

**FEARRINGTON CARES**  
**FINANCIAL STATEMENTS**  
**PITTSBORO, NORTH CAROLINA**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**FEARRINGTON CARES**  
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Board of Directors  
Farrington Cares  
Pittsboro, North Carolina

We have reviewed the accompanying financial statements of Farrington Cares (the Organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

**Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountants' Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Petway Mills + Pearson, PA***Memberships:**North Carolina  
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Certified Public  
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Certified Public Accountants  
Zebulon, North Carolina

April 27, 2021

American Institute  
of Certified Public  
Accountants

**FEARRINGTON CARES**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31,**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 21,257	\$ 47,455
Investments, at cost	175,483	503,017
Unrealized gains on investments	30,197	19,194
Grant receivable	150,000	50,000
Sales tax recovery receivable	471	8
Prepaid expenses	9,159	7,887
<b>Total current assets</b>	<b>386,567</b>	<b>627,561</b>
PROPERTY AND EQUIPMENT - NET	9,039	5,569
<b>TOTAL ASSETS</b>	<b>\$ 395,606</b>	<b>\$ 633,130</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 10,068	\$ 46,270
SunTrust credit card	1,783	1,487
<b>Total current liabilities</b>	<b>11,851</b>	<b>47,757</b>
<b>NET ASSETS:</b>		
Without donor restrictions		
Undesignated	344,519	169,998
Designated by the board for facilities	-	390,612
AOCI	30,197	19,194
Invested in property and equipment, net of related debt	9,039	5,569
With donor restrictions		
Purpose restrictions	-	-
<b>Total net assets</b>	<b>383,755</b>	<b>585,373</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 395,606</b>	<b>\$ 633,130</b>

See Independent Accountants' Review Report and Accompanying Notes.

**FEARRINGTON CARES  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Contributions - cash	\$ 177,560	\$ -	\$177,560
Interest	1,500	-	1,500
Dividend	966	-	966
Grants	170,377	-	170,377
Movement class income	2,651	-	2,651
Miscellaneous	580	-	580
<b>TOTAL REVENUE AND SUPPORT</b>	<b>353,634</b>	<b>-</b>	<b>353,634</b>
NET ASSETS RELEASED FROM RESTRICTION	-	-	-
EXPENSES:			
Program services	423,782	-	423,782
Supporting services			
Management and general	110,278	-	110,278
Fundraising	32,195	-	32,195
<b>TOTAL EXPENSES</b>	<b>566,255</b>	<b>-</b>	<b>566,255</b>
CHANGE IN NET ASSETS	(212,621)	-	(212,621)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	11,003	-	11,003
NET ASSETS - BEGINNING OF YEAR	585,373	-	585,373
NET ASSETS - END OF YEAR	<b>\$ 383,755</b>	<b>\$ -</b>	<b>\$ 383,755</b>

See Independent Accountants' Review Report and Accompanying Notes.

**FEARRINGTON CARES  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT:</b>			
Contributions - cash	\$ 228,038	\$ -	\$ 228,038
Realized Gain on investments	12,787	-	12,787
Interest	11,113	-	11,113
Memorials	692	-	692
Dividend	1,258	-	1,258
Movement class income	5,474	-	5,474
Miscellaneous	603	-	603
<b>TOTAL REVENUE AND SUPPORT</b>	<b>259,965</b>	<b>-</b>	<b>259,965</b>
NET ASSETS RELEASED FROM RESTRICTION	1,971	(1,971)	-
 <b>EXPENSES:</b>			
Program services	312,840	-	312,840
Supporting services			
Management and general	67,204	-	67,204
Fundraising	15,993	-	15,993
<b>TOTAL EXPENSES</b>	<b>396,037</b>	<b>-</b>	<b>396,037</b>
CHANGE IN NET ASSETS	(134,101)	(1,971)	(136,072)
UNREALIZED GAIN (LOSS) ON INVESTMENTS	5,656	-	5,656
NET ASSETS - BEGINNING OF YEAR	713,818	1,971	715,789
NET ASSETS - END OF YEAR	<b>\$ 585,373</b>	<b>\$ -</b>	<b>\$ 585,373</b>

See Independent Accountants' Review Report and Accompanying Notes.

