

*FRIENDSHIP TRAYS, INC.*

*FINANCIAL STATEMENTS*  
*DECEMBER 31, 2018*

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***FRIENDSHIP TRAYS, INC.***  
**TABLE OF CONTENTS**  
**December 31, 2018**

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	<b>Page</b>
Independent Auditors' Report .....	1
Audited Financial Statements:	
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Functional Expenses .....	4
Statement of Cash Flows.....	5
Notes to Financial Statements .....	6-13

# C. DEWITT FOARD & COMPANY, P.A.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Friendship Trays, Inc.  
Charlotte, North Carolina

We have audited the accompanying financial statements of Friendship Trays, Inc. (the "Organization" - a nonprofit corporation), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year 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 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 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 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 in the first paragraph present fairly, in all material respects, the financial position of Friendship Trays, Inc., as of December 31, 2018 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.

### Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements, and our report dated May 7, 2018, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*C. DeWitt Foard & Company, P.A.*

June 12, 2019

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**FRIENDSHIP TRAYS, INC.****STATEMENT OF FINANCIAL POSITION****December 31, 2018, With Prior Year Comparative Totals**

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	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 538,784	\$ 596,607
Receivables:		
Contributions	4,000	4,000
Accounts receivable, net	34,438	29,732
Sales tax	12,234	8,393
Prepaid expenses	5,101	4,530
Investments:		
Beneficial interest in assets held in trust by third party	1,255	1,826
Other	1,457,414	1,603,748
Property and equipment, net	827,032	860,749
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 2,880,258</i></b>	<b><i>\$ 3,109,585</i></b>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$ 55,204	\$ 76,028
Annuities payable	40,551	40,551
Total Liabilities	95,755	116,579
Net Assets:		
Without donor restrictions	1,611,761	1,772,815
With donor restrictions	1,172,742	1,220,191
Total Net Assets	2,784,503	2,993,006
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 2,880,258</i></b>	<b><i>\$ 3,109,585</i></b>

**FRIENDSHIP TRAYS, INC.****STATEMENT OF ACTIVITIES****Year Ended December 31, 2018, With Prior Year Comparative Totals**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2018	2017
<b><u>SUPPORT AND REVENUE</u></b>				
Support:				
Contributions and grants	\$ 1,001,279	\$ 2,020	\$ 1,003,299	\$ 939,661
Revenue:				
Sale of meals, net of \$514,436 subsidies	265,033	-	265,033	258,838
Special events, net of \$39,951 direct benefit to donors	77,002	-	77,002	77,615
Investment earnings	(77,863)	(25,420)	(103,283)	198,610
Other income net of \$38,144 of expenses	73,812	-	73,812	77,062
Total Revenue	337,984	(25,420)	312,564	612,125
Net assets released from restrictions:				
Restrictions satisfied by payment	24,049	(24,049)	-	-
<b>TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS</b>	<b>1,363,312</b>	<b>(47,449)</b>	<b>1,315,863</b>	<b>1,551,786</b>
<b><u>EXPENSES</u></b>				
Program services	1,324,658	-	1,324,658	1,352,438
Management and general	123,339	-	123,339	98,184
Fund raising	76,369	-	76,369	71,217
<b>TOTAL EXPENSES</b>	<b>1,524,366</b>	<b>-</b>	<b>1,524,366</b>	<b>1,521,839</b>
<b>CHANGE IN NET ASSETS</b>	<b>(161,054)</b>	<b>(47,449)</b>	<b>(208,503)</b>	<b>29,947</b>
<b>NET ASSETS, BEGINNING</b>	<b>1,772,815</b>	<b>1,220,191</b>	<b>2,993,006</b>	<b>2,963,059</b>
<b>NET ASSETS, ENDING</b>	<b>\$ 1,611,761</b>	<b>\$ 1,172,742</b>	<b>\$ 2,784,503</b>	<b>\$ 2,993,006</b>

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**FRIENDSHIP TRAYS, INC.****STATEMENT OF FUNCTIONAL EXPENSES****Year Ended December 31, 2018, With Prior Year Comparative Totals**

