

---

**THE GENERAL SERVICE BOARD OF  
ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**

**Consolidated Financial Statements and  
Supplementary Information  
(Together with Independent Auditors' Report)**

**Years Ended December 31, 2021 and 2020**



**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**(Together with Independent Auditors' Report)**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report.....	1-2
<b>Consolidated Financial Statements:</b>	
Consolidated Statements of Financial Position .....	3-4
Consolidated Statements of Activities .....	5-6
Consolidated Statements of Functional Expenses.....	7-8
Consolidated Statements of Cash Flows.....	9
Notes to Consolidated Financial Statements .....	10-19
<b>Supplementary Information:</b>	
Supplemental Schedule of Group Services Expenses .....	20
Supplemental Schedules of Gross Sales .....	21
Supplemental Schedules of Activities – A.A. Grapevine.....	22
Supplemental Gross Profit Analysis – A.A. Grapevine .....	23
Supplemental Total Costs and Expenses – A.A. Grapevine .....	24
Supplemental La Viña Analysis .....	25



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
The General Service Board of Alcoholics Anonymous, Inc. and Affiliates

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of The General Service Board of Alcoholics Anonymous, Inc. and its Affiliates: Alcoholics Anonymous World Services, Inc. and Alcoholics Anonymous Grapevine, Inc. (collectively, the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the change in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Report on December 31, 2020 Consolidated Financial Statements***

The consolidated financial statements of the Organization as of and for the year ended December 31, 2020 were audited by another auditor whose report dated April 15, 2021 expressed an unmodified opinion on those consolidated statements.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

#### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the December 31, 2021 consolidated financial statements as a whole. The supplementary information for the year ended December 31, 2021 shown on pages 20-25 is presented for purposes of additional analysis of the consolidated financial statements and is not a required part of the 2021 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary information referred to above for the year ended December 31, 2020 was subjected to the auditing procedures applied in the December 31, 2020 audit of the consolidated financial statements by another auditor, whose report on such information stated that it was fairly stated in all material respects in relation to the December 31, 2020 consolidated financial statements as a whole.

*Mayer Hoffman McCann CPAs*

New York, NY  
April 22, 2022

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**  
**(With Comparative Totals For 2020)**

	General Service Board					A.A. World Services, Inc.	A.A. Grapevine, Inc.	Eliminations	Consolidated Total 2021	Consolidated Total 2020
	General Fund	Reserve Fund	Capital Projects Fund	Postretirement Medical Fund	Pension Benefits					
<b>ASSETS</b>										
Cash and cash equivalents (Notes 2D and 7)	\$ 1,806,964	\$ 5,596,553	\$ -	\$ 99,710	\$ -	\$ 1,123,202	\$ 631,921	\$ -	\$ 9,258,350	\$ 4,493,813
Investments (Notes 2E, 2F, 4,5 and 8)	-	8,697,138	-	8,608,074	-	-	-	-	17,305,212	20,343,034
Accounts receivable, net (Note 2K)	-	-	-	-	-	445,023	112,489	-	557,512	379,792
Inventory (Note 2G)	-	-	-	-	-	3,289,548	375,381	-	3,664,929	3,306,831
Prepaid expenses and other assets (Note 9)	523,663	2,095	-	-	3,572,594	299,998	238,296	(14,000)	4,622,646	697,505
Due from affiliates / intercompany funds (Note 11)	-	-	-	-	-	3,226,792	1,443,500	(4,670,292)	-	-
Property and equipment, net (Notes 2H and 6)	-	-	2,534,562	-	-	803,286	114,981	-	3,452,829	3,556,635
<b>TOTAL ASSETS</b>	<b>\$ 2,330,627</b>	<b>\$ 14,295,786</b>	<b>\$ 2,534,562</b>	<b>\$ 8,707,784</b>	<b>\$ 3,572,594</b>	<b>\$ 9,187,849</b>	<b>\$ 2,916,568</b>	<b>\$ (4,684,292)</b>	<b>\$ 38,861,478</b>	<b>\$ 32,777,610</b>
<b>LIABILITIES</b>										
Accounts payable and accrued expenses (Note 11)	\$ 2,915,281	\$ 1,457,500	\$ -	\$ -	\$ -	\$ 1,528,524	\$ 698,349	\$ (4,684,292)	\$ 1,915,362	1,461,438
Deferred revenue (Note 2I)	-	-	-	-	-	113,305	1,761,964	-	1,875,269	1,811,460
Postretirement benefit (Note 8)	-	-	-	7,382,319	-	-	-	-	7,382,319	8,388,741
Accrued pension benefit (Note 9)	-	-	-	-	-	-	-	-	-	3,118,300
<b>TOTAL LIABILITIES</b>	<b>2,915,281</b>	<b>1,457,500</b>	<b>-</b>	<b>7,382,319</b>	<b>-</b>	<b>1,641,829</b>	<b>2,460,313</b>	<b>(4,684,292)</b>	<b>11,172,950</b>	<b>14,779,939</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>										
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS (Note 2C)</b>	<b>(584,654)</b>	<b>12,838,286</b>	<b>2,534,562</b>	<b>1,325,465</b>	<b>3,572,594</b>	<b>7,546,020</b>	<b>456,255</b>	<b>-</b>	<b>27,688,528</b>	<b>17,997,671</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,330,627</b>	<b>\$ 14,295,786</b>	<b>\$ 2,534,562</b>	<b>\$ 8,707,784</b>	<b>\$ 3,572,594</b>	<b>\$ 9,187,849</b>	<b>\$ 2,916,568</b>	<b>\$ (4,684,292)</b>	<b>\$ 38,861,478</b>	<b>\$ 32,777,610</b>

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020**

	General Service Board					A.A. World Services, Inc.	A.A. Grapevine, Inc.	Eliminations	Consolidated Total 2020
	General Fund	Reserve Fund	Capital Projects Fund	Postretirement Medical Fund	Pension Benefits				
<b>ASSETS</b>									
Cash and cash equivalents (Notes 2D and 7)	\$ 2,198,160	\$ 1,063,149	\$ -	\$ 47,776	\$ -	\$ 678,829	\$ 505,899	\$ -	\$ 4,493,813
Investments (Notes 2E, 2F, 4,5 and 8)	-	12,610,224	-	7,732,810	-	-	-	-	20,343,034
Accounts receivable, net (Note 2K)	-	-	-	-	-	348,933	30,859	-	379,792
Inventory (Note 2G)	-	-	-	-	-	2,967,743	339,088	-	3,306,831
Prepaid expenses and other assets (Note 9)	129,393	250,091	-	-	-	252,549	231,318	(165,846)	697,505
Due from affiliates / intercompany funds (Note 11)	-	-	-	-	-	4,682,311	1,443,500	(6,125,811)	-
Property and equipment, net (Notes 2H and 6)	-	-	2,368,912	-	-	1,013,542	174,181	-	3,556,635
<b>TOTAL ASSETS</b>	<b>\$ 2,327,553</b>	<b>\$ 13,923,464</b>	<b>\$ 2,368,912</b>	<b>\$ 7,780,586</b>	<b>\$ -</b>	<b>\$ 9,943,907</b>	<b>\$ 2,724,845</b>	<b>\$ (6,291,657)</b>	<b>\$ 32,777,610</b>
<b>LIABILITIES</b>									
Accounts payable and accrued expenses (Note 11)	\$ 4,579,080	\$ 1,473,500	\$ -	\$ -	\$ -	\$ 1,242,188	\$ 458,327	\$ (6,291,657)	\$ 1,461,438
Deferred revenue (Note 2I)	1,575	-	-	-	-	112,236	1,697,649	-	1,811,460
Postretirement benefit (Note 8)	-	-	-	8,388,741	-	-	-	-	8,388,741
Accrued pension benefit (Note 9)	-	-	-	-	3,118,300	-	-	-	3,118,300
<b>TOTAL LIABILITIES</b>	<b>4,580,655</b>	<b>1,473,500</b>	<b>-</b>	<b>8,388,741</b>	<b>3,118,300</b>	<b>1,354,424</b>	<b>2,155,976</b>	<b>(6,291,657)</b>	<b>14,779,939</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>									
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS (Note 2C)</b>	<b>(2,253,102)</b>	<b>12,449,964</b>	<b>2,368,912</b>	<b>(608,155)</b>	<b>(3,118,300)</b>	<b>8,589,483</b>	<b>568,869</b>	<b>-</b>	<b>17,997,671</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,327,553</b>	<b>\$ 13,923,464</b>	<b>\$ 2,368,912</b>	<b>\$ 7,780,586</b>	<b>\$ -</b>	<b>\$ 9,943,907</b>	<b>\$ 2,724,845</b>	<b>\$ (6,291,657)</b>	<b>\$ 32,777,610</b>

