

**Quarterly Financial Report – Alcoholics Anonymous (“AA”)
December 31, 2024 (Fiscal and Calendar Year-end) Unaudited Financial Statements AND
2025 Approved Budgets**

Part I: Overview and Intended Use

The purpose of the Quarterly Financial Report (“QFR”) is to provide regular updates on the financial status of its service entities – the General Service Board of Alcoholics Anonymous, Inc. (“GSB”), Alcoholics Anonymous World Services, Inc. (“AAWS”) and the AA Grapevine, Inc. (“AAGV”) that may be shared with the Fellowship of AA. The operations of these entities include all operations of the General Service Office and Grapevine Office at 475 Riverside Drive in New York City. Pursuant to an Advisory Action of the General Service Conference, this report is distributed each quarter, in English, French and Spanish, to all Conference Members following the quarterly meetings of the GSB. These statements are unaudited and as such as subject to revision.

The QFR Consists of:

- Narrative – Parts II through V Below
- AAWS/GSB Financial Statements
 - Comparative Balance Sheet
 - Comparative Income Statement, Including 2025 Approved Budget
 - Monthly Income Statement
 - Graphs – Contributions, Gross Literature Sales, Gross Margin, Operating Expenses
 - Narrative – 2025 Approved Budget
- AAGV Financial Statements
 - Statement of Financial Position/Balance Sheet
 - Comparative Income Statement, Including 2025 Approved Budget
 - Statement of Activities – Grapevine, Including 2025 Approved Budget
 - Statement of Activities – La Viña, Including 2025 Approved Budget
 - Narrative – 2025 Approved Budget

Note: Balance Sheet and Statement of Financial Position are terms for standard financial reports that show a schedule of assets, liabilities and net assets (assets left over after liabilities). Income Statement and Statement of Activities are both terms for a schedule of revenue, income and gains minus expenses and losses.

Respectfully Submitted on Behalf of the Trustees Finance and Budgetary Committee and the General Service Board,

Kevin J. Prior, CFA, CPA, Class A (nonalcoholic) Trustee and Chair, Trustees Finance and Budgetary Committee

Part II: AAWS/GSB Financial Statements

Consistent with past practice, throughout the year accounting, unaudited reporting, and budgeting for AAWS and the GSB are consolidated. The breakdown for each individual entity is provided annually in the audited financials that are available to everyone in the Final Conference Reports.

II.A. Executive Summary

For the year ended December 31, 2024, total operating revenue is \$19.7 million which is about 0.1% greater than the budget of \$19.7 million. Total operating expenses before depreciation are \$18.7 million, which is about 0.6% less than the budget of \$18.8 million. Operating surplus before depreciation is \$996 thousand compared to a budgeted surplus of \$856 thousand. Literature accounts receivable is \$533 thousand, of which 45.5% is current, 30.4% is less than 60 days past due, and 24.1% is more than 60 days past due. The reserve fund is at 6.47 months of 2024 reforecast GSO, GV, and LV operating expenses versus a target range of 9 to 12 months.

ALL AMOUNTS ARE UNAUDITED AND SUBJECT TO CHANGE. FINAL AUDITED AMOUNTS ARE EXPECTED TO BE DELIVERED AT THE GENERAL SERVICE CONFERENCE.

II. B. AAWS/GSB Key Financial Indicators (“KFIs”)

GREEN – Favorable Variance

YELLOW – Unfavorable Variance, Informative

RED – Unfavorable, Trustees Finance/Board action and/or discussions ongoing

Indicator	Versus YTD Reforecast Budget	Versus Prior Year (12 months ended December 31, 2023)
Contributions	\$11.25M vs \$10.5M, 7% greater than budget	\$11.25M vs \$10.8M, 4% greater than prior year
Gross Literature Sales	\$14.5M vs \$16.8M, 14% less than budget	\$14.5M vs \$14.6M, 1% less than prior year
Net Literature Sales (Gross Margin)	\$7.6M vs \$8.5M, 10% less than budget	\$7.6M vs \$6.7M, 13% greater than prior year
Gross Margin as a Percentage of Gross Literature Sales	52.9% versus 50.5%	52.9% versus 46.2%
Operating Expenses before depreciation	\$18.7M vs \$18.8M, 0.6% less than budget	\$18.7M vs \$17.5M, 7% more than prior year
Operating Surplus before depreciation	\$996K vs \$856K	\$996K vs \$582K
Reserve Coverage (# of months)	6.47	7.30

II. C. Comparative Balance Sheet Notes

Cash – Cash increased \$4.6M year-over-year. Reflected in this amount are increased Contributions in 2024 and \$3.6M in cash receipts from International Convention registration and souvenir book sales. The International Convention has a separate budget and profit and loss statement, but the funds received to date are recorded on our Balance Sheet in accordance with generally accepted accounting principles (GAAP). This is not additional revenue for the General Service Board or AAWS. There will be associated expenses.

A detailed budget and P&L for the 2025 IC is the responsibility of the convention management vendor Talley Management Group (TMG) with AAWS Board oversight. Reporting on these financials is separate and ongoing and includes a full accounting of Convention income and expenses. However, funds collected to date are our assets and must be included on our Balance Sheet as such.

Accounts Receivable – Accounts receivable, including the receivable from Grapevine, decreased \$347K year-over-year due to more effective collection of literature receivables. Literature receivables more than 60 days past due decreased \$101 thousand year-over-year.

Prepaid Expense – Prepaid expense increased by \$903K due to the recognition of International Convention expenses paid by TMG on our behalf. Prepaid expenses associated with the Convention will be moved to the IC income statement as expenses in July, 2025.

Literature Inventory – Literature inventory was higher in prior years due to the intention to prevent stock-outs during the supply chain issues experienced in 2021 – early 2023. The inventory level as of December 31, 2024 represents “typical” desired levels. Since cash is tied up in inventory before it is sold, the AAWS Board carefully reviews printing of literature to meet needs without maintaining excessive levels of inventory.

Reserve Fund and Grapevine Subscription Liability– See section IV.

Net Fixed Assets – Net Fixed Assets (durable property used for more than one year) decreased by \$1.6 million year-over-year due to depreciation in excess of capital expenditures and amortization of the “Right-to-Use” Asset which quantifies the economic benefit of the leased space at 475 Riverside Drive.

Postretirement Medical Fund – These assets of \$8.8 million and liabilities of \$5.2 million relate to the postretirement medical insurance program which was closed to new hires as of 2016. Asset values vary throughout the year based on changes in market value and medical insurance premiums. The liability is recalculated annually by our actuaries. As of December 31, 2024, the plan had more investment assets than required to meet benefits when due.

Accounts Payable and Accrued Expenses – Accounts payable and accrued expenses decreased \$876 thousand (28%) year over year as improved cash flow enabled more timely payments to vendors.

Deferred Revenue – Deferred Revenue increased by \$4.650M due to the recognition of International Convention registration and souvenir sales. Deferred Revenue associated with the Convention will be moved to the IC income statement as revenue in July, 2025.

Defined Benefit Pension Liability – The defined benefit pension plan was closed to new hires as of January 1, 2013. The assets are held in an irrevocable trust from which benefits are paid. The amount as of December 31, 2024, \$(11.4 M) is a negative liability which represents the fact that assets in the plan exceed benefit obligations. As is the case with the postretirement plan, asset values vary throughout the year based on investment markets and benefit payments. The liability is recalculated annually by our actuaries. As of December 31, 2024, the plan had more investment assets than required to meet benefits when due.

Rent Lease Liability – This reflects the liability for the current lease at 475 Riverside Drive which expires at the end of 2025.

II. D. Reforecast Budget – General (applies to all entities)

The budget, per our Bylaws, is approved by the General Service Board (“GSB”) at its January meeting each year. When needed, the budget is reforecast to reflect any actions by the General Service Conference and any needed adjustments to planning to reflect the actual income and expenses for the year so far. If there is a budget reforecast it is approved by the GSB at its July meeting and from that point forward it becomes the budget for the remainder of the year. The concept of a reforecast budget in July allows for budget revision to reflect any actions by the General Service Conference as well as In Bill W’s words in Concept 11 “At mid-year [the Trustees Finance and Budgetary Committee] will ask for budget revisions if earlier estimates have gone too much wrong”.

The QFRs for the 1st and 2nd Quarters are based on the Original Budget. The QFRs for the third quarter and full-year are based on the Reforecast Budget.

II. E. Reforecast Budget – AAWS/GSB

The 2024 Reforecast Budget was Reported in the Third Quarter QFR.

II. F. Income Statement Notes

Revenue – As noted above, contributions were greater than budget (\$11.25 million versus prior year of \$10.84 million and budget of \$10.50 million). Although gross literature sales and net literature sales were less than budget, the gross margin percentage on those sales (52.9%) was greater than budget (50.5%) due to lower than expected cost of goods sold and lower than prior year (46.2%) due to the literature price increase enacted in 2023 and stabilization of printing costs.

To explain gross margin, if a Big Book is sold for \$11, \$11 goes to gross sales. If that book cost \$5.82 to print and mail, net sales are what we keep, in this case \$5.18. The Gross Margin percentage on this sale is $5.18/11.00 = 47.1\%$.

Expense – Overall, operating expenses before depreciation were slightly below budget.

