

74th ANNUAL General Service Conference



WELCOME TO THE
74TH GENERAL SERVICE
CONFERENCE

0:00

2024

Connecting with Love, Unity and Service

Des liens basés sur l'Amour, l'Unité et le Service

Conectándose con amor, unidad y servicio

Connecting with Unity, Love and Service

The 74th General Service Conference

April 13 - 20, 2024

New York Marriot at the Brooklyn Bridge

Brooklyn, New York

Delegate Data 74th GSC

	<u>ALL</u>	<u>ME</u>
Average Age	58	72
Oldest	76	
Youngest	28	
Average Sobriety	23	19
Longest Sobriety	49	
Shortest Sobriety	9	
Average Service Length	18	18
Longest Service Length	46	
Shortest Service Length	7	

What Goes on at the Conference?

A typical Conference lasts a full week, with sessions running from morning to evening. The opening day features roll call, a keynote address, an opening dinner and a five speaker A.A. Meeting. Business sessions from Sunday to Friday include committee meetings, presentations, workshops and new trustee elections. Each delegate serves on one of the standing Conference committees, which meet early in the week and do the principal work of the Conference. (Some delegates also have a secondary committee assignment.) The committees bring recommendations to the full Conference for consideration as possible Advisory Actions, and generally the last two days (or more) are devoted to discussion and voting on committee recommendations. Although outside of the Conference a delegates-only meeting is often held prior to the opening day of the Conference. On Saturday, following the last day of Conference business, a closing breakfast provides an opportunity for goodbyes and for rotating trustees to say their farewells. *Reprinted from The A.A. Service Manual, page 39 with permission of A.A. World Services Inc.*

***Plain Language
Big Book: A Tool
for Reading
Alcoholics
Anonymous***

- **Recommended by Conference Literature Committee**
- **Discussion prior to a vote was hours long**
- **Full Conference approved by a vote of 91 – 38 (Five more votes than needed for substantial unanimity)**
- **I could not support this version and felt it should be recommitted for more work**

***Plain Language
Big Book: A Tool
for Reading
Alcoholics
Anonymous:***

**Points of
Interest**

- **Preface states that this book is not meant to replace the Big Book.**
- **It is meant to make the ideas expressed in the BB easier to access**
- **Dr. Silkworth's letters appear as written with the translation in a second column**
- **Steps will appear in Chapter 5 untranslated**
- **A new appendix will contain the Twelve Steps as written along with an explanation**
- **God is in this book**
- **The grave nature of alcoholism is in this book**
- **Individuals are referred to as men or women**
- **Groups of individuals are referred to as "people"**

***Plain Language
Big Book: A Tool
for Reading
Alcoholics
Anonymous:***

**Points of Interest
(con'd)**

- In the Doctor's Opinion and Chap 2, the distinction between the phenomenon and obsession is muddled
- Parts of Bill's Story lose some power
- No Dr. Jekyll and Mr. Hyde
- Only two footnotes instruct referring to Appendix II
- "Amends" is translated as "apology"
- The word "addiction" was used to describe "alcoholism" but this was edited by the Conference Literature Committee
- The Jaywalker is a female, but why?

***Plain Language
Big Book: A Tool
for Reading
Alcoholics
Anonymous***

- **PLBB has created disunity**
- **There was going to be disunity whether it passed or failed**
- **I felt that this is a case of “good” being the enemy of the “best”**
- **It is somewhat disappointing that 2 ½ years of work produced this result**

***Plain Language
Big Book: A Tool
for Reading
Alcoholics
Anonymous***

Within A.A., I suppose, we shall always quarrel a good bit. Mostly, I think, about how to do the greatest good for the greatest number of drunks.

Surmounting such problems, in A.A.'s rather rugged school of life, is a healthy exercise. *Reprinted from A.A. Comes of Age, p. 233, with permission of A.A. World Services, Inc."*

AROUND THE PICNIC TABLE



Kevin Prior, CFA, CPA
Class A (nonalcoholic) Trustee
General Service Board Treasurer

2023 AUDIT RESULTS

- Unmodified or “clean” audit opinion on the Consolidated Financial Statements
 - The financial statements are fairly stated in all material respects.
- All records and information requested were freely available for inspection.
- BDO noted that they received full access to all information requested while performing the audit, and acknowledged the excellent cooperation extended by all levels of GSO and GV personnel throughout the course of the work.
- Recognition of Value of Donated PSA airtime -- \$33 million in 2022, \$17 million in 2023. To be recognized annually going forward. Not recognizing the value was considered a significant deficiency.
- 1 control deficiency (100 contributions occurring in 2024 were recorded in 2023)
- 6 recommendations (1 HR, 3 GV, 1 Intercompany, 1 GSB) compared to 5 in 2022

