

MEMORANDUM

August 15, 2023

From: Trustees Finance and Budgetary Committee
TO: Members of the 73rd General Service Conference
RE: Financial Reporting

At the 73rd General Service Conference, the following Advisory Action was adopted:

The Trustees' Finance and Budgetary Committee develop additional ways to report quarterly the fiscal performance of the AAWS, GSB, and GV Boards throughout the year to the members of the General Service Conference for the purposes of transparency and assisting in the reporting to the A.A. Fellowship.

The Conference Committee on Finance also made the following Additional Committee Consideration:

The committee requests that to better align with the duties described in the Service Manual for the Conference Finance Committee, committee members receive the monthly AAWS/GSB consolidated financial statements along with an executive summary from the Chief Financial Officer.

The work on these items has already begun with conversations at the corporate boards' finance committees and the Trustees Finance and Budgetary Committee.

As an initial step, we are providing the attached quarterly financial statements as of June 30, 2023. These are identical to the financials accepted by the Trustees Finance and Budgetary Committee and the General Service Board during the Board's July meeting, except for some account-level detail that has been summarized by account type and the Grapevine financial statements which became available subsequent to Board weekend. In the coming quarters, we will further synchronize the information provided to Trustees and Delegates.

For additional context, we are also providing an overview of the other modalities used to communicate financial information to the Fellowship.

As these are unaudited discussion drafts, we ask that they be shared with AA members only.

We look forward to our Sharing Session on August 16th and look forward to Conference Feedback.

Trustees Finance and Budgetary Committee

Attachments:

Quarterly Financial Report as of June 30, 2023, including Executive Summary – AAWS/GSB
Quarterly Financial Report as of June 30, 2023, including Executive Summary – GV/LV
Summary of Available Financial Reporting

**A.A.W.S. AND G.S.B. CONSOLIDATED
UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2023
EXECUTIVE SUMMARY**

Summary

Revenue is in a favorable position compared to budget. Operating revenue is 7% more than the year to date (YTD) budget¹. However, expense is in a slightly unfavorable position compared to budget. Operating expense is 1% greater than the YTD budget due to hotel expenses for meetings being greater than budgeted. Overall, we have a YTD operating deficit after depreciation which is smaller than budgeted. Additionally, cash is tight. As of July 17, we have \$1,398,202 in unpaid invoices from vendors, which is about \$300,000 more than the same time in June.

Operating Cash

- As of June 30, operating cash was only \$331,963 which represents 0.23 months (less than one week) of 2023 budget G.S.O. operating expenses of \$17,085,479.
- As of July 17, operating cash on hand is \$528,108 which represents 0.37 months (between one and two weeks) of 2023 budget operating expenses.
- Operating cash as of December 31 was \$514,337, so cash as of July 17 is \$13,771 less than at the beginning of the year. Our current cash challenge is due to a residual effect of 2022 activity and delayed collection of accounts receivable owed to us.
- In an effort to manage cashflow we have deferred and prioritized payments. This has resulted in increased past due balances owing to our vendors, especially literature printers, our landlord, and our warehouses.
- The AAWS Board has discussed remediation strategies and will have further discussion on July 19, 2023. There will be a full reporting to the Trustees Finance Committee at the upcoming meeting and further information provided in the background material.
- Meanwhile, the office has implemented deferrals of expenditures where possible and is developing a plan for improved management of accounts receivable.

Revenue

- YTD contributions are \$4,839,110. This represents 102% of the YTD budget of \$4,725,000 and is \$172,538 (3%) less than last year.
- YTD gross literature sales are \$7,877,177. This represents 108% of the YTD budget of \$7,314,000 and is \$2,112,271 (37%) more than last year. The variance to budget is due to greater than expected sales in March in anticipation of the April 3 price increase and strong sales in June.
- YTD literature gross margin is \$4,082,317 which is 112% of the YTD budget of \$3,657,000 and \$1,338,217 (49%) more than last year.
- YTD cost of goods sold (COGS) of \$3,850,154, which remains 48.8% of gross sales compared to a YTD budget of 48.0% and 46.4% last year. COGS is becoming more stable as it changed less than 0.1% from May to June.

¹ All references to budget are to the original budget adopted in January, 2023. After a reforecast budget is approved by the GSB, budget references will be updated to the reforecast budget.

Expense

- YTD salary expense is \$3,993,977 which is 93% of the YTD budget of \$4,284,167 and \$293,219 (8%) more than last year. The variance to budget is due to open positions. The variance to last year is due to new positions in Translation, Licensing, and Intellectual Property and Language Services.
- YTD employee benefits expense is \$914,215 which is 90% of the YTD budget of \$1,017,784 and \$79,539 (10%) more than last year.
- YTD payroll taxes are \$351,101, which is 106% of the YTD budget of \$331,761 and \$40,668 (13%) more than last year due to an increase in the NYS unemployment insurance tax rate.
- YTD professional fees expense is \$752,016 which is 88% of the YTD budget of \$853,439 and is \$80,772 (12%) greater than last year.
- YTD travel and meetings expense is \$1,611,658 which is 137% of the YTD budget amount of \$1,178,832 and \$835,911 (108%) more than last year. The variance is in part because hotel expenses were greater than budgeted for both the January GSB weekend and the GSC. Also, we paid 90% of the GSC hotel bill in advance compared to 50% in the budget and last year.
- YTD total operating expense before depreciation is \$8,979,567 which is 101% of the YTD budget amount of \$8,860,078 and \$1,348,512 (18%) more than last year. This variance is due to the variance in travel and meetings expense.

