

**2024 in Review**

**CENTRAL OFFICE (CO)** assists groups from the Hamilton (and other) districts in fulfilling AA's primary purpose of helping alcoholics to achieve sobriety by:

- sharing information for the good of AA;
- selling AA Conference approved literature; and
- selling other items that mark lengths of sobriety.

CO also provides a place for Operating Committees to meet and store material, and provides a home for the Hamilton Archives Repository.

**Hours** are 10:00 A.M. to 4:00 P.M. during the weekdays; We are closed for provincial statutory holidays. As always, arrangements may also be made with the Chair to make purchases outside of regular operating hours (i.e. evenings and weekends) at mutually convenient times.

**Access** to the office requires climbing a number of stairs to the second floor; the chair lift at the front of the building is permanently non-operational. While this is a barrier to those unable to use stairs, we will meet customers at the front or back doors to conduct transactions if contacted by phone at 905-522-8399. (The help-line is 905-522-8392.)

**Sobriety Markers**

Engraved medallion orders placed by 1:00 P.M. Fridays are available for pick-up the following Tuesday beginning at 10:00 A.M. (even when Monday is a statutory holiday).

Pins for 13-years sobriety and higher are available at CO (as well as some 10-year pins).

Bronze coins continue to be offered for all years.

Aluminum chips are available for 24-hours, and one through 11 months.

**Members Served**

There were 1,041 visits to CO last year for an average of almost four visits daily, with 12,654 items sold. CO no longer provides plastic bags to carry purchases, so visitors are need to bring their own cloth bags.

**Volunteers**

CO Volunteers are required to have both a home group and a sponsor, as they may engage with visitors in conversations concerning the program of AA. We currently have 15 volunteers, with some alternating shifts biweekly, and some covering two shifts weekly. Home groups of volunteers include: Ancaster 12&12, East End, Gemini, Hamilton Women's Discussion (2), Liberty, Prince George, Stoney Creek (3), Triangle Action, and Westdale (4).

# AA Hamilton Central Office Report January 2025

## 2024 in Review

### Bank Balance

Last year's closing bank balance was \$17,852 in addition to our \$18,000 prudent reserve (plus an additional \$1,342 in GIC interest accruing since March 2023).

### Excess Funds

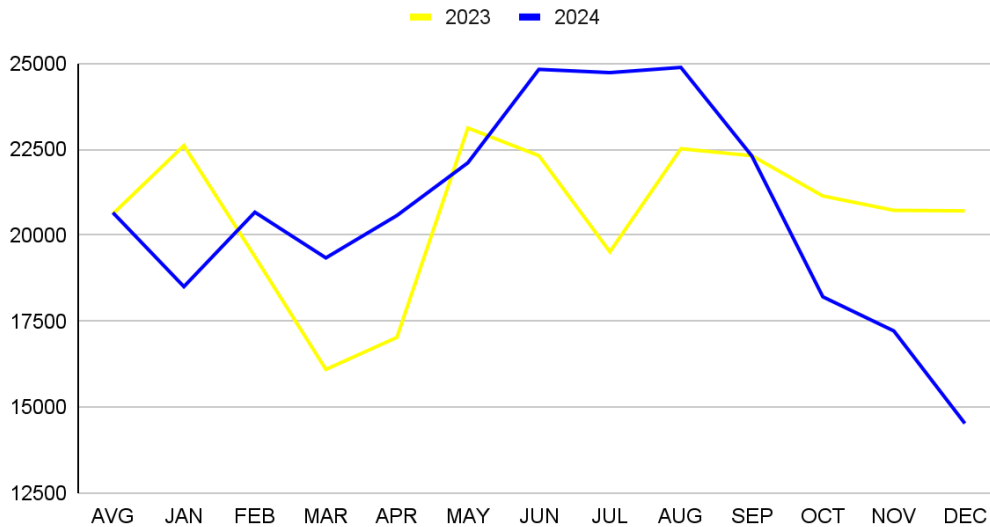
Taking into account uncashed AAWS cheques, cash-on-hand at the end of 2024 is \$14,528 (excluding GIC interest). This is a reduction of 30% from \$20,711 at the end of 2023,.

It is important to define the amount at which we no longer have excess funds. Monthly operating costs (office and ID Operating Committees) are just under \$3,000 based on 2024 actuals). In an ideal world, we would receive this amount monthly in group contributions, as well as bring in enough sales revenue to cover any cost of sales.