The accompanying notes are an integral part of these consolidated financial statements.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(With Comparative Totals for 2020)**

	General Service Board					A.A. Grapevine, Inc.			Consolidated Total 2021	Consolidated Total 2020	
	General Fund	Reserve Fund	Capital Projects Fund	Postretirement Medical Fund	Pension Benefits	A.A. World Services, Inc.	Grapevine	La Viña			Total
<b>OPERATING REVENUE AND SUPPORT:</b>											
Gross sales revenue (Note 2I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,110,603	\$ 2,524,055	\$ 109,811	\$ 2,633,866	\$ 14,744,469	\$ 11,660,098
Less: discounts	-	-	-	-	-	(758,528)	-	-	-	(758,528)	(274,480)
Net sales	-	-	-	-	-	11,352,075	2,524,055	109,811	2,633,866	13,985,941	11,385,618
Cost of literature distributed											
Printing	-	-	-	-	-	(2,875,814)	(56,112)	(2,000)	(58,112)	(2,933,926)	(1,740,504)
Direct shipping and warehousing	-	-	-	-	-	(2,178,583)	(965,644)	(66,646)	(1,032,290)	(3,210,873)	(1,427,664)
Gross profit from literature	-	-	-	-	-	6,297,678	1,502,299	41,165	1,543,464	7,841,142	8,217,450
Contributions (Note 2J)	10,848,620	-	-	-	-	-	-	-	-	10,848,620	10,344,052
Investment income (Notes 2E and 4)	-	112,512	-	1,152,607	-	-	14,000	-	14,000	1,279,119	1,186,623
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>10,848,620</u>	<u>112,512</u>	<u>-</u>	<u>1,152,607</u>	<u>-</u>	<u>6,297,678</u>	<u>1,516,299</u>	<u>41,165</u>	<u>1,557,464</u>	<u>19,968,881</u>	<u>19,748,125</u>
<b>OPERATING EXPENSES (Note 2L):</b>											
Program services	4,342,450	-	-	-	-	3,125,079	1,724,859	429,811	2,154,670	9,622,199	10,810,066
Supporting services	2,983,711	-	648,586	-	-	4,216,305	84,065	-	84,065	7,932,667	7,996,153
<b>TOTAL OPERATING EXPENSES</b>	<u>7,326,161</u>	<u>-</u>	<u>648,586</u>	<u>-</u>	<u>-</u>	<u>7,341,384</u>	<u>1,808,924</u>	<u>429,811</u>	<u>2,238,735</u>	<u>17,554,866</u>	<u>18,806,219</u>
<b>OPERATING SURPLUS (LOSS)</b>	3,522,459	112,512	(648,586)	1,152,607	-	(1,043,706)	(292,625)	(388,646)	(681,271)	2,414,015	941,906
<b>NON-OPERATING ACTIVITIES AND OTHER (Note 2N):</b>											
G.S.B. support for La Viña	(388,646)	-	-	-	-	-	-	388,646	388,646	-	-
Insurance settlement and other	-	-	-	-	-	243	11	-	11	254	863,604
Intercompany and interfund transfers (Note 11)	(1,465,365)	275,810	814,236	195,319	-	-	180,000	-	180,000	-	-
<b>TOTAL NON-OPERATING ACTIVITIES AND OTHER:</b>	<u>(1,854,011)</u>	<u>275,810</u>	<u>814,236</u>	<u>195,319</u>	<u>-</u>	<u>243</u>	<u>180,011</u>	<u>388,646</u>	<u>568,657</u>	<u>254</u>	<u>863,604</u>
<b>CHANGE IN NET ASSETS BEFORE PENSION-RELATED CHANGES</b>	1,668,448	388,322	165,650	1,347,926	-	(1,043,463)	(112,614)	-	(112,614)	2,414,269	1,805,510
Curtailment and settlement cost (Notes 8 and 9)	-	-	-	-	-	-	-	-	-	-	(5,467,084)
Other components of net periodic pension cost (Notes 8 and 9)	-	-	-	(380,687)	426,987	-	-	-	-	46,300	(492,827)
Pension and post-retirement changes other than net periodic costs	-	-	-	966,381	6,263,907	-	-	-	-	7,230,288	1,776,778
<b>TOTAL CHANGE IN NET ASSETS AFTER PENSION-RELATED CHANGES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>585,694</u>	<u>6,690,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,276,588</u>	<u>(4,183,133)</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	1,668,448	388,322	165,650	1,933,620	6,690,894	(1,043,463)	(112,614)	-	(112,614)	9,690,857	(2,377,623)
<b>Net Assets - Without donor restrictions - Beginning of Year</b>	<u>(2,253,102)</u>	<u>12,449,964</u>	<u>2,368,912</u>	<u>(608,155)</u>	<u>(3,118,300)</u>	<u>8,589,483</u>	<u>568,869</u>	<u>-</u>	<u>568,869</u>	<u>17,997,671</u>	<u>20,375,294</u>
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<u>\$ (584,654)</u>	<u>\$ 12,838,286</u>	<u>\$ 2,534,562</u>	<u>\$ 1,325,465</u>	<u>\$ 3,572,594</u>	<u>\$ 7,546,020</u>	<u>\$ 456,255</u>	<u>\$ -</u>	<u>\$ 456,255</u>	<u>\$ 27,688,528</u>	<u>\$ 17,997,671</u>

The accompanying notes are an integral part of these consolidated financial statements.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General Service Board</u>					<u>A.A. Grapevine, Inc.</u>			<u>Consolidated Total 2020</u>	
	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Capital Projects Fund</u>	<u>Postretirement Medical Fund</u>	<u>Pension Benefits</u>	<u>A.A. World Services, Inc.</u>	<u>Grapevine</u>	<u>La Viña</u>		<u>Total</u>
<b>OPERATING REVENUE AND SUPPORT:</b>										
Gross sales revenue (Note 2I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,098,279	\$ 2,455,790	\$ 106,029	\$ 2,561,819	\$ 11,660,098
Less: discounts	-	-	-	-	-	(274,480)	-	-	-	(274,480)
Net sales	-	-	-	-	-	8,823,799	2,455,790	106,029	2,561,819	11,385,618
Cost of literature distributed										
Printing	-	-	-	-	-	(1,608,913)	(103,694)	(27,897)	(131,591)	(1,740,504)
Direct shipping and warehousing	-	-	-	-	-	(632,620)	(766,337)	(28,707)	(795,044)	(1,427,664)
Gross profit from literature	-	-	-	-	-	6,582,266	1,585,759	49,425	1,635,184	8,217,450
Contributions (Note 2J)	10,344,052	-	-	-	-	-	-	-	-	10,344,052
Investment income (Notes 2E and 4)	-	245,191	-	911,432	-	-	30,000	-	30,000	1,186,623
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>10,344,052</b>	<b>245,191</b>	<b>-</b>	<b>911,432</b>	<b>-</b>	<b>6,582,266</b>	<b>1,615,759</b>	<b>49,425</b>	<b>1,665,184</b>	<b>19,748,125</b>
<b>OPERATING EXPENSES (Note 2L):</b>										
Program services	5,201,355	-	-	-	-	3,343,095	1,830,420	435,196	2,265,616	10,810,066
Supporting services	3,741,795	-	411,172	-	-	3,774,731	68,455	-	68,455	7,996,153
<b>TOTAL OPERATING EXPENSES</b>	<b>8,943,150</b>	<b>-</b>	<b>411,172</b>	<b>-</b>	<b>-</b>	<b>7,117,826</b>	<b>1,898,875</b>	<b>435,196</b>	<b>2,334,071</b>	<b>18,806,219</b>
<b>OPERATING SURPLUS (LOSS)</b>	<b>1,400,902</b>	<b>245,191</b>	<b>(411,172)</b>	<b>911,432</b>	<b>-</b>	<b>(535,560)</b>	<b>(283,116)</b>	<b>(385,771)</b>	<b>(668,887)</b>	<b>941,906</b>
<b>NON-OPERATING ACTIVITIES AND OTHER (Note 2N):</b>										
G.S.B. support for La Viña	(385,771)	-	-	-	-	-	-	385,771	385,771	-
Insurance settlement and other	863,604	-	-	-	-	-	-	-	-	863,604
Intercompany and interfund transfers (Note 11)	2,625,190	(4,000,000)	1,374,810	23,083	11,250	(18,750)	(15,583)	-	(15,583)	-
<b>TOTAL NON-OPERATING ACTIVITIES AND OTHER:</b>	<b>3,103,023</b>	<b>(4,000,000)</b>	<b>1,374,810</b>	<b>23,083</b>	<b>11,250</b>	<b>(18,750)</b>	<b>(15,583)</b>	<b>385,771</b>	<b>370,188</b>	<b>863,604</b>
<b>CHANGE IN NET ASSETS BEFORE PENSION-RELATED CHANGES</b>	<b>4,503,925</b>	<b>(3,754,809)</b>	<b>963,638</b>	<b>934,515</b>	<b>11,250</b>	<b>(554,310)</b>	<b>(298,699)</b>	<b>-</b>	<b>(298,699)</b>	<b>1,805,510</b>
Curtailment and settlement cost (Notes 8 and 9)	-	-	-	(543,893)	(4,923,191)	-	-	-	-	(5,467,084)
Other components of net periodic pension cost (Notes 8 and 9)	-	-	-	(279,695)	(213,132)	-	-	-	-	(492,827)
Pension and post-retirement changes other than net periodic costs	-	-	-	(1,167,033)	2,943,811	-	-	-	-	1,776,778
<b>TOTAL CHANGE IN NET ASSETS AFTER PENSION-RELATED CHANGES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,990,621)</b>	<b>(2,192,512)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,183,133)</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>4,503,925</b>	<b>(3,754,809)</b>	<b>963,638</b>	<b>(1,056,106)</b>	<b>(2,181,262)</b>	<b>(554,310)</b>	<b>(298,699)</b>	<b>-</b>	<b>(298,699)</b>	<b>(2,377,623)</b>
<b>Net Assets - Without donor restrictions - Beginning of Year</b>	<b>(6,757,027)</b>	<b>16,204,773</b>	<b>1,405,274</b>	<b>447,951</b>	<b>(937,038)</b>	<b>9,143,793</b>	<b>867,568</b>	<b>-</b>	<b>867,568</b>	<b>20,375,294</b>
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS - END OF YEAR</b>	<b>\$ (2,253,102)</b>	<b>\$ 12,449,964</b>	<b>\$ 2,368,912</b>	<b>\$ (608,155)</b>	<b>\$ (3,118,300)</b>	<b>\$ 8,589,483</b>	<b>\$ 568,869</b>	<b>\$ -</b>	<b>\$ 568,869</b>	<b>\$ 17,997,671</b>

