



# BRUNSWICK FAMILY ASSISTANCE AGENCY, INC.

## Audited Financial Statements

for the year ended

December 31, 2019

(with comparative totals for 2018)



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Brunswick Family Assistance Agency, Inc.  
Shallotte, North Carolina

We have audited the accompanying financial statements of Brunswick Family Assistance Agency, Inc. ("BFA"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2019, 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

**In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BFA as of December 31, 2019 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.**

### ***Prior Year Summarized Comparative Information***

We have previously audited BFA's 2018 financial statements and our report dated March 15, 2019 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Bearman CPA PC*

Wilmington, North Carolina  
March 19, 2020

Brunswick Family Assistance Agency, Inc.

**Statement of Financial Position**

as of December 31, 2019

(with comparative totals for 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
<b>Assets</b>		
Cash and Cash Equivalents (Note 3c)	\$ 510,863	\$ 636,714
Accounts Receivable (Note 5)	26,753	30,738
Inventory (Note 6)	59,999	141,981
Prepaid Expenses & Other Assets	11,814	1,286
Investments (Note 7)	175,167	155,138
Property & Equipment (Note 8)	<u>71,470</u>	<u>63,785</u>
<b>Total Assets</b>	<b><u>\$ 856,066</u></b>	<b><u>\$ 1,029,642</u></b>
<b>Liabilities &amp; Net Assets</b>		
Accounts Payable & Accrued Liabilities (Note 9)	<u>\$ 58,432</u>	<u>\$ 47,451</u>
<b>Total Liabilities</b>	<b><u>58,432</u></b>	<b><u>47,451</u></b>
Net Assets		
Without Donor Restrictions		
Undesignated (Note 3b)	555,834	678,760
Designated by the Board of Directors (Note 3b)	<u>170,000</u>	<u>140,000</u>
	725,834	818,760
With Donor Restrictions (Notes 3b & 10)	<u>71,800</u>	<u>163,431</u>
<b>Total Net Assets</b>	<b><u>797,634</u></b>	<b><u>982,191</u></b>
<b>Total Liabilities &amp; Net Assets</b>	<b><u>\$ 856,066</u></b>	<b><u>\$ 1,029,642</u></b>

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

Brunswick Family Assistance Agency, Inc.  
**Statement of Activities**  
for the year ended December 31, 2019  
(with comparative totals for 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
<b>OPERATING</b>				
<b>Revenue</b>				
Private Grants & Contributions (Note 5)	\$ 676,574	\$ 125,925	<b>802,499</b>	\$ 812,079
Donated Goods (Notes 5 & 11)	1,016,883	-	<b>1,016,883</b>	838,600
Government Grants & Contracts (Note 5)	255,873	-	<b>255,873</b>	197,325
Thrift Store Sales	162,252	-	<b>162,252</b>	189,521
Special Events Revenue, net	12,351	-	<b>12,351</b>	29,037
Investment Income (Note 7)	24,255	-	<b>24,255</b>	1,040
Released from Restriction for Operations (Note 10)	73,588	(73,588)	-	-
Released from Restriction for Disaster Relief (below)	240,872	-	<b>240,872</b>	176,328
<b>Total Revenue</b>	<b><u>2,462,648</u></b>	<b><u>52,337</u></b>	<b><u>2,514,985</u></b>	<b><u>2,243,930</u></b>
<b>Expense</b>				
Program (Note 3e)				
Brunswick Family Assistance Agency	2,213,140	-	<b>2,213,140</b>	1,595,121
Thrift Store Operations	153,258	-	<b>153,258</b>	159,777
	2,366,398	-	<b>2,366,398</b>	1,754,898
Management & General (Note 3e)	143,059	-	<b>143,059</b>	132,369
Fundraising (Note 3e)	46,117	-	<b>46,117</b>	44,495
<b>Total Expense</b>	<b><u>2,555,574</u></b>	<b><u>-</u></b>	<b><u>2,555,574</u></b>	<b><u>1,931,762</u></b>
<b>Increase (Decrease) in Net Assets from Operations</b>	<b><u>(92,926)</u></b>	<b><u>52,337</u></b>	<b><u>(40,589)</u></b>	<b><u>312,168</u></b>
<b>Disaster Relief Revenue</b>				
Donor Restricted for Disaster Relief (Note 10)	-	96,904	<b>96,904</b>	331,804
Released from Restriction (Note 10 and above)	-	(240,872)	<b>(240,872)</b>	(176,328)
<b>Increase (Decrease) in Net Assets Restricted to Disaster Relief</b>	<b><u>-</u></b>	<b><u>(143,968)</u></b>	<b><u>(143,968)</u></b>	<b><u>155,476</u></b>
<b>Change in Net Assets - All Sources</b>	<b><u>(92,926)</u></b>	<b><u>(91,631)</u></b>	<b><u>(184,557)</u></b>	<b><u>467,644</u></b>
Net Assets Beginning of Year	818,760	163,431	<b>982,191</b>	<b>514,547</b>
<b>Net Assets End of Year</b>	<b><u>\$ 725,834</u></b>	<b><u>\$ 71,800</u></b>	<b><u>\$ 797,634</u></b>	<b><u>\$ 982,191</u></b>

