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**FINANCIAL STATEMENTS**

**OF**

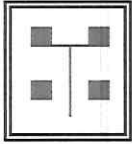
**NUTLEY FAMILY SERVICE BUREAU, INC.**

**DECEMBER 31, 2016**

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NUTLEY FAMILY SERVICE BUREAU, INC.  
TABLE OF CONTENTS  
DECEMBER 31, 2016

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Activities	3-4
Statement of Functional Expenses	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
NOTES TO FINANCIAL STATEMENTS	8-10



**CALABRO & CO.**  
**Certified Public Accountants**  
**A PROFESSIONAL CORPORATION**

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Nutley Family Service Bureau, Inc.  
155 Chestnut Street  
Nutley, NJ 07110

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees:

We have audited the accompanying Statement of Financial Position of Nutley Family Service Bureau, Inc. as of December 31, 2016, and the related Statement of Activities, Statement of Functional Expenses, Statement of Changes in Net Assets and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nutley Family Service Bureau, Inc. as of December 31, 2016 and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Calabro & Co.  
A Professional Corporation

NUTLEY, NJ 07110  
July 10, 2017



**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016**

**ASSETS**

	<b><u>UNRESTRICTED</u></b> <b><u>FUND</u></b>	<b><u>BUILDING</u></b> <b><u>FUND</u></b>	<b><u>TOTAL</u></b> <b><u>FUNDS</u></b>
<b><u>CURRENT ASSETS:</u></b>			
Cash & Cash Equivalents	\$ 317,272	\$ -	\$ 317,272
Patient Receivables	143,071		143,071
Prepaid Insurance	540		540
Other Receivable	5,417		5,417
	<hr/>	<hr/>	<hr/>
Total Current Assets	\$ 466,300	\$ -	\$ 466,300
 <b><u>PROPERTY AND EQUIPMENT</u></b>			
Buildings		\$ 253,074	\$ 253,074
Computer Hardware & Software		12,543	12,543
Furniture & Equipment		15,369	15,369
Leasehold Improvements		112,558	112,558
Land		135,420	135,420
		<hr/>	<hr/>
		528,964	528,964
Less: Accumulated Deprec.		(181,763)	(181,763)
	<hr/>	<hr/>	<hr/>
Net Property & Equipment	-	\$ 347,201	\$ 347,201
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 466,300</u></b>	<b><u>\$ 347,201</u></b>	<b><u>\$ 813,501</u></b>

**LIABILITIES AND FUND BALANCES**

<b><u>CURRENT LIABILITIES:</u></b>			
Accounts Payable	\$ 1,539		\$ 1,539
Accrued Expenses	24,694		24,694
Payroll Taxes Payable	2,322		2,322
Unearned Support and Revenue	10,000		10,000
<b><u>Total Current Liabilities</u></b>	<b><u>\$ 38,555</u></b>		<b><u>\$ 38,555</u></b>
 <b><u>FUND BALANCES:</u></b>			
Operating Fund Balances	\$ 427,745		\$ 427,745
Building Fund Balance		347,201	347,201
<b><u>Total Fund Balances</u></b>	<b><u>\$ 427,745</u></b>	<b><u>\$ 347,201</u></b>	<b><u>\$ 774,946</u></b>
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL LIABILITIES AND</u></b>			
<b><u>FUND BALANCES</u></b>	<b><u>\$ 466,300</u></b>	<b><u>\$ 347,201</u></b>	<b><u>\$ 813,501</u></b>
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SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>UNRESTRICTED</u> <u>FUND</u>	<u>BUILDING</u> <u>FUND</u>	<u>TOTAL</u> <u>FUNDS</u>
<b><u>SUPPORT AND REVENUE FUNDED</u></b>			
Program Service Fees	456,735		456,735
Township of Nutley	65,000		65,000
Nutley Senior Manor/Parkside	11,981		11,981
Newark Christmas Fund	13,520		13,520
Thrift Shop Sales	77,668		77,668
<b><u>OTHER</u></b>			
Special Events	40,842		40,842
Rental Income		3,600	3,600
Donations and Contributions	66,170		66,170
Food Pantry Contributions	1,370		1,370
<b><u>TOTAL SUPPORT AND REVENUE</u></b>	<b><u>\$ 733,286</u></b>	<b><u>\$ 3,600</u></b>	<b><u>\$ 736,886</u></b>
<b><u>PROGRAM SERVICES AND SUPPORTING SERVICES</u></b>			
Salaries	\$ 469,361		\$ 469,361
Employee Benefits	13,467		13,467
Payroll Taxes	44,006		44,006
Building Maintenance & Supplies	2,184	7,743	9,927
Licenses & Permits	510	1,260	1,770
Contracted Services	804		804
Professional Fees	15,637		15,637
Insurance	1,216	11,464	12,680
Fundraising	2,664		2,664
Advertising	2,410		2,410
Telephone	5,570		5,570
Conference and Conventions	2,038		2,038
Depreciation (Note 1-H)		7,218	7,218
Supplies & Office Expense	11,392		11,392
Food Pantry Supplies	200		200
Utilities	12,117		12,117
Travel & Meals	1,392		1,392
Computer & Bank Service Fees	14,750		14,750
Postage	1,719		1,719
<b><u>TOTAL EXPENSES: PROGRAM SERVICES</u></b>			
<b><u>AND SUPPORTING SERVICES</u></b>	<b><u>\$ 601,437</u></b>	<b><u>\$ 27,685</u></b>	<b><u>\$ 629,122</u></b>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.  
STATEMENT OF ACTIVITIES  
AS OF DECEMBER 31, 2016

