



The Tony Robbins Foundation

Financial Statements
Years Ended June 30, 2020 and 2019



THE TONY ROBBINS FOUNDATION

Financial Statements

Years Ended June 30, 2020 and 2019

Table of Contents

| | <u>Page</u> |
|-----------------------------------|-------------|
| Independent Auditors' Report | 1 |
| Financial Statements: | |
| Statements of Financial Position | 2 |
| Statements of Activities | 3 |
| Statements of Functional Expenses | 5 |
| Statements of Cash Flows | 7 |
| Notes to Financial Statements | 8 |



Mayer Hoffman McCann P.C.

13500 Evening Creek Drive N. ■ Suite 450 ■ San Diego, CA 92128
Main: 858.795.2000 ■ Fax: 858.795.2001 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Tony Robbins Foundation

We have audited the accompanying financial statements of The Tony Robbins Foundation (Foundation), which comprise the statements financial position as of June 30, 2020 and 2019, 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 controls 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 controls. 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 Tony Robbins Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mayer Hoffman McCann P.C.

San Diego, California
January 6, 2021

The Tony Robbins Foundation

Statements of Financial Position As of June 30,

| | 2020 | 2019 |
|---|----------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 7,944,105 | \$ 9,612,909 |
| Investments | 3,563,413 | 2,421,017 |
| Promises to give | 139,017 | 155,438 |
| Inventory | 263,424 | 102,388 |
| Prepaid expenses and other current assets | 25,688 | 111,313 |
| Total Current Assets | 11,935,647 | 12,403,065 |
| Property and Equipment, net of accumulated depreciation | 69,176 | 84,567 |
| Promises to Give, net of allowance and discounts | 3,700 | 30,302 |
| Total Assets | \$ 12,008,523 | \$ 12,517,934 |
| Liabilities and Net Assets | | |
| Current Liabilities: | | |
| Accounts payable | \$ 13,114 | \$ 55,074 |
| Accrued expenses | 15,522 | 14,108 |
| Grant payable | 625,000 | - |
| Deferred revenue | 10,100 | 211,517 |
| Total Current Liabilities | 663,736 | 280,699 |
| Grant Payable, net of discount | 338,522 | - |
| Total Liabilities | 1,002,258 | 280,699 |
| Net Assets: | | |
| Without donor restrictions | | |
| Board designated endowment | 5,421,062 | 5,171,834 |
| Undesignated | 5,259,943 | 6,650,088 |
| Total without donor restrictions | 10,681,005 | 11,821,922 |
| With donor restrictions | 325,260 | 415,313 |
| Total Net Assets | 11,006,265 | 12,237,235 |
| Total Liabilities and Net Assets | \$ 12,008,523 | \$ 12,517,934 |

The accompanying notes are an integral part of these financial statements.

The Tony Robbins Foundation

Statement of Activities Year Ended June 30, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|---------------|
| Revenue and Support: | | | |
| Contributions | \$ 2,479,268 | \$ 228,458 | \$ 2,707,726 |
| Program revenue | 213,650 | - | 213,650 |
| Sales | 1,012,404 | - | 1,012,404 |
| Less cost of goods sold | (490,475) | - | (490,475) |
| Silent auction | 396,560 | - | 396,560 |
| Grant | 77,336 | - | 77,336 |
| Investment return | 315,517 | - | 315,517 |
| Net assets released from restrictions | 318,511 | (318,511) | - |
| Total Revenue and Support | 4,322,771 | (90,053) | 4,232,718 |
| Expenses: | | | |
| Program services | 5,047,255 | - | 5,047,255 |
| Supporting services: | | | |
| Management and general | 79,598 | - | 79,598 |
| Fundraising | 336,835 | - | 336,835 |
| Total Expenses | 5,463,688 | - | 5,463,688 |
| Change In Net Assets | (1,140,917) | (90,053) | (1,230,970) |
| Net Assets, Beginning of Year | 11,821,922 | 415,313 | 12,237,235 |
| Net Assets, End of Year | \$ 10,681,005 | \$ 325,260 | \$ 11,006,265 |

The accompanying notes are an integral part of these financial statements.

