

2023 WSO MID-YEAR BUDGET & FINANCE REPORT

General

1. Generally, trends that are noted in the first seven months of the year are likely to continue.
2. There has been little data available to accurately forecast the actual income and expense results from the Boca Raton event. However, early registration levels suggest that the net loss will be less than projected.

Revenue

3. **Shopify Revenue:** The budget projected a 13% increase over prior year actual. As of the end of July, the increase has been 25%.
4. **Amazon Revenue:** The budget projected a 25% increase over prior year actual. As of July, the increase has been 20%. The price of books on Amazon was raised by \$1 per book in the current year. This resulted in increased purchases from Shopify and fewer from Amazon.
5. **7th Tradition:** The special 7th Tradition contributions appeal that WSO conducted at the beginning of 2023 resulted in substantially increased income from that source for the first few months of 2023. The budget projected an increase of 30% over the prior year. As of July, the increase has been 82% and the forecast for the end of this year is for contributions to reach 21% of total income compared to 17% in 2022.

Expenses

6. **Administrative Salaries and Benefits:** The adopted budget projections were based on actual current personnel salaries in 2022 with a 5% increase for some employees. \$40,000 was added to cover the several months of expense that were to be incurred to train the incoming controller and cover a current employee's maternity leave. \$15,000 was added for a mid-year change for the Controller from part-time to full-time. The transition of controllers went smoother and quicker than expected. Both were on the payroll for a shorter time than anticipated in the budget.
7. **Warehouse Space:** In the adopted budget, this expense was increased by 30% over the prior year due to lease rate increases estimated by the Lessor. Even with the change to a larger space, the forecast is for this expense to be within the budgeted amount.
8. **Possible Restoration of Reductions in Committee Budgets:**
 - 8.1. An expense amount of \$7,200 was eliminated in this proposed budget for committees. Past budgets have included \$600 for each committee, but most have not used that allotment. There seems to be little need to consider restoring these amounts.
 - 8.2. The Archives committee's request was reduced by \$5,500 and that amount could be restored if needed.
 - 8.3. The European Committee's request was reduced by \$9,400, leaving \$3,000 available for 2023 expenditures. As of July, only a little over \$500 of that has been spent.
9. **Boca Raton Event:** The adopted budget for this event projects that a little over \$32,000 of the cash balance will be needed to fund expenses. However, the forecast is that this amount will be reduced due to income from the sale of meal tickets and to avoiding some of the liability for payment for rooms not occupied at minimum levels identified in the contract.

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ANNUAL OPERATING BUDGET				2023 BUDGET	ACTUAL	2023 FORECAST		% Change
				TOTAL	JAN-JUL	AUG-DEC	TOTAL	From Budget
INCOME								
		AMAZON		1,016,300	521,264	361,265	882,529	-13%
		SHOPIFY		681,500	439,312	308,625	747,937	10%
		7TH TRADITION		393,100	314,121	163,400	477,521	21%
		INTERNATIONAL SALES		32,400	39,568	48,285	87,853	171%
		AUDIBLE		27,500	14,869	11,458	26,327	-4%
		DIGITAL BOOKS		3,500	4,245	2,970	7,215	106%
		ROYALTY CONTRACT		3,200	4,026	-	4,026	26%
		OTHER		1,700	1,776	708	2,484	46%
		TOTAL INCOME		2,159,200	1,339,180	896,865	2,235,893	4%
COST OF GOODS SOLD								
		AMAZON		707,000	310,011	213,147	523,157	-26%
		SHOPIFY		471,315	308,775	222,210	530,985	13%
		INTERNATIONAL		22,900	19,625	19,238	38,863	70%
		INTERNATIONAL PRINTING		4,300	-	-	-	
		TOTAL COST OF GOODS SOLD		1,205,515	638,411	454,595	1,093,005	-9%
		NET INCOME		953,685	700,770	442,271	1,142,887	20%
EXPENSES								
		PAYROLL		453,885	253,773	175,853	429,626	-5%
		RENT		134,618	69,350	66,527	135,877	1%
		PROFESSIONAL FEES		93,775	51,868	38,380	90,248	-4%
		CONTRACTORS		83,800	52,596	43,079	95,674	14%
		TECHNOLOGY; IT SUPPORT		43,000	27,280	19,485	46,765	9%
		BANK & MERCHANT FEES		32,500	17,372	14,505	31,877	-2%
		PAYROLL TAXES		31,071	20,723	15,475	36,198	17%
		PROGRAM INITIATIVES		22,200	26,373	10,893	37,266	68%
		DEPREC & AMORT		16,560	9,797	7,505	17,302	4%
		OFFICE		13,600	11,227	4,371	15,598	15%
		UTILITIES		8,580	5,599	5,000	10,599	24%
		TRAVEL & MILEAGE		5,400	1,774	3,626	5,400	0%
		REPAIRS & MAINTENANCE		4,400	2,044	6,967	9,011	105%
		INSURANCE		3,061	3,187	2,185	5,372	75%
		EVENTS		2,600	245	-	245	-91%
		DUES & SUBSCRIPTIONS		2,500	1,245	1,042	2,287	-9%
		TAXES		1,000	230	763	993	-1%
		LICENSES & PERMITS		600	-	600	600	0%
		TRADEMARKS		300	-	-	-	-100%
		OTHER		200	-	-	-	-100%
		INVENTORY ADJUSTMENTS		-	(2,181)	2,181	(0)	
		TOTAL EXPENSES		953,650	552,502	418,437	970,939	2%