Surplus/Deficit

- After depreciation, the YTD operating deficit is \$235,314 which compares favorably to a YTD budgeted deficit of \$769,718 but unfavorably to a deficit of \$114,399 last year.
- Including non-operating revenue and expense, the YTD overall deficit is \$209,082 which compares favorably to a YTD budgeted deficit of \$1,171,673 and a deficit of \$1,652,758 last year.
- The major YTD non-operating revenue is a gain of \$624,429 in the market value of the post-retirement medical plan assets. This is a non-cash transaction.
- YTD non-operating expense is \$766,614. According to Generally Accepted Accounting Principles, the \$500,000 transferred from the Reserve Fund to Grapevine for app development is an expense for the GSB as the owner of the Reserve Fund. The same \$500,000 is revenue for Grapevine, so the revenue and expense cancel out to zero on consolidated financial statements.

Reserve Fund

- As of May 31, the assets in the reserve fund total \$13,098,822. After subtracting the \$573,012 Grapevine subscription liability, the reserve fund balance is \$12,525,810. This represents 7.11 months of 2023 budgeted G.S.O., Grapevine, and La Viña operating expenses of \$21,152,365.

Shared Services

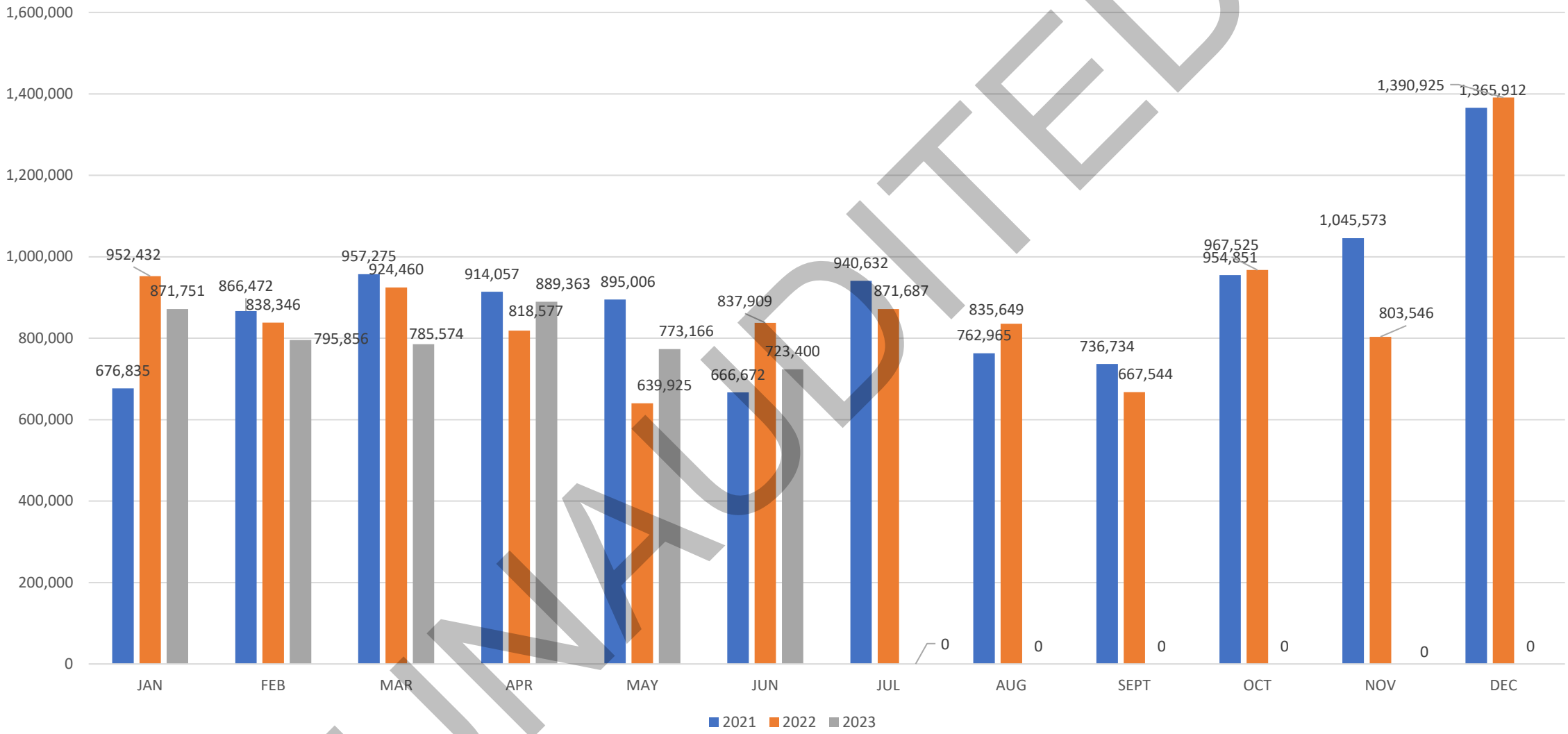
- The receivable from Grapevine for shared services is currently \$421,435 compared to \$435,812 last year. Grapevine pays \$113,169 per quarter toward this receivable. Members of the AAWs and Grapevine Boards are discussing whether changes to this payment schedule are feasible.

