



Al-Anon **Family** Groups

Help and hope for families and friends of alcoholics

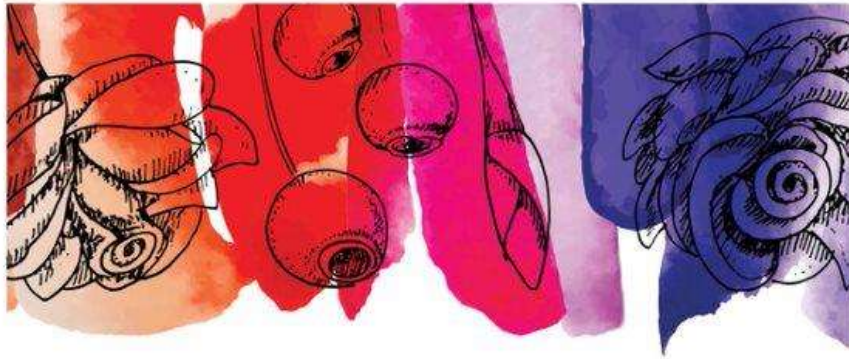
Area 24 Spring Assembly

Delegate Report Presentation

May 20, 2023

Agenda for Presentation:

- **World Service Conference – Slides 3 & 4**
 - **2022 Audit Report Slides 5 - 32**
- **WSC - 2023 Budget Report Slides 33 - 63**
- **UPCOMING EVENTS:**
 - **Road Trip October 28, 2023 Slide 65**
 - **2023 International Convention Slides 66 - 72**
 - **Tour of WSO Slides 73 – 84**



LOVE, LAUGH, AND GROW TOGETHER
AIMER, RIRE ET GRANDIR ENSEMBLE
AMAR, REÍR Y CRECER JUNTOS



WSC 63rd Annual
World Service Conference 2023


Al-Anon Family Groups
Help and hope for families and friends of alcoholics



Al-Anon Family Groups

Help and hope for families and friends of alcoholics

2022 World Service Conference (WSC)

Audit Presentation

2022 Annual Audit



- ▶ Independent Auditors' Report (page one)
- ▶ Forvis, LLP audit firm
- ▶ Audit conducted January 16-21, 2023
- ▶ Issued a *clean* opinion
- ▶ Highest opinion given

What is an Audit?

- Examination of financial reports by someone independent from the organization
- Auditors ask formal questions of Staff and Audit Committee members
- Review accounting and financial records— for example: check stubs, invoices, timecards, receipts, and bank accounts
- Obtain written confirmation of accounts by banks
- Test internal controls

2022 Audited Financial Statements

Statement of Financial Position

- Displays our financial position on December 31, 2022

Statement of Activities

- Reports our revenues and expenses for the year

Statement of Functional Expense

- Displays the areas of expenses for the organization

Statement of Cash Flows

- Reports our sources of cash inflows and outflows

Statements of Financial Position (page three)

	2022	2021
Cash and cash equivalents	\$2,873,968	\$2,987,857
Accounts receivable	99,876	118,940
Inventories of books and other literature	502,684	355,164
Deferred charges and deposits	340,306	191,603
Investments	7,283,942	8,410,894
Property and equipment, net	1,372,487	1,491,709
Intangible assets, net	225,043	227,107
Right-of-use assets	59,611	
Total assets	\$12,757,917	\$13,783,274

Statements of Financial Position (page three)

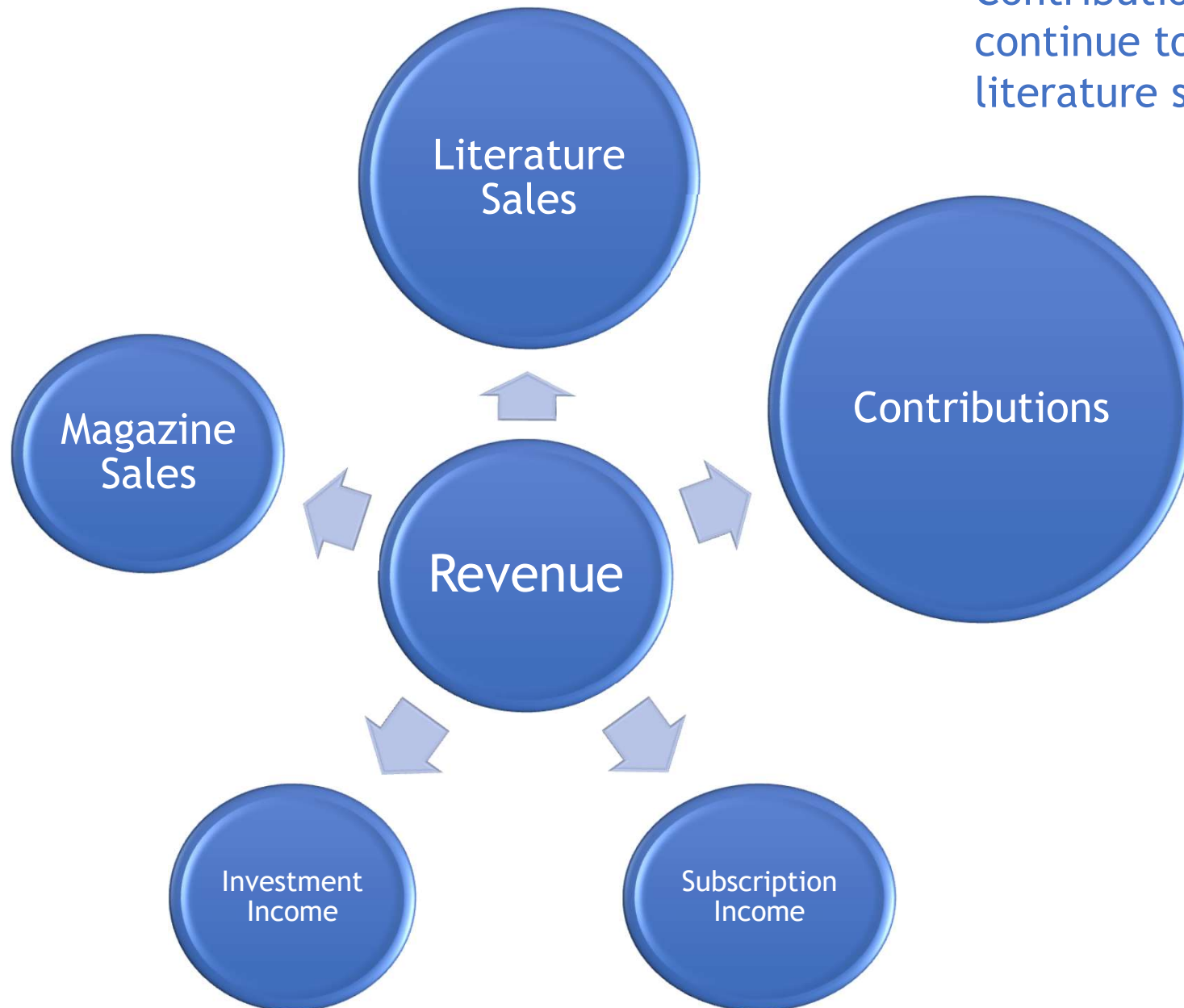
	2022	2021
Accounts payable and accrued expenses	\$361,451	\$360,400
Accrued postretirement health benefits	615,231	755,356
Unearned subscription income	188,624	197,350
Unearned mobile app income	25,944	16,125
Unearned convention and conference income	599,362	168,036
Operating lease liability	59,611	-
Total liabilities	1,850,253	1,497,267
Net assets	10,907,664	12,286,007
Total liabilities and net assets	\$12,757,917	\$13,783,274

