

EMMA'S TORCH LTD.
(A NOT-FOR-PROFIT ORGANIZATION)

Independent Auditors' Report and
Financial Statements for the
Year Ended December 31, 2019

EMMA'S TORCH LTD.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Emma's Torch Ltd.

We have audited the accompanying financial statements of Emma's Torch Ltd. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statement of activities, functional expenses and cash flows for year then ended, and the related notes to the financial statements. The financial statements of Emma's Torch Ltd. as of December 31, 2018, were audited by other auditors whose report dated October 7, 2019, expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Emma's Torch Ltd. as of December 31, 2019, 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.

Quillari Canino LLC

Fairfield, New Jersey
August 28, 2020

EMMA'S TORCH LTD.

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2019

ASSETS	Total
CURRENT ASSETS:	
Cash and cash equivalents	\$ 108,554
Unconditional promises to give	54,049
Inventory	3,448
Prepaid expenses	2,205
Total current assets	<u>168,256</u>
 PROPERTY AND EQUIPMENT, NET	 80,275
 SECURITY DEPOSITS	 <u>18,828</u>
 TOTAL	 <u><u>\$ 267,359</u></u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable	\$ 80,509
Accrued expenses	53,395
Sales tax payable	4,569
Deferred revenue	17,497
Total liabilities	<u>155,970</u>
 NET ASSETS:	
Without donor restrictions	12,074
With donor restrictions	99,315
Total net assets	<u>111,389</u>
 TOTAL	 <u><u>\$ 267,359</u></u>

EMMA'S TORCH LTD.**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES:			
Contributions	\$ 711,820	\$ 134,315	\$ 846,135
Program service revenue	975,188	-	975,188
Non-cash contributions	153,978	-	153,978
Net assets released from restrictions			
Satisfaction of purpose restrictions	141,914	(141,914)	-
Total public support and revenues	<u>1,982,900</u>	<u>(7,599)</u>	<u>1,975,301</u>
EXPENSES:			
Program services:			
Restaurant operations and educational support	1,634,274	-	1,634,274
Supporting services:			
Management and general	367,579	-	367,579
Fundraising	59,310	-	59,310
Total supporting services	<u>426,889</u>	<u>-</u>	<u>426,889</u>
Total expenses	<u>2,061,163</u>	<u>-</u>	<u>2,061,163</u>
Change in net assets before non-operating income (expense)	<u>(78,263)</u>	<u>(7,599)</u>	<u>(85,862)</u>
NON-OPERATING INCOME (EXPENSE):			
Bad debt	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
CHANGE IN NET ASSETS	(98,263)	(7,599)	(105,862)
NET ASSETS, BEGINNING OF YEAR	135,747	106,914	242,661
PRIOR PERIOD ADJUSTMENT	<u>(25,410)</u>	<u>-</u>	<u>(25,410)</u>
NET ASSETS, END OF YEAR	<u>\$ 12,074</u>	<u>\$ 99,315</u>	<u>\$ 111,389</u>

EMMA'S TORCH LTD.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Supporting Services		Total
	Restaurant Operations and Educational Support	Management & General	Fundraising	
Personnel costs:				
Salaries and wages	\$ 926,035	\$ 108,273	\$ 41,168	\$ 1,075,476
Fringe benefits	27,297	27,296	-	54,593
Payroll taxes	73,537	8,551	3,420	85,508
Total personnel costs	<u>1,026,869</u>	<u>144,120</u>	<u>44,588</u>	<u>1,215,577</u>
Advertising expenses	-	1,118	-	1,118
Bank charges and processing fees	4,593	34,450	6,890	45,933
Computer software and services	477	2,225	476	3,178
Consulting fees	607	16,086	5,875	22,568
Equipment costs	76,168	-	-	76,168
Food and beverage	257,698	14,516	-	272,214
Insurance expense	15,210	15,210	-	30,420
Kitchen supplies	33,566	-	-	33,566
Occupancy	127,773	-	-	127,773
Office expense and supplies	811	3,784	811	5,406
Professional fees	2,414	32,553	-	34,967
Storage fees	346	-	-	346
Telecommunications	670	3,129	670	4,469
Travel and meetings	2,475	7,426	-	9,901
Miscellaneous	-	5,900	-	5,900
Total expenses before depreciation and non-cash donations	<u>1,549,677</u>	<u>280,517</u>	<u>59,310</u>	<u>1,889,504</u>
Depreciation	<u>17,681</u>	<u>-</u>	<u>-</u>	<u>17,681</u>
Total expenses before non-cash donations	<u>1,567,358</u>	<u>280,517</u>	<u>59,310</u>	<u>1,907,185</u>
Non-cash donations (see Note 10)	<u>66,916</u>	<u>87,062</u>	<u>-</u>	<u>153,978</u>
Total expenses	<u>\$ 1,634,274</u>	<u>\$ 367,579</u>	<u>\$ 59,310</u>	<u>\$ 2,061,163</u>

