

ROUTING MEMO

CLIENT # _____ DATE RECEIVED _____ QUICKBOOKS VERSION _____

CLIENT NAME _____ DATE PROMISED _____ QUICKBOOKS USER/PW _____

BILL CODE _____

		<u>INITIALS</u>	<u>DATE</u>
ASSIGNED TO: _____	INTERVIEW	_____	_____
	SCANNED	_____	_____
	PREPARATION 1ST	_____	_____
	2ND	_____	_____
	3RD	_____	_____
	FINAL PRINT TO DMS	_____	_____
	REVIEW	_____	_____
		_____	_____
	PARTNER REVIEW	_____	_____
	COPY & ASSEMBLE	_____	_____
PREPARER SIGNATURE _____			
E FILE	YES _____ NO _____		

REFUND DISCLOSED TO TAXPAYER YES / NO INITIALS _____

<u>TO CLIENT</u>	<u>RETURN</u>
MAIL	_____
DELIVERY	_____
PICK-UP	_____

ADJUSTING ENTRIES POSTED OR TO CLIENT? YES ____ NO ____ DATE DONE _____

UPDATED AUTO INFO TO JANETTE YES ____ NO ____

OTHER INSTRUCTIONS

FINSER INVESTMENT ADVISORS, INC.

SAN ANTONIO, TEXAS

REVIEWED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

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Independent Accountant's Review Report

The Board of Directors
FinSer Investment Advisors, Inc.
San Antonio, Texas

We have reviewed the accompanying financial statements of FinSer Investment Advisors, Inc., which comprise the balance sheet as of June 30, 2020, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Brehm Havel & Company, L.L.P.
Certified Public Accountants

San Antonio, TX
August 31, 2020

FINSER INVESTMENT ADVISORS, INC.

BALANCE SHEET

June 30, 2020

ASSETS

Assets:

Cash and cash equivalents	\$ 57,391
Accounts receivable - trade (no allowance)	21,261
Due from related party	<u>245,665</u>

Total assets	<u><u>\$ 324,317</u></u>
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LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:

Accounts payable - trade	\$ <u>7,180</u>
Total liabilities	<u>7,180</u>

Stockholder's equity:

Common stock, no par value; 10,000 shares authorized; issued and outstanding	200,000
Retained earnings	<u>117,137</u>
Stockholder's equity	<u><u>317,137</u></u>

Total liabilities and stockholder's equity	<u><u>\$ 324,317</u></u>
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See accompanying notes and independent accountant's review report

FINSER INVESTMENT ADVISORS, INC.

STATEMENT OF INCOME AND RETAINED EARNINGS

For The Year Ended June 30, 2020

Revenue:	
Fee revenue	<u>\$ 189,830</u>
Expenses:	
Salaries and related expenses	64,376
Occupancy and equipment costs	10,347
Communications and marketing	48,350
Other	<u>11,036</u>
Total expenses	<u>134,109</u>
Income before income tax	55,721
Income tax (current)	<u>(11,706)</u>
Net income	44,015
Dividends	(35,000)
Retained earnings - July 1, 2019	<u>108,122</u>
Retained earnings - June 30, 2020	<u><u>\$ 117,137</u></u>

See accompanying notes and independent accountant's review report

FINSER INVESTMENT ADVISORS, INC.

STATEMENT OF CASH FLOWS

For The Year Ended June 30, 2020

Cash flows from operating activities:	
Net income	\$ 44,015
Noncash items included in net income:	
Effect of changes in operating working capital:	
Trade and other receivables	(4,988)
Accounts payable	1,330
Net cash provided by operating activities	<u>40,357</u>
Cash flows from investing activities:	
Due from related party	(60)
Cash flows from financing activities:	
Dividends	<u>(35,000)</u>
Net increase in cash	5,297
Cash and cash equivalents, beginning of year	<u>52,094</u>
Cash and cash equivalents, end of year	<u><u>\$ 57,391</u></u>
Schedule of supplemental cash flow information:	
Cash paid during the year for:	
Interest	\$ -
Income taxes	\$ -

See accompanying notes and independent accountant's review report

FINSER INVESTMENT ADVISORS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies

The Company is an investment advisory company registered with the Securities and Exchange Commission that provides investment strategies, trade execution, and other advice to financial institutions to complement their existing investment policies.

Income Taxes - The Company is included in a consolidated income tax return with Fred Baker & Associates, Inc. (parent company). The Company's income taxes are essentially calculated as if the Company was filing a separate return.

Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Presentation of Sales Tax - The state of Texas and other local governments impose a sales tax of 8.25% on all of the Company's sales to nonexempt customers. The Company collects that sales tax from customers and remits the entire amount to the State. The Company's accounting policy is to exclude the tax collected and remitted to the State from revenue and cost of sales.

Advertising - Advertising costs are expensed as incurred. Advertising expense was \$396 for the period ended June 30, 2020.

Note 2 - Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of trade receivables. The majority of the Company's customers and clients consist of banking institutions in the United States. The receivables are generally not collateralized.

Note 3 - Group Medical Coinsurance

The Company maintains a group medical coinsurance plan with an insurance company. The company pays monthly premiums for administration of the plan and to cover medical claims of the employees when they exceed a predetermined amount. The company pays the medical claims, less a deductible, prior to reaching the predetermined limit. For the plan year beginning January 1, 2020, the predetermined limit is \$40,000 per individual. Actual medical claims incurred by employees have been recorded by the company through June 30, 2020. No other contingent amount related to medical claims has been recorded.

Note 4 - Profit Sharing Plan

The Company previously established a Salary Reduction Profit Sharing Plan. Employees may contribute compensation through salary reductions. The Company may, at the discretion of the Board of Directors, match employee contributions up to 6% of compensation. The Board elected to match 100% of the first \$500 and 50% of the next \$500 of employee contributions. The Company's matching share of the contribution was \$344 for the year ended June 30, 2020.

FINSER INVESTMENT ADVISORS, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

Note 5 – New Accounting Pronouncements

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). The standard proscribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. This standard became effective on January 1, 2019. The adoption of this new guidance will not have a material impact on the Company's financial statements.

Note 6 – Subsequent Events and Accounting Standards Codification

The Company has evaluated subsequent events through August 31, 2020, which is the date the financial statements were available to be issued.