
FINANCIAL STATEMENTS

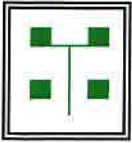
OF

NUTLEY FAMILY SERVICE BUREAU, INC.

DECEMBER 31, 2018

NUTLEY FAMILY SERVICE BUREAU, INC.
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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 financial statements of Nutley Family Service Bureau, Inc, which comprise Statement of Financial Position as of December 31, 2018, 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, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 above present fairly, in all material respects, the financial position of Nutley Family Service Bureau, Inc. as of December 31, 2018 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.
Calabro & Co.
A Professional Corporation

NUTLEY, NJ 07110
June 13, 2019



NUTLEY FAMILY SERVICE BUREAU, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018

ASSETS

	<u>UNRESTRICTED</u> <u>FUND</u>	<u>BUILDING</u> <u>FUND</u>	<u>TOTAL</u> <u>FUNDS</u>
<u>CURRENT ASSETS:</u>			
Cash & Cash Equivalents	\$ 142,307	\$ -	\$ 142,307
Investments - Marketable Securities	\$ 28,965		\$ 28,965
Patient Receivables	97,999		97,999
Prepaid Insurance	<u>3,783</u>		<u>3,783</u>
 Total Current Assets	 \$ 273,054	 \$ -	 \$ 273,054
 <u>PROPERTY AND EQUIPMENT</u>			
Buildings		\$ 253,074	\$ 253,074
Computer Hardware & Software		12,543	12,543
Furniture & Equipment		15,369	15,369
Leasehold Improvements		599,083	599,083
Land		<u>135,420</u>	<u>135,420</u>
		1,015,489	1,015,489
Less: Accumulated Deprec.	<u>-</u>	<u>(200,886)</u>	<u>(200,886)</u>
 <u>Net Property & Equipment</u>	 <u>-</u>	 <u>\$ 814,603</u>	 <u>\$ 814,603</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 273,054</u>	 <u>\$ 814,603</u>	 <u>\$ 1,087,657</u>

LIABILITIES AND FUND BALANCES

<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 72,678		\$ 72,678
Accrued Expenses	30,875		30,875
Payroll Taxes Payable	1,090		1,090
Other Payable	<u>548</u>		<u>548</u>
<u>Total Current Liabilities</u>	<u>\$ 105,191</u>		<u>\$ 105,191</u>
 <u>FUND BALANCES:</u>			
Operating Fund Balances	\$ 167,863		\$ 167,863
Building Fund Balance		<u>814,603</u>	<u>814,603</u>
<u>Total Fund Balances</u>	<u>\$ 167,863</u>	<u>\$ 814,603</u>	<u>\$ 982,466</u>
 <u>TOTAL LIABILITIES AND</u>			
<u>FUND BALANCES</u>	<u>\$ 273,054</u>	<u>\$ 814,603</u>	<u>\$ 1,087,657</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>UNRESTRICTED</u> <u>FUND</u>	<u>BUILDING</u> <u>FUND</u>	<u>TOTAL</u> <u>FUNDS</u>
<u>SUPPORT AND REVENUE FUNDED</u>			
Program Service Fees	473,424		473,424
Nutley Senior Manor/Parkside	8,500		8,500
Newark Holiday Fund	35,000		35,000
Thrift Shop Sales	101,890		101,890
<u>OTHER</u>			
Special Events	58,087		58,087
Rental Income		1,500	1,500
Donations and Contributions	96,564	65,565	162,129
Investments	2,233		2,233
Food Pantry Contributions	25,118		25,118
<u>TOTAL SUPPORT AND REVENUE</u>	<u>\$ 800,816</u>	<u>\$ 67,065</u>	<u>\$ 867,881</u>
<u>PROGRAM SERVICES AND SUPPORTING SERVICES</u>			
Salaries	\$ 538,988		\$ 538,988
Retirement Plan	12,274		12,274
Payroll Taxes	45,514		45,514
Building Maintenance & Supplies	2,043	7,243	9,286
Storage	5,503		5,503
Licenses & Permits	1,351	1,739	3,090
Professional Fees	10,317		10,317
Insurance	4,859	11,520	16,379
Fundraising	1,030		1,030
Advertising	9,102		9,102
Bad Debt Expense	27,543		27,543
Telephone	6,240		6,240
Conference and Conventions	1,758		1,758
Depreciation (Note 1-H)		11,293	11,293
Supplies & Office Expense	17,145		17,145
Food Pantry Supplies	961		961
Utilities	14,537		14,537
Travel & Meals	1,789		1,789
Computer & Bank Service Fees	49,358		49,358
Postage	2,468		2,468
<u>TOTAL EXPENSES: PROGRAM SERVICES</u>			
<u>AND SUPPORTING SERVICES</u>	<u>\$ 752,780</u>	<u>\$ 31,795</u>	<u>\$ 784,575</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.
STATEMENT OF ACTIVITIES
AS OF DECEMBER 31, 2018

