

**NUTLEY FAMILY  
SERVICE BUREAU, INC.**

**Financial Statements**

**December 31, 2021 and 2020**

# NUTLEY FAMILY SERVICE BUREAU, INC.

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
Nutley Family Service Bureau, Inc.  
Nutley, New Jersey

### **Opinion**

We have audited the accompanying financial statements of Nutley Family Service Bureau, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nutley Family Service Bureau, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nutley Family Service Bureau, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

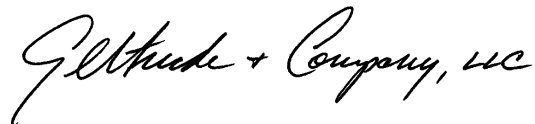
### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Nutley Family Service Bureau, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nutley Family Service Bureau, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



GELTRUDE & COMPANY, LLC

Nutley, New Jersey  
March 16, 2023

# NUTLEY FAMILY SERVICE BUREAU, INC.

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 410,436	\$ 490,072
Investments in marketable securities	57,408	48,284
Insurance and patient receivables, net	83,547	90,214
Prepaid expenses	17,364	3,782
Total Current Assets	<u>568,755</u>	<u>632,352</u>
PROPERTY AND EQUIPMENT		
Building	223,239	223,239
Computer hardware and software	12,543	12,543
Furnitures and fixtures	38,576	18,458
Leasehold improvements	636,314	617,590
Land	100,255	100,255
	<u>1,010,927</u>	<u>972,085</u>
Less: accumulated depreciation	<u>(237,384)</u>	<u>(213,135)</u>
Total Property and Equipment, net	<u>773,543</u>	<u>758,950</u>
TOTAL ASSETS	<u>\$ 1,342,298</u>	<u>\$ 1,391,302</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 16,479	\$ 17,324
Accrued expenses	29,387	24,229
Total Current Liabilities	<u>45,866</u>	<u>41,553</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	<u>1,296,432</u>	<u>1,349,749</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,342,298</u>	<u>\$ 1,391,302</u>

*See Accompanying Notes to Financial Statements*

# NUTLEY FAMILY SERVICE BUREAU, INC.

## STATEMENTS OF ACTIVITIES

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUE AND SUPPORT		
Patient service fees	\$ 601,341	\$ 565,118
Thrift shop sales	261,969	135,094
Paycheck Protection Program contribution income	-	134,920
Grants	125,632	129,541
Other contributions	225,472	116,864
Special events	49,141	95,670
Investment income	10,897	6,169
Total Revenue and Support	<u>1,274,452</u>	<u>1,183,376</u>
EXPENSES		
Program services	1,009,543	805,023
Supporting services:		
Management and general	254,210	182,868
Fundraising	64,016	53,305
Total Expenses	<u>1,327,769</u>	<u>1,041,196</u>
(DECREASE) INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(53,317)	142,180
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	<u>1,349,749</u>	<u>1,207,569</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 1,296,432</u>	<u>\$ 1,349,749</u>

*See Accompanying Notes to Financial Statements*

# NUTLEY FAMILY SERVICE BUREAU, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	Supporting Services				Supporting Services			
	Program Services	Management and General	Fund- raising	Total	Program Services	Management and General	Fund- raising	Total
Salaries	\$ 685,633	\$ 151,373	\$ 53,426	\$ 890,432	\$ 549,954	\$ 118,110	\$ 41,812	\$ 709,876
Payroll taxes	58,472	12,909	4,557	75,938	46,081	9,897	3,504	59,482
Benefits	11,243	2,482	876	14,601	16,138	3,466	1,227	20,831
Computer expense	47,767	20,472	-	68,239	55,036	23,587	-	78,623
Bad debts	32,000	-	-	32,000	25,000	-	-	25,000
Insurance	19,633	2,182	-	21,815	18,935	2,104	-	21,039
Supplies and office expense	76,564	8,507	-	85,071	31,755	3,528	-	35,283
Building maintenance	14,743	1,638	-	16,381	8,427	936	-	9,363
Depreciation	21,824	2,425	-	24,249	18,704	2,078	-	20,782
Professional fees	-	46,916	-	46,916	-	16,306	-	16,306
Utilities	14,192	1,577	-	15,769	11,188	1,243	-	12,431
Advertising	5,394	2,668	2,611	10,673	3,858	1,286	-	5,144
Travel and meals	5,024	-	-	5,024	3,725	-	-	3,725
Bank fees	11,851	-	-	11,851	8,154	-	-	8,154
Postage	-	1,061	2,476	3,537	-	327	763	1,090
Fundraising	-	-	70	70	-	-	5,999	5,999
Conferences and conventions	2,400	-	-	2,400	2,016	-	-	2,016
Food pantry supplies	2,803	-	-	2,803	5,538	-	-	5,538
Licenses and fees	-	-	-	-	514	-	-	514
<b>Total Expenses</b>	<b>\$1,009,543</b>	<b>\$ 254,210</b>	<b>\$ 64,016</b>	<b>\$1,327,769</b>	<b>\$ 805,023</b>	<b>\$ 182,868</b>	<b>\$ 53,305</b>	<b>\$1,041,196</b>

