

TIM TEBOW FOUNDATION, INC.
AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2020 and 2019

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tim Tebow Foundation, Inc. and Affiliates
Jacksonville, Florida

We have audited the accompanying consolidated financial statements of Tim Tebow Foundation, Inc. (a nonprofit corporation) and Affiliates, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Tim Tebow Foundation, Inc. and Affiliates
Jacksonville, Florida

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tim Tebow Foundation, Inc. and Affiliates as of December 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Lawrenceville, Georgia
June 4, 2021

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidated Statements of Financial Position

	December 31,	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 3,291,247	\$ 1,372,649
Investments	8,192,783	7,129,995
Inventory	131,573	272,785
Prepaid expenses and other assets	132,950	82,358
Property and equipment–net	5,721,498	5,711,225
Total Assets	\$ 17,470,051	\$ 14,569,012
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 88,119	\$ 129,046
Accrued expenses	99,999	44,956
Grants payable	92,411	127,141
Note payable	278,200	-
	558,729	301,143
Net assets:		
Without donor restrictions	15,837,142	14,267,869
With donor restrictions	1,074,180	-
	16,911,322	14,267,869
Total Liabilities and Net Assets	\$ 17,470,051	\$ 14,569,012

See notes to consolidated financial statements

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidated Statements of Activities

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Support:						
Contributions	\$7,370,603	\$ 1,074,180	\$ 8,444,783	\$ 5,705,453	\$ -	\$ 5,705,453
Contributed securities	688,892	-	688,892	1,120,985	-	1,120,985
Other noncash contributions	151,435	-	151,435	178,344	-	178,344
	<u>8,210,930</u>	<u>1,074,180</u>	<u>9,285,110</u>	<u>7,004,782</u>	<u>-</u>	<u>7,004,782</u>
Revenue:						
Special event contributions and income	1,213,264	-	1,213,264	1,782,989	-	1,782,989
Less special event expenses	(246,475)	-	(246,475)	(825,609)	-	(825,609)
Net special event contributions and income	<u>966,789</u>	<u>-</u>	<u>966,789</u>	<u>957,380</u>	<u>-</u>	<u>957,380</u>
Investment income	<u>376,520</u>	<u>-</u>	<u>376,520</u>	<u>658,128</u>	<u>-</u>	<u>658,128</u>
Product sales	157,753	-	157,753	194,028	-	194,028
Less cost of sales	(93,190)	-	(93,190)	(114,483)	-	(114,483)
Net product sales	<u>64,563</u>	<u>-</u>	<u>64,563</u>	<u>79,545</u>	<u>-</u>	<u>79,545</u>
Other income	3,993	-	3,993	-	-	-
	<u>1,411,865</u>	<u>-</u>	<u>1,411,865</u>	<u>1,695,053</u>	<u>-</u>	<u>1,695,053</u>
Total Support and Revenue	<u>9,622,795</u>	<u>1,074,180</u>	<u>10,696,975</u>	<u>8,699,835</u>	<u>-</u>	<u>8,699,835</u>
EXPENSES:						
Program services	6,677,601	-	6,677,601	5,389,721	-	5,389,721
Supporting activities:						
General and administrative	452,139	-	452,139	378,426	-	378,426
Fundraising	923,782	-	923,782	738,412	-	738,412
	<u>1,375,921</u>	<u>-</u>	<u>1,375,921</u>	<u>1,116,838</u>	<u>-</u>	<u>1,116,838</u>
Total Expenses	<u>8,053,522</u>	<u>-</u>	<u>8,053,522</u>	<u>6,506,559</u>	<u>-</u>	<u>6,506,559</u>
Change in Net Assets	1,569,273	1,074,180	2,643,453	2,193,276	-	2,193,276
Net Assets, Beginning of Year	14,267,869	-	14,267,869	12,074,593	-	12,074,593
Net Assets, End of Year	<u>\$ 15,837,142</u>	<u>\$ 1,074,180</u>	<u>\$ 16,911,322</u>	<u>\$ 14,267,869</u>	<u>\$ -</u>	<u>\$ 14,267,869</u>

