

TACO BELL FOUNDATION, INC.
FINANCIAL REPORT
DECEMBER 31, 2021

TACO BELL FOUNDATION, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Taco Bell Foundation, Inc.

Opinion

We have audited the financial statements of Taco Bell Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2021, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021, and the change 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's 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 auditor's 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 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 controls 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 Foundation'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 Foundation'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.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 12, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Singer Lewak LLP

July 18, 2022

TACO BELL FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021
(with Comparative Totals as of December 31, 2020)

ASSETS		
	2021	2020
Current assets		
Cash and cash equivalents	\$ 24,790,823	\$ 16,961,934
Investments	2,503,721	-
Contributions receivable	5,325,638	11,092,046
Contributions receivable – related parties	260,276	236,603
Inventory	3,535	2,400
Total current assets	32,883,993	28,292,983
Software		
Computer software	29,520	284,820
Less accumulated amortization	(21,552)	(271,357)
Total software	7,968	13,463
Other assets		
	3,148	64,472
Total assets	\$ 32,895,109	\$ 28,370,918
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 91,524	\$ 184,164
Accounts payable – related party	91,084	204,492
Total current liabilities	182,608	388,656
Net assets		
Net assets without donor restrictions	31,712,501	27,982,262
Net assets with donor restrictions	1,000,000	-
Total net assets	32,712,501	27,982,262
Total liabilities and net assets	\$ 32,895,109	\$ 28,370,918

See notes to financial statements.

TACO BELL FOUNDATION, INC.
STATEMENT OF ACTIVITIES
December 31, 2021
(with Comparative Totals as of December 31, 2020)

	2021	2020
Revenue and support		
Contributions	\$ 9,533,232	\$ 3,308,311
Back to school fundraiser	5,727,766	12,042,672
Graduation season fundraiser	4,791,781	-
Round up fundraiser	4,076,427	7,188,539
Other	187,985	86,634
Special event	-	243,063
Net investment return	34,723	-
Canister collections	-	296
	<u>24,351,914</u>	<u>22,869,515</u>
Expenses		
Program services	18,844,248	13,845,583
Fundraising	1,202,744	800,141
General and administrative	574,683	463,677
	<u>20,621,675</u>	<u>15,109,401</u>
Increase in net assets without donor restriction	<u>3,730,239</u>	<u>7,760,114</u>
Changes in net assets with donor restrictions		
Contributions	1,000,000	-
Net assets released from restrictions	-	-
	<u>1,000,000</u>	<u>-</u>
Increase in net assets with donor restriction	<u>1,000,000</u>	<u>-</u>
Change in net assets	<u>4,730,239</u>	<u>7,760,114</u>
Net assets, beginning of year	<u>27,982,262</u>	<u>20,222,148</u>
Net assets, end of year	<u>\$ 32,712,501</u>	<u>\$ 27,982,262</u>

See notes to financial statements.

TACO BELL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
December 31, 2021
(with Comparative Totals as of December 31, 2020)

	Program Services	Supporting Services			2021 Total	2020 Total
		Fundraising	General and Administrative	Total		
Advertising	\$ 439,192	\$ -	\$ -	\$ -	\$ 439,192	\$ 387,065
Amortization	-	-	6,195	6,195	6,195	4,151
District management account grant expense	9,816,722	-	-	-	9,816,722	8,351,336
Fundraising incentives	-	705,675	-	705,675	705,675	272,461
Miscellaneous	4,397	2,280	1,466	3,746	8,143	8,722
Office supplies	60,480	31,360	20,160	51,520	112,000	94,137
Outside services	368,700	-	-	-	368,700	137,886
Payroll taxes	42,415	21,993	14,138	36,131	78,546	85,827
Professional fees	-	-	248,943	248,943	248,943	258,712
Rent	99,874	51,786	33,291	85,077	184,951	184,951
Scholarship expense	7,261,000	-	-	-	7,261,000	3,902,500
Salaries and benefits	735,469	381,354	245,157	626,511	1,361,980	1,372,243
Travel	15,999	8,296	5,333	13,629	29,628	49,410
Total expenses by function	\$ 18,844,248	\$ 1,202,744	\$ 574,683	\$ 1,777,427	\$ 20,621,675	\$ 15,109,401

See notes to financial statements.