**FEARRINGTON CARES**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>EXPENSES:</b>	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Outside Nursing Services	\$ 3,575	\$ -	\$ -	\$ 3,575
Salary, Wages, and Payroll Expenses	57,937	15,450	3,863	77,250
Programs	6,481	-	-	6,481
Depreciation	1,355	361	90	1,806
Repairs and Maintenance	330,714	88,190	22,048	440,952
Insurance	6,480	1,728	432	8,640
Professional Services	2,625	700	175	3,500
Telephone, Communications, and Website	1,850	493	123	2,466
Miscellaneous	1,691	451	113	2,255
Utilities	1,335	356	89	1,780
Fundraising	-	-	4,647	4,647
Office Supplies	551	147	37	735
Computer Expenses, Postage	5,033	1,342	336	6,711
Cleaning & Maintenance	3,648	973	243	4,864
Volunteer	7	-	-	7
Gifts	500	-	-	500
Realized Loss on Investments	-	86	-	86
<b>TOTAL EXPENSES</b>	<b>\$ 423,782</b>	<b>\$ 110,278</b>	<b>\$ 32,195</b>	<b>\$ 566,255</b>

See Independent Accountants' Review Report and Accompanying Notes.

**FEARRINGTON CARES**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<b>EXPENSES:</b>	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Outside Nursing Services	\$ 3,048	\$ -	\$ -	\$ 3,048
Salary, Wages, and Payroll Expenses	81,130	18,479	3,074	102,683
Programs	13,468	-	-	13,468
Depreciation	1,120	255	43	1,418
Repairs and Maintenance	192,358	43,828	7,305	243,491
Insurance	6,357	1,448	241	8,046
Professional Services	3,595	819	137	4,551
Telephone, Communications, and Website	3,050	695	116	3,861
Miscellaneous	2,483	566	94	3,143
Utilities	1,326	302	50	1,678
Fundraising	-	-	4,797	4,797
Office Supplies	399	91	15	505
Computer Expenses, Postage	1,779	405	68	2,252
Cleaning & Maintenance	1,385	316	53	1,754
Volunteer	942	-	-	942
Gifts	400	-	-	400
<b>TOTAL EXPENSES</b>	<b>\$ 312,840</b>	<b>\$ 67,204</b>	<b>\$ 15,993</b>	<b>\$ 396,037</b>

See Independent Accountants' Review Report and Accompanying Notes.



**FEARRINGTON CARES  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS - OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ (212,621)	\$ (136,072)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,806	1,418
Realized gain/loss on investments	86	(12,787)
Unrealized gain/loss on investments	(11,003)	(5,656)
(Increase) decrease in:		
Grants receivable	(100,000)	50,000
Accounts receivable	(463)	(3)
Prepaid expenses	(1,272)	(202)
Increase (decrease) in:		
Sun Trust credit card	296	126
Accounts payable	(36,202)	43,808
<b>Net cash provided (used) by operating activities</b>	<b>(359,373)</b>	<b>(59,368)</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>		
Proceeds on investments	338,451	30,038
Purchase of property and equipment	(5,276)	(925)
<b>Net cash provided (used) by investing activities</b>	<b>333,175</b>	<b>29,113</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(26,198)</b>	<b>(30,255)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>47,455</b>	<b>77,710</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 21,257</b>	<b>\$ 47,455</b>

See Independent Accountants' Review Report and Accompanying Notes.

**FEARRINGTON CARES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 – NATURE OF THE ORGANIZATION**

Fearrington Cares (the Organization) is a nonprofit organization as outlined under Chapter 55A of the General Statutes of North Carolina. The Organization provides health care clinics and advisory services for residents of the Fearrington Community. The Organization is located in Pittsboro, North Carolina. Activities are primarily funded through contributions of individuals in the community and grants made by a local foundation.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

For reporting purposes, the financial statements of the Organization include all funds which are under the control of the Board of Directors.

**Basis of Accounting**

The financial statements for the Organization have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

**Basis of Presentation**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Change in estimates are recognized in the period in which they are determined.