The accompanying notes are an integral part of these consolidated financial statements.



**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(With Comparative Totals for 2020)**

	Program Services													Supporting Services					Total 2021	Total 2020					
	Literature Development & Distribution	Communications	Group Services	Public Information	Cooperation with Professional Community	Treatment / Accessibility	Correctional Facilities	Loners and Overseas Services	General Service Conference	Regional Forums	Archives	Nominating	International Literature Fund	World Service Meeting	International Convention	Grapevine	La Viña	Total Program Services			General Service Board	A.A.W.S.	Grapevine	Total Supporting Services	
Salaries	\$ 1,865,537	\$ 459,699	\$ 359,386	\$ 173,170	\$ 95,031	\$ 120,605	\$ 122,266	\$ 190,327	\$ 218,378	\$ 145,269	\$ 346,451	\$ 166,482	\$ -	\$ -	\$ -	\$ 747,481	\$ 243,184	\$ 5,253,266	\$ 1,878,684	\$ 1,545,586	\$ -	\$ 3,424,270	\$ 8,677,536	\$ 10,188,746	
Payroll taxes and benefits (Notes 8 and 9)	491,959	141,508	65,838	31,361	20,741	24,076	23,057	31,830	35,161	28,583	67,837	37,360	-	-	-	222,192	58,714	1,280,217	362,622	433,658	-	796,280	2,076,497	3,055,019	
Curtailment and settlement costs (Notes 8 and 9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,467,084	
<b>Total Personnel Costs</b>	<b>2,357,496</b>	<b>601,207</b>	<b>425,224</b>	<b>204,531</b>	<b>115,772</b>	<b>144,681</b>	<b>145,323</b>	<b>222,157</b>	<b>253,539</b>	<b>173,852</b>	<b>414,288</b>	<b>203,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>969,673</b>	<b>301,898</b>	<b>6,533,483</b>	<b>2,241,306</b>	<b>1,979,244</b>	<b>-</b>	<b>4,220,550</b>	<b>10,754,033</b>	<b>18,710,849</b>	
Professional fees	181,323	76,573	74,706	104,314	12,350	23,810	31,694	125,369	177,197	100,521	3,308	1,135	4,510	2,364	80	399,213	87,628	1,406,095	199,842	1,123,310	-	1,323,152	2,729,247	2,563,634	
Printing	76,097	8,530	62,574	17,749	59	603	5,896	165	16,711	95	996	708.00	-	-	1,850	-	-	192,033	26,365	158,885	-	185,250	377,283	347,046	
Data, automation & website	59,527	74,925	21,117	3,778	3,643	3,017	3,269	5,199	6,086	4,746	9,146	3,856	-	-	-	-	-	198,309	59,983	367,835	-	427,818	626,127	486,095	
Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164,889	10,049	174,938	-	-	-	-	174,938	383,605	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,959	28,959	-	57,918	53,761		
Facility & equipment	264,080	232	104,081	16,300	16,789	21,067	11,894	35,320	18,700	5,673	138,680	9,836	-	-	-	80,935	20,496	744,083	398,027	307,715	-	705,742	1,449,825	1,457,745	
Travel & meetings	2,575	188	492	-	-	158	1,200	17,299	14,979	149	140	-	-	-	-	-	-	37,180	175,095	54,097	-	229,192	266,372	206,860	
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,347	5,600	37,947	28,049	
E-Commerce and bank service fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	133,717	27,772	-	161,489	161,489	125,608	
Depreciation and amortization (Note 6)	113,810	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113,810	-	96,446	49,959	146,405	260,215	186,303	
Stationery and office supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,419	444	17,863	-	-	-	-	17,863	14,980	
Office services and expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92,730	9,296	102,026	-	-	6,584	6,584	108,610	116,711	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,461	39,695	21,922	72,078	72,078	7,056	
Delegate fees	-	-	-	-	-	-	-	-	(233,965)	-	-	-	-	-	-	-	-	(233,965)	-	-	-	-	(233,965)	(299,011)	
<b>Total expenses before pension and capital projects changes</b>	<b>3,054,908</b>	<b>761,655</b>	<b>688,194</b>	<b>346,672</b>	<b>148,613</b>	<b>193,336</b>	<b>199,276</b>	<b>405,509</b>	<b>253,247</b>	<b>285,036</b>	<b>566,558</b>	<b>219,377</b>	<b>4,510</b>	<b>2,364</b>	<b>1,930</b>	<b>1,724,859</b>	<b>429,811</b>	<b>9,285,855</b>	<b>3,273,755</b>	<b>4,216,305</b>	<b>84,065</b>	<b>7,574,125</b>	<b>16,859,980</b>	<b>24,389,291</b>	
Less: contributions to retirement plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,250)
Less: contributions to post-retirement plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,083)
Less: net periodic pension and post-retirement cost	-	-	4,670	2,353	1,009	1,312	1,352	2,752	3,306	1,934	3,845	1,486	29	15	12	-	-	24,075	22,225	-	-	22,225	46,300	(492,827)	
Less: Curtailment and settlement cost (Notes 8 and 9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,467,084)
Plus: capital projects depreciation	-	-	90,854	13,297	14,417	17,096	7,883	19,566	13,297	3,799	124,177	7,883	-	-	-	-	-	312,269	336,317	-	-	336,317	648,586	411,172	
<b>TOTAL EXPENSES</b>	<b>\$ 3,054,908</b>	<b>\$ 761,655</b>	<b>\$ 783,718</b>	<b>\$ 362,322</b>	<b>\$ 164,039</b>	<b>\$ 211,744</b>	<b>\$ 208,511</b>	<b>\$ 427,827</b>	<b>\$ 269,850</b>	<b>\$ 290,769</b>	<b>\$ 694,580</b>	<b>\$ 228,746</b>	<b>\$ 4,539</b>	<b>\$ 2,379</b>	<b>\$ 1,942</b>	<b>\$ 1,724,859</b>	<b>\$ 429,811</b>	<b>\$ 9,622,199</b>	<b>\$ 3,632,297</b>	<b>\$ 4,216,305</b>	<b>\$ 84,065</b>	<b>\$ 7,932,667</b>	<b>\$ 17,554,866</b>	<b>\$ 18,806,219</b>	

