

Delegate's ACM Report June 2022

There isn't too much to report this month. I have a few items to cover that weren't covered last month or at the assembly. I hope that most of you were at the assembly or at least hear and/or read the report.

I am starting to do report backs. I have a few visits scheduled now and I am sure that numbers will go up soon. If you would like for me to visit your district in person or zoom, please let me know.

For those of you who knows Joan S, she turned 65 yesterday. There will be a zoom birthday party on Saturday from 1030am to 1230pm. Let me know if you need the zoom ID.

The Grass Roots Area Challenge happened on the 6th of June. I hope you and your members participated if they could. I am sure there is still time if you would like to contribute. I do not have any results at this time.

In my report are links to the [GSB Financial Statements](#). This is for years 2020 and 2021. It's a lot of information but if you or your members are interested in, check out the link.

Financial Information from the conference

2021 Results Overall External

Audit resulted in a "Clean" Opinion from the auditors and several routine recommendations to enhance reconciliation processes

GSO Experienced Accounting Surplus of \$1.7 million with cash surplus of \$53,000.

The 5 biggest components of the difference between cash surplus and accounting surplus are:

- 322,000 Build up of Publications Inventory > Will create cash when sold
- 322,000 2021 contributions received/deposited in 2022 > Creates cash in
- 2022 250,000 GSB Transfer to Reserve Fund in 2021
- 278,000 Payment of Deferred Social Security Tax > Expensed in 2020 and used cash in 2021
- 222,000 Amount owed from Grapevine for shared services purchased in 2021 – will create cash in 2022

The surplus achieved was greater than the 700,000 budgeted surplus due to: 780,000 Contributions of 10.7 million versus budget of 10 million (542,000) Literature Gross Profit Versus Budget – Due to much higher printing and distribution costs without raising prices

Grapevine Results for 2021 were favorable versus budget: Paid print subscriptions decreased 11%. Online/mobile app subscriptions increased 73%.

This digital expansion drives engagement but not revenue. Decrease in La Viña circulation of 12% versus 37% decrease in 2020.

Prior to 2020 growth was on a positive trajectory Grapevine loss of \$113,000 versus loss of \$299,000 in 2020 and budgeted loss of \$354,000.

2022 Budget GSO Budget Includes a Deficit of \$1.35 million, to be funded from 2021 surplus
Contribution Revenue budgeted conservatively (\$10 million versus \$10.7 million actual in 2021)
Literature gross profit budget of \$6.5 million versus \$6.3 million in 2021, \$6.6 million in 2020 and \$8.4 -
\$8.8 million each year from 2017 – 2019

Transition back to in-person Conference, Board meetings, and Virtual Forums, 2021 Surplus allowed for
2022 to be a transition year, investing in post-Covid expenses while assuming Covid-era revenue

It is NOT the intention of Trustees Finance Committee or the GSB to run recurring deficits on an ongoing
basis

Grapevine Budget includes stabilization of trends as we emerge from Covid Break-even results for
Grapevine and stable level of GSB support for LaViña (\$400,000)

Print magazine subscriptions expected to increase 11% while digital is expected to decline slightly Partial
rebound in LaViña subscriptions expected

Contributions

Contributions of \$10.7 million in 2021 versus \$10.3 million in 2020, \$8.9 million in 2019 and \$8.4 million
in 2018 and 2017 45% of total contribution revenue was for contributions of \$50 or less and two-thirds
came from contributions of \$100 or less.

Only 4% of contributions revenue came from the “over \$500 category”. Bottom Line – Larger
contributions from areas and groups are the icing on the cake but the “cake” is smaller contributions
from individuals and groups

Online contributions were 23% of the total in 2021 versus 3% in 2012 Immense gratitude to the
Fellowship for stepping up contributions during these uncertain times.

This revenue does not however represent a bonanza – it is helping to offset the drop in publications
gross profits (see next section)

Self Support: Your 7th tradition dollars fulfilling our primary purpose: ♣ Newly revised Service Manual ♣
Meeting Guide App ♣ Fellowship Connection ♣ 27 books uploaded to Jpay, available to those confined
in correctional facilities ♣ New Group form ♣ Two new AA Public Service Announcements ♣ New
redesigned website

Reserve Fund In 2020, the Reserve Fund was drawn down by \$4 million dollars.

The initial draw was due to the immediate cancellation of the international convention. Much of the
convention loss was ultimately covered by insurance. However, by that time, literature sales dropped
precipitously as outlined above.

Contributions have offset part of this loss but net from 2019 we are still taking in less revenue.

Trustees Finance and the GSB are taking a cautious approach to the reserve fund:

A small transfer of \$250,000 was made in 2021

A transfer in January 2022 was not made despite the 2021 surplus in light of the budgeted loss for GSO in 2022 (transition year)

Strong desire not to put more in the reserve than we can truly afford resulting in ill-timed budget changes or the need to withdraw from the fund in the near term

Based on the 2021 balance and the 2022 budgeted expenses the reserve fund 7.84 months of expenses are in reserve. The generally understood target range is 9 to 12 months.

Trustees Finance discusses all of these issues at every meeting

A letter was sent out to the body about printing delays and backorders. I have attached the reports in [English](#) and [Spanish](#).

I will be going the Unity and Service Conference in Concord. If you would like to meet some to the Trustees or GS Staff, this is where you would want to be. Even more will be at the Regional Forum in September. If you are planning to go, book your flights now.

Area 05 will be hosting their elections in October. It will be a hybrid event. If you would like to attend in person or zoom, let me know.

Thank you all for being of service.

Monty C

Area Del 08 P72