

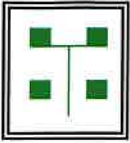
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**FINANCIAL STATEMENTS**  
**OF**  
**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**DECEMBER 31, 2017**

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NUTLEY FAMILY SERVICE BUREAU, INC.  
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DECEMBER 31, 2017

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**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, 2017, 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, 2017 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  
May 31, 2018



**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017**

**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	\$ 462,399	\$ -	\$ 462,399
Investments - Marketable Securities	\$ 8,584		\$ 8,584
Patient Receivables	128,629		128,629
Prepaid Insurance	813		813
Other Receivable	5,417		5,417
	<hr/>	<hr/>	<hr/>
Total Current Assets	\$ 605,842	\$ -	\$ 605,842
<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.		(189,593)	(189,593)
	<hr/>	<hr/>	<hr/>
Net Property & Equipment	-	\$ 339,371	\$ 339,371
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 605,842</u></b>	<b><u>\$ 339,371</u></b>	<b><u>\$ 945,213</u></b>

**LIABILITIES AND FUND BALANCES**

<b><u>CURRENT LIABILITIES:</u></b>			
Accounts Payable	\$ 7,485		\$ 7,485
Accrued Expenses	25,151		25,151
Payroll Taxes Payable	5,731		5,731
Other Payable	1,433		1,433
Unearned Support and Revenue	10,000		10,000
<b><u>Total Current Liabilities</u></b>	<b><u>\$ 49,800</u></b>	<hr/>	<b><u>\$ 49,800</u></b>
<b><u>FUND BALANCES:</u></b>			
Operating Fund Balances	\$ 556,042		\$ 556,042
Building Fund Balance		339,371	339,371
<b><u>Total Fund Balances</u></b>	<b><u>\$ 556,042</u></b>	<b><u>\$ 339,371</u></b>	<b><u>\$ 895,413</u></b>
	<hr/>	<hr/>	<hr/>
<b><u>TOTAL LIABILITIES AND</u></b>			
<b><u>FUND BALANCES</u></b>	<b><u>\$ 605,842</u></b>	<b><u>\$ 339,371</u></b>	<b><u>\$ 945,213</u></b>
	<hr/>	<hr/>	<hr/>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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	479,865		479,865
Township of Nutley	32,500		32,500
Nutley Senior Manor/Parkside	1,000		1,000
Newark Christmas Fund	4,000		4,000
Thrift Shop Sales	87,443		87,443
<b><u>OTHER</u></b>			
Special Events	28,571		28,571
Rental Income		3,600	3,600
Donations and Contributions	106,295	34,528	140,823
Investments	144		144
Food Pantry Contributions	729		729
<b><u>TOTAL SUPPORT AND REVENUE</u></b>	<b><u>\$ 740,547</u></b>	<b><u>\$ 38,128</u></b>	<b><u>\$ 778,675</u></b>
<b><u>PROGRAM SERVICES AND SUPPORTING SERVICES</u></b>			
Salaries	\$ 476,531		\$ 476,531
Employee Benefits	14,680		14,680
Payroll Taxes	41,256		41,256
Building Maintenance & Supplies	1,824	6,469	8,293
Licenses & Permits	733		733
Contracted Services			-
Professional Fees	17,977		17,977
Insurance	1,208	9,954	11,162
Fundraising	3,700		3,700
Advertising	2,886		2,886
Telephone	5,759		5,759
Conference and Conventions	2,059		2,059
Depreciation (Note 1-H)		7,830	7,830
Supplies & Office Expense	12,087		12,087
Food Pantry Supplies	732		732
Utilities	14,081		14,081
Travel & Meals	5,428		5,428
Computer & Bank Service Fees	32,270		32,270
Postage	2,350		2,350
<b><u>TOTAL EXPENSES: PROGRAM SERVICES</u></b>			
<b><u>AND SUPPORTING SERVICES</u></b>	<b><u>\$ 635,561</u></b>	<b><u>\$ 24,253</u></b>	<b><u>\$ 659,814</u></b>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.  
STATEMENT OF ACTIVITIES  
AS OF DECEMBER 31, 2017

CONTINUED

EXCESS (DEFICIENCY) OF SUPPORT &  
REVENUE OVER EXPENSES BEFORE

<u>OTHER INCOME</u>	\$104,986	\$13,875	\$118,861
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<u>OTHER INCOME: INTEREST INCOME</u>	<u>1,604</u>	<u>-</u>	<u>1,604</u>
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EXCESS (DEFICIENCY) OF SUPPORT  
OVER EXPENSES

