THE TYLER ROBINSON FOUNDATION, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020

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THE TYLER ROBINSON FOUNDATION, INC.

DECEMBER 31, 2020

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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, 2020, 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, 2020, 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.

Houldsworth, Russo & Company, P.C.

Las Vegas, Nevada
May 18, 2021

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THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 242,708
Cash and cash equivalents, restricted	77,744
Employee receivable	6,069
Unconditional promises to give	28,083
Inventory	20,848
Prepaid expenses	7,535
	382,987
PROPERTY AND EQUIPMENT, NET	6,230
	$ 389,217

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 47,113
Family grants payable, current	254,775
Accrued expenses	20,166
Deferred revenue	290,000
Paycheck Protection Program Loan	82,847
	694,901
LONG-TERM LIABILITIES	
Family grants payable, long-term	8,284
	703,185
NET ASSETS	
Without donor restrictions	(419,795)
With donor restrictions	105,827
Total net assets	(313,968)
Total liabilities and net assets	$ 389,217

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue, gains, and other support:		
Contributions		$ 709,028
In-kind donations		22,999
Retail sales		
Sales	$ 10,816	
Cost of goods sold	(7,428)	
Net revenues from retail sales		3,388
Interest income		2,002
Net assets released from restrictions		135,638
		873,055
Expenses and losses:		
Program services		1,773,958
Supporting services:		
Management and general		269,223
Fundraising		104,860
		2,148,041
Decrease in net assets without donor restrictions		(1,274,986)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions		105,827
Net assets released from restrictions		(135,638)
Decrease in net assets with donor restrictions		(29,811)
DECREASE IN NET ASSETS		(1,304,797)
NET ASSETS AT BEGINNING OF YEAR		990,829
NET ASSETS AT END OF YEAR		$ (313,968)

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 279,445	$ 63,722	$ 33,443	$ 376,610
Payroll taxes	26,029	5,935	3,115	35,079
Employee benefits	37,214	8,486	4,454	50,154
Advertising and promotion	59,375	65,744	50,409	175,528
Consulting	2,666	16,666	4,000	23,332
Depreciation	1,155	263	139	1,557
Donations to charitable organizations	45,222	-	-	45,222
Family grants	1,229,502	-	-	1,229,502
Information technology	-	7,555	-	7,555
Insurance	2,363	539	283	3,185
Interest	-	3,082	-	3,082
Licensing, registration, and processing fees	-	28,945	1,000	29,945
Office	25,366	5,784	3,036	34,186
Professional fees	24,000	53,012	-	77,012
Rent	35,120	8,008	4,203	47,331
Travel	6,501	1,482	778	8,761
	$ 1,773,958	$ 269,223	$ 104,860	$ 2,148,041

See accompanying notes to financial statements.

THE TYLER ROBINSON FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	$ (1,304,797)
Adjustments to reconcile change in net assets	
to net cash used in operating activities:	
Depreciation	1,557
(Increase) decrease in operating assets:	
Employee receivable	11,263
Unconditional promises to give	107,555
Inventory	(7,424)
Prepaid expenses	(2,677)
Increase (decrease) in operating liabilities:	
Accounts payable	29,415
Family grants payable	263,059
Accrued expenses	4,336
Deferred revenue	290,000
Net cash used in operating activities	(607,713)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(4,250)
Net cash used in investing activities	(4,250)
CASH FLOWS FROM FINANCING ACTIVITIES	
Paycheck Protection Program Loan	82,847
Net cash provided by financing activities	82,847
NET DECREASE IN CASH AND CASH EQUIVALENTS	(529,116)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	849,568
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 320,452
SUMMARY OF CASH ACCOUNTS:	
Cash and cash equivalents	$ 242,708
Cash and cash equivalents, restricted	77,744
	$ 320,452
SUPPLEMENTAL DISCLOSURES:	
Interest paid	$ 3,082

See accompanying notes to financial statements.

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.

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, 2020. Management reviews receivable balances to determine if an allowance for doubtful accounts is necessary. No allowance for uncollectible receivables was present at December 31, 2020.

