

OPERATION BBQ RELIEF

FINANCIAL STATEMENTS

**Year Ended December 31, 2020
with
Independent Auditors' Report**

OPERATION BBQ RELIEF

FINANCIAL STATEMENTS

December 31, 2020

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 – 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows.....	6
Notes to the Financial Statements	7 – 16



Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Operation BBQ Relief

We have audited the accompanying financial statements of **Operation BBQ Relief**, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 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

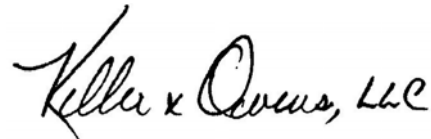
In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of **Operation BBQ Relief** as of December 31, 2020, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2020, **Operation BBQ Relief** adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Our opinion is not modified with respect to these matters.

Prior Period Restatement

As discussed in Note 13 to the financial statements, the 2019 statement of financial position has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

A handwritten signature in black ink that reads "Keller & Owens, LLC". The signature is written in a cursive, flowing style.

Overland Park, Kansas
April 23, 2021

OPERATION BBQ RELIEF

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

Cash and Cash Equivalents	\$ 10,475,174
Investments, at fair value	19,147
Promises to Give, due in one year or less	435,847
Accounts Receivable	242,558
Inventories, net	1,431,857
Prepaid Expenses	4,946
Property and Equipment:	
Land	235,000
Buildings and building improvements	181,417
Motor vehicles and trailers	1,241,045
Other equipment	230,282
	<u>1,887,744</u>
Less accumulated depreciation	<u>(665,120)</u>
Property and Equipment, net	<u>1,222,624</u>
Total Assets	<u>\$ 13,832,153</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 99,538
Accrued liabilities	32,469
Refundable advances	193,300
Total Liabilities	<u>325,307</u>
Net Assets:	
Without donor restrictions:	
Undesignated	12,465,999
Board-designated for new facility construction campaign	500,000
Total without donor restrictions	<u>12,965,999</u>
With donor restrictions	540,847
Total Net Assets	<u>13,506,846</u>
Total Liabilities and Net Assets	<u>\$ 13,832,153</u>

See accompanying notes

OPERATION BBQ RELIEF

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions and grants	\$ 21,485,066	\$ 669,847	\$ 22,154,913
Donated goods, materials, and services	1,144,746	-	1,144,746
Royalties	188,993	-	188,993
Storefront sales, net	59,053	-	59,053
Other income	21,635	-	21,635
Net investment return	(1,290)	-	(1,290)
Net assets released from restrictions	979,000	(979,000)	-
Total Support and Revenue	23,877,203	(309,153)	23,568,050
Expenses:			
Program services:			
Disaster relief	2,557,298	-	2,557,298
Restaurant relief	6,947,155	-	6,947,155
Always serving	319,023	-	319,023
Other programs	1,481,351	-	1,481,351
Total program services	11,304,827	-	11,304,827
Supporting services:			
Management and general	804,359	-	804,359
Fundraising	685,471	-	685,471
Total supporting services	1,489,830	-	1,489,830
Total Expenses	12,794,657	-	12,794,657
Change in Net Assets	11,082,546	(309,153)	10,773,393
Net Asset at Beginning of Year:			
As previously stated	1,883,453	50,000	1,933,453
Prior period restatement	-	800,000	800,000
As restated	1,883,453	850,000	2,733,453
Net Assets, End of Year	\$ 12,965,999	\$ 540,847	\$ 13,506,846