CONTINUED

<u>EXCESS (DEFICIENCY) OF SUPPORT & REVENUE OVER EXPENSES BEFORE OTHER INCOME</u>	\$48,036	\$35,270	\$83,306
<u>OTHER INCOME: INTEREST & DIVIDEND INCOME</u>	<u>3,748</u>	<u>-</u>	<u>3,748</u>
<u>EXCESS (DEFICIENCY) OF SUPPORT OVER EXPENSES</u>	<u>\$ 51,784</u>	<u>\$ 35,270</u>	<u>\$ 87,054</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.
STATEMENT OF FUNCTIONAL EXPENSES
AS OF DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$420,628	\$81,002	\$37,358	\$538,988
Retirement Plan	9,578	1,845	851	12,274
Payroll Taxes	35,519	6,840	3,155	45,514
Building Maintenance	1,897	146		2,043
Storage	5,503			5,503
Licenses & Fees	651	700		1,351
Professional Fees		10,317		10,317
Insurance	4,130	729		4,859
Fundraising			1,030	1,030
Advertising	6,826	2,276		9,102
Bad Debt Expense	27,543			27,543
Telephone	4,992	1,248		6,240
Conferences & Conventions	1,758			1,758
Supplies & Office Expense	15,431	1,714		17,145
Food Pantry Supplies	961			961
Utilities	13,499	1,038		14,537
Travel & Meals	1,789			1,789
Computer & Bank Charges	34,551	14,807		49,358
Postage		740	1,728	2,468
Total Functional Expenses	<u>\$585,256</u>	<u>\$123,402</u>	<u>\$44,122</u>	<u>\$752,780</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

<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	\$ 556,041	\$ (439,962)	\$ 51,784	\$ 167,863
Land & Building Fund	\$ 339,371	\$ 439,962	\$ 35,270	\$ 814,603
<u>TOTALS</u>	\$ 895,412	\$ -	\$ 87,054	\$ 982,466

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

NUTLEY FAMILY SERVICE BUREAU, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>UNRESTRICTED</u> <u>FUND</u>	<u>BUILDING</u> <u>FUND</u>	<u>TOTAL</u> <u>FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (Deficiency) of Support and Revenue Over Expenses	\$ 51,784	\$ 35,270	\$ 87,054
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation		11,293	11,293
Decrease in Patient Receivables	30,630		30,630
Increase in Prepaid Insurance	(2,970)		(2,970)
Decrease in Other Receivable	5,417		5,417
Increase in Accounts Payable	65,192		65,192
Increase in Accrued Expenses	5,724		5,724
Decrease in Payroll Taxes Payable	(4,641)		(4,641)
Decrease in Other Payable	(885)		(885)
Decrease in Unearned Support & Revenue	(10,000)		(10,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	140,251	46,563	186,814
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase and Redemption of Investments	(20,381)		(20,381)
Capital Expenditures	-	(486,525)	(486,525)
NET CASH USED BY INVESTING ACTIVITIES	(20,381)	(486,525)	(506,906)
TRANSFERS-REVENUE & EXPENDITURES			
Repairs, Insurance & Improvements	(507,027)	507,027	-
Renovation Donations Received	65,565	(65,565)	-
Rents Received	1,500	(1,500)	-
TOTAL TRANSFERS-REVENUE & EXPENDITURES	(439,962)	439,962	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(320,092)	0	(320,092)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	462,399	-	462,399
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 142,307	\$ -	\$ 142,307
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:			
CASH PAID DURING THE YEAR FOR:			
Interest			\$0.00
Income Taxes(Non Profit Organization)			\$0.00

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.
- 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.

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

- 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, 2018. The tax years which remain subject to examination by major tax jurisdictions as of December 31, 2018 are the years ended December 31, 2015 through 2018.

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

Newark Holiday Fund
Nutley Senior Manor/Parkside

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, 2018, the balance was \$0.

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

NOTE 4 - ACCRUED EXPENSES – Accrued Expenses at December 31, 2018 consisted of the following:

2018 Accounting Audit Fee and	
2018 Federal and State Tax Preparation Fees	\$8,350
Accrued Payroll	<u>\$22,525</u>
	\$30,875

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 - RETIREMENT PLAN – The Organization maintains a simplified employee pension (a simple plan). Both employee and employer contributions are immediately vested. During the year 2018 participants contributed \$43,597.30 and the employer share was \$12,273.53.

NOTE 7 - 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 8 - SUBSEQUENT EVENTS – The Organization entered into a contract to sell one of their buildings subsequent to the balance sheet date. Other than this, the organization has evaluated subsequent events occurring after the statement of financial position date through the date of June 13, 2019 which is the date the financial statements were available to be issued. Based upon this evaluation, the Organization has determined that no other subsequent events have occurred, which require disclosure in the financial statements.