See Accompanying Notes to Financial Statements

# NUTLEY FAMILY SERVICE BUREAU, INC.

## STATEMENTS OF CASH FLOWS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase in net assets	\$ (53,317)	\$ 142,180
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
Unrealized gains on marketable securities	(7,627)	(846)
Depreciation	24,249	20,782
Bad debts	32,000	25,000
Changes in operating assets and liabilities:		
Insurance and patient receivables	(25,333)	(58,365)
Prepaid expenses	(13,582)	-
Accounts payable	(845)	9,315
Accrued expenses	5,158	2,030
Net Cash (Used in) Provided by Operating Activities	<u>(39,297)</u>	<u>140,096</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(38,842)	(18,507)
Purchases of marketable securities	<u>(1,497)</u>	<u>(1,377)</u>
Net Cash Used in Investing Activities	<u>(40,339)</u>	<u>(19,884)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(79,636)	120,212
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>490,072</u>	<u>369,860</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 410,436</u>	<u>\$ 490,072</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW DATA		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

*See Accompanying Notes to Financial Statements*



# NUTLEY FAMILY SERVICE BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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### 1. ORGANIZATION AND NATURE OF ACTIVITIES

Nutley Family Service Bureau, Inc. (the “Organization”) was incorporated in the State of New Jersey as a not-for-profit organization in 1913 and provides mental health counseling, social service programs and community outreach initiatives to individuals and families in Northern New Jersey. In addition, the Organization operates a food pantry for the distribution of food donations to individuals and families in need, and a thrift shop for the sale of clothing and household items that have been donated to the Organization.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting*** – The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

***Basis of Presentation*** – In accordance with GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Assets accumulated and resources received and expended by the Organization are either without donor restrictions or restricted by the donor for a particular purpose. Net assets with donor restrictions represent contributions to the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Organization itself does not constitute a basis for reclassifying them as net assets with donor restriction. None of the Organization’s assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions.

***Use of Estimates*** – Preparing the Organization’s financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and 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.

***Revenue and Support Recognition*** – The Organization recognizes revenue from patient service fees when the performance obligations of providing the services are met which generally is at the time of service. Patient insurance information is taken and any co-pays are collected at the time services are provided. The insurance company is then billed, and the balance, based on the Organization’s full billing rate, is recorded as a receivable. For the years ended December 31, 2021 and 2020 the Organization recognized bad debt expense on insurance and patient receivables of \$32,000 and \$25,000, respectively.

Thrift shop sales contain a single delivery element and revenue is recognized at a single point in time when ownership, risks and rewards transfer. Revenue is recognized at the time the goods are sold and the customer takes possession of the merchandise. The amount of revenue recognized is based on the amount of consideration that is received in exchange for the goods sold.

Additional revenues are obtained from various fundraising projects. These revenues are not restricted in their use and are used to offset both programs and support services. Revenues from these sources are recognized at the time the donation is received.

# NUTLEY FAMILY SERVICE BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and grants are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the year in which the contributions and grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**Cash and Cash Equivalents** – The Organization considers all highly liquid investments, principally money market funds, purchased with a maturity of three months or less to be cash equivalents.

**Investments in Marketable Securities** – Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statement of activities as an increase or decrease in net assets without donor restrictions unless the income or loss is restricted by the donor.

