

Table of Contents

Independent Auditor's Report	Page 2 - 3
Balance Sheet	Page 4
Statements of Public Support, Revenues and Expenses and Changes in Fund Balances	Page 5
Statements of Cash Flows	Page 6
Supplemental Schedule of Revenue and Direct Costs	Page 7
Notes to Financial Statements	Page 8 - 11

INDEPENDENT AUDITOR'S REPORT

San Diego Intergroup, Inc., DBA Alcoholics Anonymous of
San Diego County

Audited Financial Statements
December 31, 2020 and 2019

Members of the Business Committee:

I have audited the accompanying statement of financial position of the Fellowship of Alcoholics Anonymous in San Diego County as of December 31, 2020 and 2019 and the related statements of support, revenues and expenses and changes in fund balances, and cash flows, and the supplemental schedule of revenue and direct costs for the years 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alcoholics Anonymous of San Diego County as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Revenue and Direct Costs on page 5 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Suzanne Davis, CPA
San Diego, California
February 5, 2021

Alcoholics Anonymous of San Diego County
Balance Sheets
December 31, 2020 and 2019

	ASSETS	2020	2019
Current Assets:			
Petty Cash		\$250	\$250
Cash in Checking		64,515	54,248
Credit Card Merchant		279	1,220
Cash in Savings - CD's		100,129	101,286
Prepaid Expenses		2,183	1,265
Inventory		<u>28,369</u>	<u>33,955</u>
Total Current Assets		195,725	192,224
 Fixed Assets:			
Furniture, Fixtures & Equipment		27,740	27,740
Leasehold Improvements		7,306	7,306
Less: Accumulated Depreciation		-	<u>(35,046)</u>
		<u>(35,046)</u>	
Total Fixed Assets		0	0
 Total Assets		 <u>\$195,725</u>	 <u>\$192,224</u>
 Liabilities:			
Accrued Payroll Taxes		1,376	1,227
Accrued Sales Tax		397	1,419
Gift Certificates Outstanding		<u>0</u>	<u>0</u>
Total Liabilities		1,773	2,646
 Fund Balance		 <u>193,952</u>	 <u>189,578</u>
Total Liabilities & Fund Balance		<u>\$195,725</u>	<u>\$192,224</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Alcoholics Anonymous of San Diego County
Statement of Support, Revenue and Expenses & Changes in Fund Balances
December 31, 2020 and 2019

	2020	2019
Revenue:		
Contributions	\$140,867	\$131,979
Retail Sales, (Net)	2,196	9,698
Interest	1,702	<u>1,358</u>
Total Revenue	144,765	143,035
Expenses:		
Salaries	82,696	77,040
Employee Benefits & Taxes	16,505	15,739
Employer Pension Contribution	<u>2,362</u>	<u>2,369</u>
Total Salaries, Benefits & Taxes	101,563	95,148
Operating Expenses:		
Accounting & Legal	2,675	2,550
Auto & Travel	370	1,571
Bank Charges / Bad Debt	285	(4)
Committee / Program Expense	3,077	6,752
Insurance, WC & Liability	1,473	1,159
Minor Equipment Purchase	0	565
Rent	23,120	22,992
Repairs & Maintenance	751	1,119
Supplies	1,984	2,442
Taxes	80	64
Telephone	1,807	2,100
Website	107	83
Utilities	<u>3,099</u>	<u>4,438</u>
Total Operating Expenses	<u>38,828</u>	45,831
Total Expenses	<u>140,391</u>	<u>140,979</u>
Excess Revenue / (Expenses)	4,374	2,056
Fund Balances:		
Beginning of Year (Less Restricted Fund)	189,000	186,944
Restricted Fund balance	578	<u>578</u>
Ending Fund Balances	<u>\$193,952</u>	<u>\$189,578</u>