The accompanying notes are an integral part of these consolidated financial statements.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services																Supporting Services				Total			
	Literature Development & Distribution	Group Services	Public Information	Cooperation with Professional Community	Treatment / Accessibility	Correctional Facilities	Loners and Overseas Services	General Service Conference	Regional Forums	Archives	Nominating	Trustee and Director Activities	World Service Meeting	Communication	Spanish Services	International Convention	Grapevine	La Viña	Total Program Services	General Service Board		A.A.W.S.	Grapevine	Total Supporting Services
Salaries	\$ 1,971,782	\$ 1,104,410	\$ 175,683	\$ 122,564	\$ 71,079	\$ 178,468	\$ 325,516	\$ 256,839	\$ 125,208	\$ 451,740	\$ 182,997	\$ -	\$ 12,475	\$ 143,901	\$ -	\$ 134,900	\$ 886,259	\$ 269,539	\$ 6,413,360	\$ 2,088,825	\$ 1,686,561	\$ -	\$ 3,775,386	\$ 10,188,746
Payroll taxes and benefits (Notes 8 and 9)	462,099	359,432	49,503	34,395	20,931	66,488	126,063	10,260	38,490	130,650	76,986	-	-	64,237	-	58,945	241,525	72,122	1,812,126	794,518	448,375	-	1,242,893	3,055,019
Curtaiment and settlement costs (Notes 8 and 9)	-	1,033,183	172,026	120,153	68,697	158,553	284,399	313,603	192,291	438,976	153,766	27,528	59,287	117,216	2,563	111,158	-	-	3,253,399	2,213,685	-	-	2,213,685	5,467,084
<b>Total Personnel Costs</b>	<b>2,433,881</b>	<b>2,497,025</b>	<b>397,212</b>	<b>277,112</b>	<b>160,707</b>	<b>403,509</b>	<b>735,978</b>	<b>580,702</b>	<b>355,989</b>	<b>1,021,366</b>	<b>413,749</b>	<b>27,528</b>	<b>71,762</b>	<b>325,354</b>	<b>2,563</b>	<b>305,003</b>	<b>1,127,784</b>	<b>341,661</b>	<b>11,478,885</b>	<b>5,097,028</b>	<b>2,134,936</b>	<b>-</b>	<b>7,231,964</b>	<b>18,710,849</b>
Professional Fees	221,410	43,391	16,230	28,856	9,906	2,812	481	40,283	49,402	24,389	2,662	3,195	92,246	78	-	2,322	303,684	52,364	893,711	449,576	1,220,347	-	1,669,923	2,563,634
Printing	5,443	111,325	4,321	2,545	1,142	7,292	4,224	26,612	10,487	2,327	121	583	48	31	3,671	951	-	-	181,123	22,360	143,563	-	165,923	347,046
Data, automation & website	148,495	65,831	33,547	7,608	2,326	11,259	2,326	25,338	6,982	36,416	1,633	5,722	16,371	-	1,356	-	-	-	365,210	73,992	46,893	-	120,885	486,095
Selling expense	119,716	-	-	-	-	-	37,780	-	-	-	-	-	-	-	-	-	213,864	12,245	383,605	-	-	-	-	383,605
Insurance	2,687	1,422	37	43	123	27	13	9,307	2,178	813	123	207	27	27	13	57	-	-	17,104	13,407	23,250	-	36,657	53,761
Facility & equipment	293,300	147,717	26,667	17,082	16,243	15,873	9,962	60,258	15,458	131,823	8,132	2,932	17,825	106	2,034	224	80,204	23,214	869,054	440,350	146,266	2,075	588,691	1,457,745
Travel & meetings	3,969	417	181	682	74	-	-	91,606	11,679	192	649	63,066	10,027	233	-	304	-	-	183,079	2,945	20,836	-	23,781	206,860
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,214	24,805	2,030	28,049	28,049
E-Commerce & bank service fees	1,270	5,793	151	175	502	109	52	37,916	8,873	3,314	500	841	109	109	52	232	-	-	59,998	54,622	10,988	-	65,610	125,608
Depreciation and amortization (Note 6)	112,924	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112,924	-	14,541	58,838	73,379	186,303
Stationery and office supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,488	195	14,683	-	297	297	297	14,980
Office services and expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,396	5,517	95,913	-	20,798	20,798	20,798	116,711
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,056	-	7,056	7,056
Delegate fees	-	-	-	-	-	-	-	(299,011)	-	-	-	-	-	-	-	-	-	-	(299,011)	-	-	-	-	(299,011)
Total expenses before pension and capital projects changes	3,343,095	2,872,921	478,346	334,103	191,023	440,881	790,816	573,011	461,048	1,220,640	427,569	104,074	208,415	325,938	9,689	309,093	1,830,420	435,196	14,356,278	6,155,494	3,793,481	84,038	10,033,013	24,389,291
Less: contributions to retirement plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,250)	(11,250)	(11,250)
Less: contributions to post-retirement plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,750)	(4,333)	(23,083)	(23,083)
Less: net periodic pension and post-retirement cost	-	(93,136)	(15,507)	(10,831)	(6,193)	(14,293)	(25,637)	(28,270)	(17,334)	(39,571)	(13,861)	(2,481)	(5,344)	(10,566)	231	(10,020)	-	-	(292,813)	(200,014)	-	-	(200,014)	(492,827)
Less: Curtailment and settlement cost (Notes 8 and 9)	-	(1,033,183)	(172,026)	(120,153)	(68,697)	(158,553)	(284,399)	(313,603)	(192,291)	(438,976)	(153,766)	(27,528)	(59,287)	(117,216)	(2,563)	(111,158)	-	-	(3,253,399)	(2,213,685)	-	-	(2,213,685)	(5,467,084)
Plus: capital projects depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	411,172	-	-	411,172	411,172
<b>TOTAL EXPENSES</b>	<b>\$ 3,343,095</b>	<b>\$ 1,746,602</b>	<b>\$ 290,813</b>	<b>\$ 203,119</b>	<b>\$ 116,133</b>	<b>\$ 268,035</b>	<b>\$ 480,780</b>	<b>\$ 231,138</b>	<b>\$ 251,423</b>	<b>\$ 742,093</b>	<b>\$ 259,942</b>	<b>\$ 74,065</b>	<b>\$ 143,784</b>	<b>\$ 198,156</b>	<b>\$ 7,357</b>	<b>\$ 187,915</b>	<b>\$ 1,830,420</b>	<b>\$ 435,196</b>	<b>\$ 10,810,066</b>	<b>\$ 4,152,967</b>	<b>\$ 3,774,731</b>	<b>\$ 68,455</b>	<b>\$ 7,996,153</b>	<b>\$ 18,806,219</b>

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 9,690,857	\$ (2,377,623)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Pension related changes other than net periodic pension cost	(6,263,907)	(2,943,811)
Postretirement related changes other than net periodic cost	(966,381)	1,167,033
Unrealized gain on investments	(1,026,812)	(793,687)
Bad debt	37,947	28,049
Loss on disposal of fixed assets	21,921	-
Depreciation and amortization	908,801	597,550
Sub-total	2,402,426	(4,322,489)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable, net	(215,667)	3,158
Inventory	(358,098)	(815,963)
Prepaid expenses and other assets	(3,925,141)	1,078,847
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	453,924	135,829
Deferred revenue	63,809	(3,153,112)
Postretirement benefit	(40,041)	823,588
Accrued pension benefit	3,145,607	5,125,073
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,526,819</b>	<b>(1,125,069)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(8,685,428)	(143,488)
Proceeds from sales of investments	12,750,062	3,395,163
Acquisition of property and equipment	(826,916)	(1,995,285)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>3,237,718</b>	<b>1,256,390</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,764,537	131,321
Cash and cash equivalents - beginning of year	4,493,813	4,362,492
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 9,258,350</b>	<b>\$ 4,493,813</b>

The accompanying notes are an integral part of these consolidated financial statements.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

The General Service Board of Alcoholics Anonymous, Inc., ("G.S.B.") and its affiliates, A.A. World Services, Inc. ("A.A.W.S.") and A.A. Grapevine, Inc. ("A.A.G.V.") (collectively, the "Organization") are not-for-profit organizations organized in New York for the purpose of assisting in the formation of A.A. groups and coordinating the A.A. program of rehabilitating alcoholics throughout the world, and publishing books, magazines, pamphlets and other material directly related to that purpose. The trustees of G.S.B. are ex officio members of A.A.W.S. and A.A.G.V., and as such, elect their boards of directors. As members, they also have the sole right to amend the A.A.W.S., and A.A.G.V. bylaws and approve their budgets.

G.S.B., A.A.W.S. and A.A.G.V. are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The activities of G.S.B. are conducted in five separate funds, as follows:

General Fund – This fund is comprised of those assets not included in any of the other funds and that may be used for any purpose for which the Organization was formed. These purposes presently include activities related to communication and information services to A.A. groups and members, public information, cooperation with the professional community and regional, national and international meetings, conferences and conventions.