See accompanying notes

OPERATION BBQ RELIEF

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	Program Services					Supporting Services		Total
	Disaster Relief	Restaurant Relief	Always Serving	Other Programs	Total Program	Management and General	Fundraising	
Salaries and wages	\$ 371,055	\$ 70,944	\$ 211,978	\$ 589,792	\$ 1,243,769	\$ 186,645	\$ 305,085	\$ 1,735,499
Employee benefits	22,893	4,326	12,969	36,374	76,562	13,879	18,823	109,264
Payroll taxes	26,250	4,961	14,870	41,709	87,790	13,119	21,583	122,492
Utilities	10,100	-	352	2,036	12,488	14,734	-	27,222
Technology	10,184	-	1,140	11,418	22,742	117,730	3,356	143,828
Communications	801	-	-	107	908	28,246	-	29,154
Equipment and vehicle expenses	603,346	1,620	31,877	232,919	869,762	35,646	12,995	918,403
Occupancy	66,451	-	-	57,007	123,458	19,781	4,220	147,459
Depreciation	-	-	-	187,557	187,557	-	-	187,557
Professional fees and services	2,374	-	660	994	4,028	198,045	102,701	304,774
Advertising and promotion	-	-	-	-	-	-	98,480	98,480
Memberships and Licenses	2,995	-	100	6,790	9,885	13,794	576	24,255
Travel	91,456	1,840	22,482	60,285	176,063	18,042	25,040	219,145
Training and development	241	-	314	352	907	8,470	-	9,377
Insurance	211	40	545	1,411	2,207	59,631	173	62,011
Office expenses	1,423	-	1,745	15,740	18,908	36,120	2,618	57,646
Deployment expenses	1,006,664	-	12,745	233,949	1,253,358	13,144	86,993	1,353,495
Food expenses	336,466	6,863,424	7,148	2,246	7,209,284	-	-	7,209,284
Interest	-	-	-	-	-	11,142	-	11,142
Miscellaneous	4,388	-	98	665	5,151	16,191	2,828	24,170
Total Expenses	\$ 2,557,298	\$ 6,947,155	\$ 319,023	\$ 1,481,351	\$ 11,304,827	\$ 804,359	\$ 685,471	\$ 12,794,657

See accompanying notes

OPERATION BBQ RELIEF

STATEMENT OF CASH FLOWS

Year Ended December 31, 2020

Cash Flows from Operating Activities:	
Change in net assets	\$ 10,773,393
Adjustment to reconcile change in net assets to net cash used by operating activities:	
Depreciation	187,557
Donated investments	(2,567)
Allowance for obsolete inventory	152,500
Net realized and unrealized loss on investments	1,559
(Increase) decrease in:	
Promises to give	427,803
Accounts receivable	(232,605)
Inventory	(1,391,989)
Prepaid expenses	(2,846)
Increase (decrease) in:	
Accounts payable	(55,198)
Accrued liabilities	(34,962)
Refundable advances	193,300
Net Cash Provided by Operating Activities	10,015,945
Cash Flows from Investing Activities:	
Purchases of property and equipment	(361,296)
Purchases of investments	(266)
Net Cash Used by Investing Activities	(361,562)
Cash Flows from Financing Activities:	
Payments on notes payable	(292,773)
Net Cash Used by Financing Activities	(292,773)
Net Change in Cash and Cash Equivalents	9,361,610
Cash and Cash Equivalents at Beginning of Year	1,113,564
Cash and Cash Equivalents at End of Year	\$ 10,475,174

SUPPLEMENTARY INFORMATION

Interest Paid on Notes Payable	\$ 11,142
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See accompanying notes

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. NATURE OF ORGANIZATION

Operation BBQ Relief (“OBR”) is a Missouri non-profit corporation founded in 2011 in response to a need for relief efforts within the United States of America impacted by natural disasters and is supported by contributions from donors throughout the USA. OBR provides comfort to those in need by connecting, inspiring, serving, and educating in communities far and wide. Program services include the following:

- Disaster relief is the root of OBR’s mission. OBR truly believes in the healing power of BBQ and the one hot meal that provides immediate relief to those who may not have access to food. As natural disasters like floods, hurricanes, tornados, and fire continue to cause damage, OBR wants to be on site to serve those in need. Since their first response to the 2011 tornado in Joplin, MO, OBR has been dedicated to providing hot meals when it matters most.
- Restaurant Relief is a program created in 2020 to respond to COVID-19. Due to social distancing guidelines, many states ordered the closure of all bars and restaurants. Other states limited bar and restaurant hours. As the shelter orders were in place throughout the country, there were shortages of supplies and volunteers for communities that need to rely on the bandwidth and resources of OBR. OBR created the Restaurant Relief Program, to reverse the restaurant closures, put employees back to work and provided free meals to local communities each day. OBR provided the food and necessary supplies, provided the restaurants with a small stipend to facilitate rehiring some of the laid-off/furloughed employees, and utilized the restaurant’s kitchen staff to prepare the meals. Many of the meals have been donated to the homeless, veterans, first responders, healthcare workers, and families.
- Always Serving Project is an extension of the Operation BBQ Relief program serving Military, First Responders and the Fight on Hunger. Together OBR connects, inspires and serves communities throughout the year with the Healing Power of BBQ. OBR aims to bring people together to eradicate hunger, addressing an issue that has yet to be solved.
- OBR’s mission is to provide hot meals to those in need and continues to look for new ways to serve the community through various other programs and services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts Receivable – Accounts receivable is stated at the amount management expects to collect. Management makes a regular assessment of the collectability of outstanding accounts. Balances that remain outstanding after reasonable collection efforts are written off against the allowance account. There was no allowance for doubtful accounts at December 31, 2020.

