

Robert Irvine Foundation, Inc.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021**

Robert Irvine Foundation, Inc.
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For the Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Robert Irvine Foundation, Inc.

Opinion

We have audited the accompanying financial statements of the Robert Irvine Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Robert Irvine Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Robert Irvine Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Robert Irvine Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

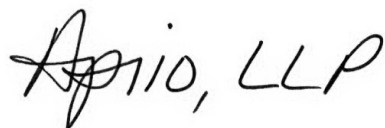
Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Robert Irvine Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Robert Irvine Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Aprio, LLP". The signature is written in a cursive, slightly slanted style.

Birmingham, Alabama
September 27, 2022

ROBERT IRVINE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Current assets			
Cash and cash equivalents	\$ 1,007,761	\$ -	\$ 1,007,761
Contributions receivable	-	70,000	70,000
Contributions receivable - related parties	43,000	-	43,000
Other current assets	<u>204,333</u>	<u>-</u>	<u>204,333</u>
Total current assets	<u>1,255,094</u>	<u>70,000</u>	<u>1,325,094</u>
 TOTAL ASSETS	 <u>\$ 1,255,094</u>	 <u>\$ 70,000</u>	 <u>\$ 1,325,094</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 80,081	\$ -	\$ 80,081
Deferred revenue	<u>3,100</u>	<u>-</u>	<u>3,100</u>
 TOTAL LIABILITIES	 <u>83,181</u>	 <u>-</u>	 <u>83,181</u>
 Net assets			
Without donor restrictions	1,171,913	-	1,171,913
With donor restrictions	<u>-</u>	<u>70,000</u>	<u>70,000</u>
 TOTAL NET ASSETS	 <u>1,171,913</u>	 <u>70,000</u>	 <u>1,241,913</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,255,094</u>	 <u>\$ 70,000</u>	 <u>\$ 1,325,094</u>

See independent auditors' report and accompanying notes to financial statements.

ROBERT IRVINE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Individual contributions	\$ 644,973	\$ -	\$ 644,973
Foundation grants	389,648	-	389,648
Corporate donations	850,426	70,000	920,426
Event revenue	51,000	-	51,000
Other revenue	15,716	-	15,716
In-kind contributions	<u>60,262</u>	<u>-</u>	<u>60,262</u>
Total revenue and support	2,012,025	70,000	2,082,025
EXPENSES			
Program services expenses:			
Empowerment and community	643,735	-	643,735
Financial support	66,043	-	66,043
Food programs	146,430	-	146,430
Wellness and health	<u>376,430</u>	<u>-</u>	<u>376,430</u>
Total program services	1,232,638	-	1,232,638
Supporting services expenses:			
Management and general	59,030	-	59,030
Fundraising	<u>115,000</u>	<u>-</u>	<u>115,000</u>
Total supporting services	<u>174,030</u>	<u>-</u>	<u>174,030</u>
Total expenses	<u>1,406,668</u>	<u>-</u>	<u>1,406,668</u>
Change in net assets	605,357	70,000	675,357
Net assets, beginning of year	<u>566,556</u>	<u>-</u>	<u>566,556</u>
Net assets, end of year	<u>\$ 1,171,913</u>	<u>\$ 70,000</u>	<u>\$ 1,241,913</u>

See independent auditors' report and accompanying notes to financial statements.

ROBERT IRVINE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 675,357
Changes in operating assets and liabilities:	
Contributions receivable	(46,750)
Other current assets	(80,821)
Accounts payable and accrued expenses	68,864
Deferred revenue	<u>3,100</u>
Net cash provided by operating activities	619,750
Net change in cash and cash equivalents	619,750
Cash and cash equivalents, beginning of year	<u>388,011</u>
Cash and cash equivalents, end of year	<u>\$ 1,007,761</u>

See independent auditors' report and accompanying notes to financial statements.