The Tony Robbins Foundation

Statement of Activities Year Ended June 30, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|-------------------------------|----------------------------|----------------------|
| Revenue and Support: | | | |
| Contributions | \$ 2,531,345 | \$ 111,307 | \$ 2,642,652 |
| Program revenue | 202,725 | - | 202,725 |
| Sales | 1,377,291 | - | 1,377,291 |
| Less cost of goods sold | (599,308) | - | (599,308) |
| Silent auction | 409,477 | - | 409,477 |
| Investment return | 311,016 | - | 311,016 |
| Net assets released from restrictions | 155,665 | (155,665) | - |
| Total Revenue and Support | 4,388,211 | (44,358) | 4,343,853 |
| Expenses: | | | |
| Program services | 3,031,404 | - | 3,031,404 |
| Supporting services: | | | |
| Management and general | 64,149 | - | 64,149 |
| Fundraising | 275,570 | 76,404 | 351,974 |
| Total Expenses | 3,371,123 | 76,404 | 3,447,527 |
| Reclassification of Net Assets | (281,550) | 281,550 | - |
| Change In Net Assets | 1,017,088 | (120,762) | 896,326 |
| Net Assets, Beginning of Year | 11,086,384 | 254,525 | 11,340,909 |
| Net Assets, End of Year | \$ 11,821,922 | \$ 415,313 | \$ 12,237,235 |

The accompanying notes are an integral part of these financial statements.

The Tony Robbins Foundation

Statement of Functional Expenses Year Ended June 30, 2020

| | Program Services | Supporting Services | | Total |
|----------------------------------|---------------------|---------------------------|-------------------|---------------------|
| | | Management and General | Fundraising | |
| Advertising | \$ 2,452 | \$ 19 | \$ 41 | \$ 2,512 |
| Bad debts | - | - | 63,502 | 63,502 |
| Contract labor | 91,510 | - | - | 91,510 |
| Credit card fees | 13,664 | - | 101,055 | 114,719 |
| Depreciation | 9,132 | 2,000 | 4,259 | 15,391 |
| Donations | 3,919,892 | - | - | 3,919,892 |
| Dues and subscriptions | 2,414 | 288 | (268) | 2,434 |
| Equipment rental | 21,756 | - | - | 21,756 |
| Gifts and awards | 5,376 | 18 | 38 | 5,432 |
| Grants | 130,000 | - | - | 130,000 |
| Insurance | 3,622 | 794 | 1,689 | 6,105 |
| Legal services | 6,447 | 1,413 | 3,007 | 10,867 |
| Lodging | 166,148 | - | - | 166,148 |
| Meals and entertainment | 145,020 | 64 | 137 | 145,221 |
| Payroll taxes and benefits | 47,887 | 10,493 | 22,333 | 80,713 |
| Printing | 6,850 | 115 | 244 | 7,209 |
| Professional services and fees | 10,940 | 2,397 | 5,102 | 18,439 |
| Rent | 69,822 | 9,087 | 19,341 | 98,250 |
| Repairs and maintenance | 6,439 | 1,411 | 3,003 | 10,853 |
| Salaries and wages | 215,222 | 47,158 | 100,374 | 362,754 |
| Shipping and postage | 1,403 | 71 | 462 | 1,936 |
| Supplies | 46,757 | 359 | 3,972 | 51,088 |
| Taxes | 1,990 | 436 | 928 | 3,354 |
| Telephone, video and internet | 7,728 | 1,680 | 3,576 | 12,984 |
| Transportation | 106,612 | 4 | 229 | 106,845 |
| Utilities | 1,742 | 382 | 812 | 2,936 |
| Webpage | 6,430 | 1,409 | 2,999 | 10,838 |
| Total functional expenses | \$ 5,047,255 | \$ 79,598 | \$ 336,835 | \$ 5,463,688 |

The accompanying notes are an integral part of these financial statements.