See notes to consolidated financial statements

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

	Program Activities						Supporting Activities				Total Expenses
	Anti-Human Trafficking	Orphan Care and Prevention	Physical & Spiritual Aid Programs	Profound Medical Needs	Rising Light Ridge	Special Needs	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Grants	\$ 854,554	\$ 1,288,600	\$ 218,500	\$ 525,892	\$ 2,500	\$ 1,486,679	\$ 4,376,725	\$ -	\$ -	\$ -	\$ 4,376,725
Salaries and benefits	249,759	39,586	2,485	57,189	322,816	358,302	1,030,137	229,850	482,864	712,714	1,742,851
Supplies and material	10,298	1,724	882	55,220	221,572	226,991	516,687	3,897	31,899	35,796	552,483
Travel	1,993	-	4,110	8,676	8,709	279,848	303,336	2,536	13,980	16,516	319,852
Office and related expenses	18,575	1,923	407	3,052	54,212	23,948	102,117	137,410	61,834	199,244	301,361
Communications and advertising	-	-	-	-	2,021	37,926	39,947	-	241,841	241,841	281,788
Special event expenses	-	-	-	-	-	-	-	-	246,475	246,475	246,475
Occupancy	31,084	2,201	141	3,183	105,923	19,664	162,196	13,640	31,421	45,061	207,257
Professional services	21,005	4,732	75	2,484	8,543	43,558	80,397	52,514	34,379	86,893	167,290
Cost of sales	-	-	-	-	-	-	-	-	93,190	93,190	93,190
Depreciation	6,879	685	44	991	22,612	6,120	37,331	5,446	7,991	13,437	50,768
Shipping and postage	132	855	382	1,540	1,057	5,256	9,222	2,823	17,573	20,396	29,618
Event facilitation	-	-	142	8,485	-	-	8,627	4,023	-	4,023	12,650
In-kind discounts and services	-	-	-	10,879	-	-	10,879	-	-	-	10,879
Total expenses by function	1,194,279	1,340,306	227,168	677,591	749,965	2,488,292	6,677,601	452,139	1,263,447	1,715,586	8,393,187
	14.23%	15.97%	2.71%	8.07%	8.94%	29.65%	79.56%	5.39%	15.05%	20.44%	100.0%
Less expenses included with revenues on the consolidated statements of activities:											
Special event expenses	-	-	-	-	-	-	-	-	(246,475)	(246,475)	(246,475)
Cost of sales	-	-	-	-	-	-	-	-	(93,190)	(93,190)	(93,190)
Total expenses included in the expense section on the consolidated statements of activities	\$ 1,194,279	\$ 1,340,306	\$ 227,168	\$ 677,591	\$ 749,965	\$ 2,488,292	\$ 6,677,601	\$ 452,139	\$ 923,782	\$ 1,375,921	\$ 8,053,522
	14.83%	16.64%	2.82%	8.41%	9.31%	30.90%	82.92%	5.61%	11.34%	17.08%	100.0%

See notes to consolidated financial statements

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended December 31, 2019

	Program Activities						Supporting Activities				Total Expenses
	Anti-Human Trafficking	Orphan Care and Prevention	Physical & Spiritual Aid Programs	Profound Medical Needs	Rising Light Ridge	Special Needs	Total Program Services	General and Administrative	Fundraising	Total Supporting Activities	
Grants	\$ 40,700	\$ 527,770	\$ 58,700	\$ 216,056	\$ 2,500	\$ 2,277,369	\$ 3,123,095	\$ -	\$ -	\$ -	\$ 3,123,095
Salaries and benefits	-	60,583	6,121	104,862	272,123	424,969	868,658	195,835	369,722	565,557	1,434,215
Special event expenses	-	-	-	-	-	-	-	-	825,609	825,609	825,609
Supplies and material	-	1,322	2,254	220,296	47,864	436,394	708,130	1,801	30,168	31,969	740,099
Travel	-	7,663	6,946	26,464	23,394	228,644	293,111	8,269	12,298	20,567	313,678
Communications and advertising	-	-	-	302	550	32,580	33,432	1,642	211,390	213,032	246,464
Office and related expenses	-	2,976	478	4,710	56,249	22,484	86,897	100,868	41,105	141,973	228,870
Occupancy	-	4,557	495	7,727	114,561	27,143	154,483	14,463	27,342	41,805	196,288
Cost of sales	-	-	-	-	-	-	-	-	114,483	114,483	114,483
Professional services	-	1,197	130	2,029	3,275	11,761	18,392	47,917	8,703	56,620	75,012
In-kind discounts and services	-	-	7,672	37,855	-	-	45,527	-	-	-	45,527
Depreciation	-	1,257	137	2,131	19,993	7,486	31,004	4,839	7,541	12,380	43,384
Event facilitation	-	766	9	23,617	-	51	24,443	235	14,255	14,490	38,933
Shipping and postage	-	560	876	488	178	447	2,549	2,557	15,888	18,445	20,994
Total expenses by function	40,700	608,651	83,818	646,537	540,687	3,469,328	5,389,721	378,426	1,678,504	2,056,930	7,446,651
	0.55%	8.17%	1.13%	8.68%	7.26%	46.59%	72.38%	5.08%	22.54%	27.62%	100.0%
Less expenses included with revenues on the consolidated statements of activities:											
Special event expenses	-	-	-	-	-	-	-	-	(825,609)	(825,609)	(825,609)
Cost of sales	-	-	-	-	-	-	-	-	(114,483)	(114,483)	(114,483)
Total expenses included in the expense section on the consolidated statements of activities	\$ 40,700	\$ 608,651	\$ 83,818	\$ 646,537	\$ 540,687	\$ 3,469,328	\$ 5,389,721	\$ 378,426	\$ 738,412	\$ 1,116,838	\$ 6,506,559
	0.63%	9.35%	1.29%	9.94%	8.31%	53.32%	82.84%	5.82%	11.34%	17.16%	100.0%