2023 AUDIT RESULTS

The recommendations are:

- 1.Ensure that documentation for all pay rate changes is maintained
- 2.GV consider using NetSuite instead of QuickBooks Online
- 3.GV estimate and update allowance for doubtful accounts regularly
- 4.The accounts of GV and LV should be separated and tracked on their own
- 5.Revise the intercompany agreement to specify what transactions are appropriate and provide guidance on allocation of expenses
- 6.Implement detailed procedures for the regular verification and reconciliation of the post-retirement medical fund liability.

2023 **GSO** FINANCIAL HIGHLIGHTS

- ❖ 7th Tradition of Self-Support – \$10.84 million up 2.8% from \$10.55 million in 2022
- ❖ Operating Expense before Depreciation - \$17.47 million up 9.9% from \$15.90 million in 2022
 - ❖ Program Service Expense - \$9.00 million up 46.5% from \$6.14 million in 2022
 - ❖ Supporting Services Expense - \$8.47 million down 13.1% from \$9.76 million in 2022
- ❖ Self-Support - covered 62% of operating expense
- ❖ Cost of program services per individual – \$6.43
- ❖ AAWS publishing gross profits – \$6.76 million up 38.2% from \$4.89 million in 2022
- ❖ Operating surplus before depreciation of \$581,907; operating cash increase of \$358,588

GSO EXPENSES UNDER BUDGET IN 2023

❖ Under Budget Categories represent 90% of total operating expense

EXPENSE	ACTUAL	BUDGET	DIFFERENCE
Payroll and Benefits	10,349,012	10,561,688	(212,676)
Professional Fees	1,841,628	1,860,409	(18,781)
Printing, Postage, Supplies, and Subs	575,949	613,676	(37,727)
Data, Automation, & Website	573,591	642,844	(69,253)
Insurance	70,884	78,015	(7,131)
Travel & Meetings	2,147,709	2,170,916	(23,207)
Total Operating Expense	17,474,874	17,754,154	(279,280)

GSO EXPENSES OVER BUDGET IN 2023

❖ Over Budget Categories represent 10% of total operating expense

EXPENSE	ACTUAL	BUDGET	DIFFERENCE
Payroll Taxes	692,343	659,745	32,598
Facility and Equipment	1,223,760	1,166,861	56,899

2023 **GRAPEVINE** FINANCIAL HIGHLIGHTS

- ❖ App launch – September 1, 2023
- ❖ Grapevine paid print subscription income decreased 12% in 2023. Subscription income for the online, complete and mobile app magazine increased 72% due to the mobile app and increased Complete subscriptions.
- ❖ 2023 Grapevine results were a gross margin on subscriptions of \$601,088 and a gross margin of \$562,746 on other published items. Operating expenses of \$2,059,058 resulted in an operating loss of \$888,465 compared to a loss of \$404,940 in 2022.
- ❖ General Fund support of La Viña service activity was \$753,376 in 2023, compared to \$636,604 in 2022.
- ❖ La Viña magazine circulation decreased by 3.0% in 2023 compared to a 4.3% increase in 2022.

2024 **GSO** BUDGET

- ❖ Operating revenue \$19,642,359 compared to \$18,056,782 in 2023.
 - ❖ Contributions \$10,500,000 compared to \$10,841,419 in 2023.
 - ❖ Literature gross margin \$8,492,759 compared to \$6,763,226 in 2023.
- ❖ Total operating expense \$19,024,414 before \$1.02M depreciation compared to \$17,474,874 before \$1.06M depreciation in 2023.
- ❖ Operating surplus of \$617,945 before depreciation compared to \$581,907 surplus in 2023.