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

Brunswick Family Assistance Agency, Inc.  
**Statement of Functional Expenses**  
for the year ended December 31, 2019  
(with comparative totals for 2018)

<b>Expense Type</b>	<b>Program</b>		<b>Management &amp; General</b>	<b>Fundraising</b>	<b>2019</b>	2018
	<b>BFA</b>	<b>Thrift Store</b>			<b>Total</b>	Total
Wages & Benefits	\$ 238,805	\$ 94,744	\$ 97,930	\$ 29,083	<b>\$ 460,562</b>	\$ 391,679
Contracted Services	180	672	19,057	-	<b>19,909</b>	18,968
Client Assistance (Note 11)	1,843,881	-	-	-	<b>1,843,881</b>	1,305,015
General Operations	37,854	3,861	12,548	14,801	<b>69,064</b>	72,959
Occupancy (Note 12)	92,420	53,981	13,524	2,233	<b>162,158</b>	143,141
<b>Total Expense</b>	<b><u>2,213,140</u></b>	<b><u>153,258</u></b>	<b><u>143,059</u></b>	<b><u>46,117</u></b>	<b><u>2,555,574</u></b>	<u>1,931,762</u>

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

Brunswick Family Assistance Agency, Inc.  
**Statement of Cash Flows**  
for the year ended December 31, 2019  
(with comparative totals for 2018)

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activity</b>		
Change in Net Assets	\$ (184,557)	\$ 467,644
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Changes in certain assets and liabilities:		
Accounts Receivable	3,985	(19,280)
Prepaid Expenses	(10,528)	7,466
Inventory	81,982	(77,047)
Accounts Payable & Accrued Expenses	10,981	(16,216)
Realized & unrealized (gains) losses on investments	(16,815)	8,074
Donation of Stock	(5,023)	
Depreciation	17,941	10,661
Net Cash Provided by Operating Activities	(102,034)	381,302
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(163,586)	(8,720)
Proceeds from Sale of Investments	165,395	-
Purchases of Property & Equipment	(25,626)	(37,520)
Net Cash Used in Investing Activities	(23,817)	(46,240)
<b>Cash Flows from Financing Activities</b>		
None	-	-
<b>Net Increase (Decrease) in Cash</b>	<b>(125,851)</b>	<b>335,062</b>
Cash and cash equivalents, beginning of year	636,714	301,652
<b>Cash and cash equivalents, end of year</b>	<b>\$ 510,863</b>	<b>\$ 636,714</b>

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

Brunswick Family Assistance Agency, Inc.  
**Notes to Audited Financial Statements**  
December 31, 2019

**1. Organization**

Brunswick Family Assistance Agency, Inc. (“BFA”) is a North Carolina nonprofit corporation organized in August 1981. The organization is exempt from income taxes under the Internal Revenue Service Code Section 501(c)(3). As such, contributions to the organization are generally tax deductible.

**2. Mission**

BFA is dedicated to improving the lives of families and individuals in crisis in Brunswick County, who are willing to help themselves, by providing emergency assistance and educational and skills development programs. The organization envisions a community where all people have access to an adequate and nutritious supply of food and sufficient resources to sustain themselves.