Reserve Fund – This fund was established in 1954 for the purpose of accumulating a prudent operating reserve, which during 1977, was redefined by a special General Service Board Committee as the prior year's combined operating expenses of A.A.W.S., A.A.G.V. and the general fund of G.S.B. The committee also recommended that all investment activities of the operating entities be consolidated into the Reserve Fund. That advisory action was approved by the Board of Trustees and since that time, all funds of the operating entities in excess of those required for working capital have generally been transferred to the Reserve Fund. Included in such transfers from A.A.G.V. have been amounts held for unfulfilled subscriptions reflected as a liability of the Reserve Fund on the accompanying consolidated statements of financial position. Any withdrawals from the Reserve Fund must be specifically authorized by the G.S.B. upon recommendation of the Trustee's Finance Committee.

Capital Projects Fund – This fund accounts for the cost of leasehold improvements and computer hardware and software incurred under major capital projects and records depreciation and amortization on such assets.

Postretirement Medical Fund – In 2016, a goal of accumulating assets was established to fund 100% of the liability by 2025. The goal was achieved in 2021.

Convention Fund – A separate fund established to record the direct revenue and expenses of international A.A. conventions held every five years. These events are separate from the regular operations of the General Service Office ("GSO"), but the General Fund receives any excess of revenue and pays any excess of expense resulting from the activity.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. ***Basis of Consolidation*** - The consolidated financial statements of the Organization have been prepared by consolidating the financial statements of G.S.B., A.A.W.S. and A.A.G.V. All material intercompany transactions and balances (when applicable) have been eliminated in the consolidation.
- B. ***Basis of Presentation*** - The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP.").

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- C. **Net Assets** - The Organization maintains its net assets under the following classes:

Without donor restrictions – This represents net assets not subject to donor-imposed stipulations and that have no time restrictions. Such resources are available for support of the Organization’s operations over which the Board of Directors has discretionary control.

With donor restrictions – This represents net assets subject to donor-imposed stipulations that will be met by actions of the Organization or by the passage of time. When a stipulated time restriction ends or purpose restriction is accomplished, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization has no net assets with donor restrictions as of both December 31, 2021 and 2020.

The Organization does not accept contributions with restrictions. Therefore, all net assets of the Organization are net assets without donor restrictions as of December 31, 2021 and 2020.

- D. **Cash and Cash Equivalents** - The Organization considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents, except for cash equivalents held as part of the Organization's investment portfolio.
- E. **Investments** - Investments are stated at fair value. Interest, dividends and gains and losses on investments are reflected in the accompanying consolidated statements of activities as increases and decreases in net assets without donor restrictions.
- F. **Fair Value Measurements** - Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.
- G. **Inventory** - Inventory is valued at the lower of cost or net realizable value, as determined on the weighted average cost method. Net realizable value is defined as the estimated selling price (in the ordinary course of business) less reasonably expected costs for completion, disposal and transportation. Literature distributed without charge is included in the cost of printing as a reduction of inventory. Inventory costs include paper, printing, binding and shipping.
- H. **Property and Equipment** - Property and equipment are stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. The Organization capitalizes property and equipment with a useful life of one year or more and a cost of at least \$1,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the estimated useful life or the term of the lease.
- I. **Revenue Recognition** - The Organization earns revenue from the publication of magazines and distribution of literature. Magazine revenue is recorded as subscriptions are fulfilled. Revenue from the distribution of other publications are recognized when goods are shipped. Performance obligations are identified in the arrangement based on the relative standalone selling price of each publication and are recognized as revenue when the subscriptions are fulfilled or when shipped. Payments received in advance related to subscriptions are reflected as deferred revenue on the accompanying consolidated statements of financial position. Revenue is accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09.
- J. **Contributions** - The Organization accepts contributions from A.A. groups and members. Contributions are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are considered as increases in net assets without donor restrictions if the restrictions are satisfied in the period in which the contributions are recognized. The Organization does not receive or solicit pledges, so contributions are recorded as revenue when cash is received. The Organization does not accept contributions with restrictions. For the years ended December 31, 2021 and 2020, all contributions were included in net assets without donor restrictions. Contributions are accounted for under FASB ASU 2018-08.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- K. **Allowance for Uncollectible Receivables** - The Organization provides a reserve for uncollectible accounts receivable based on management’s assessment of the current status of individual accounts outstanding, the creditworthiness of its customers, the aged basis of the receivable and prior historical experience. As of December 31, 2021 and 2020, the Organization determined an allowance of approximately \$22,700 and \$6,400, respectively, was necessary for uncollectible accounts receivable.
- L. **Functional Allocation of Expenses** - The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. The Organization only considers costs that are directly spent for the fellowship as program expenses. Other expenses are not indirectly allocated and are considered as supporting services.
- M. **Use of Estimates** - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- N. **Operating Measure** - The Organization includes in its definition of operations all revenues and expenses that are an integral part of its program and supporting activities. Changes in retirement liabilities, support for La Viña, and intercompany and interfund transfers are recognized as non-operating activities.
- O. **Reclassification** - Certain line items in the December 31, 2020 consolidated financial statements have been reclassified to conform to the December 31, 2021 presentation.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR OPERATING EXPENDITURES**

A.A.W.S. regularly monitors its financial assets available to meet general expenditures during the course of twelve months. It operates within a budget and anticipates collecting sufficient revenue to cover general expenditures. A.A.W.S. and G.S.B. have six non-interest-bearing accounts that enable them to meet these needs.

The Reserve Fund was established in 1954 for the purpose of accumulating a prudent operating reserve, which, during 1977 was redefined as one year’s combined operating expenses of A.A.W.S., A.A.G.V. and the General Fund of G.S.B. To assure liquidity, the Reserve Fund shall contain investment instruments having maturities of one year or less in an amount equal to the sum of the unearned A.A.G.V. subscription liability and the operating cash requirements of the service entities. The balance of the Reserve Fund shall be invested in instruments with maturities of between zero and ten years, provided that at no time shall more than 50% of the principal amount of such balance consist of investments having maturity dates of five or more years.

The Organization considers all expenditures related to its ongoing program, as well as services undertaken to support these activities, to be general expenditures.

The Organization’s liquid financial assets were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 9,258,350	\$ 4,493,813
Investments	17,305,212	20,343,034
Accounts receivable, net	<u>557,512</u>	<u>379,792</u>
Total financial assets	<u>\$ 27,121,074</u>	<u>\$ 25,216,639</u>

The Organization’s liquid financial assets available to meet general expenditures over the next twelve months were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,661,797	\$ 3,430,664
Accounts receivable, net	<u>557,512</u>	<u>379,792</u>
	<u>\$ 4,219,309</u>	<u>\$ 3,810,456</u>

The Reserve Fund is not considered available for operations. Cash and cash equivalents in the Reserve Fund amounted to \$5,596,553 and \$1,063,149 as of December 31, 2021 and 2020, respectively.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 4 – INVESTMENTS**

As described in Note 1, all funds of the Organization not required for working capital are invested in the Reserve Fund of G.S.B. In accordance with established policy, the Reserve Fund invests in certificates of deposit.

The postretirement medical fund holds investments designed to assist in reaching the stated goal of accumulating assets equal to 100% of the accrued postretirement health benefits by December 31, 2025. The goal was achieved in 2021. This fund invests in bond and equity mutual funds.

Investments were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Reserve fund:		
Certificates of deposit	\$ 8,697,138	\$ 12,610,224
Postretirement medical fund:		
Mutual funds - bond funds	2,384,571	2,419,635
Mutual funds - equity funds	<u>6,223,503</u>	<u>5,313,175</u>
	<u>8,608,074</u>	<u>7,732,810</u>
	<u>\$ 17,305,212</u>	<u>\$ 20,343,034</u>

Investments are subject to market volatility that could substantially change their carrying value in the near term.