TACO BELL FOUNDATION, INC.
STATEMENT OF CASH FLOWS
December 31, 2021
(with Comparative Totals as of December 31, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 4,730,239	\$ 7,760,114
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Amortization	6,195	4,151
Net realized and unrealized gain on investments	(3,110)	-
(Increase) decrease in:		
Contributions receivable	5,766,408	(8,992,585)
Contributions receivable – related parties	(23,673)	(182,252)
Inventory	(1,135)	-
Other assets	61,324	65,886
Increase (decrease) in:		
Accounts payable and accrued expenses	(92,640)	(512,516)
Accounts payable – related party	(113,408)	(693,007)
Net change in cash from operating activities	10,330,200	(2,550,209)
Cash flows from investing activities		
Purchases of investments	(2,617,427)	-
Reinvestment of investment income	(28,309)	-
Proceeds from sales and redemption of investments	145,125	-
Purchase of computer software	(700)	(13,770)
Net change in cash from investing activities	(2,501,311)	(13,770)
Net change in cash and cash equivalents	7,828,889	(2,563,979)
Cash and cash equivalents, beginning of year	16,961,934	19,525,913
Cash and cash equivalents, end of year	\$ 24,790,823	\$ 16,961,934

See notes to financial statements.

TACO BELL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION ACTIVITY

Taco Bell Foundation, Inc. (the “Foundation”) is a nonprofit California corporation established in September 1992 to receive and disburse or maintain funds to be expended for community, hospital, religious, charitable or educational purposes as determined by the Board of Directors. The Foundation’s revenues are derived from donations from Taco Bell Corporation (the “Corporation”) and Taco Bell Franchisees (the “Franchisees”), fundraisers at various Taco Bell Corporation and Taco Bell Franchise locations throughout the United States, and contributions collected through the Round Up program at various Taco Bell Corporation and Taco Bell Franchise locations throughout the United States.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

The accompanying financial statements include a statement of financial position that presents the amounts for each of the two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. These net assets are classified based on the existence or absence of donor-imposed restrictions and a statement of activities that reflects the changes in those categories of net assets.

Net assets with donor restrictions include those assets whose use by the Foundation has been limited by donors to later periods of time, for specified purposes, or restricted in perpetuity. When a donor restriction is fulfilled, 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.

Prior-year Comparative Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

TACO BELL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are carried at their fair value as of the date of the statements of financial position, which may differ from the amount ultimately realized at the time of sale. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Realized and unrealized gains and losses include gains and losses from purchases and sales of investments as well as changes in the value of assets held during the year and are recognized in the accompanying statement of activities. Gains or losses on investments are recognized as an increase or decrease in net assets without donor restrictions unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

The Foundation's investments consist of fixed income securities and equity securities. The Foundation's investments are generally publicly traded on national securities exchanges and have readily available quoted market values. Such investments are recorded at market value. Purchases and sales of securities are reflected on the trade dates.

Dividends and interest income are accrued when earned. Interest, investment income, and dividends are presented net of related investment expenses.

Fair Value Measurements

The Foundation follows the U.S. GAAP framework for fair value measurements which favors the use of market-based information over entity-specific information. As defined by U.S. GAAP, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. Investments measured at fair value are classified in one of the following three fair value hierarchy levels:

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

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3 – Unobservable inputs that are not corroborated by market data

TACO BELL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of the observable inputs and minimize the use of the unobservable inputs.

Contributions, Promises to Give, and Revenue Recognition

The Foundation records as revenue the following types of contributions under Financial Accounting Standards Board (“FASB”) ASC 958-605 when they are received unconditionally at their estimated fair value: cash, promises to give (pledges), and gifts of long-lived and other assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. Conditional contributions are recorded as support in the period the condition is met. Such contributions are required to be reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the restriction, usually when the funds are spent. Future promises to give are recognized and recorded as receivables at their estimated realizable value in the year during which they are promised to the Foundation.

