

**Quarterly Financial Report – Alcoholics Anonymous (“AA”)  
March 31, 2024 (End of First Quarter) Unaudited Financial Statements**

**Part I: Overview and Intended Use**

The purpose of the Quarterly Financial Report (“QFR”) is to provide the Fellowship of AA with regular updates on the financial status of its service entities – the General Service Board of Alcoholics Anonymous, Inc. (“GSB”), Alcoholics Anonymous World Services, Inc. (“AAWS”) and the AA Grapevine, Inc. (“AAGV”). The operations of these entities include all operations of the General Service Office and Grapevine Office at 475 Riverside Drive in New York City. Pursuant to an Advisory Action of the General Service Conference, this report is distributed each quarter, in English, French and Spanish, to all Conference Members following the quarterly meetings of the GSB. These statements are unaudited and, though they may be shared freely within AA circles, are not intended for distribution outside of the Fellowship including posting on social media or publicly-accessible websites.

The QFR Consists of:

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

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

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

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

## Part II: AAWS/GSB Financial Statements

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

### II.A. Executive Summary

For the three months ended March 31, 2024, total operating revenue is \$5,276,696 which is 19% more than the year to date (YTD) budget of \$4,420,541. Total operating expenses are \$3,828,783, which is 11% less than the YTD budget of \$4,316,056. Operating surplus before depreciation is \$1,447,913 compared to a budget of \$104,485. Literature accounts receivable is \$669,840, of which 35.7% is current, 31.9% is less than 60 days past due, and 32.4% is more than 60 days past due. The reserve fund is at 6.29 months of 2024 operating expenses versus a target range of 9 to 12 months.

### II. B. AAWS/GSB Key Financial Indicators (“KFI’s”)

**GREEN – Favorable Variance**

**YELLOW – Unfavorable Variance, Informative**

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

Indicator	Versus YTD Budget	Versus Prior Year (3 months ended March 31, 2023)
Contributions	\$3.009M vs \$2.415M, 25% greater than budget	\$3.009M vs \$2.453M, 23% greater than prior year
Gross Literature Sales	\$3.626M vs \$3.784M, 4% less than budget	\$3.626M vs \$4.309M, 16% less than prior year
Net Literature Sales (Gross Margin)	\$1.955M vs \$1.911M, 2% more than budget	\$1.955M vs \$2.400M, 19% less than prior year
Gross Margin as a Percentage of Gross Literature Sales	53.9% versus 50.5%	53.9% versus 55.7%
Operating Expenses before depreciation	\$3.829M vs \$4.316M, 11% less than budget	\$3.829M vs \$3.715M, 3% more than prior year
Operating Surplus before depreciation	\$1.448M vs \$104K	\$1.448M vs \$1.434K
Reserve Coverage (# of months)	<b>6.29</b>	<b>7.08</b>

## II. C. Comparative Balance Sheet Notes

*Cash* – Cash decreased \$60K year-over-year. March 2023 cash was greater due to a spike in literature sales in anticipation of the April price increase.

*Accounts Receivable* – Accounts receivable, including the receivable from Grapevine, decreased \$478K year-over-year due to more effective collection of literature receivables and more prompt payment of Grapevine receivables.

*Prepaid Expenses* – Prepaid expenses doubled from \$465k to \$927 attributable to deposits and other advance payments for the 2025 International Convention and hotel deposits for the 2025 and 2026 General Service Conferences.

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

*Reserve Fund and Grapevine Subscription Liability*– See section IV.

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

*Postretirement* – These assets \$8.4 million and liabilities of \$5.6 million relate to the postretirement health insurance program which was closed to new hires as of 2016. Values in these accounts vary throughout the year based on investment markets and benefit payments. On December 31 each year, an actuarial calculation is made of future benefits. As of March 31, 2024 and 2023, the plan had more investment assets than required to meet benefits when due.

*Accounts Payable and Accrued Expenses* –Accounts payable and accrued expenses decreased \$791K year over year as increased contributions in the first quarter of 2024 and a January 2024 Reserve Fund draw have enabled more timely payments to vendors. We are not in arrears to any vendors at this time and the liquidity issues and delinquent accounts payable balances noted in previous QFRs have been resolved.