Investment activity consisted of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 288,351	\$ 429,692
Unrealized gain	1,026,812	793,687
Investment expenses	<u>(36,044)</u>	<u>(36,756)</u>
	<u>\$ 1,279,119</u>	<u>\$ 1,186,623</u>

**NOTE 5 – FAIR VALUE MEASUREMENTS**

The fair value hierarchy defines three levels as follows:

- Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Valuations based on unobservable inputs are used when little or no market value data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value. Investments in mutual funds are valued on quoted market prices and valued at Level 1. Investments in certificates of deposit are valued using observable market data and are valued at Level 2.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

Financial assets carried at fair value as of December 31, 2021 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Reserve fund:			
Certificates of deposit	\$ -	\$ 8,697,138	\$ 8,697,138
Postretirement medical fund:			
Mutual funds - bond funds	2,384,571	-	2,384,571
Mutual funds - equity funds	<u>6,223,503</u>	<u>-</u>	<u>6,223,503</u>
	<u>\$ 8,608,074</u>	<u>\$ 8,697,138</u>	<u>\$ 17,305,212</u>

Financial assets carried at fair value as of December 31, 2020 are classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Reserve fund:			
Certificates of deposit	\$ -	\$ 12,610,224	\$ 12,610,224
Postretirement medical fund:			
Mutual funds - bond funds	2,419,635	-	2,419,635
Mutual funds - equity funds	<u>5,313,175</u>	<u>-</u>	<u>5,313,175</u>
	<u>\$ 7,732,810</u>	<u>\$ 12,610,224</u>	<u>\$ 20,343,034</u>

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 645,341	\$ 991,571	8 years
Computers and software	3,187,828	2,535,771	3-5 years
Leasehold improvements	<u>2,220,420</u>	<u>2,133,041</u>	Life of lease
Total cost	6,053,589	5,660,383	
Less: accumulated depreciation and amortization	<u>(2,600,760)</u>	<u>(2,103,748)</u>	
Net book value	<u>\$ 3,452,829</u>	<u>\$ 3,556,635</u>	

Depreciation and amortization expense amounted to \$908,801 and \$597,550 for the years ended December 31, 2021 and 2020, respectively. During 2021, property and equipment with a cost of \$433,710 and accumulated depreciation and amortization of \$411,789 were written off resulting in a loss of \$21,921.

**NOTE 7 – CONCENTRATION**

Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with a bank that may exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. Accounts are insured up to \$250,000 per depositor per insured financial institution. As of December 31, 2021 and 2020, cash and cash equivalents held in banks exceeded FDIC limits by approximately \$2,962,000 and \$2,031,000, respectively.



**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 8 – POSTRETIREMENT HEALTH BENEFITS**

The Organization provides health care benefits for retired employees, substantially all of whom become eligible if they attain retirement age while working at the GSO. Benefits are provided through health insurance contracts maintained by the Organization

The Organization provides health care benefits for retired employees, substantially all of whom become eligible if they attain retirement age while working at the GSO. Benefits are provided through health insurance contracts maintained by the Organization.

For employees hired before 2004, 25% of the cost is borne by the retirees.

For employees hired after January 1, 2004 through June 30, 2016, there is a three-tier structure in the level of group medical insurance premiums paid for on behalf of employees who retire directly from the GSO. For employees with five to nine years of service, the Organization pays 25%, 10-15 years, 50%, and more than 15 years, 75%.

In March 2016, the Organization decided to no longer provide healthcare benefits upon retirement for employees hired after June 30, 2016.

Change in benefit obligation as of December 31 is as follows:

	<u>2021</u>	<u>2020</u>
Benefit obligation at beginning of the year	\$ 8,388,741	\$ 6,398,120
Service cost	171,368	143,228
Interest cost	209,319	206,100
Plan Participants' Contributions	135,284	85,861
Amendments, curtailments and special termination	-	1,043,216
Actuarial gain	(966,381)	827,244
Benefits paid	<u>(556,012)</u>	<u>(315,028)</u>
Benefit obligation at end of year	<u>\$ 7,382,319</u>	<u>\$ 8,388,741</u>

As described in Note 1, a postretirement medical fund has been created by the Board with the purpose of accumulating assets to fund 100% of the postretirement health benefits liability. As of December 31, 2021 and 2020, this fund had assets with a fair value of \$8,707,784 and \$7,780,586, respectively. As required under U.S. GAAP, such assets are not reported net of the related postretirement benefit obligation on the accompanying consolidated statements of financial position.

The net change in the retirement liability is reported as non-operating activity in the accompanying consolidated statements of activities and amounted to \$966,381 and \$1,167,033 for the years ended December 31, 2021 and 2020, respectively.

The components of the net periodic benefit cost for the years ended December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Service cost	\$ 171,368	\$ 143,228
Interest cost	209,319	206,100
Amortization of net gain	<u>-</u>	<u>(69,633)</u>
Net periodic (income) cost	<u>\$ 380,687</u>	<u>\$ 279,695</u>

The Organization offered special voluntary retirement incentives outside of the retiree health plan during 2020. As a result of the incentives, the retiree health plan saw employee retirements during 2020 and a decrease in expected future working years of the covered population. Due to the changes, a curtailment cost of \$543,893 was recognized during the year ended December 31, 2020.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 8 – POSTRETIREMENT HEALTH (Continued)**

The assumed health care cost trend rate used to measure the expected cost of benefits covered by the plan was 4.5% as of both December 31, 2021 and 2020 and the ultimate trend rate is anticipated to 3.784% by 2075. A discount rate of 3.00% and 2.56% has been used to measure the accrued postretirement health benefit obligation reflected on the accompanying consolidated statements of financial position as of December 31, 2021 and 2020, respectively.

Contributions expected to be paid to the plan during the next fiscal year amounted to \$394,323.

Included in net assets without donor restrictions is an unamortized net gain of \$966,381 as of December 31, 2021 which has not yet been recognized as a component of net periodic benefit cost. The amount of the net gain anticipated to be amortized into net periodic benefit cost in the next year is \$16,215.

The expected postretirement benefits to be paid for the next ten years are as follows:

2022	\$ 394,323
2023	385,221
2024	316,982
2025	321,811
2026	313,519
2027-2031	1,605,258

**NOTE 9 – RETIREMENT PLANS**

The Organization adopted a defined benefit pension plan (the “Plan”) effective January 1, 1965 to provide retirement benefits to eligible employees who have completed one year of service.

The Plan provides an annual benefit equal to two percent of final average compensation multiplied by years of service (not to exceed 35 years), less 0.65% of average social security earnings multiplied by years of service (not to exceed 30 years). The social security offset cannot reduce the gross benefit by more than 50%.

The funding status of the Plan as of December 31 is as follows:

	<u>2021</u>	<u>2020</u>
Change in benefit obligation:		
Benefit obligation at beginning of the year	\$ 37,736,654	\$ 40,710,438
Service cost	500,199	647,278
Interest cost	921,665	1,210,178
Amendments, curtailments and special termination	-	1,581,113
Actuarial (loss) gain	(3,201,014)	2,910,971
Benefits paid	<u>(1,952,920)</u>	<u>(9,323,324)</u>
Benefit obligation at end of year	34,004,584	37,736,654
Fair value of Plan assets	<u>37,577,178</u>	<u>34,618,354</u>
Funded status	<u>\$ 3,572,594</u>	<u>\$ (3,118,300)</u>
Prepaid (accrued) pension benefit obligation recognized in the consolidated statements of financial position	<u>\$ 3,572,594</u>	<u>\$ (3,118,300)</u>

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 9 – RETIREMENT PLANS (Continued)**

The components of the net periodic benefit cost for the years ended December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Service cost	\$ 500,199	\$ 647,278
Interest cost	921,665	1,210,178
Expected return on Plan assets	(2,355,136)	(2,583,067)
Amortization of prior service cost	19,268	21,478
Amortization of actuarial loss	<u>487,017</u>	<u>917,265</u>
Net periodic (income) cost	<u>\$ (426,987)</u>	<u>\$ 213,132</u>

Other changes in Plan assets and benefit obligations recognized in the change in net assets without donor restrictions for the years ended December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Actuarial gain (loss)	\$ 5,757,622	\$ (1,337,010)
Amortization of prior service cost	19,268	21,478
Curtailment gain	-	913,355
Curtailment cost	-	4,502
Settlement cost	-	2,424,221
Amortization of actuarial loss	<u>487,017</u>	<u>917,265</u>
Net Periodic cost	<u>\$ 6,263,907</u>	<u>\$ 2,943,811</u>

Weighted-average assumptions used to determine benefit obligations were as follows as of December 31:

	<u>2021</u>	<u>2020</u>
Discount rate	2.95%	2.50%
Salary increases	3.00%	4.00%
Expected long-term return on assets	7.00%	7.00%

The rate of compensation increase assumption was updated from 4.00% to 3.00% as of December 31, 2021 based on revised expectations from the employer regarding future experience. The change in the salary scale assumption resulted in a decrease in liabilities.

Weighted-average assumptions used to determine net periodic pension cost were as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Discount rate	2.50%	3.22%
Salary increases	4.00%	4.00%
Expected long-term return on assets	7.00%	7.00%

The expected rate of return on Plan assets is determined by those assets' historical long-term investment performance, current asset allocation, and estimates of future long-term returns by asset class.

