## JULY 2026 TREASURER'S REPORT

Dear Board and Fellow ACA Members,

Please find the July 2026 financial statements for your review. These statements are unaudited and reflect the most accurate information available from our accountants at this time. The full packet is available on the ACA service website (acawso.org), the BLUE website, under "Board Treasurer's Report."

# Balance Sheet – What Changed and Why

Total assets ended July 2026 at $1,208,039, a decrease of $42,281 from June. The change was driven primarily by the timing of operating cash, lower inventory balances, and normal depreciation and lease amortization, partially offset by increased accounts receivable and prepaid expenses.

**Key Drivers**

- Cash decreased by $24,922. The change occurred in operating cash and merchant account balances. The prudent reserve remained unchanged at $139,964.
- Accounts receivable increased by $5,233, primarily due to the timing of customer collections at month-end.
- Inventory decreased by $11,525, reflecting the use of inventory to fulfill literature and workbook sales during the month.
- Prepaid expenses increased by $941 as new prepayments slightly exceeded the expenses recognized during July.
- Other receivables decreased by $5,251, primarily due to timing-related receivable activity.
- Fixed assets and lease-related assets decreased by $7,063, net, reflecting normal depreciation and lease amortization, partially offset by capital additions.

Total liabilities decreased by $36,405 during the month.

**Notable Changes**

- Accounts payable decreased by $1,066 as vendor obligations were paid.
- Credit card balances increased by $278 due to the timing of monthly purchases and payments.
- Accrued liabilities increased by $992, reflecting normal month-end operating expense accruals.
- Payroll liabilities decreased by $20,160 due to the timing of payroll payments and related obligations.
- Lease liabilities decreased by $13,756 through scheduled monthly principal payments.
- Total net assets decreased by $5,876, reflecting July's operating results.

Overall, ACA WSO continues to maintain adequate liquidity and sufficient working capital to support ongoing operations. Current assets of $733,171 exceeded current liabilities of $173,268 by approximately $559,900.

# Profit & Loss Overview

July operating results were lower than June's results, primarily because contributions and international sales returned to more typical levels, noted in prior years results, after a stronger June. Shopify, Amazon, and digital sales decreased during July; operating expenses also declined.

**Highlights:**

- Total monthly income was $180,721.
- Literature and other sales totaled $139,658.
- Contributions totaled $41,063, continuing to provide important financial support.
- Cost of goods sold totaled $79,498.
- Gross profit totaled $101,223.
- Operating expenses decreased by approximately $8,645 compared with June and remained below the July budget.
- July closed with a net loss of ($5,876).

# Performance Against Budget

July revenue was below budget, but lower cost of goods sold and careful expense management offset a substantial portion of the revenue variance.

**Highlights include:**

- Total income was approximately $35,701 below budget, primarily due to lower Shopify, Amazon, international sales, and contributions.
- Shopify revenue was approximately $9,000 below budget.
- Amazon revenue was approximately $13,100 below budget.
- International sales were approximately $7,500 below budget.
- Member contributions were approximately $5,100 below budget for July.
- Gross profit was approximately $21,100 below budget, reflecting the lower revenue level.
- Cost of goods sold was approximately $14,600 favorable to budget, largely because of lower sales volume.
- Total operating expenses were approximately $14,200 favorable to budget. Contractor, program initiative, technology, rent, and other operating expenses were below budget.
- Professional fees were approximately $161 above the July budget and remained substantially lower than earlier months.

July's disciplined expense management helped limit the monthly loss despite revenue finishing below budget.

# Year-to-Date Perspective

Through July 2026, ACA WSO has recorded a year-to-date net loss of ($108,032), an increase of approximately $5,876 from June because of July's operating results.

**Year-to-date highlights include:**

- Literature sales remain below the prorated budget across several major sales channels.
- Total sales are approximately $236,700 below the prorated budget year-to-date.
- Seventh Tradition contributions exceed the prorated budget by approximately $10,800, providing important financial support.
- Cost of goods sold is approximately $120,900 below the prorated budget, primarily because of reduced sales volume.
- Payroll and most operating expense categories remain well controlled relative to budget.
- Professional fees continue to represent the largest unfavorable operating-expense variance, at approximately $67,400 above the prorated budget.
- Lower contractor, program initiative, technology, rent, and other operating expenses continue to partially offset the revenue and professional-fee variances.
- Cash flow and working capital remain sufficient to support current operations.

**Positive factors continuing to support and sustain WSO and the Fellowship:**

- Contributions remain above the prorated year-to-date budget.
- July operating expenses were below both June and the July budget.
- Careful management of payroll and operating expenses.
- Inventory levels remain sufficient to support future sales.
- The prudent reserve remained stable at $139,964.

ACA WSO remains financially stable overall, with current assets substantially exceeding current liabilities. Literature sales continue to trail budget, while member support and disciplined expense management remain important to the organization's financial position.

# How Members Can Help

7th Tradition contributions and literature purchases remain essential to sustaining ACA WSO's services and carrying the ACA message worldwide. Continued member support helps maintain financial stability and expand outreach to those still seeking recovery.

Seventh Tradition contributions have continued to support and sustain the budget while literature sales, across all platforms, have not met overall year-long financial expectations. This reflects both deep and consistent Fellowship support, and the commitment of the Fellowship to support WSO and Tradition 5, carrying the message to the adult child who still suffers, during inflationary and challenging times. THANK YOU FOR YOUR SUPPORT! Seventh Tradition cash flow, year-to-date, continues to exceed budget expectations by approximately $10,000!

# Next Steps

The Finance Committee will continue monitoring:

- Sales trends across all distribution channels.
- Professional service and contractor expenses.
- Inventory levels and working capital.
- Cash flow and prudent reserve balances.
- Progress toward returning operations to budget.
- The impact of recently approved pricing adjustments and shipping cost recovery initiatives on long-term financial performance.
- The recent 2026 mid-year budget adjustments, recommended by the Finance Committee and approved by the WSO Board.

Updates will continue to be shared as part of ACA WSO's commitment to financial transparency.

# In Service

Al E.
Treasurer, ACA WSO

# Report Links

The following supporting documents are available for review on the ACA service website under **"Board Treasurer's Report."**

- July 2026 Financial Statements (Balance Sheet and Profit & Loss)
- July 2026 Contributions Report