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising – OBR expenses advertising costs as they are incurred. Total advertising costs during the fiscal year was \$98,480.

Basis of Accounting – OBR prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Cash and Cash Equivalents – OBR considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Concentrations of Credit Risk – OBR maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times. OBR has not experienced any losses in these accounts in the past, and management believes OBR is not exposed to significant credit risks as they periodically evaluate the strength of the financial institutions in which it deposits funds. At December 31, 2020, OBR had approximately \$9,700,000 in deposits in excess of FDIC-insured limits.

Donated Goods, Materials, and Services – In addition to receiving cash contributions, OBR receives in-kind contributions of primarily food from various donors. It is the policy of OBR to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by the same amount. For the year ended December 31, 2020, \$1,144,746 of in-kind contributions was received.

Volunteers contribute significant amount of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Estimates – The preparation of the financial statement in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses – The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on various and other methods.

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes – OBR is exempt from income tax, except for taxes on unrelated business income, if any, under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and state law. Contributions to the entity are tax deductible under IRC Section 170 (b)(1)(A)(vi), and OBR has been determined by the IRS not to be a private foundation under IRC Section 509 (a) of the Code. OBR has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions.

OBR’s policy with respect to uncertain tax positions that are beneficial to OBR, is to record a liability, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2020 and, accordingly, no liability has been accrued.

Inventory – Inventory consists primarily of food and is stated at the lower of cost or net realizable value, with cost determined under the first-in first-out method. If donated, inventory is initially stated at fair value on the date of donation. Inventory is stated net of the \$152,500 allowance for inventory obsolescence as noted by OBR as of December 31, 2020.

Investments – OBR records investment purchases at cost, or if donated, at fair value on date of donation. Thereafter, investments are reported at their fair values in the statement of financial position.

Net Assets – Net assets are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. They also include any designations by the governing board. The governing board has designated, from net assets without donor restrictions, net assets to support a future capital campaign.

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.

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give – Contributions are provided to OBR either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on OBR overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give (continued) – Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Property and Equipment – OBR records property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings and building improvements	10 – 30 years
Motor vehicles and trailers	5 – 7 years
Other equipment	5 – 7 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. There was no impairment applied to property and equipment at December 31, 2020.

Recently Issued Accounting Pronouncements – In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended, which supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue. OBR has implemented Topic 606 and has adjusted the presentation in these financial statements accordingly, utilizing the modified retrospective method of transition, which no cumulative-effect adjustment to net assets.

Subsequent Events – Management has evaluated events and transactions that have occurred since December 31, 2020 and reflected their effects, if any, in these financial statements through April 23, 2021, the date the financial statements were available to be issued.

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents OBR's financial assets available for general expenditures within one year as of December 31, 2020:

Cash and cash equivalents	\$ 10,475,174
Investments	19,147
Promises to give	435,847
Accounts receivable	242,558
Less amount designated by the Board for future purposes	<u>(500,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 10,672,726</u>

OBR regularly monitors liquidity require to meet its operating needs and other contractual agreements and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. All underlying investments are readily available to be converted to cash to be drawn upon in the short-term, if needed.

OBR receives a significant number of contributions from donors and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. OBR manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

4. CONDITIONAL PROMISE TO GIVE

On April 13, 2020, OBR was approved for a \$193,300 Paycheck Protection Program ("PPP") loan from a financial institution under the CARES Act, at a fixed interest rate of 1.00%. The agreement calls for equal monthly payments of principal and interest beginning November 13, 2020 through April 13, 2022.