The Tony Robbins Foundation

Statement of Functional Expenses Year Ended June 30, 2019

| | Program Services | Supporting Services | | Total |
|----------------------------------|---------------------|---------------------------|-------------------|---------------------|
| | | Management and General | Fundraising | |
| Advertising | \$ 2,009 | \$ 13 | \$ 28 | \$ 2,050 |
| Bad debts | - | - | 76,404 | 76,404 |
| Contract labor | 108,389 | 70 | 150 | 108,609 |
| Credit card fees | 13,309 | 3 | 130,516 | 143,828 |
| Depreciation | 9,364 | 2,052 | 4,367 | 15,783 |
| Donations | 1,781,266 | - | - | 1,781,266 |
| Dues and subscriptions | 1,485 | 291 | 4,738 | 6,514 |
| Equipment rental | 26,312 | - | - | 26,312 |
| Gifts and awards | 6,059 | 105 | 223 | 6,387 |
| Grants | 220,468 | - | - | 220,468 |
| In-kind | 1,588 | 348 | 741 | 2,677 |
| Insurance | 3,622 | 794 | 1,689 | 6,105 |
| Legal services | 4,771 | 1,045 | 2,225 | 8,041 |
| Lodging | 162,761 | - | - | 162,761 |
| Meals and entertainment | 124,878 | 79 | 168 | 125,125 |
| Payroll taxes and benefits | 40,944 | 8,971 | 19,095 | 69,010 |
| Printing | 6,524 | 30 | 64 | 6,618 |
| Professional services and fees | 21,134 | 4,631 | 9,856 | 35,621 |
| Rent | 63,542 | 8,829 | 18,792 | 91,163 |
| Repairs and maintenance | 6,440 | 1,411 | 3,004 | 10,855 |
| Salaries and wages | 205,201 | 30,688 | 65,319 | 301,208 |
| Shipping and postage | 11,053 | 73 | 172 | 11,298 |
| Supplies | 75,898 | 368 | 4,309 | 80,575 |
| Taxes | 1,914 | 419 | 893 | 3,226 |
| Telephone, video and internet | 7,594 | 1,645 | 3,910 | 13,149 |
| Transportation | 114,524 | 15 | 482 | 115,021 |
| Utilities | 2,398 | 525 | 1,118 | 4,041 |
| Webpage | 7,957 | 1,744 | 3,711 | 13,412 |
| Total functional expenses | \$ 3,031,404 | \$ 64,149 | \$ 351,974 | \$ 3,447,527 |

The accompanying notes are an integral part of these financial statements.

The Tony Robbins Foundation

Statements of Cash Flows Years Ended June 30, 2020 and 2019

| | 2020 | 2019 |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Change in net assets | \$ (1,230,970) | \$ 896,326 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Depreciation | 15,391 | 15,783 |
| Gains on investments | (137,656) | (74,289) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable - related party | - | 12,985 |
| Promises to give | 43,023 | 95,810 |
| Inventory | (161,036) | 74,002 |
| Prepaid expenses and other current assets | 85,625 | (15,993) |
| Accounts payable | (41,960) | (36,013) |
| Accrued expenses | 1,414 | 3,601 |
| Grant payable | 963,522 | (100,000) |
| Deferred revenue | (201,417) | 17,361 |
| Net Cash From Operating Activities | (664,064) | 889,573 |
| Cash Flows From Investing Activities: | | |
| Purchases of investments | (1,004,740) | - |
| Purchases of property and equipment | - | (4,269) |
| Net Cash From Investing Activities | (1,004,740) | (4,269) |
| Net Change in Cash and Cash Equivalents | (1,668,804) | 885,304 |
| Cash and Cash Equivalents, Beginning of Year | 9,612,909 | 8,727,605 |
| Cash and Cash Equivalents, End of Year | \$ 7,944,105 | \$ 9,612,909 |

The accompanying notes are an integral part of these financial statements.

THE TONY ROBBINS FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies

Nature of Activities

The Tony Robbins Foundation (Foundation) is a California nonprofit organization incorporated in December 1991. It was created to empower individuals and organizations to make a significant difference in the quality of life for people who are often forgotten - the youth, homeless and hungry, prisoners, elderly, and disabled. Its principal sources of revenue are contributions from private individuals and corporations.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to the two classes of net assets: without donor restrictions and with donor restrictions.

