

The following update is based on the unaudited Financial Statements for the period that ended September 30, 2018:

Change in net assets in the General Fund resulted in an operating surplus of \$209,936. The increase is due to strong sales of our new literature and some reduction in expenses.

**Income:** Gross literature sales through September 2018 were \$3,051,780, which is \$395,195 (13%) higher than September 2017 and \$304,547 (11%) above budget. Contributions through September 2018 were \$1,410,673, which is \$16,923 (1%) lower than September 2017 and only \$80 lower than budget. *Forum* subscriptions were \$192,885, which is \$7,345 (3.6%) less than September 2018.

**Expenses:** Expenses have decreased by \$128,168 (less than 4% from last year). \$15,800 relates to the Donated Non-Cash Expenses for Google AdWords. The remaining decreases are related to lower staffing levels and the fact that last year we had two Executive Directors until the end of October. Additional decreases are noted in stationery, supplies, and miscellaneous expenses reflecting efforts to spend less in those areas. Most expense line items are in line with budgeted amounts for the year to date.

**Reserve Fund:** Investment income includes a monthly transfer of \$17,300 from the Reserve Fund. The fair value of investments in the Reserve Fund totaled \$6,023,460 at September 30, 2018. We continue to monitor our investments as market conditions fluctuate and find that our portfolio is performing in line with the indexes.

**Outlook:** As we approach the year's end, Staff will continue to closely monitor expenses to ensure these costs come in as close to budget as possible.

Although literature sales are currently slightly ahead of budget, it is critical for members, groups, and Literature Distribution Centers to maintain or increase the pace of orders to compensate for seasonal slowdowns.

We anticipate that as members and groups apply spiritual principles to their financial discussions and decisions over the final quarter of 2018, contributions will reach or exceed our budget of \$2,000,000.