

**NUTLEY FAMILY
SERVICE BUREAU, INC.**

Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021, 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 audits 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.

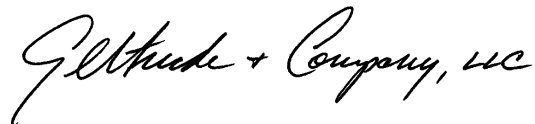
Auditors' Responsibilities for the Audit of the Financial Statements

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
February 23, 2024

NUTLEY FAMILY SERVICE BUREAU, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 245,987	\$ 410,436
Investments in marketable securities	55,261	57,408
Insurance and patient receivables, net	66,590	83,547
Prepaid expenses	11,315	17,364
Other current assets	4,613	-
Total Current Assets	<u>383,766</u>	<u>568,755</u>
PROPERTY AND EQUIPMENT		
Building	223,239	223,239
Computer hardware and software	12,543	12,543
Furnitures and fixtures	42,074	38,576
Leasehold improvements	636,314	636,314
Land	100,255	100,255
	<u>1,014,425</u>	<u>1,010,927</u>
Less: accumulated depreciation	(262,867)	(237,384)
Total Property and Equipment, net	<u>751,558</u>	<u>773,543</u>
TOTAL ASSETS	<u>\$ 1,135,324</u>	<u>\$ 1,342,298</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 35,618	\$ 16,479
Accrued expenses	46,063	29,387
Total Current Liabilities	<u>81,681</u>	<u>45,866</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Without donor restrictions	1,038,643	1,296,432
With donor restrictions	15,000	-
Total Net Assets	<u>1,053,643</u>	<u>1,296,432</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,135,324</u>	<u>\$ 1,342,298</u>

See Accompanying Notes to Financial Statements

NUTLEY FAMILY SERVICE BUREAU, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Patient service fees	\$ 639,260	\$ -	\$ 639,260	\$ 601,341	\$ -	\$ 601,341
Thrift shop sales - donated goods	317,318	-	317,318	261,969	-	261,969
Grants	195,500	-	195,500	125,632	-	125,632
Other contributions	167,096	15,000	182,096	225,472	-	225,472
Special events	48,986	-	48,986	49,141	-	49,141
Investment income (loss)	(977)	-	(977)	10,897	-	10,897
Total Revenue and Support	<u>1,367,183</u>	<u>15,000</u>	<u>1,382,183</u>	<u>1,274,452</u>	<u>-</u>	<u>1,274,452</u>
EXPENSES						
Program services	1,146,857	-	1,146,857	1,009,543	-	1,009,543
Supporting services:						
Management and general	389,418	-	389,418	254,210	-	254,210
Fundraising	<u>88,697</u>	<u>-</u>	<u>88,697</u>	<u>64,016</u>	<u>-</u>	<u>64,016</u>
Total Expenses	<u>1,624,972</u>	<u>-</u>	<u>1,624,972</u>	<u>1,327,769</u>	<u>-</u>	<u>1,327,769</u>
CHANGE IN NET ASSETS	(257,789)	15,000	(242,789)	(53,317)	-	(53,317)
NET ASSETS, BEGINNING OF YEAR	<u>1,296,432</u>	<u>-</u>	<u>1,296,432</u>	<u>1,349,749</u>	<u>-</u>	<u>1,349,749</u>
NET ASSETS, END OF YEAR	<u>\$ 1,038,643</u>	<u>\$ 15,000</u>	<u>\$1,053,643</u>	<u>\$ 1,296,432</u>	<u>\$ -</u>	<u>\$1,296,432</u>

See Accompanying Notes to Financial Statements

NUTLEY FAMILY SERVICE BUREAU, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Program Services	Supporting Services		Total	Program Services	Supporting Services		Total
		Management and General	Fund- raising			Management and General	Fund- raising	
Salaries	\$ 749,226	\$ 165,414	\$ 58,381	\$ 973,021	\$ 685,633	\$ 151,373	\$ 53,426	\$ 890,432
Payroll taxes	65,156	14,385	5,077	84,618	58,472	12,909	4,557	75,938
Benefits	14,227	3,141	1,109	18,477	11,243	2,482	876	14,601
Computer expense	50,319	21,565	-	71,884	47,767	20,472	-	68,239
Bad debts	91,939	-	-	91,939	32,000	-	-	32,000
Insurance	19,456	2,162	-	21,618	19,633	2,182	-	21,815
Supplies and office expense	66,010	7,335	-	73,345	76,564	8,507	-	85,071
Building maintenance	17,734	1,971	-	19,705	14,743	1,638	-	16,381
Depreciation	22,935	2,548	-	25,483	21,824	2,425	-	24,249
Professional fees	-	164,666	-	164,666	-	46,916	-	46,916
Utilities	14,604	1,623	-	16,227	14,192	1,577	-	15,769
Advertising	10,111	3,370	-	13,481	5,394	2,668	2,611	10,673
Travel and meals	6,133	-	-	6,133	5,024	-	-	5,024
Bank fees	13,015	-	-	13,015	11,851	-	-	11,851
Postage	-	1,238	2,887	4,125	-	1,061	2,476	3,537
Fundraising	-	-	21,243	21,243	-	-	70	70
Conferences and conventions	4,586	-	-	4,586	2,400	-	-	2,400
Food pantry supplies	1,406	-	-	1,406	2,803	-	-	2,803
Total Expenses	\$1,146,857	\$ 389,418	\$ 88,697	\$1,624,972	\$1,009,543	\$ 254,210	\$ 64,016	\$1,327,769