See notes to consolidated financial statements

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,643,453	\$ 2,193,276
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Noncash gifts of securities	(688,892)	(1,120,985)
Noncash gifts of property and equipment	(22,145)	-
Unrealized and realized gains	(208,138)	(428,791)
Depreciation	52,149	45,936
Loss on disposal of property and equipment	6,314	-
Changes in operating assets and liabilities:		
Inventory	141,212	(44,143)
Prepaid expenses and other assets	(50,592)	(19,233)
Accounts payable	(40,927)	45,117
Accrued expenses	55,043	23,754
Grants payable	(34,730)	99,398
Net Cash Provided by Operating Activities	1,852,747	794,329
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(168,323)	(229,338)
Proceeds from sales of investments	2,565	-
Purchases of property and equipment	(46,591)	(61,193)
Net Cash Used by Investing Activities	(212,349)	(290,531)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable	278,200	-
Net Change in Cash and Cash Equivalents	1,918,598	503,798
Cash and Cash Equivalents, Beginning of Year	1,372,649	868,851
Cash and Cash Equivalents, End of Year	\$ 3,291,247	\$ 1,372,649
SUPPLEMENTAL DISCLOSURES:		
Noncash gifts of services, goods, and rent	\$ 151,435	\$ 178,344
Noncash gifts of securities	\$ 688,892	\$ 1,120,985

See notes to consolidated financial statements

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION:

Tim Tebow Foundation, Inc. and Affiliates (the Organization) is the consolidated financial reporting entity for Tim Tebow Foundation, Inc. (the Foundation) and its Subsidiaries, FHL, LLC (RLR), and Her Song Jacksonville, Inc. (HSJ).

The Foundation exists to bring Faith, Hope, and Love to those needing a brighter day in their darkest hour of need. The Foundation utilizes the public platform that God has blessed Tim Tebow with to inspire and make a difference in people's lives throughout the world. The Foundation is incorporated in Georgia and is an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. Furthermore, the Foundation is recognized by the Internal Revenue Service (IRS) as a publicly supported organization that is not a private foundation under Section 509(a)(2) of the Code. The Foundation accomplishes its mission through six strategic programs:

Anti-Human Trafficking—the Foundation is committed to engaging in the global fight against human trafficking. Efforts include prevention, rescue, and restoration of trafficking survivors.

Orphan Care and Prevention—the Foundation is committed to provide orphan care and prevention, aimed at providing care for orphans and at-risk families in seven countries and adoption aid grants for families internationally adopting children with special needs.

Physical and Spiritual Aid—the Foundation is committed to providing physical and spiritual aid in response to global humanitarian needs, especially following catastrophic events. The Foundation supports people experiencing food insecurity, homelessness, and poverty, as well as those bringing the good news of the gospel to the unreached.

Profound Medical Needs—the Foundation is committed to provide physical and spiritual care to children with profound medical needs. This is accomplished through the W15H program, making dreams come true for children with life-threatening illnesses, Timmy's Playrooms, a place for hospitalized children to be strengthened and encouraged through play and enjoy being kids, and the Tebow CURE Hospital, which provides life-changing surgeries to children of the Philippines.

