

FEIN: 75-1436937

IRVING CARES, INC.
FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

IRVING CARES, INC.
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Irving Cares, Inc.

Report On The Financial Statements

We have audited the accompanying financial statements of Irving Cares, Inc., (hereafter referred to as "the Organization"), which comprise the statements of financial position as of March 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Irving Cares, Inc. as of March 31, 2021 and 2020, and the results of its operations and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Ranjeet Koirala CPA PC". The signature is written in a cursive style with a large initial "R".

Ranjeet Koirala CPA PC
Irving, Texas
October 6, 2021

IRVING CARES, INC.
 STATEMENTS OF FINANCIAL POSITION
 AS OF MARCH 31, 2021 AND 2020

	2021	2020
	<u> </u>	<u> </u>
Assets		
Cash and Cash Equivalents	\$ 596,428	\$ 138,624
Inventories	68,655	86,563
Contributions Receivable	32,372	1,500
Prepaid Expenses	9,181	8,977
Property and Equipment, net	27,819	33,799
Total Assets	<u>\$ 734,455</u>	<u>\$ 269,463</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 33,178	\$ 31,248
Refundable Advance	91,394	-
Total Liabilities	<u>\$ 124,572</u>	<u>31,248</u>
Net Assets		
Net Assets without Donor Restrictions		
Undesignated	385,852	16,160
Board Designated	25,000	-
	<u>410,852</u>	<u>16,160</u>
Net Assets with Donor Restrictions	199,031	222,055
Total Net Assets	<u>609,883</u>	<u>238,215</u>
Total Liabilities & Net Assets	<u>\$ 734,455</u>	<u>\$ 269,463</u>

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

IRVING CARES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue And Support						
Financial assistance	\$ 115,825	\$ 211,318	\$ 327,143	\$ 34,574	\$ 154,000	\$ 188,574
Contributions-in-kind	-	90,000	90,000	-	90,000	90,000
Food Pantry	101,843	412,166	514,009	42,084	625,516	667,600
Employment services	76,504	-	76,504	22,642	10,000	32,642
General program	957,372	-	957,372	419,844	-	419,844
Special events	66,289	-	66,289	299,543	-	299,543
Total contributions	1,317,833	713,484	2,031,317	818,687	879,516	1,698,203
Interest and other	48	-	48	80	-	80
Net assets released from restriction	736,508	(736,508)	-	938,750	(938,750)	-
Total revenues, gains and other support	2,054,389	(23,024)	2,031,365	1,757,517	(59,234)	1,698,283
Functional Expenses						
Program Services	1,409,013	-	1,409,013	1,331,443	-	1,331,443
Management and General	151,262	-	151,262	157,230	-	157,230
Fundraising Expenses	99,422	-	99,422	183,609	-	183,609
Total Expenses	1,659,697	-	1,659,697	1,672,282	-	1,672,282
(Decrease)/ Increase In Net Assets	394,692	(23,024)	371,668	85,235	(59,234)	26,001
Net Assets- Beginning of Year	16,160	222,055	238,215	(69,075)	281,289	212,214
Net Assets- End of Year	\$ 410,852	\$ 199,031	\$ 609,883	\$ 16,160	\$ 222,055	\$ 238,215