Operating Surplus before Depreciation – This metric is similar to earnings from operations used in non-profit and for-profit settings. It excludes:

- Depreciation - a non-cash expense for long-lived assets previous purchased and 'capitalized'
- Support for La Viña (per Advisory Action, the shortfall on publishing La Viña is covered as a service from the General Service Board)
- Volatile financial results such as changes in investments and obligations for pensions and postretirement obligations.

Operating Surplus Before Depreciation for the year ended December 31, 2024 is positive \$996 thousand and is favorable versus 2023 (surplus of \$582 thousand) and budget (surplus of \$856 thousand).

Non-Operating Revenue – Non-operating revenue consists of interest on the reserve fund and gains/losses/income on the investments in the postretirement medical fund.

Non-Operating Expense – Non-operating expenses include LaViña support, changes in valuation of pension liabilities, utilization of the World Service Fund and International Literature Fund and reserve fund draws provided to AAGV. Since AAWS and GSB have a consolidated budget, reserve draws for AAWS do not reflect as a non-operating expense on the income statement.

Operating Surplus/(Deficit) before depreciation net of LaViña support – This measure excludes depreciation (non-cash) and all non-operating items except LaViña support, representing the operating results of AAWS/GSB including all commitments that must be funded from Seventh Tradition Contributions, net Literature Sales and other revenue and whether those commitments were fully covered by these revenue streams.

Part III: AAGV Financial Statements

III. A. Executive Summary

Grapevine operating deficit for 2024 was \$818 thousand versus a reforecast deficit of \$682 thousand. This \$136 thousand variance is due to subscription income which is 14% greater than 2023 but 6% below the reforecast budget. Expenses were slightly below budget.

La Viña revenues and expenses for 2024 both approximate budget and are consistent with 2023 results. The net shortfall from La Viña subscriptions and book sales minus expenses does not flow to the AAGV corporate bottom line; instead, per Advisory Action, it is funded by the GSB.

IMPORTANT: ALL AMOUNTS ARE UNAUDITED AND ARE SUBJECT TO CHANGE. FINAL AUDITED AMOUNTS ARE EXPECTED TO BE DELIVERED AT THE GENERAL SERVICE CONFERENCE.

III. B. AAGV Key Financial Indicators (“KFI”)s

GREEN – Favorable or neutral Variance

YELLOW – Unfavorable Variance, Informative

RED – Unfavorable, Trustees Finance/Board action and/or AAGV Board discussions ongoing

Indicator	Versus 2024 Reforecast Budget (Dollars in thousands ‘000)	Versus Prior Year (December 31, 2023) (Dollars in thousands ‘000)
Total Grapevine (“GV”) Subscription Income	\$1,945k vs \$2,067k, 6% behind budget	\$1,945k vs \$1,704k, 14% ahead of prior year
Total GV Print-only Circulation	45,048 vs 46,000, 2% behind budget	
GV App + Online + GV Complete Subscriptions	14,142 vs 18,445, 23% behind budget	
Total Circulation	59,189 vs 64,445, 8% behind budget	59,189 vs 54,569, 8% ahead of prior year
GV Subscription Net Profit Percentage	42.6% vs 46.9%	42.6% vs 33.7%, reflecting the impact of price increase
GV Total Gross Margin (all products)	\$1,621K versus \$1,765k, 8% behind budget	\$1,621k vs \$1,227k, an increase of 32% reflecting higher prices and impact of higher-margin digital products
GV Operating Expenses	\$2,438k versus \$2,447k , approximating budget	\$2,438k vs \$2,091k, 17% increase from prior year reflecting Staffing and other costs related to the App
GV Net (Loss) before Reserve Transfers	\$(807k) vs \$(672k)	\$(807k) vs \$(857k)
LV Total Gross Margin	\$109k vs \$130k, 16% behind budget	\$109k vs \$139k, a decrease of 22%
LV Total Circulation	7,492 vs 7,869 5% behind budget	7,492 vs 6,392, 17% greater than prior year
LV Expenses	\$674k vs \$691k, 2% ahead of budget	\$674k vs \$894k, a decrease of 25%
LV Shortfall	\$(565k) vs \$(561k), approximating budget	\$(565k) vs \$(755k), a decrease of 25%

III. C. Statement of Financial Position Notes

Cash and Cash Equivalents – Cash decreased year-over-year from \$188k to \$122k. Cash as a percentage of Total Accounts Payable remained constant at 20%.

Inventory – Inventory levels decreased from 2023 as a result of smaller print runs which allows for fewer resources to be invested in inventory.

Subscription Liability Fund – See Part IV Below.

Deferred Subscriptions – The total amount of subscriptions received is recorded as “deferred” until the subscription is fulfilled – magazines are mailed or time passes for a digital subscription. Approximately one-third of these amounts are held in the Reserve Fund (See Section IV below) which provides the funding to fulfill obligations to these subscribers should publication of the magazine or support for the app otherwise cease for new subscribers.

II. D. and II. E. Reforecast Budgets – AAGV

The 2024 Reforecast Budget was Reported in the Third Quarter QFR.

Part III. F. Income Statement Notes

Grapevine:

Final 2024 Grapevine subscriptions are 8% higher than the prior year. Subscription Income is below the 2024 Reforecast approximately 5.8% (\$121k). Direct cost for Subscriptions is over the Reforecast by \$20k, but less than 2023 Direct Costs. Overall, Gross Margin for Grapevine subscription income is under 2024 Reforecast by \$141k but did increase \$254k over the prior year.

GV Content income had an excellent year – sales increased nearly 16% over last year. Gross Margin was very close to Reforecast and \$140k higher than last year.

Overall, Gross Margin total is \$1,621k which is \$144k below the Reforecast and \$394k higher than 2023.

While in-app subscription growth continues to be behind forecast, they averaged a steady 51 per week. We are encouraged by members who subscribe to our “online” and “complete” options, which both provide app access. Currently in-app subs total 5,571, but subscribers with access to the apps total 14,142. We plan to release the apps internationally soon and see strong potential for domestic and international app sales at the Vancouver Convention in July 2025.

Year-to-date expenses were very close to the reforecast, but are also higher than last year, as planned. Total expenses are under budget by \$8k and the net shortfall is \$135k higher than the reforecast.

During October, we discovered that our fulfillment vendor did not properly process automatic renewals for several months. We are negotiating significant credit at the time of this writing, which will reduce 2024 expenses when finalized. However, the amount is unknown and not yet reflected in the financial statements.

La Vina:

La Vina's subscription numbers are also up 17% from last year but 5% below the reforecast. This flows through to revenue, which is also lower than the reforecast.

Content revenue for La Vina continues to perform well and contributes far more to gross margin than subscriptions. Gross margin for subscriptions was \$12k and \$97k for content related revenue.

La Vina expenses were below reforecast and are \$220k less than last year (25%). Overall, La Vina's bottom line approximates the reforecast. The total contribution from the General Service Board is \$190k less than last year.

During October, we discovered that our fulfillment vendor did not properly process automatic renewals for several months. We are negotiating significant credit at the time of this writing which will reduce 2024 expenses when finalized. However, the amount is unknown and not yet reflected in the financial statements.

Part IV: Reserve Fund and Grapevine Subscription Liability

As of December 31, 2024, the Reserve Fund Assets total \$12.46 million consisting of cash and certificates of deposit. Less the liability for unfulfilled Grapevine subscriptions of \$540k, the Reserve Fund Balance is \$11.92 million.

Based on the expense budgets for GSO, Grapevine and La Viña (total \$22.112 million) the reserve fund balance is equal to 6.47 months of operating expenses. The goal range is coverage of 9 to 12 months. Note that the calculation is influenced equally by (1) the size of the Reserve Fund Balance and (2) the level of GSO, Grapevine and La Viña expenses.

At its February 3, 2024, the General Service Board authorized a reserve draw of \$150k to fund inventory build for Grapevine/La Viña in anticipation of strong demand for books at the 2025 International Convention in Vancouver, Canada.

The AAWS/GSB capital budget reflects the cost of the office renovation expected to begin in July 2025 that will ultimately allow for the elimination of the space on the 8th floor following when the lease for that space expires at the end of 2025. The amount of potential reserve funding for this project is not known, and no withdrawals have been requested or authorized. See 2025 AAWS/GSB budget narrative for additional discussion.

Part V: Other Notable Items

None.