Rising Light Ridge (RLR)—the Foundation is currently developing the RLR Ministry Center located in Bear Creek, PA. RLR is aspiring to be a community of belonging where participants of all backgrounds and abilities, and their families, can grow in Christ and in love for others.

Special Needs—the Foundation is committed to serving and celebrating people with disabilities. The Foundation is providing Special Needs Ministry via three strategic initiatives: Night to Shine, a worldwide prom for people with special needs; Shine On, equipping the Church and families affected by disability with tools to eliminate barriers and create life-giving community; and International Education and Resource Centers, with a goal to fortify and multiply centers of excellence around the world.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

1. NATURE OF ORGANIZATION, continued:

HSJ was acquired by the Foundation effective August 26, 2020. HSJ exists to interrupt the cycle of human trafficking and leading the exploited to freedom through Survivor Care, Victim Outreach and Education. HSJ is incorporated in Florida and is an organization exempt from federal income tax under Section 501(c)(3) of the Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. Furthermore, HSJ is recognized by the IRS as a publicly supported organization that is not a private foundation under Section 509(a)(2) of the Code.

In accordance with Accounting Standards Update (ASU) Topic 958, *Not-For-Profit Entities: Mergers and Acquisitions*, only HSJ activity from the acquisition date through fiscal year-end is reflected in the accompanying consolidated financial statements. The acquisition was recorded as an inherent contribution by the Foundation as of the acquisition date.

FHL, LLC was organized in the state of Florida as a wholly owned subsidiary of the Foundation. FHL was organized for the purpose of holding, maintaining, and operating real property that was purchased with donor restricted funds. FHL, LLC is herein referred as Rising Light Ridge (RLR).

The Foundation's primary source of support and revenue comes from donations as well as revenue from special events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the accounts of the Foundation and RLR (collectively referred to as TTF) as well as the accounts of HSJ. All significant intercompany transactions and balances have been eliminated from these consolidated financial statements.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking and merchant accounts as well as petty cash. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2020 and 2019, the Organization's cash balances exceeded federally insured limits by \$3,733,873 and \$1,774,955, respectfully.

INVESTMENTS

Investments in equity securities with readily determinable fair values, certificates of deposits traded in active markets, and all debt securities are recorded at fair value. Interest and dividend income and the realized and unrealized gain or loss on investments is reported as investment income (loss) without donor restrictions in the accompanying consolidated statements of activities unless a donor or law restricts its use. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Donated investments are recorded at fair value at the date of donation and are thereafter carried in conformity with the stated policy.

INVENTORY

Inventory is stated at the lower of cost (based on the first-in, first-out basis) or net realizable value and consists primarily of various products related to the Foundation's Night to Shine event as well as products for the Foundation's online store. Management has determined that, based on a review of historical sales and trends and other information, an allowance for inventory is not considered necessary and no such allowance has been recorded for the years ended December 31, 2020 and 2019. Shipping and handling costs are included in cost of sales.

PREPAID EXPENSES

Prepaid expenses consist primarily of event deposits for the Foundation's annual Gala and Golf Classic scheduled in March of each year.

PROPERTY AND EQUIPMENT—NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$1,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to thirty-nine years.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

Net assets without donor restrictions are currently available at the discretion of the board for use in operations, designated by the board for other specific projects determined by the board, or invested in property and equipment net of accumulated depreciation.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

Revenue is recognized when earned and contributions when cash, securities, or other assets; unconditional promises to give; or a 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 met.

Product sales consist primarily of product sales from the Foundation's online store and are recognized when goods are sold to customers. Product sales are reported net of cost of sales in the consolidated statements of activities.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications. Support with donor restrictions and investment income (loss) received and used by the Organization within the same year are shown as support or revenue without donor restrictions.

The Organization reports donations of property and equipment as support without donor restrictions 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 and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. 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.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

Noncash gifts that can be used or sold are measured at fair value at the date they are given. During the years ended December 31, 2020 and 2019, the contributions received primarily consist of certain investment securities totaling \$688,892 and \$1,120,985, respectively. Other non-cash contributions totaled \$151,435 and \$178,344 during the years ended December 31, 2020 and 2019, respectively, and consisted of donated goods and services, loan forgiveness, and the inherent contribution recognized related to the acquisition of HSJ. In addition, for the years ended December 31, 2020 and 2019, noncash contributions included contributed services. Contributed services are reported as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended December 31, 2020 and 2019, contributed services meeting the criteria for recognition in the consolidated financial statements totaled \$10,358 and \$35,584, respectively.