We are currently reducing excess funds through the following actions:

- Elimination of debit card fees. Credit card fees of 2.65% remain in effect;
- investing in building inventory of Big Books by purchasing more for a higher discount from AAWS and passing that savings on to our members; and
- Making up for a shortfall in contributions revenue applied to operating costs. (See details about operating expense coverage for the year in "Revenue & Expenses" below.)

### Excess Funds



## AA Hamilton Central Office Report January 2025

### 2024 in Review

In keeping with transparent practices, I came across a CRA document from 2008 while clearing out our 2017 files. (As we're only required to keep seven years of financial records, my process includes reviewing the outgoing files before shredding.) The letter addresses the matter of transferring funds/gifting to non-qualified donees (organizations that are not registered charities in Canada), for which financial penalties might be assessed.

While we were not considering transferring funds to Area 86 last year, but instead were looking at treating funds as a fee-for-service, it is interesting that the topic had been explored, at least in part, 16 years ago. It's important to keep some documents in-perpetuity for the sake of continuity, and I have moved this letter to one of those retain files so future CO Chairs do not have to repeat work already initiated by their predecessors.

Additionally, the CRA letter points out that, at least in part, a funds transfer could not be considered as neither AAWS or Area 86 were identified as a "headbody" organization of the charity. I will explore with our bookkeeper whether or not we should continue to leave blank on our return the question of, "was the charity linked in a subordinate way to a provincial, national or international organization"? AA Hamilton CO would not exist if not for the General Service Board.

#### **Foreign Exchange (fx)**

The USD-CAD foreign exchange rate (fx) average in 2023 was \$1.35 CAD, while CO used a \$1.40 fx rate to calculate pricing for goods purchased from the US, December 2024's fx average was \$1.42, and the 2024 average was \$1.37.

#### **Inventory**

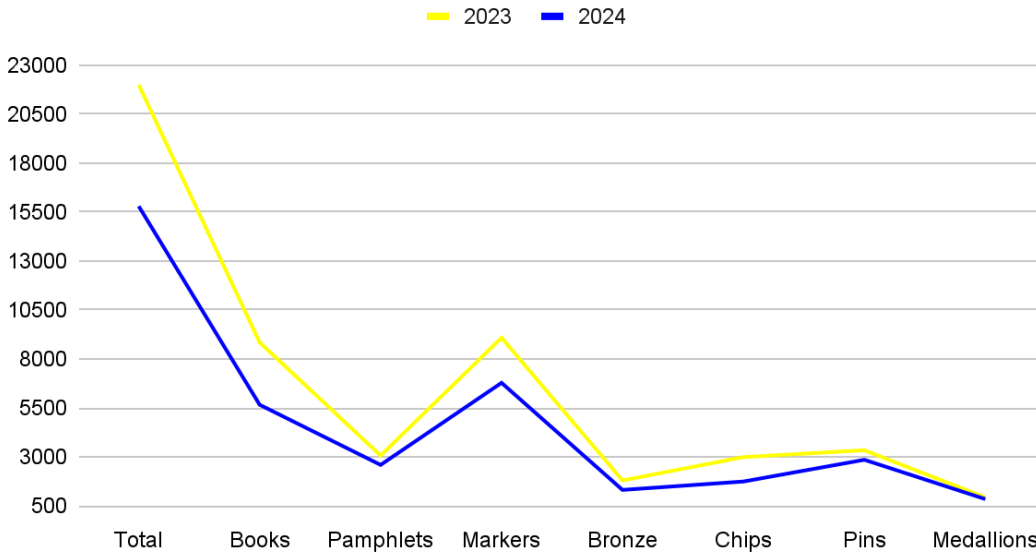
Inventory at the end of 2024 was valued at \$16,250, for a 26% reduction from \$21,987 in 2023. Generally speaking, it is a sound practice to reduce inventory while still being able to meet demand. With the ideal inventory-to-sales ratio being between 20-40%, our ratio is 45% down from 55% in the previous year. Strategically increasing inventory by buying Big Books in greater bulk in 2025, in order to enjoy a higher discount, may result in higher inventory by the end of this year.

The 2024 inventory total will be included in this year's tax filing. All tax return filings may be found on the Canada Revenue Agency (CRA) website following this [link](#).

