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CBIZ CPAs

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

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CBIZ CPAs P.C.

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Independent Auditors' Report

The Board of Directors of
OPERATION BBQ RELIEF AND AFFILIATE

Opinion

We have audited the consolidated financial statements of Operation BBQ Relief and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2025, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Prior Period Financial Statements

The financial statements of the Organization as of and for the year ended December 31, 2024, were audited by Keller & Owens, LLC, whose report dated April 23, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 financial statements as a whole. The December 31, 2025 consolidating statements of financial position and activities on pages 24 - 25 are presented for the purpose of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CBIZ CPAs P.C.

Kansas City, Missouri
May 15, 2026

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 1,134,775	$ 1,254,876
Investments	6,401,846	1,645,162
Promises to give, due in one year or less	304,985	7,715,889
Accounts receivable	25,958	8,333
Inventories, net	1,581,354	1,554,562
Prepaid Expenses	114,129	99,516
Right-of-use asset - operating Lease	43,191	98,911
Property and Equipment		
Land	717,535	717,535
Buildings and building improvements	5,702,322	5,686,110
Motor vehicles and trailers	2,649,496	2,468,701
Other equipment	1,605,029	1,399,356
Construction in progress	263,503	51,255
	10,937,885	10,322,957
Less accumulated depreciation	(3,005,583)	(2,260,035)
Property and Equipment, net	7,932,302	8,062,922
Total Assets	$ 17,538,540	$ 20,440,171
Liabilities and Net Assets		
Liabilities		
Line of credit	$ --	$ 500,000
Accounts payable	191,563	266,011
Deferred revenue	2,126,512	7,077
Accrued liabilities	148,971	166,153
Lease liability - operating	44,781	100,928
Notes payable	--	32,126
Total Liabilities	2,511,827	1,072,295
Net Assets		
Without donor restrictions:		
Undesignated	11,610,431	9,633,600
Board-designated for new facility construction campaign	500,000	500,000
Total without donor restrictions	12,110,431	10,133,600
With donor restrictions	2,916,282	9,234,276
Total Net Assets	15,026,713	19,367,876
Total Liabilities and Net Assets	$ 17,538,540	$ 20,440,171

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

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions and grants	$ 970,002	$ 1,941,967	$ 2,911,969
Contributions of nonfinancial assets	515,536	858,894	1,374,430
Royalties	20,594	--	20,594
Storefront sales, net of discounts	18,722	--	18,722
Special events, net cost of direct benefits to donors of $39,548	111,583	--	111,583
Net investment return	503,199	--	503,199
Gain on property disposal	10,104	--	10,104
Other income	22,023	--	22,023
Net assets released from restrictions	9,118,855	(9,118,855)	--
Total Support and Revenue	11,290,618	(6,317,994)	4,972,624
Expenses			
Program services:			
Disaster relief	1,765,530	--	1,765,530
Restaurant relief	2,412	--	2,412
Always Serving project	81,544	--	81,544
Camp OBR	1,125,297	--	1,125,297
Other programs	4,297,913	--	4,297,913
Total program services	7,272,696	--	7,272,696
Supporting services			
Management and general	1,228,871	--	1,228,871
Fundraising	812,220	--	812,220
Total Supporting Services	2,041,091	--	2,041,091
		--	
Total Expenses	9,313,787	--	9,313,787
Change in Net Assets	1,976,831	(6,317,994)	(4,341,163)
Net Assets, Beginning of Year	10,133,600	9,234,276	19,367,876
Net Assets, End of Year	$ 12,110,431	$ 2,916,282	$ 15,026,713

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

CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)