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	Program Services	Management and General	Fund Raising	Totals	
				2018	2017
<b><u>SALARIES AND RELATED EXPENSES</u></b>					
Salaries	\$ 388,222	\$ 82,044	\$ 34,668	\$ 504,934	\$ 546,423
Payroll taxes and benefits	81,882	12,570	6,446	100,898	123,482
<b><i>Total</i></b>	<b><i>470,104</i></b>	<b><i>94,614</i></b>	<b><i>41,114</i></b>	<b><i>605,832</i></b>	<b><i>669,905</i></b>
<b><u>OTHER EXPENSES</u></b>					
Food	487,018	13,348	-	500,366	484,050
Supplies	145,452	3,129	3,129	151,710	129,854
Occupancy	78,457	14,170	3,543	96,170	97,919
Communications	22,941	1,179	53,711	77,831	55,601
Delivery and travel	20,488	-	-	20,488	29,277
Professional fees	-	11,969	9,612	21,581	11,627
Repairs and maintenance	36,289	1,211	303	37,803	38,262
Insurance	13,554	3,649	977	18,180	29,346
Telephone	4,688	1,451	744	6,883	7,353
Bank and credit card	-	7,400	-	7,400	7,651
Miscellaneous	82	86	86	254	4,426
Dues and subscriptions	1,048	1,043	1,043	3,134	9,309
<b><i>Total</i></b>	<b><i>810,017</i></b>	<b><i>58,635</i></b>	<b><i>73,148</i></b>	<b><i>941,800</i></b>	<b><i>904,675</i></b>
<b><u>TOTAL EXPENSES</u></b>					
<b><i>BEFORE DEPRECIATION</i></b>	<b><i>1,280,121</i></b>	<b><i>153,249</i></b>	<b><i>114,262</i></b>	<b><i>1,547,632</i></b>	<b><i>1,574,580</i></b>
Depreciation	44,537	8,234	2,058	54,829	64,132
<b><i>TOTAL EXPENSES</i></b>	<b><i>1,324,658</i></b>	<b><i>161,483</i></b>	<b><i>116,320</i></b>	<b><i>1,602,461</i></b>	<b><i>1,638,712</i></b>
Less - Amounts deducted directly against support and revenue	-	38,144	39,951	78,095	116,873
<b><i>NET EXPENSES</i></b>	<b><i>\$ 1,324,658</i></b>	<b><i>\$ 123,339</i></b>	<b><i>\$ 76,369</i></b>	<b><i>\$ 1,524,366</i></b>	<b><i>\$ 1,521,839</i></b>

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**FRIENDSHIP TRAYS, INC.****STATEMENT OF CASH FLOWS****Year Ended December 31, 2018, With Prior Year Comparative Totals**

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	<u>2018</u>	<u>2017</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ (208,503)	\$ 29,947
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	54,829	64,132
Realized and unrealized loss (gain) on investments	116,136	(183,632)
(Increase) decrease in operating assets:		
Contributions receivable	-	(1,500)
Accounts receivable	(4,706)	10,278
Sales tax receivable	(3,841)	5,709
Prepaid expenses	(571)	1,552
Increase in operating liabilities:		
Accounts payable and accrued expenses	(20,824)	16,633
<b><i>Cash Flows from Operating Activities</i></b>	<b><u>(67,480)</u></b>	<b><u>(56,881)</u></b>
<b><u>INVESTING ACTIVITIES</u></b>		
Proceeds from sale of investments	647,032	808,434
Purchase of investments	(616,263)	(718,567)
Purchase of property and equipment	(21,112)	(22,562)
<b><i>Cash Flows from Investing Activities</i></b>	<b><u>9,657</u></b>	<b><u>67,305</u></b>
<b><i>CHANGE IN CASH AND CASH EQUIVALENTS</i></b>	<b><u>(57,823)</u></b>	<b><u>10,424</u></b>
<b><i>CASH AND CASH EQUIVALENTS, BEGINNING</i></b>	<b><u>596,607</u></b>	<b><u>586,183</u></b>
<b><i>CASH AND CASH EQUIVALENTS, ENDING</i></b>	<b><u>\$ 538,784</u></b>	<b><u>\$ 596,607</u></b>

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***FRIENDSHIP TRAYS, INC.***  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Friendship Trays, Inc. (the Organization), located in Charlotte, North Carolina, was established in 1976 to deliver balanced meals daily to individuals in the community who are unable, because of age or infirmity, to obtain or prepare their own meals. The Organization's support is received from contributions from individuals, companies, foundations, and other nonprofit organizations. The majority of the Organization's revenue is received from fees charged for meals.

The accompanying financial statements include the activities of 2400 Distribution Street LLC, a limited liability company owned entirely by the Organization. This entity was established to own real estate purchased by the Organization.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to the following classes of net assets.

*Net assets without donor restrictions* – These amounts are not subject to any donor-imposed stipulations and include resources invested in property. Net assets without donor restrictions can be designated by the Organization for specific purposes.