Additional Information

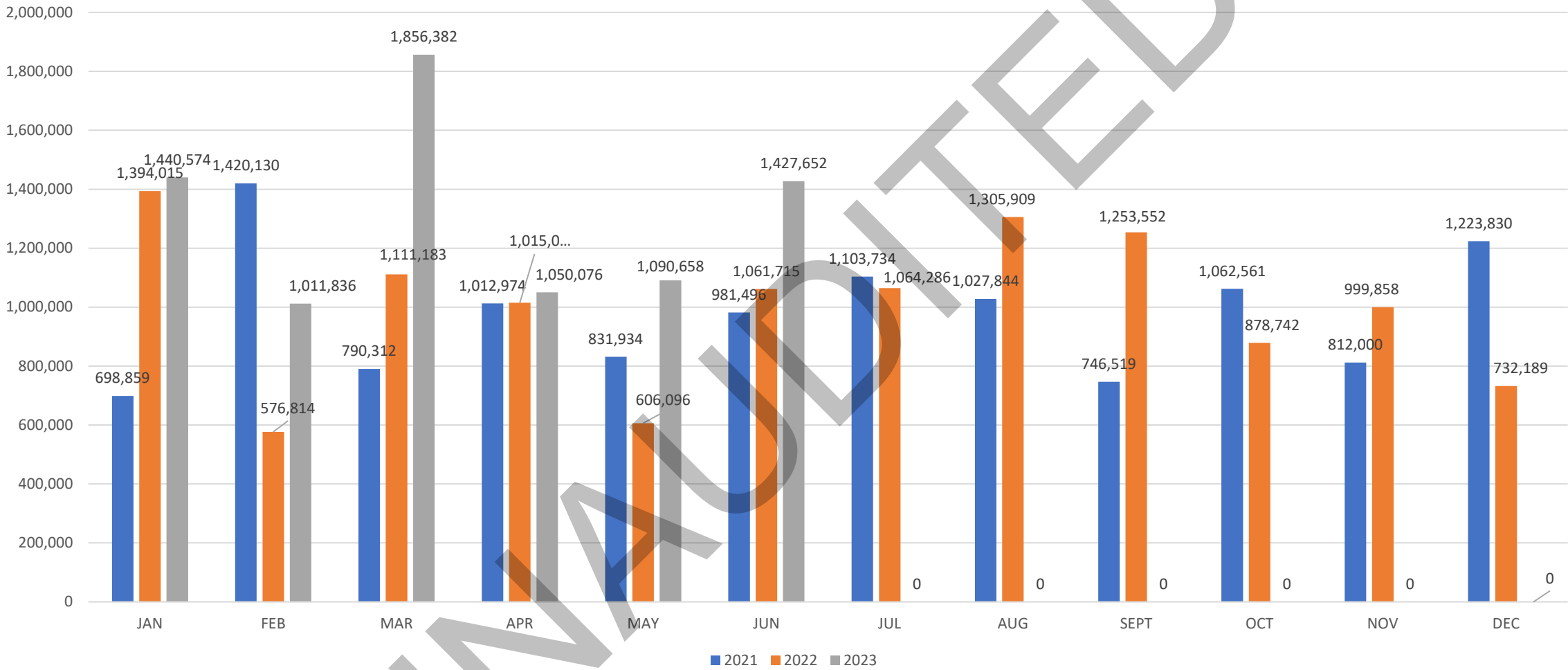
- Please see the next five pages for graphs of contribution, literature gross sales, and gross margin trends as well as personnel and operating expense trends.
- At the request of the AAWS Finance Committee, the report on contributions greater than \$10,000 has been discontinued and a report on prepaid expenses has been added. Also, the comparison of revenue and expense to budget and to prior year has been consolidated from two pages to one.