Statement of Activities (page four)

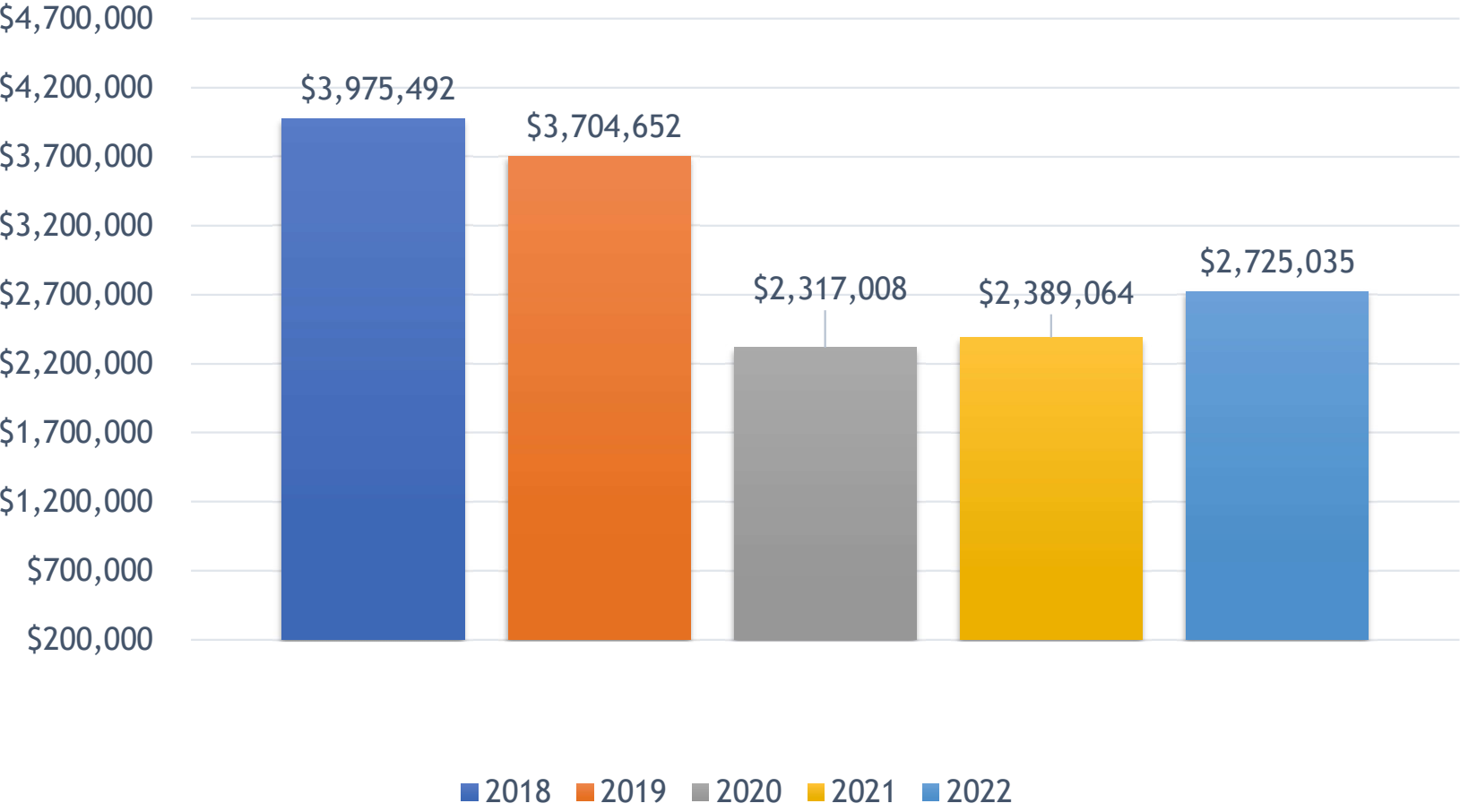
Revenue	2022	2021	\$ Change	% Change
Gross profit from literature sales	\$ 2,099,846	\$ 1,906,751	193,095	10%
Contributions	3,337,918	2,623,242	714,676	27%
Magazine sales	247,368	238,040	9,328	4%
Subscription income	48,174	33,328	14,846	45%
Noncash contributions	125,939	136,555	(10,616)	-8%
Investment income	(1,647,728)	2,062,376	(3,710,104)	-180%
	<u>\$ 4,211,517</u>	<u>\$ 7,000,292</u>	<u>(2,788,775)</u>	<u>-40%</u>
Expenses				
Program Services	\$ 3,333,424	\$ 2,752,049	581,375	21%
Literature distribution services	904,405	922,257	(17,852)	-2%
General administrative services	1,352,031	1,540,509	(188,478)	-12%
	<u>\$ 5,589,860</u>	<u>\$ 5,214,815</u>	<u>375,045</u>	<u>7%</u>
Change in net assets	<u>\$ (1,378,343)</u>	<u>\$ 1,785,477</u>	<u>407,134</u>	<u>23%</u>