**AAWS/GSB
FINANCIAL STATEMENTS
INCLUDING 2025
APPROVED BUDGET**

Alcoholics Anonymous World Services
General Service Board of Alcoholics Anonymous
Comparative Balance Sheet
As of December 31
(Thousands of Dollars)

	12/31/24	12/31/23	CHANGE	
ASSETS				
Current Assets				
Cash	5,605	978	4,627	Includes convention cash of \$3.6 million - See Notes
Accounts Receivable (Literature + GV)	1,134	1,480	(346)	
Prepaid Expense	1,832	930	902	Includes convention prepaid of \$1.2 million - See Notes
Literature Inventory	2,995	3,778	(783)	
Reserve Fund	12,455	13,204	(749)	
Total Current Assets	24,021	20,370	3,651	
Fixed Assets				
Fixed Assets	4,921	7,361	(2,440)	
Accumulated Depreciation	(2,859)	(3,718)	859	
Net Fixed Assets	2,062	3,643	(1,581)	
Other Assets				
Postretirement Medical Fund	8,790	7,950	840	
Total Other Assets	8,790	7,950	840	
Total ASSETS	34,873	31,963	2,910	
LIABILITIES				
Accounts Payable	1,257	1,872	(615)	
Accrued Expenses	902	1,163	(261)	
Defined Benefit Pension Liability	(11,415)	(7,184)	(4,231)	
Other Liabilities	30	26	4	
Deferred Revenue	4,858	208	4,650	Includes \$4.7 million international convention receipts - See Notes
Grapevine Subscription Liability	540	573	(33)	
Postretirement Benefit	5,190	5,632	(442)	
Rent Lease Liability	949	1,886	(937)	
Total LIABILITIES	2,311	4,176	(1,865)	
NET ASSETS				
Reserve Fund	11,915	12,631	(716)	
Postretirement Medical Fund	3,600	2,318	1,282	
Capital Projects Fund	908	1,446	(538)	
Defined Benefit Pension Liability	11,415	7,184	4,231	
General Fund	4,724	4,208	516	
Total NET ASSETS	32,562	27,787	4,775	
Total LIABILITIES AND NET ASSETS	34,873	31,963	2,910	

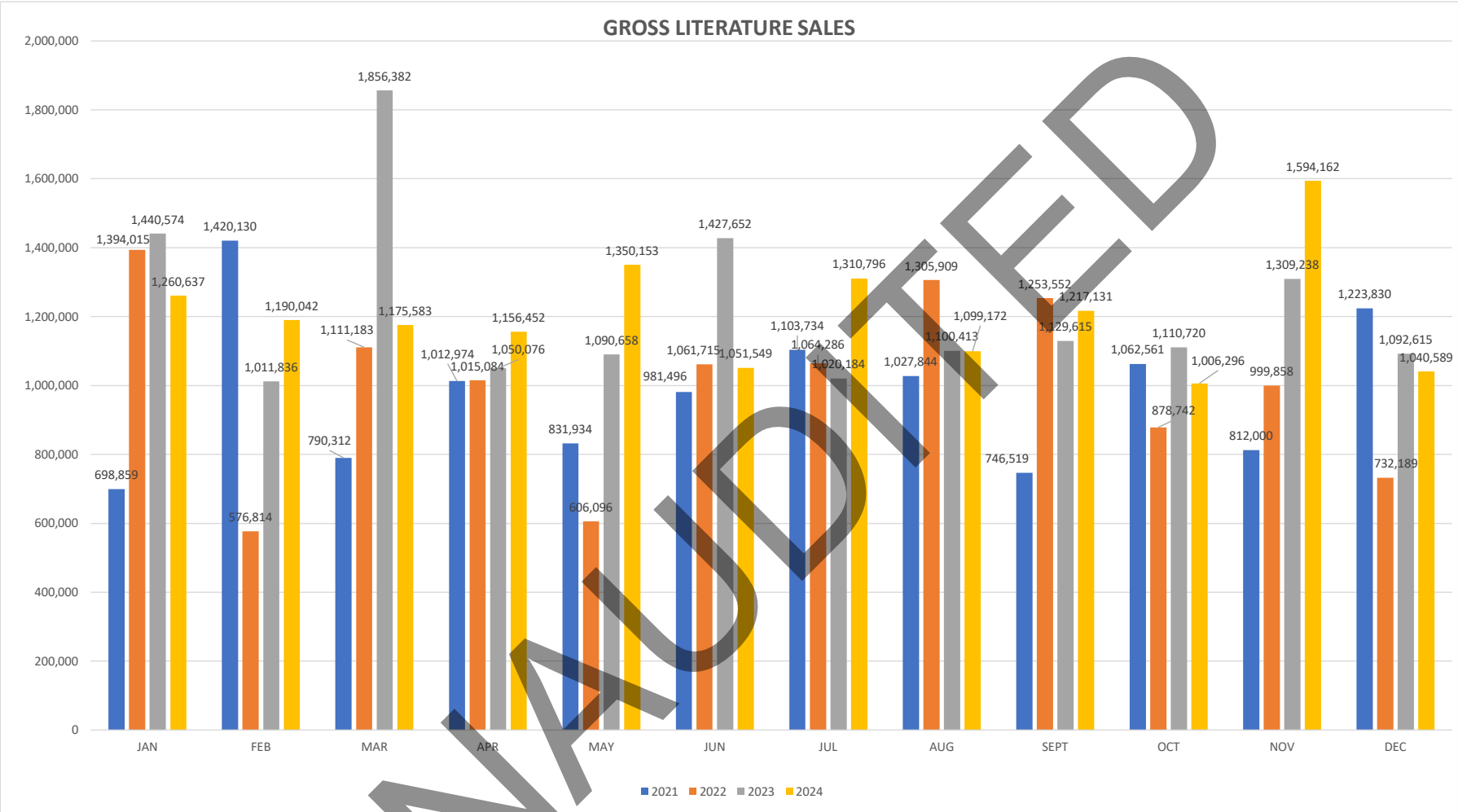
A.A. World Services and General Service Board
Consolidated Comparative Income Statements
(Dollars in Thousands)

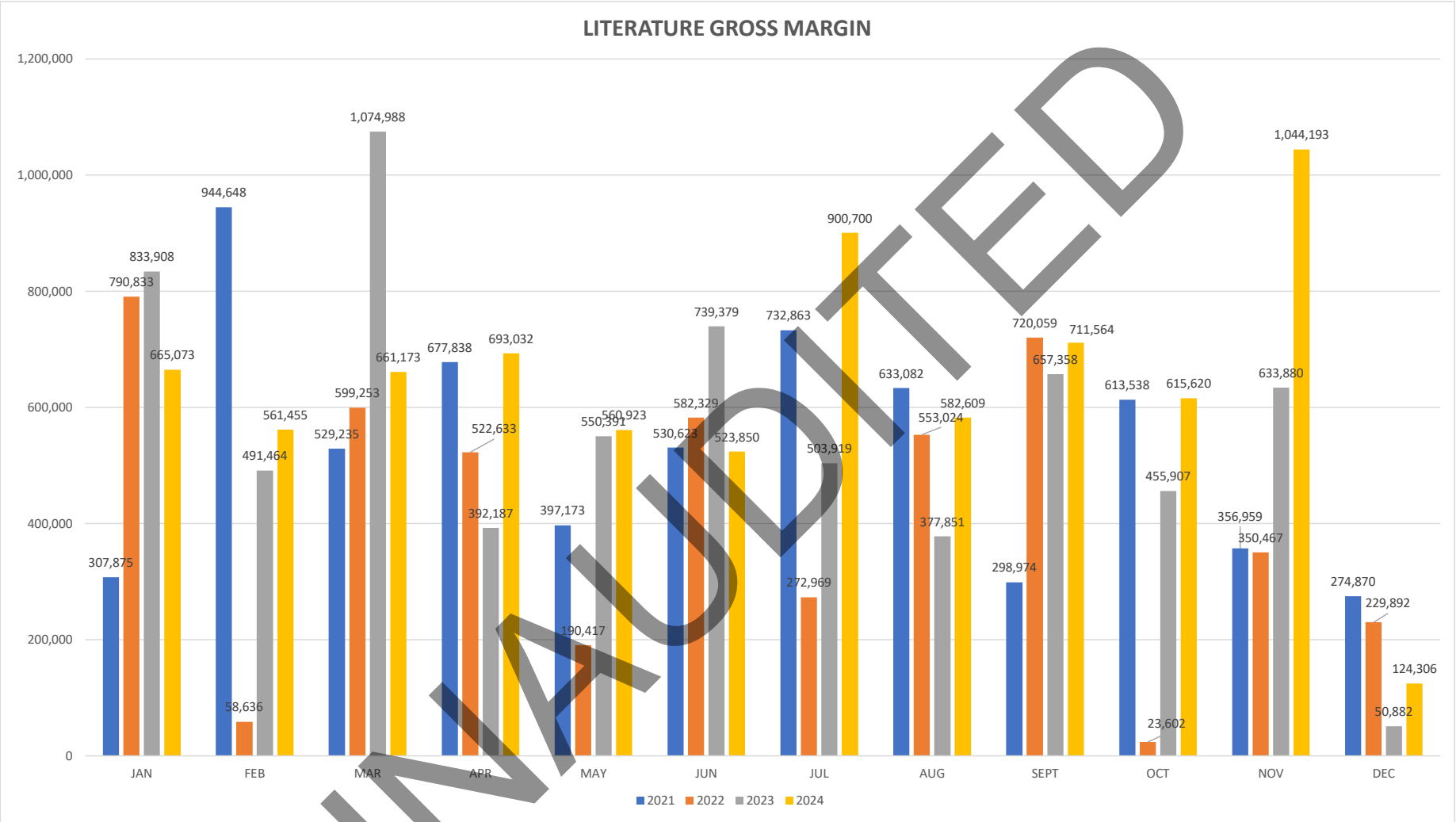
Account	Year Ended December 31, 2024	Year Ended December 31, 2023	Variance	2024 Full Year Reforecast Budget	Variance - Actual to Reforecast	2025 Full-Year Approved Budget
Operating Revenue						
Contributions	11,252	10,841	411	10,500	752	11,000
International (2024 includes WSM)	340	69	271	259	81	90
General Service Conference	446	383	63	405	41	415
International Convention (For Sale Items)	0	0	0	0	0	268
Gross Literature Sales	14,452	14,641	(189)	16,817	(2,365)	16,000
Literature Shipping Charges	340	303	37	336	4	350
Literature Discounts	(568)	(454)	(114)	(252)	(316)	(400)
Cost of Goods Sold	6,580	7,727	(1,147)	8,409	(1,829)	7,200
Gross Margin	7,644	6,763	881	8,492	(848)	8,750
Total - Operating Revenue	19,682	18,056	1,626	19,656	26	20,523
Operating Expense						
Salary & Benefits	11,175	10,349	826	11,052	123	11,233
Payroll Taxes	752	692	60	776	(24)	831
Professional Fees	1,748	1,842	(94)	1,863	(115)	2,118
Printing, Postage, Supplies, and Subscriptions	604	576	28	538	66	575
Data, Automation & Website	579	573	6	708	(129)	702
Insurance	78	71	7	78	0	86
Facility & Equipment	1,287	1,224	63	1,286	1	1,282
Other	0	0	0	0	0	168
Travel & Meetings	2,463	2,147	316	2,499	(36)	2,500
Total - Operating Expense	18,686	17,474	1,212	18,800	(114)	19,495
Operating Surplus Before Depreciation	996	582	414	856	140	1,028
Depreciation Expense	843	1,056	(213)	950	(107)	945
Operating Surplus/(Deficit) After Depreciation	153	(474)	627	(94)	247	83
Non-Operating Revenue	1,421	1,397	24	0	1,421	0
Non-Operating Expense	(3,202)	(627)	(2,575)	793	(3,995)	476
Non-Operating Surplus/(Deficit)	4,623	2,024	2,599	(793)	5,416	(476)
Total Surplus/(Deficit)	4,776	1,550	3,226	(887)	5,663	(393)
Operating Surplus/(Deficit) Before Depreciation net of LaViña Support	431	(176)	607	287	144	573

