

THE TYLER ROBINSON FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2017



HOULDSWORTH, RUSSO & COMPANY

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THE TYLER ROBINSON FOUNDATION, INC.

DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

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

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, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the 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 from 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 The Tyler Robinson Foundation, Inc. as of December 31, 2017, 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.

Holdsworth, Russo & Company, P.C.

Las Vegas, Nevada
May 9, 2018

Certified Public Accountants
20 YEARS & COUNTING

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 888,629
Unconditional promises to give	28,500
Inventory	16,155
Prepaid expenses	3,503
	<hr/>
	936,787

PROPERTY AND EQUIPMENT, NET

2,947

\$ 939,734

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 12,450
Accrued expenses	12,636
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Total current liabilities	25,086

NET ASSETS

Unrestricted	886,148
Temporarily restricted	28,500
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Total net assets

914,648

Total liabilities and net assets \$ 939,734

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

UNRESTRICTED NET ASSETS

Revenue, gains, and other support:

Contributions		\$		262,324
In-kind donations				20,988
Retail sales				
Sales	\$		15,081	
Cost of goods sold			(6,170)	
Net revenues from retail sales				8,911
Special events				
Special events revenue		1,885,382		
Cost of direct benefits to donors			(928,562)	
Net revenues from special events				956,820
Other income				246
				1,249,289

Expenses and losses:

Program services				667,642
Supporting services:				
Management and general				79,201
Fundraising				54,876
				801,719
Loss on disposal of property and equipment				495
				802,214
Increase in unrestricted net assets				447,075

TEMPORARILY RESTRICTED NET ASSETS

Contributions and grants				28,500
				28,500
Increase in temporarily restricted net assets				28,500

INCREASE IN NET ASSETS

475,575

NET ASSETS AT BEGINNING OF YEAR

439,073

NET ASSETS AT END OF YEAR

\$ 914,648

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 145,881	\$ 28,379	\$ 20,248	\$ 194,508
Payroll taxes	18,980	3,693	2,634	25,307
Employee benefits	13,902	2,704	1,930	18,536
Advertising	73,340	-	13,966	87,306
Consulting	63,154	7,882	-	71,036
Depreciation	977	189	136	1,302
Family grants	282,216	-	-	282,216
Insurance	-	3,757	-	3,757
Interest expense	-	1,039	-	1,039
Office expenses	18,808	17,223	3,048	39,079
Professional fees	2,250	9,001	12,250	23,501
Rent	7,973	4,444	664	13,081
Travel	40,161	890	-	41,051
	<u>\$ 667,642</u>	<u>\$ 79,201</u>	<u>\$ 54,876</u>	<u>\$ 801,719</u>

See accompanying notes to financial statements.

**THE TYLER ROBINSON FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 475,575
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	1,302
Loss on disposal of property and equipment	495
Increase in operating assets:	
Pledges receivable	(28,500)
Prepaid expenses	(1,999)
Inventory	(6,940)
Increase (decrease) in operating liabilities:	
Accounts payable	(11,949)
Accrued expenses	1,554
	429,538
Net cash provided by operating activities	429,538

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(1,767)
	(1,767)
Net cash used in investing activities	(1,767)

NET INCREASE IN CASH 427,771

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 460,858

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 888,629

SUPPLEMENTAL DISCLOSURES:

Interest expense paid	\$ 1,039
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See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

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 receives the majority of its support from fundraising events held in the Southern Nevada region.

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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).

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

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 fair 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 provision for uncollectible promises to give was present at December 31, 2017.

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

Inventories

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

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by their donor are reported as increases in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets and Services

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

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, 2017, donated services consisted of the following: marketing and public relations in the amount of \$15,988, video production services in the amount of \$10,000, and facilities and entertainment services in the amount of \$620,000, reported as special event expenses in the Statement of Activities, and legal services in the amount of \$5,000, reported as management and general expenses in the Statement of Functional Expenses.

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.

Gifts of Long-Lived Assets

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Advertising

The Organization uses advertising to promote its programs and fundraising events. The production costs of advertising are expensed as incurred. Advertising expense was \$87,306 for the year ended December 31, 2017.

Date of Management's Review

Subsequent events have been evaluated through May 9, 2018, which is the date the financial statements were available to be issued.

THE TYLER ROBINSON FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2017 consisted of pledges receivable due in less than one year totaling \$28,500. As management expects all receivables to be fully collectible, no allowance is recorded.

NOTE 3. CONCENTRATION OF RISK

The Organization maintains its balance of cash in a financial institution in Nevada. The balance at the Nevada institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2017, \$643,123 was uninsured.

The Organization sponsors a special event annually for the purpose of fundraising. For the year ended December 31, 2017, special event revenues represented 85% of total revenues.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Furniture and equipment	\$ 7,511
Less: accumulated depreciation	<u>(4,564)</u>
Total	<u>\$ 2,947</u>

Depreciation expense totaled \$1,302 for the year ended December 31, 2017.

NOTE 5. RESTRICTED NET ASSETS

All of the Organization's temporarily restricted net assets were held as pledges receivable at December 31, 2017.

NOTE 6. RELATED PARTY TRANSACTIONS

Certain members of the Board of Directors donated entertainment services for the Organization's special event. These donated entertainment services are recorded at an estimated fair value of \$600,000, which represents 88% of total donated goods and services and 27% of total revenues.