

AROUND THE PICNIC TABLE



Leslie Backus
Class A (nonalcoholic) Trustee
General Service Board Treasurer

2019 AUDIT RESULTS

- ❖ **First draft of the Audit was completed on May 31st**
- ❖ **There was an issue with functional expenses that staff had to investigate – it was a NetSuite issue and it took about 4 weeks to resolve**
- ❖ **The final Audit was completed and sent to the Audit Committee for review in early July.**
- ❖ **Audit Committee met with Marks Paneth, LLC, the independent auditors on July 13th to review the audit and to discuss any issues they discovered**

2019 AUDIT RESULTS

- ❖ The independent auditor reported that all three corporations' financial statements received unmodified opinions**
- ❖ In addition, the auditors reported no material weaknesses**
- ❖ The auditors made 14 recommendations to improve our processes. Management has responded to all the recommendations**

2019 AUDIT RESULTS

- ❖ **Why did the audit take so long?**
- ❖ **The audit had to work in 2 accounting systems: Traverse and NetSuite since the transition to NetSuite started mid year**
- ❖ **There were ongoing issues with the transition to NetSuite that delayed getting information to the auditors**
- ❖ **Onsite audit fieldwork was ongoing when COVID-19 hit and the office had to close; although staff had been making arrangements to complete all the audit work offsite the order to shelter in place came sooner than expected and not everything was prepared**

2019 FINANCIAL HIGHLIGHTS

- ❖ 7th Tradition of Self-Support – \$8.86 million set another record, up 5.71% from 2018
- ❖ AAWS publishing profits – \$9,36 million down 1% from 2018, used to cover shortfall between 7th Tradition and Cost of Services, resulting in net GSO loss of \$380,450 (\$379,665 was reported in May)
- ❖ Grapevine subscription levels decreased 2% in 2019. 2019 results were a loss of \$27,303 (\$44,461 was reported in May)
- ❖ General Fund support of La Viña service activity – \$297,392 (\$289,314 was reported in May)
- ❖ Reserve Fund – \$16.2 million resulting in ratio of 9.2 months

2019 FINANCIAL HIGHLIGHTS

- ❖ Due to many issues with the transition to the new ERP system the audit on the financial results for 2019 has not been completed. The audit should be completed and reviewed by the Audit Committee by May 30th.
- ❖ The first draft of the audit was completed on May 31st and after careful review a few corrections were made and the audit was accepted by Audit Committee July 13th.
- ❖ So if you see a few numbers that don't quite match don't worry the Finance Department and Marks Paneth, our independent auditors, are working to make sure the final audited financial for 2019 are correct.
- ❖ Now all the figures are correct – so the financials you will receive today are based on the audited results.

2020 Budgets – Where Are They?

- ❖ Budgets for 2020 are also being reviewed and updated
- ❖ AAWS has completed the 2020 amended budget, titled Budget Reforecast 2.01
- ❖ Budget Reforecast 2.01 includes adjustments due to COVID-19 and reflects both a decrease in anticipated revenue as well as a decrease in anticipated expenses
- ❖ AA Grapevine will revise the 2020 budget by the October Board weekend

