

**OPERATION BBQ RELIEF AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS**

**Year Ended December 31, 2024
with
Independent Auditors' Report**

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

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Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

Operation BBQ Relief and Affiliate

We have audited the consolidated financial statements of **Operation BBQ Relief and Affiliate**, which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Operation BBQ Relief and Affiliate** as of December 31, 2024, and the change in their net assets and their 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Operation BBQ Relief and Affiliate**, 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Operation BBQ Relief and Affiliate's** ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 **Operation BBQ Relief and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered the aggregate, that raise substantial doubt about **Operation BBQ Relief and Affiliate'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net assets, and cash flow of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited **Operation BBQ Relief and Affiliate's** December 31, 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

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, 2025

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2024

(With comparative totals as of December 31, 2023)

ASSETS

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 1,254,876	\$ 1,303,204
Investments	1,645,162	5,754,473
Promises to Give, due in one year or less	7,715,889	235,588
Accounts Receivable	8,333	12,333
Inventories, net	1,554,562	1,385,195
Prepaid Expenses	99,516	120,552
Right-of-Use Asset - Operating Lease	98,911	152,204
Property and Equipment:		
Land	717,535	717,535
Buildings and building improvements	5,686,110	2,432,000
Motor vehicles and trailers	2,468,701	1,831,656
Other equipment	1,390,356	902,300
Construction in progress	60,255	1,733,249
	<u>10,322,957</u>	<u>7,616,740</u>
Less accumulated depreciation	(2,260,035)	(1,762,447)
Property and Equipment, net	<u>8,062,922</u>	<u>5,854,293</u>
Total Assets	<u>\$ 20,440,171</u>	<u>\$ 14,817,842</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Line of credit	\$ 500,000	\$ -
Accounts payable	266,011	540,606
Deferred revenue	7,077	268,956
Accrued liabilities	166,153	111,078
Lease liability - operating	100,928	153,006
Notes payable, due in 2025	32,126	-
Total Liabilities	<u>1,072,295</u>	<u>1,073,646</u>
Net Assets:		
Without donor restrictions:		
Undesignated	9,633,600	12,865,295
Board-designated for new facility construction campaign	500,000	500,000
Total without donor restrictions	<u>10,133,600</u>	<u>13,365,295</u>
With donor restrictions	9,234,276	378,901
Total Net Assets	<u>19,367,876</u>	<u>13,744,196</u>
Total Liabilities and Net Assets	<u>\$ 20,440,171</u>	<u>\$ 14,817,842</u>

See accompanying notes

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2024

(With comparative totals for the year ended December 31, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue:				
Contributions and grants	\$ 2,715,288	\$ 13,085,048	\$ 15,800,336	\$ 3,972,169
Contributions of nonfinancial assets	1,124,095	804,772	1,928,867	866,972
Royalties	21,278	-	21,278	23,729
Storefront sales, net of discounts	16,725	-	16,725	12,163
Special events, net cost of direct benefits to donors of \$58,592 and \$55,012 in 2024 and 2023, respectively	132,828	-	132,828	102,295
Net investment return	271,789	-	271,789	479,099
Loss on property disposal	(1,480,113)	-	(1,480,113)	-
Gain on insurance claims	576,027	-	576,027	-
Other program revenue	28,638	-	28,638	-
Other income	16,190	-	16,190	40,496
Net assets released from restrictions	5,034,445	(5,034,445)	-	-
 Total Support and Revenue	 8,457,190	 8,855,375	 17,312,565	 5,496,923
Expenses:				
Program services:				
Disaster relief	4,593,393	-	4,593,393	2,258,524
Restaurant relief	813,123	-	813,123	375,495
Always Serving project	448,578	-	448,578	444,348
Camp OBR	1,320,531	-	1,320,531	351,810
Other programs	2,300,362	-	2,300,362	2,220,320
Total program services	9,475,987	-	9,475,987	5,650,497
Supporting services:				
Management and general	1,173,669	-	1,173,669	1,089,027
Fundraising	1,039,229	-	1,039,229	1,022,464
Total supporting services	2,212,898	-	2,212,898	2,111,491
 Total Expenses	 11,688,885	 -	 11,688,885	 7,761,988
 Change in Net Assets	 (3,231,695)	 8,855,375	 5,623,680	 (2,265,065)
 Net Assets, Beginning of Year	 13,365,295	 378,901	 13,744,196	 16,009,261
 Net Assets, End of Year	 <u>\$ 10,133,600</u>	 <u>\$ 9,234,276</u>	 <u>\$ 19,367,876</u>	 <u>\$ 13,744,196</u>