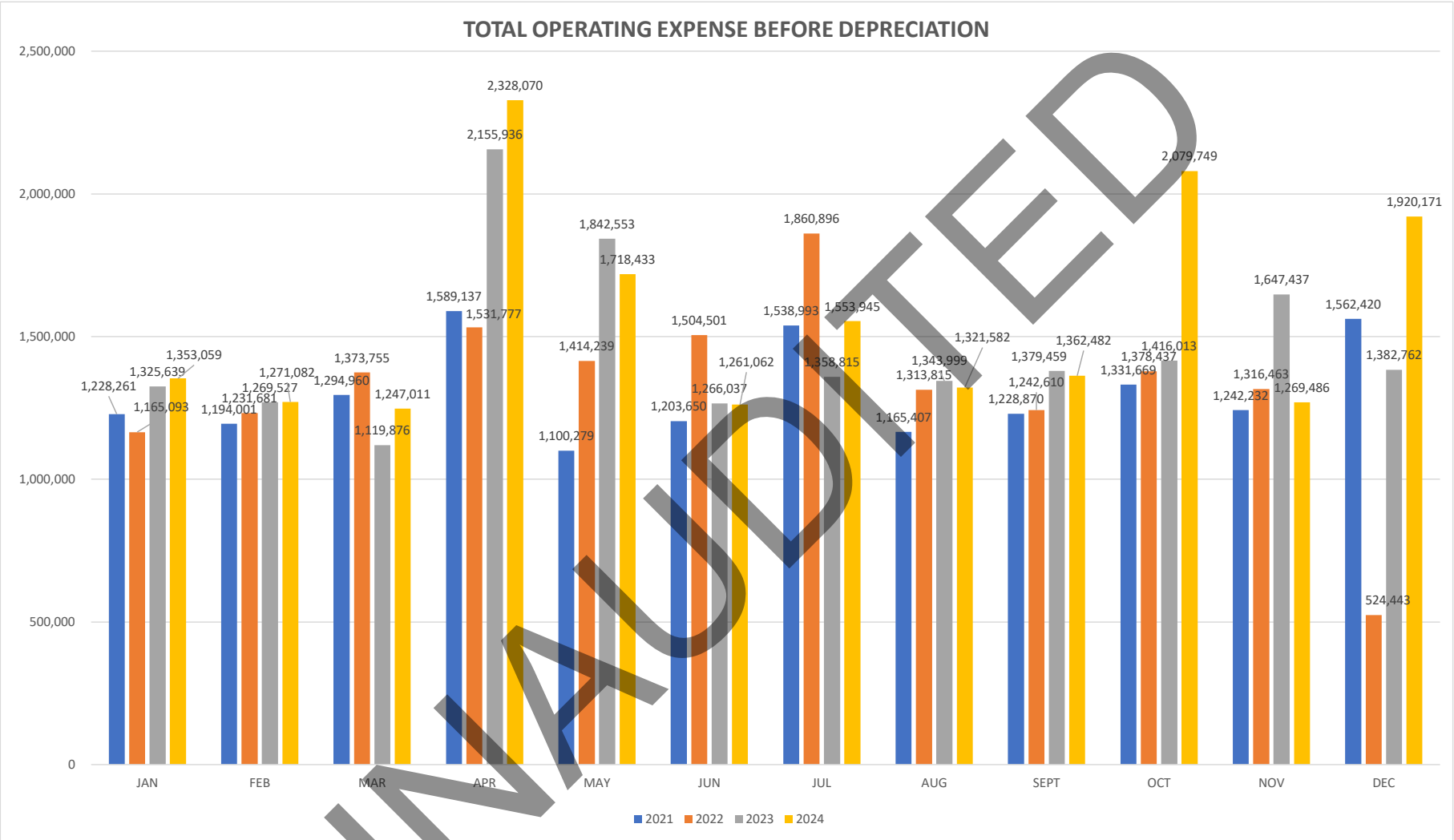
A.A. World Services and General Service Board
Consolidated
FNUA Income Statement Compared to Prior Year and Budget
December 2024