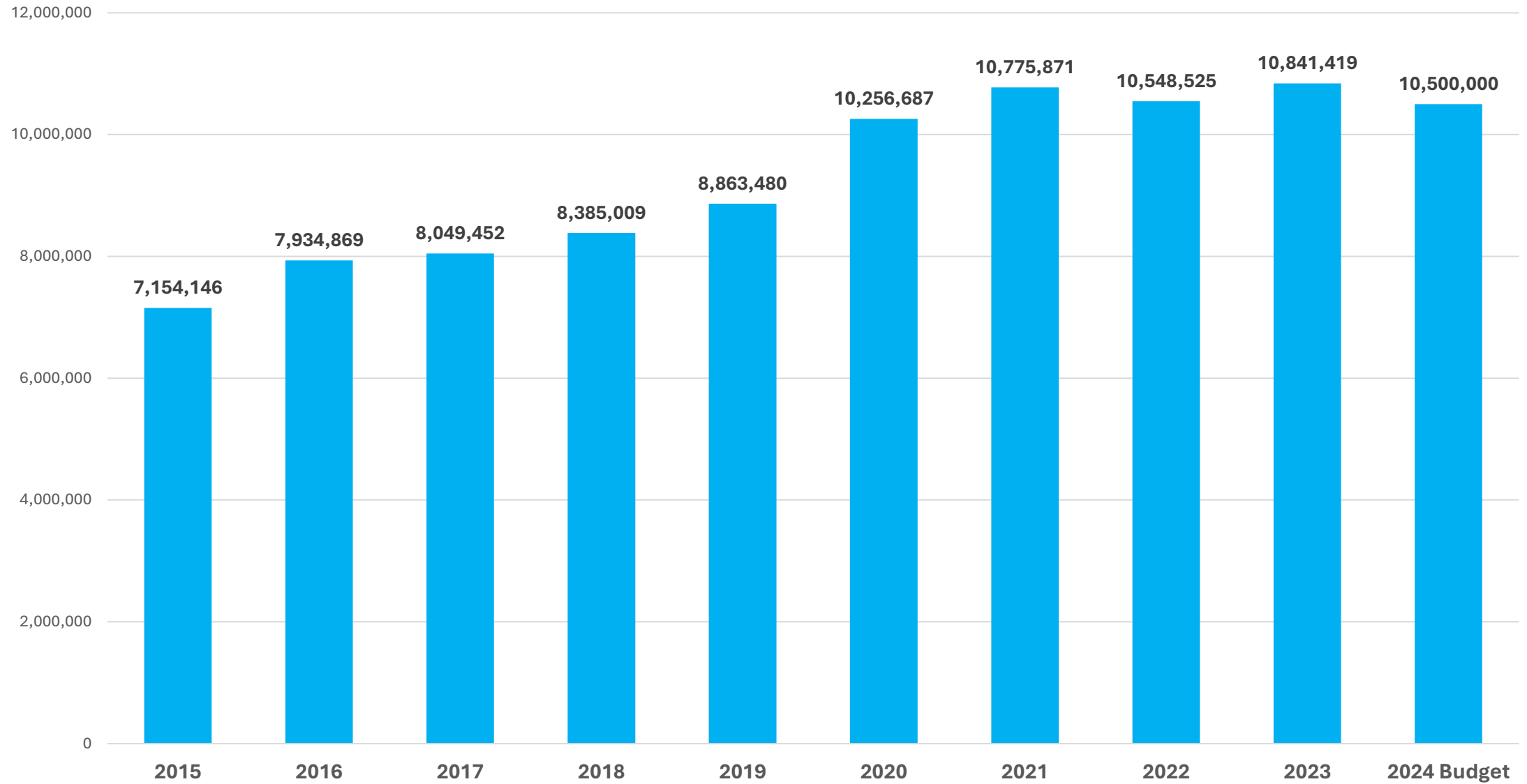
2024 **GRAPEVINE** BUDGET

- ❖ Print magazine circulation expected to decrease to 46,969 from 49,296 in 2023.
- ❖ Online and Complete circulation to increase to 4,625 from 3,002 in 2023.
- ❖ 10,069 new app subscribers compared to 3,400 in 2023.
- ❖ Gross margin on subscriptions \$1,147,021 compared to \$601,088 in 2023.
- ❖ Grapevine net deficit of \$582,572 compared to a net deficit of \$888,465 in 2023.
- ❖ La Viña magazine circulation to increase to 6,782 compared to 6,484 in 2023.
- ❖ General Fund La Viña support of \$569,512 compared to \$753,376 in 2023.