For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions and grants	$ 2,715,236	$ 13,085,048	$ 15,800,284
Contributions of nonfinancial assets	1,137,922	804,772	1,942,694
Royalties	21,278	--	21,278
Storefront sales, net of discounts	16,775	--	16,775
Special events, net cost of direct benefits to donors of $58,592	119,001	--	119,001
Net investment return	271,790	--	271,790
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	16,191	--	16,191
Net assets released from restrictions	5,034,445	(5,034,445)	--
Total Support and Revenue	8,457,190	8,855,375	17,312,565
Expenses			
Program services:			
Disaster relief	4,593,393	--	4,593,393
Restaurant relief	813,123	--	813,123
Always Serving project	448,578	--	448,578
Camp OBR	1,320,531	--	1,320,531
Other programs	2,300,362	--	2,300,362
Total program services	9,475,987	--	9,475,987
Supporting services			
Management and general	1,173,669	--	1,173,669
Fundraising	1,039,229	--	1,039,229
Total Supporting Services	2,212,898	--	2,212,898
Total Expenses	11,688,885	--	11,688,885
Change in Net Assets	(3,231,695)	8,855,375	5,623,680
Net Assets, Beginning of Year	13,365,295	378,901	13,744,196
Net Assets, End of Year	$ 10,133,600	$ 9,234,276	$ 19,367,876

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

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

	Program Services						Supporting Services		
	Disaster Relief	Operation Restaurant Relief	Always Serving Project	Camp OBR	General Program	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 253,824	$ --	$ --	$ 475,888	$ 1,787,138	$ 2,516,850	$ 221,707	$ 449,269	$ 3,187,826
Payroll taxes	19,456	--	--	34,621	129,249	183,326	16,422	32,514	232,262
Employee benefits	--	--	--	50,275	189,178	239,453	34,653	44,077	318,183
Utilities	195	--	--	21,485	25,656	47,336	2,851	--	50,187
Technology	98	--	--	4,828	51,855	56,781	244,199	19,928	320,908
Communications	--	--	--	2,040	5,343	7,383	30,298	--	37,681
Equipment and vehicle expenses	70,127	--	5,123	65,064	423,692	564,006	455	5,648	570,109
Facility rental	--	--	--	--	351,647	351,647	1,062	27,000	379,709
Occupancy	208	--	--	34,070	64,239	98,517	--	--	98,517
Depreciation	--	--	--	259,767	503,168	762,935	--	--	762,935
Professional fees and services	35,156	--	6,300	21,660	45,150	108,266	301,102	33,690	443,058
Advertising and promotion	14,642	--	1,006	115	29,627	45,390	1,791	20,160	67,341
Memberships and licenses	39	--	--	140	7,999	8,178	14,154	2,265	24,597
Travel	233,574	1,897	26,475	36,182	67,453	365,581	57,648	102,092	525,321
Training and development	1,029	--	--	785	3,857	5,671	67,405	4,297	77,373
Insurance	--	--	--	48,818	49	48,867	171,005	28	219,900
Office expenses	5,487	--	75	551	58,061	64,174	35,899	33,600	133,673
Deployment expenses	108,926	515	8,087	43,014	222,851	383,393	2,116	24,242	409,751
Food expenses	999,959	--	34,478	25,006	317,528	1,376,971	--	26,767	1,403,738
Miscellaneous	22,810	--	--	988	14,173	37,971	26,104	26,191	90,266
	1,765,530	2,412	81,544	1,125,297	4,297,913	7,272,696	1,228,871	851,768	9,353,335
Less expenses included with revenues on the consolidated statement of activities									
Cost of direct benefits to donors	--	--	--	--	--	--	--	39,548	39,548
Total expenses	$ 1,765,530	$ 2,412	$ 81,544	$ 1,125,297	$ 4,297,913	$ 7,272,696	$ 1,228,871	$ 812,220	$ 9,313,787

