

Finance Update

October 2020

Lynette K., Chairperson of the Board

The following update is based on the unaudited financial statements for the period that ended September 30, 2020.

Revenues

Gross literature sales for September 2020 were \$210,355 which is \$69,158 (24%) less than prior year September 2019. Literature sales exceeded budgeted expectations in September due to a large bookstore order. Year to date literature sales are slightly below revised budget by \$45,377 (2%). Sales from our electronic literature were \$18,005 which is comparable to August sales of \$18,562.

Contributions for September 2020 were \$258,929 which is \$100,921 (64%) more than prior year September 2019. Year to date contributions are above revised budget by \$364,546 (18%).

Market conditions in September had a negative rate of return as the market experienced some losses on equities. The General Fund experienced a loss of \$2,783 for September as the portfolio mix with equities had very little improvements. Unrealized gains from our investments in the Reserve Fund decreased by \$209,284 for the month due to poor performance in the market related to equities. At the end of the month, we had an unrealized gain of \$1,707,199 in the Reserve Fund compared to \$1,916,483 at the end of August.

Expenses

Year to date expenses decreased by \$297,244 compared to prior year and are slightly below budgeted expectations at 73.36% overall. September 2020 monthly expenses were \$402,411 which is \$49,951 higher than August 2020. Budgeted expenses were related to the public service announcements and maintenance agreements payments that were due in September. We are continuing to reduce expenses wherever possible. Most expense accounts are within budgeted expectations or below.

Net Assets

Change in net assets in the General Fund resulted in an operating gain of \$507,111 which reflects the increase in contributions exceeding budgeted expectations over the past several months and our continued reduction in expenses.

Reserve Fund

The decrease in earnings on equities increased the prior month's investment loss. The Reserve Fund has a loss of \$358,251 year to date. The Reserve Fund investment account continues to be sensitive to market conditions.

Reflection and Insight

We want to give a huge thank you to all our members for your continuing contributions. Contributions continue to exceed literature sales thanks to your generosity. We also want to thank the World Service Office (WSO) Staff who have done an amazing job continuing to cut expenses, with some of the biggest cuts coming from no travel and no Staff salary increases. Due to these efforts, the WSO is continuing to operate—processing and shipping literature orders, answering member calls, keeping our presence known on social media, and other services.

In order for the WSO to continue operating and to finish the year without a deficit, we still need your help. We know that finances are a concern for many groups, Districts, and Areas. We trust that everyone understands the need and will continue to support the WSO.

Contributions to the WSO can be made by check to AFG, Inc., 1600 Corporate Landing Parkway, Virginia Beach, VA 23454, by going to the website: al-anon.org and looking for the "Contributions" tab, or through the Al-Anon Family Groups mobile app.