UNAUDITED

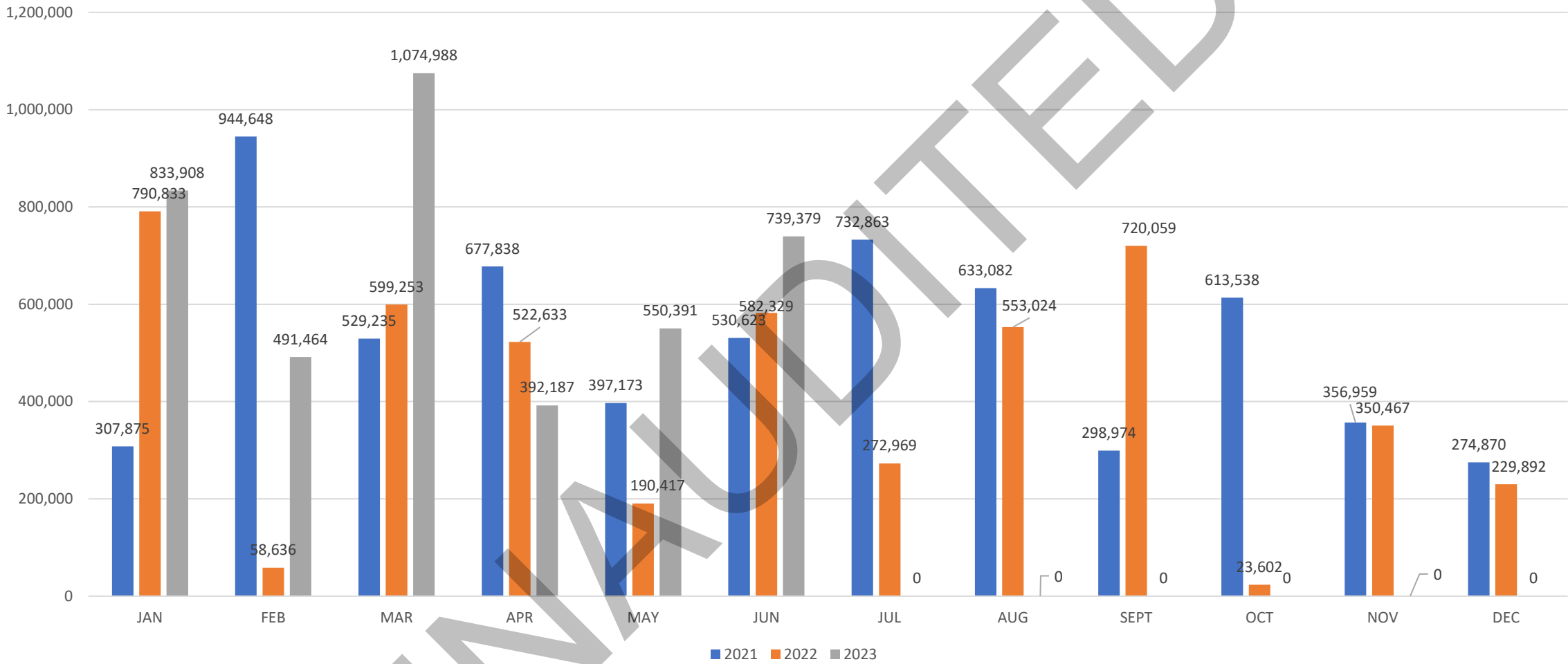
CONTRIBUTIONS



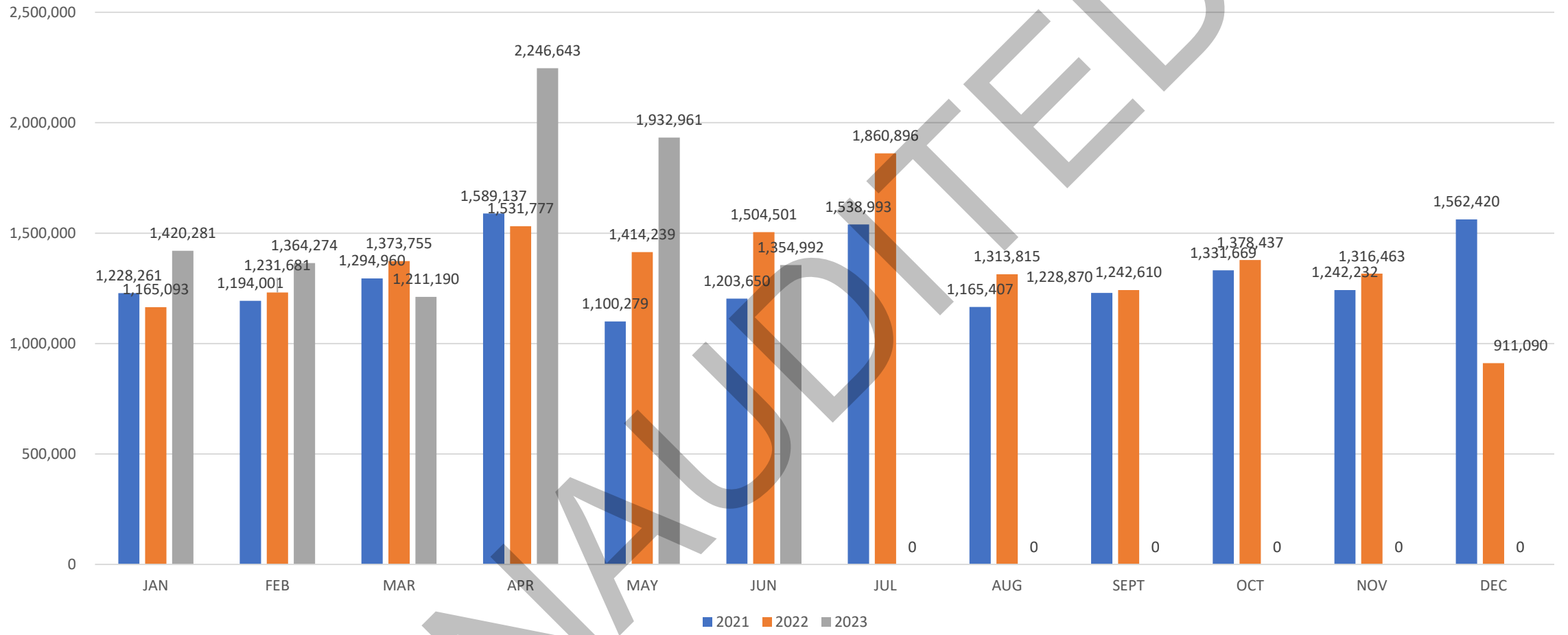
GROSS LITERATURE SALES



LITERATURE GROSS MARGIN



TOTAL OPERATING EXPENSE INCLUDING DEPRECIATION



A.A. World Services and General Service Board
 Consolidated
 Monthly Income Statement Compared to Prior Year and Budget
 June 2023