2019 FINANCIAL HIGHLIGHTS

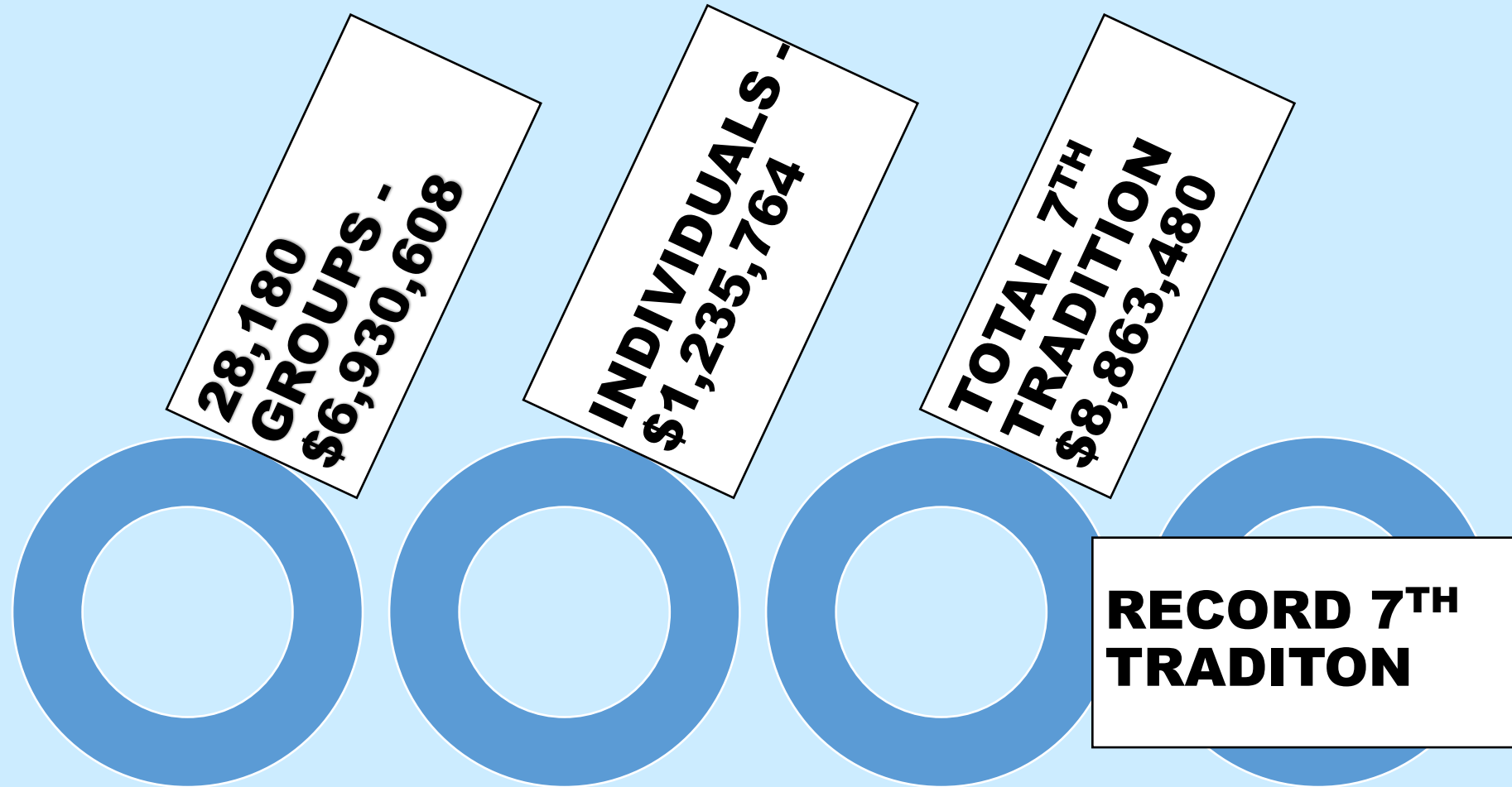
Amounts in \$	2019 ACTUAL	2019 BUDGET	COMPARED TO 2019 BUDGET	2018 ACTUAL	COMPARED TO 2018 ACTUAL
GENERAL SERVICE OFFICE					
7 th Tradition Contributions	8.86 M	8.38 M	0.48 M (5.7%) increase	8.38 M	0.48 M (5.7%) increase
Cost of Services Provided to Fellowship	11.6 M	11.2 M	0.4 M (4%) increase	11.4 M	0.2M (2%) increase
Shortfall between 7 th Tradition & Cost of Services	2.7 M	2.8 M	0.1 M (4%) decrease	3 M	.3 M (10%) decrease
Net Income	(0.38)M	0.5 M	(0.8 M) (176%) decrease	0.4 M	1.4 M (196%) decrease
GRAPEVINE & LA VINA					
Average Circulation	71,182	76,086	4,904 (6.5%) decrease	72,300	1,118 (1.5%) decrease
Net Income (Loss)	(27,303)	(135 K)	107.7K (79.8%) better	-149 K	275 K (82%) increase
General Fund support of La Viña service activity	297 K	166 K	131K increase	148 K	149 K (101%) increase
RESERVE FUND					
Coverage Ratio	9.2 months	9.4 months	Decrease of 0.4 months (7%)	9.7 months	Increase of 0.5 months
M – millions; K – thousands					