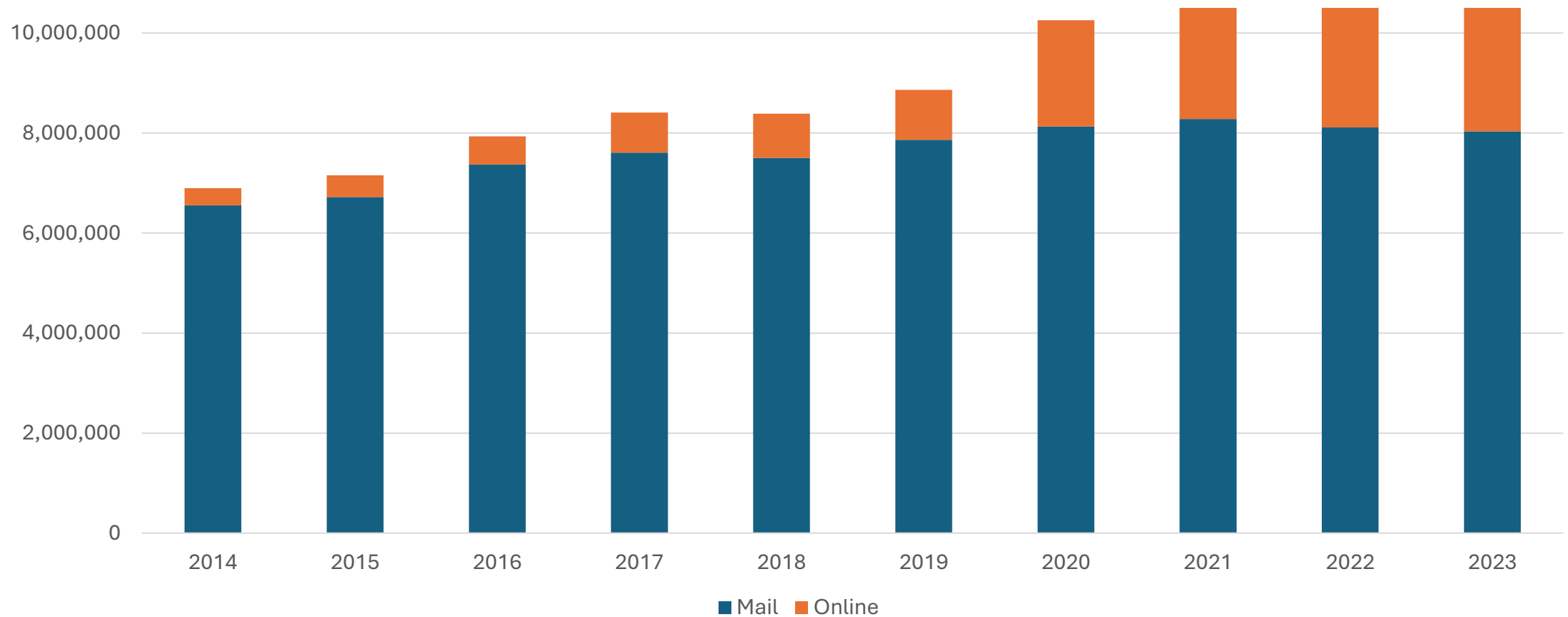
GRATITUDE – 7TH TRADITION



7TH TRADITION SELF-SUPPORT – 2015 – 2024

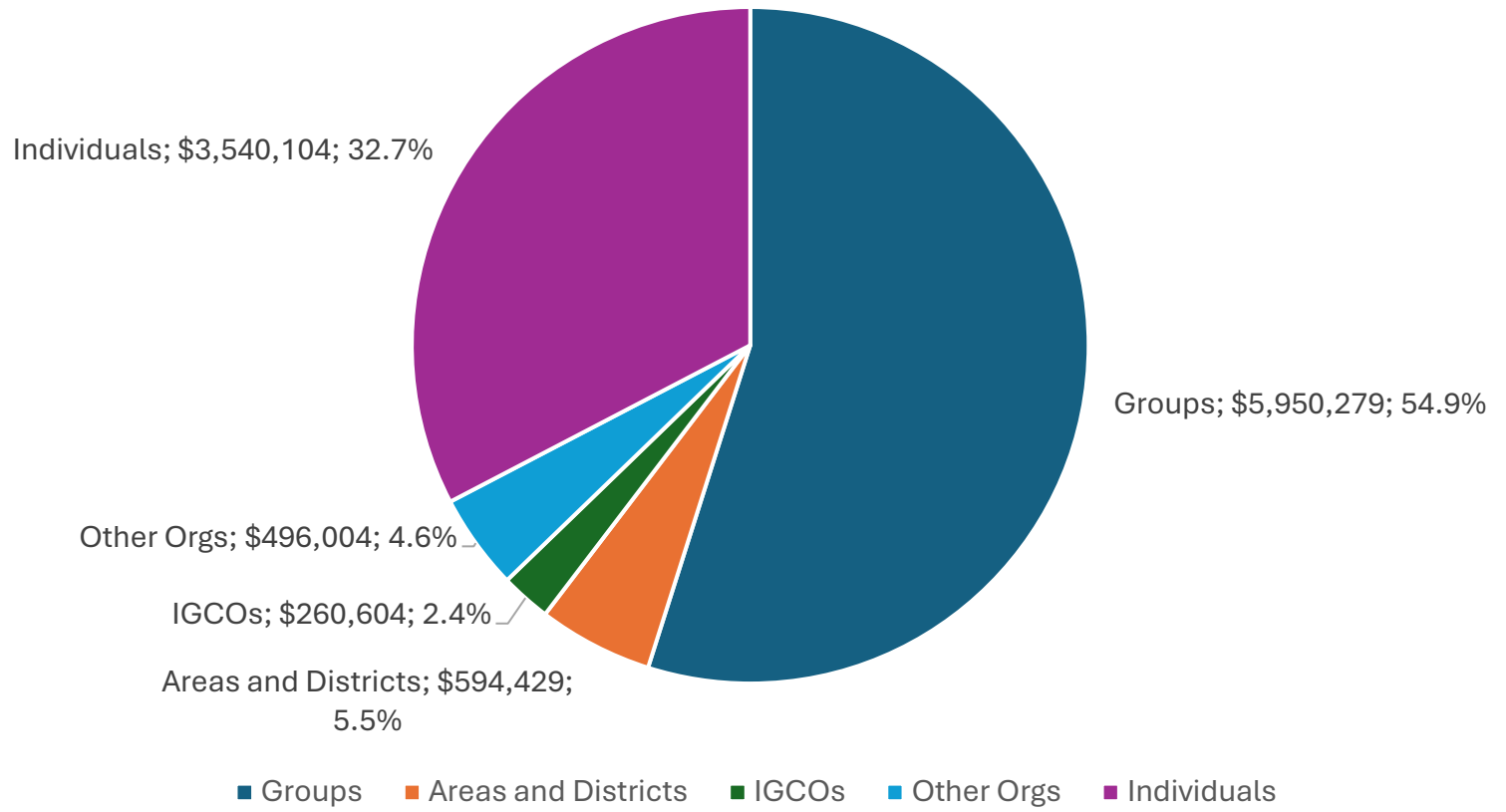


