Inspire Brands Foundation, Inc.

Atlanta, Georgia

Financial Statements

For the Years Ended December 31, 2018 and 2017

INSPIRE BRANDS FOUNDATION, INC.
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees of
Inspire Brands Foundation, Inc.:

We have audited the accompanying financial statements of Inspire Brands Foundation, Inc. (a Georgia corporation) (formally known as Arby's Foundation, Inc.), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, statements of 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.

Auditor's 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 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.

Grant Thornton

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, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

Columbia, South Carolina
October 18, 2019

INSPIRE BRANDS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
ASSETS		
Current assets:		
Cash	$ 1,320,007	$ 1,369,872
Accounts receivable - In-unit fundraisers	160,304	45,825
Other receivables	371,636	221,994
Prepaid expenses	11,114	54,112
Total current assets	1,863,061	1,691,803
Investments	6,571,954	7,011,168
Property and equipment, net	19,084	19,608
Total assets	$ 8,454,099	$ 8,722,579

LIABILITIES AND NET ASSETS

	2018	2017
LIABILITIES		
Current liabilities:		
Accounts payable	$ 47,612	$ 127,022
Charitable donations payable	196,174	100,830
Grant obligation - short term	500,000	23,270
Deferred revenue	-	44,586
Accrued expenses	155,231	124,788
Total current liabilities	899,017	420,496
Grant obligation - long term	885,578	-
Total liabilities	1,784,595	420,496
NET ASSETS		
Without donor restrictions		
Board designated for Arby's Foundation initiatives	1,717,325	1,551,080
Board designated - endowment for Arby's Foundation	4,952,179	6,751,003
Total net assets	6,669,504	8,302,083
Total liabilities and net assets	$ 8,454,099	$ 8,722,579

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

INSPIRE BRANDS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total 2018
Support and revenues			
In-unit fundraisers proceeds	$ 5,624,903	$ -	$ 5,624,903
Sponsors income	1,593,014	-	1,593,014
Vendors and other contributions	652,718	-	652,718
Restaurant promotions - Kids Meal income	86,337	-	86,337
Other income	144,422	-	144,422
Total support and revenues	8,101,394	-	8,101,394
Expenses			
Program services - grants and charitable contributions	6,720,355	-	6,720,355
Program services - other	991,003	-	991,003
Management and general	477,884	-	477,884
Fundraising	1,137,485	-	1,137,485
Total expenses	9,326,727	-	9,326,727
DECREASE IN NET ASSETS BEFORE INVESTMENT LOSS	(1,225,333)	-	(1,225,333)
INVESTMENT LOSS, NET	(407,246)	-	(407,246)
DECREASE IN NET ASSETS	(1,632,579)	-	(1,632,579)
NET ASSETS			
Beginning of year	8,302,083	-	8,302,083
NET ASSETS			
End of year	$ 6,669,504	$ -	$ 6,669,504

The accompanying notes are an integral part to this financial statement.

INSPIRE BRANDS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total 2017
Support and revenues			
In-unit fundraisers proceeds	$ 5,266,855	$ -	$ 5,266,855
Sponsors income	1,317,189	-	1,317,189
Vendors and other contributions	840,836	-	840,836
Restaurant promotions - Kids Meal income	108,976	-	108,976
Other income	154,894	-	154,894
Net assets released from restrictions	35,000	(35,000)	-
Total support and revenues	7,723,750	(35,000)	7,688,750
Expenses			
Program services - grants and charitable contributions	5,477,560	-	5,477,560
Program services - other	1,412,478	-	1,412,478
Management and general	473,709	-	473,709
Fundraising	1,168,669	-	1,168,669
Total expenses	8,532,416	-	8,532,416
DECREASE IN NET ASSETS BEFORE INVESTMENT INCOME	(808,666)	(35,000)	(904,927)
INVESTMENT INCOME, NET	797,136	-	797,136
DECREASE IN NET ASSETS	(11,530)	(35,000)	(46,530)
NET ASSETS			
Beginning of year	8,313,613	35,000	8,348,613
NET ASSETS			
End of year	$ 8,302,083	$ -	$ 8,302,083

INSPIRE BRANDS FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			
	Programs	**Management and General**	**Fundraising**	**Total**
Grants	$ 6,720,355	$ -	$ -	$ 6,720,355
Fundraising events	-	-	428,556	428,556
Restaurant fundraising	-	-	426,811	426,811
Professional services	363,557	86,603	6,827	456,986
Salaries and related benefits	313,112	324,995	248,445	886,552
Mission awareness	214,857	-	-	214,857
Community engagement	46,532	-	-	46,532
Administrative expenses	37,111	37,052	11,012	85,175
Rent	15,834	18,429	15,834	50,098
Depreciation	-	10,805	-	10,805
Total	**$ 7,711,358**	**$ 477,884**	**$ 1,137,485**	**$ 9,326,727**