GRATITUDE



7TH TRADITION

7TH TRADITION – 2019 – \$8.86 MILLION

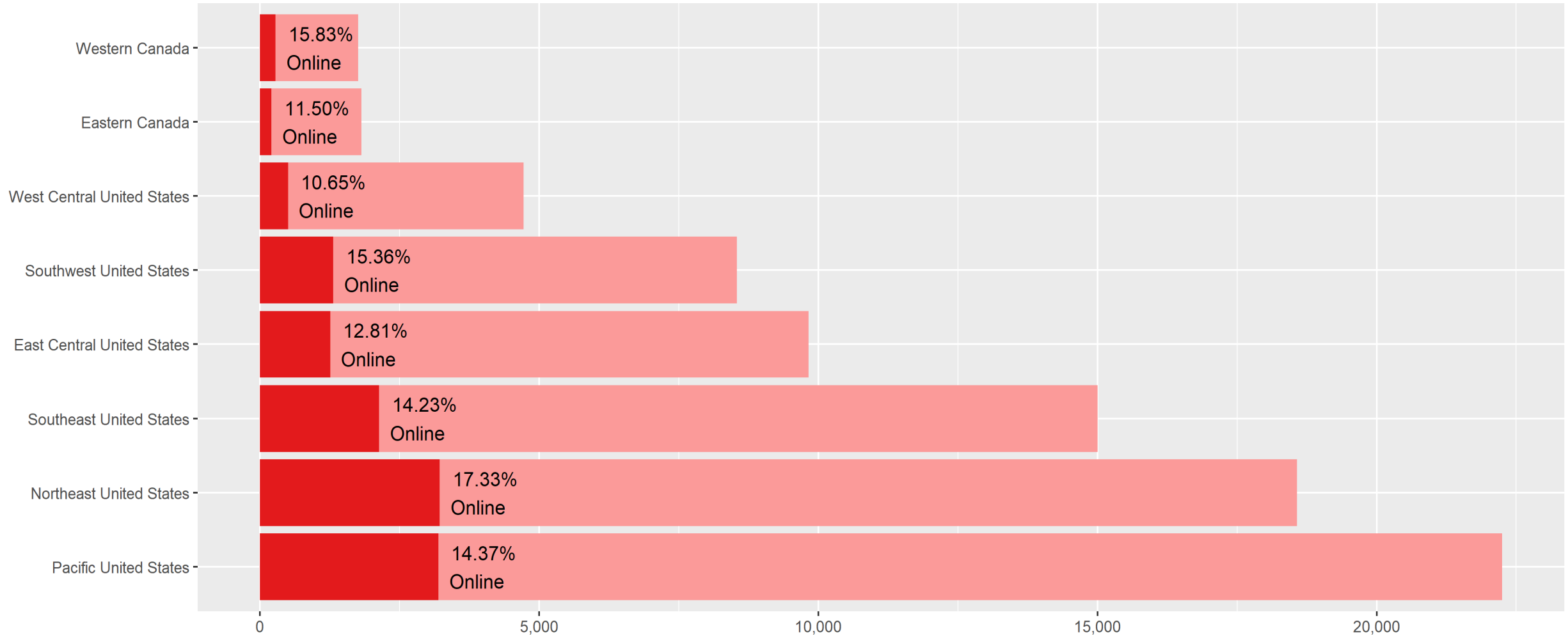


2019 HIGHLIGHTS

- ❖ **28,180 Groups made \$6.9 million of 7th Tradition contributions**
 - **Represents 40.6% of total groups**
 - **\$245.715 average group contribution**
- ❖ **Individuals, Memoriam & Special Meetings contributed \$1.3 million of 7th Tradition contributions**
- ❖ **Total 7th Tradition contributions were \$8.86 million**

7th Tradition Contributions

Number Received by Region



7th Tradition Contributions

Regional Impact by Value (USD)