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, 2020. All unconditional promises to give are due within one year; therefore, no discount has been recognized

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. During the year ended December 31, 2020, the Organization received special event revenue for its annual Rise Up Gala. Due to the COVID-19 pandemic (Note 9), the Rise Up Gala was postponed until October 2021. Contribution revenue related to the gala is included in the Organization's statement of activities for the year ended December 31, 2020. Exchange revenue related to the gala of $290,000 has been included as deferred revenue on the Organization's statement of financial position at December 31, 2020 and will be recognized when the gala takes place.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2020, donated services in the amount of $10,000 were reported as management and general expense 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.

New Accounting Pronouncement

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting for Contributions Made and Contributions Received*, which intends to clarify and improve the scope and accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in the ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. To accomplish this, the ASU clarifies how

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement (Continued)

a not-for-profit determines whether a resource provider is participating in an exchange transaction by applying select criteria. This ASU also provides expanded guidance on how to determine whether a contribution (non-exchange) revenue is conditional or unconditional. It is expected that this ASU will reduce the diversity noted in practice. During the year ended December 31, 2020, the Organization adopted the provisions of this ASU.

As a result of implementation, the Organization recorded $263,059 to family grants payable and program expense for grants made to families that were considered to be unconditional promises to give cash as of December 31, 2020.

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 by function based on the nature of the expense: donations to charitable organizations, family grants, information technology, interest, and licensing, registration and processing fees.

The following expenses were directly allocated based on a combination of employee 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 May 18, 2021, 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.

NOTE 2. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table reflects the Organization's financial assets as of December 31, 2020 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	$ 320,452
Employee receivable	6,069
Unconditional promises to give	28,083
Financial assets available to meet cash needs for general expenditures within one year	$ 354,604

As of December 31, 2020, the Organization experienced a net asset deficit of ($313,968). It is expected that the return of the Rise Up Gala, scheduled for fall 2021, will resolve this deficit.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 consisted of the following:

Furniture and equipment	$ 14,279
Less: accumulated depreciation	(8,049)
	$ 6,230

NOTE 4. PAYCHECK PROTECTION PROGRAM 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. The Organization intends to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing the earlier of (1) the date that SBA remits the Borrower's loan forgiveness amount to the Lender or (2) 10 months after the end of the Borrower's loan forgiveness covered period of 24 weeks, principal and interest payments will be required through the maturity date in May 2022. The terms of the PPP Loan provide for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan may be accelerated upon the occurrence of an event of default.

The Company has accounted for the PPP loan as a financial liability in accordance with FASB ASC 470 and accrued interest in accordance with the interest method under FASB ASC 835-30. The loan will be recognized as revenue when loan forgiveness is provided by the SBA.

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 at December 31, 2020 are restricted for the following purposes and periods:

Subject to expenditure for specific purposes:		
Families residing in Utah	$	74,324
Families residing in Alaska		3,420
Subject to passage of time:		
Unconditional promises to give		28,083
	$	105,827

Net assets with donor restrictions at December 31, 2020 are held in the following assets:

Cash and cash equivalents	$	77,744
Unconditional promises to give		28,083
	$	105,827

Net assets were released from donor restrictions by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2020:

Satisfaction of time restrictions	$	135,638

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. At December 31, 2020, $3,180 was uninsured.

For the year ended December 31, 2020, 61% of contributions were contributed from five donors.

For the year ended December 31, 2020, 71% of the unconditional promises to give balance was pledged by one donor.

NOTE 7. RELATED PARTY TRANSACTIONS

Contributions in the aggregate amount of $107,404 were made to the Organization by certain members of the Board of Directors.

NOTE 8. 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.

Future minimum lease payments are as follows:

2021	$ 48,000
2022	48,000
2023	49,200
2024	51,660
2025	26,460
	$ 223,320

NOTE 9. RISKS AND UNCERTAINTIES

As of May 18, 2021, 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.

NOTE 10. SUBSEQUENT EVENT

A second draw PPP Loan was received on March 14, 2021 for $81,242. The second draw loan bears interest at 1.0% per annum, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Forgiveness terms remain the same as the first draw PPP Loan.