strong financial future each year. One of our most generous supporters is the PenFed Credit Union, which founded the Foundation in 2001. With its partnership, we've been able to help more than 140,000 military families since then.

The PenFed Credit Union covers most operational and personnel expenses for the PenFed Foundation, demonstrating its strong commitment to our programs. Thanks to its generosity, more than 95 percent of donations we receive go directly to helping the veterans, service members and military families we serve.

Additionally, service centers throughout the U.S. host various events to benefit the PenFed Foundation. In 2019, the Omaha, NE, service center hosted the third Greater Omaha Military Heroes Golf Classic at Quarry Oaks Golf Club on June 25, 2019, which raised more than \$40,000 for Military Heroes in the Greater Omaha region.

Established in 1935, Pentagon Federal Credit Union (PenFed) is America's second-largest federal credit union, serving 1.7 million members worldwide with \$25 billion in assets. PenFed Credit Union offers market-leading certificates, checking, credit cards, personal loans, mortgages, auto loans, student loans, and a wide range of other financial services.



SPOTLIGHT PROGRAMS

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



The Veteran Entrepreneur Investment Program launched in 2018, and is now a robust program that focuses on education, preparation and investment. The veteran entrepreneur program published its first-ever Top Cities for Veteran Entrepreneurs List, and plans to serve more than 2,000 veteran entrepreneurs in 2020. To date, the program has invested in 3 companies, with True Made Foods poised to surpass \$2 million in sales.

Invested more than
\$1 million
in veteran
entrepreneurs
in 2019



Military Heroes Emergency Financial Assistance and Caregiver and Family Support program have helped more than 5,000 disabled veterans and their caregivers prevent an emergency from turning into a long-term setback. The program served 15 percent more veterans over 2018.

More than
1,200
disabled veterans
served in 2019



The Dream Makers Program makes the dream of homeownership possible for low-income military and veteran families. Since inception, more than 1,526 first homes have been purchased with help from Dream Makers.

8%
increase in
new homes in
2019

2019 SUCCESS STORIES

EDWARD SCHRANK: THE RESILIENCE OF A MILITARY HERO

Edward Schrank was on active-duty in the United States Marine Corps when he was first diagnosed with cancer in his left tear duct in 2007. Even though he had lost his left eye and part of his skull as a result of cancer, he fought to remain on active duty and served until 2012, when he retired after 15 years of service. Today he is a six-time head and neck cancer survivor.

During his fifth bout of cancer Edward was told by his doctors that he may never speak again. After waking up from surgery, Edward challenged himself to sing the song he so bravely fought for: the National Anthem. He decided to reach out to Jim Cornelison, a world-renowned anthem singer, to coach him.

“Every time I sing, I give everything I have and that’s when I feel most alive,” Schrank said.

Despite his unique circumstances, Edward’s story has a common theme shared throughout the veteran community: Resilience.

While undergoing cancer treatment, he and

his family were forced to refinance their home in order to afford medical expenses not covered by their insurance. As a result, the family fell into debt, and it became a struggle to cover their everyday living expenses and childcare costs for Edward’s kids.

It was during this difficult time that he was referred to the PenFed Foundation from the Quality of Life Foundation. Edward received critical assistance from the PenFed Foundation to cover childcare costs that allowed him to eliminate the financial burden of having to choose between his quality of care and his children’s quality of life.

“When I’m going through cancer treatment and I’m not sure if I’m going to survive, we’re making decisions for each dollar on whether or not this dollar should go towards my possible survival, or my children. By PenFed Foundation helping us, all we have to do is focus on me living.”

The childcare assistance also allowed Edward’s wife to continue to work and helped them get back on their feet and out of debt. Thanks to PenFed Foundation donors, Edward was able to get the support he and his family needed.

Today, Edward is a professional anthem singer, and has sung the Star-Spangled Banner at MLB, NFL and NASCAR events across the country.



2019 SUCCESS STORIES

JERMAINE WHITE

Pride. Freedom. Stability. These are the words that retired U.S. Navy Chief Petty Officer, Jermaine White, used to describe the feeling of owning his first home. Jermaine grew up in Milwaukee, Wisconsin, where he was raised by his mother, who worked several jobs to support him, his brother and sister.

“My mother was my superwoman.”

Moving from place to place was a common occurrence during Jermaine’s childhood. He never had the stability of a permanent home, and he had always hoped that one day he would have a permanent place to call his own.

Jermaine’s mother inspired him to leave Milwaukee, Wisconsin, and join the Navy, where he served for more than 20 years, including a deployment in the Middle East for the Global War on Terrorism. After retiring from the Navy in 2017, Jermaine worked hard to fulfill his dream of homeownership but, like many post-9/11 Veterans, he kept falling short on the funds he needed for the closing costs. Studies show that owning a home is widely recognized as a key indicator of financial stability, but post-9/11 Veterans are less likely than their civilian peers to be able to afford their housing costs.