See accompanying notes

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES **Year Ended December 31, 2024**

(With comparative totals for year ended December 31, 2023)

	2024										2023
	Program Services					Supporting Services					Total
	Disaster Relief	Operation Restaurant Relief	Always Serving Project	Camp OBR	Other Programs	Total Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total	2023 Total
Salaries and wages	\$ 837,637	\$ 169,747	\$ 297,105	\$ 655,830	\$ 394,641	\$ 2,354,960	\$ 226,671	\$ 508,778	\$ -	\$ 3,090,409	\$ 2,884,100
Payroll taxes	58,874	11,992	20,989	45,558	30,714	168,127	14,324	35,868	-	218,319	211,118
Employee benefits	89,383	18,206	31,865	76,874	5,536	221,864	42,743	66,849	-	331,456	271,885
Utilities	-	-	-	29,604	14,068	43,672	8,488	-	-	52,160	34,710
Technology	19,344	-	-	13,944	23,002	56,290	245,633	10,149	-	312,072	246,859
Communications	827	-	-	-	5,435	6,262	33,838	-	-	40,100	41,267
Equipment and vehicle expenses	472,553	1,152	5,500	122,529	320,641	922,375	772	26,892	4,375	954,414	525,412
Facility rental	8,038	-	-	252	231,155	239,445	-	1,150	32,129	272,724	262,885
Occupancy	-	-	-	25,709	64,274	89,983	2,655	-	-	92,638	95,737
Depreciation	-	-	-	177,944	397,624	575,568	-	-	-	575,568	474,986
Professional fees and services	65,759	-	890	19,453	14,035	100,137	302,855	30,568	9,142	442,702	364,953
Advertising and promotion	67,643	-	-	4,200	22,632	94,475	766	89,523	-	184,764	70,861
Memberships and licenses	50	-	110	280	4,870	5,310	11,499	14,554	-	31,363	20,854
Travel	207,190	-	40,987	17,048	84,325	349,550	22,790	134,477	-	506,817	385,574
Training and development	-	-	-	100	2,848	2,948	6,356	3,615	-	12,919	14,330
Insurance	-	-	-	52,483	-	52,483	214,807	-	-	267,290	204,685
Office expenses	1,957	-	210	56	62,844	65,067	21,818	31,648	-	118,533	60,702
Deployment expenses	645,509	-	10,965	56,683	167,103	880,260	2,727	35,390	-	918,377	475,360
Food expenses	2,113,774	612,026	39,732	20,950	448,875	3,235,357	-	34,245	12,314	3,281,916	1,151,731
Miscellaneous	4,855	-	225	1,034	5,740	11,854	14,927	15,523	632	42,936	18,991
Total Expenses	4,593,393	813,123	448,578	1,320,531	2,300,362	9,475,987	1,173,669	1,039,229	58,592	11,747,477	7,817,000
Less expenses included in with revenues on the consolidated statement of activities											
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	(58,592)	(58,592)	(55,012)
Total expenses included in the expense section on the consolidated statement of activities	\$ 4,593,393	\$ 813,123	\$ 448,578	\$ 1,320,531	\$ 2,300,362	\$ 9,475,987	\$ 1,173,669	\$ 1,039,229	\$ -	\$ 11,688,885	\$ 7,761,988