GROWTH OF ON-LINE CONTRIBUTIONS 2014 – 2023



A mail contribution costs \$5.60 to process. An online contribution costs \$2.93 to process, a \$2.67 savings.

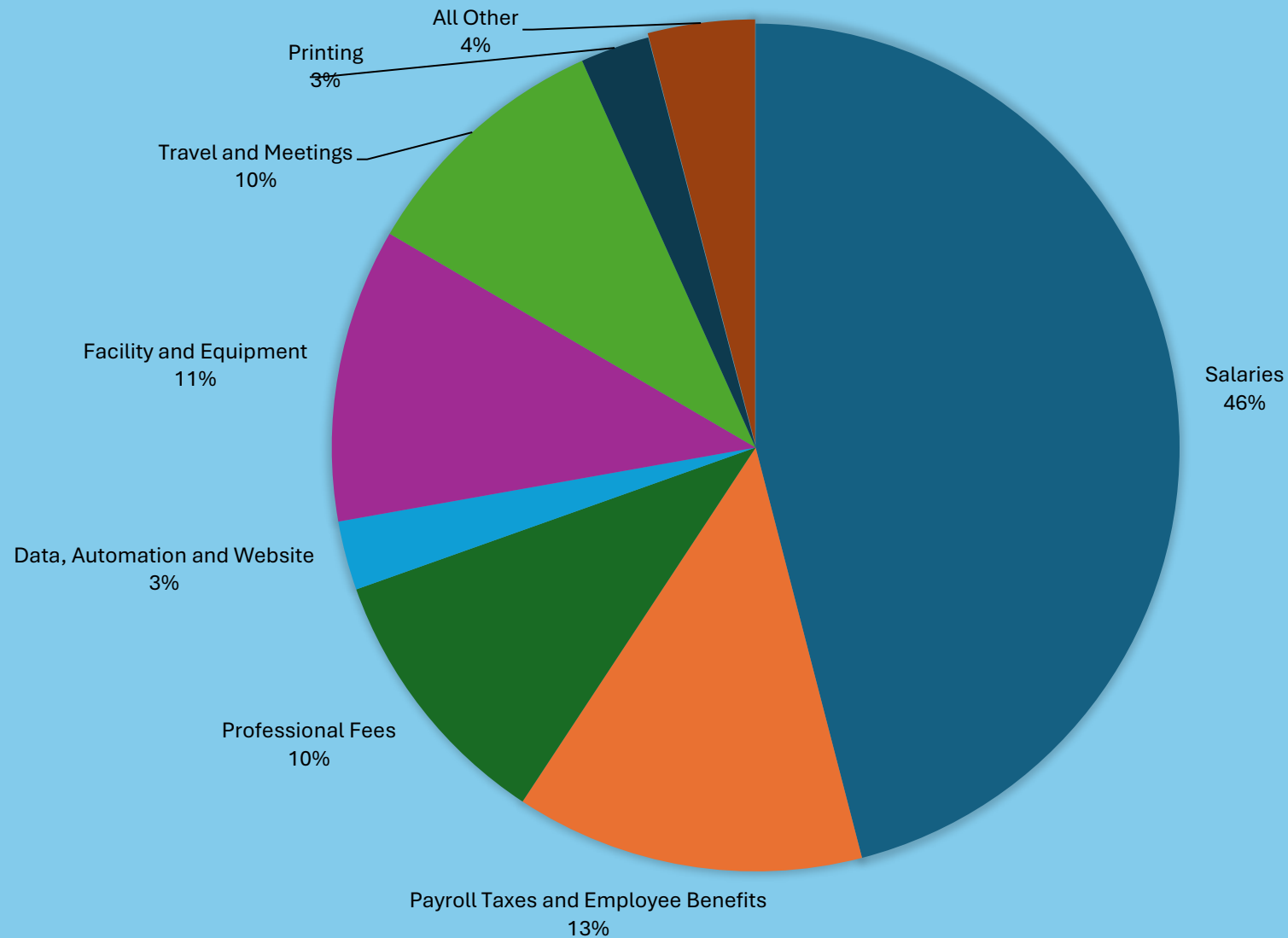
CONTRIBUTIONS BY TYPE OF CONTRIBUTOR 2023