BFA achieves its mission through a wide variety of programs that provide: life-sustaining aid including food, clothing, emergency and disaster assistance; case management services to help homeless and near homeless families and individuals; and referral services to increase awareness of other area resources available to clients. Also, BFA runs the Family Thrift Store offering low-cost, practical necessities to the community such as clothing and furniture.

**3. Summary of Significant Accounting Policies**

BFA prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations using the accrual basis of accounting. As such, revenues are recorded when earned and expenses are recorded when incurred. The significant accounting and reporting policies used by the organization are described below to enhance the usefulness and understandability of the financial statements.

***3a. Use of Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

***3b. Net Asset Classes***

The Financial Accounting Standards Board *Accounting Standards Codification* (FASB ASC) topic 958, “Not-for-Profit Entities,” requires the reporting of the organization’s activities by net

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Brunswick Family Assistance Agency, Inc.  
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asset class. The financial statements report net assets and changes in net assets based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net assets without donor restrictions* are resources available for use in general operations and not subject to donor (or certain grantor) restrictions. The only limits on their use are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Board-Designated Funds

The organization's board of directors has designated \$170,000 of BFA's unrestricted net assets to be used to fund various initiatives: capital improvements (\$50,000); client assistance (\$65,000); and emergency food and shelter (\$55,000). Since none of the funds are donor-restricted, the board of directors may remove or change the designations as it sees fit.

*Net assets with donor restrictions* are resources that are 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 permanent 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. *As of December 31, 2019, BFA held no net assets with permanent donor restrictions.* See Note 10 for a discussion of other donor-restricted net assets held as of December 31.

**3c. Cash and Cash Equivalents**

The organization considers short-term, interest bearing, highly liquid investments with original maturities of three months or less to be cash equivalents for purposes of financial statement presentation. At various times during the year, the organization's cash balance in financial institutions has exceeded the Federal Deposit Insurance Corporation (FDIC) insurance limit of \$250,000 per depositor. The financial institutions have strong credit ratings and management believes that the credit risks related to these deposits are minimal.

**3d. Contributions**

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless the use of the contributed assets is specifically restricted by the donor (see *Note 3b*, previously). Also see *Note 10, Restrictions on Net Assets and Note 5, Grants & Contributions*.

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Contributed services are only recorded if they meet the requirements for recognition (such as if they require specialized skills and would otherwise have been purchased by the organization). These requirements are outlined in FASB ASC 958-605-25-16, "Contributed Services." While many individuals volunteer significant amounts of time and perform a variety of tasks for the organization, their services do not meet the criteria for recognition and are, therefore, not reflected in the financial statements.

The organization receives a large amount of donated food that is distributed to clients through its food pantry. The agency logs and weighs all food received and assigns a fair value to the donation based on its weight. Donations are assigned a value based on the average price per pound the agency would pay if it were to buy a basket of typically donated items. The donated goods were valued at \$1.55 per pound. Also see *Note 10, Client Assistance & Donated Goods*.

BFA distributes donated toys and school supplies at Christmas and "Christmas in July," respectively, to area families. It estimates the value of each gift bag at \$100 based on the price the agency would have had to pay for the contents of a typical bag if they had not been donated. Also see *Note 11, Client Assistance & Donated Goods*.

***3e. Functional Allocation of Expenses***

The Statement of Activities presents expenses by functional classification (program, management and general, and fundraising). Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using an objective basis for the following expense categories:

<b><u>Expense Category</u></b>	<b><u>Method of Allocation by Function</u></b>
Wages & Benefits	Time and effort (e.g. staff members' time tracking)
General Operations	Time and effort (e.g. staff members' time tracking)
Occupancy	Usage of space (e.g. square footage by function)

The Statement of Functional Expenses presents these same expenses by both the functional category (program, management and general, and fundraising) and by natural classification (e.g. wages, contracted services).

*Management and General* activities include the functions necessary to provide support for the organization's program. These include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

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*Fundraising* activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

BFA hosts occasional special events to increase awareness of its mission and to raise funds for the organization. During the year, it incurred \$6,584 of expenses in connection with these events. These disbursements are considered primarily fundraising costs and are therefore netted against special events revenue of \$18,935 on the Statement of Activities. The net amount of \$12,351 appears as the line item “Special Events, net.”