- Net assets without donor restrictions represent net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors.
- Net assets with donor restrictions represent net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

The Foundation has no net assets maintained in perpetuity during the years ended June 30, 2020 and 2019.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The Foundation defines fair value as the exchange price that would be received for an asset or paid for a liability in the principal or most advantageous market. The Foundation applies fair value measurements to assets and liabilities that are required to be recorded at fair value under generally accepted accounting principles. Fair value measurement techniques maximize the use of observable inputs and minimize the use of unobservable inputs, and are categorized in a fair value hierarchy based on the transparency of inputs. The three levels are defined as follows:

- Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

As a practical expedient, certain financial instruments may be valued using net asset value (NAV) per share. NAV is the amount of net assets attributable to each share of outstanding capital stock at the end of the period.

The carrying value of cash, receivables, and payables are approximate fair values as of June 30, 2020 and 2019, due to the relative short maturities of these instruments.

THE TONY ROBBINS FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Foundation holds investments in treasury bills with original maturities less than three months. These investments are classified as cash equivalents as the treasury bills can be readily converted to cash with minimal penalty and are used to fund any operating deficit.

Investments

The Foundation's investments are stated at fair value in the statements of financial position. The fair value is determined using quoted market prices. Investments, for which quoted market prices are not readily available are valued at fair value by the investment manager based on factors deemed relevant by the manager including, but not limited to, market conditions, purchase price, estimated liquidation value, restrictions on transfer and meaningful third party transaction in the private market. Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. Unrealized gains and losses are included in the change in net assets in the statement of activities.

Promises to Give

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Long-term promises to give are recorded at the present value of their estimated future cash flows. Discounts to present value are calculated using a discount rate commensurate with the risks involved. The Foundation has not elected to subsequently measure promises to give at fair value. After promises to give are originally recorded, an allowance for uncollectible promises to give may be established based on specific circumstances.

Inventory

Inventory consists of books, tapes, and promotional apparel, and is stated at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

Acquisitions of property and equipment of \$1,000 or more are capitalized. Property and equipment are stated at cost, or if donated, at approximate fair value at the date of the gift. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the related assets of three to 39 years.

Grants Payable

Unconditional grants payable are recorded at their net present value at the date the grant is made. Grants payable that are due within one year are recorded at face value. Long-term grants payable are recorded at the present value of their estimated future cash flows. Discounts to present value are calculated using a discount rate commensurate with the risks involved. The Foundation has not elected to subsequently measure grants payable at fair value.

Deferred Revenue

The Foundation collects program participation fees in advance. The unearned income is recorded as deferred revenue.

Revenue and Support

Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as support without donor restrictions in that period.

THE TONY ROBBINS FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 1 – Organization and Summary of Significant Accounting Policies, continued

Contributed Materials and Services

Contributed materials are recorded at fair market value where an objective basis is available to measure their value. Such items are capitalized or charged to operations as appropriate. The Foundation receives a substantial amount of services donated by volunteers in carrying out the Foundation's mission. No amounts have been recorded for those services as they do not meet the criteria for recognition as contributions in the financial statements.

Income Taxes

The Foundation is a qualified nonprofit organization that is exempt from income taxes under Section 501(c)(3) Organization under the Federal Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The Foundation, however, may occasionally be subject to taxes on unrelated business income. The Foundation is not a private foundation.

The Foundation follows accounting standards generally accepted in the United States of America related to the recognition of uncertain tax positions. The Foundation recognizes accrued interest and penalties associated with uncertain tax positions as part of the statement of activities, when applicable. Management has determined that the Foundation has no uncertain tax positions at June 30, 2020 or 2019 and therefore no amounts have been accrued.

Advertising

The Foundation expenses the costs of advertising as incurred.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 classifications. These reclassifications have no material effect on total net assets.

Subsequent Events

The Foundation has evaluated subsequent events through January 6, 2021, which is the date the financial statements were available to be issued.

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This standard establishes a right-of-use model that requires a lessee to record an asset and liability on the balance sheet for all leases with terms longer than twelve months. This standard is effective for fiscal years beginning after December 31, 2020. The Foundation is currently evaluating the impact of the new standard on its financial statements.

Note 2 – Liquidity and Availability

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Investing exclusively in short-term liquid assets such as mutual funds, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments that support mission fulfillment will be met, ensuring the sustainability of the Foundation.

The Foundation's board-designated endowments are subject to appropriation approval from the Board prior to expenditure.

