

THE TYLER ROBINSON FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2021



THE TYLER ROBINSON FOUNDATION, INC.

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Tyler Robinson Foundation, Inc.
Las Vegas, Nevada

Opinion

We have audited the accompanying financial statements of The Tyler Robinson Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year 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 The Tyler Robinson Foundation, Inc. as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit 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 The Tyler Robinson Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 The Tyler Robinson Foundation, Inc.'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 generally accepted auditing standards 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 material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 on the effectiveness of The Tyler Robinson Foundation, Inc.'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 The Tyler Robinson Foundation, Inc.'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.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
July 14, 2022

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	485,040
Cash and cash equivalents, restricted		3,420
Employee receivable		3,008
Unconditional promises to give		95,600
Employee Retention Credit receivable		58,000
Inventory		17,186
Prepaid expenses		2,768
		665,022

PROPERTY AND EQUIPMENT, NET

4,867

\$ 669,889

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	24,818
Family grants payable, current		161,961
Accrued expenses		6,913
Deferred revenue		10,000
Economic Injury Disaster Loan, current		2,189
		205,881

LONG-TERM LIABILITIES

Family grants payable, long-term		10,222
Economic Injury Disaster Loan, long-term		497,711
		713,814

NET ASSETS

Without donor restrictions		(142,945)
With donor restrictions		99,020
		(43,925)

Total net assets

(43,925)

Total liabilities and net assets

\$ 669,889

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue, gains, and other support:		
Contributions	\$	527,054
Grants		10,000
In-kind donations		1,500
Retail sales		
Sales	\$	6,753
Cost of goods sold		<u>(5,573)</u>
Net revenues from retail sales		1,180
Special events		
Special events revenue		2,481,412
Cost of direct benefits to donors		<u>(1,460,415)</u>
Net revenues from special events		1,020,997
Forgiveness of loan		164,089
Employee Retention Credit		58,000
Net assets released from restrictions		<u>102,407</u>
		1,885,227
Expenses and losses:		
Program services		1,134,343
Supporting services:		
Management and general		250,167
Fundraising		<u>128,267</u>
		1,512,777
Increase in net assets without donor restrictions		<u>372,450</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Net assets released from restrictions		<u>(102,407)</u>
Decrease in net assets with donor restrictions		<u>(102,407)</u>
INCREASE IN NET ASSETS		270,043
NET ASSETS AT BEGINNING OF YEAR		<u>(313,968)</u>
NET ASSETS AT END OF YEAR	\$	<u><u>(43,925)</u></u>

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Supporting Services		Special Event Direct Benefits	Total
		Management and General	Fundraising		
Salaries and wages	\$ 183,205	\$ 56,286	\$ 16,704	\$ -	\$ 256,195
Payroll taxes	14,910	4,581	1,359	-	20,850
Employee benefits	31,864	9,789	2,905	-	44,558
Advertising and promotion	6,801	1,271	3,186	-	11,258
Consulting	5,123	-	6,054	-	11,177
Depreciation	975	299	89	-	1,363
Donations to charitable organizations	90,710	-	-	-	90,710
Entertainment	-	-	-	1,000,000	1,000,000
Event supplies	-	-	-	47,395	47,395
Family grants	677,067	-	-	-	677,067
Fundraising	-	-	89,100	-	89,100
Information technology	-	23,489	-	-	23,489
Insurance	3,007	924	274	-	4,205
Interest	-	11,043	-	-	11,043
Licensing, registration, and processing fees	-	61,710	-	-	61,710
Office	47,373	14,554	4,319	-	66,246
Professional fees	26,400	51,809	-	112,113	190,322
Rent	37,814	11,618	3,448	-	52,880
Travel	9,094	2,794	829	-	12,717
Venue	-	-	-	300,907	300,907
	<u>\$ 1,134,343</u>	<u>\$ 250,167</u>	<u>\$ 128,267</u>	1,460,415	2,973,192
Less: Special event direct benefits				(1,460,415)	(1,460,415)
				<u>\$ -</u>	<u>\$ 1,512,777</u>

