

Robert Irvine Foundation, Inc.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2022**

Robert Irvine Foundation, Inc.
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For the Year Ended December 31, 2022

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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, 2022, 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, 2022, 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.

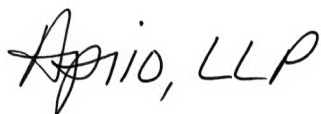
Auditors' Responsibility for the Audit of the Financial Statements

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
July 28, 2023

ROBERT IRVINE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Current assets			
Cash and cash equivalents	\$ 1,066,530	\$ 35,000	\$ 1,101,530
Prepaid expenses	13,726	-	13,726
Contributions receivable	87,500	-	87,500
Inventory	16,918	-	16,918
Other current assets	<u>160,329</u>	<u>-</u>	<u>160,329</u>
Total current assets	<u>1,345,003</u>	<u>35,000</u>	<u>1,380,003</u>
 TOTAL ASSETS	 <u>\$ 1,345,003</u>	 <u>\$ 35,000</u>	 <u>\$ 1,380,003</u>

LIABILITIES AND NET ASSETS

Liabilities			
Accounts payable and accrued expenses	\$ <u>155,640</u>	\$ <u>-</u>	\$ <u>155,640</u>
 TOTAL LIABILITIES	 <u>155,640</u>	 <u>-</u>	 <u>155,640</u>
Net assets			
Without donor restrictions	1,189,363	-	1,189,363
With donor restrictions	<u>-</u>	<u>35,000</u>	<u>35,000</u>
 TOTAL NET ASSETS	 <u>1,189,363</u>	 <u>35,000</u>	 <u>1,224,363</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,345,003</u>	 <u>\$ 35,000</u>	 <u>\$ 1,380,003</u>

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

ROBERT IRVINE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Corporate donations	\$ 904,472	\$ 35,000	\$ 939,472
Foundation grants	693,463	-	693,463
Individual contributions	449,672	-	449,672
Indirect public support	12,147	-	12,147
Event revenue	71,850	-	71,850
Other revenue	2,478	-	2,478
In-kind contributions	399,541	-	399,541
Merchandise sales, net of cost of goods sold of \$5,487	<u>4,167</u>	<u>-</u>	<u>4,167</u>
Total revenue and support	<u>2,537,790</u>	<u>35,000</u>	<u>2,572,790</u>
EXPENSES			
Program services expenses:			
Empowerment and community	1,244,367	-	1,244,367
Financial support	203,514	-	203,514
Food programs	356,216	-	356,216
Wellness and health	<u>483,172</u>	<u>70,000</u>	<u>553,172</u>
Total program services	<u>2,287,269</u>	<u>70,000</u>	<u>2,357,269</u>
Supporting services expenses:			
Management and general	166,712	-	166,712
Fundraising	<u>66,359</u>	<u>-</u>	<u>66,359</u>
Total supporting services	<u>233,071</u>	<u>-</u>	<u>233,071</u>
Total expenses	<u>2,520,340</u>	<u>70,000</u>	<u>2,590,340</u>
Change in net assets	17,450	(35,000)	(17,550)
Net assets, beginning of year	<u>1,171,913</u>	<u>70,000</u>	<u>1,241,913</u>
Net assets, end of year	<u>\$ 1,189,363</u>	<u>\$ 35,000</u>	<u>\$ 1,224,363</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, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (17,550)
Changes in operating assets and liabilities:	
Contributions receivable	25,500
Other current assets	13,360
Accounts payable and accrued expenses	75,559
Deferred revenue	<u>(3,100)</u>
Net cash provided by operating activities	<u>93,769</u>
Net change in cash and cash equivalents	93,769
Cash and cash equivalents, beginning of year	<u>1,007,761</u>
Cash and cash equivalents, end of year	<u>\$ 1,101,530</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, 2022