Expenses, including advertising expenses of \$131,315 and \$95,956 incurred in the years ended December 31, 2020 and 2019, respectively, are reported when costs are incurred.

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and benefits, depreciation, office and related expenses, and occupancy, which are allocated on the basis of estimates of time and effort. In connection with postage, photography, videography, and computer software, the Organization incurred joint costs of \$111,604 and \$100,728 for the years ended December 31, 2020 and 2019, respectively. Of those costs, \$41,378 and \$42,329 were allocated to program services, \$18,519 and \$10,185 were allocated to management and general, and \$51,707 and \$48,214 were allocated to fundraising for the years ended December 31, 2020 and 2019, respectively.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Although certain certificates of deposit and corporate bonds may have maturity dates beyond one year, these financial assets are considered to be available for general expenditure within one year due to the fact that they are marketable securities. The Organization considers general expenditures to be all expenditures related to its ongoing activities to bring Faith, Hope, and Love to those needing a brighter day in their darkest hour of need as well as the conduct of services undertaken to support those activities to be general expenditures.

	December 31,	
	2020	2019
Financial assets, at year-end:		
Cash and cash equivalents	\$ 3,291,247	\$ 1,372,649
Investments	8,192,783	7,129,995
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,484,030</u>	<u>\$ 8,502,644</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. All of the Organization's financial assets are considered free for general expenditures within one year of the consolidated statements of financial position date. The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$1,500,000. Cash in excess of daily requirements is invested in various investments including certificates of deposits, mutual funds, exchange traded funds, bonds and treasury instruments. At December 31, 2020, the Organization has \$1,074,180 in net assets with donor restrictions for designated purposes. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purposes.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

4. INVESTMENTS:

Investments consist of:

	December 31,	
	2020	2019
Held at cost:		
Cash and cash equivalents	\$ 167,852	\$ 130,481
Held at fair value:		
Certificates of deposit	50,476	150,961
Corporate bonds	3,309,488	2,629,698
Government securities	100,446	94,389
Mutual funds	4,561,802	4,122,848
Common stocks	2,719	1,618
	<u>8,024,931</u>	<u>6,999,514</u>
	<u>\$ 8,192,783</u>	<u>\$ 7,129,995</u>
	Year Ended December 31,	
	2020	2019
Interest and dividends	\$ 197,027	\$ 229,337
Net unrealized/realized gains	208,138	428,791
Investment management fees	(28,645)	(25,779)
	<u>\$ 376,520</u>	<u>\$ 658,128</u>

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

5. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31,	
	2020	2019
Land	\$ 5,291,010	\$ 5,291,010
Building and improvements	356,817	356,817
Furniture and fixtures	56,486	107,116
Vehicles and machinery	215,146	123,642
Website and developed software	75,856	50,680
	5,995,315	5,929,265
Less accumulated depreciation	(273,817)	(218,040)
	\$ 5,721,498	\$ 5,711,225
	December 31,	
	2020	2019
Property and equipment–net, is held by:		
Tim Tebow Foundation, Inc.	\$ 57,376	\$ 59,822
FHL, LLC (RLR)	5,647,693	5,651,403
Her Song Jacksonville, Inc.	16,429	-
	\$ 5,721,498	\$ 5,711,225

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

6. NOTE PAYABLE:

Effective April 2020, TTF applied for and received a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. Based on the provisions included in the CARES Act, the loan agreement provides for loan forgiveness up to the full amount of the loan provided TTF overcomes (meets) certain loan stipulations. TTF has elected to recognize the loan in accordance with FASB ASC 958-470, *Debt*. The note bears interest at a rate of 1% and requires eighteen monthly payments of principal and interest to commence six months after the initial disbursement. In January 2021, prior to the commencement of any payments, TTF received notification from the SBA that the loan has been fully forgiven.

7. FAIR VALUE MEASUREMENTS:

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosure*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The carrying value of the Organization's financial instruments are estimated to approximate fair value. Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position.

Certificates of deposit

The fair values of the certificates of deposit are based on either quoted market prices or discounted future cash flow models.