*Defined Benefit Pension Liability* – The traditional pension plan was closed to new hires as of January 1, 2013. The assets are held in an irrevocable trust from which benefits are paid. The amount as of March 31, 2024, \$(7,184) is a negative liability which represents the fact that assets in the plan exceed benefit obligations. As is the case with the postretirement plan, values in these accounts vary throughout the year based on investment markets and benefit payments. On December 31 each year, an actuarial calculation is made of future benefits. As of March 31, 2024 and 2023, the plan had more investment assets than required to meet benefits when due.

*Rent Lease Liability* – This reflects the liability for the current lease at 475 Riverside Drive.

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

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

## II. E. Income Statement Notes

*Revenue* – As noted above, contributions were greater than budget. Although gross literature sales and net literature sales were less than budget, the gross margin percentage on those sales (53.9% vs 50.5%) was greater than budget due to lower than expected cost of goods sold. As an example, if a Big Book is sold for \$14, \$14 goes to gross sales. If that book cost \$6.75 to print and mail, net sales are what we keep, in this case \$7.25. The Gross Margin percentage on this sale is  $7.25/14.00 = 52\%$ .

*Expense* – Overall, operating expenses before depreciation were 11% below budget. Except for employee benefits and payroll taxes, all expense categories were less than budget.

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

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

Operating Surplus Before Depreciation for the three months ended March 31, 2024 is positive \$1.4 million and approximates the same level as the three months ended March 31, 2023 and is very favorable versus the YTD budget of a surplus of \$104k.

## Part III: AAGV Financial Statements

### III. A. Executive Summary (including analysis of revenue and expense activity YTD)

Overall Grapevine circulation levels and revenues are tracking well ahead of 2023 driven by App and online subscriptions with total subscriptions up 5,372 and subscription revenue up \$39k. La Viña circulation levels and revenues are also tracking well ahead of 2023 with total subscriptions up 885 and subscription revenue up \$10k. Grapevine results are tracking behind 2024 budget, however, with La Viña tracking closely to Budget. Grapevine revenues are lagging due to delayed impact of subscription price increase which was budgeted for the full year, but is only rolling out as of April due to unexpected notice period. The bottom line impact is modest with YTD Net loss of \$295k vs. Budgeted loss of \$249k. La Viña revenues are ahead of Budget YTD offset by higher than budgeted COGS with a net loss of \$147k vs. \$144k in Budget. The net loss on La Viña's operations does not flow to the AAGV corporate bottom line; instead, per Advisory Action, it is reimbursed by the GSB.

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

**GREEN – Favorable Variance**

**YELLOW – Unfavorable Variance, Informative**

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

Indicator	Versus YTD Reforecast Budget (Dollars in thousands ‘000)	Versus Prior Year (3 months ended March 31, 2023) (Dollars in thousands ‘000)
Total Grapevine (“GV”) Subscription Income	\$465 vs \$542, 14% behind budget	\$465 vs \$426, 9% ahead of prior year
Total GV Circulation	58,402 vs 58,324, on budget	58,402 vs 53,030, 10% ahead of prior year
GV App + Online Subscriptions	6,782 vs, 6,244 9% ahead of budget	App launched in Sept 2023
GV Subscription Gross Margin	\$194 vs \$251, 23% behind budget	\$194 vs \$169, 15% ahead of prior year
GV Subscription Net Profit Percentage	42% vs 46%	42% vs 40%
GV Operating Expenses	\$652 vs \$700, 7% favorable versus budget	\$652 vs \$409
GV Net Income (Loss)	(\$295) vs (\$249)	(\$295) vs (\$76)
La Viña (“LV”) Income	\$66 vs \$58	\$66 vs \$42
LV Expenses	\$173 vs \$172	\$173 vs \$209
LV Net Loss	(\$147) vs (\$144)	(\$147) vs (\$189)

### III. C. Statement of Financial Position Notes

*Cash and Cash Equivalents* – Cash decreased year-over-year from \$1,155k to \$667k due to the development of the app during 2023 (\$416k).

*Accounts Receivable* – A/R increased from \$123k to \$290k due to the transition to PSA for fulfillment services. Per the auditors recommendation, we will be completing a full analysis of subscription A/R during 2024.