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 270,043
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,363
Paycheck Protection Program loan forgiveness	(82,847)
(Increase) decrease in operating assets:	
Employee receivable	3,061
Unconditional promises to give	(67,517)
Employee Retention Credit receivable	(58,000)
Inventory	3,662
Prepaid expenses	4,767
Increase (decrease) in operating liabilities:	
Accounts payable	(22,295)
Family grants payable	(90,876)
Accrued expenses	(13,253)
Deferred revenue	(280,000)
	<u>(280,000)</u>
Net cash used in operating activities	<u>(331,892)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Economic Injury Disaster Loan	<u>499,900</u>
Net cash provided by financing activities	<u>499,900</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	168,008
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>320,452</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 488,460</u></u>
SUMMARY OF CASH ACCOUNTS:	
Cash and cash equivalents	\$ 485,040
Cash and cash equivalents, restricted	<u>3,420</u>
	<u><u>\$ 488,460</u></u>
SUPPLEMENTAL DISCLOSURES:	
Cash paid for interest	<u><u>\$ 4,130</u></u>

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Tyler Robinson Foundation, Inc. (the Organization) was incorporated in the State of Nevada and began operations in April 2013. The Organization was established to strengthen families financially and emotionally as they cope with the tragedy of a pediatric cancer diagnosis by providing grants to defray out of pocket life expenses. The Organization partners with over fifty hospitals worldwide caring for pediatric cancer families and their hospital partners aid them in identifying families eligible to apply for their grants. The Organization receives the majority of its support from a fundraising concert provided without charge by a band whose members serve on the Organization's Board of Directors.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Income Tax Status

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Use of Estimates

Timely 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 certain reported amounts and disclosures, some of which may need revision in future periods.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee Receivable

Employee receivable consists of amounts owed to the Organization from advances to employees, which are all expected to be received within one year of December 31, 2021. Management reviews receivable balances to determine if an allowance for doubtful accounts is necessary. No allowance for uncollectible receivables was present as of December 31, 2021.

Promises to Give

Promises to give represent promises from donors to give to the Organization. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give are recognized at net realizable value when the conditions on which they depend are substantially met. Promises to give are stated at the amount management expects to collect from outstanding balances. It is the Organization's policy to charge off uncollectible balances when management determines the promise to give will not be collected. No allowance for uncollectible promises to give was present at December 31, 2021. All unconditional promises to give are due within one year; therefore, no discount has been recognized

Employee Retention Credit Receivable

During the year ended December 31, 2021, the Organization applied for the Employee Retention Credit, made available under the Coronavirus Aid, Relief, and Economic Security Act, for a total of \$58,000. The refundable tax credit is available on qualified wages paid to employees during 2020 and 2021 if certain retention conditions are met. The Organization expects to collect the entire balance due during 2022.

Inventory

Inventory consists of clothing and novelty items branded with the Organization's logo held for use in program services and sales to unrelated parties. Inventory is stated at the lower of cost or net realizable value. Cost is determined using the first-in first-out method. Inventory also consists of gift cards held to be distributed to program families. Gift cards are valued at face value.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000 and with a useful life of greater than one year. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the useful lives of the assets, generally as follows:

Vehicles	5 Years
Furniture and equipment	5-7 Years
Buildings and improvements	15-39 Years

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue is recognized from the sale of goods when the product is transferred to the customer. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Special event revenue is comprised of an exchange element based on the fair value of benefits provided and a contribution element for the difference between the total contribution and the exchange element. Revenue for the event is recognized when the event is held, with payment for the event generally collected in advance. In the case of cancellation of the event, payments are refunded to customers or maintained as payment for future events.

Donor-Imposed Restrictions

Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by their 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Services

Donated services are recognized as contributions in accordance with FASB ASC, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the year ended December 31, 2021, donated services in the amount of \$1,000,000 were reported as costs of direct benefits to donors in the statement of activities.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets.

Advertising

The Organization uses advertising to promote its programs and fundraising events. The production costs of advertising are expensed as incurred.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following expenses were allocated on the basis of employee time and effort: salaries and wages, payroll taxes, employee benefits, depreciation, insurance, office, rent, and travel.

The following expenses were directly allocated to a function based on the nature of the expense: donations to charitable organizations, family grants, fundraising, information technology, interest, and licensing, registration and processing fees.

The following expenses were allocated based on a combination of vendor time and effort and on the nature of the expense: advertising and promotion, consulting, and professional fees.

Date of Management's Review

Subsequent events have been evaluated through July 14, 2022, which is the date the financial statements were available to be issued.

NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by contribution revenues, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Organization's financial assets as of December 31, 2021 reduced by amounts, if any, that are not available to meet general expenditures within one year of the statement of financial position date:

Cash and cash equivalents	\$ 488,460
Employee receivable	3,008
Unconditional promises to give	95,600
Employee retention tax credit receivable	<u>58,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 645,068</u>

As of December 31, 2021, the Organization experienced a net asset deficit of \$43,925. A deficit initially occurred due to the cancellation of the Rise Up Gala in 2020. This deficit was reduced during 2021 with the return of the Rise up Gala during the Fall of 2021.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2021 consisted of the following:

Furniture and equipment	\$ 14,279
Less: accumulated depreciation	<u>(9,412)</u>
	<u>\$ 4,867</u>

NOTE 4. PAYCHECK PROTECTION PROGRAM AND ECONOMIC INJURY DISASTER LOAN

On May 2, 2020, the Organization (the Borrower) qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the PPP Lender), for an aggregate principal amount of \$82,847 (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal and accrued interest of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. During the year ended December 31, 2021, the Organization applied for and was granted forgiveness of the entire PPP Loan amount.

In March 2021, the Organization qualified for and received a second loan pursuant to the Paycheck Protection Program for an aggregate principal amount of \$81,242 (the PPP Loan). During the year ended December 31, 2021, the Organization applied for and was granted forgiveness of the entire PPP Loan amount.

On June 22, 2021, the Organization qualified for and received a loan pursuant to the Economic Injury Disaster Loan (EIDL) Program through the SBA under the Coronavirus Aid, Relief, and Economic Security Act, for an aggregate principal amount of \$499,900 (the Loan). The Loan bears interest at a fixed rate of 2.75% per annum, has a term of thirty years, and is secured by the Organization's assets. Installment payments of \$2,189 per month are deferred from one year from the date of the loan. Interest will accrue during the deferred period. Proceeds from the loan will be used solely as working capital.

Required principal payments on the EIDL loan are as follows during the years ended December 31,:

2022	\$ 2,189
2023	12,155
2024	12,494
2025	12,842
Thereafter	<u>460,220</u>
	<u>\$ 499,900</u>

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or are fulfilled and removed by actions of the Organization pursuant to those stipulations.

Net assets with donor restrictions as of December 31, 2021 are restricted for the following purposes and periods:

Subject to expenditure for specific purposes:	
Families residing in Alaska	\$ 3,420
Subject to passage of time:	
Unconditional promises to give	<u>95,600</u>
	<u>\$ 99,020</u>

Net assets with donor restrictions as of December 31, 2021 are held in the following assets:

Cash and cash equivalents	\$ 3,420
Unconditional promises to give	<u>95,600</u>
	<u>\$ 99,020</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2021:

Satisfaction of purpose restrictions:	
Families residing in Utah	\$ 74,324
Satisfaction of time restrictions	<u>28,083</u>
	<u>\$ 102,407</u>

NOTE 6. CONCENTRATION OF RISK

The Organization maintains its balance of cash in multiple financial institutions in Nevada. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each institution. As of December 31, 2021, \$133,595 was uninsured.

The Organization sponsors a special event annually for the purpose of fundraising. For the year ended December 31, 2021, net special event revenues represented 58% of total revenues.

As of December 31, 2021, 52% of the unconditional promises to give balance was pledged by one donor.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

NOTE 7. OPERATING LEASES

In January 2020, the Organization entered into a non-cancelable operating lease for office space for the term of May 1, 2020 through June 30, 2025. Rent expense under this lease for the year ended December 31, 2021 totaled \$51,000.

Future minimum lease payments are as follows during the years ended December 31,:

2022	\$ 48,000
2023	49,200
2024	51,660
2025	<u>26,460</u>
	<u>\$ 175,320</u>

NOTE 8. RISKS AND UNCERTAINTIES

As of July 14, 2022, the date these financial statements were available to be issued, in connection with the Coronavirus (COVID-19) pandemic, there have been significant global, federal, state, and local developments. As a result of this worldwide pandemic, which is driving economic uncertainty, the Organization may experience volatility that may impact results and/or impede general operations. The Organization continues to monitor this unprecedented situation and evaluate the impact of this pandemic on their results.