The table below presents the financial assets available for general expenditures within one year at June 30, 2020:

| | | |
|---------------------------|----|-------------------|
| Cash and cash equivalents | \$ | 7,944,105 |
| Investments | | 3,563,413 |
| Promises to give | | 139,017 |
| | \$ | <u>11,646,535</u> |

THE TONY ROBBINS FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 3 – Concentration of Credit Risk

The Foundation maintains their cash in bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per institution. The Foundation has not experienced any losses in its bank deposit accounts and believes it is not exposed to any significant credit risk on cash.

Note 4 – Investments and Fair Value Measurements

As of June 30, 2020 and 2019, the Foundation’s investments consist of Reinsurance Risk Premium Interval Funds and U.S. Aggregate Bonds and Intermediate Term Corporate Bonds. The investments seek to achieve a long-term capital appreciation.

The following table presents investments categorized according to the fair value hierarchy as of June 30, 2020

| Description | Level 1 | Level 2 | Level 3 | NAV | Total |
|------------------------|---------------------|-------------|-------------|-------------|---------------------|
| Mutual Funds: | | | | | |
| Fixed Income | \$ 485,063 | \$ - | \$ - | \$ - | \$ 485,063 |
| Exchange Traded Funds: | | | | | |
| Fixed income | 3,078,350 | - | - | - | 3,078,350 |
| | <u>\$ 3,563,413</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,563,413</u> |

The following table presents investments categorized according to the fair value hierarchy as of June 30, 2019:

| Description | Level 1 | Level 2 | Level 3 | NAV | Total |
|------------------------|---------------------|-------------|-------------|-------------|---------------------|
| Mutual Funds: | | | | | |
| Fixed Income | \$ 383,188 | \$ - | \$ - | \$ - | \$ 383,188 |
| Exchange Traded Funds: | | | | | |
| Fixed income | 2,037,829 | - | - | - | 2,037,829 |
| | <u>\$ 2,421,017</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,421,017</u> |

Note 5 – Promises to Give

Promises to give consists of the following:

| | 2020 | 2019 |
|---|-------------------|-------------------|
| Gross promises to give | \$ 227,895 | \$ 282,418 |
| Less imputed discount, at 5.25% | (16,678) | (16,678) |
| | <u>211,217</u> | <u>265,740</u> |
| Less allowance for uncollectible promises to give | (68,500) | (80,000) |
| | <u>\$ 142,717</u> | <u>\$ 185,740</u> |
| Promises to give consist of the following: | | |
| Due in less than one year | \$ 139,017 | \$ 155,438 |
| Due in one through five years | 88,878 | 126,755 |
| Due after five years | - | 225 |
| | <u>\$ 227,895</u> | <u>\$ 282,418</u> |

THE TONY ROBBINS FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

Note 6 – Inventory

Inventory consists of the following:

| | 2020 | 2019 |
|-----------------------|-------------------|-------------------|
| Apparel and jewelry | \$ 205,500 | \$ 79,717 |
| Books and accessories | 57,924 | 22,671 |
| | <u>\$ 263,424</u> | <u>\$ 102,388</u> |

Note 7 – Property and Equipment

Property and equipment consists of the following:

| | 2020 | 2019 |
|-------------------------------|------------------|------------------|
| Computers and equipment | \$ 57,067 | \$ 57,067 |
| Furniture and fixtures | 139,678 | 139,678 |
| Land | 7,000 | 7,000 |
| | <u>203,745</u> | <u>203,745</u> |
| Less accumulated depreciation | <u>(134,569)</u> | <u>(119,178)</u> |
| | <u>\$ 69,176</u> | <u>\$ 84,567</u> |

Note 8 – Grants Payable

In June 2020, the Foundation pledged to sponsor the XPRIZE Feeding the next Billion competition, in the amount of \$1,000,000, to be paid out in three (3) installments, two of which will be paid during FY 2021 in the total amount of \$625,000. As a result, the Foundation has recorded a long term liability of \$375,000 (discounted to \$338,522 utilizing a discount rate of 5.25%) for the portions of the grant to be paid beyond the next twelve (12) months. As of June 30, 2020, based on the specific grant agreement, amounts payable are expected to be paid in the following year:

| Year Ending June 30, | Amount Payable |
|--|-------------------|
| 2021 | \$ 625,000 |
| 2022 | 375,000 |
| Total | <u>1,000,000</u> |
| Less discount to reflect grants at present value | <u>(36,478)</u> |
| Total Grant payable, net | <u>\$ 963,522</u> |