*Inventory* – Inventory levels decreased from 2023 as a result of smaller print runs in 2023 to conserve cash during 2023.

*Subscription Liability Fund* – See Part IV Below.

*Other Assets - App* – Development of the GV/LV App is a “capital project” since it created an asset with an expected life of more than one year. As such, the development costs are charged to depreciation expense over time.

*Net Fixed Assets* – Net fixed assets decreased due to minimal capital spending over the last 12 months (other than app development noted above). Absent new capital purchases, net fixed assets decreases over time due to depreciation expense charges.

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

#### **Part IV: Reserve Fund and Grapevine Subscription Liability**

At its January 2024 meeting, the General Service Board Authorized the withdrawal of \$1,064,652 from the Reserve Fund, allocated as follows:

\$500,000 to the General Service Board to ensure sufficient cash on hand to meet liquidity requirements in the second quarter of 2024, which includes \$1.1 million of Conference expenses. This is in response to the cash on hand deficiency carried over since the end of 2022 that was not fully mitigated by positive cash flow results in 2023 that resulted from the generous commitment to self-support from the Fellowship that exceeded both the previous annual record and 2023 reforecast budget for contributions, close management of expenses, and collections of receivables. This draw plus expected positive cash flow in the first quarter of 2024 will fully fund the expenses expected to be paid in the second quarter of 2024.

\$564,652 to Grapevine to fund year three of the Grapevine 5-year plan covering the period January 1, 2022 to December 31, 2026. This five-year plan, reviewed by the Trustees Finance and Budgetary Committee at its January 2023 meeting, called for capital investment and operating support of approximately \$1.1 million in year 2 (2023) and operating support of approximately \$565k in year 3 (2024), with the expectation that Grapevine operations would be cash flow positive and not require operating support starting in year 4 (2025).

These withdrawal transactions were completed during late January/early February 2024.

As of March 31, 2024, the Reserve Fund Assets total \$12.2 million consisting of cash and certificates of deposit. Less the liability for unfulfilled Grapevine subscriptions of \$540k, the Reserve Fund Balance is \$11.6 million.

Based on the expense budgets for GSO, Grapevine and La Viña (total \$22.212 million) the reserve fund balance is equal to 6.29 months of operating expenses versus 7.08 months as of March 31, 2023. The goal range is coverage of 9 to 12 months. Note that the calculation is influenced equally by (1) the size of the Reserve Fund Balance and (2) the level of GSO, Grapevine and La Viña expenses. It would require an addition of approximately \$5 million to rebuild the Reserve Fund to 9 months.

#### **Part V: Other Notable Items**

The "Month vs Budget" report shows \$429,031 in "other revenue" This is comprised of interest on the Reserve Fund of \$39,111 and the rest is increased value of the Post-Retirement Medical Fund investments.

**AAWS/GSB**

**FINANCIAL STATEMENTS**



**Alcoholics Anonymous World Services**  
**General Service Board of Alcoholics Anonymous**  
**Comparative Balance Sheet**  
**End of March 2024**