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

IRVING CARES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

Description	2021				2020			
	Program Expenses	Management and General Expenses	Fund Raising Expenses	Total	Program Expenses	Management and General Expenses	Fund Raising Expenses	Total
Salaries	\$ 373,541	87,074	78,219	538,834	374,54	81,501	87,511	543,560
Employee health & retirement benefits	4,069	1,949	2,140	8,158	6,353	1,276	1,646	9,275
Professional services	-	20,272	-	20,272	-	24,213	-	24,213
Education	-	-	-	-	1,251	75	-	1,326
Employment assistance	13,164	-	-	13,164	6,937	-	-	6,937
Financial assistance housing	313,064	-	-	313,064	95,684	-	-	95,684
Financial assistance prescriptions	287	-	-	287	558	-	-	558
Financial assistance other	4,870	-	-	4,870	28,232	-	-	28,232
Food distributed, donated	410,071	-	-	410,071	528,773	-	-	528,773
Food distributed, purchased	51,494	-	-	51,494	59,640	-	-	59,640
Utilities	91,946	-	-	91,946	80,704	-	-	80,704
Conferences, conventions and meetings	3,407	1,934	245	5,586	699	1,200	-	1,899
Equipment rental	8,996	1,042	1,124	11,162	7,576	972	951	9,499
Insurance	7,923	6,217	980	15,120	6,865	5,161	858	12,884
Maintenance	10,272	895	269	11,436	18,052	13,809	396	32,257
Rent	76,500	11,700	1,800	90,000	76,500	11,700	1,800	90,000
Technology	16,325	2,063	4,428	22,816	9,109	-	1,785	10,894
Telephone	7,886	3,356	986	12,228	7,714	895	783	9,392
Office supplies	2,171	773	65	3,009	4,726	1,130	168	6,024
Postage	988	126	1,281	2,395	1,062	351	435	1,848
Dues & Subscriptions	250	2,358	672	3,280	1,230	1,080	1,500	3,810
Travel	-	-	-	-	218	-	-	218
Events and programs	-	-	6,045	6,045	-	-	83,973	83,973
Printing	132	-	1,168	1,300	940	9	1,525	2,474
Miscellaneous and other	3,554	11,076	-	14,630	10,664	13,672	128	24,464
Depreciation	8,103	427	-	8,530	3,408	186	150	3,744
Total Expenses	\$ 1,409,013	\$ 151,262	\$ 99,422	\$ 1,659,697	\$ 1,331,443	\$ 157,230	\$ 183,609	\$ 1,672,282

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

IRVING CARES, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Cash flows from operating activities:</u>		
Increase in net assets	\$ 371,668	\$ 26,001
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by operating activities:		
Depreciation	8,530	3,744
Changes in operating assets and liabilities:		
Inventories	17,908	(29,168)
Contributions receivable	(30,872)	11,699
Prepaid expenses	(204)	(6,501)
Accounts payable and accrued expenses	1,930	5,522
Refundable advance	91,394	-
Board designated operating reserves	(25,000)	-
Net cash provided by operating activities	<u>\$ 435,354</u>	<u>\$ 11,297</u>
<u>Cash flows from investing activities:</u>		
Acquisition of property and equipment	(2,550)	(11,996)
Net cash used in investing activities	<u>\$ (2,550)</u>	<u>\$ (11,996)</u>
<u>Cash flows from financing activities:</u>		
Board designated operating reserves	25,000	-
Net cash provided by financing activities	<u>\$ 25,000</u>	<u>\$ -</u>
Net increase/(decrease) in cash and cash equivalents	457,804	(699)
Cash and Cash Equivalents		
Beginning of year	138,624	139,323
End of year	<u>\$ 596,428</u>	<u>\$ 138,624</u>

The accompanying notes are an integral part of these financial statements

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 1: NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Incorporation & Nature of Operations

Irving Cares, Inc. (the “Organization”) was organized on October 25, 1963, pursuant to the incorporation laws of the State of Texas to establish and operate a corporation as a non-profit Organization under section 501(c)(3) of the Internal Revenue Code of 1986.

Principal Activity

The Organization is a voluntary health and welfare organization, formed to perform acts of charity by providing assistance to needy and destitute families and dependent neglected children. Assistance is provided to Irving residents in the form of financial assistance, food, prescriptions, job searches, and information and referral. The Organization is primarily supported by fund-raising activities and donors.

A) Form of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (US GAAP). The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support, and expenses during the reporting periods. Significant estimates made in preparing the financial statements include allocation of functional expenses and valuation of donated foods. Accordingly, actual results may vary from management's estimates. Revenues and gains are recognized when earned, and expenditures and losses are recognized when incurred.

B) Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include highly liquid assets with an original maturity of three months or less. Cash and Cash Equivalents consist of cash on hand, checking, and money market accounts.