See accompanying notes

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS Year Ended December 31, 2024

(With comparative totals for the year ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 5,623,680	\$ (2,265,065)
Adjustment to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	575,568	474,986
Reduction in the carrying amount of right-of-use asset - operating lease	53,293	33,556
Donated property and equipment	(240,224)	(175,924)
Allowance for obsolete inventory	19,859	15,896
Net realized and unrealized gain on investments	(136,423)	(231,115)
Net loss on disposal of property and equipment	1,480,113	-
Gain on insurance proceeds	(576,027)	-
(Increase) decrease in:		
Promises to give	(7,480,301)	2,559,533
Accounts receivable	4,000	23,086
Inventories	(189,226)	(160,999)
Prepaid expenses	21,036	(81,869)
Increase (decrease) in:		
Accounts payable	94,000	(117,378)
Deferred revenue	(261,879)	229,626
Accrued liabilities	55,075	38,746
Lease liability	(52,078)	(33,026)
Net Cash (Used) Provided by Operating Activities	(1,009,534)	310,053
Cash Flows from Investing Activities:		
Proceeds from sale of investments	6,005,220	793,904
Purchases of investments	(1,759,486)	(2,042,763)
Purchases of property and equipment	(4,024,086)	(1,522,227)
Insurance proceeds received from fire damage claims	576,027	-
Net Cash Provided by Investing Activities	797,675	(2,771,086)
Cash Flows from Financing Activities:		
Payment of short-term trade accounts used to finance property and equipment acquisitions	(368,595)	-
Borrowings on line of credit	1,500,000	-
Repayment on line of credit	(1,000,000)	-
Borrowings on notes payable	61,016	-
Repayment on notes payable	(28,890)	-
Net Cash Provided by Financing Activities	163,531	-
Net Change in Cash and Cash Equivalents	(48,328)	(2,461,033)
Cash and Cash Equivalents at Beginning of Year	1,303,204	3,764,237
Cash and Cash Equivalents at End of Year	<u>\$ 1,254,876</u>	<u>\$ 1,303,204</u>

NONCASH INVESTING AND FINANCING ACTIVITIES

Purchases of property and equipment using trade payables	<u>\$ -</u>	<u>\$ 368,595</u>
Right-of-use assets obtained in exchange for lease liabilities	<u>\$ -</u>	<u>\$ 165,407</u>
Interest paid on notes payable	<u>\$ 497</u>	<u>\$ -</u>

See accompanying notes

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

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 genesis and core 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.

Operation Restaurant Relief (“ORR”) brings communities together by empowering local restaurants to reopen, rehire, and serve those in need. This initiative, established in response to the COVID-19 pandemic, is about more than just meals— it’s about providing hope and stability to restaurant workers and their communities during challenging times. OBR partners with restaurants, utilizing their kitchens and staff to prepare meals for the community. Restaurants receive a small stipend to facilitate reopening and help rehire laid-off employees, and OBR provides the food and necessary supplies, ensuring restaurants can focus on preparing meals efficiently. Meals are distributed in collaboration with national and local organizations to support homeless individuals, veterans, first responders, individuals facing food insecurity, and healthcare professionals.

- The Always Serving Project serves military, veterans, first responders and their families. Together OBR connects, inspires and serves communities throughout the year with the Healing Power of BBQ. OBR aims to serve those that serve our community. We do this through several key programs to include BBQ Basics, BBQ Academy, and Days of Giving. We can’t do enough for those that give so much to our nation.
- Camp OBR is a 180-acre facility on the Lake of the Ozarks. Through this inspiring location, surrounded by the insulating natural beauty of the lake, OBR will connect, inspire, educate, and feed our veterans, military, and first responders. Camp OBR will utilize Culinary Therapy, the great outdoors, and kindle the bonds of service by providing 3- , 5- , and 7-day all-inclusive camps to those who do so much for our community.
- 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.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

1. NATURE OF ORGANIZATION (continued)

Lake Camp Properties, LLC is a wholly-owned subsidiary of OBR founded in June 2021 and is operated at the direction of OBR.