Sources of Revenue

Contributions
continue to exceed
literature sales



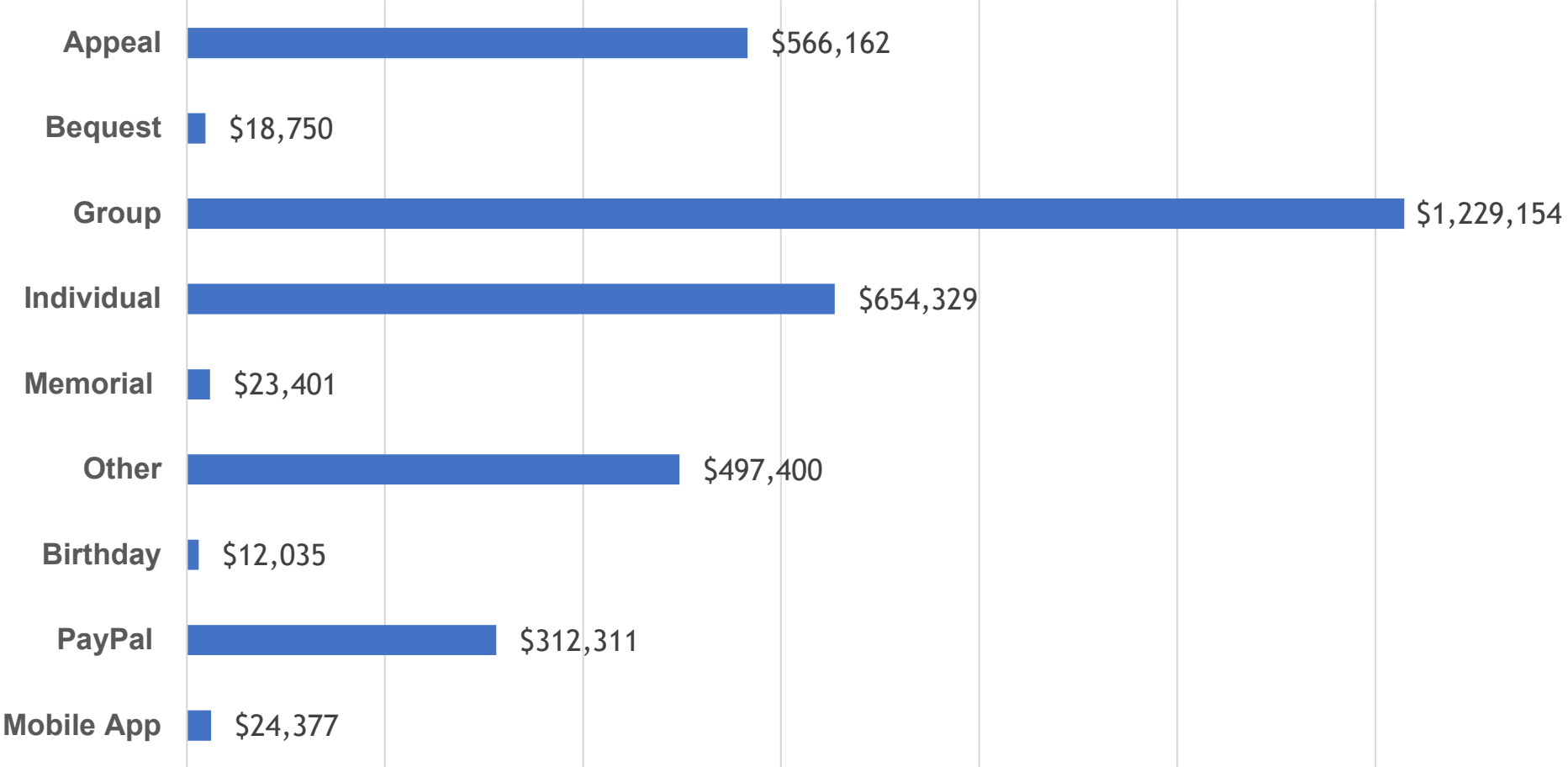
Yearly Literature Sales



Contributions



2022 Contributions



Investment Income

- Due to market conditions during the year, the organization experienced a loss of \$1,647,728
- Overall market in 2022 was volatile
- Al-Anon continues to be invested in conservative, mature, and healthy equities and bonds
- A new investment manager, Davenport Investments was added in 2022
- Finance Committee meets with fund managers at Merrill Lynch, Davenport, and Beck Mack & Oliver twice a year
- No organization is immune to market conditions

Investment Income

Reserve Fund provides annual transfer to General Fund



Literature sales and contributions alone would not support our work

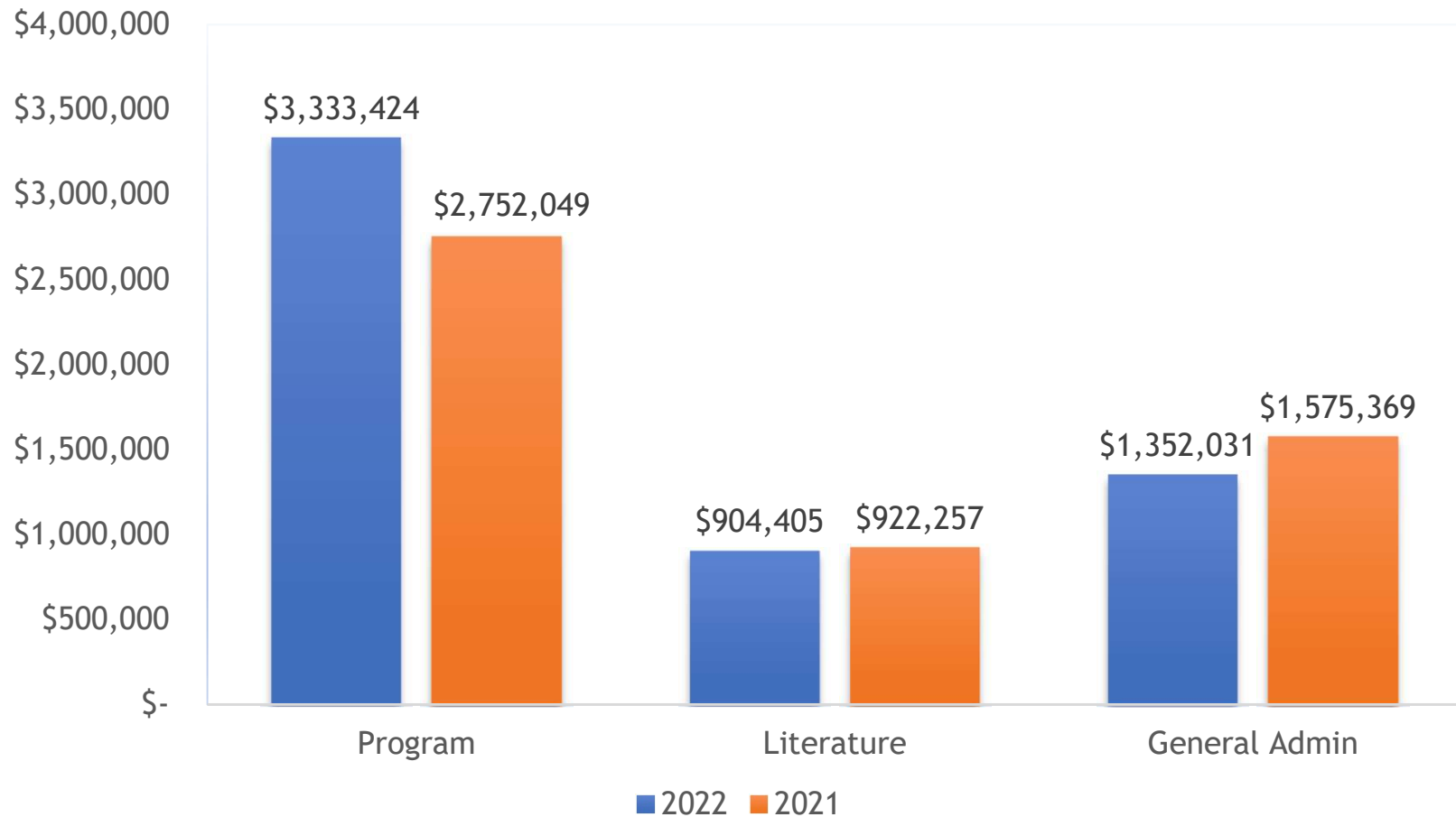


Reserve Fund is currently at nine months of operating expenses



Board Objective—not to exceed twelve months of operating expenses (ample reserve—Warranty One)

Statement of Functional Expenses



Program Services—activities that fulfill the purpose of our mission

- Community Awareness
- AFG Records
- International Services
- Group Services
- Literature
- Conference
- Digital Communications



**Functional
Expenses**

Program Services



Registers new groups



Supports international structures



Maintains and updates meeting location records



Produces exciting new literature



Prepares program and staffs the World Service Conference (WSC)



Maintains our website and *Mobile App*, enhances communications, and develops PSAs



Attends professional conferences to share the Al-Anon message

Functional Expenses

Literature Distribution Services

- Literature Publication
- Shipping and Receiving/Warehouse
- Customer Service

Literature Distribution Services



- Ships literature orders throughout the structure
- Designs and publishes literature including *The Forum* and *AFA*
- Receives and processes literature orders