	03/31/24	03/31/23	CHANGE
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	1,149,278	1,209,653	(60,375)
Accounts Receivable	1,104,417	1,582,363	(477,946)
Prepaid Expense	927,348	462,794	464,554
Literature Inventory	3,407,703	4,114,968	(707,266)
Reserve Fund	12,173,806	13,059,850	(886,044)
<b>Total Current Assets</b>	<b>18,762,553</b>	<b>20,429,629</b>	<b>(1,667,077)</b>
<b>Fixed Assets</b>			
Fixed Assets	7,413,668	8,925,932	(1,512,265)
Accumulated Depreciation	(3,936,219)	(3,842,446)	(93,773)
<b>Net Fixed Assets</b>	<b>3,477,449</b>	<b>5,083,487</b>	<b>(1,606,038)</b>
<b>Other Assets</b>			
Postretirement Medical Fund	8,416,072	7,357,875	1,058,197
<b>Total Other Assets</b>	<b>8,416,072</b>	<b>7,357,875</b>	<b>1,058,197</b>
<b>Total ASSETS</b>	<b>30,656,073</b>	<b>32,870,990</b>	<b>(2,214,918)</b>
<b>LIABILITIES</b>			
Accounts Payable	522,073	1,395,470	(873,398)
Accrued Expenses	312,412	229,966	82,446
Defined Benefit Pension Liability	(7,183,690)	(4,785,584)	(2,398,106)
Sales Tax	(4,818)	(8,488)	3,670
Deferred Revenue	0	0	0
Grapevine Subscription Liability	540,000	573,012	(33,012)
Employee Withholding	36,778	(4,586)	41,364
Postretirement Benefit	5,631,648	5,388,395	243,253
Rent Lease Liability	1,886,482	2,812,461	(925,979)
<b>Total LIABILITIES</b>	<b>1,740,884</b>	<b>5,600,646</b>	<b>(3,859,762)</b>
<b>NET ASSETS</b>			
Reserve Fund	11,633,806	12,486,838	(853,032)
Postretirement Medical Fund	2,784,424	1,969,480	814,944
Capital Projects Fund	1,306,950	1,823,310	(516,360)
Defined Benefit Pension Liability	7,183,690	4,785,584	2,398,106
General Fund	6,006,320	6,205,132	(198,812)
<b>Total NET ASSETS</b>	<b>28,915,189</b>	<b>27,270,344</b>	<b>1,644,845</b>
<b>Total LIABILITIES AND NET ASSETS</b>	<b>30,656,073</b>	<b>32,870,990</b>	<b>(2,214,917)</b>

**A.A. World Services and General Service Board**  
**Consolidated Comparative Income Statement as of March 2024**  
(Dollars in Thousands)

Account	Current Year to Date (Jan 2024 - Mar 2024)	Last Year to Date (Jan 2023 - Mar 2023)	Year To Date Variance	2024 Full Year Budget	2023 Actuals
<b>Operating Revenue</b>					
Contributions	3,009	2,453	556	10,500	10,841
International (2024 includes WSM)	13	15	(2)	245	69
General Service Conference	300	280	20	405	383
Gross Literature Sales	3,626	4,309	(683)	16,817	14,632
Literature Shipping Charges	82	89	(7)	336	303
Literature Discounts	(134)	(52)	(82)	(252)	(454)
Cost of Goods Sold	1,620	1,945	(325)	8,409	7,726
Gross Margin	<u>1,954</u>	<u>2,401</u>	<u>(447)</u>	<u>8,492</u>	<u>6,755</u>
<b>Total - Operating Revenue</b>	<b>5,276</b>	<b>5,149</b>	<b>127</b>	<b>19,642</b>	<b>18,048</b>
<b>Operating Expense</b>					
Salary & Benefits	2,607	2,347	260	11,204	10,349
Payroll Taxes	197	161	36	753	692
Professional Fees	224	315	(91)	1,821	1,841
Printing, Postage, Supplies, and Subscriptions	98	131	(33)	570	573
Data, Automation & Website	128	111	17	741	573
Insurance	19	19	0	82	71
Facility & Equipment	311	310	1	1,277	1,224
Other				147	240
Travel & Meetings	244	321	(77)	2,430	2,147
<b>Total - Operating Expense</b>	<u>3,828</u>	<u>3,715</u>	<u>113</u>	<u>19,025</u>	<u>17,710</u>
<b>Operating Surplus/(Deficit) Before Depreciation</b>	<b>1,448</b>	<b>1,434</b>	<b>14</b>	<b>617</b>	<b>338</b>
Depreciation Expense	218	281	(63)	1,020	1,056
<b>Operating Surplus/(Deficit) After Depreciation</b>	<b>1,230</b>	<b>1,153</b>	<b>77</b>	<b>(403)</b>	<b>(718)</b>
Non-Operating Revenue	551	430	121		1,397
Non-Operating Expense*	652	739	(87)	599	(871)
<b>Non-Operating Surplus/(Deficit)</b>	<u>(101)</u>	<u>(309)</u>	<u>208</u>	<u>(599)</u>	<u>2,268</u>
<b>Total Surplus/(Deficit)</b>	<b>1,129</b>	<b>844</b>	<b>285</b>	<b>(1,002)</b>	<b>1,550</b>