**Accounts Receivable**

Accounts receivable is shown at its net realizable value. Bad debts are reported using the specific charge-off method and are recognized when the account's collection becomes doubtful. An allowance for doubtful accounts has not been established inasmuch as management believes that uncollectible or disputed amounts are insignificant.

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**FEARRINGTON CARES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**Contributions**

The Organization accounts for contributions received as either with donor restrictions or without donor restrictions depending on the existence or nature of any donor imposed restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, such as a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities.

**Cash and Cash Equivalents**

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Property and Equipment**

Property and equipment are recorded at cost on the date of acquisition or at fair value on the date of donation. Maintenance and repairs are expensed as incurred. Property that is retired or sold and the related accumulated depreciation is removed from the accounts and gain or loss on disposition, if any, is reflected in the statement of activities. Depreciation is computed using the straight line method over the estimated useful life of the respective assets. The Organization follows the practice of capitalizing all expenditures for equipment in excess of \$1,000. Rates of depreciation are based on estimated useful lives of the assets as follows:

Building	39 Years
Office Equipment	7 Years

**Donated Services**

Volunteers and members of the community perform various services for the Organization, and these services are significant and form an integral part of the efforts of the Organization. The Organization does not control the activities of the volunteers as it would paid employees, and there is not a clearly measurable basis for an amount of continued services to be recorded. Therefore, the Organization does not record the amount of volunteer services rendered as a contribution or a corresponding amount as an expense.

**Income Tax**

The Organization is a nonprofit organization exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and the applicable State statutes. The Internal Revenue Service has determined that Fearrington Cares is a publicly supported organization; however, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization recognizes an uncertainty tax position of "more than likely not" level of fifty percent that the position will be sustained by the Internal Revenue Service (IRS). Income taxes did not have a material impact on the financial position or results of operations of the Organization as of and for the year ended December 31, 2020.

**Investments**

The Organizations records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

See Independent Accountants' Review Report

**FEARRINGTON CARES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**Subsequent Events**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date the report is available to be issued which is the date of the independent accountants' review report. The Organization has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

**NOTE 3 – 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, comprise the following:

Cash and cash equivalents	\$ 21,257
Sales tax recovery receivable	471
	\$ 21,728

**NOTE 4 – INVENTORY**

Inventories are reported at lower of cost or market value.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2019 and 2018 consisted of the following:

	2020	2019
Office Equipment	\$ 14,585	\$ 33,041
Less Accumulated Depreciation	(5,546)	(27,472)
Property and Equipment, net	\$ 9,039	\$ 5,569

Depreciation expense for the years ended December 31, 2020 and 2019 was \$1,806 and \$1,418, respectively.

**NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS:**

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes of the donor as follows:

	2020	2019
Provision of health care and advisory services	\$ -	\$ 1,971
	\$ -	\$ 1,971

**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

There were no net assets with donor restrictions for the year ended December 31, 2020.

**NOTE 8 – RESTRICTED REVENUES**

The Organization received no donor restricted funds during the years ended December 31, 2020 and 2019. Funds are reported as revenue without donor restrictions if the restrictions are met in the reporting period.

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**FEARRINGTON CARES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 9 – RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the years ended December 31, 2020 and 2019, the Organization carried insurance through various commercial carriers to cover all risks of losses. The Organization has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

**NOTE 10 – OPERATING LEASE**

The Organization entered into an operating lease for facility use that expires October 6, 2103. The lease requires annual payments of \$1. The Organization was obligated to pay \$1 in 2020.

**NOTE 11 – LICENSE TO SOLICIT**

The Organization has obtained from the North Carolina Department of the Secretary of State a license to solicit charitable contributions. The ability to solicit contributions is contingent on the renewal of this license, which was renewed on May 15, 2020.

**NOTE 12 – RELATED PARTIES**

There were no related party transactions for the years ended December 31, 2020 and 2019.

**NOTE 13 – CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances in one financial institution. The accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2020 and 2019, the Organization's cash balances at the institution has not exceeded the federally insured limit.

**NOTE 14 – COVID-19 CONTINGENCIES**

During the year ended December 31, 2020, the COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments and cannot be reasonably predicted and estimated at this time. The COVID-19 outbreak is ongoing as of June 30, 2020, and additional impact on operational and financial performance may occur.