Functional Expenses

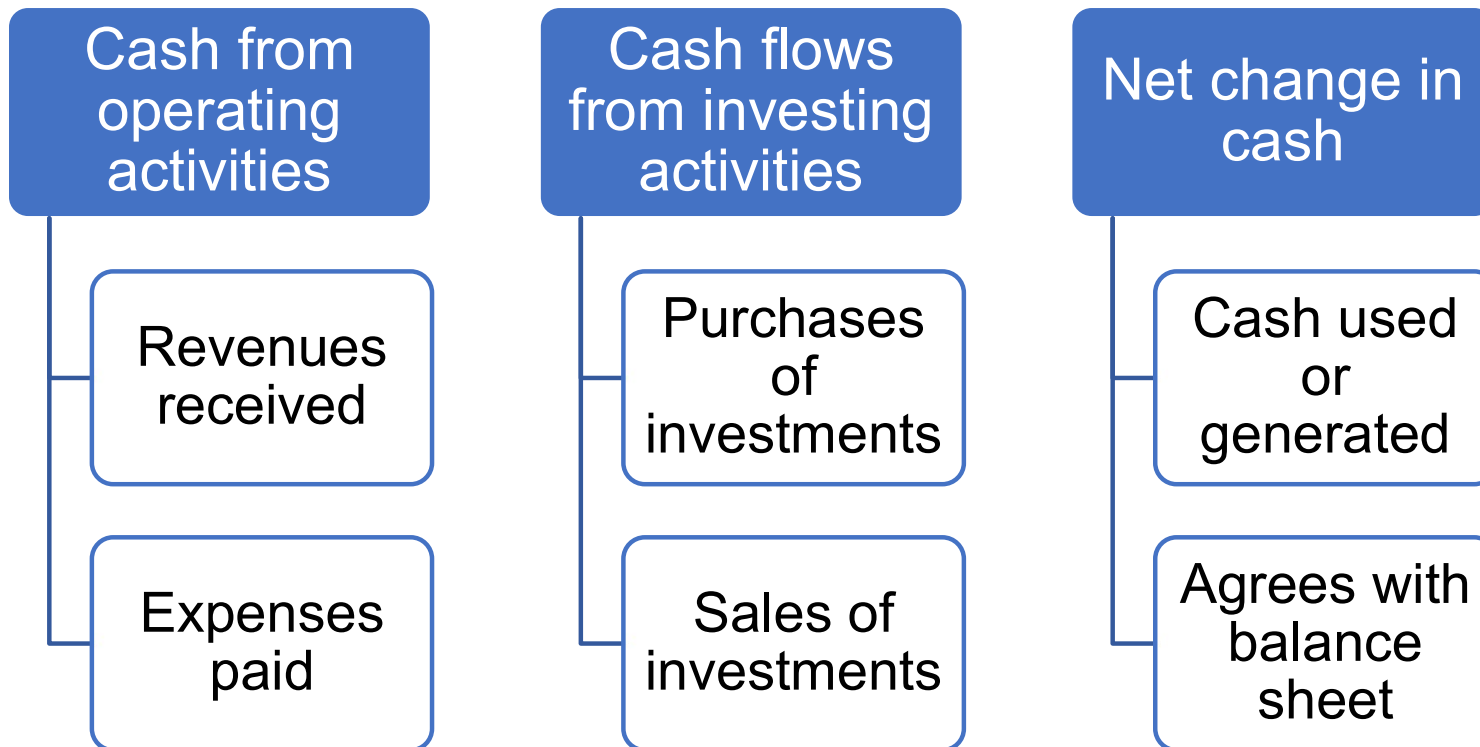
General Administration:
Activities that contribute to the overall operations of the organization

- Finance & Operations
- Administration
- Events & Projects
- Legal
- Human Resources

General Administrative Services

- Maintains operations
- Performs translation services
- Balances budget
- Oversees administrative functions including projects and event logistics
- Maintains and defends trademarks and copyrights

Statement of Cash Flows



Notes to the Financial Statements

- Describe Al-Anon and help to improve readers' understanding of the financial statements
- Additional information to support summary totals or line items
- Supplementary information
- Similar in nature and consistency

Leases (Topic 842)

- ▶ Accounting Standard Update (ASU 2016-02, Leases (Topic 842).
- ▶ Requires a lease liability and right of use asset to be recorded for substantially all leases
- ▶ Organization adopted January 1, 2022
- ▶ Recorded operating leases for copies and mail meter
- ▶ Covered pages 14–15
- ▶ Disclosed in footnote 12 on page 20
- ▶ No impact to the bottom line

Notes to the Financial Statements

401k Retirement Plan – Note Three

- Defined contribution plan covering eligible employees
- One year of service and 1,000 hours in order to participate

Reserve Fund – Note Four

- Established by Board of Trustees (BOT) in 1970
- Objective: Not to exceed one year's operating expenses.
- Balance on December 31, 2022—\$6,314,781

Notes to the Financial Statements

Liquidity and Availability– Note 5

- Organization’s financial assets that are considered liquid
- Consists of cash and accounts receivable

Postretirement Health Benefits – Note 11

- The liability is carried by the Reserve Fund
- Liability is based on future costs, age of retirees, and life expectancy
- Liability decreased in 2022

Notes to the Financial Statements

Investments – Note Six and Note 13

- Fund managers that manage our investments
- Beck Mack & Oliver
- Merrill Lynch
- Davenport Investments
- Ensure Al-Anon is invested in reputable equities and no alcohol-related equities
- Income helps to grow Reserve Fund

Notes to the Financial Statement



Page 22 - Fair value measurement for investments is required by accounting standards



Details industry sectors for stocks and bonds



Commitments are required to disclose contracts that the organization will have to fulfill in the future - page 23

Audit Report Questions





Al-Anon Family Groups

Help and hope for families and friends of alcoholics

2023 Budget Presentation

Budget Overview

The Executive Director, along with the WSO Staff and the Finance Committee, works to present a reasonable and comprehensive budget that ensures services will be provided in all areas of the fellowship and progress the organization's mission and strategic plan. We are pleased to present a balanced budget for 2023.