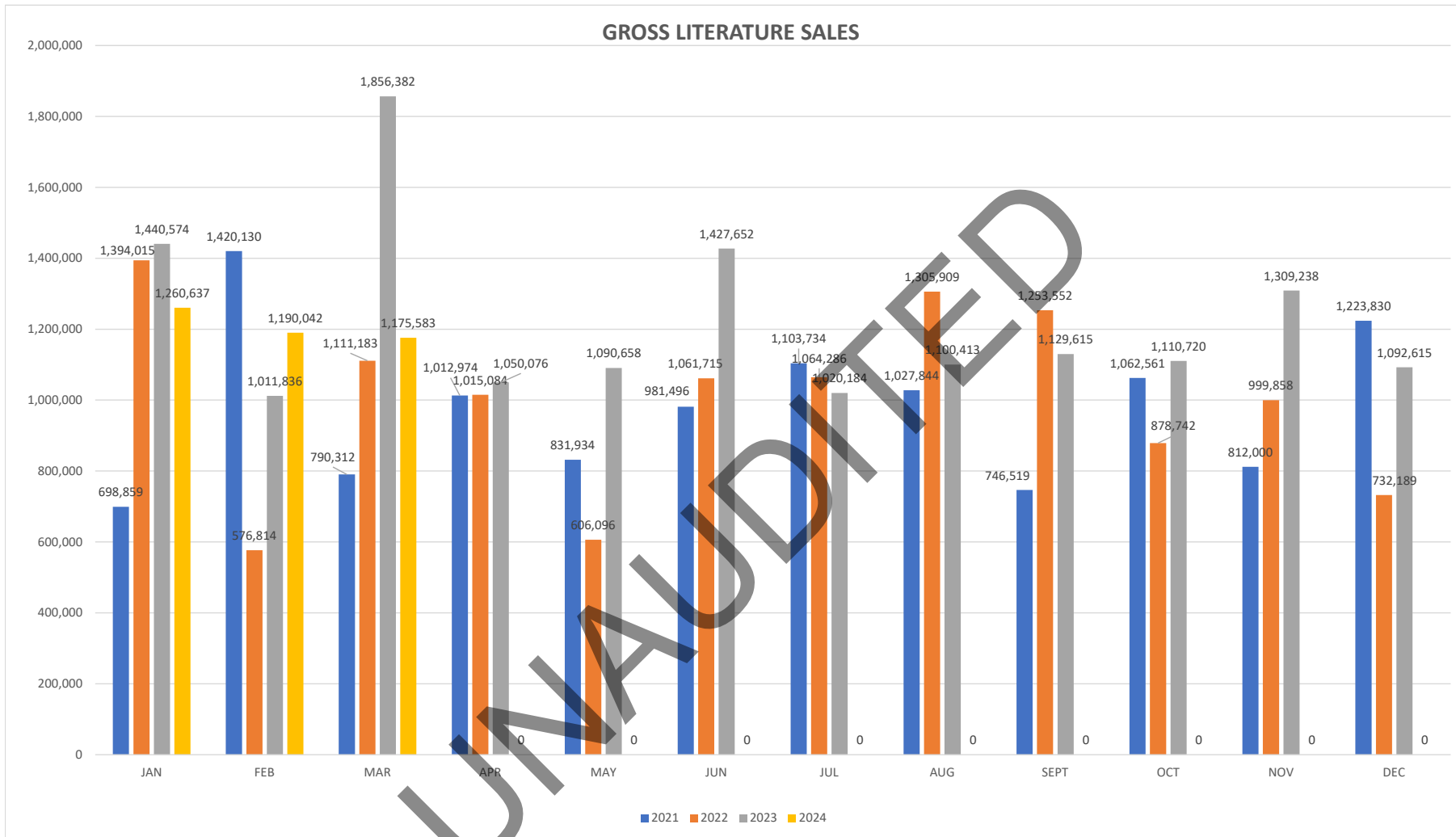
\*564,652 withdrawn from Reserve Fund for Grapevine is an expense for GSB and revenue for GV, netting to 0 on a consolidated basis.