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

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

For the Year Ended December 31, 2024

	Program Services						Supporting Services		
	Disaster Relief	Operation Restaurant Relief	Always Serving Project	Camp OBR	General Program	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 837,637	$ 169,747	$ 297,105	$ 655,830	$ 394,641	$ 2,354,960	$ 226,671	$ 508,778	$ 3,090,409
Payroll taxes	58,874	11,992	20,989	45,558	30,714	168,127	14,324	35,868	218,319
Employee benefits	89,383	18,206	31,865	76,874	5,536	221,864	42,743	66,849	331,456
Utilities	--	--	--	29,604	14,068	43,672	8,488	--	52,160
Technology	19,344	--	--	13,944	23,002	56,290	245,633	10,149	312,072
Communications	827	--	--	--	5,435	6,262	33,838	--	40,100
Equipment and vehicle expenses	472,553	1,152	5,500	122,529	320,641	922,375	772	31,267	954,414
Facility rental	8,038	--	--	252	231,155	239,445	--	33,279	272,724
Occupancy	--	--	--	25,709	64,274	89,983	2,655	--	92,638
Depreciation	--	--	--	177,944	397,624	575,568	--	--	575,568
Professional fees and services	65,759	--	890	19,453	14,035	100,137	302,855	39,710	442,702
Advertising and promotion	67,643	--	--	4,200	22,632	94,475	766	89,523	184,764
Memberships and licenses	50	--	110	280	4,870	5,310	11,499	14,554	31,363
Travel	207,190	--	40,987	17,048	84,325	349,550	22,790	134,477	506,817
Training and development	--	--	--	100	2,848	2,948	6,356	3,615	12,919
Insurance	--	--	--	52,483	--	52,483	214,807	--	267,290
Office expenses	1,957	--	210	56	62,844	65,067	21,818	31,648	118,533
Deployment expenses	645,509	--	10,965	56,683	167,103	880,260	2,727	35,390	918,377
Food expenses	2,113,774	612,026	39,732	20,950	448,875	3,235,357	--	46,559	3,281,916
Miscellaneous	4,855	--	225	1,034	5,740	11,854	14,927	16,155	42,936
	4,593,393	813,123	448,578	1,320,531	2,300,362	9,475,987	1,173,669	1,097,821	11,747,477
Less expenses included with revenues on the consolidated statement of activities									
Cost of direct benefits to donors	--	--	--	--	--	--	--	(58,592)	(58,592)
Total expenses	$ 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

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

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ (4,341,163)	$ 5,623,680
Adjustment to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	762,935	575,568
Reduction in the carrying amount of right-of-use asset - operating lease	55,720	53,293
Donated property and equipment	--	(240,224)
Allowance for obsolete inventory	8,127	19,859
Net realized and unrealized gain on investments	(358,342)	(136,423)
Net (gain) loss on disposal of property and equipment	(10,104)	1,480,113
Gain on insurance proceeds	--	(576,027)
(Increase) decrease in:		
Promises to give	7,410,904	(7,480,301)
Accounts receivable	(17,625)	4,000
Inventories	(34,919)	(189,226)
Prepaid expenses	(14,613)	21,036
Increase (decrease) in:		
Accounts payable	(74,448)	94,000
Deferred revenue	2,119,435	(261,879)
Accrued liabilities	(17,182)	55,075
Lease liability	(56,147)	(52,078)
Net Cash (Used) Provided by Operating Activities	5,432,578	(1,009,534)
Cash Flows From Investing Activities:		
Proceeds from sale of investments	1,750,000	6,005,220
Purchases of investments	(6,148,342)	(1,759,486)
Purchases of property and equipment	(637,211)	(4,024,086)
Proceeds from disposal of property and equipment	15,000	--
Insurance proceeds received from fire damage claims	--	576,027
Net Cash (Used) Provided by Investing Activities	(5,020,553)	797,675
Cash Flows from Financing Activities		
Payment of short-term trade accounts payable used to finance property and equipment acquisitions	--	(368,595)
Borrowings on line of credit	--	1,500,000
Repayment on line of credit	(500,000)	(1,000,000)
Borrowings on notes payable	--	61,016
Repayment on notes payable	(32,126)	(28,890)
Net Cash (Used) Provided by Financing Activities	(532,126)	163,531
Net Change in Cash and Cash Equivalents	(120,101)	(48,328)
Cash and Cash Equivalents at Beginning of Year	1,254,876	1,303,204
Cash and Cash Equivalents at End of Year	$ 1,134,775	$ 1,254,876

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

Supplemental Disclosure of Noncash Investing and Financing Activities

Property and equipment acquired through donations	$ --	$ 240,224
Interest paid on notes payable	$ 1,569	$ 4,071

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

NOTE 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.

