

Date: Feb. 13, 2024

To: The World Service Board of Families Anonymous

From: Financial Oversight Committee

Re: Fiscal Year 2023 Review of FA's Financial Statements & Accountant's Report

We have reviewed certain financial records of Families Anonymous (FA) over the past year as well as FA's Balance Sheet Statement as of April 30, 2023 and the Profit and Loss Statement for the year ended April 30, 2023. Our review highlights increases and decreases in accounts that materially contributed to changes in FY 2023 assets, liabilities, revenues, cost of sales and expenses.

ANNUAL REVIEW

Profit and Loss Statements (attached)

The following is a comparative analysis of FA's Profit and Loss Statement for the 12 months ended April 30, 2023 (FY 2023) and April 30, 2022 (FY 2022).

Income (Revenue): Total Revenue: FY 2023 - \$91,208, FY 2022 \$100,089. Comparing FY 2023 to FY 2022, total revenue declined by \$8,881, a 9% decrease.

The year-over-year decline in Total Revenue was primarily due to three reasons:

- The Paycheck Protection Program (PPP) passed by Congress as part of the Cares Act authorized forgivable loans to small businesses and nonprofits. A PPP Loan received during FY 2021 in the amount of \$10,072 was forgiven during FY 2022 and recognized as PPP Loan Forgiveness income in the amount of \$10,072 in FY 2022. This concluded activity associated with the program; no related activity took place in FY 2023.
- Literature Sales were \$3,623 (12%) lower than the prior year. The volume of units sold declined by 27%, offset by price increases effective near the end of FY 2022, bringing the net change year-over-year to a 12% decline.
- Offsetting the prior two items are Donations that exceeded the prior year by \$6,404 (13%) primarily due to contributions raised by the virtual convention (\$5,910) hosted by the World Service Office in 2023. No convention was held in FY 2022.

Cost of Goods Sold: Total Cost of Goods Sold: FY 2023 - \$6,907, FY 2022 - \$9,449. Comparing FY 2023 with FY 2022, cost of goods sold declined by 27% or \$2,542.

Expenses: Total Expenses: FY 2023 - \$93,186, FY 2022 - \$90,891. When comparing FY 2023 to FY 2022, total expenses increased by 3% or \$2,295.

Net Income (Loss): Net Loss FY 2023 - \$8,886, Net Loss FY 2022 - \$251. Factors significantly contributing to this unfavorable change (\$8,635 greater loss) in comparing FY 2023 to the prior year are highlighted in the above discussion of revenue.

Balance Sheet (attached)

The following is a comparative analytical review of FA's Balance Sheets at April 30, 2023 (FY 2023) and April 30, 2022 (FY2022).

Assets: Total Assets: FY 2023 - \$131,713, FY 2022 - \$140,536

- Comparing the FY 2023 and FY 2022 year-end amounts, combined checking and savings account balances decreased by \$5,465 (4%).
- Literature inventories declined by \$3,597 (24%) comparing the respective year-end amounts. The change is due to the quantity of Today a Better Way on hand at the end of each year. This title, one of the highest dollar value inventory items, is restocked in bulk approximately every three years. Stock on hand at the end of FY 2023 was nearly depleted.

Liabilities: Total Liabilities: FY 2023 - \$3,215, FY 2022 - \$3,152

Outside Accountant's Report (Balance Sheet & Income Statement) (attached)

Income Statement:

FY 2023 – Revenues \$91,208 Cost of Sales \$6,907, Expenses \$93,186 and Net Loss \$8,885. The outside accountant's Income Statements reconciles to FA's Profit and Loss Statement and general ledger accounts for both fiscal periods.

Balance Sheet:

FY 2023 – Total Assets \$131,713, Liabilities \$3,215, and Unrestricted net assets \$128,498. The outside accountant's Balance Sheet reconciles to FA's Balance Sheet Statement and general ledger accounts for both fiscal periods.

The Oversight Committee recommends the acceptance of the outside Accountant's Report and its release to the fellowship.

Yours truly,

Chris Z.
Chairperson – Financial Oversight Committee

ATTACHED:

- FA's Balance Sheets at April 30, 2023 & April 30, 2022.
- FA's Profit & Loss Statements – 12 months year ended April 30, 2023 and April 30, 2022.
- Outside Accountant's Report – Kevin Currid & Associates, Inc. Letter, and compiled Balance Sheet at April 30, 2023 & 2022, and Income Statements for the 12 months years ended April 30, 2023 and April 30, 2022.