2024 Budget BEFORE Depreciation but AFTER LaViña support (\$569k) is a surplus of \$47k

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

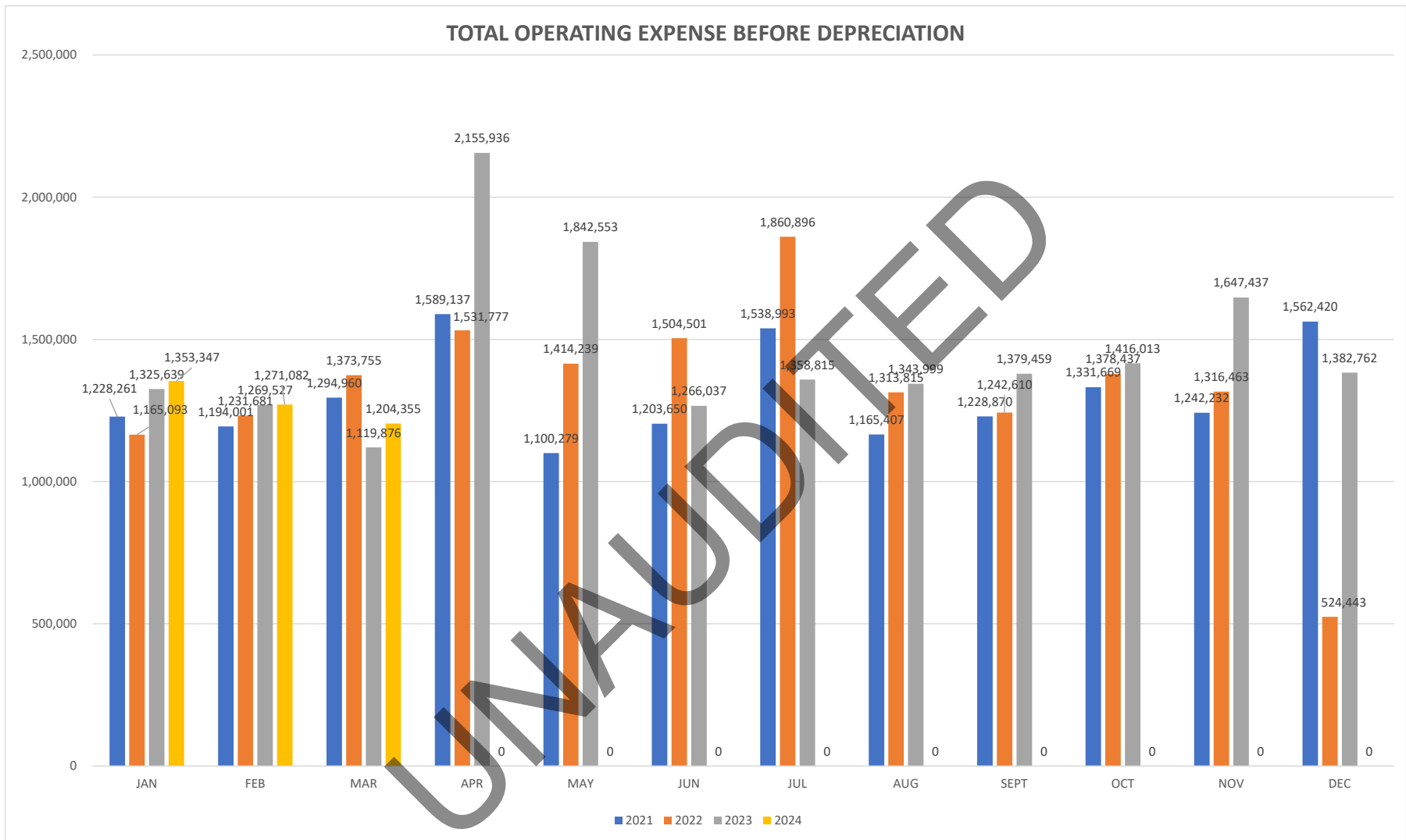
Account	Jan-24	Feb-24	Mar-24	YTD 2024	Budget 6.1		YTD Actual 2023
					YTD Budget 2024	% of YTD Budget	
<b>Operating Revenue</b>							
Total - 40000 - Contributions - Members & Groups	1,203,920	909,457	895,403	3,008,780	2,415,000	125%	2,453,181
Total - 42000 - International	5,357	522	7,357	13,236	13,750	96%	15,101
Total - 43000 - General Service Conference	76,607	57,671	165,382	299,659	80,920	370%	280,165
<b>Total - Operating Revenue before Literature</b>	<b>1,285,883</b>	<b>967,649</b>	<b>1,068,143</b>	<b>3,321,675</b>	<b>2,509,670</b>	<b>132%</b>	<b>2,748,447</b>
Total - 46000 - Literature Sales	1,185,218	1,201,375	1,187,960	3,574,552	3,802,822	94%	4,345,641
Total - Cost Of Sales	520,144	639,920	459,468	1,619,531	1,891,951	86%	1,945,281
<b>Literature Gross Margin</b>	<b>665,073</b>	<b>561,455</b>	<b>728,492</b>	<b>1,955,021</b>	<b>1,910,871</b>	<b>102%</b>	<b>2,400,360</b>
<b>Total Operating Revenue</b>	<b>1,950,957</b>	<b>1,529,104</b>	<b>1,796,635</b>	<b>5,276,696</b>	<b>4,420,541</b>	<b>119%</b>	<b>5,148,808</b>
<b>Operating Expense</b>							
60100 - Payroll & Benefits : Salaries	581,219	691,580	703,018	1,975,818	2,173,905	91%	1,752,884
Total - 60300 - Payroll & Benefits : Employee Benefits	257,587	121,566	134,596	513,749	341,929	185%	512,747
Total - 60500 - Payroll & Benefits : Retirement Plan Contributions	37,882	40,024	39,739	117,645	103,875	113%	81,023
<b>Subtotal - 60000 - Payroll &amp; Benefits</b>	<b>876,688</b>	<b>853,171</b>	<b>877,353</b>	<b>2,607,212</b>	<b>2,619,709</b>	<b>100%</b>	<b>2,346,655</b>