“Owning a home means having an economic base. It means having stability. For my kids, they always know now they have a home to come to.”

Jermaine first heard about the PenFed Foundation while taking part in a business fellowship program at a nonprofit in Washington, D.C. After researching about ways the PenFed Foundation helps military heroes, Jermaine applied for home buying assistance through our Dream Makers Program. He was able to get a two-to-one match of \$5,000 for closing costs on his home in June 2019 and was finally able to purchase his first home.

“Thank you so much for making my dream of home ownership come true. As a guy, I try not to shed a tear but it was really hard not too after walking out after signing realizing that I know have a place I can truly call my “own”! That thought brought up my childhood and how we would hop from one place to another and the countless conversations with my mother about homeownership and being sad that she couldn’t afford to, so let’s just say it brought up some unexpected emotions.”

Jermaine’s childhood dream of having a stable place to live came true with the help of our generous donors who make it possible for the Foundation to continue making dreams come true.

“So many people come up to me and thank me for my service, but deeds mean more than words. PenFed Foundation’s supporters show that.”

– U.S. Navy Veteran Jermaine White



2019 SUCCESS STORIES

SUZIE MILLS, AN “HONEST SOUL”



Air Force veteran Suzie Mills harnessed the leadership and determination she developed in the military to open her yoga studio, Honest Soul Yoga, in Alexandria, VA, in 2013. Through the Veteran Entrepreneur Investment Program (VEIP), the PenFed Foundation provided Mills with a capital investment to grow her business in Northern Virginia, expand into San Antonio, launch her online yoga platform and access a large network of business leaders for mentorship and support.

“We’re proud to invest in Suzie Mills and her growing business,” said James Schenck, President & CEO of PenFed Credit Union and CEO of PenFed Foundation. “An investment in one veteran is an investment in the entire community. Veterans are 30 percent more likely to hire other veterans – a remarkable statistic that Mills has already eclipsed.”

Honest Soul Yoga grew out of Mills’ experience with yoga as a source of personal empowerment and physical restoration following her time in the

Air Force Reserves and deployment to Afghanistan. When her first attempts to lease a professional space did not receive approval, Mills persevered, redesigning her own basement into a studio space and developed branding and marketing materials. The business quickly expanded, allowing Mills to open a studio just outside Fort Belvoir and hire several other instructors. Over half of Honest Soul Yoga employees are members of the military, veterans or military spouses who also attest to the restorative power of yoga.

“I couldn’t be more delighted to have been selected,” said Mills of the VEIP investment. “PenFed Foundation’s dedication to the military community is truly remarkable. Not only do they support entrepreneurs like me, but they also come alongside struggling families and help them on the path to financial stability. I’m thrilled to participate in VEIP and be a part of a program that is supporting female veteran entrepreneurs.”

VEIP exists to help Mills and other veteran entrepreneurs overcome their biggest obstacle: accessing capital and a network of support. After launching in 2018 with \$1.4 million, PenFed Foundation expanded the program, including a unique focus on women veteran entrepreneurs.

“The PenFed Foundation is investing in women whose grit, compassion and determination transform their communities and generate a huge return on investment,” said retired Army General John Nicholson, President of the PenFed Foundation. “Partnering with Mills is helping to create a strong business ecosystem in which women who have served can continue to thrive.”



2019 SIGNATURE EVENTS



NIGHT OF HEROES GALA RAISED **\$1.6 million**

The 15th annual Night of Heroes Gala was held on May 16, 2019 at the Mandarin Oriental Hotel in Washington, D.C. This premier event honored U.S. Army General (Ret.) George W. Casey Jr. with the American Hero award, Innospec Inc. with the Corporate Hero Award, and children of military families as the Military Heroes awardees. Seven Medal of Honor recipients attended the event, including U.S. Marine Corps Colonel (Ret.) Harvey "Barney" Barnum Jr., U.S. Army Major General (Ret.) Patrick Brady, U.S. Army Lieutenant Colonel (Ret.) Alfred Rascon, U.S. Army Sergeant Major (Ret.) Kenneth Stumpf, U.S. Army First Lieutenant (Ret.) Brian Thacker, U.S. Navy SEAL Command Master Chief Petty Officer (Ret.) Britt Slabinski, and U.S. Army Major William D. Swenson.

OUR CORPORATE HERO

The Corporate Hero Award at our Night of Heroes Gala was presented to Innospec Inc., a global specialty chemicals company represented at the gala by Oilfield Services Business President Thomas Entwistle. Innospec Inc. has become one of the major corporate supporters of the PenFed Foundation's Military Heroes program, donating nearly \$1 million since 2007.