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## 2024 in Review

### Inventory Levels

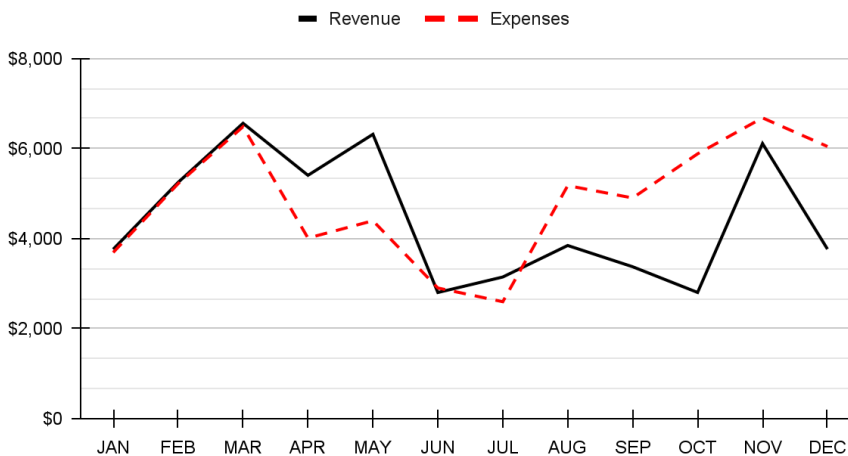


### Prudent Reserve

Our reserve of \$18,000 covers 6 ½ months of budgeted CO operating (\$1,786), and Operating/ Interdistrict Committee budgeted expenses (\$955). The reserves extends to 8.5 months when considering that Operating Committees used only 45% of their budgets last year.

### REVENUE & EXPENSES

#### Revenue & Expenses 2024



The dip in October revenue was due to two expenses incurred. In December, there was a strategic purchase of more BBs to obtain a higher AAWS discount.

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## 2024 in Review

	Last Month	2024
<b>Revenue</b>	\$3,766	\$53,141
<b>Expenses</b>	\$6,046	\$58,354
<b>Net</b>	-\$2,280	-\$5,213

A portion of the higher expenses (\$2,409) is due to the purchase of more higher discounted BBs.

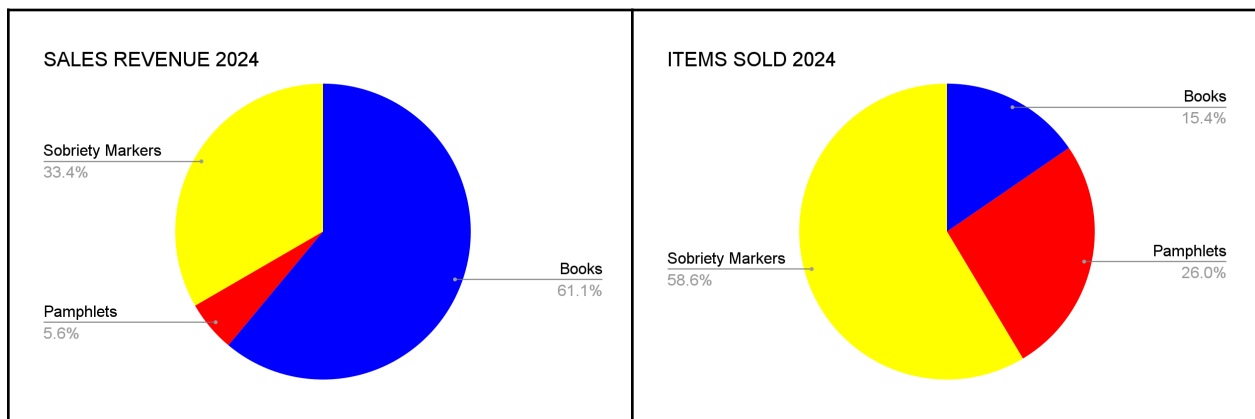
In summary for 2024, we received:

- \$16,903 in total contribution revenue versus \$25,528 in operating and committee expenses, for a net loss of \$8,625 (or a monthly average of \$719).
- \$36,238 in sales revenue versus \$32,826 in the cost of sales, for a net gain of \$3,412 (or a monthly average of \$262)..

The operating net loss is partially offset by the sales net gain, which is more of a timing issue between incurring sales costs and sales revenue since we sell all items at cost. The remaining operating net loss (at a net monthly average last year of \$434) is being covered by excess funds as group contributions have fallen.

### REVENUE

#### SALES REVENUE



Price lists are available via email or hardcopy.