ROBERT IRVINE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services				Support Services			
	Empowerment & Community	Financial Support	Food Programs	Wellness & Health	Total Program Services	Fundraising	Management & General	
Advertising and promotion	\$ 41,336	\$ -	\$ 18,018	\$ -	\$ 59,354	\$ 295	\$ 62	\$ 59,711
Credit card processing fees	-	-	-	-	-	-	12,359	12,359
Fundraising event expenses	-	-	-	-	-	79,504	-	79,504
Grants	411,709	10,500	-	169,657	591,866	-	-	591,866
Insurance	360	360	360	360	1,440	90	270	1,800
Outside services	51,325	28,950	59,995	128,194	268,464	28,200	18,000	314,664
Office expenses	20,954	906	1,301	12,036	35,197	854	4,029	40,080
Professional fees	-	-	-	-	-	-	12,100	12,100
Salaries, benefits and payroll tax	20,264	20,264	20,264	20,264	81,056	-	-	81,056
Travel	76,844	5,063	46,492	21,461	149,860	6,057	4,013	159,930
Taxes and licenses	-	-	-	-	-	-	8,197	8,197
Venue costs	<u>20,943</u>	<u>-</u>	<u>-</u>	<u>24,458</u>	<u>45,401</u>	<u>-</u>	<u>-</u>	<u>45,401</u>
Total	<u>\$ 643,735</u>	<u>\$ 66,043</u>	<u>\$ 146,430</u>	<u>\$ 376,430</u>	<u>\$ 1,232,638</u>	<u>\$ 115,000</u>	<u>\$ 59,030</u>	<u>\$ 1,406,668</u>
Percentage of total expenses	<u>45.7 %</u>	<u>4.7 %</u>	<u>10.4 %</u>	<u>26.8 %</u>	<u>87.6 %</u>	<u>8.2 %</u>	<u>4.2 %</u>	<u>100.0 %</u>

See independent auditors' report and accompanying notes to financial statements.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

The Robert Irvine Foundation, Inc. (the Organization) is a not-for-profit entity and is tax-exempt under 501(c)(3) of the Internal Revenue Code (IRC). The Organization supports and strengthens the physical and mental well-being of our service members, veterans, first responders, and their families. The Organization provides these heroes with life-changing opportunities that unlock the potential in their personal and professional lives through food, wellness, community, and financial support.

The Organization's namesake, Robert Irvine, started his career as a cook in the Royal Navy. He witnessed the power of food and its ability to nourish people and bring them together. Through Food Programs, the Organization brings awareness to Food Insecurity and serves our nation's heroes and their loved ones with delicious meals at its Breaking Bread With Heroes events. Gathered around a table, our nation's heroes have an opportunity to talk, listen, and share like a family.

Through Wellness Programs, the Robert Irvine Foundation provides IBOTS and Freedom Mobility All-Terrain Power Wheelchairs to injured veterans to help empower them and break through boundaries to help them live full lives. Additionally, the Organization gives Trained Service Dogs to veterans and first responders who are overcoming trauma. These life-saving companions anticipate when their heroes are being triggered and rush to provide comfort for their new best friend. Furthermore, the Organization supports military families through Home Renovations to help ease their everyday life.

The Robert Irvine Foundation's Community Program builds peer support networks for heroes and their families. Through Bonding Experiences the Organization hosts and supports veterans and Gold Star Families. These heroes are brought together for an opportunity to connect and have them leave with a renewed sense of family. Robert Irvine, visits service members on military bases to bring a sense of home. Beyond having fun, Robert always makes time for important dialogue about what it means to serve and shares insights on food, nutrition, and fitness. At Community Education events, the Organization hosts people to raise awareness about the ever-changing needs of our nation's heroes by bringing local communities together to inform and inspire.

Through the Financial Support Program, the Organization gives scholarships to children of military families to alleviate the financial stress of the growing cost of tuition. The Organization also provides grants to Gold Star Families during the holiday season that spread joy and eliminate the feeling of financial pressure that they too often experience.

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 (U.S. GAAP).

Basis of Financial Statement Presentation

Net assets, revenues, expenses, gains and losses are classified on the existence or absence of donor-imposed restrictions. Accordingly, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Use of Estimates in the Preparation of Financial Statements

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates made by the management of the Organization. These estimates affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

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.

Concentrations of Credit Risks

The Organization maintains cash balances at financial institutions which at various times during the year ended December 31, 2021, may have exceeded federal depository insurance limits. The Organization has not experienced, and does not anticipate, any credit losses on these deposits.

Fair Value of Financial Instruments

The carrying value of the Organization's accounts receivable, accounts payable and accrued expenses approximates fair value because of the short-term nature of those instruments.

Deferred Revenue

Deferred revenue consists of prepaid ticket revenue for events to be held subsequent to year end. As of December 31, 2021, \$3,100 was deferred for 2022 events.

Contributions Receivable

Contribution receivables represent unconditional promises to give. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. It is reasonably possible that the estimated cash flows could change within the near-term. For the year ended December 31, 2021, all contribution receivables are expected to be collected within one year.

Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable or contributions receivable. For the year ended December 31, 2021, no provision was made in the accompanying financial statements for uncollectible receivables.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in the general operations and not subject to donor (or certain grantor) restrictions. The governing board can also designate amounts from net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Classification of Revenues

The Organization receives and recognizes revenue primarily through monetary contributions. Other revenue sources and contributions are discussed below.

Revenue Recognition

Revenue streams applicable to the Organization that qualify as exchange transactions (primarily fee for services) are recognized based on an assessment of the performance obligations. Performance obligations are determined based on the nature of the goods or services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably over the period based on time elapsed. The Organization believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenue for performance obligations satisfied at a point in time is generally recognized when goods or services are provided to customers at a single point in time and the Organization does not believe it is required to provide additional goods or services related to that transaction. The Organization determines the transaction price based on standard charges for goods and services provided.

Revenues and expenses relating to access to or participation in events are recognized at the time the events occur. Receipts received prior to events occurring or before revenues are earned are classified as deferred revenue in the accompanying statements of financial position. Revenues relating to advertising and marketing are recognized over time as the services are provided.

The Organization's revenue streams do not have significant financing components or contract costs.

Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets without donor restrictions or net assets with donor

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

restrictions, depending on the existence and/or the nature of any donor stipulations. Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending upon the nature of the restriction. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as revenue and support from nonrestricted sources and increases in net assets without donor restrictions.

In-kind Contributions

Support arising from the donation of specific services or materials provided by individuals and businesses for advertising and promotional assistance, travel assistance (airline miles), and food products has been recorded as support and expense based on the fair value of the services rendered or the materials donated, as determined by the donor.

Contributed Services

Contributed services are recognized in the accompanying financial statements if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Any services that meet the criteria for recognition under GAAP are recorded in the accompanying statement of activities and changes in net assets at the estimated fair value of the services received.

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services. Expenses which are easily and directly associated with a particular program or supporting service are charged directly to that functional area. Certain other expenses, such as salaries, benefits and workers' compensation, contracted services, travel, technology, telephone, insurance and supplies have been allocated to individual programs or supporting services benefited based on time devoted by the Organization's staff.

Income Taxes

The Organization is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is reflected in the accompanying financial statements. The Organization follows generally accepted accounting standards relating to the uncertainty of income tax positions. Management assessed whether there were any uncertain tax positions that may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying financial statements. The Organization is required to file an annual information return (Form 990) under the Internal Revenue Code. The Organization is no longer subject to income tax examinations for calendar years up to and including 2018.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,007,761
Contribution receivables	<u> -</u>
Total financial assets available for general expenditures over the next twelve months	<u>\$ 1,007,761</u>

Liquidity Management

As part of the Organization's liquidity management, its policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization primarily maintains its funds in cash and cash equivalents.

3. RESTRICTED ASSETS

Restricted assets at December 31, 2021, consist of contribution receivables restricted for the following purposes:

Purchase and delivery of iBOT mobility chair	<u>\$ 70,000</u>
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4. CONTRIBUTIONS RECEIVABLE - WITHOUT DONOR RESTRICTIONS

Contribution receivables without donor restrictions represent unconditional promises to give. For the year ended December 31, 2021, these receivables totaled \$43,000. As of December 31, 2021, the balance of contribution receivables without donor restrictions were due from related parties.

5. RISKS AND UNCERTAINTIES

The Organization receives the majority of its revenue from private citizens and civic-minded businesses. It is reasonably possible that grantors could choose to support other organizations or discontinue support due to economic conditions which could impact the Organization.

6. CONCENTRATIONS

A significant donor is defined as one from whom at least 10% of annual revenue is derived. The Organization has a single grantor that contributed a total of \$290,898, which comprised approximately 14% of annual revenues for the year ended December 31, 2021.

7. RELATED PARTY TRANSACTIONS

The Foundation receives donations from entities in which certain board members have significant ownership or control. These donations represent \$126,018 in contributions and \$43,000 in contributions receivable as of and for the year ended December 31, 2021.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

8. UNCERTAINTY RELATED TO CURRENT ECONOMIC CONDITIONS

The Organization's ongoing profitability may experience instability and estimates included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19. The duration and intensity of these impacts and resulting disruption to which these events effect the Organization's activities will depend on future developments, which are highly uncertain and cannot be predicted at this time.

9. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 27, 2022, which is the date on which the financial statements were available to be issued and concluded no events or transactions occurred during the period requiring additional recognition or disclosure.