Note 9 – Net Assets with Donor Restrictions

As of June 30, 2020 and 2019, net assets with donor restrictions were restricted for the following purposes:

| | 2020 | 2019 |
|--------------------------------|-------------------|-------------------|
| Time Restricted | | |
| Pledges Receivable, Net | \$ 142,717 | \$ 185,740 |
| Purpose Restricted | | |
| San Fran Nuns | \$ 117,548 | \$ 139,783 |
| Global Youth Leadership Summit | 49,887 | 52,842 |
| Basket Brigade | 15,108 | 18,632 |
| Roc n Robbins | - | 18,316 |
| | <u>\$ 325,260</u> | <u>\$ 415,313</u> |

THE TONY ROBBINS FOUNDATION

Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Note 10 – Related Party Transactions

During the year ended June 30, 2019, the Foundation received support through reimbursed operating costs from Robbins Research International, Inc. totaling approximately \$2,700. The operating costs have been recorded as contributions and in-kind expenses in the statement of activities. No operating costs were reimbursed during the year ended June 30, 2020.

As of June 30, 2019, accounts payable to Robbins Research International, Inc. for reimbursement of health benefits paid on behalf of the Foundation were approximately \$14,000. As of June 30, 2020, no amounts were due to Robbins Research International, Inc.

Note 11 – Operating Lease

The Foundation leases office space under an agreement that expires November 30, 2021. Rental payments average \$5,678 per month.

Future minimum payments required under this operating lease are as follows:

| Year ending June 30, | | |
|-------------------------|----|----------------|
| 2021 | \$ | 70,183 |
| 2022 | | 29,915 |
| | \$ | <u>100,098</u> |

Note 12 – Functional Allocation of Expenses

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

Note 13 – Endowment

The Foundation's endowment consists of funds designated by the Board of Directors to function as endowments have no donor imposed restrictions. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate board-designated endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Foundation and the board-designated endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Foundation
- 7) The investment policies of the Foundation

At June 30, 2020 the endowment net assets' composition by type of fund consists of the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------|-------------------------------|----------------------------|--------------|
| Board-designated endowment funds | \$ 5,421,062 | \$ - | \$ 5,421,062 |

THE TONY ROBBINS FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2020 and 2019

Note 13 – Endowment, continued

At June 30, 2019, the endowment net assets' composition by type of fund consists of the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------|-------------------------------|----------------------------|--------------|
| Board-designated endowment funds | \$ 5,171,834 | \$ - | \$ 5,171,834 |

Changes in endowment net assets for the year ended June 30, 2020 consist of the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| Endowment net assets, beginning of year | \$ 5,171,834 | \$ - | \$ 5,171,834 |
| Investment return: | | | |
| Interest income | 111,572 | - | 111,572 |
| Realized and unrealized gains | 137,656 | - | 137,656 |
| Total investment return | 249,228 | - | 249,228 |
| Endowment net assets, end of year | \$ 5,421,062 | \$ - | \$ 5,421,062 |

Changes in endowment net assets for the year ended June 30, 2019 consist of the following:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------|
| Endowment net assets, beginning of year | \$ 4,976,012 | \$ - | \$ 4,976,012 |
| Investment return: | | | |
| Interest income | 121,533 | - | 121,533 |
| Realized and unrealized losses | 74,289 | - | 74,289 |
| Total investment return | 195,822 | - | 195,822 |
| Endowment net assets, end of year | \$ 5,171,834 | \$ - | \$ 5,171,834 |

The Foundation's Board of Directors has established an endowment, which has been invested in short-term United States of America Treasury Bills, Reinsurance Risk Premium Interval Funds and U.S. Aggregate Bonds and Intermediate Term Corporate Bonds. The endowment is designated to support current operations and provide future giving opportunities. Management is currently developing its spending and investment policies as required by the Accounting Standards Codification.