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## 2024 in Review

### **OPERATING REVENUE**

#### **Contributions - Groups**

Group Contributions totaled \$14,834 in 2024, being 36% lower than the \$23,320 collected in 2023. Groups may have contributed less due to the amount of excess CO funds.

CO provides a flyer concerning how to direct group contributions to AAWS, Area 86, District 10 or 21, Interdistrict, and Central Office. Please let me know if you would like a copy emailed to you.

#### **Contributions - Personal**

Personal contributions are down 53% from the previous year from \$1,295 to \$691. Tax receipts are available annually for individuals making personal contributions.

### **EXPENSES**

#### **SALES COSTS**

For years we have paid AAWS (in CAD) for the full amount of our sales orders at the fx rate for that day (as shown on their order screen). However, AAWS invoices as orders are fulfilled, and there may be several invoices associated with the same sales order. This always creates an issue for AAWS in reconciling our accounts, despite us sharing our own matching of invoices to sales orders. As a result, we are now paying individual invoices according to the fx rate on the date they are received.

I have also begun paying Wendell's in the US through my personal credit card for which I am reimbursed with cheques. This saves two of us the onerous process of having to visit the bank together in order to obtain fx drafts. Our second signatories (Kristin or Senga) review and sign both the invoices and reimbursement cheques. (Wendell's does not accept payment through PayPal or via cheque.)

#### **OFFICE OPERATING COSTS**

CO finished the year at 97% of its budgeted expenses.

#### **OPERATING COMMITTEE COSTS**

Operating Committees finished the year having used 45% of their budgets (including InterDistrict actuals): ID \$936, BTG 0.3%, Grapevine 16%, HAS 84%, Institutions 12%, PICPC 0%, Treatment 12%, Website 44%. These results suggest that a closer look be taken at budget submissions for this new year; I recommend that Interdistrict also submit a budget (i.e. Perkins Centre rental, any Service Day expenses).

# AA Hamilton Central Office Report January 2025

## 2024 in Review

### CARRYING THE MESSAGE

In addition to our regular services as listed on page 1 of this report, CO volunteers in 2023:

- Cleared the office and basement storage spaces of outdated records and other unnecessary items (CRA only requires that seven years of financial records be maintained) to create more usable space;
- Removed excess/bulky office furniture to create more workable volunteer space and welcoming environment for our visitors;
- Had the office painted to provide a cleaner, more attractive space for visitors and volunteers;
- Created more capacity for the Hamilton Archives Repository to store and showcase our AA history;
- Maintained posted office hours, closing early only once, while also meeting customers outside of regular hours;
- Held monthly CO Committee meetings;
- Reviewed and repriced merchandise to be up-to-date and at-cost as per the groups' direction;
- Replaced damaged outdoor signage with a new one that is lit at night for 24-hour visibility; and
- Established transparency for all CO activities.

In 2024, we continued to hold monthly CO Committee meetings, and provide our services within regular hours with no closures, as well as by-appointment. We also explored, on behalf of the groups, contributing excess funds to the General Service Board and Area 86. While both these avenues were not pursued, we enter 2025 with a strategic plan to eliminate excess funds. (See the three actions listed in "Excess Funds" above.)

Thank you to all the CO volunteers for their commitment to carrying the message through their service. We look forward to continuing to serve local AA districts, groups, and members in this new year.

In service,

*Sheila Whaley*

Hamilton Central Office Chair

[info@aahamilton.org](mailto:info@aahamilton.org)

AA Hamilton Central Office Report January 2025

**2024 in Review**

**CO Budget 2025 Considerations & Summary:**

- Will need to be adjusted once 2025 Operating Committee budgets are approved.
- Group contributions are likely to remain below operating costs until excess funds are eliminated.
- Reduced sales revenue of BBs due to reduced price: 450 units x delta of \$1.50.

<b>2025 Budget</b>	<b>Revenue</b>	<b>2025 Budget</b>	<b>Expenses</b>
GIC Interest	\$1,334	ID Op Comms	\$4,777 (2024 acts)
Contributions	\$17,190	CO Operating	\$19,429
Sub-total Operating	\$18,524	Total Operating	\$24,206
Sub-total Sales	\$35,355	Total Sales Costs	\$32,090
Excess Funds Supplement*	\$2,417	-	-
<b>Total</b>	<b>\$56,296</b>	<b>Total</b>	<b>\$56,296</b>

\*Excess Funds end 2024: \$14,528

Net for inventory investment: \$12,111