The Accompanying Notes are an Intergral Part of the Financial Statements

Alcoholics Anonymous of San Diego County
Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Excess revenue over (expenses)	\$4,374	\$2,056
Adjustments to reconcile excess revenue over expenses to net cash used by operating activities:		
Changes in assets & liabilities:		
Decrease (Increase) in:		
Prepaid Expenses	(918)	689
Inventory	5,586	(990)
Increase (Decrease) in:		
Payroll Taxes Payable	149	(23)
Sales Taxes Payable	(1,022)	120
Gift Certificates Payable	0	0
Restricted Fund Balance	<u>0</u>	<u>202</u>
Net cash used by operating activities	<u>8,169</u>	<u>2,054</u>
Net Decrease in cash	8,169	2,054
Cash at beginning of year	<u>157,004</u>	<u>154,950</u>
Cash at end of year	<u>\$165,173</u>	<u>\$157,004</u>

The Accompanying Notes are an Integral Part of the Financial Statements

Alcoholics Anonymous of San Diego County
Supplemental Schedule of Revenue and Direct Costs

For the Year Ended December 31, 2020

	Revenue	Direct Costs	Indirect Costs	Net
Retail Sales				
Books	\$31,806	\$26,419		\$5,387
Pamphlets	2,183	1,428		755
Tapes	1,183	852		331
Schedules	1,546	1,262		284
Tokens	3,997	2,011		1,986
Unallocated Literature Discount			2,577	(2,577)
Credit Card Charges, all categories			686	(686)
Inventory & Sales Tax Adjustments			3,284	{3,284}
Total	<u>\$40,715</u>	<u>\$31,972</u>	<u>\$6,547</u>	<u>\$2,196</u>

For the Year Ended December 31, 2019

	Revenue	Direct Costs	Indirect Costs	Net
Retail Sales				
Books	\$62,831	\$53,532		\$9,299
Pamphlets	8,544	5,939		2,605
Tapes	3,306	2,485		821
Schedules	5,669	4,386		1,283
Tokens	10,306	5,022		5,284
Unallocated Literature Discount			7,200	(7,200)
Credit Card Charges, all categories			1,259	(1,259)
Inventory & Sales Tax Adjustments			1,135	{1,135}
Total	<u>\$90,656</u>	<u>\$71,364</u>	<u>\$9,594</u>	<u>\$9,698</u>

The Accompanying Notes are an Intergral Part of the Financial Statements

Alcoholics Anonymous of San Diego County
Notes to Financial Statements
December 31, 2020 and 2019

Note 1. Summary of Significant Accounting Policies:

Alcoholics Anonymous of San Diego County is an incorporated, not for profit organization of the various affiliated Alcoholics Anonymous groups in San Diego County. The governing body for the Fellowship is the Coordinating Council, to which each group is entitled to be represented. The financial statements reflect only the accounts and activities of the central office of the Fellowship as the various affiliated groups are autonomous.

The accompanying financial statements are presented on the accrual basis in accordance with generally accepted accounting principles whereby all income is recognized when earned and expenses are recognized when incurred.

Public support consists solely of voluntary contributions collected from individuals participating in meetings. All contributions and donations are considered available for unrestricted use since they are not generally specifically restricted by the donors. However, restricted donations are allowed and do occasionally happen and are recorded as such in the Equity section of the Balance Sheet.

Pledges for contributions are recorded as received. Inventories of books, literature, tokens, cassettes and stickers held for resale are recorded at the lower of cost or market using the first-in, first-out method. A physical inventory is taken at the end of the year of said materials.

Fixed assets are maintained on the books and recorded at cost. Depreciation is computed on the straight-line method over the estimated useful life of the assets. The estimated useful lives of the assets range from 3 to 10 years. In some cases (ie, small furniture or office equipment), all the depreciation is taken within the fiscal year (Code Sec. 179).

Note 2. Donated Services:

A substantial number of volunteers have donated significant amounts of their personal time in the Fellowship's program for a variety of services. The financial statements do not reflect any amounts for said donated services as they are not specialty services and no objective basis is available to measure the value of such services.