	<u>\$ 106,590</u>	<u>\$ 13,875</u>	<u>\$ 120,465</u>
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SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**AS OF DECEMBER 31, 2017**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$399,448	\$46,862	\$30,221	\$476,531
Employee benefits	12,305	1,444	931	14,680
Payroll Taxes	34,583	4,057	2,616	41,256
Building Maintenance	1,694	130		1,824
Licenses & Fees	175	558		733
Contracted Services	0	-		0
Professional Fees	0	17,977		17,977
Insurance	1,027	181		1,208
Fundraising	0	-	3,700	3,700
Advertising	2,164	722		2,886
Telephone	4,607	1,152		5,759
Conferences & Conventions	2,059	-		2,059
Supplies & Office Expense	10,878	1,209		12,087
Food Pantry Supplies	732			732
Utilities	13,075	1,006		14,081
Travel & Meals	5,428	-		5,428
Computer & Bank Charges	22,589	9,681		32,270
Postage	-	705	1,645	2,350
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Functional Expenses	<u>\$510,764</u>	<u>\$85,684</u>	<u>\$39,113</u>	<u>\$635,561</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>NAME OF FUND</u>	<u>FUND BALANCES BEGINNING</u>	<u>TRANSFER BETWEEN UNRESTRICTED AND OTHER FUND</u>	<u>EXCESS (DEFICIENCY) REVENUE OVER EXPENSES</u>	<u>FUND BALANCES ENDING</u>
Unrestricted Fund	\$ 427,747	\$ 21,705	\$ 106,590	\$ 556,042
Land & Building Fund	\$ 347,201	\$ (21,705)	\$ 13,875	\$ 339,371
<b><u>TOTALS</u></b>	<b><u>\$ 774,948</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 120,465</u></b>	<b><u>\$ 895,413</u></b>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT



**NUTLEY FAMILY SERVICE BUREAU, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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	\$ 106,590	\$ 13,875	\$ 120,465
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>			
Depreciation		7,830	7,830
Decrease in Patient Receivables	14,444		14,444
Increase in Prepaid Insurance	(273)		(273)
Increase in Accounts Payable	5,946		5,946
Increase in Accrued Expenses	457		457
Increase in Payroll Taxes Payable	3,409		3,409
Increase in Other Payable	1,433		1,433
Increase in Unearned Support & Revenue	-		-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>132,006</u>	<u>21,705</u>	<u>153,711</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase and Redemption of Investments	(8,584)		(8,584)
Capital Expenditures	-	-	-
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(8,584)</u>	<u>-</u>	<u>(8,584)</u>
<b>TRANSFERS-REVENUE &amp; EXPENDITURES</b>			
Repairs, Insurance & Improvements	(16,423)	16,423	-
Renovation Donations Received	34,528	(34,528)	-
Rents Received	3,600	(3,600)	-
<b>TOTAL TRANSFERS-REVENUE &amp; EXPENDITURES</b>	<u>21,705</u>	<u>(21,705)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	145,127	0	145,127
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>317,272</u>	<u>-</u>	<u>317,272</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 462,399</u>	<u>\$ -</u>	<u>\$ 462,399</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:</b>			
<b>CASH PAID DURING THE YEAR FOR:</b>			
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. **INVESTMENTS** – Investments in marketable securities donated to the Organization are carried at cost, determined at the fair market value. Recognized gains and losses are reflected in the statements of activities. Dividends and interest are recorded during the period earned.
- H. **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.
- I. **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.
- J. **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, 2017. The tax years which remain subject to examination by major tax jurisdictions as of December 31, 2017 are the years ended December 31, 2014 through 2017.

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

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

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.

**NOTE 3 - LINE OF CREDIT** – The organization established a line of credit with Spencer Savings Bank on July 31, 2017 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, 2017, the balance was \$0.

**NOTE 4 - ACCRUED EXPENSES** – Accrued Expenses at December 31, 2017 consisted of the following:

2017 Accounting Audit Fee and	
2017 Federal and State Tax Preparation Fees	\$6,660
Accrued Payroll	<u>\$18,491</u>
	\$25,151

**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.

**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 June 11, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Organization has determined that no subsequent events have occurred, which require disclosure in the financial statements.