FAMILIES ANONYMOUS INC
Balance Sheet
As of April 30, 2023

	Apr 30, 23	Apr 30, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
10100 - PETTY CASH FUND	19	19	0	0%
10500 - Checking	15,402	15,888	-487	-3%
10600 - Savings	109,344	114,323	-4,978	-4%
10900 - estore	26	184	-159	-86%
Total Checking/Savings	<u>124,791</u>	<u>130,414</u>	<u>-5,624</u>	<u>-4%</u>
Other Current Assets				
12000 - INVENTORY	10,237	13,745	-3,508	-26%
12001 - Undeposited Funds	131	0	131	100%
12100 - Inventory Asset	1,229	1,318	-89	-7%
12200 - Inventory Reserve	-7,638	-7,779	141	2%
14040 - RENT-SECURITY DEPOSIT	1,531	1,531	0	0%
14060 - PREPAID INSURANCE	1,432	1,307	126	10%
Total Other Current Assets	<u>6,923</u>	<u>10,122</u>	<u>-3,199</u>	<u>-32%</u>
Total Current Assets	<u>131,713</u>	<u>140,536</u>	<u>-8,823</u>	<u>-6%</u>
Fixed Assets				
15600 - FURN/FIXT/EQUIPMENT	37,419	37,419	0	0%
15700 - LESS ACCUM DEPREC	-37,419	-37,419	0	0%
Total Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
TOTAL ASSETS	<u><u>131,713</u></u>	<u><u>140,536</u></u>	<u><u>-8,823</u></u>	<u><u>-6%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20100 - ACCOUNTS PAYABLE	242	164	78	48%
Total Accounts Payable	<u>242</u>	<u>164</u>	<u>78</u>	<u>48%</u>
Other Current Liabilities				
20900 - Convention	1,726	1,726	0	0%
24000 - Payroll Liabilities	1,117	1,138	-21	-2%
25500 - Sales Tax Payable	129	124	5	4%
Total Other Current Liabilities	<u>2,973</u>	<u>2,988</u>	<u>-15</u>	<u>-1%</u>
Total Current Liabilities	<u>3,215</u>	<u>3,152</u>	<u>63</u>	<u>2%</u>
Total Liabilities	<u>3,215</u>	<u>3,152</u>	<u>63</u>	<u>2%</u>
Equity				
30100 - FUND EQUITY	179,731	179,731	0	0%
32000 - Retained Earnings	-42,347	-42,096	-251	-1%
Net Income	-8,886	-251	-8,635	-3,447%
Total Equity	<u>128,498</u>	<u>137,384</u>	<u>-8,886</u>	<u>-7%</u>
TOTAL LIABILITIES & EQUITY	<u><u>131,713</u></u>	<u><u>140,536</u></u>	<u><u>-8,823</u></u>	<u><u>-6%</u></u>

