

Date: September 13, 2019

To: The World Service Board of Families Anonymous

From: Financial Oversight Committee

### **FY2019 Review of FA's Financial Statements, Accountant's Report & Recommendations**

We have reviewed certain financial records of Families Anonymous ("FA") over the past year. We also have reviewed the Statement of Financial Position as of April 30, 2019 and the Statement of Financial Income and Expenses for the year ended April 30, 2019 (together "FY2019" or "the financial statements") of FA. These financial statements were prepared by the Treasurer from the general ledger accounts of the organization.

#### **Quarterly Reviews:**

For each quarter during FY2019, the oversight committee performed tests of the organization's cash accounts. FA's checking and savings general ledger account balances were independently verified and reconciled with the respective bank statements at the end of each quarter. No discrepancies were noted.

#### **Annual Analytical Review of FA's General Ledger Accounts & Financial Statements:**

FA's FY2019 year-end general ledger accounts were used to prepare the Statement of Financial Income and Expenses (for the year ended April 30, 2019) and the Statement of Financial Position (as of April 30, 2019).

##### **Statement of Financial Income and Expenses:** (See attached)

A comparative analytical review was made of FA's Statement of Financial Income and Expense accounts for 12 months ended April 30, 2019 (FY2019) and April 30, 2018 (FY2018). Comparing FY2019 to FY2018, there was a material increase of \$8,216 in CPC donations, an income account. Overall, total income in FY2019 increased \$10,144 compared to FY2018, a 10% increase in year-over-year total income. Total expenses increased \$1,790 in FY2019 compared to FY2018, a 2.0% increase in year-over-year expenses. The year-over-year increase in net income of \$8,157, was 122 % increase.

##### **Statement of Financial Position:** (See attached)

A comparative analytical review was made of FA's Statement of Financial Position accounts at April 30, 2019 and April 30, 2018. No material changes were noted in the respective accounts in the year-over-year comparison.

#### **Outside Accountant's Report:**

##### **Income Statement** (See attached):

FY 2019 net income of \$1,468, reported on the outside accountant's Income Statement, reconciles to the respective accounts used to prepare FA's Statement of Financial Income and Expenses. FY2018 net

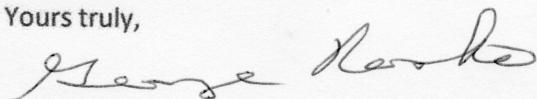
loss of \$6,690, reported in FA's Statement of Financial Position, also reconciles to the net loss reported on the accountant's Income Statement.

Balance Sheet: (See attached):

Comparing FA's April 30, 2019 Statement of Financial Position to the outside accountant's Balance Sheet, other than a reclassification of \$139 in undeposited funds, reconciles to the accountant's Balance Sheet at April 30, 2019. Total assets reported on the outside auditor's Balance Sheet at April 30, 2018 (\$181,523) exceeded the total assets reflected in FA's Statement of Financial Statement (\$180,834) for the same period. This FY2018 difference is attributable to the outside accountant's reclassification of one FA's general ledger account. The accountant's reclassifications were proper and necessary. Otherwise no other differences were noted.

We recommend acceptance of the outside accountant's report and release of the report to the fellowship.

Yours truly,



George R.,  
Chairman – Financial Oversight Committee

- ATTACHED: (1) Statement of Financial Income and Expenses for the twelve-months ended April 30, 2019 and April 30, 2018.
- (1) Statement of Financial Position as of April 30, 2019 and April 30, 2018.
  - (2) Outside Accountant's Report - Kevin Currid & Associates, Inc's compiled Balance Sheets as of April 30, 2019 & April 30, 2018, and Income Statements for the years ended April 30, 2019 and April 30, 2018.