If OBR spends the loan funds on certain qualified expenditures as specified under the rules and regulations referenced in the loan agreement, all or a portion of the PPP loans funds will be forgiven. Forgiveness is not guaranteed and conditioned on U.S. Small Business Administration ("SBA") approval and SBA reimbursement to OBR's financial institution. Management expects all principal and interest to be forgiven. However, the PPP loan program requirements and forgiveness procedures continue to evolve, and payment requirements may be delayed. Upon any forgiveness of the loan, OBR will recognize contributions and grants revenue on the statement of activities in accordance with FASB ASC 958-605. Accordingly, at December 31, 2020, \$193,300 is reflected in refundable advances as a conditional promise to give.

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS December 31, 2020

5. INVENTORIES

Inventories consisted of the following at December 31, 2020:

Food	\$ 1,526,129
Gift cards	39,185
Merchandise	<u>19,043</u>
	1,584,357
Reserve for obsolete, excess, and slow-moving inventories	<u>(152,500)</u>
Inventories, net	<u>\$ 1,431,857</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or period at December 31, 2020:

Time restrictions:	
Promises to give	\$ 435,847
Next year operations	75,000
Purpose restrictions:	
Special project	25,000
Outfitting bunk house	<u>5,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 540,847</u>

Per provisions of FASB ASC 958-605 regarding expiration of donor restrictions, the following expenses were incurred which satisfied the restricted purpose or occurrence of events specified by donors as of December 31, 2020:

Purpose restrictions accomplished	\$ 429,000
Time restrictions expired	<u>550,000</u>
Total Net Assets Released from Restrictions	<u>\$ 979,000</u>

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

7. LEASE COMMITMENTS

OBR leases office space under an operation lease agreement expiring in September 2023. Future minimum lease payments under this operating lease are as follows:

<u>Year ending December 31,</u>	
2021	\$ 35,035
2022	35,908
2023	<u>27,433</u>
Total Future Minimum Lease Payments	<u>\$ 98,376</u>

Total rent expense related to this lease for the year ended December 31, 2020 was \$8,705.

8. CONCENTRATIONS

One grantor comprised 77% of OBR's total support and revenue during 2020. Also, two donors accounted for 96% of total promises to give.

9. DEFINED CONTRIBUTION PLAN

OBR has established a qualified 401(k) plan for the benefit of all eligible employees. The eligible employees may make voluntary contributions to the plan, with OBR matching 100% of the first 3% of employee wages contributed and 50% of the next 2%. OBR's matching contribution for 2020 was \$42,285.

10. RECENT ACCOUNTING PRONOUNCEMENTS

ASU 2016-02, Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this ASU are to be applied using a modified retrospective approach.

In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which deferred the effective date for certain entities to fiscal years beginning after December 15, 2021. Early application continues to be allowed.

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

10. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

ASU 2020-07, Not-for-Profit Entities

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFPs, including additional disclosure requirements for recognized contributed services. The amendments in this ASU are to be applied on retrospective basis. The amendments should be applied for fiscal years beginning after June 15, 2021. Early adoption is permitted.

OBR is evaluating the effect that these standards will have on its financial statements and related disclosures.

11. RISK AND UNCERTAINTIES

The COVID-19 outbreak is causing serious health and financial risks globally. In addition, this crisis has the potential to negatively affect OBR by reducing investment values, reducing the ability to access capital, causing event cancellations, reducing customer traffic to a variety of program functions, reducing contributions due to financial uncertainties, disrupting supply chains, reducing collectibility of receivables, increasing inventory obsolescence, etc. While management is considering the current and future effects of the pandemic on the OBR, an estimate of any negative impacts and the means of mitigation are not known at this time.

12. PRIOR PERIOD RESTATEMENT

At December 31, 2019, certain amounts related to promises to give and net assets with donor restrictions were incorrectly classified; therefore, those amounts as of December 31, 2019 have been restated. The effects of this restatement on the statement of financial position at December 31, 2019 is as follows.

	As Reported, <u>December 31, 2019</u>	<u>Adjustments</u>	As Restated, <u>December 31, 2019</u>
Assets:			
Promises to give	\$ 50,000	\$ 800,000	\$ 850,000
Net Assets:			
Without donor restrictions	\$ 1,883,453	\$ -	\$ 1,833,453
With donor restrictions	50,000	800,000	850,000

OPERATION BBQ RELIEF

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

13. SUBSEQUENT EVENTS

On February 11, 2021, OBR received a \$500,000 unconditional promise to give to support the disaster relief program in 2021. On March 4, 2021, OBR received a \$150,000 unconditional promise to give for operations in 2022 and 2023.