Account	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	YTD 2023	YTD Budget 2023	% of YTD Budget	YTD Actual 2022
Operating Revenue										
Total - 40000 - Contributions - Members & Groups	871,751	795,856	785,574	889,363	773,166	723,400	4,839,110	4,725,000	102%	5,011,648
Total - 41500 - International Convention Revenue	0	0	0	(690)	0	690	0	0	N/A	(357)
Total - 42000 - International	10,381	4,198	522	11,276	(150)	523	26,750	20,000	134%	64,049
Total - 43000 - General Service Conference	24,900	110,192	145,073	40,500	24,485	1,700	346,850	288,360	120%	287,207
Total - Operating Revenue before Literature	907,032	910,246	931,169	940,449	797,500	726,313	5,212,710	5,033,360	104%	5,362,547
Total - 46000 - Literature Sales	1,446,800	1,026,000	1,872,841	1,055,753	1,093,299	1,437,778	7,932,471	7,167,720	111%	5,528,735
Total - Cost Of Sales	612,892	534,536	797,853	663,567	542,907	698,399	3,850,154	3,510,720	110%	2,784,635
Literature Gross Margin	833,908	491,464	1,074,988	392,187	550,391	739,379	4,082,317	3,657,000	112%	2,744,100
Total Operating Revenue	1,740,940	1,401,710	2,006,157	1,332,636	1,347,892	1,465,692	9,295,027	8,690,360	107%	8,106,647
Operating Expense										
60100 - Payroll & Benefits : Salaries	523,401	708,920	520,563	624,601	1,051,464	565,028	3,993,977	4,270,315	94%	3,700,758
Total - 60300 - Payroll & Benefits : Employee Benefits	261,247	131,825	119,675	118,871	138,807	143,790	914,215	1,010,529	90%	834,676
Total - 60500 - Payroll & Benefits : Retirement Plan Contributions	25,433	26,266	29,324	28,925	27,896	28,841	166,685	included above	N/A	135,803
Subtotal - 60000 - Payroll & Benefits	810,081	867,011	669,563	772,397	1,218,166	737,659	5,074,877	5,280,844	96%	4,671,237
Total - 60400 - Payroll & Benefits : Payroll Taxes	55,169	62,728	42,822	57,974	80,642	51,766	351,101	329,873	106%	310,433
Total - 70000 - Professional Fees	103,907	90,617	120,796	121,060	178,400	137,236	752,016	781,807	96%	671,244
Total - 72000 - Printing, Postage, and Supplies Expenses	37,715	29,731	63,609	32,244	57,434	53,969	274,701	274,075	100%	215,782
Total - 73000 - Data, Automation & Website	37,717	42,923	30,353	48,890	64,780	35,613	260,276	268,183	97%	339,175
Total - 74000 - Insurance	6,245	6,245	6,245	6,245	6,245	37,472	39,008	39,008	96%	34,251
Total - 76000 - Facility & Equipment Expenses	92,432	102,268	115,726	103,615	100,226	103,199	617,466	584,996	106%	613,188
Total - 78000 - Travel & Meetings Expenses	182,373	68,004	70,763	1,013,510	136,659	140,349	1,611,658	539,526	299%	775,747
Total Operating Expense	1,325,639	1,269,527	1,119,876	2,155,936	1,842,553	1,266,037	8,979,567	8,098,311	111%	7,631,055
Operating Surplus/(Deficit) Before Depreciation	415,301	132,183	886,282	(823,300)	(494,661)	199,655	315,460	592,049	N/A	475,591
76800 - Facility & Equipment Expenses : Depreciation Expense	94,642	94,747	91,315	90,707	90,408	88,956	550,774	600,000	92%	589,990
Operating Surplus/(Deficit) After Depreciation	320,660	37,436	794,967	(914,007)	(585,070)	110,700	(235,314)	(7,951)	N/A	(114,399)
Other Income and Expenses										
Other Income										
Total - 45000 - Other Revenue	409,558	(174,946)	194,419	86,823	(47,625)	324,619	792,846	0	N/A	(1,345,911)
45600 - Conventions, Meetings & Events	0	0	0	0	0	0	0	0	N/A	0
Total - Other Income	409,558	(174,946)	194,419	86,823	(47,625)	324,619	792,846	0	N/A	(1,345,911)
Other Expense										
Total - 92000 - Other Expenses	21,086	15,931	11,386	8,956	7,499	16,119	80,978	71,288	114%	72,149
92150 - Disbursements from the ILF	0	0	0	11,720	0	0	11,720	15,000	78%	0
92600 - Transfers to La Vina	0	0	0	0	0	173,917	173,917	329,705	53%	120,299
92650 - Grapevine Transfers	0	500,000	0	0	0	0	500,000	0	N/A	0
Total - Other Expense	21,086	515,931	11,386	20,676	7,499	190,036	766,614	415,993	184%	192,448
Net Other Income	388,471	(690,878)	183,034	66,147	(55,124)	134,583	26,232	(415,993)	N/A	(1,538,359)
Surplus/(Deficit)	709,131	(653,442)	978,001	(847,860)	(640,194)	245,282	(209,082)	(423,944)	N/A	(1,652,758)

**A.A. World Services and General Service Board
Consolidated
Comparative Income Statement
June 2023**

Account	Current Year June 2023	Last Year June 2022	Variance	Current Year to Date (Jan 2023 - June 2023)	Last Year to Date (Jan 2022 - June 2022)	Year To Date Variance
Operating Revenue						
Contributions	723,400	837,909	(114,509)	4,839,110	5,011,648	(172,538)
International Convention	690	(357)	1,047	0	(357)	357
International	523	10,041	(9,519)	26,750	64,049	(37,298)
General Service Conference	1,700	14,200	(12,500)	346,850	287,207	59,643
Gross Literature Sales	1,427,652	1,061,715	365,936	7,877,177	5,764,906	2,112,270
Literature Shipping Charges	24,110	18,221	5,889	154,803	140,136	14,667
Literature Discounts	(13,983)	(33,145)	19,162	(99,509)	(376,308)	276,799
Cost of Goods Sold	698,399	464,462	233,937	3,850,154	2,784,635	1,065,519
Gross Margin	<u>739,379</u>	<u>582,329</u>	<u>157,050</u>	<u>4,082,318</u>	<u>2,744,100</u>	<u>1,338,218</u>
Total - Operating Revenue	1,465,692	1,444,123	21,569	9,295,028	8,106,646	1,188,381
Operating Expense						
Salary & Benefits	737,659	994,036	(256,377)	5,074,877	4,671,237	403,641
Payroll Taxes	51,766	68,523	(16,757)	351,101	310,433	40,668
Professional Fees	137,236	77,351	59,885	752,016	671,244	80,772
Printing, Postage, Supplies, and Subscriptions	53,969	79,345	(25,376)	274,701	215,782	58,919
Data, Automation & Website	35,613	60,071	(24,458)	260,276	339,175	(78,899)
Insurance	6,245	5,708	537	37,472	34,251	3,221
Facility & Equipment	103,199	100,712	2,487	617,466	613,188	4,278
Travel & Meetings Expenses	140,349	19,118	121,231	1,611,658	775,747	835,912
Total - Operating Expense	<u>1,266,037</u>	<u>1,404,866</u>	<u>(138,829)</u>	<u>8,979,567</u>	<u>7,631,055</u>	<u>1,348,512</u>
Operating Surplus/(Deficit) Before Depreciation	199,655	39,258	160,398	315,460	475,591	(160,131)
Depreciation Expense	88,956	99,635	(10,680)	550,774	589,990	(39,216)
Operating Surplus/(Deficit) After Depreciation	110,700	(60,378)	171,078	(235,314)	(114,399)	(120,915)
Non-Operating Revenue	324,619	(465,435)	790,054	792,846	(1,345,911)	2,138,758
Non-Operating Expense	190,036	9,981	180,055	766,614	192,448	574,166
Non-Operating Surplus/(Deficit)	<u>134,583</u>	<u>(475,416)</u>	<u>609,998</u>	<u>26,232</u>	<u>(1,538,359)</u>	<u>1,564,591</u>
Total Surplus/(Deficit)	245,282	(535,794)	781,076	(209,082)	(1,652,758)	1,443,677