Principles of Consolidation – The consolidated financial statements include the accounts of OBR and Lake Camp Properties, LLC, collectively referred to as the Organization. All significant intra-entity transactions and accounts have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising – The Organization expenses advertising costs as they are incurred. Total advertising costs during the fiscal years ended December 31, 2024 and 2023 were \$184,764 and \$70,861, respectively.

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

Cash and Cash Equivalents – The Organization 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. Cash and cash equivalents in brokerage accounts, which are part of investments on the consolidated statement of financial position, are excluded from this definition.

Comparative Financial Information – The consolidated financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should read in conjunction with the Organization’s financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Concentrations of Credit Risk – The Organization maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times. The Organization has not experienced any losses in these accounts in the past, and management believes the Organization is not exposed to significant credit risks as they periodically evaluate the strength of the financial institutions in which it deposits funds. As of December 31, 2024, the Organization had approximately \$611,000 in deposits in excess of FDIC-insured limits.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions of Nonfinancial Assets – In addition to receiving cash contributions, the Organization receives nonfinancial contributions of primarily food from various donors. It is the policy of the Organization to record the estimated fair value of certain nonfinancial donations as an expense in its consolidated financial statements, and similarly increase contribution revenue by the same amount.

Donated goods, materials, and equipment are utilized in the program services including disaster relief services, restaurant relief, and other programs. Certain of these nonfinancial donations were restricted for the disaster relief services, restaurant relief, and fundraising.

Nonfinancial donations are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. If a fair market value cannot be determined, the Organization values food based on a cost study conducted for Feeding America. Contributed foods products were valued at the estimated average fair value of one pound of donated food product at the national level of \$1.97 and \$1.93 for the years ending on June 30, 2024 and 2023, respectively.

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. In addition to contributed nonfinancial services, 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 U.S GAAP. The Organization also receives the use of donated facilities for its program operations.

Donated space is valued at its estimated fair value of similar properties available in commercial real estate listings and is used for program operations. The Organization receives items to be sold at its annual auction. Contributed auction items are recognized net of proceeds.

Estimates – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the consolidated financial statements. Accordingly, actual results could differ from those estimates.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses – The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. The expenses that are allocated include salaries and wages, payroll taxes, and employee benefits, which are allocated on the basis of estimates of time and effort.

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.

Lake Camp Properties, LLC is a domestic single member LLC to be treated as a disregarded entity for federal income tax purposes under 501(a) of the Internal Revenue Code.

The Organization’s policy with respect to uncertain tax positions that are beneficial to the Organization, 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, 2024 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 \$166,629 and \$146,770 allowance for inventory obsolescence as determined by management as of December 31, 2024 and 2023, respectively.

Investments – The Organization 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 consolidated statement of financial position. Net investment return (loss) is reported in the consolidated statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Promises to Give – Contributions are provided to the Organization 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 the Organization 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

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give (continued) – 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 statement 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.

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. During 2024 and 2023, contributions approximating \$-0- and \$262,000 have not been recognized in the accompanying consolidated statement activities because the condition(s) on which they depend have not yet been met and were included in deferred revenue in the accompanying consolidated statement of financial position.

Property and Equipment – The Organization 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, 2024 or 2023.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets available for general expenditures within one year as of December 31:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,254,876	\$ 1,303,204
Investments	1,645,162	5,754,473
Promises to give	7,715,889	235,588
Accounts receivable	8,333	12,333
Less amount designated by the Board for future purposes	<u>(500,000)</u>	<u>(500,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 10,124,260</u>	<u>\$ 6,805,598</u>

The Organization regularly monitors liquidity required 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.

