



INSPIRE BRANDS FOUNDATION, INC.

**FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**with
INDEPENDENT AUDITORS' REPORT**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees of Inspire Brands Foundation, Inc.

We have audited the accompanying financial statements of Inspire Brands Foundation, Inc. (Foundation), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 Inspire Brands Foundation, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Smith + Howard

September 16, 2021

**INSPIRE BRANDS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

ASSETS

	<u>2020</u>	<u>2019</u>
Current Assets		
Cash	\$ 1,718,531	\$ 1,662,683
Accounts receivable - In-unit fundraisers	47,537	749,741
Other receivables	940,573	642,968
Prepaid expenses	17,441	129,827
Total Current Assets	<u>2,724,082</u>	<u>3,185,219</u>
Cash, Board Designated	2,253,739	-
Investments	6,515,962	7,895,712
Property and equipment, net	<u>34,285</u>	<u>14,985</u>
	<u>\$ 11,528,068</u>	<u>\$ 11,095,916</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 89,358	\$ 67,340
Grant obligations - short term	917,801	2,523,718
Accrued expenses	221,799	173,647
Total Current Liabilities	<u>1,228,958</u>	<u>2,764,705</u>
Grant obligations - long term	<u>423,279</u>	<u>604,411</u>
	<u>1,652,237</u>	<u>3,369,116</u>
Net Assets		
Without donor restrictions		
Board designated for Arby's Foundation initiatives	7,561,379	7,331,792
Board designated for Buffalo Wild Wings Foundation initiatives	1,089,174	350,838
Board designated for Sonic Foundation initiatives	88,571	21,403
Board designated for Inspire Brands Foundation initiatives	30,577	22,767
Total without donor restrictions	<u>8,769,701</u>	<u>7,726,800</u>
With donor restrictions	<u>1,106,130</u>	<u>-</u>
Total Net Assets	<u>9,875,831</u>	<u>7,726,800</u>
	<u>\$ 11,528,068</u>	<u>\$ 11,095,916</u>

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

INSPIRE BRANDS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions:		
Support, Revenues, and Gains		
Consumer fundraising	\$ 7,581,108	\$ 8,513,947
Partner proceeds	2,902,332	2,920,352
Investment return, net	621,789	1,332,886
Other income	60,426	33,452
Total	<u>11,165,655</u>	<u>12,800,637</u>
Net assets released from restrictions	<u>96,950</u>	<u>-</u>
Total Support, Revenues, and Gains	<u>11,262,605</u>	<u>12,800,637</u>
Expenses		
Program services - grants and charitable contributions	7,694,208	8,441,375
Program services - other	852,124	1,201,809
Fundraising	975,903	1,555,345
Management and general	697,469	544,812
Total Expenses	<u>10,219,704</u>	<u>11,743,341</u>
Change in Net Assets Without Donor Restrictions	1,042,901	1,057,296
Net Assets With Donor Restrictions:		
Contributions		
Sonic Foundation Disaster Relief Fund	203,080	-
Inspire Brands Initiative	1,000,000	-
Net assets released from restrictions	<u>(96,950)</u>	<u>-</u>
Change in Net Assets With Donor Restrictions	<u>1,106,130</u>	<u>-</u>
Change in Net Assets	2,149,031	1,057,296
Net Assets, Beginning of Year	<u>7,726,800</u>	<u>6,669,504</u>
Net Assets, End of Year	<u>\$ 9,875,831</u>	<u>\$ 7,726,800</u>

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

**INSPIRE BRANDS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Grants	\$ 7,694,208	\$ -	\$ -	\$ 7,694,208
Salaries and related benefits	578,238	354,479	496,742	1,429,459
Restaurant fundraising	-	474,407	-	474,407
Fundraising events	188	74,328	-	74,516
Impact and awareness	44,269	610	32,768	77,647
Professional services	161,519	600	102,490	264,609
Administrative expenses	23,496	65,768	47,931	137,195
Community engagement	38,703	-	-	38,703
Rent	5,711	5,711	9,116	20,538
Depreciation	-	-	8,422	8,422
Total	<u>\$ 8,546,332</u>	<u>\$ 975,903</u>	<u>\$ 697,469</u>	<u>\$ 10,219,704</u>