**FAMILIES ANONYMOUS INC**  
**Statement of Financial Income and Expense**  
 May 2018 through April 2019

	May '18 - Apr 19	May '17 - Apr 18	% Change
<b>Income</b>			
40000 • Sales	51,305.78	51,816.44	-1.0%
40050 • Apple Sales	200.31	218.33	-8.3%
40060 • Kindle Sales	527.32	621.70	-15.2%
40070 • Barnes and Noble sales	31.14	15.57	100.0%
40500 • Rent Income	3,264.00	3,163.00	3.2%
41600 • REIM POSTAGE/SHIPPING	4,092.52	4,402.03	-7.0%
41605 • Handling fees	3,045.24	3,338.68	-8.8%
41800 • GROUP DONATIONS	29,517.52	27,539.37	7.2%
41825 • CPC Donation	10,716.45	2,500.00	328.7%
41850 • Individual Donations	9,000.88	8,091.02	11.3%
41950 • INTEREST INCOME	107.80	106.31	1.4%
41960 • Misc Income	162.33	14.70	1,004.3%
<b>Total Income</b>	<b>111,971.29</b>	<b>101,827.15</b>	<b>10.0%</b>
<b>Cost of Goods Sold</b>			
40700 • PRINTING LITERATURE	53.00	0.00	100.0%
50000 • Printing Lit/Cost of Goods	17,123.57	15,800.82	8.4%
50001 • Cost of Goods Sold	240.71	42.95	460.4%
50100 • Freight In 1	0.00	0.00	0.0%
50900 • LESS ENDING INVENTORY ADJ	0.00	1,376.82	-100.0%
<b>Total COGS</b>	<b>17,417.28</b>	<b>17,220.59</b>	<b>1.1%</b>
<b>Gross Profit</b>	<b>94,554.01</b>	<b>84,606.56</b>	<b>11.8%</b>
<b>Expense</b>			
60100 • LITERATURE DEVELOPMENT	117.11	0.00	100.0%
60550 • Email & Website Expenses	3,177.34	2,855.16	11.3%
60700 • MAILROOM SUPPLIES	854.38	706.86	20.9%
60800 • POSTAGE PURCHASED	185.23	969.02	-80.9%
60900 • UPS/DELIVERY	4,546.76	5,195.25	-12.5%
66900 • Reconciliation Discrepancies	0.00	0.06	-100.0%
70100 • ANNUAL BUS MEET EXPENSE	0.00	0.00	0.0%
70150 • BOARD OF DIRECTOR'S EXP	392.40	433.07	-9.4%
70200 • DEPRECIATION	0.00	0.00	0.0%
70300 • INSURANCE	3,618.00	3,672.33	-1.5%
70400 • BAD DEBT WRITEOFF	0.00	82.26	-100.0%
70550 • MISC EXP/BANK CHARGES	480.00	424.72	13.0%
70560 • Credit for Returned merchandise	46.00	0.01	459,900.0%
70570 • estore Fees	3,919.63	3,649.06	7.4%
70600 • OFFICE SUPPLIES/EXP	2,195.99	1,647.48	33.3%
70610 • OFFICE MAINTENANCE	12.00	0.00	100.0%
70630 • Office Computers	129.65	845.07	-84.7%
70640 • Professional Services	1,588.00	1,565.75	1.4%
70650 • CONTRACT SERVICES	148.00	99.00	49.5%
70700 • PAYROLL	43,814.90	42,802.76	2.4%
70750 • PAYROLL TAXES	3,350.84	3,274.45	2.3%
70800 • RENT-OFFICE/PARKING	21,367.92	20,283.81	5.3%
70900 • TELEPHONE EXPENSE	2,485.36	2,166.59	14.7%
70950 • UTILITIES	536.65	523.37	2.5%
71000 • Taxes, Licenses & Permits	120.00	100.00	20.0%
<b>Total Expense</b>	<b>93,086.16</b>	<b>91,296.08</b>	<b>2.0%</b>
<b>Net Income</b>	<b>1,467.85</b>	<b>-6,689.52</b>	<b>121.9%</b>