	2017			
	Programs	**Management and General**	**Fundraising**	**Total**
Grants	$ 5,477,560	$ -	$ -	$ 5,477,560
Fundraising events	-	-	392,045	392,045
Restaurant fundraising	-	-	411,475	411,475
Professional services	364,682	78,522	95,680	538,884
Salaries and related benefits	362,860	313,135	237,163	913,158
Mission awareness	392,176	-	-	392,176
Community engagement	247,213	-	-	247,213
Administrative expenses	31,220	54,973	17,979	104,172
Rent	14,327	17,092	14,327	45,746
Depreciation	-	9,987	-	9,987
Total	**$ 6,890,038**	**$ 473,709**	**$ 1,168,669**	**$ 8,532,416**

INSPIRE BRANDS FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	$ (1,632,579)	$ (46,530)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	10,805	9,987
Net unrealized and realized losses (gains) on investments	589,210	(653,986)
Loss on disposal of property and equipment	567	-
Change in accounts receivable - In-unit fundraisers	(114,479)	75,730
Change in other receivables	(149,642)	(43,313)
Change in prepaid expenses	42,998	(37,760)
Change in accounts payable	(79,410)	81,207
Change in charitable donations payable	95,344	22,374
Change in grant obligation	1,362,308	(33,554)
Change in accrued expenses and deferred revenue	(14,143)	45,939
Total adjustments	1,743,558	(533,376)
Net cash provided by (used in) operating activities	110,979	(579,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(10,848)	(8,911)
Purchases of investments	(2,048,129)	(5,388,968)
Proceeds from sales of investments	1,898,133	5,747,188
Net cash (used in) provided by investing activities	(160,844)	349,309
DECREASE IN CASH	(49,865)	(230,597)
CASH, Beginning of Year	1,369,872	1,600,469
CASH, End of Year	$ 1,320,007	$ 1,369,872

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inspire Brands Foundation, Inc., formerly known as Arby's Foundation (the "Foundation"), can also operate as Arby's Foundation or Buffalo Wild Wings 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 Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of restrictions. The Foundation reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net Assets without donor restrictions are for general use and not subject to donor restrictions.

Net assets with donor restrictions are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or by time.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash

At December 31, 2018 and 2017, the Foundation had cash deposits, including outstanding checks, in excess of the existing Federal Deposit Insurance Corporation limit of $250,000. The Foundation believes it mitigates any risk by depositing cash with major financial institutions.

Contributions

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.

Revenue

Revenues generated from restaurant fundraising are recorded as In-unit fundraisers proceeds on the Statements of Activities. The Foundation retains 10% of the in-unit fundraisers proceeds for costs related to administering the program.

Functional Expense

The costs of providing the various program and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All expenses, excluding depreciation and grant disbursements, are allocated based on management estimates of time and effort. The total expenses on the statements of functional expenses do not include investment management fees, which are netted against investment returns.

Accounts Receivable

Accounts receivable, net of allowances for uncollectible accounts, 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. There were $0 and $3,876 uncollectible accounts written off during the years ended December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, there were no allowances for uncollectible accounts.

Financial Instruments

The Foundation’s financial instruments include cash, accounts receivable, investments and accounts payable. The fair value of cash, accounts receivable and accounts payable approximates book value due to their short-term nature.

For investments, valuation techniques under the accounting guidance related to fair value measurements are based on observable and unobservable inputs. Observable inputs reflect readily obtainable data from independent sources, while unobservable inputs reflect our market assumptions. These inputs are classified into the following hierarchy:

Level 1 Inputs – Quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs – Pricing inputs are unobservable for the assets or liabilities and include situations where there is little, if any, market activity for the assets or liabilities. The inputs into the determination of fair value require significant management judgment or estimation.

Investments consist of 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. Unrealized and realized gains and losses on investments are reported as an increase or decrease in net assets with or without donor restrictions.

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 seven years.

Contributions In-Kind

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, 2018 and 2017, the Foundation recorded contributions in-kind at the estimated fair value at the date of donation for donations related to program events, valued at $332,073 and $197,079, respectively. Contributions in-kind are included in Sponsors income in the Statements of Activities.