Account	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	YTD 2024	Reforecast 1.1 YTD Budget 2024	% of YTD Reforecast 1.1	Budget 6.1 YTD Budget 2024	YTD Actual 2023
Operating Revenue																	
Total - 40000 - Contributions - Members & Groups	1,203,920	909,457	895,403	978,812	831,902	746,366	976,705	777,193	776,074	902,987	700,721	1,552,614	11,252,155	10,500,000	-60%	10,500,000	10,841,419
Total - 42000 - International	5,357	522	7,357	9,352	35,328	18,748	50,766	65,172	28,174	80,735	21,996	16,530	340,037	259,000	-119%	296,800	69,151
Total - 43000 - General Service Conference	76,607	57,671	165,382	71,810	17,300	11,700	14,200	1,055	0	7,000	9,200	13,439	445,363	404,600	-7%	404,200	382,986
Total - Operating Revenue before Literature	1,285,883	967,649	1,068,143	1,059,975	884,531	776,814	1,041,670	843,421	804,249	990,722	731,916	1,582,582	12,037,555	11,163,600	-108%	11,149,600	11,283,556
Total - 46000 - Literature Sales	1,185,218	1,201,375	1,187,960	1,173,649	1,297,455	1,002,975	1,239,661	1,097,585	1,231,468	1,016,950	1,039,076	951,092	14,224,464	16,901,432	84%	16,901,432	14,490,280
Total - Cost Of Sales	520,144	639,920	526,787	480,617	786,532	479,125	338,961	514,976	519,004	401,230	594,883	826,785	6,579,965	8,408,672	78%	8,408,672	7,726,949
Literature Gross Margin	665,073	561,455	661,173	693,032	560,923	523,850	900,700	582,609	711,564	615,620	1,044,193	124,306	8,492,760	8,492,760	100%	8,492,760	6,763,331
Total Operating Revenue	1,950,957	1,529,104	1,729,316	1,753,006	1,445,454	1,300,664	1,942,370	1,426,030	1,515,813	1,606,342	1,776,110	1,706,888	19,682,054	19,656,360	-100%	19,642,360	18,056,887
Operating Expense																	
60100 - Payroll & Benefits - Salaries	581,219	691,580	703,018	715,069	1,058,812	691,435	694,301	690,121	685,661	869,381	706,851	1,066,418	9,153,868	9,210,604	99%	9,420,957	8,469,058
Total - 60300 - Payroll & Benefits - Employee Benefits	257,299	121,566	134,596	152,521	146,210	138,580	134,779	112,699	134,532	147,859	120,954	10,293	1,611,886	1,431,174	-113%	1,367,715	1,562,616
Total - 60500 - Payroll & Benefits - Retirement Plan Contributions	37,882	40,024	39,739	36,208	37,298	32,391	31,669	30,856	29,628	30,812	28,674	34,153	406,535	410,214	100%	415,501	317,338
Subtotal - 60000 - Payroll & Benefits	876,400	853,171	877,353	903,797	1,242,321	862,606	860,749	833,676	849,820	1,048,052	856,479	1,110,864	11,175,289	11,051,989	-101%	11,203,473	10,349,012
Total - 60400 - Payroll & Benefits - Payroll Taxes	68,841	67,706	60,434	57,478	85,685	55,088	55,797	53,568	52,315	64,566	51,027	79,968	752,466	776,052	97%	753,212	692,343
Total - 70000 - Professional fees	69,568	69,148	106,396	181,456	121,282	142,463	151,066	74,574	166,313	171,429	117,735	372,050	1,747,679	1,863,906	84%	1,821,497	1,841,628
Total - 72000 - Printing, Postage, and Supplies Expenses	39,224	34,400	25,240	36,187	32,151	42,072	53,523	51,975	103,033	55,590	42,581	61,398	604,373	538,219	-112%	569,769	575,949
Total - 73000 - Data, Automation & Website	43,418	61,847	22,713	34,927	73,184	27,611	53,195	66,145	46,171	46,231	45,933	59,410	578,785	702,586	84%	740,663	573,591
Total - 74000 - Insurance	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	7,251	78,112	77,945	-100%	82,486	70,884
Total - 76000 - Facility & Equipment Expenses	91,036	124,265	114,837	100,118	81,877	99,385	141,496	102,158	115,030	96,776	94,970	104,065	1,357,410	1,265,815	-100%	1,277,450	1,233,760
Total - 78000 - Travel & Meetings Expenses	156,130	54,104	34,595	980,665	75,492	25,495	231,677	133,045	23,359	590,963	54,348	102,174	2,462,017	2,428,702	99%	2,429,313	2,147,709
Total Operating Expense	1,353,059	1,271,082	1,247,011	2,328,070	1,718,433	1,261,062	1,553,945	1,321,582	1,362,482	2,079,749	1,268,486	1,920,171	18,686,132	18,800,214	99%	18,877,813	17,474,874
Operating Surplus/(Deficit) Before Depreciation	597,898	258,023	482,305	(575,064)	(272,979)	39,602	388,424	104,447	153,331	(473,407)	506,624	(213,283)	895,922	856,146		764,547	582,013
76800 - Facility & Equipment Expenses - Depreciation Expense	77,056	69,507	71,285	71,231	71,390	70,230	69,839	69,796	70,382	68,508	67,882	66,340	843,245	950,000	89%	1,020,000	1,056,630
Operating Surplus/(Deficit) After Depreciation	520,842	188,516	411,021	(646,295)	(344,370)	(30,627)	318,586	34,651	82,949	(541,914)	438,742	(279,423)	152,676	(93,854)		(255,453)	(474,618)
Other Income and Expenses																	
Other Income																	
Total - 45000 - Other Revenue	56,150	243,418	250,616	(257,850)	301,256	162,499	207,397	192,201	193,664	(108,447)	16,034	(176,074)	1,420,864	0		0	1,397,013
Total - Other Income	56,150	243,418	250,616	(257,850)	301,256	162,499	207,397	192,201	193,664	(108,447)	16,034	(176,074)	1,420,864	0		0	1,397,013
Other Expense																	
Total - 92000 - Other Expenses	24,779	23,874	19,809	17,472	15,461	7,556	20,537	29,867	20,080	9,133	11,731	54,865	268,165	193,300	-139%	146,600	229,585
92150 - Disbursements from the ILF	0	0	3,847	113	0	0	0	898	0	0	0	8,866	13,723	30,000	46%	30,000	17,110
92600 - Transfers to La Vina	0	2	0	0	148,775	0	0	151,034	101,143	0	37,887	133,138	571,939	569,512	100%	569,512	755,749
93500 - Grapevine Transfers	564,652	9,141	0	0	0	0	0	0	0	0	0	0	573,793	0		0	500,000
92800 - Pension	0	0	0	0	0	0	0	0	0	14,140	0	(3,990,586)	(3,976,446)	0		0	(2,384,202)
92850 - Post Retirement Medical Plan	5,481	0	0	6,293	0	0	6,340	0	0	6,681	4,525	(682,595)	(653,275)	0		0	254,364
92950 - Inventory Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
Total - Other Expense	594,912	33,017	23,656	23,878	164,236	7,556	26,877	181,799	130,222	29,864	86,103	(6,476,318)	(3,202,100)	792,812	-404%	746,112	(627,474)
Net Other Income	(538,762)	210,402	226,960	(281,728)	137,019	154,943	180,519	10,403	63,442	(138,401)	297,931	4,300,239	4,622,966	(792,812)		(746,112)	2,024,487
Surplus/(Deficit)	(17,920)	398,018	637,980	(628,023)	(207,850)	124,315	499,105	45,054	146,391	(680,315)	736,673	4,020,816	4,775,643	(886,666)		(1,001,565)	1,549,870









Alcoholics Anonymous World Services / General Service Board

2025 Consolidated Budget Presentation

During a September 2023 financial strategic planning session, the AAWS Board discussed the importance of improved communications regarding our finances. This includes financial reports, but also financial planning. It was agreed that we would aim to tell more of the story rather than only provide the data. In 2024 an overview of the period from 2018 to 2024 and some key points for the planning for 2024 and beyond were shared. For 2025 we will continue this approach, updating the information to reflect the outcomes of 2024 and the 2025 budget as well as adding information about future planning. We must understand where we are and how we got there to effectively plot a path forward. We hope this information is useful to you, and we welcome your feedback.

“What we were like”

In 2018 and 2019, Finances were stable and getting stronger. The table below outlines how we were doing at that time:

Key Financial Indicator	2018	2019
Seventh Tradition Contributions	\$ 8.4 Million	\$ 8.86 Million, up 6%
Gross Literature Sales	\$ 14.2 Million	\$14.4 Million
Net Literature Sales (aka Gross Margin)	\$ 9.5 Million	\$9.4 Million
Gross Margin Percentage	66%	65%
Operating Income/(Loss)	\$ 400 thousand	\$ (380 thousand)
Reserve Coverage (Months)	9.7	9.2
Reserve Draws	None	None

2019 had budgeted net income of \$501 thousand but this was not achieved due to expenses that exceeded budget related to contract reviews (which are now conducted via a new streamlined process) and the financial impact of the ERP system implementation (lots of lessons learned moving from a homegrown system involving multiple databases to an enterprise system). Inflation rates were 2%.

Reserve Coverage was within the desired range of 9 to 12 months. For reference, the last time the Reserve Fund was “full” (12 months) was 2011.

“What happened”

2020 and 2021 were the pandemic years. AA, which relies heavily on face-to-face communication for recovery and service at all levels, was acutely affected. The biggest impacts were:

- Meetings forced to suspend or transition to online formats
- Closing of the GSO, intergroups, and central offices, followed by virtual operations
- The cancellation of the 2020 International Convention scheduled for July 2020 in Detroit
- Movement of 2 General Service Conferences and multiple Regional Forums to a virtual format

The biggest financial stories during this time were:

- A precipitous drop in literature sales as a result of the loss of in-person gatherings
- A large increase in seventh tradition contributions
- More employees took advantage of early retirement than expected, possibly due to the pandemic
- We did not partake in any of the US financial assistance programs offered to organizations, such as the PPP Forgivable Loan Program and we were not eligible for the Employee Retention Tax Credit
- The financial impact of the Convention cancellation was greatly offset by event cancellation insurance
- Reserve Draws to maintain operations – AAWS and AAGV were able to sustain services and maintain employment for the staff during this time

In 2021, expenses were artificially low due, in part, to the curtailment of almost all travel, which allowed for the operating income shown above. Since reserve fund coverage is reserve balance divided by expenses, these low 2021 expenses made the reserve coverage temporarily higher. Though 2021 had positive operating income, inflation had begun eroding gross margin on literature. Supply chain issues and rapid rises in paper and printing cost meant much of the cash generated in 2021 had to be invested in higher-cost literature inventory. Inflation rates increased up to 4.7% in 2021, 7% in 2022, and 3.4% in 2023.

The days of 60% + gross margin were long over. In 2022 the drop in gross margin resulted in an operating loss of \$1.6 million. During 2023, \$500,000 was drawn from the Reserve Fund to build the Grapevine and LaViña apps, which were launched later in 2023. The 20% literature price increase on April 2, 2023 – the first increase since 2014 – began to reverse the declining gross margin trend. Its full impact was not felt until 2024.

The tables below outline how we were doing through that time:

Key Financial Indicator	2020	2021
Seventh Tradition Contributions	\$ 10.3 Million, up 16%	\$ 10.77 Million, up 5%
Gross Literature Sales	\$ 9.1 Million, down 36%	\$11.7 Million, up 28%
Net Literature Sales (aka Gross Margin)	\$ 6.5 Million, down 30%	\$6.3 Million, down 4%
Gross Margin Percentage	71%	54%
Operating Income/(Loss)	(\$ 2.1 million)	\$ 1.6 million
Reserve Coverage (Months)	7.9	8.5 (artificially high due to temporarily lower expenses)
Reserve Draws	\$4,000,000	\$250,000 Reinvestment

Key Financial Indicator	2022	2023
Seventh Tradition Contributions	\$ 10.55 Million, down 2%	\$ 10.84 Million, up 5%
Gross Literature Sales	\$ 12.0 Million, up 3%	\$ 14.4 Million, up 28%
Net Literature Sales (aka Gross Margin)	\$ 4.9 Million, down 22%	\$6.76 Million, down 4%
Gross Margin Percentage	41%	47%
Operating Income/(Loss)	\$ (1.6 million)	\$ 338 thousand
Reserve Coverage (Months)	7.3	7.1
Reserve Draws	None	\$500,000

“What we are like now”

Detailed information on 2024 results is provided on pages 10 and 11 of this report. 2024 reflects a period of stabilization. Inflation continued at 2.9%.