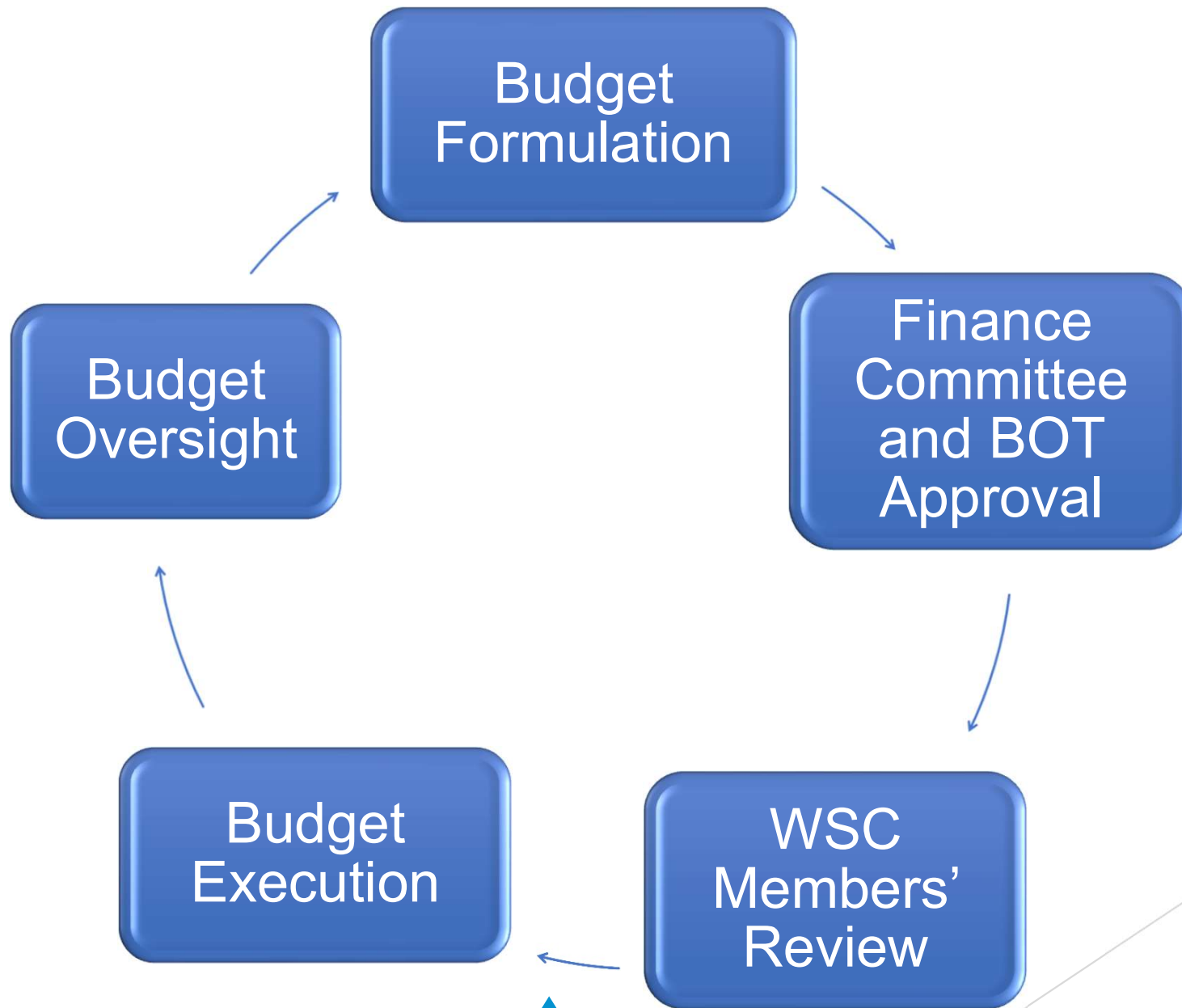
Budget Inputs

- Community Awareness
- Literature
- Member Services
- Group Services
- AFG Records
- International
- Conference

- Technology
- Customer Service & Warehouse
- Finance
- Publications

- Brand Communications
- Human Resources
- Administration

Budget Process



Budget Discussion

100 percent of groups are using services;
61 percent of groups contributed in 2022



What are the services used?