Alcoholics Anonymous of San Diego County

Notes to Financial Statements December 31, 2020 and 2019

Note 3. Income Taxes:

The Fellowship operates as a not-for-profit entity and, therefore, files the Non-Profit tax return Form 990, Return of Organization Exempt from Income Tax under Section 501(c)(3) to the Internal Revenue Service; Form 199, Exempt Organization Annual Information return under Section 23701(d) and Form CT-2, Periodic Report to the State of California.

Note 4. Prepaid Expenses:

The Fellowship is invoiced for General Liability and Workman's Compensation Insurance before the expense is actually incurred. Such expenses are paid and recorded as Prepaid Expenses and then expensed evenly over the next 12 month insurance period. Employee Medical insurance (Kaiser) for Jan 2021 was also paid in December 2020 and recorded as a prepaid expense.

Note 5. Reserved Funds:

The Fellowship operates solely on financial donations from its members and other affiliated groups. Normally these donations are for general use and are unrestricted.

Literature Racks - In 2013, a member made a financial donation of \$452.71 for the sole purpose of purchasing Literature Racks for pamphlets. On 7/29/14, an additional donation was received, bringing the reserved total to \$472.71. During the 2015 year, additional donations totaling \$60 were made specifically for the purchase of Literature Racks, as well as \$256.55 of these reserved funds being used to purchase racks. In 2016 an additional \$100 was donated for purchases, but no funds were used. In 2017 and 2018 there was no activity, leaving a balance of \$376.16 at 12/31/18. In 2019, \$257.19 of the funds were used to purchase Literature Racks, leaving a balance of \$118.97 appropriately allocated as Reserved Funds. These funds remain unchanged for 2020.

Anniversary Breakfast – Excess funds from the sale of tickets to the Fellowships annual Anniversary Breakfast event were unused in 2019 and were set aside for the 2020 Anniversary Breakfast event costs. These funds totaled \$458.77. Due to COVID-19, there were no events in 2020 and thus these funds remain unchanged.

Alcoholics Anonymous of San Diego County
Notes to Financial Statements
December 31, 2020 and 2019

Note 6. Operating Lease:

The Fellowship has a lease for office facilities, which expires April 30, 2024. For the year ended December 31, 2020, rent expense on the lease totaled \$23,120.00. Future minimum lease payments under the terms of the lease are summarized as follows:

2021 - \$23,600.00
2022 - \$24,080.00
2023 - \$24,560.00
<u>2024 - \$ 8,240.00</u>
Total - \$80,480.00

Note 7. Pension Plan:

The Fellowship provides a 403(b) retirement plan for full time employees. Each employee may elect to make a tax-deferred contribution at their own discretion for each pay period. The benefit contribution from Alcoholics Anonymous of San Diego is 10% of the elected employee contribution up to an annual limit of \$500.00.

Note 8. Accrued Vacation & Sick time:

Vacation & Sick time are accrued per pay period for Employees and, when used, are payed out at the employee's current hourly rate. While these values are not shown on the books, a value of \$14,377.33 for employee vacation and sick time is accrued as of 12/31/2020. Per historical practice, this will show as an expense once paid.

Alcoholics Anonymous of San Diego County
Notes to Financial Statements
December 31, 2020 and 2019

Note 9. 2020 Circumstances:

A common term for 2020 was “Pivot”, and Alcoholics Anonymous of San Diego did this well. Due to the COVID-19 pandemic, no in-person events were allowed beginning in March. Meetings were revamped, moved to ZOOM and accessible online. The Bookstore closed for in person shopping and moved strictly to online and telephone orders with contactless “Curbside” pickup. Both of these changes made it possible to continue services throughout 2020.

Connie Larkin, the Central Office Manager of 23 years, announced her retirement in October 2020, to be effective 1/31/2021. Alcoholics Anonymous of San Diego began the process to find a new Central Office Manager.