To help clarify the results of these impacts over this period, see below for graphs to show revenue and expenses over this timeline.

“A vision for you”

The 2025 AAWS/GSB Consolidated Budget

The AAWS Board and the Trustees Finance and Budgetary Committee, along with management, work continuously to assess emerging trends and respond accordingly. This includes advancing or deferring projects based on available resources, need and impact. Priority and emphasis are always given to Conference Advisory Actions. Discussions regarding the importance of the Reserve Fund are ongoing.

The 2025 approved budget is included on the Comparative Income Statement (Page 11) of this Report.

Key Highlights are:

Budgeted Revenue:

- 2025 contributions:
\$11,000,000, which is slightly lower than 2024 actuals.
- 2025 Gross literature sales:
Gross Literature Sales are budgeted conservatively at \$16 million. 2024 actual sales of \$14.5 million included sales of only the first print run of the Plain Language Big Book. The full impact of this new title will occur in 2025. *Note: The literature budget does not anticipate sales of any new items. Any new items that the Conference may approve can be added to the budget at the time of the July reforecast if they are projected to be available prior to the end of 2025.*
- 2025 Gross Margin:
Estimated at 55% of literature sales. The preliminary figure for 2024 actual gross margin is 52.9% of gross sales, we are not anticipating a return to the 2018 gross margin levels of 66%.
- 2025 International Convention Related:
The Convention has a separate budget and financial statement. The AAWS/GSB budget does include the margin from for-sale items expected to be sold by AAWS at the Convention and reimbursement of AAWS costs for planning and staffing the Convention.

Budgeted Expenses:

Expenses must always be considered relative to inflation. Operating expenses (including depreciation) included in the budget of \$20.5 million are higher than ever before, but so are costs. In fact, looking at 2014 operating expenses of \$16 million, if these grew by the amount of the Consumer Price Index (inflation) from 2014 to

2024, they would have grown to \$21.2 million over that same period, indicating that, over time, expenses have been contained within the level of inflation or less.

Operating Income:

The budget for Operating income (inclusive of LaViña expenses but before depreciation) is to be \$574 thousand.

Non-cash expense (depreciation):

Depreciation is an accounting practice used to spread the cost of a tangible or physical asset over its useful life. These items were paid for in a prior year, there is no cash expense in the current year. Depreciation reflects the decreasing value of an asset over the period rather than current spending. After subtracting depreciation of \$945 thousand from the Operating Income of \$574 thousand the result is minus \$393 thousand.

Cash Flow:

Net cash flow for 2025 is projected to be a negative \$941 thousand, primarily driven by the budgeted expenditures for office renovation of \$2.03 million. These are capital expenditures, meaning that they will be expensed in future years as depreciation over the term of the new lease (10 years, from 2026 to 2035).

Deferred Projects:

Expenses are budgeted based on the budgets set by each Trustees committee, what is needed to carry out Conference actions, and what is required for services and operations. Proposed expenses are reviewed, prioritized and in some cases deferred pending available funds. See below for a detailed description of the budget process and for an updated list of deferred projects.

DEPARTMENT	PROJECT	AMOUNT
Publishing	Audio Pamphlet: "Young People and A.A." The print version began with an Advisory Action in 2016. New stories for the print version were approved by the 72 nd GSC. The quality of these new stories has prompted the idea to do an audio version. The estimate includes all three languages, postproduction and proofreading. .	40,000
Publishing	ASL digital production – items to be decided	44,000
Publishing	Audiobook production – professional narration of titles not yet in audio format	50,000
Public Information	Paid PSA placement on streaming platform. Estimate based on preliminary expense research.	50,000
Communications Services	Website development: newsroom feature, AA Near You Phase 2, Improved SEO	50,000
Communications Services	How To Videos	20,000
Staff Services	Defer hire of Staff member as floater	100,891
Technology Services	Technology review - consulting on technology plans, validation of assumptions, and benchmarking technology spend	125,000
Technology Services	International Data Map – Discovery phase postponed to 2025 by Trustees International Committee. This project was first proposed in 2017.	10,000
Technology Services	AAWS app high level design	30,000
Technology Services	Artificial Intelligence Discovery Project	27,000
	TOTAL DEFERRED PROJECTS	546,891

Summary of budget development and approval process

- 1) The AAWS Board began the 2025 budget proposal process in September of 2024 with financial strategic planning discussions.
- 2) The CFO worked with the office to develop a draft budget.
- 3) The draft budget was carefully reviewed by the AAWS Board and shared with the Trustees Finance and Budgetary Committee (TFBC) in a consultative process that resulted in several iterations of the draft budget.
- 4) Version 5.1 was forwarded to TFBC for consideration at the Q1 General Service Board (GSB) meeting. This was accepted and recommended to the General Service Board, with some additional changes to reflect actions taken by other Trustees Committees (for example: Regional Forums add virtual components, changes to the Conference budget).

For further information please refer to the interview with the GSB Treasurer that was included in the Spring 2023 edition of Box 459. Available here: https://www.aa.org/sites/default/files/newsletters/f-36_spring2023_1.pdf

The AAWS Board engages in ongoing Strategic Planning, and financial planning is always large part of the discussion.

As noted in Concept IX “We must think about our service needs as they relate to general economic conditions, group capability, and willingness to contribute. On many such problems often we must try to think months and years ahead.” Concept XI states that in the Trustees Finance and Budgetary Committee “All should be realists, and a pessimist or two can be useful” and goes on to say, “The safe course will usually lie midway between reckless budget-slashing and impudent spending.” We must seek balance and take care to avoid making decisions that look good for the current year but fail to ensure that needed investments are made in the tools that we rely on for services, communications, and operations or result in higher costs later.

Any plan is subject to change pending Advisory Actions of the General Service Conference, therefore traditional strategic planning is not well suited to the consolidated AAWS/GSB services and budgeting. However, we do continuously plan and make estimates for our future reevaluating along the way.

Expenses:

To a large degree we communicate and provide the resources needed to support services using technology, many of the actions requested by those we serve require technological resources to deliver and due to the nature of technology ongoing maintenance and development are needed. Translation requests have continued to increase, and we must either limit the extent of translations or increase resources to fulfil the requests, study of this is in progress both in GSO and on the AAWS Board. Basic operating expenses and publishing materials are subject to inflation, this is closely watched but difficult to accurately project.

Revenue:

Contributions are typically budgeted based on the prior year, with consideration of trends that may indicate contributions are likely to be higher or lower. Since 2022, contributions have increased steadily at approximately 3% per year.

Literature sales are typically budgeted based on the prior year, with consideration of trends that indicate literature sales are likely to be higher or lower. Further, there is consideration of any new items becoming available in the upcoming budget year. The AAWS Board reviews literature pricing and considers if any changes are needed.

AAWS considered potential new literature items including Fourth Edition Alcohólicos Anónimos (Spanish Language Big Book), Fifth Edition Alcoholics Anonymous (English Language Big Book) as having potential to be additional revenue in upcoming years, pending the outcome of the General Service Conference.

Summary:

Emphasis was placed on the need for continued effective financial management and ongoing focus on the reserve fund. We discussed conducting annual reviews of literature pricing, taking care to ensure timely alignment of pricing with costs. We discussed the importance of advancing discussions to the Conference level, engaging with the General Service Board, and potentially utilizing regional forums for further discussion. We seek to use all available avenues to ensure openness, consistency, and participation; and to support maintaining accountability.

Further reporting from the AAWS Board will take place at the 75th General Service Conference.

UNAUDITED

AAGV

**FINANCIAL STATEMENTS
INCLUDING 2025
APPROVED BUDGET**

UNAUDITED

AA Grapevine Inc.
Statement of Financial Position (Balance Sheet)
As of December 31, 2024
(Dollars in Thousands)

	(Unaudited)	(Audited)	
	December 31, 2024	December 31, 2023	Variance
Assets			
Current Assets			
Cash And Cash Equivalents	\$ 122	\$ 188	\$(66)
Accounts Receivable Net	226	275	(49)
Accounts Receivable GSB	91	407	(316)
Subscription Liability Fund	573	573	-
Inventory	301	389	(88)
Total Current Assets	1,313	1,832	(519)
Other Assets			
Prepaid Expenses/Security	114	66	48
Fixed Assets Net	500	508	(8)
Total Other Assets	614	574	40
Total Assets	\$ 1,927	\$ 2,406	(479)
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 202	\$ 239	\$(37)
Inter-Company Due to AAWS	408	689	(281)
Total Accounts Payable	610	928	(318)
Other Current Liabilities	324	151	173
Deferred Subscriptions	1,547	1,669	(122)
Total Other Current Liabilities	1,871	1,820	51
Total Liabilities	2,481	2,748	(267)
Total Net Assets	(554)	(342)	(212)
Total Liabilities And Net Assets	\$ 1,927	\$ 2,406	(479)

A.A. Grapevine Inc.
Consolidated Comparative Income Statements
(Dollars in Thousands)