CONSOLIDATED (GSO + GV) OPERATING EXPENSES – 2023

FINANCIAL STATEMENT EXPENSE CATEGORIES

PERCENTAGE BREAKDOWN



2023 PRUDENT RESERVE

Beginning Balance January 1, 2023	12,924,561
Investment Earnings	206,301
Drawdowns	(500,000)
Additions	0
Ending Balance December 31, 2023	12,630,862

Composition of Ending Balance	
Cash	2,706,106
Certificates of Deposit (CDARs)	10,449,356
Accrued Interest	48,413
Less Grapevine subscription liability	(573,012)
Ending Balance	12,630,862

Number of Months Expenses Held	Based on 2023 expenses	Based on 2024 expenses
January 1, 2023	7.35	6.98
December 31, 2023	7.18	6.82

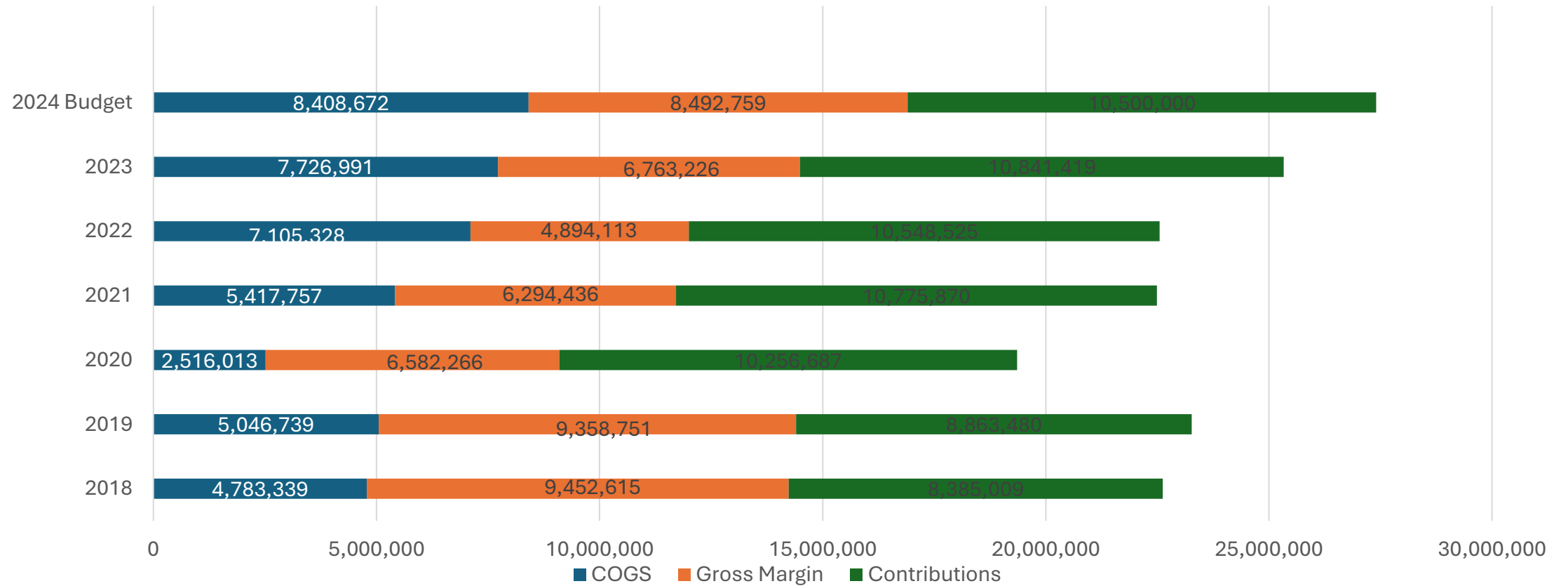
USES OF GSB's RESERVE FUND

- ❖ Concept of GSB's Prudent Reserve – not same as in your Home Group's reserve
- ❖ GSB's Reserve Fund covers much more
- ❖ In 1967, the General Service Conference issued the Advisory Action that “The GSB make use of investment income from the Reserve Fund for whatever purpose the Board may authorize”.
- ❖ Broadly, this could include, whether planned or unplanned:
 - ❖ Operating Deficits of AAWS or Grapevine
 - ❖ Periodic expenditures such as an office renovation or major technical upgrade
 - ❖ Extraordinary expenses outside of “normal” operations

RESERVE FUND POLICY

- ❖ 1977 Advisory Action established the upper limit of the reserve fund as 12 months of operating expense of GSB, AAWS, and GV combined
- ❖ A 1981 Advisory Action specified that a lower limit not be provided. However, a 9 month lower limit appears in Conference Finance Committee reports throughout the history of the reserve.
- ❖ Policy adopted by GSB in 2022 includes:
 - ❖ a 9 to 12 month goal range
 - ❖ At least 50% of the portfolio available within one year
 - ❖ GSB must authorize transfers into and withdrawals from the Reserve Fund
 - ❖ In the event of emergencies such as a bank failure or inability to meet payroll, Trustees Finance and Budgetary Committee may authorize a withdrawal. If the Committee is unable to be gathered within the needed timeframe, two officers of the GSB may authorize.

GSO REVENUE TREND



***Location+ Report
Should the General
Service Office be
Relocated?
(for Economic
Reasons)***

- **Current lease at 475 Riverside Drive expires December 2025**
- **In keeping with past practice, a study of location options, benefits, and costs was conducted**
- **Due to significant changes in commercial real estate landscape during and following covid, it was decided to engage a consultant to ensure an in-depth effective, objective, data driven process**

***Location+ Report
Should the General
Service Office be
Relocated?
(for Economic
Reasons)***

- **An in-depth study for five locations was conducted**
 1. **The current location**
 2. **A New Jersey location**
 3. **Atlanta, Indianapolis, and Philadelphia**
- **New Jersey was considered due to its proximity to the current location**
- **The remaining three were chosen from a survey of 116 Metro Areas**

***Location+ Report
Should the General
Service Office be
Relocated?
(for Economic
Reasons)***

Criteria considered:

- **Lease rates**
- **Public transportation**
- **Commute impact**
- **Cost of living**
- **Operating expenses**
- **Wages**
- **Professional talent**
- **Proximity to a major airport hub**
- **Employee retention and relocation expenses**
- **Moving cost of the physical office**

Location+ Study Results

- **Cost of physically relocating the office, estimated at \$6 - \$7 million, makes moving untenable at this time**
- **Lease negotiations with the Interchurch Center at 475 Riverside Dr. have resulted in a letter of intent for a base rate of \$25.46 per sq. ft. for the space on the 11th floor.**
- **The lease for the 8th floor will not be renewed.**
- **Renovations to the 11th floor will take place to accommodate the 21 employees currently housed on the 8th floor.**
- **This cost estimated at \$1.4 million.**