MILITARY HEROES GOLF CLASSIC RAISED **\$800 thousand**

The Military Heroes Golf Classic was held on September 30th at the world-renowned Congressional Country Club in Bethesda, MD. Together, 300 participants raised the most money ever at the 16th annual golf classic.

2019 FINANCIAL STATEMENTS

DECEMBER 31	2019	2018
ASSETS		
Cash and cash equivalents.....	\$1,989,301	\$3,694,151
Contributions receivable.....	\$26,140	\$6,930
Note receivable under VEIP	\$100,000	\$100,000
Investments under VEIP.....	\$169,421	—
Prepaid expenses and other.....	\$87,379	\$1,200
Property and equipment, net.....	—	\$16
Total assets	\$2,732,241	\$3,802,297

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$189,114	\$349,217
ARK loan liability.....	\$53,728	\$54,760
Total liabilities	\$242,842	\$403,977

COMMITMENTS AND CONTINGENCIES

Net assets

Without donor restrictions	\$660,081	\$1,838,794
With donor restrictions	\$1,469,318	\$1,559,526
Total net assets	\$2,129,399	\$3,398,320

Total liabilities and net assets	\$2,732,241	\$3,802,297
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2019 MAJOR DONORS

PRESIDENT'S CIRCLE

These partners donated more than \$250,000 or provided the organization with unsurpassed strategic support in the calendar year 2019.

Disabled American Veterans Charitable Service Trust
Innospec Inc.
Pentagon Federal Credit Union

LEADERSHIP PARTNERS

\$100,000 and up

Allied Solutions, LLC
Cinch Home Services
CUNA Mutual Group
PSCU

DISTINGUISHED PARTNERS

\$50,000 and up

BFB Gallagher
Institutional Insurance Group, LLC
TrueCar

EXCELLENCE PARTNERS

\$10,000 and up

Adobe
ALM First Financial Advisors
American Society of Military Comptrollers
Arch MI
Asset Management Company
AT&T
Auto Financial Group

BizFlow
Black Knight, Inc.
Cisco and Presidio
Clearpath Solutions Group
Cognizant
CoreLogic
CU Direct
CU Solutions Group and Sprint
Deborah Stacy
DXC Technology
Emily Hollis
ePlus
Equifax
Experian
FHLBank Atlanta
FICO
Fidelity National Title Group
First Data
Fiserv
Franklin Madison
Happy Money
HCL
Hiring Our Heroes US Chamber of Commerce Foundation
HITT
InComm
Jack Zoeller
Jerry Kerr in support of Segs4Vets
John Flynn
Joseph Culloo
Military Officers Association of America
National Association of Federally-Insured Credit Unions (NAFCU)
National Military Family Association (NMFA)
NetCraftsmen, LLC
NFP | The Meltzer Group

Open Lending
Price Modern
Priority Toyota Springfield
Protiviti
Rate Reset
Red Coats, Inc.
Robert I Schattner Foundation, Inc.
Ronald Snellings
RSA Security
Salesforce
Security 1st Title, LLC.
Shashi Vohra
Splash Financial
Steven Lockton
Stifel Financial
Tential
The Honorable Deborah Lee James
The Lawrence and Nancy Padfield Foundation
The Niner Foundation
The Solich Fund
Travelers
TribusAllen
Ui Path
Vetter
Visa
WHITE64
William T. Morris Foundation

CHAMPIONS OF THE PENFED FOUNDATION

\$2,500+

2ndWave LLC
ABG Services Inc.
ABM Facility Support Services, LLC
Adi and Daniel Beltzman
Altair

Amazon Web Services
American Express
Andrews Federal Credit Union
Ankura Consulting LLC
Aon Foundation
Armed Forces Financial Network (AFFN)
Auto Services Company, Inc.
Avtex Solutions
BDO
BHHS
Cardtronics
CareFirst Administrators
Carl Ernst
Cathie Entwistle
CBIZ Retirement Plan Services
CDW
Champion Title
Christian Widhalm
Cindy Fournier
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Cox Automotive
Cox Business
Craig K. Olson
CrossCountry Consulting
Dealertrack
Defense Credit Union Council (DCUC)
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Dylan Tancill
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Finastra
Fortinet
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McBride Real Estate Services, Inc.
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Members Trust Company, FSB
MotoRefi
National Loan Exchange, Inc. (NLEX)
Nationwide Credit Corporation
Newmark Knight Frank
Pinkston PR
PlanSource
PMA Funding
R.A. Rogers, Inc.
Radian
Randy Salser
Rego Consulting
Robert Dudacek
Route 66 Extended Warranty

Russell Rau
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ServiceLink
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