Account	Year Ended December 31, 2024	Year Ended December 31, 2023	Variance	2024 Full Year Reforecast Budget	Variance - Actual to Reforecast	2025 Full-Year Approved Budget
Grapevine						
Operating Revenue						
Subscriptions	1,945	1,704	241	2,066	(121)	2,186
Book and Other Content Sales	1,069	922	147	1,050	19	1,281
Total Operating Revenues	<u>3,014</u>	<u>2,626</u>	<u>388</u>	<u>3,116</u>	<u>(102)</u>	<u>3,467</u>
Cost of Goods Sold	<u>1,393</u>	<u>1,399</u>	<u>(6)</u>	<u>1,351</u>	<u>42</u>	<u>1,460</u>
Gross Margin	<u>1,621</u>	<u>1,227</u>	<u>394</u>	<u>1,765</u>	<u>(144)</u>	<u>2,007</u>
Operating Expense						
Editorial	703	1,088	(385)	717	(14)	469
Circulation and Business	1,609	913	696	1,611	(2)	1,405
General and Administrative	14	20	(6)	11	3	137
Total - Operating Expense	<u>2,326</u>	<u>2,021</u>	<u>305</u>	<u>2,339</u>	<u>(13)</u>	<u>2,011</u>
Operating (Deficit) Before Depreciation	<u>(705)</u>	<u>(794)</u>	<u>89</u>	<u>(574)</u>	<u>(131)</u>	<u>(4)</u>
Depreciation Expense	113	69	44	108	5	140
Operating (Deficit) After Depreciation	<u>(818)</u>	<u>(863)</u>	<u>45</u>	<u>(682)</u>	<u>(136)</u>	<u>(144)</u>
Interest on Reserve Fund	10	6	4	10	0	9
Transfer from Reserve Fund	565	500	65	565	0	0
Non-Operating Surplus	<u>575</u>	<u>506</u>	<u>69</u>	<u>575</u>	<u>0</u>	<u>9</u>
Total Surplus/(Deficit)	<u>(243)</u>	<u>(357)</u>	<u>114</u>	<u>(107)</u>	<u>(136)</u>	<u>(135)</u>
La Vina						
Operating Revenue						
Subscriptions	109	119	(10)	111	(2)	161
Book and Other Content Sales	138	133	5	139	(1)	217
Total Operating Revenues	<u>247</u>	<u>252</u>	<u>(5)</u>	<u>250</u>	<u>(3)</u>	<u>378</u>
Cost of Goods Sold	<u>138</u>	<u>122</u>	<u>16</u>	<u>111</u>	<u>27</u>	<u>150</u>
Gross Margin	<u>109</u>	<u>130</u>	<u>(21)</u>	<u>139</u>	<u>(30)</u>	<u>228</u>
Operating Expense						
Editorial	302	348	(46)	569	(267)	295
Circulation and Business	353	316	37	313	40	301
General and Administrative	19	27	(8)	13	6	87
Total - Operating Expense	<u>674</u>	<u>691</u>	<u>(17)</u>	<u>895</u>	<u>(221)</u>	<u>683</u>
Operating (Shortfall)	<u>(565)</u>	<u>(561)</u>	<u>(4)</u>	<u>(756)</u>	<u>191</u>	<u>(455)</u>
Support from General Service Board	565	561	4	756	(191)	455
Net	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

AA Grapevine Inc.
Statements of Activities

Grapevine**Circulation (Average Number of Subscribers)**

GV Print subscriptions	45,048	46,000	(952)			44,488
GV Complete (Print and Online)	5,422	5,745	(323)			5,633
GV Online subscriptions	3,149	4,800	(1,651)			4,410
GV App subscriptions	5,571	7,900	(2,329)			8,966

Total Circulation

Actual	Reforecast Budget	Actual vs Reforecast Budget	Prior Year as of December 31, 2023	Actual vs. Prior Year	
59,190	64,445	(5,255)	54,569	4,621	

Revenue per Print subscription	\$ 2.41	\$ 2.52	\$ (0.11)		2.58
Revenue GV Complete (Print and Online)	\$ 3.84	\$ 3.94	\$ (0.10)		3.94
Revenue per GV Online subscription	\$ 2.28	\$ 2.35	\$ (0.07)		2.74
Revenue per App subscription	\$ 2.57	\$ 2.64	\$ (0.07)		2.33

Income**Subscription Income**

Subscription Income	\$ 1,302,244	\$ 1,396,012	\$ (93,768)	\$ 1,260,582	\$ 41,662	\$ 1,378,461
Mobile App Income	171,731	182,752	(11,021)	29,192	142,539	250,707
Back Issues	47,543	46,711	832	69,271	(21,728)	145,000
GV Complete	249,766	260,224	(10,458)	257,241	(7,475)	266,643
Prior Year Revenue Adjustment	87,772	87,772	0	-	87,772	-
GV Online	86,049	93,176	(7,127)	87,630	(1,581)	145,001

Total Subscription Income**Direct Cost**

Magazine Production	\$ 552,737	\$ 555,306	\$ (2,569)	\$ 570,235	\$ (17,498)	\$ 577,600
Audio Production	28,558	19,037	9,521	20,284	8,274	\$ 27,000
Postage	508,555	494,275	14,280	533,551	(24,996)	500,000
GV App	25,674	27,329	(1,655)	4,379	21,295	37,606

Total Direct Cost**Net Profit On Subscription****Content Related Income**

Books and Booklets	\$ 1,019,634	\$ 1,022,584	\$ (2,950)	\$ 884,042	\$ 135,592	\$ 1,039,337
International Convention-Related	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,410
Other Items	49,192	26,761	22,431	38,367	10,825	53,100

Content Related Income**Content Related Direct Cost****Net Profit Other Published Items****Total Gross Margin****Expenses****Editorial**

Personnel and Temporary Help	\$ 486,701	\$ 504,486	\$ (17,785)	\$ 735,550	\$ (248,849)	\$ 378,665
Professional Fees	72,177	78,174	(5,997)	87,361	(15,184)	25,000
Occupancy	23,892	30,690	(6,798)	30,650	(6,758)	-
Office Supplies, Equipment, Other	33,957	44,736	(10,779)	58,176	(24,219)	-
Website	86,388	59,153	27,235	176,222	(89,834)	65,000

Total Editorial**Circulation And Business**

Personnel and Temporary Help	\$ 1,016,569	\$ 1,003,721	\$ 12,848	\$ 457,492	\$ 559,077	\$ 943,929
Fulfillment Cost	250,861	219,394	31,467	180,607	70,254	225,000
Professional Fees	114,139	129,708	(15,569)	52,451	61,688	85,000
Meetings and Conferences	27,430	29,696	(2,266)	25,481	1,949	-
Occupancy	32,567	34,258	(1,691)	30,699	1,868	-
Office Supplies, Equipment, Other	112,444	120,114	(7,670)	162,755	(50,311)	103,538
Website and App	54,802	74,398	(19,596)	4,494	50,308	48,000

Total Circulation and Business**General And Administrative**

Depreciation	\$ 112,512	\$ 101,429	\$ 11,083	\$ 69,172	\$ 43,340	\$ 140,000
Occupancy and Insurance	-	-	-	-	-	\$ 67,080
Meetings and Conferences	-	-	-	-	-	\$ 35,000
Office Supplies and Other	14,223	17,357	(3,134)	19,722	(5,499)	35,003

Total General and Administrative**Total Expenses****Interest on Reserve Fund Subscription Liability****Net Income (Loss) Grapevine****Transfer from Reserve Fund****Net after Transfer from Reserve Fund**