Conditional promises to give that are conditioned upon future events or future matching are not recorded until the condition has been satisfied. If funds are received from such gifts, they are recorded as refundable advances until the condition is satisfied. When the condition has been satisfied, the gift is recognized as either with or without donor restrictions depending on the intent of the donor.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to other long-term purposes are excluded from this definition.

Contributions Receivable

Contributions receivable are amounts contributed prior to year end that were not submitted to the Foundation until after year end. All contributions are expected to be collected within one year. The Foundation provides an allowance, as necessary, for uncollectible promises, based on management’s evaluation of potential uncollectible contributions receivable at year end. No allowance was recorded as of December 31, 2021 and 2020.

TACO BELL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Goods and Services

Donated goods and other non-cash contributions are reflected in the accompanying statements at their estimated fair market value at the date of receipt. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet the criteria are not recognized in the financial statements, as there is no objective basis of deriving their value. The Foundation received donated services from a substantial number of volunteers who donated their time to the Foundation's programs and fundraising activities. For the years ended December 31, 2021 and 2020, the Foundation recorded no estimated fair market value of goods and services received from unrelated third parties. See Note 5 for related party contributions.

Income Taxes

The Foundation has been designated as tax-exempt under Internal Revenue Code Section 501(c)(3) and is also exempt from state franchise taxes under Section 23701(d) of the California Revenue and Taxation Code and is not generally subject to federal or state income taxes. However, the Foundation is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as, in the opinion of management, the net income, if any, from any unrelated trade or business is not material to the basic financial statements taken as a whole.

The Foundation will recognize the impact of tax positions in the financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. To date, the Foundation has not recorded any uncertain tax positions.

Functional Allocation of Expenses

The costs of providing the Foundation's various programs and the Foundation's administration have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. The expenses that are allocated include rent, travel, salaries and benefits, payroll taxes, office supplies and miscellaneous expenses are allocated on the basis of estimates of time and effort. Additionally, fundraising expenses included in the accompanying statement of functional expenses include the Foundation's special event expenses that amount to \$0 and \$25,322 for the years ended December 31, 2021 and 2020, respectively. These special event activities consist of ongoing annual events and, as such, related revenues are not presented net of direct benefits to donors.

Advertising

The Foundation expenses advertising costs as incurred.

TACO BELL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Software

Software is stated at cost. Amortization of computer software is provided using the straight-line method over the estimated useful life of three years.

Impairment of Long-lived Assets

Impairment losses are recorded on long-lived assets and intangible assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Any loss would be recognized in change in net assets in the period in which the determination is made. Management determined that no impairment of long-lived assets existed as of December 31, 2021 and 2020.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Foundation adopted the standard during the year ended December 31, 2021. Adoption of this standard had no impact on the Foundation's financial statements.

Recently Issued Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021. Management does not believe the adoption of this guidance will have a significant impact on the Foundation's financial statements.

TACO BELL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – RISKS AND UNCERTAINTIES

The Foundation manages deposit concentration risk by placing cash, money market accounts and certificates of deposit with financial institutions believed by the Foundation to be creditworthy. The Foundation maintains its investments in one financial institution. At times, amounts on deposit and invested may exceed insured limits or include uninsured investments in money market accounts. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents or investments.

Credit risk associated with contribution receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from the Corporation and Franchisees.

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of financial position.

The Foundation’s investments recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the provisions of FASB ASC Topic 820 Fair Value Measurements. See Note 2 for a discussion of the Foundation’s policy regarding this hierarchy.

The following are the major categories of assets measured at fair value during the year ended December 31, 2021. All investments are considered Level 1 (using quoted market prices in active markets for identical assets or liabilities):

	Level 1	Level 2	Level 3	Total
Equity securities	\$ 1,446,053	\$ -	\$ -	\$ 1,446,053
Fixed income securities	1,057,668	-	-	1,057,668
Total	\$ 2,503,721	\$ -	\$ -	\$ 2,503,721

The Foundation’s policy is to recognize transfers between each level at the end of a reporting period. There were no transfers between each level of the fair value hierarchy in 2021.