EMMA'S TORCH LTD.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (105,862)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	17,681
Bad debt	20,000
Prior period adjustment	(25,410)
 (Increase) decrease in operating assets	
Unconditional promises to give	40,951
Inventory	(3,448)
Prepaid expenses	10,160
Security deposits	-
 Increase (decrease) in operating liabilities	
Accounts payable	54,884
Accrued expenses	11,788
Sales tax payable	1,394
Deferred revenue	17,497
 Net cash provided by operating activities	<u>39,635</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(31,500)
Net cash (used in) investing activities	<u>(31,500)</u>
 NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	8,135
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>100,419</u>
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u><u>\$ 108,554</u></u>

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

1. NATURE OF ACTIVITIES

Emma's Torch Ltd. (the "Organization") is a non-profit organization established in 2016 with the mission to alleviate unemployment and poverty affecting individuals in New York (primarily refugees, asylees, and victims of human trafficking) by preparing them for skilled employment in the culinary field. The Organization provides culinary training in order to help these individuals find meaningful careers. Ancillary programs such as English speaking classes and employee interview preparation training are also offered.

The Organization acknowledges the struggle for restaurants in New York City to fill the "line cook" position. The Organization collaborates with some of New York's most renowned chefs, industry leaders and restaurant groups to help students find careers after graduation. The Organization also partners with some of the largest refugee resettlement and advocacy organizations in the world, who assist with identifying refugees who would be a good fit for the program.

The Organization is supported primarily through donor contributions and grants, as well as funds earned through its restaurant operations. A description of its program service is as follows:

Restaurant Operations and Educational Support: The Organization's curriculum is an eight-week paid apprenticeship with nearly 400 hours of culinary training. During the first month, students are introduced to the professional American kitchen, knife skills, communication skills and key culinary techniques. Students also begin preparing food for Emma's Torch restaurant. During the second month, the students begin working as "line cooks" for the restaurant and cater a wider range of internal and external events. During the duration of the program, weekly English classes are offered, which focus on culinary vocabulary and interview preparation. Job workshops and mock interviews are also offered throughout the two months in order to simulate live situations.

The Organization operates the restaurant five days per week for dinner and the weekend for brunch. The restaurant is open to the general public and receives revenue from its daily operations, catering events, and other special events, which constitute program income on the statement of activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting --- The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation --- The Organization prepares its financial statements utilizing the American Institute of Certified Public Accountants' Audit & Accounting Guide, *Nonprofit Organizations*, and other pronouncements applicable to not-for-profit organizations. The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Paragraphs 958-205-45-2(a) through (d), which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions: net assets with donor restrictions and net assets without donor restrictions.

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Basis of Presentation (cont.) --- ASC Paragraphs 958-605-45-3 through 7, *Contributions Received*, requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

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

Fair value of financial instruments --- The Organization measures fair value of its assets and liabilities as defined by FASB ASC Topic 820, Fair Value Measurement and Disclosure. Unless otherwise noted, the fair values of financial instruments approximate their carrying values. As of December 31, 2019, none of the assets and liabilities were required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, approximate fair value due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended December 31, 2019.

Cash and cash equivalents --- The Organization considers all cash without donor imposed restrictions, short-term securities and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Unconditional promises to give --- Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to unconditional promises to give. Management has assessed outstanding balances as of December 31, 2019 and determined that no allowance was deemed necessary. Of the individual amounts assessed, one promise was deemed uncollectible and is presented as bad debt expense on the statement of activities in the amount of \$20,000. The Organization does not charge interest on its receivables.

Inventory --- Inventory consists of food and beverages which are valued at net realizable value at \$3,448 at December 31, 2019.

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Property and equipment --- Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation is provided based upon the actual number of months in use during the year the costs are capitalized. Expenditures for maintenance, reports and renewals of minor items are charged to earnings as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the statement of activities. Major renewals and improvements are capitalized.

The Organization's policy is to capitalize property and equipment with a purchase price of \$5,000 or more and a useful life of one year or more based on the following schedule:

<u>Asset Class</u>	<u>Years</u>
Machinery and equipment	5
Leasehold improvements	5
Furniture and fixtures	7

Revenue and support recognition --- Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

The Organization accounts for program service arrangements as exchange transactions and recognizes revenues in the period that the Organization has performed the services. Restaurant sales are included in this line item.