C) Property and Equipment

Property and Equipment are stated at cost, net of accumulated depreciation. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method over the estimated useful asset lives.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 1: NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D) Classification and Reporting of Net Assets

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

i. Net Assets without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations. Net assets received and expended within the reporting period are reported in the Statement of Activities as unrestricted support and revenue.

ii. Net Assets with Donor Restrictions

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Net assets with donor restrictions whose restrictions are satisfied in the same year of receipt are treated as net assets without donor restrictions.

E) Contributions, Gains and Other Support

Contributions are recognized when received from the donor. Contributions not restricted by donors are reported as increases in net assets not restricted by donors in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets restricted by donors depending on the nature of the restrictions. When a restriction expires, donor restricted assets are reclassified to net assets without donor restriction. Unconditional promises to give by donors are recorded as contributions receivable and contribution revenue when promises are made, or donated items are received and are immediately available for use without restriction unless specifically restricted by the donor. Unconditional promises expected to be collected within one year are recorded at net realizable value. Unconditional promises expected to be collected in future years are recorded at their fair values. Amounts that have been received in advance of the Organization successfully meeting the conditions are recorded as a liability on the statement of financial position.

Conditional promises to give are recognized when the conditions on which such promises depend are substantially met.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 1: NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F) Functional Expenses

The costs of providing programs and activities have been summarized on a functional basis in the accompanying statements of activities for all program services. Expenses are charged directly to program services or supporting services categories based on direct expenses incurred. An expense not directly chargeable to a functional expense category is allocated based on personnel activity, square footage, and other criteria.

G) Concentrations of Credit Risk

The Organization maintains its cash balances at various local financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to the legal limits of \$250,000 per financial organization. Financial instruments exposed to concentrations of credit risk consisted primarily of cash, cash equivalents, and contributions receivable. Cash and cash equivalents maintained in various bank accounts at times may exceed federally insured limits. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

H) Advertising Costs

Advertising costs, except for direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are to be received. There were no direct-response advertising costs for the current fiscal year.

I) Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 1: NATURE OF BUSINESS & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J) Income Tax

The Organization is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified by the Internal Revenue Service (IRS) as other than a private organization. Donors may deduct contributions made to the Organization within IRC Regulations. Contributions received qualify as tax deductible gifts as provided in Section 509(a)(2). Income taxes have been reflected in the Organization's Federal Form 990, *Return of Organization Exempt From Income Tax*. Tax returns are subject to examination by the IRS for three years after they were filed. Currently, the Organization is not aware of any such examinations.

K) Fair Value Measurement

The Organization reports its qualified assets and liabilities in accordance with the Fair Value Measurements and Disclosure Standards and accounting principles generally accepted in the United States. These standards define fair value, establish a framework for measuring fair value, and expand disclosures about fair value measurements. This policy establishes a Fair Value framework that prioritizes the inputs and assumptions used to measure fair value. The three levels of the fair value hierarchy and a description of the valuation techniques used for instruments measured at fair value are as follows:

- Level 1- Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date.
- Level 2- Pricing inputs other than quoted prices included in Level 1, which are either directly observable or that can be derived or supported from observable data as of the reporting date.
- Level 3- Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are generally less observable from objective sources. These inputs may be used with internally developed techniques that result in management's best estimate of fair value.

A qualifying asset or liabilities level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The Organization's qualifying assets or liabilities are recorded at fair value using Level 1 inputs.

L) Reclassification

The presentation of certain prior year balances has been reclassified to conform to the current year presentation.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 2: CONTRIBUTIONS RECEIVABLE

The Organization maintains receivables due from various contributors. The Organization has established an allowance for doubtful accounts through a provision for bad debts, charged to expense, and represents management's best estimate of possible losses that may occur within the contribution receivable portfolio. There were no estimated losses charged to bad debt expense during the years ended March 31, 2021 and 2020, and no allowance for doubtful accounts was required. As of March 31, 2021, and 2020, the contributions receivable was \$32,372 and \$1,500, respectively.

NOTE 3: PROPERTY AND EQUIPMENT

Physical property and equipment are stated on the balance sheet at cost at date of acquisition or, in the case of gifts, fair market value at date of donation. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Useful lives of the assets ranged from four to ten years.