***3f. Investments***

Investments are reported at their fair value in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains are reported as increases in unrestricted net assets as there are no donor-imposed restrictions upon them. Also see *Note 7 Investments*.

***3g. Property & Equipment***

BFA capitalizes property and equipment costing more than \$1,000 with a useful life of more than one year. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at fair value on the date of donation. Such donations are reported as unrestricted contributions unless the donor specifically restricts the asset’s use. Also see *Note 8, Property & Equipment*.

***3h. Prior Year Information***

The financial statements display prior-year, summarized information for comparative purposes. The prior year information is presented in total but not by net asset class (with donor restrictions, without donor restrictions). Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, the summarized information should be read in conjunction with the organization’s financial statements for the prior year from which it is derived. Certain prior-year amounts have been reclassified to conform to the current year presentation.

**4. Liquidity and Availability**

As of December 31, 2019, BFA had working capital (the difference between current assets and current liabilities) of \$726,164 including unrestricted cash on hand of \$394,914. This amount translates to 69 days of unrestricted cash on hand (calculated by dividing the unrestricted cash on hand by average daily expenses of \$3,927, excluding depreciation and donated goods).

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Financial assets not considered available for general expenditure within one year for the purpose of the above calculations include donor-restricted funds of \$71,800 (see Note 10), and board designated funds of \$170,000 (see Note 3b) which are limited as to their use. However, the board-designated amounts could be made available, if necessary, by vote of the board of directors.

As part of BFA’s liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

**5. Grants & Contributions**

BFA receives both cash and in-kind contributions from governmental and private agencies, churches, civic organizations, businesses and individuals as described in the following table.

Funding Source	Amount
<b>Private Grants &amp; Contributions</b>	
Individuals & Organizations	\$ 711,499
Private Foundations	91,000
<b>Total Private Grants &amp; Contributions</b>	<b>\$ 802,499</b>
<b>Donated Goods</b>	
Food Pantry Donations	497,045
Christmas Presents & School Supplies	97,990
NC Dept. Agriculture – Commodities	421,848
<b>Total Donated Goods</b>	<b>\$1,016,883</b>
<b>Government Grants &amp; Contracts</b>	
North Carolina & Federal Government Agencies	65,116
Brunswick County & Local Municipalities	190,758
<b>Total Government Grants &amp; Contracts</b>	<b>\$ 255,874</b>

In mid-September 2018, the Cape Fear region of North Carolina sustained widespread damage from Hurricane Florence. In response to the hurricane, a wide variety of donors provided BFA with over \$428,000 of donations specifically earmarked for disaster relief during 2018 and 2019. Because of the extraordinary nature of this activity, it is presented separately from regular operations on the Statement of Activities. As of December 31, 2019, BFA had provided \$417,200 of disaster-relief assistance to its clients.

Accounts Receivable

The accounts receivable balance of \$26,753 consists primarily of reimbursement requests submitted prior to December 31 for which the organization had yet to receive payment as of year-

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end. Management believes the amounts are fully collectible and so no provision has been made for uncollectible amounts.

**6. Inventory**

Inventory consists of purchased and donated food (also see Note 11), as well as clothing and furniture donations held for sale in the organization’s thrift store. Purchased food inventory is recorded at cost. Donated goods are recorded at estimated fair value. See Note 3d for the methods used to value food and other donated items.

The organization estimates the fair value of clothing and furniture inventory items by using recent sales prices of similar items in its Thrift Store.

**7. Investments**

A summary of investments as of December 31 is as follows:

	Fair Value (Level 1 *)	Cost	Unrealized Gain (Loss)
Mutual Funds – Bonds	\$ 87,075	\$ 87,587	\$ (512)
Mutual Funds – Stocks	<u>88,092</u>	<u>82,468</u>	<u>5,624</u>
	\$ 175,167	\$ 170,055	\$ 5,112

\* In establishing the “fair value” of its investments, BFA follows FASB ASC topic 820, *Fair Value Measurements and Disclosures*, which provides a basic hierarchy for measuring fair values. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). *The fair values for BFA’s investments are determined by reference to quoted market prices (i.e. level 1 measurements).*

On the Statement of Activities, the line item “Investment Income” total of \$24,255 consists of interest and dividend income of \$4,937 less fees of \$1,723 plus realized and unrealized gains of \$16,815 and bank account interest of \$4,226.