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Accrual Basis

FAMILIES ANONYMOUS INC
Profit & Loss
May 2022 through April 2023

	May '22 - Apr 23	May '21 - Apr 22	\$ Change	% Change
Income				
40000 - Sales	27,161.24	30,783.98	-3,622.74	-11.8%
40050 - Apple Sales	234.34	289.56	-55.22	-19.1%
40060 - Kindle Sales	718.82	779.99	-61.17	-7.8%
40070 - Barnes and Noble sales	41.94	27.95	13.99	50.1%
40500 - Rent Income	2,448.00	2,546.00	-98.00	-3.9%
41600 - REIM POSTAGE/SHIPPING	3,459.24	4,579.13	-1,119.89	-24.5%
41605 - Handling fees	1,735.66	1,998.14	-262.48	-13.1%
41800 - GROUP DONATIONS	28,543.73	29,189.90	-646.17	-2.2%
41825 - CPC Donation	5,909.74	0.00	5,909.74	100.0%
41850 - Individual Donations	20,933.62	19,793.90	1,139.72	5.8%
41950 - INTEREST INCOME	21.70	22.47	-0.77	-3.4%
41960 - Misc Income	0.00	6.28	-6.28	-100.0%
41970 - PPP Loan Forgiveness	0.00	10,072.00	-10,072.00	-100.0%
Total Income	91,208.03	100,089.30	-8,881.27	-8.9%
Cost of Goods Sold				
40700 - PRINTING LITERATURE	0.00	0.00	0.00	0.0%
50000 - Printing Lit/Cost of Goods	6,853.48	9,264.62	-2,411.14	-26.0%
50001 - Cost of Goods Sold	54.00	184.67	-130.67	-70.8%
Total COGS	6,907.48	9,449.29	-2,541.81	-26.9%
Gross Profit	84,300.55	90,640.01	-6,339.46	-7.0%
Expense				
60400 - PUBLIC INFO EXPENSE	240.00	0.00	240.00	100.0%
60550 - Email & Website Expenses	3,770.69	1,547.14	2,223.55	143.7%
60700 - MAILROOM SUPPLIES	1,528.09	771.87	756.22	98.0%
60800 - POSTAGE PURCHASED	415.46	255.97	159.49	62.3%
60900 - UPS/DELIVERY	4,001.98	5,109.91	-1,107.93	-21.7%
70100 - ANNUAL BUS MEET EXPENSE	0.00	0.00	0.00	0.0%
70150 - BOARD OF DIRECTOR'S EXP	344.60	344.60	0.00	0.0%
70300 - INSURANCE	3,639.48	3,582.46	57.02	1.6%
70500 - MAINT/EQUP REPAIRS	119.95	0.00	119.95	100.0%
70550 - MISC EXP/BANK CHARGES	-1.00	41.44	-42.44	-102.4%
70570 - estore Fees	4,211.74	4,201.80	9.94	0.2%
70600 - OFFICE SUPPLIES/EXP	726.85	863.26	-136.41	-15.8%
70610 - OFFICE MAINTENANCE	55.00	2.50	52.50	2,100.0%
70630 - Office Computers	396.06	259.46	136.60	52.7%
70640 - Professional Services	1,355.00	1,289.50	65.50	5.1%
70650 - CONTRACT SERVICES	178.00	148.00	30.00	20.3%
70700 - PAYROLL	50,521.16	47,832.90	2,688.26	5.6%
70750 - PAYROLL TAXES	3,864.89	3,659.17	205.72	5.6%
70800 - RENT-OFFICE/PARKING	15,073.00	18,495.20	-3,422.20	-18.5%
70900 - TELEPHONE EXPENSE	2,085.33	1,856.98	228.35	12.3%
70950 - UTILITIES	525.07	533.37	-8.30	-1.6%
71000 - Taxes, Licenses & Permits	135.00	95.00	40.00	42.1%
Total Expense	93,186.35	90,890.53	2,295.82	2.5%
Net Income	-8,885.80	-250.52	-8,635.28	-3,446.9%

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

Management is responsible for the accompanying financial statements of Families Anonymous, Inc. which comprise the balance sheets as of April 30, 2023 and 2022 and the related statements of income for the years then ended. We have performed the compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures and the display of comprehensive income required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the display of comprehensive income 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, the financial statements are not designed for those who are not informed about such matters.

KEVIN CURRID & ASSOCIATES, INC.

Kevin Currid & Associates, Inc.

May 19, 2023

Families Anonymous, Inc. Income Statement

For the years ended April 30,

	2023	2022
Revenues:		
Literature sales	28,156	31,881
Contributions	55,387	48,984
Shipping & handling income	5,195	6,577
Rental Income	2,448	2,546
PPP Loan Forgiveness Income	0	10,072
Other Income	0	6
Interest Income	22	22
	91,208	100,089
Cost of sales	6,907	9,449
Gross profit	84,301	90,640
Expenses:		
Payroll expense	54,386	51,492
Rent & utilities	17,683	20,886
Postage & delivery	5,946	6,138
Bank charges & e-store fees	4,211	4,243
Insurance	3,639	3,582
Internet & website expense	3,771	1,547
Professional fees	1,533	1,438
Supplies	1,123	1,122
Other expenses	895	443
	93,186	90,891
Net Income	(8,885)	(251)

Families Anonymous, Inc.
Balance Sheet

	April 30,	
	2023	2022
Assets:		
Current assets:		
Cash & cash equivalents	124,922	130,414
Inventory, net of reserve	3,828	7,284
Prepaid expenses & other current assets	2,963	2,838
Total current assets	131,713	140,536
Property & equipment		
Furniture, fixtures, & equipment	37,419	37,419
Less accumulated depreciation	(37,419)	(37,419)
Total property & equipment	0	0
Total assets	131,713	140,536
Liabilities:		
Current liabilities:		
Accounts payable	242	164
Convention payable	1,726	1,726
Payroll taxes payable	1,117	1,138
Sales tax payable	129	124
Total current liabilities	3,214	3,152
Net Assets:		
Total unrestricted net assets	128,499	137,384
Total liabilities & net assets	131,713	140,536