The Organization 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. The Organization 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.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

4. FAIR VALUE MEASUREMENTS

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 – inputs are unadjusted quoted market prices in active, independent markets for identical assets and liabilities;
- Level 2 – inputs are directly or indirectly observable estimates from quotes for similar but not identical assets and liabilities, market trades for identical assets not actively traded, or other external independent means;
- Level 3 – inputs are unobservable and reflect assumptions on the part of the reporting entity.

Fair values for Level 2 assets are based on the following valuation methodologies. There have been no changes in the methodologies used at December 31, 2024 as compared to those used at December 31, 2023.

Preferred stocks – Market value determined by using quoted market prices, broker or dealer quotes, or alternate pricing sources with reasonable levels of price transparency.

Corporate bonds – Market value derived based on market interest rates for the same or similar bonds.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

4. FAIR VALUE MEASUREMENTS (continued)

The following tables set forth information about the levels within the fair value hierarchy at which the Organization's financial assets and liabilities are measured on a recurring basis at December 31:

<u>2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash (at cost)	\$ -	\$ -	\$ -	\$ 424,162
Money market funds	521,960	-	-	521,960
U.S. Treasury Bills	37,093	-	-	37,093
Common stock	11,268	-	-	11,268
Exchange-traded funds	<u>650,679</u>	<u>-</u>	<u>-</u>	<u>650,679</u>
Total	<u>\$ 1,221,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,645,162</u>
<u>2023</u>				
Investments:				
Cash (at cost)	\$ -	\$ -	\$ -	\$ 1,052,678
Money market	269,970	-	-	269,970
Stocks				
Common	29,613	-	-	29,613
Preferred	-	1,022,415	-	1,022,415
Mutual funds	1,342,158	-	-	1,342,158
Exchange-traded funds	1,122,438	-	-	1,122,438
Fixed-rate securities	-	290,750	-	290,750
Corporate bonds:				
BBB+ to B-	<u>-</u>	<u>624,451</u>	<u>-</u>	<u>624,451</u>
Total	<u>\$ 2,764,179</u>	<u>\$ 1,937,616</u>	<u>\$ -</u>	<u>\$ 5,754,473</u>

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

5. INVENTORIES

Inventories consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Food	\$ 1,666,293	\$ 1,467,693
Gift cards	21,020	33,529
Merchandise	<u>33,878</u>	<u>30,743</u>
	1,721,191	1,531,965
Reserve for obsolete, excess, and slow-moving inventories	<u>(166,629)</u>	<u>(146,770)</u>
Inventories, net	<u>\$ 1,554,562</u>	<u>\$ 1,385,195</u>

6. LINE OF CREDIT

The Organization has a line of credit providing for a maximum borrowing of \$3,000,000, maturing September 15, 2025. Interest is payable monthly at 6.840%. The line of credit is secured by substantially all assets of the Organization. There was an outstanding balance of \$500,000 on the line of credit at December 31, 2024. The Organization is in compliance with all covenants at December 31, 2024.

7. LEASE COMMITMENT

The Organization has an operating lease for office space that expired on September 30, 2023. This lease was renewed for an additional three years. Rent expense associated with this lease for the years ended December 31, 2024 and 2023 was \$58,847 and \$40,493, respectively.

The ROU asset for the operating lease consists of the following at December 31:

Right-of-use asset	\$ 165,407	\$ 165,407
Accumulated amortization	<u>(66,496)</u>	<u>(13,203)</u>
ROU Asset – operating, net	<u>\$ 98,911</u>	<u>\$ 152,204</u>
Weighted-average remaining lease term (in years)	1.75	2.75
Weighted-average discount rate (as a %)	4.84	4.84

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

7. LEASE COMMITMENT (continued)

Future minimum lease payments under this operating lease are as follows:

<u>Year ending December 31:</u>	
2025	59,564
2026	<u>45,505</u>
Total remaining cash payments	105,069
Less: present value discount	<u>(4,141)</u>
 Total Lease Liability	 <u>\$ 100,928</u>

8. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2024</u>	<u>2023</u>
Time restrictions:		
Promises to give	\$ 6,648,745	\$ 235,588
Purpose restrictions:		
Disaster relief	1,493,287	22,585
Camp OBR	-	120,728
Pets in disaster	25,000	-
Other	100	-
Time and purpose restrictions:		
Disaster relief	962,144	-
Bunkhouse	100,000	-
Camp OBR	<u>5,000</u>	<u>-</u>
 Total Net Assets With Donor Restrictions	 <u>\$ 9,234,276</u>	 <u>\$ 378,901</u>

The following expenses were incurred which satisfied the restricted purpose or occurrence of events specified by donors as of December 31:

Purpose restrictions accomplished	\$ 4,848,857	\$ 1,661,828
Time restrictions expired	<u>235,588</u>	<u>2,675,120</u>
 Total Net Assets Released from Restrictions	 <u>\$ 5,084,445</u>	 <u>\$ 4,336,948</u>

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

9. CONTRIBUTIONS OF NONFINANCIAL ASSETS

Nonfinancial contributions are stated at the values described in Note 2 and include the following at December 31:

	<u>2024</u>	<u>2023</u>
Food	\$ 1,460,162	\$ 604,152
Equipment	268,317	40,928
Use of facilities	76,737	24,559
Flights	72,013	22,390
Furniture and supplies	47,796	160,924
Legal services	-	11,000
Video production	2,000	-
Other	<u>1,842</u>	<u>3,019</u>
Total Contributions of Nonfinancial Assets	<u>\$ 1,928,867</u>	<u>\$ 866,972</u>

10. CONCENTRATIONS

Disaster relief funding from the State of Florida comprised 37% and 35% of the Organization's total support and revenue during 2024 and 2023, respectively.

Three donors accounted for approximately 97% of total promises to give in 2024. Two donors accounted for approximately 72% of total promises to give in 2023.

11. DEFINED CONTRIBUTION PLAN

The Organization 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 the Organization matching 100% of the first 3% of employee wages contributed and 50% of the next 2%. The Organization's matching contributions for 2024 and 2023 was \$68,975 and \$51,069, respectively.

OPERATION BBQ RELIEF AND AFFILIATE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

12. CONTINGENCIES

The Organization is subject to claims and lawsuits that arise primarily in the ordinary course of business. The disposition or ultimate resolution of such claims could potentially have a material adverse impact on the financial position of the Organization. Events could occur that would change management's conclusion on the likelihood of a potential loss in the future.

13. SUBSEQUENT EVENTS

Management has evaluated events and transactions that have occurred since December 31, 2024 and reflected their effects, if any, in these financial statements through April 23, 2025, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2024

ASSETS

	Operation BBQ Relief	Lake Camp Properties, LLC	Eliminations	Consolidated Total
Cash and Cash Equivalents	\$ 812,209	\$ 442,667	\$ -	\$ 1,254,876
Investments	1,645,162	-	-	1,645,162
Investment in Affiliate	5,746,431	-	(5,746,431)	-
Promises to Give, due in one year or less	7,715,889	-	-	7,715,889
Accounts Receivable	8,333	-	-	8,333
Inventories, net	1,554,562	-	-	1,554,562
Prepaid Expenses	57,649	41,867	-	99,516
Due From Affiliate	-	500,000	(500,000)	-
Right-of-Use Asset - Operating Lease	98,911	-	-	98,911
Property and Equipment:				
Land	235,000	482,535	-	717,535
Buildings and building improvements	642,434	5,043,676	-	5,686,110
Motor vehicles and trailers	2,468,701	-	-	2,468,701
Other equipment	1,390,356	-	-	1,390,356
Construction in progress	60,255	-	-	60,255
	4,796,746	5,526,211	-	10,322,957
Less accumulated depreciation	(2,024,249)	(235,786)	-	(2,260,035)
Property and Equipment, net	2,772,497	5,290,425	-	8,062,922
Total Assets	<u>\$ 20,411,643</u>	<u>\$ 6,274,959</u>	<u>\$ (6,246,431)</u>	<u>\$ 20,440,171</u>