Getting your
group
registered

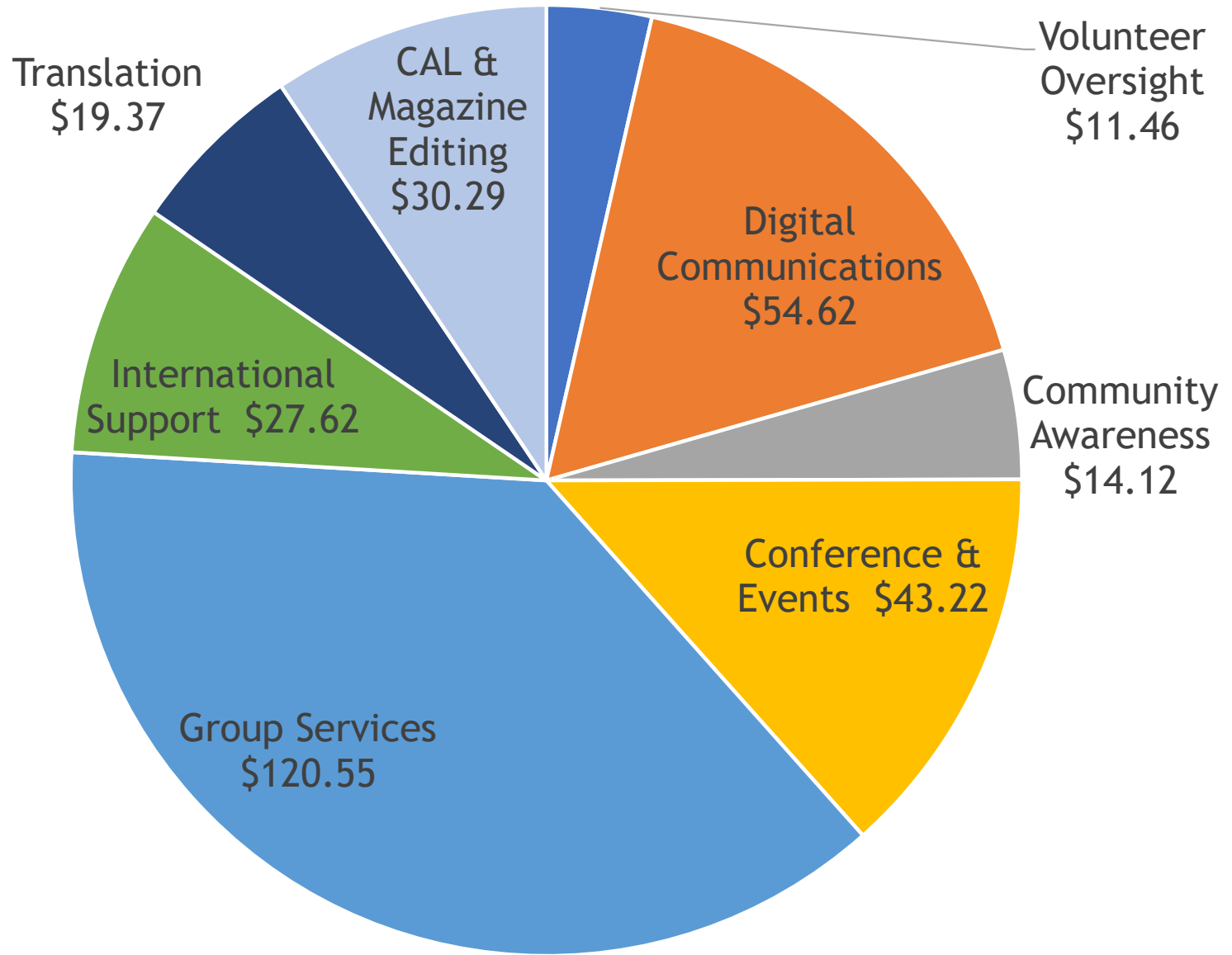
Reading CAL
at meetings

Calling WSO
to find a
meeting

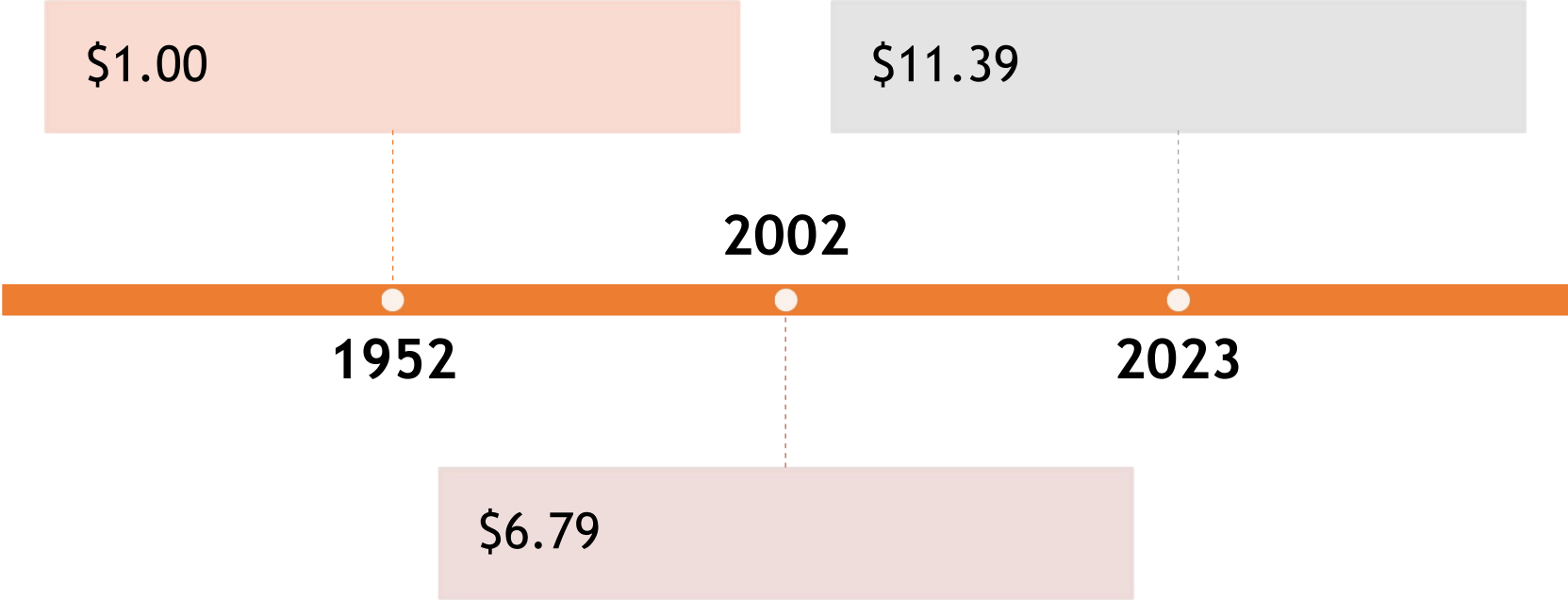
Using the
Mobile App for
a Zoom
meeting

PSAs playing
on TV
stations

Cost per Group: \$321.25



The power of \$1



Consider

- ▶ How do we continue to carry the message?
- ▶ How do we continue to reach new members needing hope?
- ▶ We do that by continuing to provide services, such as:
 - Public outreach and community awareness
 - Electronic meeting transformation
 - Introducing new literature
 - Increasing access through technology
 - Increasing communications in all three languages
 - Connecting at 2023 International Convention

2023 Operating Budget

Budget is presented as a balanced budget

Revenues

- New daily reader, *A Little Time for Myself (B-34)* launching in the second half of the year, which will increase revenues.
- Overall expected increase in literature sales, as inventory levels have been consistent and sales in 2022 were strong.

Expenses

- Continued efforts in reducing variable costs
- Overall expenses are slightly lower than the 2022 budget

Revenues

Five-Year Revenue (in thousands)

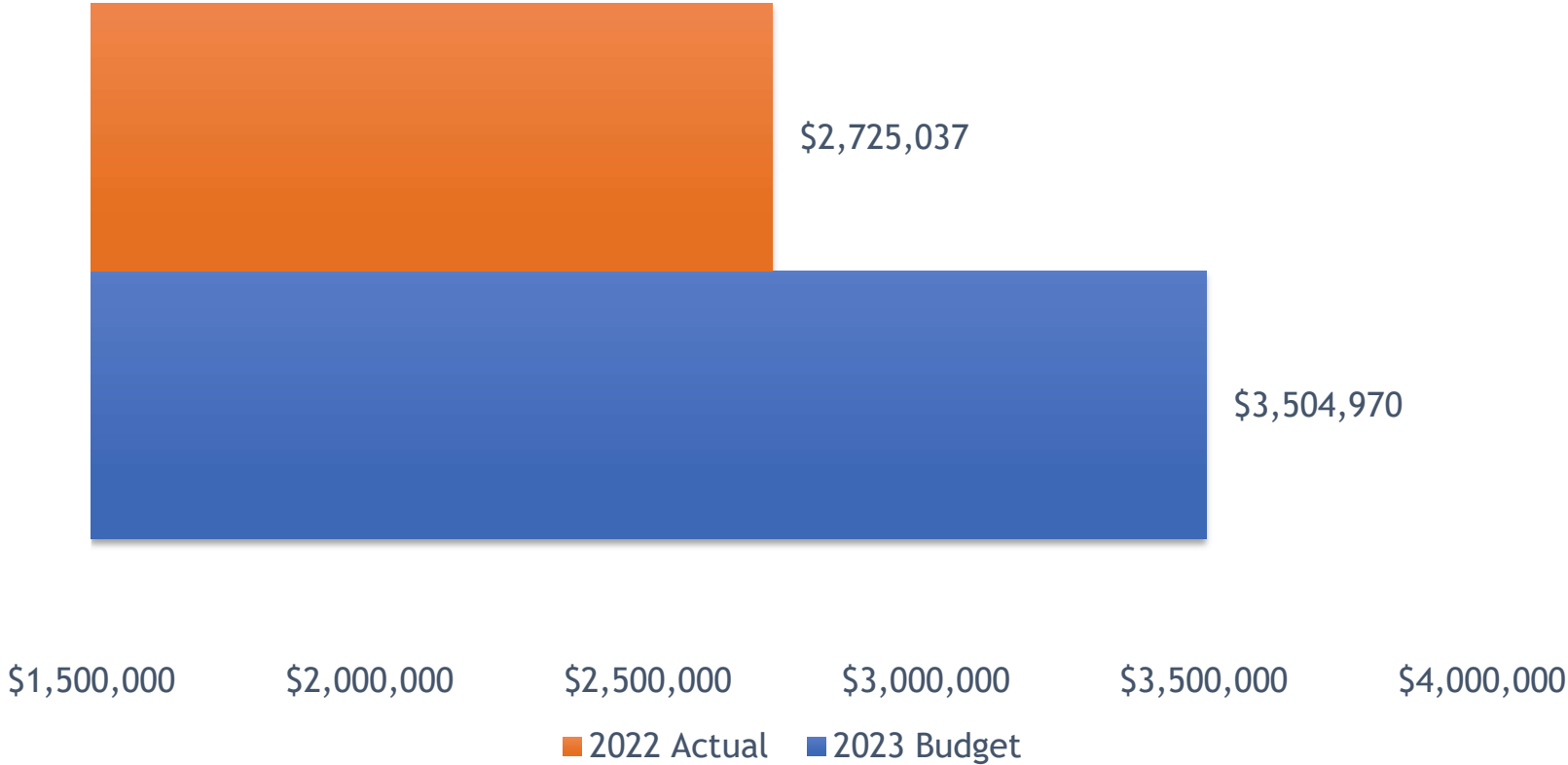


2023 Operating Budget

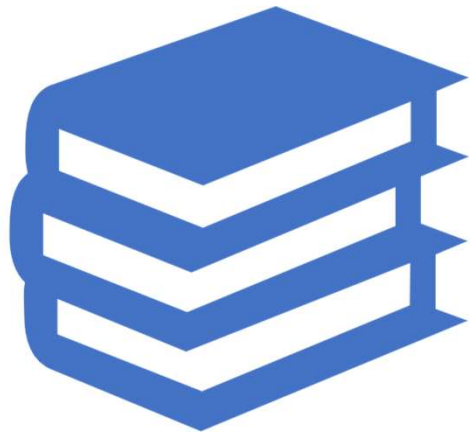
AL-ANON FAMILY GROUP HEADQUARTERS, INC. 2023 OPERATING BUDGET

	2023 Preliminary Budget	2022 Revised Budget	2022 Audited Actual
<u>Estimated Revenue</u>			
Literature Sales less cost of printing	2,768,930	2,156,210	2,099,846
Contributions	2,532,900	2,917,980	3,337,919
Magazine sales	235,000	235,000	247,368
Subscription income	48,000	46,000	48,174
Investment Income/Transfers	275,600	265,600	(173,743)
Total Estimated Revenue	5,860,430	5,620,790	5,559,564