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SUMMARY						
NET INCOME	953,685	700,770	442,271	1,142,887	20%	
TOTAL EXPENSES	953,650	552,502	418,437	970,939	2%	
SURPLUS (DEFICIT)	35	148,268	23,834	171,949	491182%	

BOCA RATON EVENT

	BUDGET	FORECAST
INCOME		
Prepaid Deposit	22,675	22,675
Other Income	-	23,880
Fund Balance	32,000	18,887
TOTAL INCOME	54,675	65,442
EXPENSES		
Event Meals	20,805	25,105
Facility	18,537	22,537
Travel	17,800	17,800
TOTAL EXPENSES	57,142	65,442
NET GAIN (LOSS)	(2,467)	0

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CASH FLOW

	2023 BUDGET	FORECAST
BEGINNING CASH	328,294	330,361
Budget Income or (Deficit)	35	171,949
Capital Expenses		
Website (NextLevel)	(6,525)	(5,425)
Synnology NAS - office	(1,850)	-
Copyrights/Trademark	(7,650)	(5,663)
Computer Hardware/Software	-	(1,920)
Equipment for new Warehouse	-	(3,000)
Other Fixed Asset Purchases	-	(792)
Major Inventory Purchases (late in the year)	(170,335)	(81,290)
Miscellaneous	-	-
Boca Raton Event Gain (Loss)	(34,467)	(18,887)
SUBTOTAL	(220,827)	(116,977)
P&L Items not Requiring Cash output		
Boca Raton Hotel Deposit	-	22,675
Fishbowl Loan	-	13,416
Other Increases in Liabilities	-	-
Depreciation and Amortization	16,560	17,305
Miscellaneous	-	-
SUBTOTAL	16,560	53,396
FORECAST ENDING CASH at 12/31/23	124,062	438,729

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STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As of July 31, 2023 vs. December 31, 2022

	Jul 31, 2023	Dec 31, 2022	% Change
ASSETS			
Current Assets			
Total Checking/Savings	391,783	330,361	16%
Total Accounts Receivable	8,750	479	95%
Total Other Current Assets	508,091	404,297	20%
Total Current Assets	908,624	735,137	19%
Total Fixed Assets	111,044	159,397	-44%
TOTAL ASSETS	1,019,667	894,534	12%
LIABILITIES			
Current Liabilities			
Total Accounts Payable	9,233	6,947	25%
Total Credit Cards	21,242	1,380	94%
Total Other Current Liabilities	106,249	100,956	5%
Total Current Liabilities	136,724	109,284	20%
Total Long-Term Liabilities	-	49,565	
Total Liabilities	136,724	158,849	-16%
EQUITY			
Unrestricted Net Assets	715,136	806,795	-13%
Retained Earnings	(723)	-	
Restricted Net Assets	20,262	10,725	47%
Net Income	148,268	(81,835)	155%
TOTAL EQUITY	882,943	735,685	17%
TOTAL LIABILITIES & EQUITY	1,019,667	894,534	