NOTE 1 – NATURE OF ORGANIZATION (CONTINUED)

LAKE CAMP PROPERTIES, LLC

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.

NOTE 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, 2025 and 2024 were $67,342 and $184,764, 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.

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, 2025 and 2024, the Organization had approximately $555,572 and $611,000, respectively, in deposits in excess of FDIC-insured limits.

NOTE 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 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 $1.90 and $1.97 for the years ending on December 31, 2025 and 2024, 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.

NOTE 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, 2025 and 2024, 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 $169,113 and $166,629 allowance for inventory obsolescence as determined by management as of December 31, 2025 and 2024, 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.

NOTE 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.

Board designated net assets are net assets without donor restrictions which the Board has set specific priorities for their use. Operation BBQ Relief has one board designated fund a facility construction campaign reserve which were created to support the Organization's strategic plan and guiding principles. During the years ended December 31, 2025 and 2024, the reserve had a balance of $500,000.

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. The Organization's restricted funds are included within cash and investments.

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.

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 having donor stipulations, which are satisfied in the period the gift is received the income is earned, are recorded as revenue with donor restrictions and then released from restriction. During the years ended December 31, 2025 and 2024, contributions approximating $2,119,313 and $0, respectively, 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROMISES TO GIVE (CONTINUED)
The value recorded for each contribution is recognized as follows:

Nature of Gift	Value Recognized
Conditional gifts, with or without restriction	
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.e.* the donor imposed barrier is met
Unconditional gifts, with or without restriction	
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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY AND EQUIPMENT(CONTINUED)

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, 2025 and 2024.

RECLASSIFICATIONS

Certain items in the December 31, 2024 financial statements have been reclassified to conform to the December 31, 2025 presentation. There was no impact to net assets from these reclassifications.

NOTE 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:

	2025	2024
Cash and cash equivalents	$ 1,134,775	$ 1,254,876
Investments	6,401,846	1,645,162
Promises to give	304,985	7,715,889
Accounts receivable	25,958	8,333
	7,867,564	10,624,260
Less amount designated by the Board for future purposes	(500,000)	(500,000)
Less amounts received from contributions with donor restrictions	(2,621,475)	(2,585,531)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 4,746,089	$ 7,538,729

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.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

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.

NOTE 4 – FAIR VALUE MEASUREMENTS

The Organization measures financial assets and liabilities at fair value in accordance with ASC 820-10, Fair Value Measurements and Disclosures. Fair value measurement involves various valuation techniques and assumes that the transaction would occur between market participants in the most advantageous market for the Organization.

ASC 820-10 establishes a fair value hierarchy and prioritizes the valuation techniques used to measure fair value into three tiers and gives the highest priority to observable inputs such as quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The maximization of observable inputs and the minimization of the use of unobservable inputs are required.

Classification within the fair value hierarchy is based upon the objectivity of the inputs that are significant to the valuation of an asset or liability as of the measurement date. The three levels within the fair value hierarchy are characterized as follows:

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.

There have been no changes in the methodologies used at December 31, 2025 as compared to those used at December 31, 2024, and the Organization had no investments considered Level 3 at December 31, 2025.

NOTE 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:

2025	Level 1	Level 2	Level 3	Total
Investments:				
Cash (at cost)	$ --	$ --	$ --	$ 38,354
Money market funds	141,102	--	--	141,102
U.S. Treasury Bills	--	3,905,878	--	3,905,878
Common stock	15,904	--	--	15,904
Exchange-traded funds	2,300,608	--	--	2,300,608
Total	$ 2,457,614	$ 3,905,878	$ --	$ 6,401,846

2024	Level 1	Level 2	Level 3	Total
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	650,679	--	--	650,679
Total	$ 1,221,000	$ --	$ --	$ 1,645,162

Net investment income consists of the following:

	2025	2024
Unrealized gain (losses)	$ 358,342	$ 218,614
Interest and Dividends	156,135	56,107
Investment Fees	(11,278)	(2,931)
Net investment return	$ 503,199	$ 271,790

NOTE 5 – INVENTORIES

Inventories consisted of the following at December 31:

	2025	2024
Food	$ 1,691,126	$ 1,666,293
Gift cards	17,074	21,020
Merchandise	42,267	33,878
	1,750,467	1,721,191
Reserve for obsolete, excess, and slow-moving inventories	(169,113)	(166,629)
Inventories, net	$ 1,581,354	$ 1,554,562

NOTE 6 – LINE OF CREDIT

The Organization has a line of credit providing for a maximum borrowing of $3,000,000, maturing on November 25, 2026. 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 $0 and $500,000, respectively, on the line of credit at December 31, 2025 and 2024, respectively. The Organization is in compliance with all covenants at December 31, 2025 and 2024.

NOTE 7 – LEASE COMMITMENT

The Organization has an operating lease for office space which expires on September 30, 2026. Rent expense associated with this lease for the years ended December 31, 2025 and 2024 was $58,137 and $58,847, respectively.

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

	2025	2024
Right-of-use asset	$ 165,407	$ 165,407
Accumulated amortization	(122,216)	(66,496)
Right of Use Asset – Operating, net	$ 43,191	$ 98,911
Weighted-average remaining lease term (in years)	0.75	1.75
Weighted-average discount rate (as a %)	4.84	4.84

NOTE 7 – LEASE COMMITMENT (CONTINUED)

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

Year Ending December 31:	
2026	$ 45,664
Less: amount representing interest	883
Total Lease Liability	$ 44,781

NOTE 8 – CONCENTRATIONS

Disaster relief funding from the State of Florida comprised 0% and 37% of the Organization's total support and revenue during the years ended December 31, 2025 and 2024, respectively.

One donor accounted for approximately 84% of total promises to give in 2025. Three donors accounted for approximately 97% of total promises to give in 2024.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2025	2024
Time restrictions:		
Promises to give	$ 294,807	$ 6,648,745
Purpose restrictions:		
Disaster relief	2,586,297	1,493,287
Camp OBR	--	--
Pets in disaster	25,000	25,000
Other	--	100
Time and purpose restrictions:		
Disaster relief	5,178	962,144
Bunkhouse	--	100,000
Camp OBR	5,000	5,000
Total Net Assets With Donor Restrictions	$ 2,916,282	$ 9,234,276

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	2025	2024
Time restrictions:		
Promises to give	$ 6,768,745	$ 235,588
Purpose restrictions:		
Disaster relief	1,077,458	4,678,129
Camp OBR	201,829	120,728
Pets in disaster	8,579	--
Other	100	--
Time and purpose restrictions:		
Disaster relief	962,144	--
Bunkhouse	100,000	--
Total Net Assets Released from Donor Restrictions	$ 9,118,855	$ 5,034,445

NOTE 10 – CONTRIBUTIONS OF NONFINANCIAL ASSETS

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

	2025	2024
Food	$ 884,131	$ 1,460,162
Equipment	10,168	268,317
Use of facilities	140,334	76,737
Flights and transportation	133,253	72,013
Furniture and supplies	202,186	61,623
Legal services	468	--
Video production	--	2,000
Other	3,890	1,842
Total Contributions of Nonfinancial Assets	$ 1,374,430	$ 1,942,694

NOTE 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 2025 and 2024 was $68,329 and $68,975, respectively.

NOTE 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.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 15, 2026, which is the date the consolidated financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.