Gross Literature Sales

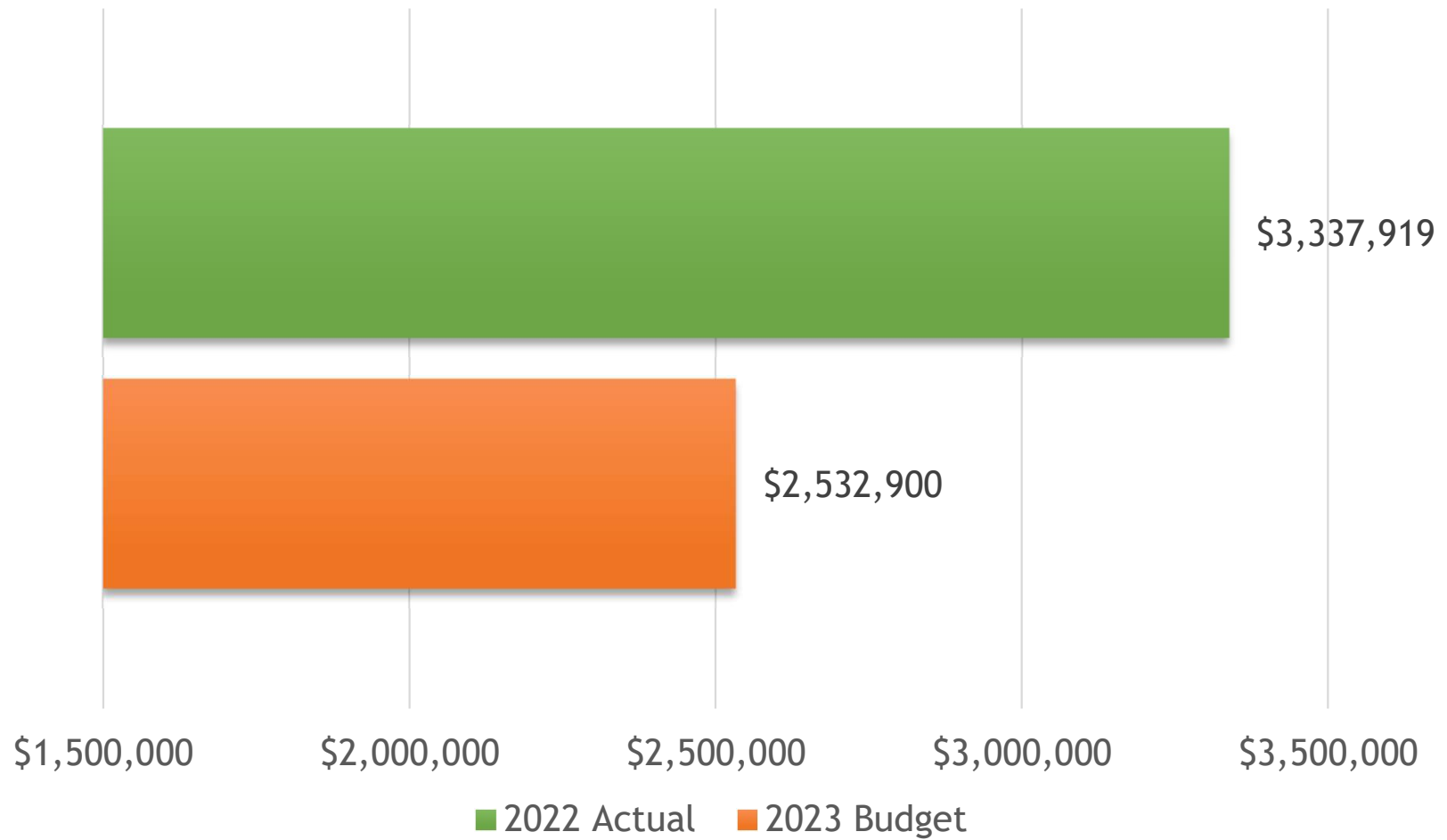


Literature Sales



- ▶ Literature sales are budgeted for 28 percent increase over 2022 actuals
- ▶ Expected increase supported by the launch of the new book at the International Convention in 2023
- ▶ Literature sales are continuing to increase. There was a 14 percent increase in 2022 compared to 2021.

Contributions



Contributions

- ▶ Contributions are budgeted lower than 2022 actual due to Special Appeal that occurred in May 2022
- ▶ 2023 goal is comparable to 2021 contributions
- ▶ Continue with a targeted message about how much each group should contribute to reach the goal
- ▶ Continue to enhance additional methods of contributing
 - ▶ Communicate the contribution goal to the fellowship throughout the year
 - ▶ Continue to promote contributions via the *Mobile App*

2023 Projects

Electronic Group
Transformation

Mobile App Upgrade

International Structures
Meetings

2023 International
Convention

Expenses Overview

- ▶ Expenses are budgeted at \$5,860,430
- ▶ Consistent with 2022 budgeted expenses
- ▶ Majority of projects require labor resources
- ▶ Staff focus will be on the major 2023 projects, such as Transforming Electronic Groups and the 2023 International Convention
- ▶ Most expense line items are consistent with the prior year's expenses. There were no significant changes in most areas.

2023 Operating Budget

AL-ANON FAMILY GROUP HEADQUARTERS, INC. 2023 OPERATING BUDGET

	2023 Preliminary Budget	2022 Revised Budget	2022 Audited Actual
<u>Operating Expenses</u>			
Salaries	3,297,810	3,303,810	3,224,387
Payroll Taxes	248,400	244,240	259,062
Employee Benefits	514,320	482,660	469,362
Total Labor Costs	4,060,530	4,030,710	3,952,811

Salaries



- ▶ Approach:
 - Budget projects the WSO fully staffed during the year
 - Consistent with nonprofit industry standards
 - Planned merit and cost of living increases

2023 Operating Budget

AL-ANON FAMILY GROUP HEADQUARTERS, INC. 2023 OPERATING BUDGET

	2023 Preliminary Budget	2022 Revised Budget	2022 Audited Actual
<u>Operating Expenses</u>			
Building Occupancy	285,960	260,030	258,624
Packing & Shipping (Net)	(45,000)	(5,000)	(57,680)
Postage	173,430	204,890	158,620
Telephone (Phone & Internet)	53,800	53,100	53,212
Stationery & Office Supplies	39,620	43,500	40,611

Building Occupancy

- \$46,000 capital reserve transfer not required
- Utilities, landscaping, insurance

Postage

- Increase over prior year actuals
- Group mailings and updates

Stationery & Supplies

- Envelopes, office supplies, computer supplies, and catalogs
- Slight decrease over prior year

2023 Operating Budget

AL-ANON FAMILY GROUP HEADQUARTERS, INC. 2023 OPERATING BUDGET

	2023 Preliminary Budget	2022 Revised Budget	2022 Audited Actual
<u>Operating Expenses</u>			
Technology	322,630	309,450	288,648
HR/Training/Consulting	53,060	60,310	48,859
Repairs & Maintenance	19,080	17,070	14,171
Travel & Meetings	168,900	189,310	155,993
Direct Conference Costs (Net)	128,630	112,850	113,002
Professional fees	93,000	86,250	85,387

Technology

- Includes *Mobile App*, technology and computer maintenance, and training.
- Computer and network security

HR/Training

- Professional and compliance training for staff

Direct Conference Costs

- Reflects increase in travel and overall costs

Professional Fees

- Fees for professional interpreter
- Fees paid to legal counsel and auditor

Staff Travel & Meetings

- ▶ Zonal Meetings
 - ▶ RECACSA – Honduras
 - ▶ EZM – France
- ▶ Community Awareness
 - ▶ Associate Director—Community Relations travel
 - ▶ Attendance at professional conferences

Volunteer Travel & Meetings

- ▶ 2023 Road Trip in California!
- ▶ Volunteer and Committee meetings
- ▶ Some meetings are still held virtually to reduce costs

2023 Operating Budget

AL-ANON FAMILY GROUP HEADQUARTERS, INC. 2023 OPERATING BUDGET

	2023 Preliminary Budget	2022 Revised Budget	2022 Audited Actual
<u>Operating Expenses</u>			
Printing	132,420	135,260	124,003
Canadian Office	2,030	2,030	1,897
General services meeting	-	71,480	47,395
PSA Campaign	91,980	110,000	87,810
Bank and Credit Card Fees	111,000	111,000	108,610
Miscellaneous	14,630	18,280	16,934
Postretirement Health Benefits	65,000	58,000	19,427
Depreciation (Exc. Bldg.)	90,000	85,000	85,712

Printing

- Includes group correspondence, magazines, and newsletters
- Necessary business cost

PSA Campaign

- Running campaigns over multiple years
- Television, radio, and integrated digital television

Bank and Credit Card Fees

- Consistent with prior year
- Necessary business cost

Miscellaneous

- No significant changes
- Costs related to taxes and incidental office expenses

Post-retirement Health Benefits

- No significant changes
- Health benefits for retired employees

Depreciation & Amortization

- More assets fully depreciated in 2023
- Amortization of trademarks

What's the Bottom Line?