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

INSPIRE BRANDS FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Grants	\$ 8,441,375	\$ -	\$ -	\$ 8,441,375
Salaries and related benefits	382,506	368,566	354,633	1,105,705
Restaurant fundraising	-	572,402	-	572,402
Fundraising events	-	570,091	-	570,091
Impact and awareness	416,101	-	-	416,101
Professional services	291,463	-	105,027	396,490
Administrative expenses	49,118	31,705	60,258	141,081
Community engagement	50,040	-	-	50,040
Rent	12,581	12,581	15,658	40,820
Depreciation	-	-	9,236	9,236
Total	<u>\$ 9,643,184</u>	<u>\$ 1,555,345</u>	<u>\$ 544,812</u>	<u>\$ 11,743,341</u>

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

INSPIRE BRANDS FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 2,149,031	\$ 1,057,296
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	8,422	9,236
Net unrealized and realized gains on investments	(518,587)	(1,140,963)
Loss on disposal of property and equipment	-	987
Changes in assets and liabilities:		
Accounts receivable - In-unit fundraisers	702,204	(589,437)
Other receivables	(297,605)	(271,332)
Prepaid expenses	112,386	(118,713)
Accounts payable	22,018	19,728
Accrued expenses	48,152	18,416
Grant obligation	<u>(1,787,049)</u>	<u>1,546,377</u>
Total Adjustments	<u>(1,710,059)</u>	<u>(525,701)</u>
Net Cash Provided by Operating Activities	<u>438,972</u>	<u>531,595</u>
Cash Flows from Investment Activities:		
Purchases of property and equipment	(27,722)	(6,124)
Purchases of investments	(2,161,866)	(2,525,569)
Proceeds from sales of investments	<u>4,060,203</u>	<u>2,342,774</u>
Net Cash Provided (Required) by Investing Activities	<u>1,870,615</u>	<u>(188,919)</u>
Increase in Cash	<u>2,309,587</u>	<u>342,676</u>
Cash at Beginning of Year	<u>1,662,683</u>	<u>1,320,007</u>
Cash at End of Year	<u>\$ 3,972,270</u>	<u>\$ 1,662,683</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Financial Position:</u>		
Cash	\$ 1,718,531	\$ 1,662,683
Cash, Board Designated	<u>2,253,739</u>	<u>-</u>
	<u>\$ 3,972,270</u>	<u>\$ 1,662,683</u>

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

**INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Inspire Brands Foundation, Inc., formerly known as Arby's Foundation (the "Foundation"), can also operate as Arby's Foundation, Buffalo Wild Wings Foundation, Sonic Foundation and Jimmy John's Foundation. The Foundation is a non-profit corporation formed on April 24, 1986 to make charitable contributions. The Internal Revenue Service has determined that the Foundation is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation is classified as a publicly supported charitable organization. The mission of the Foundation is defined as a "non-profit, non-sectarian grant giving organization investing in the resources and experiences kids need to unlock their potential."

Basis of Accounting

The Foundation follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Presentation

The accompanying financial statements present "net assets". Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation.
- Net Assets with Donor Restrictions – Net assets subject to donor-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 such resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in these financial statements. Actual results could differ from those estimates.

INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risks and Uncertainties

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, receivables and investments. At times, cash balances exceed federally insured amounts. The Foundation believes it reduces risks associated with balances in excess of federal insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

The Foundation has experienced a disruption of normal business operations due to the impact of COVID-19. While mitigations have been made, it remains reasonably possible that changes in risks in the near term could occur which could result in a material change to the financial statements.

Accounts Receivable

Accounts receivable are recorded at the amount of cash estimated as realizable. Uncollectible accounts receivable balances, if any, are charged against bad debt expense when that determination is made. Accounts receivable balances are considered delinquent based upon individual contractual terms. As of December 31, 2020 and 2019, there was no allowance for uncollectible accounts.

Revenue Recognition

Revenues generated from restaurant fundraising are recorded as In-unit fundraiser proceeds on the statement of activities.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the same year in which the contributions are recognized. All other donor-restricted contributions, if any, are reported as increases in net assets with donor restrictions.

Contributions in-kind are recognized as contributions if the item (a) creates or enhances non-financial assets or (b) requires specialized skill, are performed by people with those skills, and would otherwise be purchased by the Foundation. During the years ended December 31, 2020 and 2019, the Foundation recorded contributions in-kind at the estimated fair value at the date of donation for donations related to program events, valued at \$168,973 and \$402,121, respectively. Contributions in-kind are included in Partner proceeds in the accompanying statement of activities.