See Accompanying Notes to Financial Statements

NUTLEY FAMILY SERVICE BUREAU, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (242,789)	\$ (53,317)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Unrealized losses (gains) on marketable securities	3,796	(7,627)
Depreciation	25,483	24,249
Bad debts	91,939	32,000
Changes in operating assets and liabilities:		
Insurance and patient receivables	(74,982)	(25,333)
Prepaid expenses	6,049	(13,582)
Accounts payable	19,139	(845)
Accrued expenses	16,676	5,158
Other current assets	(4,613)	-
Net Cash Used in Operating Activities	<u>(159,302)</u>	<u>(39,297)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(3,498)	(38,842)
Purchases of marketable securities	(1,649)	(1,497)
Net Cash Used in Investing Activities	<u>(5,147)</u>	<u>(40,339)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(164,449)	(79,636)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>410,436</u>	<u>490,072</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 245,987</u>	<u>\$ 410,436</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, 2022 AND 2021

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. Some of the Organization’s assets are subject to donor-imposed restrictions. Accordingly, net assets are accounted for as net assets with donor restrictions (see Note 4) and 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, 2022 and 2021 the Organization recognized bad debt expense on insurance and patient receivables of \$91,939 and \$32,000, respectively.

Thrift shop sales of donated goods 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, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and grants are recognized when cash is received or 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.

Donated property, marketable securities and other noncash donations are recorded as nonfinancial contributions at their estimated fair value at the date of donation. Food donations are typically 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 typically have little or no economic value to the Organization when first received, and therefore, are not recorded as revenue and support in the accompanying statements of activities until the goods are sold and a fair value can be determined.

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 \$35,725 and \$92,834 at December 31, 2022 and 2021, respectively.

Property and Equipment – Property and equipment are recorded at cost less accumulated depreciation, except for donated items which are recorded at their fair value on the date of donation. 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, 2022 and 2021.

NUTLEY FAMILY SERVICE BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$13,481 and \$10,673 for the years ended December 31, 2022 and 2021, respectively.

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, 2022 and 2021, 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 2020.

Donated Services – The Organization 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.

Recent Accounting Pronouncement – In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. ASU 2020-07 requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization adopted ASU 2020-07 retrospectively on January 1, 2022. The adoption of the standard did not result in a material change to the financial statements.

2. INVESTMENTS

Investments are stated at fair value. Fair values and unrealized appreciation at December 31, 2022 and 2021 are as follows:

	2022		
	Cost	Fair Value	Unrealized Appreciation
Common stocks	\$ 44,124	\$ 53,651	\$ 9,527
Exchange Trade Fund	1,379	1,610	231
Totals	<u>\$ 45,503</u>	<u>\$ 55,261</u>	<u>\$ 9,758</u>

NUTLEY FAMILY SERVICE BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

2. INVESTMENTS (continued)

	2021		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation</u>
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>

Investment returns on marketable securities for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Dividend income	\$ 1,649	\$ 1,499
Unrealized (losses) gains on investments	<u>(3,796)</u>	<u>7,627</u>
Totals	<u>\$ (2,147)</u>	<u>\$ 9,126</u>

3. LIQUIDITY AND AVAILABILITY

The Organization has \$367,838 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 \$245,987, investments of \$55,261, and accounts receivable of \$66,590. Approximately \$15,000 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.

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.

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 amounted to \$15,000 and are restricted for the purchase of equipment. There were no assets with donor restrictions at December 31, 2021.

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;

NUTLEY FAMILY SERVICE BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

5. FAIR VALUE MEASUREMENTS (continued)

- 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, 2022 and 2021.

- **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, 2022 and 2021:

	2022			
	Level 1	Level 2	Level 3	Total
Common stocks	\$ 53,651	\$ -	\$ -	\$ 53,651
Exchange traded fund	1,610	-	-	1,610
Total	<u>\$ 55,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,261</u>

	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>

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, 2022 and 2021.

NUTLEY FAMILY SERVICE BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

7. CONTRIBUTED NONFINANCIAL ASSETS

During the years ended December 31, 2022 and 2021, nonfinancial assets contributed to the Organization consisted of food, clothing and household items with no donor-imposed restrictions.

Due to the perishable nature of the food donations received during the years ended December 31, 2022 and 2021, they were found to have no fair market value at the date of donation and distributed out to individuals and families with needs who live in the surrounding communities. Accordingly, no amounts have been included in the accompanying statements of activities for food donations received during the years ended December 31, 2022 and 2021.

Clothing and household items received during the years ended December 31, 2022 and 2021, were found to have little to no economic value to the Organization when first received, and therefore were not recorded as revenue and support in the accompanying statements of activities until sold and a fair market value was determined. Thrift shop sales of donated clothing and household items amounted to \$317,318 and \$261,969 for the years ended December 31, 2022 and 2021, respectively.

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.

9. RETIREMENT PLAN

The Organization maintains a simplified employee pension plan (the "Plan"). Both employee and employer contributions are immediately vested. During the years ended December 31, 2022 and 2021, employer contributions to the Plan were \$11,050 and \$12,365, 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.

NUTLEY FAMILY SERVICE BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

11. RISKS AND UNCERTAINTIES (continued)

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 February 23, 2024 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.