Actual	Reforecast Budget	Actual vs Reforecast Budget	Prior Year as of December 31, 2023	Actual vs. Prior Year	
59,190	64,445	(5,255)	54,569	4,621	
\$ 2.41	\$ 2.52	\$ (0.11)			2.58
\$ 3.84	\$ 3.94	\$ (0.10)			3.94
\$ 2.28	\$ 2.35	\$ (0.07)			2.74
\$ 2.57	\$ 2.64	\$ (0.07)			2.33
\$ 1,302,244	\$ 1,396,012	\$ (93,768)	\$ 1,260,582	\$ 41,662	\$ 1,378,461
171,731	182,752	(11,021)	29,192	142,539	250,707
47,543	46,711	832	69,271	(21,728)	145,000
249,766	260,224	(10,458)	257,241	(7,475)	266,643
87,772	87,772	0	-	87,772	-
86,049	93,176	(7,127)	87,630	(1,581)	145,001
\$ 1,945,105	\$ 2,066,647	\$ (121,542)	\$ 1,703,916	\$ 241,189	\$ 2,185,812
\$ 552,737	\$ 555,306	\$ (2,569)	\$ 570,235	\$ (17,498)	\$ 577,600
28,558	19,037	9,521	20,284	8,274	\$ 27,000
508,555	494,275	14,280	533,551	(24,996)	500,000
25,674	27,329	(1,655)	4,379	21,295	37,606
\$ 1,115,524	\$ 1,095,947	\$ 19,577	\$ 1,128,449	\$ (12,925)	\$ 1,142,206
\$ 829,581	\$ 970,700	\$ (141,119)	\$ 575,467	\$ 254,114	\$ 1,043,606
\$ 1,019,634	\$ 1,022,584	\$ (2,950)	\$ 884,042	\$ 135,592	\$ 1,039,337
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,410
49,192	26,761	22,431	38,367	10,825	53,100
1,068,826	1,049,345	19,481	922,409	146,417	1,281,847
277,195	254,781	22,414	270,948	6,247	318,100
\$ 791,631	\$ 794,564	\$ (2,933)	\$ 651,461	\$ 140,170	\$ 963,747
\$ 1,621,212	\$ 1,765,264	\$ (144,052)	\$ 1,226,928	\$ 394,284	\$ 2,007,353
\$ 486,701	\$ 504,486	\$ (17,785)	\$ 735,550	\$ (248,849)	\$ 378,665
72,177	78,174	(5,997)	87,361	(15,184)	25,000
23,892	30,690	(6,798)	30,650	(6,758)	-
33,957	44,736	(10,779)	58,176	(24,219)	-
86,388	59,153	27,235	176,222	(89,834)	65,000
\$ 703,115	\$ 717,239	\$ (14,124)	\$ 1,087,959	\$ (384,844)	\$ 468,665
\$ 1,016,569	\$ 1,003,721	\$ 12,848	\$ 457,492	\$ 559,077	\$ 943,929
250,861	219,394	31,467	180,607	70,254	225,000
114,139	129,708	(15,569)	52,451	61,688	85,000
27,430	29,696	(2,266)	25,481	1,949	-
32,567	34,258	(1,691)	30,699	1,868	-
112,444	120,114	(7,670)	162,755	(50,311)	103,538
54,802	74,398	(19,596)	4,494	50,308	48,000
\$ 1,608,812	\$ 1,611,289	\$ (2,477)	\$ 913,979	\$ 694,833	\$ 1,405,467
\$ 112,512	\$ 101,429	\$ 11,083	\$ 69,172	\$ 43,340	\$ 140,000
-	-	-	-	-	\$ 67,080
-	-	-	-	-	\$ 35,000
14,223	17,357	(3,134)	19,722	(5,499)	35,003
126,735	118,786	7,949	88,894	37,841	277,083
\$ 2,438,662	\$ 2,447,314	\$ (8,652)	\$ 2,090,832	\$ 347,830	\$ 2,151,215
9,600	9,600	-	6,760	2,840	\$ 9,000
\$ (807,850)	\$ (672,450)	\$ (135,400)	\$ (857,144)	\$ 49,294	\$ (134,862)
564,652	564,652	-	500,000	64,652	\$ -
\$ (243,198)	\$ (107,798)	\$ (135,400)	\$ (357,144)	\$ 113,946	\$ (134,862)

Net AAGV Change in Net Assets per 2023 Grapevine Audited Financial Statements

(357,144)

AA Grapevine Inc.
Statement of Activities

	Actual for the Year Ended December 31, 2024	2024 Reforecast Budget	Actual vs Reforecast Budget	Prior Year Ended December 31, 2023	Actual vs. Prior Year	2025 Full Year Approved Budget
La Viña						
Circulation (Average Number of Subscribers)						
LV Print subscriptions	7,006	7,300	(294)			7,683
LV Complete (Print and Online)	131	113	18			200
LV Online subscriptions	80	56	24			92
LV App subscriptions	275	400	(125)			563
Total Circulation	7,492	7,869	(377)	6,392	1,100	8,538
Income						
Revenue per Print subscription	\$ 2.28	\$ 2.46	\$ (0.18)			2.78
Revenue LV Complete (Print and Online)	\$ 3.64	\$ 3.54	\$ 0.10			4.02
Revenue per LV Online subscription	\$ 1.80	\$ 1.72	\$ 0.08			2.19
Revenue per App subscription	\$ 1.26	\$ 2.50	\$ (1.24)			2.32
Subscription Income						
Subscription Income	\$ 96,039	\$ 102,510	\$ (6,471)	\$ 81,590	\$ 14,449	\$ 128,153
Mobile App Income	2,077	3,352	(1,275)	313	1,764	7,840
Back Issues	14,062	16,049	(1,987)	15,803	(1,741)	19,000
LV Complete	2,853	2,332	521	4,704	(1,851)	4,827
Prior Year Revenue Adjustment	(6,177)	(6,177)	0	-	(6,177)	-
LV Online	863	559	304	9,379	(8,516)	1,202
Total Subscription Income	\$ 109,717	\$ 118,625	\$ (8,908)	\$ 111,789	\$ (2,072)	\$ 161,022
Direct Cost						
Magazine Production	\$ 62,292	\$ 60,805	\$ 1,487	\$ 43,463	\$ 18,829	\$ 65,000
Audio Production	12,680	-	12,680	13,271	(591)	-
Postage	22,866	20,076	2,790	24,632	(1,766)	22,500
LV App	310	1,573	(1,263)	50	260	1,176
Total Direct Cost	\$ 98,148	\$ 82,454	\$ 15,694	\$ 81,416	\$ 16,732	\$ 88,676
Gross Margin On Subscription	\$ 11,569	\$ 36,171	\$ (24,602)	\$ 30,373	\$ (18,804)	\$ 72,346
Content Related Income						
Books and Booklets	\$ 128,927	\$ 126,411	\$ 2,516	\$ 124,342	\$ 4,585	\$ 201,669
Other Items	8,659	6,457	2,202	14,708	(6,049)	15,250
Content Related Income	137,586	132,868	4,718	139,050	(1,464)	216,919
Content Related Direct Cost	40,230	39,502	728	30,322	9,908	61,502
Gross Margin Other Published Items	\$ 97,356	\$ 93,366	\$ 3,990	\$ 108,728	\$ (11,372)	\$ 155,417
Total Gross Margin	\$ 108,925	\$ 129,537	\$ (20,612)	\$ 139,101	\$ (30,176)	\$ 227,763
Expenses						
Editorial						
Personnel and Temporary Help	\$ 258,889	\$ 286,791	\$ (27,902)	\$ 433,436	\$ (174,547)	\$ 273,167
Professional Fees	10,167	14,508	(4,341)	30,203	(20,036)	5,000
Occupancy	9,769	17,505	(7,736)	14,145	(4,376)	-
Office Supplies, Equipment, Other	8,187	11,110	(2,923)	10,492	(2,305)	-
Website	15,354	17,354	(2,000)	80,364	(65,010)	17,350
Total Editorial	\$ 302,366	\$ 347,268	\$ (44,902)	\$ 568,640	\$ (266,274)	\$ 295,517
Circulation And Business						
Personnel and Temporary Help	\$ 247,940	\$ 231,789	\$ 16,151	\$ 204,827	\$ 43,113	\$ 249,868
Fulfillment Cost	52,021	30,102	21,919	56,549	(4,528)	34,500
Professional Fees	37,180	32,365	4,815	23,657	13,523	14,000
Occupancy	7,299	12,915	(5,616)	10,222	(2,923)	-
Office Supplies, Equipment, Other	8,609	8,923	(314)	17,869	(9,260)	2,813
Total Circulation and Business	\$ 353,049	\$ 316,094	\$ 36,955	\$ 313,124	\$ 39,925	\$ 301,181
General And Administrative						
Depreciation	\$ 18,959	\$ 27,350	\$ (8,391)	\$ 13,086	\$ 5,873	\$ 40,000
Meeting and Conference	-	-	-	-	-	11,231
Occupancy and Insurance	-	-	-	-	-	31,860
Office Expenses and Other	-	-	-	-	-	3,600
Total General and Administrative	18,959	27,350	(8,391)	13,086	5,873	86,691
Total Expenses	\$ 674,374	\$ 690,712	\$ (16,338)	\$ 894,850	\$ (220,476)	\$ 683,389
GSB Support	565,449	561,175	4,274	755,749	(190,300)	455,626
Net La Viña Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net LaViña Operations per 2023 Grapevine Audited Financial Statements				(755,749)		

Note> GSB Support for LaViña during the year will differ from amounts shown in the GSB financial statements due to the timing of incurrence of expenses and the process of seeking reimbursement from the GSB.

2025 BUDGET NARRATIVE

Grapevine

Grapevine average circulation in 2024 is now over 59,000 per month (all formats) which is a 9% increase over the 2023 average circulation of 54,569. We have experienced the largest subscription growth with the App and with the online version of the magazine. Print magazine subs declined slightly during 2024 and Complete subs remained constant.

The average sub count in the 2025 budget is forecasted to be 63,497.

Grapevine is developing strong marketing campaigns to increase App subscriptions, especially toward the 30K members who have downloaded the app but have not yet subscribed. We also expect to see growth during the International Convention.

Overall, 2025 Subscription revenue is projected to be \$2.2 million. Gross margin on subscriptions is projected to be \$1.0 million in 2025.

Grapevine has budgeted a deficit of \$134k. This deficit approximates budgeted depreciation (non-cash) and capital expenditures are minimal. As such, this deficit is not expected to result in a reserve fund draw. The draw that is requested in 2025 is to allow for an inventory build leading up to the International Convention.

La Viña

Subscription revenue:

La Vina circulation increased an incredible 17% during 2024. The 2025 budget La Vina subscriptions includes circulation of 8,538.

Content Income:

Content Income is an important revenue source for La Vina. Historically, it is significantly larger than subscription income. With additional offerings in 2025, Content Income is expected to be almost \$217k with a gross margin of \$155k.

La Vina will have a deficit of \$455,626 to be reimbursed by GSB. This is a reduction from the \$565k support required in 2024 (unaudited, subject to change) and a 25% reduction from the support level required in 2023. This is the result of both revenue growth and prudent reduction in costs.