The fair value of Plan assets as of December 31, 2021 were classified as follows:

	<u>Level 1</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,455,437	\$ 2,455,437
Mutual funds – domestic equity	20,370,651	20,370,651
Mutual funds – international equity	4,361,882	4,361,882
Mutual funds – bond funds	<u>10,389,208</u>	<u>10,389,208</u>
	<u>\$ 37,577,178</u>	<u>\$ 37,577,178</u>

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 9 – RETIREMENT PLANS (Continued)**

The fair value of Plan assets as of December 31, 2020 were classified as follows:

	<u>Level 1</u>	<u>Total</u>
Cash and cash equivalents	\$ 899,249	\$ 899,249
Mutual funds – domestic equity	18,596,458	18,596,458
Mutual funds – international equity	4,601,688	4,601,688
Mutual funds – bond funds	<u>10,520,959</u>	<u>10,520,959</u>
	<u>\$ 34,618,354</u>	<u>\$ 34,618,354</u>

The expected benefits to be paid for the next ten years are as follows:

2022	\$ 1,963,501
2023	1,973,182
2024	1,919,018
2025	1,861,224
2026	1,852,179
2027-2031	8,434,155

For the years ended December 31, 2021 and 2020, the Organization contributed \$0 and \$11,250, respectively, to the Plan.

The Organization amended the Plan to offer a Voluntary Retirement Incentive Program (“VRIP”). The VRIP was available for certain eligible participants and increased accrued benefits as well as offered a lump sum option for those participants who chose to participate as of September 1, 2020 and October 1, 2020. The amendment and associated VRIP resulted in a curtailment cost, special termination benefit cost and settlement cost of \$4,923,191 for the year ended December 31, 2020.

Effective January 1, 2013, the Organization implemented a soft freeze of the Plan. Employees in the Plan as of December 31, 2012 continue to accrue benefits; however, employees hired after that date are eligible to participate in a new defined contribution plan. The Organization contributes 5% of eligible salary plus a 50% match on employee contributions up to a maximum of 5% of eligible salary. For the years ended December 31, 2021 and 2020, contributions to the defined contribution plan amounted to approximately \$273,000 and \$234,000, respectively.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

- A. The Organization has a lease agreement for the office space at 475 Riverside Drive in New York City expiring on December 31, 2025. Future minimum annual rent payments related to the lease for each of the four years ended after December 31, 2021 are as follows:

2022	\$ 1,020,000
2023	1,034,000
2024	1,014,000
2025	<u>1,029,000</u>
	<u>\$ 4,097,000</u>

Rent expense for real property amounted to \$1,077,000 and \$1,103,000 for the years ended December 31, 2021 and 2020, respectively.

- B. The Organization believes it had no uncertain tax positions as of December 31, 2021 and 2020, in accordance with FASB Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**NOTE 11 – INTERCOMPANY AND INTERFUND TRANSACTIONS**

As of December 31, 2021 and 2020, G.S.B. owed A.A.W.S. \$3,226,792 and \$4,682,311, respectively, for various organizational expenses.

The Reserve Fund of G.S.B. includes transfers from A.A.G.V. that represent amounts held for unfulfilled subscriptions. This balance amounted to \$1,443,500 as of both December 31, 2021 and 2020. The balance is reflected as an asset of A.A.G.V. and a liability of the Reserve Fund of G.S.B on the accompanying consolidated statements of financial position. In addition, as of December 31, 2021 and 2020, the Reserve Fund owes A.A.G.V. an additional \$14,000 and \$30,000, respectively.

Additionally, \$195,319 and \$23,083 was transferred from the General Fund and A.A.W.S. to the Postretirement Medical Fund for the years ended December 31, 2021 and 2020, respectively. Funds of \$814,236 and \$1,374,810 were transferred from the General Fund and A.A.W.S. to the Capital Projects Fund for the years ended December 31, 2021 and 2020, respectively.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through April 22, 2022, the date the consolidated financial statements were available to be issued.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**SUPPLEMENTAL SCHEDULE OF GROUP SERVICES EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(With Comparative Totals for 2020)**

	<u>Staff Assignment</u>	<u>Special Needs</u>	<u>Box 459 Newsletter</u>	<u>Directories</u>	<u>French Services</u>	<u>Spanish Services</u>	<u>Records</u>	<u>Contributions</u>	<u>Total 2021</u>
Salaries	\$ 138,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,636	\$ 137,771	\$ 359,386
Payroll taxes and benefits	44,718	-	-	-	-	-	24,524	39,668	108,910
<b>Total Personnel Costs</b>	183,697	-	-	-	-	-	107,160	177,439	468,296
Professional fees	2,580	127	21,653	-	-	-	1,684	48,662	74,706
Printing	2,019	76	1,495	-	-	-	1,193	57,791	62,574
Data, automation & website	3,667	-	-	-	-	-	6,619	10,831	21,117
Facility & equipment	28,779	-	-	-	-	-	20,320	54,982	104,081
Travel, meals & accommodations	300	-	-	-	-	-	171	21	492
<b>TOTAL EXPENSES</b>	<u>\$ 221,042</u>	<u>\$ 203</u>	<u>\$ 23,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,147</u>	<u>\$ 349,726</u>	<u>\$ 731,266</u>
<b>COMPARATIVE TOTALS - 2020</b>	<u>\$ 824,407</u>	<u>\$ 154,705</u>	<u>\$ 52,893</u>	<u>\$ 1,467</u>	<u>\$ 4,351</u>	<u>\$ 10,428</u>	<u>\$ 896,244</u>	<u>\$ 928,426</u>	<u>\$ 2,872,921</u>

See independent auditors' report.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES  
SUPPLEMENTAL SCHEDULES OF GROSS SALES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>NUMBER OF BOOKS SOLD</b>		
Alcoholics Anonymous - hard cover	392,603	302,309
Alcoholics Anonymous - pocket	45,460	49,351
Alcoholics Anonymous - soft cover	250,763	227,821
Alcoholics Anonymous - large print	49,143	49,879
Alcoholics Anonymous - large print abridged	22,032	17,177
Alcoholics Anonymous - 75th anniversary	6,733	3,215
12 Steps and 12 Traditions - hard cover	134,946	92,072
12 Steps and 12 Traditions - pocket	11,683	13,577
12 Steps and 12 Traditions - soft cover	120,113	84,640
12 Steps and 12 Traditions - soft pocket	2,223	1,539
12 Steps and 12 Traditions - large print	33,542	22,771
A.A. Comes of Age	7,143	4,292
As Bill Sees It	32,550	34,998
Dr. Bob	3,101	3,801
Pass It On	3,716	2,281
Daily Reflections	108,701	78,377
Experience, Strength and Hope	5,477	4,837
Came to Believe	22,409	16,283
Living Sober	83,321	70,881
Inmate to Inmate	4,188	6,385
E-Books	49,545	60,476
Our Great Responsibility	4,006	5,635
A Visual History of Alcoholics Anonymous	18,656	-
Other	-	828
	<u>1,412,054</u>	<u>1,153,425</u>

**GROSS SALES**

Alcoholics Anonymous - hard cover	\$ 3,033,763	\$ 2,387,353
Alcoholics Anonymous - pocket	173,346	208,607
Alcoholics Anonymous - soft cover	1,851,530	1,693,542
Alcoholics Anonymous - large print	398,248	357,787
Alcoholics Anonymous - large print abridged	92,858	79,514
Alcoholics Anonymous - 75th anniversary	40,276	25,888
12 Steps and 12 Traditions - hard cover	977,228	710,757
12 Steps and 12 Traditions - pocket	60,278	77,365
12 Steps and 12 Traditions - soft cover	808,751	602,296
12 Steps and 12 Traditions - soft pocket	16,381	12,051
12 Steps and 12 Traditions - large print	246,628	172,455
A.A. Comes of Age	57,802	37,256
As Bill Sees It	239,309	274,572
Dr. Bob	28,115	36,414
Pass It On	35,465	23,179
Daily Reflections	905,566	703,250
Experience, Strength and Hope	25,349	24,232
Came to Believe	93,702	72,191
Living Sober	350,535	306,257
Inmate to Inmate	8,640	13,951
A.A. History Shelf	-	22,262
Pamphlets	184,720	146,286
Foreign Literature	699,902	522,143
E-books	143,660	230,067
Our Great Responsibility	34,501	52,064
A Visual History of Alcoholics Anonymous	183,306	-
Other	1,420,744	306,540
	<u>\$ 12,110,603</u>	<u>\$ 9,098,279</u>