Subsequent Events

The Foundation discloses material events that occur after the Statement of Financial Position date but before financial statements are issued. In general, these events are recognized in the financial statements if the condition existed at the date of the Statement of Financial Position, but are not recognized if the condition did not exist at the Statement of Financial Position date. The Foundation discloses non-recognized events if required to keep the financial statements from being misleading. Management evaluated events occurring subsequent to December 31, 2018 through October 18, 2019, the date the financial statements were available for issuance.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adopted this ASU and adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This new standard will replace all current GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition guidance provides a unified model to determine when and how revenue is recognized. The core principle is that the Foundation should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. This guidance will be effective for the Foundation beginning January 1, 2019 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Foundation is currently evaluating the impact of adopting this new accounting guidance on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize a lease liability and right-of-use asset at the commencement date for all leases, with the exception of short-term leases. This guidance will be effective for the Foundation beginning January 1, 2021. The Foundation is currently evaluating the impact of adopting this new accounting guidance on its financial statements.

Reclassifications

Certain expenses on the Statement of Activities have been reclassified for the year ended December 31, 2017 to conform to the presentation of the year ended December 31, 2018 and did not result in any impact to the change in net assets.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

	2018	2017
Cash	$ 1,320,007	$ 1,369,872
Accounts and other receivables	531,940	267,819
	$ 1,851,947	$ 1,637,691

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.

3. INVESTMENTS

As of December 31, 2018, and 2017, the only assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Such investments are classified within Level 1 or Level 2 of the valuation hierarchy.

The following is a summary of investments held at December 31:

December 31, 2018	Level 1	Level 2	Level 3	Investments at Net Asset Value	Total
Equities	$ 4,074,890	$ -	$ -	$ -	$ 4,074,890
Money market funds	318	-	-	163,252	163,570
U.S. Treasuries	289,610	-	-	-	289,610
Corporate bonds	-	408,505	-	-	408,505
Government related securities	-	475,524	-	-	475,524
Fixed income funds	1,159,855	-	-	-	1,159,855
Total investments	$ 5,524,672	$ 884,030	$ -	$ 163,252	$ 6,571,954

December 31, 2017	Level 1	Level 2	Level 3	Investments at Net Asset Value	Total
Equities	$ 4,481,059	$ -	$ -	$ -	$ 4,481,059
Money market funds	456	-	-	169,563	170,019
U.S. Treasuries	174,662	-	-	-	174,662
Corporate bonds	-	416,843	-	-	416,843
Government related securities	-	596,711	-	-	596,711
Fixed income funds	1,171,874	-	-	-	1,171,874
Total investments	$ 5,828,051	$ 1,013,554	$ -	$ 169,563	$ 7,011,168

The following is a summary of investments held at December 31, continued:

December 31, 2018	**Cost**	**Fair Value**	**Unrealized Gain/(Loss)**
Equities	$ 4,374,342	$ 4,074,890	$ (299,452)
Money market funds	163,570	163,570	-
U.S. Treasuries	292,997	289,610	(3,387)
Corporate bonds	437,380	408,505	(28,875)
Government related securities	488,858	475,524	(13,334)
Fixed income mutual funds	1,222,306	1,159,855	(62,451)
Total investments	$ 6,979,453	$ 6,571,954	$ (407,499)

December 31, 2017	**Cost**	**Fair Value**	**Unrealized Gain/(Loss)**
Equities	$ 4,216,254	$ 4,481,059	$ 264,805
Money market funds	170,019	170,019	-
U.S. Treasuries	175,469	174,662	(807)
Corporate bonds	415,518	416,843	1,325
Government related securities	602,449	596,711	(5,738)
Fixed income mutual funds	1,174,458	1,171,874	(2,584)
Total investments	$ 6,754,167	$ 7,011,168	$ 257,001

Investment (loss) income, net for the years ended December 31, 2018 and 2017 consisted of the following:

	2018	**2017**
Interest and dividends	$ 241,963	$ 204,410
Realized gain	75,290	402,777
Unrealized (loss) gain	(664,500)	251,210
Investment fees	(59,999)	(61,261)
Investment (loss) income, net	$ (407,246)	$ 797,136

4. PROPERTY AND EQUIPMENT

The Foundation's property and equipment at December 31, 2018 and 2017 consists of the following:

	2018	2017
Computers	$ 15,554	$ 17,019
Furniture and fixtures	16,753	16,753
Other equipment	37,288	39,838
Subtotal	69,595	73,610
Less accumulated depreciation	(50,511)	(54,002)
Total property and equipment	$ 19,084	$ 19,608

The Foundation recognized depreciation expense of $10,805 and $9,987 for the years ended December 31, 2018 and 2017, respectively.

5. ENDOWMENT

The State of Georgia enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which concerns charities and how they manage investments and spend endowments. This affects all organizations with endowments, and accomplishes three main objectives: (a) sets standards for investment of assets for Board of Directors, (b) allows flexibility for spending of endowment funds, and (c) sets up a mechanism by which a fund can be released by the charity from donor restrictions.

The Foundation has interpreted the State of Georgia's UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of any donor-restricted endowment funds absent explicit donor stipulations to the contrary. At December 31, 2018 and 2017, the Foundation had no donor-restricted endowment funds.