Corporate bonds and government securities

Fair values are estimated using quoted market or auction prices, if available, otherwise recently executed transactions and market price quotations are used.

Mutual funds and common stocks

The fair values are based on quoted market prices.

Change in methodology—There were no changes in valuation methodologies during the year.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

7. FAIR VALUE MEASUREMENTS, continued:

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position that are measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

	December 31, 2020			
	Fair Value	Level 1	Level 2	Level 3
Investments, at fair value:				
Certificates of deposits	\$ 50,476	\$ -	\$ 50,476	\$ -
Corporate bonds:				
AA	-	-	-	-
A+	52,481	52,481	-	-
AA	-	-	-	-
AA-	-	-	-	-
A-	-	-	-	-
BBB+	462,444	462,444	-	-
BBB	462,835	462,835	-	-
BBB-	1,418,464	1,418,464	-	-
BB+	368,615	368,615	-	-
BB	246,185	246,185	-	-
BB-	52,968	52,968	-	-
B+	245,496	245,496	-	-
Government securities	100,446	100,446	-	-
Mutual funds:				
Fixed income	2,008,962	2,008,962	-	-
Preferred securities	447,305	447,305	-	-
Government	447,025	447,025	-	-
Index	225,234	225,234	-	-
Balanced	977,960	977,960	-	-
Value	455,316	455,316	-	-
Growth	-	-	-	-
Common stocks	2,719	2,719	-	-
Total investments, at fair value	\$ 8,024,931	\$ 7,974,455	\$ 50,476	\$ -

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

7. FAIR VALUE MEASUREMENTS, continued:

	December 31, 2019			
	Fair Value	Level 1	Level 2	Level 3
Investments, at fair value:				
Certificates of deposits	\$ 150,961	\$ -	\$ 150,961	\$ -
Corporate bonds:				
AA	52,983	52,983	-	-
A+	51,801	51,801	-	-
AA	106,321	106,321	-	-
AA-	58,523	58,523	-	-
A-	363,349	363,349	-	-
BBB+	604,969	604,969	-	-
BBB	801,089	801,089	-	-
BBB-	486,465	486,465	-	-
BB+	104,198	104,198	-	-
Government securities	94,389	94,389	-	-
Mutual funds:				
Fixed income	2,008,482	2,008,482	-	-
Preferred securities	168,289	168,289	-	-
Government	471,233	471,233	-	-
Index	110,150	110,150	-	-
Balanced	588,348	588,348	-	-
Value	520,137	520,137	-	-
Growth	256,209	256,209	-	-
Common stocks	1,618	1,618	-	-
Total investments, at fair value	\$ 6,999,514	\$ 6,848,553	\$ 150,961	\$ -

8. RETIREMENT BENEFITS:

TTF sponsors a 403(b) plan whereby employees can contribute to their individual retirement account. TTF offers an employer match as a part of this plan. During the years ended December 31, 2020 and 2019, TTF made contributions of \$38,667 and \$32,572 to the plan, respectively.

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

December 31, 2020 and 2019

9. LEASE:

TTF leases office space at a substantial discount. TTF records a noncash contribution for the value of the lease that is a discount to them. There is no signed agreement for the lease, and TTF remains in the building at the pleasure of the landlord. For both years ended December 31, 2020 and 2019, the amount paid in insurance and taxes (directly to the landlord) by TTF was \$28,200.

HSJ leases three properties for both programs and office space under renewable one-year lease agreements. Total payments during the year ended December 31, 2020, were \$34,500 for Program Housing and \$11,200 for administrative office space.

10. COMMITMENTS:

Prior to December 31, 2020 and 2019, the Organization had committed \$264,940 and \$218,072, respectively, in grants to churches related to the Night to Shine program. These amounts are not included in these consolidated financial statements as the churches had not met all of the conditions necessary to receive the grants. The amounts shown above were paid out to the churches in early 2021 and 2020, respectively.