SUPPLEMENTARY INFORMATION

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2025

	Operation BBQ Relief	Lake Camp Properties, LLC	Eliminations	Consolidated Total
Assets				
Cash and cash equivalents	$ 1,033,775	$ 101,000	--	$ 1,134,775
Investments	6,401,846	--	--	6,401,846
Investment in affiliate	5,262,637	--	(5,262,637)	--
Promises to give, due in one year or less	304,985	--	--	304,985
Accounts receivable	25,958	--	--	25,958
Inventories, net	1,581,354	--	--	1,581,354
Prepaid expenses	63,871	50,258	--	114,129
Right-of-use asset - operating lease	43,191	--	--	43,191
Property and Equipment:				
Land	235,000	482,535	--	717,535
Buildings and building improvements	658,646	5,043,676	--	5,702,322
Motor vehicles and trailers	2,649,496	--	--	2,649,496
Other equipment	1,605,029	--	--	1,605,029
Construction in progress	263,503	--	--	263,503
	5,411,674	5,526,211	--	10,937,885
Less accumulated depreciation	(2,590,751)	(414,832)	--	(3,005,583)
Property and Equipment, net	2,820,923	5,111,379	--	7,932,302
Total Assets	$ 17,538,540	$ 5,262,637	$ (5,262,637)	$ 17,538,540
Liabilities and Net Assets				
Liabilities				
Accounts payable	$ 191,563	$ --	$ --	$ 191,563
Deferred revenue	2,126,512	--	--	2,126,512
Accrued liabilities	148,971	--	--	148,971
Lease liability - operating	44,781	--	--	44,781
Total Liabilities	2,511,827	--	--	2,511,827
Member's Equity	--	5,262,637	(5,262,637)	--
Net Assets				
Without donor restrictions:				
Undesignated	11,610,431	--	--	11,610,431
Board-designated	500,000	--	--	500,000
Total without donor restrictions	12,110,431	--	--	12,110,431
With donor restrictions	2,916,282	--	--	2,916,282
Total Net Assets	15,026,713	--	--	15,026,713
Total Liabilities and Net Assets	$ 17,538,540	$ 5,262,637	$ (5,262,637)	$ 17,538,540

OPERATION BBQ RELIEF AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2025

	Operation BBQ Relief	Lake Camp Properties, LLC	Eliminations	Consolidated Total
Support and Revenue				
Contributions and grants	$ 2,911,969	$ --	$ --	$ 2,911,969
Contributions of nonfinancial assets	1,374,430	--	--	1,374,430
Royalties	20,594	--	--	20,594
Storefront sales, net of discounts	18,722	--	--	18,722
Special events, net	151,131	--	--	151,131
Net investment return	504,126	--	--	504,126
Gain on property disposal	10,104	--	--	10,104
Other income	21,096	--	--	21,096
Equity in earnings of affiliate	(238,837)	--	238,837	--
Total Support and Revenue	4,773,335	--	238,837	5,012,172
Expenses				
Salaries and wages	3,187,825	--	--	3,187,825
Payroll taxes	232,262	--	--	232,262
Employee benefits	318,183	--	--	318,183
Utilities	50,187	--	--	50,187
Technology	320,909	--	--	320,909
Communications	37,681	--	--	37,681
Equipment and vehicle expenses	570,110	--	--	570,110
Facility rental	379,707	--	--	379,707
Occupancy	98,517	--	--	98,517
Depreciation	583,889	179,046	--	762,935
Professional fees and services	443,058	--	--	443,058
Advertising and promotion	67,342	--	--	67,342
Memberships and licenses	24,597	--	--	24,597
Travel	525,320	--	--	525,320
Training and development	77,373	--	--	77,373
Insurance	161,280	58,620	--	219,900
Office expenses	133,676	--	--	133,676
Deployment expenses	409,750	--	--	409,750
Food expenses	1,416,088	--	--	1,416,088
Miscellaneous	76,744	1,171	--	77,915
Total Expenses	9,114,498	238,837	--	9,353,335
Change in Net Assets/Net Loss	(4,341,163)	(238,837)	238,837	(4,341,163)
Net Assets, Beginning of Year	19,367,876	5,746,431	(5,746,431)	19,367,876
Capital Contributions	--	(244,957)	244,957	--
Net Assets, End of Year	$ 15,026,713	$ 5,262,637	$ (5,262,637)	$ 15,026,713