*Net assets with donor restrictions* – These amounts consist of temporarily restricted net assets, which are subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time and permanently restricted net assets, which are subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Contributions

In accordance with GAAP, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted grants and contributions whose restrictions are met in the same reporting period as received are reported as unrestricted support.

Donated Goods and Services

Donated services are reported as contributions when the services (a) create or enhance non-financial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded no donated goods and donated services.



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***FRIENDSHIP TRAYS, INC.***  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Donated Goods and Services, continued

In addition, the Organization receives a substantial amount of donated services from unpaid volunteers in carrying out its program activities. No amounts have been reflected in the financial statements for these services since they do not meet the criteria for recognition under GAAP. The Organization receives more than 60,000 volunteer hours per year relating to the preparation of meals and deliveries to recipients.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within three months of purchase.

Property and Equipment

Property and equipment donated to the Organization is carried at its estimated fair market value as of the date of the donation. All other property and equipment is carried at historical cost. Property and equipment with a cost of \$500 or greater is capitalized. Depreciation expense is computed on all property and equipment by use of the straight-line method over the following useful lives:

Buildings	20 years
Leasehold improvements	5-7 years
Kitchen equipment	10 years
Vehicle	5 years
Office equipment and furnishings	5-7 years

Accounts Receivable

Purchased meals are recognized as a receivable and revenue when the meals have been served and are expected to be collected shortly after year-end. The balance at year-end is shown net of an allowance for uncollectible accounts of \$4,890. Management's assessment of the collectability of receivables is based on a review of individual accounts, historical experience, and current economic conditions.

Contributions Receivable

In accordance with GAAP, the Organization records support at the time a promise is made rather than when received. The entire balance of contributions receivable at year-end relates to a single donor and was collected shortly after year-end; therefore, no allowance for doubtful accounts has been provided.

Conditional promises of support are recognized when the conditions on which they depend are substantially met.

Investments

In accordance with GAAP, the Organization's investments are presented in the financial statements at fair value.

Revenue and Subsidy

Program service revenue has been reflected in the financial statements as sales based on the charge for meals delivered net of the full or partial amount subsidized by the Organization. The amount of subsidy is based on the recipient's monthly income and medical expenses.

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**FRIENDSHIP TRAYS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Use of Estimates

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

Functional Allocation of Expenses

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and management and administrative activities. The expenses that are allocated include salaries and related benefits, payroll taxes, occupancy, insurance, depreciation, bank fees, supplies, repairs and maintenance, professional fees, telephone, and communications expenses. Personnel expenses are allocated based on management's estimates of time and effort. Occupancy and related expenses are allocated based on space usage. All other expenses are allocated on an analysis of the various expenses that comprise those costs.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation.

Prior-Year Comparative Totals

The financial statements include certain prior-year summarized information, which is presented for comparative purposes only. Accordingly, such information should be read in conjunction with the Organization's 2017 financial statements, from which the summarized information was derived. Certain prior-year amounts have been reclassified to conform to the current year's presentation.

**NOTE B - PROPERTY AND EQUIPMENT**

Property and equipment at year-end consists of the following:

Building	\$	660,620
Leasehold improvements		487,749
Kitchen equipment		229,779
Office furniture and equipment		54,801
Vehicles		48,480
		<hr/>
		1,481,429
Less – Accumulated depreciation		922,917
		<hr/>
		558,512
Land		268,520
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	\$	827,032
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**FRIENDSHIP TRAYS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE C - CHARITABLE GIFT ANNUITIES**

The Organization has entered into a charitable gift annuity agreement with an individual donor. This agreement stipulates that, in exchange for a one-time charitable contribution, the Organization will make payments to this individual during their lifetime. The present value of the estimated liability for amounts payable to the donor is included as annuities payable on the accompanying Statement of Financial Position and is based on the life expectancy of the individual utilizing an interest rate of two percent.

**NOTE D - RETIREMENT PLAN**

The Organization maintains a tax-deferred annuity plan for its employees qualifying under Section 403(b) of the Internal Revenue Code. The Organization matches fifty percent of the first four percent of eligible employee elective deferrals. Matching contributions are 100 percent vested after five years of service. The Organization's contributions to the plan are \$3,077 for the year.

**NOTE E - LEASED FACILITIES**

The Organization leases a facility (approximately 10,000 square feet) for its operations located at 2401 Distribution Street. Under the terms of the lease, monthly rent is \$5,000 through March 31, 2020. During a prior year the Organization purchased a building and land located at 2400 Distribution Street. Approximately two-thirds of this facility (10,000 square feet) is leased to the owner/landlord of 2401 Distribution Street in exchange for the space used by the Organization.