**Insurance and Patient Receivables** – Insurance and patient receivables are reported net of an allowance for doubtful accounts. Reimbursements by the insurance companies is primarily based on what they deem “reasonable and customary.” Management’s estimate of the allowance is based on past collection history and a review of the current status of receivables. There was an allowance for doubtful accounts of \$92,834 and \$50,000 at December 31, 2021 and 2020, respectively.

**Property and Equipment** – Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided using straight-line and accelerated methods over the estimated useful lives of the assets which range from 5 to 39 years. Expenditures for repairs, maintenance and renewals of minor items are charged to earnings as incurred. Major renewals and improvements are capitalized. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in operations for the period.

**Impairment of Long-Lived Assets** – The Organization reviews long-lived assets to determine whether there has been any permanent impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, the Organization recognizes an impairment loss. No impairment losses were recognized during the years ended December 31, 2021 and 2020.

**Functional Expenses** – The costs of providing the programs and support services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated between the programs and support services in reasonable ratios determined by management. The smaller related programs have not been shown separately because none of the programs are individually material in relation to the mental health counseling and social service programs.

**Advertising** - Advertising costs are expensed as incurred. Advertising expense was \$10,673 and \$5,144 for the years ended December 31, 2021 and 2020, respectively.

# NUTLEY FAMILY SERVICE BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Income Tax Status** – The Organization has obtained a determination of tax-exempt status from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

GAAP require the management of the Organization to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in process. Management believes the Organization is no longer subject to income tax examinations for years prior to 2018.

**In-Kind Contributions** – Donated property, marketable securities and other noncash donations are typically recorded as contributions at their estimated fair value at the date of donation. Food donations are estimated by management to have no fair value at the date of donation due to the perishable nature of the goods received. Donations of clothing and household items are not recorded as a contribution until the goods are sold and a fair value can be determined.

The Organization also receives significant donated services from the board of trustees and volunteers to support programs, fundraising, and management and general services. The value of these services is not included in these financial statements as they do not meet the criteria for recognition under not-for-profit accounting standards.

**Reclassifications** - Certain amounts from the 2020 financial statements have been reclassified to conform to the 2021 presentation.

**Recent Accounting Pronouncements** – In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2014-09 Revenue from Contracts with Customers (Topic 606) (“ASU 2014-09”). ASU 2014-09 is a comprehensive new revenue recognition model that requires an entity to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. The Organization adopted ASU 2014-09 on January 1, 2020, using the modified retrospective approach and applied ASU 2014-09 only to contracts not completed as of January 1, 2020. There was no cumulative effect of adopting the new revenue recognition standard. The adoption of this standard did not have a material impact for the year ended December 31, 2020 and the Organization does not expect it to have a material impact on revenue or the change in net assets on an ongoing basis.

# NUTLEY FAMILY SERVICE BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2021 AND 2020

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2018, the FASB issued Accounting Standards Update No. 2018-08 Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958) (“ASU 2018-08”). ASU 2018-08 clarifies and improves guidance for contributions received and contributions made, and provides guidance to entities on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. The Organization adopted ASU 2018-08 on January 1, 2020, using the modified prospective approach. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions as of January 1, 2020. The adoption of this standard did not have a material impact for the year ended December 31, 2020 and the Organization does not expect it to have a material impact on an ongoing basis.

#### 3. INVESTMENTS

Investments are stated at fair value. Fair values and unrealized appreciation at December 31, 2021 and 2020 are as follows:

	2021		
	Cost	Fair Value	Unrealized Appreciation
Common stocks	\$ 42,501	\$ 55,408	\$ 12,907
Exchange Trade Fund	1,353	2,000	647
Totals	<u>\$ 43,854</u>	<u>\$ 57,408</u>	<u>\$ 13,554</u>

	2020		
	Cost	Fair Value	Unrealized Appreciation
Common stocks	\$ 41,028	\$ 46,692	\$ 5,664
Exchange Trade Fund	1,329	1,592	263
Totals	<u>\$ 42,357</u>	<u>\$ 48,284</u>	<u>\$ 5,927</u>

Investment returns on marketable securities for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Dividend income	\$ 1,499	\$ 1,377
Unrealized gain on investments	7,627	846
Totals	<u>\$ 9,126</u>	<u>\$ 2,223</u>

#### 4. LIQUIDITY AND AVAILABILITY

The Organization has \$551,391 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$410,436, investments of \$57,408, and accounts receivable of \$83,547. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the date of the statement of financial position.