**ALCOHOLICS ANONYMOUS WORLD SERVICES
GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS
BALANCE SHEET**

	JUNE 30, 2023	JUNE 30, 2022	CHANGE
ASSETS			
Current Assets			
Cash	535,190	2,285,475	(1,750,285)
Accounts Receivable	1,303,747	2,397,305	(1,093,559)
Prepaid Expense	391,741	428,952	(37,210)
Literature Inventory	4,144,556	3,959,614	184,942
Reserve Fund	13,098,822	14,336,100	(1,237,278)
Total Current Assets	19,474,055	23,407,446	(3,933,390)
Fixed Assets			
Fixed Assets	8,988,738	5,889,888	3,098,850
Accumulated Depreciation	(4,112,517)	(2,967,339)	(1,145,178)
Net Fixed Assets	4,876,222	2,922,549	1,953,672
Other Assets			
Postretirement Medical Fund	7,686,987	7,104,521	582,466
Total Other Assets	7,686,987	7,104,521	582,466
Total ASSETS	32,037,264	33,434,516	(1,397,252)
LIABILITIES			
Accounts Payable	1,768,001	2,065,147	(297,146)
Accrued Expenses	236,423	420,901	(184,478)
Defined Benefit Pension Liability	(4,785,584)	(3,572,594)	(1,212,990)
Sales Tax	16,018	48,120	(32,101)
Grapevine Subscription Liability	573,012	1,443,500	(870,488)
Employee Withholding	966	67,609	(66,644)
Postretirement Benefit	5,388,395	7,382,319	(1,993,924)
Rent Lease Liability	2,812,461	0	2,812,461
Total LIABILITIES	6,009,692	7,855,002	(1,845,310)
NET ASSETS			
Reserve Fund	12,525,810	12,892,600	(366,790)
Postretirement Medical Fund	2,298,592	(277,798)	2,576,390
Capital Projects Fund	1,674,725	2,258,606	(583,881)
Defined Benefit Pension Liability	4,785,584	3,572,594	1,212,990
General Fund	4,742,861	7,133,513	(2,390,651)
Total NET ASSETS	26,027,572	25,579,514	448,058
Total LIABILITIES AND NET ASSETS	32,037,264	33,434,516	(1,397,252)

**A.A. WORLD SERVICES AND GENERAL SERVICE BOARD CONSOLIDATED
PROFESSIONAL FEES
JANUARY TO JUNE 2023**

Accounting & Audit Fees	85,321
Legal Fees	145,677
Human Resources Services	36,940
Editorial Services	60,531
Information Technology Support	42,388
Temporary Help	136,086
Payroll Processing	14,459
Document Translation	133,725
Interpretation	30,102
Project Management	25,000
Operational/Structure Consulting	4,978
Other	36,809
TOTAL PROFESSIONAL FEES	752,016

**A.A. WORLD SERVICES AND GENERAL SERVICE BOARD
CONSOLIDATED
CAPITAL EXPENDITURES
JANUARY TO JUNE 2023**

Website		
Events Calendar and News	37,450	
Total Website		37,450
Equipment & Software		
Digital Asset Repository	4,950	
Meeting Guide App	39,367	
NetSuite Licensing and Translation	12,185	
Computers and Peripherals	<u>3,337</u>	
Total Equipment & Software		59,839
TOTAL CAPITAL EXPENDITURES		97,289
CAPITAL EXPENDITURE BUDGET		362,485
BUDGET REMAINING UNSPENT		265,196
% OF BUDGET SPENT		27%

**ALCOHOLICS ANONYMOUS WORLD SERVICES
PUBLICATIONS SALES BY ITEM
BOOKS WITH GREATEST UNIT SALES
JANUARY TO JUNE 2023**

Item #	Item Description	QUANTITY		REVENUE	
		2023	2022	2023	2022
B-30	Alcoholics Anonymous (Soft Cover)	158,333	168,143	1,281,994	1,230,701
B-1	Alcoholics Anonymous (Hard Cover) with dust jackets	155,888	163,141	1,324,476	1,228,797
B-15	Twelve Steps and Twelve Traditions (soft cover)	96,751	46,849	694,879	320,516
B-1A	Alcoholics Anonymous (Hard Cover) - Jacketless	92,386	#N/A	811,641	#N/A
B-2	Twelve Steps and Twelve Traditions (hard cover)	75,051	62,821	593,407	457,654
B-7	Living Sober	61,051	49,369	269,861	203,064
B-12	Daily Reflections: A Book of Reflections by A.A. Members for	58,281	21,399	530,087	173,713
B-16	Alcoholics Anonymous (Large Print)	31,441	24,669	269,814	196,076
B-35	Alcoholics Anonymous (Abridged, Pocket Edition)	26,561	13,974	118,603	52,544
B-14	Twelve Steps and Twelve Traditions (large print)	22,145	10,535	175,331	71,479

**A.A. WORLD SERVICES AND GENERAL SERVICE BOARD CONSOLIDATED
PREPAID EXPENSE AND INTERNATIONAL CONVENTION
AS OF JUNE 30, 2023**

Description	Amount	Note
Aventri METS registration software	7,023	Expensed monthly
Axispoint Technology - Firewall protection	40,489	Expensed monthly
Cision - PI software for media database	7,014	Expensed monthly
Celigo - Interface between NetSuite and warehouses	1,500	Expensed monthly
Eastern Canada Regional Forum hotel deposit	2,134	To be expensed in 2024
Southeast Regional Forum hotel deposit	2,500	To be expensed in 2024
Vertex sales tax preparation and filing software	13,157	Expensed monthly
McLean and Company HR strategy service	9,833	Expensed monthly
Rediscovery archives software	945	Expensed monthly
Travel - 2025 GSC site visit	65	To be expensed in 2025
NY Hilton Midtown 2025 GSC deposit	50,000	To be expensed in 2025
Acquia Cloud Platform website communications vendor credit	(5,417)	Credited monthly
TOTAL PREPAID EXPENSE	129,243	
INTERNATIONAL CONVENTION		
<i>2025 Vancouver</i>		
Site selection	70,441	To be expensed in 2025
Site visits	10,975	To be expensed in 2025
Talley Management fees	75,000	To be expensed in 2025
Talley Management expenses	4,810	To be expensed in 2025
Translation	565	To be expensed in 2025
Survey	1,549	To be expensed in 2025
Legal Fees - Contract review	14,914	To be expensed in 2025
Email blasts	11	To be expensed in 2025
<i>Subtotal 2025 Vancouver</i>	<u>178,265</u>	
<i>2030 St. Louis</i>		
Site selection	58,324	To be expensed in 2030
<i>Subtotal 2030 St. Louis</i>	<u>58,324</u>	
<i>2035</i>		
Translation	412	To be expensed in 2035
<i>Subtotal 2035</i>	<u>412</u>	
TOTAL PREPAID INTERNATIONAL CONVENTION	237,002	