Disposal / Retirement

Upon retirement or sale, the cost of assets disposed of, and the related accumulated depreciation, are removed from the accounts and any resulting gain or loss is recorded as other income.

Classification

The major classification of property and equipment as of March 31, 2021 and 2020, was as follows:

	2021	2020
	<hr/>	<hr/>
Assets		
Computers & Equipment	\$ 194,573	\$ 194,573
Office Equipment	53,850	51,300
Transportation Equipment	10,957	10,957
Gross Property & Equipment	<hr/> 259,380	<hr/> 256,830
Less: Accumulated Depreciation	(231,561)	(223,031)
Property & Equipment, Net	<hr/> \$ 27,819	<hr/> \$ 33,799
Depreciation	\$ 8,530	\$ 3,744

Capitalization

Expenditures for maintenance and repairs are charged to expenses, whereas major betterments are capitalized. The Organization capitalizes property and equipment with a useful life of greater than one year for costs in excess of \$1,000.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 4: ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses balances as of March 31, 2021 and 2020, were as detailed below:

	<u>2021</u>	<u>2020</u>
Accrued payroll	\$ 26,616	\$ 22,175
Accounts payable and other accrued expenses	6,562	9,073
	<u>\$ 33,178</u>	<u>\$ 31,248</u>

NOTE 5: COMMITMENTS AND CONTINGENCIES

As of November 13, 2014, The City Council of the City of Irving, Texas agreed to waive the lease payments for the Organization, in consideration of assistance for not less than 10,000 City of Irving residents per year. The previous lease agreement was terminated, and lease payments ceased immediately. The lease for the building was extended for the Organization for an additional five-year term, through August 1, 2021, with no lease payments due through that date. Because the space has a rental value of approximately \$90,000 annually, based on the original rental agreement with the Organization and the City of Irving, this rental waiver will be considered an in-kind contribution in the amount of \$90,000 for rent waived from April 1, 2018 through March 31, 2020. As of the date of this report, rent waiver is received through August 1, 2021.

The Organization currently leases certain office equipment under non-cancelable operating leases. The lease date was January 5, 2017 and expires on January 4, 2022. Total expense related to the lease of this equipment through the fiscal year ended March 31, 2021 and 2020 was \$11,162 and \$9,499 respectively.

Future minimum lease payments as of March 31, 2021 for fiscal year end 2022 is \$7,461.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 6: REFUNDABLE ADVANCE

On January 25, 2021, the Organization was granted a loan (the “Loan”) from BANK of the WEST (“Lender”) in the aggregate amount of \$91,394, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated January 25, 2021, matures on January 25, 2026 and bears interest at an annual rate of 1%. Payments are deferred until the date on which the SBA remits the amount of forgiveness to Lender or 10 months after the last day of the covered period. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The Organization intends to use the entire Loan amount for qualifying expenses and is considering this loan as a refundable advance in accordance with FASB ASC 958-605.

Forgiveness

Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Subsequent to year-end, the Organization applied for forgiveness and on July 29, 2021, the organization received forgiveness for the entire PPP loan amount of \$91,394.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Contributions

Contributions with donor restrictions received during the year ended March 31, 2021 and 2020, were as follows:

Contributions with donor restrictions

	<u>2021</u>	<u>2020</u>
Financial assistance	\$ 211,318	\$ 154,000
Contributions-in-kind	90,000	90,000
Food Pantry	412,166	625,516
Employment services	-	10,000
	<u>\$ 713,484</u>	<u>\$ 879,516</u>

Released Net Assets

Net assets with donor restrictions released from restriction during the year ended March 31, 2021 and 2020, were as follows:

Released Net Assets with donor restrictions

	<u>2021</u>	<u>2020</u>
Financial assistance	\$ 234,907	\$ 165,054
Contributions-in-kind	90,000	90,000
Food Pantry	410,071	641,787
Employment services	1,530	41,909
	<u>\$ 736,508</u>	<u>\$ 938,750</u>

As of March 31, 2021 and 2020, net assets with donor restrictions consist of the following:

Net Assets with donor restrictions

	<u>2021</u>	<u>2020</u>
Financial assistance	\$ 67,280	\$ 70,869
Food Pantry	129,588	147,493
Employment Services	2,163	3,693
	<u>\$ 199,031</u>	<u>\$ 222,055</u>

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 8: NET ASSETS

Organization's net assets as of March 31, 2021 and 2020, were as follows:

	Net Assets, As of March 31, 2021			Net Assets, As of March 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance, April 1	\$ 16,160	\$ 222,055	\$ 238,215	\$ (69,075)	\$ 281,289	\$ 212,214
Revenues, gains and other support	1,317,881	713,484	2,031,365	818,767	879,516	1,698,283
Functional expenses	(1,659,697)	-	(1,659,697)	(1,672,282)	-	(1,672,282)
Released during the year	736,508	(736,508)	-	938,750	(938,750)	-
Ending balance, March 31	\$ 410,852	\$ 199,031	\$ 609,883	\$ 16,160	\$ 222,055	\$ 238,215

Board Designated Funds

Net assets without donor restrictions as of March 31, 2021 include \$25,000 board designated reserve funds.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 9: DONATED MATERIALS AND CONTRIBUTED SERVICES

Donated materials are recorded in the accompanying financial statements as contribution revenue with offsetting as capitalized assets until the donated materials are distributed at which time, they are expensed. The donated materials are valued at their estimated fair value at the date of receipt using industry standard pricing values.

Food Donation

The Organization received food donations of \$392,166 and \$557,941 for the year ended March 31, 2021 and 2020 respectively. The approximate average wholesale value of one pound of donated food product at the national level, which was determined to be \$1.74 and \$1.67 as of March 31, 2021, and 2020 respectively, was based upon a study performed by Feeding America. The year over year change in the value of one pound of donated product will vary from year to year based on the product mix of items donated.

Rent in-kind

The Organization received free rent of \$90,000 for the year ended March 31, 2021 and 2020, from the City of Irving.

Contributed services are reflected in the financial statements at the estimated fair value of the services received if they (a) create or enhance nonfinancial assets or (b) require and are provided by individuals with specialized skills and, if not provided by donation, would typically need to be purchased. For the years ended March 31, 2021 and 2020, there were no contributed services recorded.

NOTE 10: REVENUE CONCENTRATION

The Organization received significant revenue from individual, other entities and corporate business grants during the fiscal year ended March 31, 2021. Should these grants be reduced or eliminated in future, this could adversely affect the Organization's financial position. Management believes the contributions related risk is minimal as the contributions are received from a large number of donors. During the fiscal year ended March 31, 2021 and 2020, there were no donors (individuals or organizations) that contributed ten percent (10%) or more.

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 11: RELATED PARTY TRANSACTIONS

The Organization had following related party transactions during the fiscal year ended March 31, 2021 and 2020:

Contributions

The Organization received contributions of \$13,918 and \$29,763 from members of the board of directors and employees of the Organization during the fiscal year ended March 31, 2021 and 2020 respectively. These amounts are included in contribution revenue in the accompanying statement of activities.

NOTE 12: RETIREMENT PLAN

The Organization offers its employees participation in a SIMPLE (Savings Incentive Match Plan for Employees) IRA plan. All employees with at least \$5,000 in compensation are eligible. Employees may contribute up to \$14,000, based on age, per year, and the Organization will make a contribution of up to 3% of the employee's compensation. The Organization's contribution expense was \$8,158 and \$7,784 for the year ended March 31, 2021 and 2020, respectively.

NOTE 13: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has adopted the accounting standards for identifying the liquidity required to meet the expected expenses within the next twelve months, after the date of this report. The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Financial Assets at year end		
Cash and Cash Equivalents	\$ 596,428	\$ 138,624
Contributions Receivable	32,372	1,500
	<u>\$ 628,800</u>	<u>\$ 140,124</u>

IRVING CARES, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 AND 2020

NOTE 14: NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the consolidated statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021. Management is currently evaluating this standard and plans to implement the standard effective fiscal year ending March 31, 2022.

NOTE 15: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 6, 2021, the date of this report. The Organization has determined that no additional disclosures were required.