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Accrual Basis

**FAMILIES ANONYMOUS INC**  
**Statement of Financial Position**  
**As of April 30, 2019**

	<u>Apr 30, 19</u>	<u>Apr 30, 18</u>	<u>% Change</u>
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
10100 • PETTY CASH FUND	18.96	18.96	0.0%
10500 • Checking	14,694.73	26,776.35	-45.1%
10600 • Savings	139,175.53	129,070.94	7.8%
10900 • estore	497.94	0.00	100.0%
Total Checking/Savings	<u>154,387.16</u>	<u>155,866.25</u>	<u>-1.0%</u>
Accounts Receivable			
11100 • ACCOUNTS RECEIVABLE	-161.26	211.73	-176.2%
Total Accounts Receivable	<u>-161.26</u>	<u>211.73</u>	<u>-176.2%</u>
Other Current Assets			
12000 • INVENTORY	20,748.68	18,908.31	9.7%
12001 • Undeposited Funds	139.15	213.88	-34.9%
12100 • Inventory Asset	1,101.37	674.84	63.2%
14040 • RENT-SECURITY DEPOSIT	1,531.00	1,531.00	0.0%
14060 • PREPAID INSURANCE	1,391.67	1,393.67	-0.1%
14160 • OTHER PREPAYMENTS	2,000.00	2,000.00	0.0%
Total Other Current Assets	<u>26,911.87</u>	<u>24,721.70</u>	<u>8.9%</u>
Total Current Assets	<u>181,137.77</u>	<u>180,799.68</u>	<u>0.2%</u>
Fixed Assets			
15600 • FURN/FIXT/EQUIPMENT	37,418.70	37,418.70	0.0%
15700 • LESS ACCUM DEPREC	-37,418.70	-37,418.70	0.0%
Total Fixed Assets	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
Other Assets			
14200 • Display Literature	34.07	34.07	0.0%
Total Other Assets	<u>34.07</u>	<u>34.07</u>	<u>0.0%</u>
<b>TOTAL ASSETS</b>	<u><b>181,171.84</b></u>	<u><b>180,833.75</b></u>	<u><b>0.2%</b></u>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
20100 • ACCOUNTS PAYABLE	118.55	-688.77	117.2%
Total Accounts Payable	<u>118.55</u>	<u>-688.77</u>	<u>117.2%</u>
Other Current Liabilities			
24000 • Payroll Liabilities	800.39	758.54	5.5%
25500 • Sales Tax Payable	71.32	50.25	41.9%
Total Other Current Liabilities	<u>871.71</u>	<u>808.79</u>	<u>7.8%</u>
Total Current Liabilities	<u>990.26</u>	<u>120.02</u>	<u>725.1%</u>
Total Liabilities	<u>990.26</u>	<u>120.02</u>	<u>725.1%</u>
Equity			
30100 • FUND EQUITY	179,731.27	181,731.27	-1.1%
32000 • Retained Earnings	-1,017.54	5,671.98	-117.9%
Net Income	1,467.85	-6,689.52	121.9%
Total Equity	<u>180,181.58</u>	<u>180,713.73</u>	<u>-0.3%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>181,171.84</b></u>	<u><b>180,833.75</b></u>	<u><b>0.2%</b></u>

**Kevin Currid & Associates, Inc.**  
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**Palatine, IL 60067**  
**Tel. (847) 502-6604 Fax (847) 574-7588**

To the Board of Directors of Families Anonymous, Inc.  
Des Plaines, IL

We have compiled the accompanying balance sheets of Families Anonymous, Inc. as of April 30, 2019 and 2018, and the related income statements for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

KEVIN CURRID & ASSOCIATES, INC.

*Kevin Currid & Associates, Inc.*

July 2, 2019

# Families Anonymous, Inc. Balance Sheet

	April 30,	
	2019	2018
<b>Assets:</b>		
Current assets:		
Cash & cash equivalents	\$ 154,526.31	\$ 156,080.13
Inventory	21,850.05	19,583.15
Prepaid expenses & other current assets	4,795.48	5,859.24
Total current assets	181,171.84	181,522.52
Property & equipment		
Furniture, fixtures, & equipment	37,418.70	37,418.70
Less accumulated depreciation	(37,418.70)	(37,418.70)
Total property & equipment	0.00	0.00
<b>Total assets</b>	<b>\$ 181,171.84</b>	<b>\$ 181,522.52</b>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	\$ 118.55	\$ -
Payroll taxes payable	800.39	758.54
Sales tax payable	71.32	50.25
Total current liabilities	990.26	808.79
<b>Net Assets:</b>		
Total unrestricted net assets	180,181.58	180,713.73
<b>Total liabilities &amp; net assets</b>	<b>\$ 181,171.84</b>	<b>\$ 181,522.52</b>

# Families Anonymous, Inc. Income Statement

	For the years ended April 30,	
	2019	2018
<b>Revenues:</b>		
Literature sales	\$ 52,226.88	\$ 52,686.74
Contributions	49,234.85	38,130.39
Shipping & handling income	7,137.76	7,740.71
Rental Income	3,264.00	3,163.00
Interest Income	107.80	106.31
Total revenues	111,971.29	101,827.15
<b>Cost of sales</b>	17,417.28	17,220.59
<b>Gross profit</b>	94,554.01	84,606.56
<b>Expenses:</b>		
Payroll expense	47,165.74	46,077.21
Rent & utilities	24,389.93	22,973.77
Postage & delivery	5,586.37	6,871.13
Bank charges & e-store fees	4,399.63	4,073.78
Insurance	3,618.00	3,672.33
Internet expense	3,177.34	2,855.16
Supplies	2,195.99	1,647.48
Professional fees	1,736.00	1,664.75
Other expenses	700.05	1,460.47
Public information & literature	117.11	-
Depreciation	-	-
Total expenses	93,086.16	91,296.08
<b>Net Income</b>	\$ 1,467.85	\$ (6,689.52)