MEMO

TO: AA Grapevine Board Finance Committee
From: EJ Beverly, Controller, Chris Cavanaugh, Publisher
Date: August 12, 2023
RE: June 2023 YTD Financial Statements

Enclosed please find the following financial statements, for the six months ending June 30, 2023.

Profit & Loss – Budget vs Actual, and Prior Year - Grapevine
Profit & Loss – Budget vs Actual, and Prior Year – La Viña
Balance Sheet

Executive Summary

Grapevine's total circulation is just shy of budget (Actual 53,057 vs. Budget 53,195). Paid print circulation average is marginally down from budget, however higher priced Grapevine Complete subscriptions are head of plan. La Viña circulation is better than expected in all categories. On Grapevine our net loss was budgeted at \$310,209, but we experienced a loss of \$343,179. On La Viña our net loss was budgeted at \$334,079, with actual losses slightly higher at \$353,881. Some of both magazine's losses can be attributed to timing on projects, which we will address in the reforecast.

Statements of Financial Position

Total assets as of June 30, 2023 are \$2.7M, which includes \$2.2M in current assets and \$220K in net fixed assets and prepaid expenses. On February 1, 2023, the General Service Board funded GV with a check for \$1,170,488 of which \$400,000 was allocated for the GV and LV Mobile App project (\$309,250 spent to date). The other \$670,488 was from the Subscription Liability Fund.

Statement of Activities, Notes on Variances

Grapevine

Direct Cost AAG Over Budget by \$48k

- Direct Costs includes NPS Expense, Warehousing, Domestic Production, Int'l Production
 - o Cost of printing and paper increases
 - o Postage for mailing efforts to attract expired subscribers.

Book Revenue Under Budget by \$127k

- Underestimated effect of price increase in January 2023. We gave prior notice of price increase to InterGroups and Central Offices and they stocked up at end of '22. Soft sales for Spring Book—The Home Group.

Editorial Cost Under Budget \$21k

- Salaries down by 30k
 - o Budget anticipated new hire for app project manager, which we did not fill.
- Temp Help over \$25k includes: podcast hosts working ahead, freelance help to read influx of manuscripts, extra help to catch up with sending kits to GV reps.

Professional Fees Over by \$10k unbudgeted legal fees for contract reviews—Treeline and Ingram, copyright registrations for apps, advice on personnel matter.

La Viña

Editorial Salaries over Budget \$26k

- Budget did not anticipate LV editor as full-time employee. We hired on April 10. Will be part of reforecast.

Temp Help over Budget by \$25k

- Translation, editing and design of Fall book not budgeted correctly (we expect to recoup from book sales in Fall). Extra help with sending kits to LV Reps.

Circulation and Business Salaries over Budget \$15k

- allocation of new position Digital Publishing Coordinator, allocation of Publisher's increased salary.

PRELIMINARY -- SUBJECT TO REVIEW AND ACCEPTANCE OF GRAPEVINE BOARD

AA Grapevine Inc.
Statements of Financial Position
As of June 30, 2023

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>Variance</u>
Assets			
Current Assets			
Cash And Cash Equivalents	\$ 505,184	\$ 211,078	\$ 294,106
Accounts Receivable Net	182,151	122,365	59,786
Accounts Receivable GSB	357,633	201,128	156,505
Subscription Liability Fund	573,012	1,243,500	(670,488)
Inventory	540,520	508,022	32,498
Total Current Assets	2,158,500	2,286,093	(127,592)
Other Assets			
Prepaid Expenses	87,695	108,429	(20,734)
Security Deposits	14,291	14,291	-
Mobile App	309,250	-	309,250
Fixed Assets Net	132,142	163,672	(31,530)
Total Other Assets	543,378	286,392	256,985
Total Assets	\$ 2,701,878	\$ 2,572,485	\$ 129,392
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 165,125	\$ 258,881	\$(93,756)
Inter-Company Due to AAWS	534,604	442,177	92,427
Total Accounts Payable	699,729	701,058	(1,329)
Other Current Liabilities	166,427	191,512	(25,085)
Deferred Subscriptions	1,669,513	1,672,527	(3,014)
Total Other Current Liabilities	1,835,940	1,864,039	(28,099)
Total Liabilities	2,535,669	2,565,097	(29,428)
Net Assets - Beg Bal	7,388	456,253	-448,865
Transfer from Reserve Fund	102,000	-	102,000
Investment - Mobile App	400,000	-	400,000
Consolidate Net Income (Loss)	(343,179)	(448,865)	105,686
Total Net Assets	166,209	7,388	158,821
Total Liabilities And Net Assets	\$ 2,701,878	\$ 2,572,485	\$ 129,393

PRELIMINARY -- SUBJECT TO REVIEW AND ACCEPTANCE OF GRAPEVINE BOARD

AA Grapevine Inc.
Statements of Activities- Actual vs Budget vs Prior Year
For the Six Months Ended June 30, 2023