General Service Board Inventory

- **At the 73rd General Service Conference, the General Service Board was tasked with the following Advisory Action:**
- ***In an effort to improve communication, ensure Board policies are reflective of our principles, and reestablish a relationship of trust between the General Service Conference, the General Service Board and the Fellowship of Alcoholics Anonymous, the General Service Board is asked to undertake an inventory prior to the 74th General Service Conference. To assist the Board in this endeavor, the 73rd General Service Conference will establish a working group to aid the General Service Board in formulating possible inventory questions.***
- **This Advisory Action was given the highest priority of the actions coming out of the 73rd General Service Conference, and the oversight of the implementation of this inventory was assigned to the Trustees' Committee on the General Service Conference. A subcommittee was formed and with the help of our dedicated staff, a working group representative of the makeup of the 73rd General Service Conference members was selected, and they started the process of developing questions for the inventory.**

General Service Board Inventory

- **Twenty-three questions formulated by the working group.**
- **The inventory questions were completed, and an outside facilitator was engaged before the Panel 72 members of the working group rotated.**
- **The inventory questions were distributed to the members of the General Service Board with ample time to collect and compile the answers before the January Board Weekend.**
- **On Friday, January 26, 2024, the General Service Board members met at 475 Riverside Drive to conduct the inventory**
- **The full report from the GSB Chair can be found on the Delegate page at:
aa-seta.org**

General Service Board Inventory

- **My overall impression is that the General Service Board did conduct a fearless and thorough inventory of itself.**
- **As with any 4th Step inventory, action will be required for the inventory to be of value.**
- **Actions items are included in the report.**
- **A working group established by the Board Chair will establish timelines for completing the action items.**
- **A close read of the full report may reveal some of the grievances against the Board Chair who resigned.**
- **I feel that the report also shows evidence of unprincipled behavior among Board members.**

***Discussion on
Founders'
Writings Survey***

- **Two Full Conference discussion sessions were held to discuss the Founders' writings survey. Each lasted two and one-half hours.**
- **The first was held virtually prior to Conference**
- **The second session was held during the Conference.**
- **In sum-total, most Area's do not want to see changes to the Founders' writings.**

Equitable Distribution of Workload

- **The 74th GSC was the final year of a three-year pilot.**
- **The Policy/Admissions Conference Committee recommended adoption of EDW minus the agenda item submission date. Recommendation passed.**
- **The Committee also recommended that the deadline for PAI's be moved to no earlier than September 30th. Recommendation passed.**

Note: Conference Coordinator Diana L. stated that this is the latest date that would allow getting everything ready for the October Board Mtg.



Grapevine/La Vina

***Agenda Item:
Discuss cost
effectiveness of
continuing to
print La Vina***

Cost to Support La Vina as a Service to the Fellowship:

<u>Year</u>	<u>Cost</u>
2018	\$148,467
2019	\$288,594
2020	\$252,080
2021	\$388,646
2022	\$636,604
2023 (reforecast)	\$754,451
2024 (budget)	\$569,512

***Agenda Item:
Discuss cost
effectiveness of
continuing to
print La Vina***

Agenda Item: Discuss the cost effectiveness of continuing to print La Viña.

The committee recommended that the AA Grapevine Board develop a 5-year financial plan for La Viña with the goal to reduce shortfalls and increase revenue to be brought back to the 2025 Conference Committee on Grapevine and La Viña.

Additional committee consideration:

The committee requested that the Grapevine Board develop a plan for a more effective La Viña subscription procedure, fulfillment process and customer service experience and that a progress report be brought back to the 2025 Conference Committee on Grapevine and La Viña.

Note: This is a quote from the GV/LV Committee Chair Rick W.

“I’m happy to report that never was there any discussion in this committee to discontinue the printing of La Viña.”

I’m happy to report that neither was there any discussion during full Conference discussion of doing so.



Final Thoughts

- **The atmosphere at this Conference was markedly different than the previous Conference.**
- **While there seemed to be more unity and trust between the Board and delegates, we are not where we need to be.**
- **Based on the number of floor actions and amendments proposed for committee recommendations, the Conference has lost respect for the committee process.**
- **We are asked not to share proceedings of the Conference until closing. After closing, anything that took place can be shared.**
- **In spite of this request, within 30 minutes of approval of the PLBB, a Delegate from our region received a very unprincipled and crude text from a Past Delegate from their Area.**



Final Thoughts (continued)

- **Despite the negative tone of the previous slide, it has been an honor and privilege to serve as your Delegate for the 73rd and 74th General Service Conferences.**
- **I truly appreciate your trust and support.**
- **This has been an experience I never would have wanted to miss.**
- **I hope and pray that each of you do not want to miss it either.**
- **I love and respect each and every one of you.**

THANK YOU, THANK YOU, THANK YOU!