	Program Services					Support Services		
	Empowerment & Community	Financial Support	Food Programs	Wellness & Health	Total Program Services	Fundraising	Management & General	Total
Advertising and promotion	\$ 25,686	\$ 1,251	\$ 2,751	\$ 1,250	\$ 30,938	\$ 1,356	\$ -	\$ 32,294
Credit card processing fees	3,176	-	-	-	3,176	1,722	6,760	11,658
Information Technology	4,472	4,442	4,442	4,443	17,799	949	758	19,506
Direct Program Expense	1,500	-	10,750	13,602	25,852	-	-	25,852
Grants	653,162	100,777	84,496	405,234	1,243,669	-	-	1,243,669
Insurance	323	323	324	324	1,294	243	81	1,618
Outside services	204,553	63,846	178,006	80,547	526,952	48,860	35,430	611,242
Office expenses	111,415	1,932	31,858	21,561	166,766	9,757	19,180	195,703
Professional fees	-	-	-	-	-	-	34,248	34,248
Salaries, benefits and payroll tax	25,504	22,656	22,656	22,657	93,473	1,915	33,506	128,894
Travel	48,441	8,287	19,933	3,554	80,215	1,557	12,454	94,226
Taxes and licenses	265	-	-	-	265	-	24,295	24,560
Venue costs	165,870	-	1,000	-	166,870	-	-	166,870
Total	<u>\$ 1,244,367</u>	<u>\$ 203,514</u>	<u>\$ 356,216</u>	<u>\$ 553,172</u>	<u>\$ 2,357,269</u>	<u>\$ 66,359</u>	<u>\$ 166,712</u>	<u>\$ 2,590,340</u>

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

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022

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.

Concentration of credit risks arising from cash deposits in excess of insured limits:

The Organization maintains cash balance at 2 commercial banks, these balances can at times exceed the FDIC insured deposit limit of \$250,000 per financial institution. At December 31, 2022 the Organization's cash balances held at the commercial banks exceeded the FDIC limit by \$852,304. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

Inventory

For purposes of inventory valuation, the Organization values inventory at purchase cost, which approximates fair value with the Organizations fast moving merchandise.

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.

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, 2022, 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, 2022, no provision was made in the accompanying financial statements for uncollectible receivables.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

The Organization recognizes revenues from events based on the allocation of the fair value of direct benefits to the donors with the remainder to contributions, which are included in support or events revenue. The portion of these revenues determined to be contributions are initially deferred and recognized at the time of the event. The portion of revenues allocated to additional benefits are recognized when the goods and services have been transferred and each performance obligation has been met. 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.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 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 2019.

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

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	\$ 1,101,530
Contribution receivables	<u>87,500</u>
Total financial assets available for general expenditures over the next twelve months	<u>\$ 1,189,030</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, 2022, consist of cash restricted as follows:

Purchase and delivery of iBOT mobility chair	<u>\$ 35,000</u>
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4. CONTRIBUTIONS RECEIVABLE - WITHOUT DONOR RESTRICTIONS

Contribution receivables without donor restrictions represent unconditional promises to give. On a continuing basis, management analyzes delinquent receivables and once these receivables are determined to be uncollectible, they are written off through a charge against an existing reserve or against earnings. During the year ended December 31, 2022, the Company did not have any bad debt expense. The Company also determined that no allowance for doubtful accounts was necessary as of December 31, 2022. For the year ended December 31, 2022, the Company does not have any contract assets or liabilities.

	<u>January 1, 2022</u>	<u>December 31, 2022</u>
Accounts receivable	<u>\$ 43,000</u>	<u>\$ 87,500</u>

5. IN-KIND CONTRIBUTIONS

The following disclosure includes both the information about the contributions of nonfinancial assets and the qualitative information required resulting from their use. The Organization recognized the following gifts-in-kind contributions for the year ended December 31, 2022:

American Airlines Miles	\$ 303,600
Stocks	7,872
Food and beverages donated for events	36,749
Non food donated for events	<u>51,320</u>
Total gifts-in-kind recognized as contributions	<u>\$ 399,541</u>

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission

ROBERT IRVINE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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of the Organization. If an asset is contributed which does not allow the Organization to utilize the gift in its normal course of business, the asset is sold at its fair value as determined by appraisal or a specialist, depending on the type of asset. Contributed services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization received American Airline miles to travel to and from program related events throughout the year. The miles were recognized at .0253 cents per mile donated. This approximated the fair value of the associated airline tickets that could be purchased and utilized.

The Organization was gifted stocks, which were sold at market value.

The Organization received donations of food and beverages, which were used for program events during the year. The food and beverages were recognized at prices for similar goods purchased by the Organization during the year.

The Organization received the use of a venue, including furniture and setup and take down services, at one of the events during the year. This venue was valued at current market rates for an event of comparable size and included services.

All gifts-in-kind received by the Organization were without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

6. 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.

7. CONCENTRATIONS

A significant donor is defined as one from whom at least 10% of annual revenue is derived. The Organization has a two grantors whom contributed a total of \$726,036, which comprised approximately 28% of annual revenues for the year ended December 31, 2022.

8. RELATED PARTY TRANSACTIONS

The Foundation receives donations from entities in which certain board members have significant ownership or control. These donations represent \$135,000 in contributions and \$25,000 in contributions receivable as of and for the year ended December 31, 2022.

9. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 28, 2023, 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.