LIABILITIES AND NET ASSETS

Liabilities:				
Line of credit	\$ -	\$ 500,000	\$ -	\$ 500,000
Accounts payable	266,011	-	-	266,011
Deferred revenue	7,077	-	-	7,077
Accrued liabilities	163,865	2,288	-	166,153
Lease liability - operating	100,928	-	-	100,928
Due to affiliate	500,000	-	(500,000)	-
Notes payable, due in 2025	5,886	26,240	-	32,126
Total Liabilities	1,043,767	528,528	(500,000)	1,072,295
Member's Equity	-	5,746,431	(5,746,431)	-
Net Assets:				
Without donor restrictions:				
Undesignated	9,633,600	-	-	9,633,600
Board-designated	500,000	-	-	500,000
Total without donor restrictions	10,133,600	-	-	10,133,600
With donor restrictions	9,234,276	-	-	9,234,276
Total Net Assets	19,367,876	-	-	19,367,876
Total Liabilities and Net Assets	<u>\$ 20,411,643</u>	<u>\$ 6,274,959</u>	<u>\$ (6,246,431)</u>	<u>\$ 20,440,171</u>

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2024

	Operation BBQ Relief	Lake Camp Properties, LLC	Eliminations	Consolidated Total
Support and Revenue:				
Contributions and grants	\$ 15,800,336	\$ -	\$ -	\$ 15,800,336
Contributions of nonfinancial assets	1,928,867	-	-	1,928,867
Royalties	21,278	-	-	21,278
Storefront sales, net of discounts	16,725	-	-	16,725
Other program revenue	28,638	-	-	28,638
Special events, net	132,828	-	-	132,828
Net investment return	271,789	-	-	271,789
Loss on property disposal	(21,497)	(1,458,616)	-	(1,480,113)
Gain on insurance claims	162,606	413,421	-	576,027
Other income	16,190	-	-	16,190
Equity in earnings of affiliate	<u>(1,220,381)</u>	<u>-</u>	<u>1,220,381</u>	<u>-</u>
 Total Support and Revenue	 17,137,379	 (1,045,195)	 1,220,381	 17,312,565
Expenses:				
Salaries and wages	3,090,409	-	-	3,090,409
Payroll taxes	218,319	-	-	218,319
Employee benefits	331,456	-	-	331,456
Utilities	52,160	-	-	52,160
Technology	312,072	-	-	312,072
Communications	40,100	-	-	40,100
Equipment and vehicle expenses	950,039	-	-	950,039
Facility rental	240,595	-	-	240,595
Occupancy	92,638	-	-	92,638
Depreciation	456,295	119,273	-	575,568
Professional fees and services	433,560	-	-	433,560
Advertising and promotion	184,764	-	-	184,764
Memberships and licenses	31,363	-	-	31,363
Travel	506,817	-	-	506,817
Training and development	12,919	-	-	12,919
Insurance	223,238	44,052	-	267,290
Office expenses	118,495	38	-	118,533
Deployment expenses	918,377	-	-	918,377
Food expenses	3,269,602	-	-	3,269,602
Miscellaneous	<u>30,481</u>	<u>11,823</u>	<u>-</u>	<u>42,304</u>
 Total Expenses	 <u>11,513,699</u>	 <u>175,186</u>	 <u>-</u>	 <u>11,688,885</u>
 Change in Net Assets/Net Loss	 5,623,680	 (1,220,381)	 1,220,381	 5,623,680
Net Assets, Beginning of Year	13,744,196	2,278,451	(2,278,451)	13,744,196
Capital Contributions	<u>-</u>	<u>4,688,361</u>	<u>(4,688,361)</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 19,367,876</u>	<u>\$ 5,746,431</u>	<u>\$ (5,746,431)</u>	<u>\$ 19,367,876</u>