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Brunswick Family Assistance Agency, Inc.  
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**8. Property and Equipment**

The Property and Equipment balance is stated at cost and consists of the following:

	<u>12/31/19</u>
Leasehold Improvements	\$ 37,958
Vehicles, Furniture & Equipment	<u>78,712</u>
	116,670
Less accumulated depreciation	<u>( 45,200)</u>
Total	\$ 71,470

Depreciation is computed using the straight-line method over the estimated useful lives of the assets (10 years for leasehold improvements, five years for equipment). Depreciation expense for the year totaled \$17,941 and is included within the Occupancy line item on the Statement of Functional Expenses.

**9. Accounts Payable & Accrued Liabilities**

The accounts payable and accrued liabilities balance of \$58,432 consists of operational accounts payable totaling \$39,449 and payroll-related liabilities totaling \$18,983.

**10. Restrictions on Net Assets**

During the course of the year, funds totaling \$73,588 that were initially restricted for a variety of uses were expended for their intended purposes and released from restriction. These appear as the line item "Net Assets Released from Restriction for Operations" on the Statement of Activities.

Additionally, as described in Note 5, BFA received \$428,708 of funds restricted by donors for disaster relief during 2018 and 2019. During 2019, the organization spent \$240,872 of this amount for disaster relief in addition to the \$176,328 it spent for this purpose in 2018.

As of December 31, the organization's total net assets of \$797,634 were comprised of net assets without donor restriction of \$725,834 and net assets with donor restrictions of \$71,800 (disaster relief \$11,507; client assistance \$60,293). Once BFA has expended the funds for the intended purpose, it will release them from restriction.

**11. Client Assistance & Donated Goods**

BFA receives a substantial portion of its contributions revenue in the form of donated goods. The in-kind revenue consists of food pantry donations by area churches, businesses and individuals; commodities donations (canned goods and frozen foods) delivered by the North Carolina Department of Agriculture and Consumer Services; and donated toys and school

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supplies that it distributes at Christmas and “Christmas in July” to area families. See *Note 3d, Contributions* for the methods used to value donated items.

The “Donated Goods” revenue line item of \$1,016,883 on the Statement of Activities is offset by an expense within the “Client Assistance” line item on the Statement of Functional Expenses. The balance of donated goods remaining at year-end has been included in the “Inventory” line item on the Statement of Financial Position.

**12. Leases**

BFA rents 7,200 square feet of retail space at the Twin Creek Plaza in Shallotte, NC under a lease agreement with a local landlord. Rent for the year totaled \$56,700 and is included within the line item “Occupancy” on the Statement of Functional Expenses. The 10-year lease terminates in June 2025. BFA is also responsible for monthly expenses related to common area maintenance and property taxes approximating \$18,000 annually. It is included within the line item "Occupancy" on the Statement of Functional Expenses.

BFA sub-leases approximately 400 square feet of space to New Hope Clinic, a nonprofit organization, under a cooperative arrangement to provide access to free health care to their mutual clients.

BFA rents approximately 2,000 square feet of retail space at the Leland Business Center in Leland, NC under a lease agreement with a local landlord. Rent for the year totaled \$15,750 and is included within the line item “Occupancy” on the Statement of Functional Expenses. The lease is renewed annually.

Agreed-upon future annual minimum lease payments totaling \$340,200 are scheduled as follows:

2020	75,600
2021	57,600
2022	58,500
2023	59,400
2024	59,400
2025	<u>29,700</u>
Total	\$ 340,200

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Brunswick Family Assistance Agency, Inc.  
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**13. Income Taxes**

The organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. Additionally, it does not generate business income unrelated to its exempt purpose and therefore has made no provision for income taxes or uncertain tax positions in the financial statements. There are no federal or state tax audits of the organization in progress and BFA believes it is not subject to tax examinations for fiscal years prior to 2016.

**14. Subsequent Events**

BFA has evaluated events that have occurred subsequent to the statement of financial position date (December 31, 2019) and through the date that the Independent Auditor's Report was available to be issued (March 19, 2020). No events have occurred during that period that would require adjustments to the audited financial statements or disclosures in these notes.

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