The primary investment goal of the Foundation's adopted investment and spending policies, approved by the Board of Directors, is to preserve the real purchasing power of the assets in perpetuity and maximize the yield on investments by attaining a real total return while diversifying risk, by using funding primarily when current year operating income is insufficient. Total return is defined as the sum of total interest and dividends, appreciation, and realized and unrealized gains (losses), less all investment management costs. The Foundation's objective is to maintain appropriate liquidity ranging from meeting short-term operating needs to supporting the mission over the long term. The endowment assets are invested in a manner that is intended to produce results that exceed common benchmarks for a balanced portfolio.

An endowment is an established fund of cash, securities, or other assets (such as contributions receivable) to provide income for the maintenance of a nonprofit organization. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's investments are included as a Board-designated endowment without donor restrictions.

Endowment net asset composition is all Board-designated funds (investments) of $4,952,179 and $6,751,003 as of December 31, 2018 and 2017, respectively. The changes in endowment net assets for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Endowment beginning of year	$ 6,751,003	$ 6,435,361
Investment (loss) income, net	(407,246)	797,136
Transfer from undesignated	4,070,591	1,295,615
Endowment grants	(5,462,169)	(1,777,109)
Endowment end of year	$ 4,952,179	$ 6,751,003

6. RELATED PARTY TRANSACTIONS

The Foundation rents office space from a related party on a month-to-month basis. Rent paid for office space was $47,503 and $42,982 for the years ended December 31, 2018 and 2017, respectively. There were no accounts payable to the related party as of December 31, 2018 and 2017, respectively.

Included in Support and revenues on the Statements of Activities are cash contributions and sponsorships of $385,514 for the year ended December 31, 2018 from either vendors who are board members of the Foundation or employees of Inspire Brands, Inc. and subsidiaries. Of this total, $0 is included in Vendors and other contributions, $261,770 is included in Sponsors income and $123,744 is included in Other income.

Included in Support and revenues on the Statements of Activities are cash contributions and sponsorships of $1,267,898 for the year ended December 31, 2017 from either vendors who are board members of the Foundation or employees of Inspire Brands, Inc. and subsidiaries. Of this total, $840,836 is included in Vendors and other contributions, $287,155 is included in Sponsors income and $139,907 is included in Other income.

The Arby’s corporate and franchisee restaurants ran in-unit restaurant promotions in which customers could make a contribution and receive a coupon. The Foundation received revenues of $5,624,903 and $5,266,855 for the years ended December 31, 2018 and 2017, respectively, from these promotions.

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 $12,525 and $12,420 for the years ended December 31, 2018 and 2017, respectively. These in-kind contributions dollars are included in the Statements of Activities, in Sponsors income.

Included in Expenses on the Statements of Activities is a shared services agreement, dated September 28, 2015, for executive leadership with a related party as follows:

	2018	2017
Programs services - other	$ 2,999	$ 11,999
Management and general	4,000	15,998
Fundraising	3,000	11,999
	$ 9,999	$ 39,996

The shared services agreement ended on March 31, 2018.

Included in Expenses on the Statements of Activities are payments to Arby's corporate and franchisees reflected in Program services - other. The Foundation made payments of $32,539 and $73,157 for the years ended December 31, 2018 and 2017, respectively.

7. 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 $1.00 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 contributions to the plan were $29,733 and $27,608 for the years ended December 31, 2018 and 2017, respectively.

8. 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. U.S. 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 has reported on its Form 990-T, the return to report unrelated business income, approximately $750,000 of net operating loss carry forwards. These net operating losses may be available to offset future unrelated business income. These net operating losses will expire between 2023 to 2026. These net operating losses resulted in approximately $193,000 of deferred income tax assets which are fully reserved for with a valuation allowance. Management does not believe it is more likely than not the future benefits of the net operating losses will be recognized.

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, 2018 and 2017, there are no known items which result in recording a liability related to uncertain tax positions. Tax years 2014 through 2018 remain subject to examination by major tax jurisdictions (US Federal, state and local authorities).

9. 3DE NATIONAL SIGNATURE PARTNER SPONSORSHIP

For the year ended December 31, 2018, the Foundation committed by way of an unconditional promise to give $2,000,000 to 3DE National Signature Partner Sponsorship. 3DE is a program for high school students that aims to make high-quality education accessible to all students. By connecting to real-world concepts, infusing business connectivity in lesson plans and providing hands-on experiences to apply knowledge, 3DE is preparing students for the demands of tomorrow. This donation will be paid out over five years: $500,000 paid in 2018, $500,000 in 2019, $333,334 in 2020, $333,333 in 2021 and $333,333 in 2022. 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 (DRA) 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 ($118,692) is recorded as additional contribution expense.