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES  
SUPPLEMENTAL SCHEDULES OF ACTIVITIES - A.A. GRAPEVINE  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUE AND SUPPORT:</b>		
Magazine revenue - print	\$ 1,655,624	\$ 1,758,468
Magazine revenue - online	<u>165,113</u>	<u>115,695</u>
	1,820,737	1,874,163
Less: cost of printing	(56,112)	(103,694)
Less: mailing - postage	(225,625)	(240,795)
Less: mailing - service	<u>(447,561)</u>	<u>(298,219)</u>
Gross profit on magazine	<u>1,091,439</u>	<u>1,231,455</u>
Other publishing income	703,318	581,627
Less: cost of goods and delivery	<u>(292,458)</u>	<u>(227,323)</u>
Gross profit on other publishing items	410,860	354,304
Interest on Reserve Fund	14,000	30,000
Other income	<u>180,011</u>	<u>-</u>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>1,696,310</u>	<u>1,615,759</u>
<b>OPERATING EXPENSES:</b>		
Editorial costs	910,455	869,809
Circulation and business expenses	814,404	960,611
Other expenses	<u>84,065</u>	<u>84,038</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,808,924</u>	<u>1,914,458</u>
<b>Net change from operations</b>	(112,614)	(298,699)
La Viña operations	(388,646)	(385,771)
Transfers from the General Service Board - La Viña	<u>388,646</u>	<u>385,771</u>
<b>CHANGE IN NET ASSETS</b>	(112,614)	(298,699)
<b>Net Assets - Beginning of year</b>	<u>568,869</u>	<u>867,568</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 456,255</u>	<u>\$ 568,869</u>
<b>PAID CIRCULATION - AVERAGE</b>	<u>65,053</u>	<u>68,571</u>



**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES**  
**SUPPLEMENTAL GROSS PROFIT ANALYSIS - A.A. GRAPEVINE**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>OTHER PUBLISHING INCOME</b>		
Spiritual Awakening Vol. I & II	\$ 22,314	\$ 22,639
Grapevine Daily Quote Book	35,284	39,257
Our Twelve Traditions	11,113	10,422
Beginners' Book	12,435	13,896
Best of Bill	26,203	21,089
No Matter What	10,489	19,030
A Rabbit Walks Into A Bar	8,725	6,838
Language of the Heart	83,690	79,352
Language of the Heart - Spanish	13,626	17,962
Step by Step	8,420	7,550
Emotional Sobriety Vol. I & II	97,482	67,475
Young & Sober	4,732	6,124
Into Action	5,794	5,688
Happy, Joyous & Free	17,899	8,343
One on One	8,799	9,790
Voices of Women in AA	38,004	34,498
Forming True Partnerships	6,747	7,533
Compact Discs	9,706	12,372
Calendars and Pocket Planners	34,132	30,277
Making Amends	8,360	8,537
Sober & Out	4,818	4,515
A.A. in the Military	2,859	5,160
Frente a Frente	11,049	9,659
One Big Tent	10,866	12,889
Take me to your Leader	14,772	16,062
The Best of the Grapevine: Volumes 1, 2 & 3	14,916	34,399
La Sobriete Emotive	4,981	4,480
Bajo El Mismo Techo	12,715	10,525
Prayer and Meditation	65,481	-
Women in AA	21,038	-
Free on the Inside	37,535	-
Other items	38,334	55,266
	<b>703,318</b>	<b>581,627</b>
<b>TOTAL OTHER PUBLISHING INCOME</b>		
<b>COST OF GOODS AND DELIVERY</b>		
Spiritual Awakening Vol. I & II	2,620	3,540
Grapevine Daily Quote Book	7,329	5,505
Our Twelve Traditions	1,455	1,248
Beginners' Book	1,324	2,511
Best of Bill	5,761	4,227
No Matter What	1,240	2,663
A Rabbit Walks Into A Bar	1,164	1,057
Language of the Heart	14,022	18,957
Language of the Heart - Spanish	2,736	3,494
Step by Step	1,207	1,553
Emotional Sobriety Vol. I & II	7,747	5,655
Young & Sober	648	1,030
Into Action	1,103	2,152
Happy, Joyous & Free	3,414	2,192
One on One	1,113	1,639
Sober & Out	401	3,466
Forming True Partnerships	1,055	2,891
Making Amends	2,078	1,821
Voices of Women in AA	4,457	4,871
A.A. in the Military	700	903
Frente a Frente	4,742	2,673
One Big Tent	1,669	988
Take Me to Your Sponsor	4,703	4,176
The Best of the Grapevine: Volumes 1, 2 & 3	1,953	3,049
La Sobriete Emotive	1,348	786
Bajo El Mismo Techo	3,996	1,200
Prayer and Meditation	9,746	-
Women in AA	3,855	-
Free on the Inside	5,476	-
Compact Discs	2,123	3,155
Calendars and Pocket Planners	8,402	6,779
E-Books	4,874	10,251
Other items	41,722	17,044
Mailing - service	136,275	105,847
	<b>292,458</b>	<b>227,323</b>
<b>TOTAL COST OF GOODS AND DELIVERY</b>		
<b>GROSS PROFIT ON OTHER PUBLISHING ITEMS</b>	<b>\$ 410,860</b>	<b>\$ 354,304</b>

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES  
SUPPLEMENTAL TOTAL COSTS AND EXPENSES - A.A. GRAPEVINE  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>EDITORIAL COSTS</b>		
Salaries, including temporary help	\$ 469,858	\$ 486,925
Payroll taxes and benefits	101,914	107,089
Insurance	17,538	11,429
Occupancy	23,297	21,584
Office supplies and expenses	24,318	26,650
Professional fees	173,935	93,996
Meetings and conference	3,906	-
Website	<u>95,689</u>	<u>122,136</u>
<b>TOTAL EDITORIAL COSTS</b>	<u>910,455</u>	<u>869,809</u>
<b>CIRCULATION AND BUSINESS EXPENSES</b>		
Salaries, including temporary help	277,624	356,447
Payroll taxes and benefits	100,971	126,425
Severance pay	-	42,886
Occupancy	39,795	40,069
Insurance	16,363	10,007
Professional fees	129,588	86,170
Office supplies and expenses	24,013	31,861
Selling expense - regular	52,105	119,885
Selling expense - GVR program	12,420	-
Postage	52,105	-
Subscriber services	53,684	57,452
Fulfillment services	<u>55,736</u>	<u>89,409</u>
<b>TOTAL CIRCULATION AND BUSINESS EXPENSES</b>	<u>814,404</u>	<u>960,611</u>
<b>OTHER EXPENSES</b>		
Insurance	-	2,934
Depreciation	49,959	58,838
Office supplies and expenses	6,585	8,310
Meetings and conferences	-	3,646
Loss on exchange rates	-	7,035
Miscellaneous expense	21,921	1,245
Bad debt	<u>5,600</u>	<u>2,030</u>
<b>TOTAL OTHER EXPENSES</b>	<u>84,065</u>	<u>84,038</u>
<b>TOTAL COSTS AND EXPENSES</b>	<u>\$ 1,808,924</u>	<u>\$ 1,914,458</u>

See independent auditors' report.

**THE GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS, INC. AND AFFILIATES  
SUPPLEMENTAL LA VIÑA ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>SUBSCRIPTION INCOME</b>	\$ 83,773	\$ 75,352
<b>DIRECT COSTS</b>		
Cost of printing	2,000	27,897
Mailing - service	44,268	11,054
Mailing - postage	<u>13,345</u>	<u>13,113</u>
Total direct costs	<u>59,613</u>	<u>52,064</u>
<b>Gross profit on magazine</b>	24,160	23,288
Other La Viña items (net of direct costs)	<u>17,005</u>	<u>26,137</u>
<b>Total gross profit</b>	41,165	49,425
<b>COSTS AND EXPENSES</b>		
<b>EDITORIAL COSTS</b>		
Salaries, including temporary help	169,127	176,244
Payroll taxes and benefits	27,484	29,558
Professional fees	47,777	27,653
Other	<u>7,599</u>	<u>8,426</u>
	<u>251,987</u>	<u>241,881</u>
<b>CIRCULATION AND BUSINESS EXPENSES</b>		
Salaries, including temporary help	74,057	93,296
Payroll taxes and benefits	31,122	35,124
Professional fees	39,011	24,191
Occupancy costs	18,231	19,604
Fulfillment services	9,644	11,807
Selling expense-regular	5,374	3,046
Insurance	385	1,577
Other	<u>-</u>	<u>4,670</u>
	<u>177,824</u>	<u>193,315</u>
<b>TOTAL COSTS AND EXPENSES</b>	<u>429,811</u>	<u>435,196</u>
<b>NET LOSS</b>	(388,646)	(385,771)
Transfers from the General Service Board	<u>388,646</u>	<u>385,771</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>
<b>PAID CIRCULATION - AVERAGE</b>	<u>6,312</u>	<u>6,435</u>

See independent auditors' report.