AL-ANON FAMILY GROUP HEADQUARTERS, INC. 2023 OPERATING BUDGET

	2023 Preliminary Budget	2022 Revised Budget	2022 Audited Actual
Total Estimated Revenue	5,860,430	5,620,790	5,685,503
Total Expense	5,860,430	5,953,520	5,729,985
Net increase(decrease) from Operations	-	(332,730)	(44,482)

Budget Summary

- ▶ 2023 operating budget is balanced
- ▶ Expected revenues are equal to total planned spending
- ▶ Launch of new literature is expected to increase our revenues for 2023
- ▶ Contributions are budgeted to be consistent and higher than historical levels
- ▶ Continue to express the importance of steady contributions

Budget Report Questions



Upcoming Events

Road Trip October 28, 2023

Los Angeles, CA

- **Opportunity to interact with Trustees and Executive Committee.**
- **The day will be filled with workshops, panels and speakers.**
- **Info on registration, agenda, and cost available August 2023**

PLEASE SAVE THE DATE!



2023 IC UPDATE



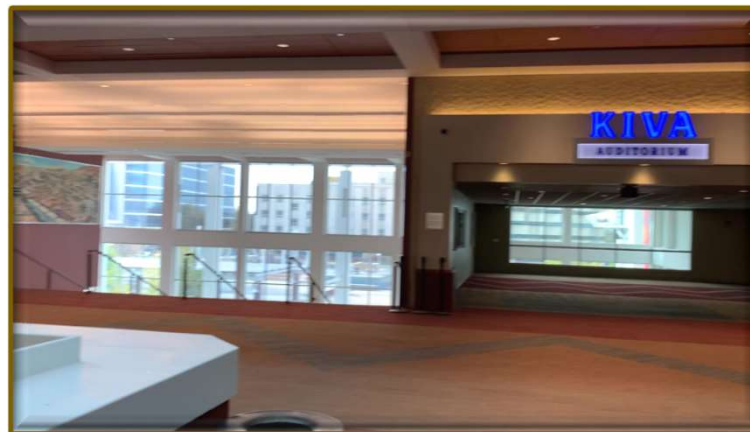
Albuquerque, New Mexico
June 29 – July 2, 2023

Day of Connecting

June 30, 2023

Schedule at
a Glance

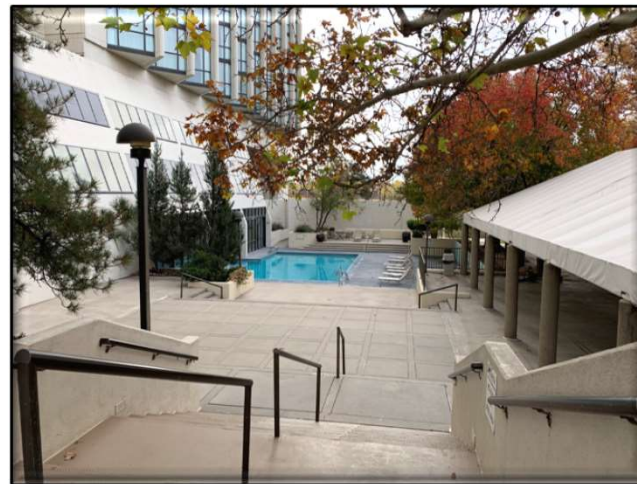
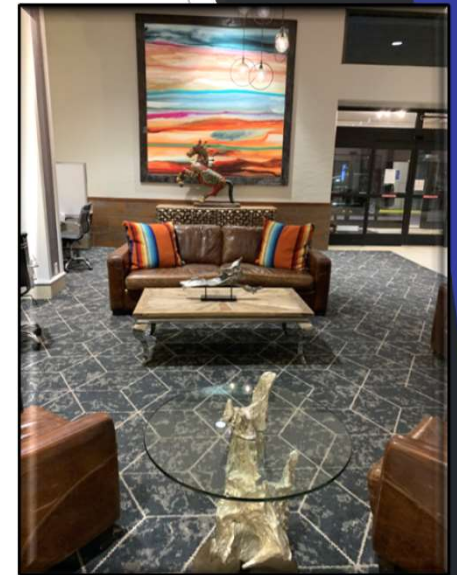
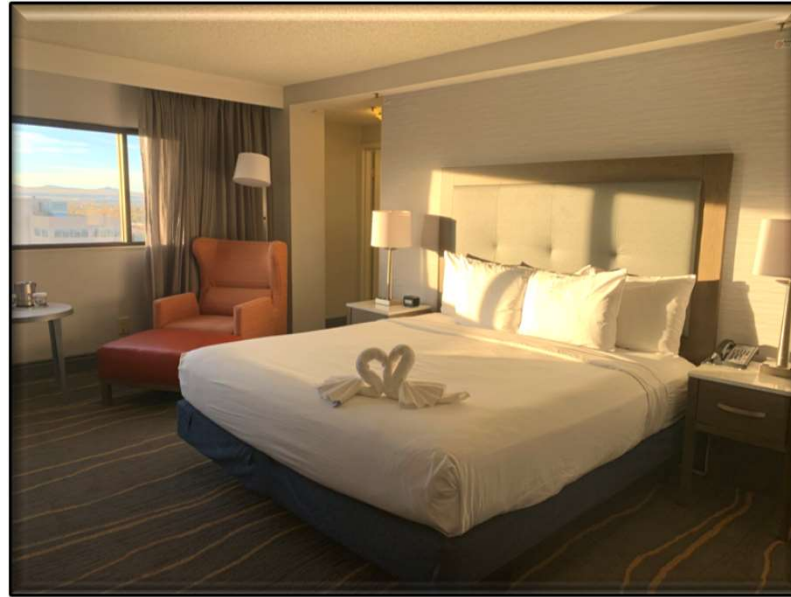
- General Session
- Workshops
- Lunch
- Workshops
- Closing



Party in Civic Plaza



Housing – Use IC Site





See you there!!!

International Convention Questions



Visit To WSO

- **One of the most emotional experiences in my life!!**
- **Enabled Delegates visit WSO and see the faces behind our program support**
- **Greeted by WSO staff and Trustees outside with, “Welcome Home”**
- **Allows Delegates, Trustees and WSO staff to step away from the business end of the WSC and have a different interaction together**
- **Please take the time to visit – its only a 4 hour drive away**
- **Prior to visiting, let them know you are coming; they’ll be prepared**

THANK YOU

*Each and every one of you is
critically important to the health of
your groups, to the health of the
district, and to the health of Area*

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Remaining Questions