# NUTLEY FAMILY SERVICE BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2021 AND 2020**

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### 4. LIQUIDITY AND AVAILABILITY (continued)

The Organization maintains financial assets on hand to meet normal operating expenses based upon its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year revenue and support.

### 5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 — Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the assets or liabilities; and
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term for the asset or liability.

- Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the methodologies used at December 31, 2021 and 2020.

- **Common Stocks:** Valued at the closing price in the active market in which the stock is traded.
- **Exchange Traded Fund:** Valued at the closing price as reported by the active market in which the fund is traded. The exchange traded fund held by the Organization is an index fund that is registered with the Securities and Exchange Commission ("SEC"). The fund's net asset value ("NAV") represents the value of each share's portion of the fund's underlying assets and cash at the end of the trading day.

The following tables set forth the Organization's investment assets at fair value by level within the fair value hierarchy as of December 31, 2021 and 2020:

# NUTLEY FAMILY SERVICE BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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### 5. FAIR VALUE MEASUREMENTS (continued)

	2021			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 55,408	\$ -	\$ -	\$ 55,408
Exchange traded fund	2,000	-	-	2,000
Total	<u>\$ 57,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,408</u>

	2020			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 46,692	\$ -	\$ -	\$ 46,692
Exchange traded fund	1,592	-	-	1,592
Total	<u>\$ 48,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,284</u>

### 6. LINE OF CREDIT

The Organization has a \$125,000 line of credit agreement with Spencer Savings Bank that expires on April 6, 2026. Interest is charged on outstanding borrowings at the bank's prime lending rate plus .75% and outstanding borrowings are secured by the Organization's land and building. There were no outstanding borrowings at December 31, 2021 and 2020.

### 7. PAYCHECK PROTECTION PROGRAM CONTRIBUTION INCOME

On May 5, 2020, the Organization was granted a loan (the "PPP Loan") from Spencer Savings Bank in the aggregate amount of \$134,920, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which was enacted March 27, 2020. The PPP Loan, which was in the form of a note dated May 5, 2020 issued by the Organization, was scheduled to mature on June 1, 2022 and interest was to be charged at a rate of 1.00% per annum, payable monthly commencing January 1, 2021. The Note could be prepaid by the Organization at any time prior to maturity with no repayment penalties. Under the terms of the PPP, certain amounts of the PPP Loan could be forgiven if the funds from the PPP Loan were used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest payments on any other debt obligations incurred before February 15, 2020.

The Company was issued forgiveness of the PPP Loan on August 19, 2021. The Organization accounted for the PPP Loan under the ASU 2018-08 guidance. Governmental assistance in the form of loan forgiveness would be considered nonreciprocal or a non-exchange transaction referred to in the guidance as a contribution. Under this guidance, the loan proceeds are recognized as contribution income once the conditions for the release have been met. For the year ended December 31, 2020, the Organization recognized contribution income of \$134,920 which was included in revenue and support on the statement of activities. The amount forgiven included accrued interest on the loan of \$1,741.

### 8. REAL ESTATE TAXES

The Organization is exempt from paying real estate taxes. This exemption will continue until the Organization either vacates or sells its building.

# NUTLEY FAMILY SERVICE BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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### 9. RETIREMENT PLAN

The Organization maintains a simplified employee pension (the “Plan”). Both employee and employer contributions are immediately vested. During the years ended December 31, 2021 and 2020, employer contributions to the Plan were \$12,365 and \$13,018, respectively.

### 10. CONCENTRATION OF CREDIT RISK

The Organization’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and insurance and patient receivables. The Organization places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Although the Organization’s policy is to extend unsecured credit to its patients, concentration of credit risk with respect to insurance and patient receivables is limited as the balance consists of numerous small accounts having generally short payment terms.

The Organization has investments in both common stocks and an exchange traded fund, which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with these investments, it is possible that changes in the values of investments will occur in the near term and have a material effect on the amounts reported in the statement of financial position.

### 11. RISKS AND UNCERTAINTIES

The Organization is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy, both domestic and global, or other conditions in the geographical area.

Due to certain concentrations of donors, the organization relies upon specific grants for support. Obtaining replacement funding, if necessary, would be difficult.

### 12. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 16, 2023 the date which the financial statements were available to be issued. Based upon that evaluation, the Organization has determined that no subsequent events have occurred which would require disclosure in or adjustment to the financial statements.

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