

Northern California Hospital & Institution Committee

www.norcalhandi.org

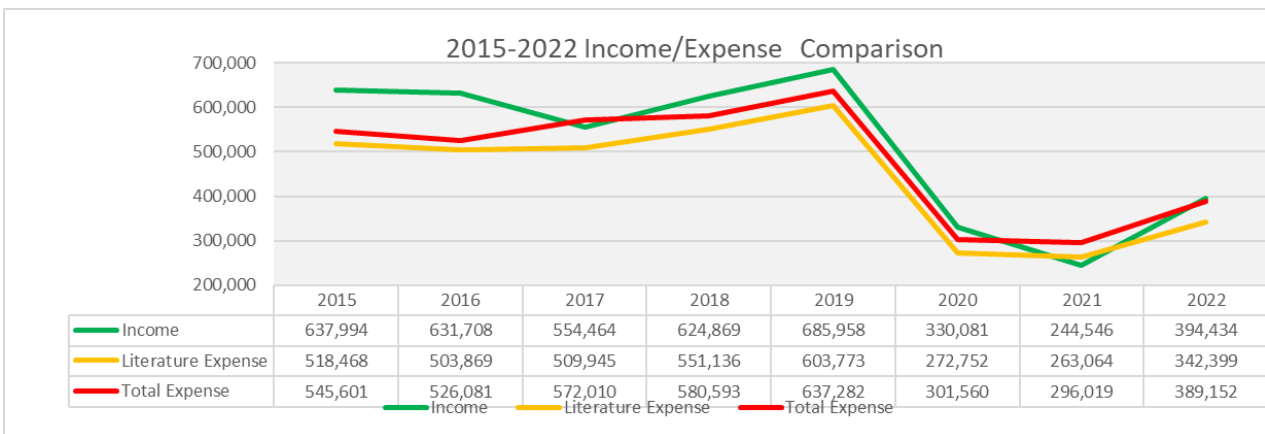
Review of H&I Finances – FYE 2022

To: The AA Fellowship of Northern CA

The following is a basic analysis of H&I finances as of the year ending 2022. We hope you will contact your H&I Area Chair or send an email to the Treasurer from our website if you have any questions.

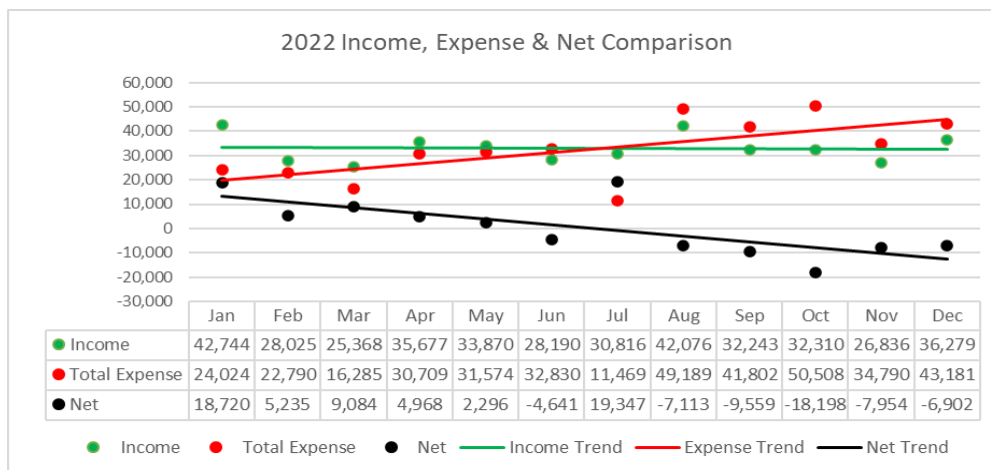
To put things in context, we first need to look at our historical chart for the period 2015-2022.

- Prior to the pandemic (thru 2019) – except for the dip in 2017, our income (green line) averaged between \$6-700,000 per year, with expenses (red line) generally following suit in the \$5-600,000 range. The orange line below expenses is the cost of literature for confined alcoholics, which comprises between 88-95% of total committee expense – a great bang for your service buck.
- During the pandemic (beginning 2020) – you can see the huge drop in everything, with income bottoming out in 2021. In 2021, contributions received were actually less than our expenses, and we had net negative income for the 3 years 2020-2022 of <\$17,670>.
- As we entered the post-pandemic phase (end of graph) you can see that income & expense are beginning to rise again, but we've still got long way to go to completely normalize.



2022 chart

- Monthly income for 2022 averaged \$32,869 per mo, the trend (straight green line) is flat.
- Expenses (red) are rising (except for the July anomaly due to monthly deposit timing). The straight red expense trendline is going up.
- The points in black are our net (contributions less expense). Monthly net started going negative in March & the trendline is going down. In the last 5 months of the year we had negative net income of almost <\$50,000>. So basically: income is flat and expenses are trending up resulting in the downward net trend– indicating that if trends continue, we will continue to lose money.



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While this sounds bad, it's exactly what we want to happen so we can draw down on our excess cash reserves.

Using a multiple of expenses during the last *normal* year of operation (2019, the 'base year'), the guideline of our committee is to have three months cash in our operating account plus three months cash in our prudent reserve, an amount totaling \$318,641. As of the end of 2022, we exceeded that guideline by \$47,307. But since we budgeted to lose approximately \$50K in 2023, we should be right where we're supposed to be if the projections materialize, i.e., if contributions continue to come in at the current rate and expenses continue to rise.

People often make the mistake of thinking H&I has too much money because they don't understand the volume of our expenses, mistakenly comparing our cash assets to those of entities having a far smaller cash flow. To understand the financial condition of an entity, we can't look at assets in terms of actual dollars, we need to look at them in terms of multiples of expenses. The AA General Service Office in New York has assets well in excess of \$1,000,000, but that's not excessive when looked at as a multiple of their expenses. And in normal years, H&I spends between \$5-600,000 in literature expenses to provide much needed books and Grapevines to alcoholics in facilities throughout Northern CA.

And remember, no H&I volunteer is EVER compensated for their Twelfth Step work of going to facilities to carry the message of A.A. to the confined alcoholic. Many not only give generously of their time, but also sacrifice significant funds out of their own pockets in gas and tolls for their Twelfth Step work to carry the message to remote facilities, often hours from their homes. While our committee does reimburse officers for travel to conduct *the business of the committee*, thereby allowing members to participate regardless of financial ability, our reimbursement rate of \$.32 per mile is considerably lower than the rate of most service committees.

Groups are free to choose whether or not they want to contribute to H&I for the support of confined alcoholics. Our priorities are to be open and transparent to the Fellowship (our monthly financial statement is posted online at <https://www.handinorcal.org/finances>), to provide any information requested (contact us at <https://www.handinorcal.org/contact-us>), and to operate in gratitude for the kind and loving support of the groups which fund us, whom we serve.

In fellowship and service,
NorCal H&I Committee – February 1, 2023