CONTINUED

EXCESS (DEFICIENCY) OF SUPPORT &  
REVENUE OVER EXPENSES BEFORE  
OTHER INCOME

\$131,849

(\$24,085)

\$107,764

OTHER INCOME: INTEREST INCOME

153

-

153

EXCESS (DEFICIENCY) OF SUPPORT  
OVER EXPENSES

\$ 132,002

\$ (24,085)

\$ 107,917

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**AS OF DECEMBER 31, 2016**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$416,377	\$35,876	\$17,108	\$469,361
Employee benefits	11,947	1,029	491	13,467
Payroll Taxes	39,038	3,364	1,604	44,006
Building Maintenance	2,028	156		2,184
Licenses & Fees	150	360		510
Contracted Services	804	-		804
Professional Fees	0	15,637		15,637
Insurance	1,034	182		1,216
Fundraising	0	-	2,664	2,664
Advertising	1,807	603		2,410
Telephone	4,456	1,114		5,570
Conferences & Conventions	2,038	-		2,038
Supplies & Office Expense	10,253	1,139		11,392
Food Pantry Supplies	200			200
Utilities	11,251	866		12,117
Travel & Meals	1,392	-		1,392
Computer & Bank Charges	10,325	4,425		14,750
Postage	-	516	1,203	1,719
Total Functional Expenses	<u>\$513,100</u>	<u>\$65,267</u>	<u>\$23,070</u>	<u>\$601,437</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>NAME OF FUND</u>	<u>FUND BALANCES</u> <u>BEGINNING</u>	<u>TRANSFER BETWEEN</u> <u>UNRESTRICTED AND</u> <u>OTHER FUND</u>	<u>EXCESS</u> <u>(DEFICIENCY)</u> <u>REVENUE OVER</u> <u>EXPENSES</u>	<u>FUND</u> <u>BALANCES</u> <u>ENDING</u>
Unrestricted Fund	\$ 548,785	\$ (253,042)	\$ 132,002	\$ 427,745
Land & Building Fund	<u>\$ 118,244</u>	<u>\$ 253,042</u>	<u>\$ (24,085)</u>	<u>\$ 347,201</u>
<b><u>TOTALS</u></b>	<b><u>\$ 667,029</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 107,917</u></b>	<b><u>\$ 774,946</u></b>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT



**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>UNRESTRICTED</u> <u>FUND</u>	<u>BUILDING</u> <u>FUND</u>	<u>TOTAL</u> <u>FUNDS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess (Deficiency) of Support and Revenue Over Expenses	\$ 132,002	\$ (24,085)	\$ 107,917
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>			
Depreciation		7,218	7,218
Increase in Patient Receivables	(20,659)		(20,659)
Decrease in Prepaid Insurance	10,144		10,144
Decrease in Building Deposit	-	12,320	12,320
Decrease in Accounts Payable	(11,512)		(11,512)
Increase in Accrued Expenses	8,864		8,864
Decrease in Payroll Taxes Payable	(1,956)		(1,956)
Increase in Unearned Support & Revenue	10,000		10,000
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>126,883</u>	<u>(4,547)</u>	<u>122,336</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital Expenditures	-	(248,495)	(248,495)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>-</u>	<u>(248,495)</u>	<u>(248,495)</u>
<b>TRANSFERS-REVENUE &amp; EXPENDITURES</b>			
Repairs, Insurance & Improvements	(256,642)	256,642	-
Rents Received	3,600	(3,600)	-
<b>TOTAL TRANSFERS-REVENUE &amp; EXPENDITURES</b>	<u>(253,042)</u>	<u>253,042</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(126,159)	0	(126,159)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>443,431</u>	<u>-</u>	<u>443,431</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 317,272</u>	<u>\$ -</u>	<u>\$ 317,272</u>

**SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:**

**CASH PAID DURING THE YEAR FOR:**

Interest	<u>\$0.00</u>
Income Taxes( Non Profit Organization)	<u>\$0.00</u>

**SEE ACCOMPANYING NOTES AND AUDITORS' REPORT**

**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

- A. **ORGANIZATION** – Nutley Family Service Bureau, Inc. (The Organization) was founded in 1913 and provides individual and family counseling and social services.
- B. **BASIS OF ACCOUNTING** – The financial statements of Nutley Family Service Bureau, Inc. have been prepared on the accrual basis in accordance with the American Institute of Certified Public Accountants. The unrestricted fund is used to account for all resources over which the governing board has discretionary control except those restricted net assets invested in equipment and improvements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.
- C. **FUND ACCOUNTING** – In order to ensure observance of limitations and restrictions placed on the use of the resources available to Nutley Family Service Bureau, Inc., the accounts of Nutley Family Service Bureau, Inc. are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purpose into funds that are in accordance with activities or objectives specified.
- D. **PERVASIVENESS OF ESTIMATES** – The preparation of 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 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.
- E. **CURRENT VULNERABILITY** – Due to certain concentrations of donors, the organization relies upon specific grants for support. Obtaining replacement funding, if necessary, would be difficult.
- F. **CASH AND CASH EQUIVALENTS** – For purposes of the Statement of Cash Flows, the Organization considers all funds held at banking institutions to be cash or cash equivalents. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At year end, there was off balance sheet risk as cash balances at one bank were over the FDIC insurable limit.

**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

- G. **INSURANCE/PATIENT RECEIVABLES** – At the time of service, patient insurance information is taken and any co-pays are collected. The insurance company is then billed and the balance, based on the Organization's full billing rate, is recorded as a receivable. Since reimbursement by the insurance companies is primarily based on what they deem "reasonable and customary", the amount due is an estimate based on past insurance history. No reserve has been established because the collection of insurance billings is estimated and the original amount billed to the insurance company is not reflected in this financial statement.
- H. **PROPERTY, EQUIPMENT AND DEPRECIATION** – The cost of property and equipment is depreciated on the straight-line method over the estimated useful lives of the assets. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in the excess of revenue over expenses. Expenditures for maintenance, repairs, and improvements which do not materially extend the useful lives of the asset are charged to revenue.
- I. **INCOME TAXES** – Nutley Family Service Bureau, Inc. is a not for profit corporation organized under section 501 (c) (3) of the Internal Revenue Code.

The Organization adopted the accounting pronouncement dealing with uncertain tax positions, as of January 1, 2009. Upon adoption of this accounting pronouncement, the Organization had no unrecognized tax benefits. Furthermore, the Organization had no unrecognized tax benefits at December 31, 2016. The tax years which remain subject to examination by major tax jurisdictions as of December 31, 2016 are the years ended December 31, 2013 through 2016.

- NOTE 2-** **GRANT SUPPORT, DONOR OPTION, AND REVENUE** – Nutley Family Service Bureau, Inc. receives its grant support from the following sources:

Township of Nutley  
Newark Christmas Fund  
Nutley Senior Manor/Parkside

In October, 2016, the township of Nutley informed the organization that it's contribution for 2017 would be halved, and there would be no contributions for 2018 or thereafter.

**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**(CONTINUED)**

**NOTE 3 - LINE OF CREDIT** – The organization established a line of credit with Spencer Savings Bank on April 5, 2016, with an approved total amount of \$125,000, subject to annual review. The line has an interest rate equal to .75% above the prime rate, minimum 4% per annum, with payments and borrowings made in varying amounts. The line is secured by the real estate of the organization. As at December 31, 2016, the balance was \$0.

**NOTE 4 - ACCRUED EXPENSES** – Accrued Expenses at December 31, 2016 consisted of the following:

2016 Accounting Audit Fee and	
2016 Federal and State Tax Preparation Fees	\$6,605
Accrued Payroll	<u>\$18,089</u>
	\$24,694

**NOTE 5 - REAL ESTATE TAXES** – Nutley Family Service Bureau, Inc. is exempt from paying real estate taxes. This exemption will continue until the Organization either vacates or sells its buildings. If the Organization vacates or sells only one of its buildings, the other building will remain tax-exempt. In 2017, the organization made application to the township for the acquired building located at 169 Chestnut Street for tax exemption which has been approved.

**NOTE 6 - VOLUNTARY SERVICES** – Board directors and interns are not compensated. There are costs associated to each for meetings or training. No estimate is presented in these financial statements for these services.

**NOTE 7 - SUBSEQUENT EVENTS** - The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of July 10, 2017 which is the date the financial statements were available to be issued. Based upon this evaluation, the Organization has determined that the following subsequent events have occurred, which require disclosure in the financial statements;

- Real estate taxes per note 5