***DRAFT**

	YTD Ended 6/30/2023				
	Actual	Budget	Actual vs. Budget	Prior Year	Actual vs. Prior Year
Grapevine					
Circulation (Average Number of Subscribers)					
Paid Circulation Average	45,238	47,983	(2,745)	52,661	(7,423)
GV Complete	5,375	2,575	2,800	2,993	2,383
GV ePub	2,444	2,637	(193)	3,173	(729)
Total Circulation	53,057	53,195	(138)	58,826	(5,769)
Revenue Per Magazine	\$ 2.24	\$ 2.25		\$ 2.25	
Revenue Per Gv Online Sub	\$ 2.41	\$ 2.41		\$ 2.41	
Income					
Total Subscription Income	845,327	765,264	80,063	876,229	(30,902)
Direct Cost	541,937	494,208	47,729	429,709	112,228
Net Profit On Subscription	303,390	271,056	32,334	446,520	(143,130)
Content Related Income					
Books and Booklets	346,694	490,000	(143,306)	445,030	(98,336)
Cassettes And MP3	16,662	5,300	11,362	5,134	11,528
Other Special Items	15,601	10,907	4,694	13,701	1,900
Content Related Income	378,957	506,207	(127,250)	463,865	(84,908)
Content Related Direct Cost	133,011	160,835	(27,824)	135,853	(2,842)
Net Profit Other Published Items	245,947	345,372	(99,425)	328,012	(82,065)
Miscellaneous Income	-	-	-	-	-
Interest Reserve Fund	3,504	3,500	4	15,000	(11,496)
Total Income	552,841	619,928	(67,087)	789,532	(236,692)
Expenses					
Editorial	393,502	414,580	(21,078)	470,479	(76,976)
Circulation And Business	419,281	481,927	(62,646)	481,271	(61,990)
General And Administrative	83,236	33,630	49,606	26,238	56,999
Total Expenses	896,020	930,137	(34,117)	977,988	(81,968)
Net Income (Loss)	(343,179)	(310,209)	(32,970)	(188,456)	(154,724)
Net Income (Loss) Grapevine	\$ (343,179)	\$ (310,209)	\$ (32,970)	\$ (188,456)	\$ (154,724)

Rounded to the nearest dollar

	YTD Ended 6/30/2023				
	Actual	Budget	Actual vs. Budget	Prior Year	Actual vs. Prior Year
La Vina					
Circulation (Number of Subscribers)					
Paid Circulation Average	6,710	6,348	362	6,281	429
LV Complete	52	31	21	31	21
LV ePub	72	68	4	68	4
Total Circulation	6,834	6,447	387	6,380	454
Revenue Per Magazine	\$ 2.20	\$ 2.08		\$ 2.08	
Revenue Per LV Complete	\$ -	\$ 3.24		\$ 3.24	
Income					
Subscription Income					
Subscription income	\$ 41,930	\$ 39,836	\$ 2,094	\$ 39,688	\$ 2,243
Back issues	-	2,535	(2,535)	3,901	(3,901)
LV Complete	3,846	312	3,534	315	3,531
LV ePub	479	354	125	351	129
Total Subscription Income	46,255	43,037	3,218	44,254	2,001
Direct Cost	30,049	37,937	(7,888)	35,996	(5,947)
Net Profit On Subscription	16,206	5,100	11,106	8,257	7,948
Content Related Income	54,205	26,660	27,545	20,985	33,220
Content Related Direct Cost	8,917	1,477	7,440	1,524	7,393
Net Profit Other Published Items	45,288	25,183	20,105	19,461	25,827
Total Income	61,494	30,283	31,211	27,718	33,775
Expenses					
Editorial	254,987	221,790	33,197	142,522	112,465
Circulation And Business	153,908	132,507	21,401	110,445	43,463
General And Administrative	6,481	10,065	(3,584)	5,880	601
Total Expenses	415,375	364,362	51,013	258,846	156,529
Net Operating Income (Loss)	(353,881)	(334,079)	(19,802)	(231,128)	(122,753)
Contribution GSB	353,881	334,079	19,802	231,061	122,820
Net Income (Loss) La Vina	\$ -	\$ -	\$ -	\$ (67)	\$ 67

Rounded to the nearest dollar

Report	Frequency	Provided to who
Report of the Independent Auditor, and audited financial statements for prior year, budget for current year. (GSB, AAWS, AAGV)	Annually in September	Included in the Final Conference Report (which will be posted on aa.org as of Sept 2023)
Finance Presentation "Around the picnic table" (GSB, AAWS, AAGV)	Annually at the General Service Conference 4 times a year at Regional Forums	Full presentation is provided to Conference members, and many delegates share it with their areas when reporting. A synopsis is included in the Final Conference Report. Regional forum attendees.
Approved budget for AAGV (current year)	Annually at the GSC	Conference members – Background material for Conference Committee on Finance
Approved consolidated budget for AAWS/GSB (current year)	Annually at the GSC	Conference members – Background material for Conference Committee on Finance
Approved reforecast budgets AAGV and/or AAWS/GSB when applicable	Annually following the Q3 GSB Meeting	Summarized in F- 14 Quarterly Report from GSO (3rd Quarter) and included in quarterly financials
Quarterly financials as accepted by the Trustees Finance Committee (AAWS/GSB consolidated and AAGV)	Quarterly Q1, Q3 and Q4	New - beginning August 2023, these reports will be provided to all Conference member following each quarterly GSB meeting.
F-14 Quarterly Report from GSO Reporting on GSB financial results (GSB/AAWS/AAGV), reserve fund status, updates to projects and activities, and other matters discussed at the GSB meeting	Q1 – April Q2 – none Q3 – September Q4 – January	aa.org (what's new) Meeting Guide (news) email distribution
AAWS Highlights Reporting on AAWS finance and self- support committees' work, status of AAWS projects and other matters discussed at the AAWS.	After each AAWS meeting	aa.org (what's new) Meeting Guide (news) email distribution <i>Note: this report is under revision and will be resumed soon</i>
Overview of financial information, self support material and related FAQs https://www.aa.org/aa-contributions-self-support	Ongoing	Anyone who views aa.org