Property and Equipment

Purchased property and equipment are recorded at cost. Additions and replacements are charged to the property and equipment accounts, while repairs and maintenance are charged to expenses as incurred. The threshold for capitalization is \$1,000. Depreciation is provided by the straight-line method over the estimated useful lives of the assets, which range from three to four years.

INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. The Foundation incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Foundation also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. fundraising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as estimates of time and effort incurred by personnel.

Investments

The Foundation's investment categories include equities, money market funds, U.S. treasuries, and corporate bonds that are carried at fair value based on quoted market prices. Investments also include government related securities and fixed income mutual funds, which are valued based on quoted market prices for similar assets. The Foundation has one holding in a money market fund whose valuation is determined using the net asset value ("NAV") per share as a practical expedient. The fund maintains a \$1 NAV per share for which shares can be redeemed. The Foundation has the ability to redeem this holding with the investee at NAV per share at the measurement date.

Investment earnings, including interest income and unrealized and realized gains and losses, are recorded in net assets without donor restrictions unless the income's use is donor restricted by explicit donor stipulations.

Fair Value Measured on Recurring Basis

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

**INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measured on Recurring Basis (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The table below represents fair value measurement hierarchy of the assets at fair value as of December 31:

	<u>Level 1</u>	<u>Level 2</u>	<u>2020</u> <u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Equities	\$ 2,078,718	\$ -	\$ -	\$ -	\$ 2,078,718
Money market funds	114	-	-	251,360	251,474
U.S. Treasuries	387,472	-	-	-	387,472
Corporate bonds	-	411,298	-	-	411,298
Government related securities	-	284,723	-	-	284,723
Fixed income funds	<u>3,102,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,102,277</u>
Total Investments	<u>\$ 5,568,581</u>	<u>\$ 696,021</u>	<u>\$ -</u>	<u>\$ 251,360</u>	<u>\$ 6,515,962</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>2019</u> <u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Equities	\$ 5,059,981	\$ -	\$ -	\$ -	\$ 5,059,981
Money market funds	244	-	-	290,660	290,904
U.S. Treasuries	320,276	-	-	-	320,276
Corporate bonds	-	461,342	-	-	461,342
Government related securities	-	495,218	-	-	495,218
Fixed income funds	<u>1,267,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,267,991</u>
Total Investments	<u>\$ 6,648,492</u>	<u>\$ 956,560</u>	<u>\$ -</u>	<u>\$ 290,660</u>	<u>\$ 7,895,712</u>

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

**INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 – PROPERTY AND EQUIPMENT

The Foundation's property and equipment consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Computers	\$ 43,276	\$ 15,554
Other equipment	<u>43,412</u>	<u>43,412</u>
Subtotal	86,688	58,966
Less accumulated depreciation	<u>(52,403)</u>	<u>(43,981)</u>
Total Property and Equipment	<u>\$ 34,285</u>	<u>\$ 14,985</u>

The Foundation recognized depreciation expense of \$8,422 and \$9,236 for the years ended December 31, 2020 and 2019, respectively.

NOTE 3 – BOARD DESIGNATED STRATEGIC RESERVES

The Board of Directors has designated all net assets without donor restrictions to be a Strategic Operating Reserve Fund (“Strategic Reserves”) to ensure long-term sustainability of the mission, programs, and ongoing operations of the Foundation. The Strategic Reserves are intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Strategic Reserves may also be used for one-time, non-recurring expenses that will build long-term capacity. The Board of Directors is required to approve any request for use of the Strategic Reserves. The Strategic Reserves target minimum is equal to six months of average annual operating costs. Average annual operating costs do not include depreciation, in-kind and other non-cash expenses, one-time or unusual expenditures or capital purchases.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Foundation rents office space from a related party on a month-to-month basis. Rent paid for office space was \$17,132 and \$37,744 for the years ended December 31, 2020 and 2019, respectively. There were no accounts payable to the related party as of December 31, 2020 and 2019.

For the year ended December 31, 2020, Board members of the Foundation or employees of Inspire Brands, Inc. and Subsidiaries made cash contributions or sponsorships totaling \$703,279, of which \$679,200 is recorded in Partner proceeds and \$24,079 in Other income in the accompanying statement of activities. For the year ended December 31, 2019, Board members of the Foundation or employees of Inspire Brands, Inc. and Subsidiaries made cash contributions or sponsorships totaling \$682,096, of which \$663,630 is recorded in Partner proceeds and \$18,466 in Other income in the accompanying statement of activities.

**INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 4 – RELATED PARTY TRANSACTIONS (Continued)

The Arby's, Buffalo Wild Wings', and Sonic's corporate and franchisee restaurants ran in-unit restaurant promotions in which customers could make a contribution and receive a coupon. Buffalo Wild Wings' restaurants also ran a community day promotion in which a minimum of 10% of each customer's sales were received as a contribution. The Foundation received revenues from these promotions for the years ended December 31 as follows:

	<u>2020</u>	<u>2019</u>
Arby's Foundation	\$ 4,278,643	\$ 6,205,360
Buffalo Wild Wings Foundation	1,621,817	2,308,587
Sonic Foundation	<u>70,340</u>	<u>-</u>
In-Unit Restaurant Promotions	<u>\$ 5,970,800</u>	<u>\$ 8,513,947</u>

Certain key employees of a related party have donated services to the Foundation in the following areas: benefits, design, communications, and accounting. These services were provided in connection with the individuals' responsibilities as employees of Inspire Brands, Inc. These contributed services amounted to \$20,780 and \$14,953 for the years ended December 31, 2020 and 2019, respectively. These in-kind contributions are included in Partner proceeds in the accompanying statement of activities.

The Foundation made payments to Inspire Brands and franchisees totaling \$57,868 and \$20,469 for the years ended December 31, 2020 and 2019, respectively. The payments are included in Program services – other in the accompanying statement of activities.

NOTE 5 – EMPLOYEE BENEFIT PLAN

The Foundation maintains a 401(k) defined contribution retirement plan that covers substantially all full-time employees who meet certain eligibility requirements. The Foundation will match \$1 for each dollar deferred up to the first 3% of pay and \$0.50 on the dollar for the next 2% of pay. The maximum matching contribution is 4% of compensation per year. Participants are fully vested in their own deferrals and the employer matching contributions. The Foundation's contribution to the plan was \$18,178 and \$33,250 for the years ended December 31, 2020 and 2019, respectively.

INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 6 – TAXES

The Foundation is recognized by the Internal Revenue Service as being exempt from Federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the “IRC”) as a publicly supported organization. GAAP requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for the difference between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates. Valuation allowances are established when necessary to reduce the deferred income tax assets to an amount that is more likely than not to be realized. The Foundation is subject to IRC Section 511(a) for income taxes on unrelated business income.

The Foundation recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2020, there are no known items which result in recording a liability related to uncertain tax positions. Tax years 2017 through 2020 remain subject to examination by major tax jurisdictions (US Federal, state and local authorities).

NOTE 7 – GRANT OBLIGATIONS

Unconditional promises are discounted and recorded at their estimated fair value at the date they were pledged. The Foundation elected the traditional or discount rate adjustment technique in which the single set of cash flows are conditional cash flows. The risk-adjusted discount rate is derived from observed rates or return for comparable liabilities that are traded in the market. Amortization of this discount is \$76,389 and \$106,792 for the years ended December 31, 2020 and 2019, respectively, and is recorded as additional contribution expense.

The Foundation will pay the future grant obligations as follows for the years ended December 31:

2021	\$ 917,801
2022	373,279
2023	25,000
2024	<u>25,000</u>
Total Grant Obligations	<u>\$ 1,341,080</u>

NOTE 8 – WITH DONOR RESTRICTIONS

At December 31, 2020, the Foundation has with donor restrictions of \$1,106,130. The funds are restricted as follows, \$1,000,000 for Inspire Brands Foundation and \$106,130 for Sonic Foundation.

**INSPIRE BRANDS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 9 – LIQUIDITY AND AVAILABILITY

For purposes of analyzing resources available to meet general expenditures, the Foundation considers financial assets that will be collected and available in 2021 and 2020 to the Foundation. Financial assets available for general expenditures, within one year are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Cash	\$ 3,972,270	\$ 1,662,683
Accounts receivable - In-unit fundraisers	47,537	749,741
Other receivables	940,573	642,968
Investments	<u>6,515,962</u>	<u>7,895,712</u>
Financial assets, at year end	11,476,342	10,951,104
Less those unavailable for general expenditures within one year, due to:		
Board designated and donor restricted funds	<u>(9,875,831)</u>	<u>(7,726,800)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,600,511</u>	<u>\$ 3,224,304</u>

These financial assets provide sufficient liquidity to meet the day-to-day operating cash needs of the Foundation. The Foundation's goal is generally to maintain financial assets to meet at least six months of operating expenses. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other liabilities become due. The Foundation invests cash in excess of daily requirements in money market funds.