Non-cash contributions --- Individuals volunteer their time and perform a variety of tasks that assist the Organization. Certain services do not meet the recognition criteria under accounting principles generally accepted in the United States of America. Donations of both goods and services that meet the recognition criteria are presented at their fair market values on the statement of activities.

Tax status --- The Organization is a not-for-profit organization described under Section 501(c)(3) of the Internal Revenue Code ("I.R.C.") and is therefore exempt from federal income taxes under Section 501(a) of the I.R.C. The Organization is also exempt under N.Y. Tax Law Section 1116: Exempt Organizations. Accordingly, no provision for Federal or State income taxes has been presented in the accompanying financial statements. Management has stated that all required tax returns have been filed and taxes have been paid.

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Tax status (cont.) --- The Organization adheres to FASB ASC Topic 740, *Income Taxes*, which provides guidance and clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition.

Annually, the Organization maintains that income derived from its restaurant operations is a related business activity that is conducted without the intent to make a profit. Profits, if any, are dedicated to the furtherance of the purpose for which the Organization was organized and operated as specified in its articles of incorporation. Accordingly, management has determined that for the year ended December 31, 2019, the Organization has no material uncertain tax positions to be accounted for in the financial statements and is not an unrelated trade or business within the meaning of section 513 of the tax code.

Annually the Organization files an informational tax return with the Internal Revenue Service and registers in states in which it solicits contributions. The Organization is generally subject to tax examinations for three years after its latest filing.

Advertising expense --- The Organization expenses costs of advertising as incurred. Advertising expenses amount to \$1,118 for the year ended December 31, 2019.

Use of estimates --- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses --- Expenses are charged to the program based on direct expenditures incurred. Any program or supporting service expenditure not directly chargeable is allocated based on an indirect cost pool that is reasonable and consistently applied.

Allocated indirect expenditures include payroll and occupancy expenses. Payroll costs are allocated on the basis of estimates of time and effort. Occupancy costs are allocated on the basis of square footage.

3. RISK

Arising from cash deposits in excess of insured limits --- The Organization maintains its cash accounts in one financial institution. During the year, cash balances may exceed federally insured limits of \$250,000. Management believes that the Organization has no significant risk of loss on these amounts due to the failure of the financial institution.

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

3. RISK (CONT.)

Funding dependence --- The Organization is dependent upon both sales at its restaurants as included in program services revenues on the statement of activities and contributions from the general public. The ability of the Organization to continue to elicit this level of revenues is dependent upon current and future economic conditions. The subsequent events of COVID-19 and its effects on program service revenues and contributions are detailed in Note 11.

4. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are short term in nature and consist of the following at December 31, 2019:

Time restricted 2020 pledges	\$	24,829
Pledges without donor restrictions		29,220
Unconditional promises to give	\$	<u>54,049</u>

5. PROPERTY AND EQUIPMENT

A summary of the Organization's property and equipment as of December 31, 2019 is as follows:

	<u>2019</u>
Equipment	\$ 49,453
Furniture & Fixtures	12,000
Leasehold Improvements	43,506
	<u>104,959</u>
Less: accumulated depreciation	24,684
Total	<u>\$ 80,275</u>

Total depreciation expense charged to operations for the year ended December 31, 2019 was \$17,681.

6. COMMITMENTS

During the year ended December 31, 2018, the Organization assumed a lease for restaurant space under a purchase agreement. The non-cancelable lease commenced in April of 2018 and expires in February of 2023.

Future payments due under all operating leases in effect at December 31, 2019 are as follows:

December 31, 2020	\$	105,965
December 31, 2021		109,676
December 31, 2022		113,516
December 31, 2023		19,081
Total	\$	<u>348,238</u>

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

6. COMMITMENTS (CONT.)

During the year ended December 31, 2018, the Organization entered into an agreement with the Brooklyn Public Library ("BPL") to provide food services at its Central Library for BPL staff, patrons, and other members of the public. No rental payments are required under the agreement and utilities, storage, equipment and other maintenance costs will be paid by BPL. All costs to operate the café, including food, beverages, utensils and supplies, are the responsibility of the Organization. The Organization is entitled to all proceeds from the operations of the café, but must segregate any profits in a segregated account to act as a reserve fund for the café. The terms of the lease agreement became effective in January of 2019 and expires in December of 2021. The agreement has a twelve-month renewal option at the discretion of both parties.

7. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2019, total net assets with donor restrictions of \$99,315 are available for the culinary apprenticeship program in 2020.