11. RELATED PARTY TRANSACTIONS:

TTF made \$321,500 and \$50,000 in grants to a non-profit organization whose president serves on TTF's board of directors during the years ended December 31, 2020 and 2019, respectively. The organization's mission aligns with TTF and is related to orphan care, physical and spiritual aid, and anti-human trafficking.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 4, 2021, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY DATA

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY DATA**

Board of Directors
Tim Tebow Foundation, Inc. and Affiliates
Jacksonville, Florida

We have audited the consolidated financial statements of Tim Tebow Foundation, Inc. and Affiliates as of and for the year ended December 31, 2020, and our report thereon dated June 4, 2021, which expresses an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities (the statements) are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such statements are the responsibility of management and are derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The statements have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

Lawrenceville, Georgia
June 4, 2021

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidating Statement of Financial Position

December 31, 2020

	Foundation and RLR	HSJ	Eliminations	Total
ASSETS:				
Cash and cash equivalents	\$ 3,118,133	\$ 173,114	\$ -	\$ 3,291,247
Investments	8,192,783	-	-	8,192,783
Investment in affiliate	29,317	-	(29,317)	-
Inventory	131,573	-	-	131,573
Prepaid expenses and other assets	124,282	8,668	-	132,950
Property and equipment–net	5,705,069	16,429	-	5,721,498
Total Assets	\$ 17,301,157	\$ 198,211	\$ (29,317)	\$ 17,470,051
LIABILITIES AND NET ASSETS:				
Liabilities:				
Accounts payable	\$ 87,994	\$ 125	\$ -	\$ 88,119
Accrued expenses	94,513	5,486	-	99,999
Grants payable	92,411	-	-	92,411
Note payable	278,200	-	-	278,200
	553,118	5,611	-	558,729
Net assets:				
Without donor restrictions	15,674,419	192,040	(29,317)	15,837,142
With donor restrictions	1,073,620	560	-	1,074,180
	16,748,039	192,600	(29,317)	16,911,322
Total Liabilities and Net Assets	\$ 17,301,157	\$ 198,211	\$ (29,317)	\$ 17,470,051

See independent auditors' report on supplementary data

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidating Statement of Activities

Year Ended December 31, 2020

	Foundation and RLR	HSJ	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:				
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 7,274,429	\$ 286,174	\$ (190,000)	\$ 7,370,603
Contributed securities	686,284	2,608	-	688,892
Other noncash contributions	111,645	39,790	-	151,435
	8,072,358	328,572	(190,000)	8,210,930
Revenue:				
Special event contributions and income	1,213,264	-	-	1,213,264
Less special event expenses	(246,475)	-	-	(246,475)
Net special event contributions and income	966,789	-	-	966,789
Product sales	157,753	-	-	157,753
Less cost of sales	(93,190)	-	-	(93,190)
Net product sales	64,563	-	-	64,563
Investment income (loss)	376,544	(24)	-	376,520
Other income	-	3,993	-	3,993
	1,407,896	3,969	-	1,411,865
Total Support and Revenue	9,480,254	332,541	(190,000)	9,622,795

See independent auditors' report on supplementary data

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidating Statement of Activities

Year Ended December 31, 2020

(continued)

	Foundation and RLR	HSJ	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS, continued:				
EXPENSES:				
Program services	6,726,284	141,317	(190,000)	6,677,601
Supporting activities:				
General and administrative	434,610	17,529	-	452,139
Fundraising	912,810	10,972	-	923,782
	1,347,420	28,501	-	1,375,921
Total Expenses	8,073,704	169,818	(190,000)	8,053,522
Change in Net Assets Without Donor Restrictions	1,406,550	162,723	-	1,569,273
Net Assets Without Donor Restrictions, Beginning of Year	14,267,869	29,317	(29,317)	14,267,869
Net Assets Without Donor Restrictions, End of Year	15,674,419	192,040	(29,317)	15,837,142

See independent auditors' report on supplementary data

TIM TEBOW FOUNDATION, INC. AND AFFILIATES

Consolidating Statement of Activities

Year Ended December 31, 2020

(continued)

	Foundation and RLR	HSJ	Eliminations	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:				
SUPPORT:				
Contributions	1,073,620	560	-	1,074,180
Total Support and Revenue	1,073,620	560	-	1,074,180
Change in Net Assets With Donor Restrictions	1,073,620	560	-	1,074,180
Net Assets With Donor Restrictions, Beginning of Year	-	-	-	-
Net Assets With Donor Restrictions, End of Year	1,073,620	560	-	1,074,180
Change in Net Assets	2,480,170	163,283	-	2,643,453
Net Assets, Beginning of Year	14,267,869	29,317	(29,317)	14,267,869
Net Assets, End of Year	\$ 16,748,039	\$ 192,600	\$ (29,317)	\$ 16,911,322

See independent auditors' report on supplementary data