

Finance Update

January 2019

Joan S., Treasurer

The following update is based on the unaudited financial statements for the period that ended December 31, 2018:

Net Assets:

Change in net assets in the General Fund resulted in an operating surplus of \$140,003. The increase is due to strong literature sales, reduced expenses, and Convention income. As a result, net assets of \$133,836 were transferred from the General Fund to the Reserve Fund. In total, \$323,836 was transferred from the General Fund to the Reserve Fund for the year.

Income:

At \$3,975,492, literature sales for 2018 were above budget by \$375,492 (10%). This is \$451,649 above 2017 results. Sales of *Intimacy in Alcoholic Relationships* (B-33) at the International Convention were strong and have continued to meet expectations.

At \$1,953,458, contributions for 2018 were lower than budget by \$46,542 (2.3%). This is \$19,473 lower than 2017 results. This was the third consecutive year in which our contributions exceeded \$1,950,000.

At \$257,685, *Forum* subscriptions for 2018 were lower than budget by \$2,315 (less than 1%). This is \$6,775 lower than 2017 results.

Expenses:

At \$5,416,983, expenses for 2018 have decreased by \$7,170 compared to the prior year's. The decrease in expenses was related to the decrease in salaries, office expenses, supplies, and miscellaneous expenses. Accounts that are trending above budget are travel and meetings, the general services meeting, credit card fees, and repairs. These have been closely monitored during the year and reflect identifiable variances, such as increased credit card fees due to new payment options for sales at the International Convention.

Reserve Fund:

The decline in earnings on equities provided an investment loss of \$362,649 for the year. The Reserve Fund investment account continues to be sensitive to market conditions. We continue to monitor our investments as market conditions fluctuate and find that our portfolio is performing in line with the indexes. In discussions with our investment managers we consistently inquire as to the appropriateness of our holdings to ensure that we continue to reflect AFG, Inc.'s Investment Philosophy, which calls for growth and income with a moderate risk tolerance.

Reflection and Outlook:

During 2018 the Staff's exhaustive efforts in planning our International Convention in Baltimore, along with the phenomenal response by member participation, created an enthusiastic environment for the practice of Tradition Seven throughout the World Service Conference Structure and beyond. Our application of spiritual principles such as responsibility, trust, abundance, and unity allows us to reflect on our successes and look forward to continued growth in applying these same principles in our future endeavors.