Net assets were released from donor restrictions by incurring expenses satisfying purpose restrictions specified by donors during the year ended December 31, 2019 are as follows:

Purpose Restricted:		
Educational garden	\$	10,000
Rent, occupancy, equipment, and refugee stipends		25,000
Time Restricted 2019:		
Educational garden		30,000
Culinary apprenticeship		76,914
Satisfaction of purpose restrictions	\$	<u>141,914</u>

8. FRINGE BENEFITS

The Organization provides its employees with group health insurance. Insurance is effective 90 days from an employee's date of hire. Emma's Torch assumes responsibility for 85% of monthly premiums for an employee's coverage. For the year ended December 31, 2019, the Organization incurred expenses related to these benefits of \$54,593.

9. NON-CASH DONATIONS

For the year ended December 31, 2019, non-cash donations are recognized at their fair values as follows on the statement of functional expenses:

Functional Classification	Natural Classification	2019
Administration	Professional fees	\$ 87,062
Program	Occupancy	24,000
Program	Food and beverage	18,103
Program	Equipment costs	24,813
		<u>\$ 153,978</u>

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's liquidity management plan is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has long-term contractual lease commitments as detailed in Note 6; the annual expenditures from those agreements are included in the general expenditures of the Organization. Management anticipates meeting general expenditures within one year of the date of the statement of financial position with existing financial assets plus funding provided by anticipated contributions from the general public and revenue from the restaurant.

The following represents the Organization's financial assets available for general expenditures within one year as of December 31, 2019:

Financial assets at year-end	\$ 168,256
Less amounts not available for general expenditures within one year due to:	
Prepaid expenses	2,205
Inventory	3,448
Donor-restricted funding	<u>99,315</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 63,288</u>

Donor-restricted funding at year-end of \$99,315 is restricted to program expenses and cannot be used for administrative purposes. Any program expenses incurred, including salaries may be taken against this award and therefore, when assessing the liquidity of the Organization, management generally considers these funds as available for general expenditure.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 28, 2020, the date on which the financial statements were available to be issued, and have determined that, except as detailed below, there are no subsequent events that require disclosure.

COVID-19 --- Due to the impact of COVID-19 on the restaurant industry in general, there is uncertainty and known reductions in revenue generating activities. On March 16, 2020, the Governor under executive order closed all New York restaurants. At that time the Organization ceased its program services and has not commenced services through the date of this report. To combat the reduction in program service revenue, the Organization has sought out government relief. Additionally, some donors have come to the forefront and have contributed substantial amounts of money to aid the Organization. Furthermore, other donors have released prior restrictions on donated funds and/ or promises to give. Details of these efforts are as follows:

Government relief --- The Organization received funding through the Small Business Administration's Paycheck Protection Program in the amount of \$225,061. Loan proceeds are restricted to payment of payroll, certain debt service, rent and utility expenses. Management expects that the majority, if not all, amounts received will be forgiven.

EMMA'S TORCH LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019 (CONTINUED)

11. SUBSEQUENT EVENTS (CONT.)

COVID-19 (cont.) ---

Government relief (cont.) --- Additionally, the Organization received \$150,000 from the Small Business Administration's Economic Injury Disaster Loan ("EIDL"). The loan was granted on May 12, 2020 in order to help the Organization meet their ordinary and necessary financial obligations that could not be met as a direct result of COVID-19. The term of the loan is 30 years, with installment payments made on a monthly basis in the amount of \$641. Fixed interest on the loan is 2.75%, for the life of the loan. Security interest on the loan includes all tangible and intangible personal property; generally, all assets of the company as defined in the Uniform Commercial Code and detailed in the official security agreement.

Contributions --- At the onset of the New York State shutdown due to COVID-19, in March and April of 2020, the Organization received a short term pledge of \$250,000. Additionally, revenues without donor restrictions were received from donors of over \$150,000.

Releases on restrictions by donors --- Subsequent to year end and due to the events of COVID-19 several donors reached out to the Organization and specified that they have released restrictions on their contributions. Accordingly, donations in the amount of \$35,000 that would have otherwise been restricted are recognized as without donor restricted assets as of December 31, 2019.

Other items --- Prior to the events of COVID-19 but subsequent to year end, the Organization entered into contract with City Field to provide concession services at sporting and other events at the stadium. This contract has been deferred until sporting and other in-person events are allowed to resume.

12. PRIOR PERIOD ADJUSTMENT

During the year ended December 31, 2019, the Organization identified certain professional fees not captured as part of accrued expenses as of December 31, 2018. Accordingly, net assets without donor restrictions reflect an adjustment of \$25,410.