TACO BELL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following are the techniques used to determine fair values for the investments listed in the above tables:

Equity securities- Valued at the daily closing price reported on the active market on which the individual securities are traded.

Fixed income securities – Fixed income securities are valued at the closing price reported in the active market in which the individual securities are traded. When observable price quotations are not available, fair value is determined based on the present value of the stream of cash flows it is expected to generate. Such securities are classified as Level 1 in the valuation hierarchy.

The Foundation has determined that any unrealized losses on the investments are deemed to be temporary impairments as of December 31, 2021.

NOTE 5 – RELATED PARTY TRANSACTIONS AND CONTRIBUTIONS

The Corporation and Franchisees provide support by way of the use of facilities and certain services at no charge and facilitate the collection of the contributions for the Foundation. During the normal course of business, the Foundation reimburses the Corporation for the use of administrative personnel. As of December 31, 2021 and 2020, \$91,084 and \$204,492, respectively, was due to the Corporation for accrued expenses. The Corporation also occasionally receives Round Up contributions on behalf of the Foundation. As of December 31, 2021 and 2020, \$260,276 and \$236,603, respectively, was due to the Foundation for such contributions.

For the years ended December 31, 2021 and 2020, the Foundation recorded the following expenses, paid on behalf of the Foundation, as contributions in the accompanying statement of activities:

	2021	2020
Payroll, taxes, and payroll-related benefits	\$ 326,274	\$ 225,090
Estimated fair market value of free rent	184,951	184,951
Advertising and professional service expenses	215,511	174,026
Office expenses	21,646	21,916
Total	\$ 748,382	\$ 605,983

TACO BELL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – AVAILABLE RESOURCES AND LIQUIDITY

The following table reflects the Foundation’s financial assets as of December 31, 2021 and 2020, that are without donor or other contractual restrictions limiting their use and are available to meet general expenditures within one year of the date of the statement of financial position.

	2021	2020
Cash and cash equivalents	\$ 24,790,823	\$ 16,961,934
Contributions receivable	5,325,638	11,092,046
Contributions receivable – related parties	260,276	236,603
	30,376,737	28,290,583
 Less: Net assets with donor restrictions	 (1,000,000)	 -
Available financial assets	\$ 29,376,737	\$ 28,290,583

When establishing the business plan and annual budget each year, the Foundation’s management and directors evaluate financial assets available to meet general expenditures over the year and predictable sources of earned revenue. When determining available resources for a year, the Foundation supplements the financial assets available in the next year with revenues from certain earned income sources.

- Round Up Collections – expected restaurant donations are reasonably predicted based on historical owner and store participation, limited release food and beverage items, ambassador training and advertising, in-store sales trends, and on historical donation rates.
- National Fundraisers – expected restaurant donations are reasonably predicted based on historical owner and store participation, limited release food and beverage items, ambassador training and advertising, in-store sales trends, and on historical donation rates.
- Contributions – expected gifts and contributions are reasonably predicted based on invitations for proposals, annual giving programs and history and on-site giving (based on attendance per capita budgeted).

Comparing these cash inflow sources to budgeted expenses reveals funding that may or may not be required to be raised to meet the budget year to achieve a balanced budget.

TACO BELL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

The following table summarize the purposes for which net assets with donor restrictions are available (subject to expenditure for specific purpose), and the related additions and releases for the year ended December 31, 2021:

	<u>December 31, 2020</u>	<u>Current year additions</u>	<u>Released from restrictions</u>	<u>December 31, 2021</u>
Guild scholarship program	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>

As there are no donor-imposed conditions (including no right of return) on this contribution, this \$1,000,000 contribution is an unconditional contribution.

NOTE 8 – SUBSEQUENT EVENTS

Management evaluated all activity through July 18, 2022, (the issue date of the financial statements) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.