**NOTE F - NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets with donor restrictions consist of the following:

Temporarily restricted net assets:	
Tom Bradbury Memorial	\$ 3,261
Friendship Gardens and Mobile Market	44,990
Grub to Grub	20,000
Endowment earnings	153,179
	<hr/>
	221,430
Permanently restricted net assets - Endowment Corpus (see Note H below)	951,312
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	\$ 1,172,742

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***FRIENDSHIP TRAYS, INC.***  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE G - INVESTMENTS**

Beneficial Interest in Assets Held in Trust by Third Party

The Foundation For The Carolinas (the Foundation) holds in trust an account for the benefit of Friendship Trays. Friendship Trays may request annual distributions of accumulated income from this account. The Foundation has complete discretion as to the timing and amounts of distributions from this fund; however, the Foundation has no variance power to distribute any portion of this fund to another not-for-profit entity. Assets at the Foundation at year-end are held in an investment pool with a fund type of *Endowed-Designated* and an investment strategy of *Endowed Long-Term*, and as of year-end has a fair value estimated by the Foundation of \$1,255.

Other

Other investments as of year-end are composed of the following:

Mutual Funds:

Fixed income mutual funds	\$ 469,296
Equity and other mutual funds	926,819
Real estate funds	61,299
	<u>\$ 1,457,414</u>

**NOTE H - ENDOWMENT**

The Organization's endowment consists of one fund established to preserve the real value of invested capital and to provide immediate income to operations. Its endowment includes donor-restricted funds to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

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***FRIENDSHIP TRAYS, INC.***  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE H - ENDOWMENT, continued**

*Investment Return Objectives, Risk Parameters and Strategies.* The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Under this policy, as approved by the Board of Directors, endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. Actual investment returns in any given year may vary.

*Spending Policy.* Contributions to the endowment are permanently restricted and not available for use. A total return spending policy has been adopted by which up to 75 percent of the endowment's total annual return will be available to help support the operation of Friendship Trays, Inc.

At year-end, the fair value of the endowment is \$1,564,028 which exceeds the corpus of \$951,312 by a total of \$612,716; therefore, \$459,537 is available to support operations and is included in unrestricted net assets. The remaining earnings of \$153,179 is included in temporarily restricted net assets.

**NOTE I - FAIR VALUE MEASUREMENTS**

Current accounting standards require fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

- Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.
- Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are - or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Organization's mutual funds are classified as Level 1 assets. The Organization's annuities payable is classified as a Level 2 liability based on the variables as described in Note C above. The Organization's beneficial interest in assets held by the Foundation are classified as Level 3 assets. Values of these investments are determined by the Foundation based on the fair value of the underlying assets, which consists of assets some of which are publicly traded and some of which are not publicly traded.

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**FRIENDSHIP TRAYS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE I - FAIR VALUE MEASUREMENTS, continued**

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year.

Balance, beginning of year	\$ 1,826
Net decrease in value	<u>(571)</u>
Balance, end of year	<u>\$ 1,255</u>

**NOTE J - CONCENTRATIONS OF CREDIT RISK**

Cash

Cash in bank accounts and certificates of deposit are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash held by the Organization at year-end includes \$95,420 in excess of insured limits covered by the FDIC.

Investments

Investments held in financial institutions are insured up to \$500,000 by the Securities Investor Protection Corporation (SPIC); however, this insurance does not cover the loss of value of the underlying assets. As disclosed in Note G above, the Organization maintains a variety of investments which are subject to fluctuations in market values and expose the Organization to a certain degree of investment risk.

Support and Revenue

The Organization operates and receives funding within a limited geographical area, primarily Charlotte, North Carolina.

**NOTE K - UNRELATED BUSINESS INCOME TAX**

During the year the Organization received catering income from the general public and personal property rental income from various unrelated for-profit companies for the use of kitchen facilities at contracted rates. The Organization has determined that this income less expenses is subject to unrelated business income tax. The Organization will report this activity as required on an annual "Exempt Organization Business Income Tax Return" Form 990-T. However, no unrelated business income tax is due in that allocated expenses exceed the amount of income received. The years open to examination by the Internal Revenue Service are the year ended December 31, 2018, and the three prior years.

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***FRIENDSHIP TRAYS, INC.***  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

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**NOTE L - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$2,046,870 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$538,784, receivables of \$50,672, which are expected to be collected during the year, and investments of \$1,457,414. Of this total \$1,172,742 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Financial assets available within one year of the balance sheet date represent approximately six months of general operating expenses.

**NOTE M - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.