Total - 60400 - Payroll & Benefits : Payroll Taxes	68,841	67,706	60,434	196,981	173,818	113%	160,719
Total - 70000 - Professional Fees	69,568	69,148	84,836	223,551	527,222	42%	315,320
Total - 72000 - Printing, Postage, and Supplies Expenses	39,224	34,400	24,480	98,104	137,173	72%	131,054
Total - 73000 - Data, Automation & Website	43,418	61,847	22,713	127,978	180,069	71%	110,993
Total - 74000 - Insurance	6,442	6,442	6,442	19,326	20,609	94%	18,736
Total - 76000 - Facility & Equipment Expenses	93,036	124,265	94,066	311,368	341,278	91%	310,426
Total - 78000 - Travel & Meetings Expenses	156,130	54,104	34,030	244,264	316,177	77%	321,140
<b>Total Operating Expense</b>	<b>1,353,347</b>	<b>1,271,082</b>	<b>1,204,355</b>	<b>3,828,783</b>	<b>4,316,056</b>	<b>89%</b>	<b>3,715,042</b>
<b>Operating Surplus/(Deficit) Before Depreciation</b>	<b>597,610</b>	<b>258,023</b>	<b>592,280</b>	<b>1,447,913</b>	<b>104,485</b>	<b>N/A</b>	<b>1,433,766</b>
76800 - Facility & Equipment Expenses : Depreciation Expense	77,056	69,507	71,285	217,847	255,000	85%	280,703
<b>Operating Surplus/(Deficit) After Depreciation</b>	<b>520,554</b>	<b>188,516</b>	<b>520,996</b>	<b>1,230,065</b>	<b>(150,515)</b>	<b>N/A</b>	<b>1,153,063</b>
<b>Other Income and Expenses</b>							
<b>Other Income</b>							
Total - 45000 - Other Revenue	56,150	243,418	250,616	550,184	0	N/A	429,031
45600 - Conventions, Meetings & Events	0	0	0	0	0	N/A	0
<b>Total - Other Income</b>	<b>56,150</b>	<b>243,418</b>	<b>250,616</b>	<b>550,184</b>	<b>0</b>	<b>N/A</b>	<b>429,031</b>
<b>Other Expense</b>							
Total - 92000 - Other Expenses	24,779	23,874	19,809	68,463	36,650	187%	43,013
92150 - Disbursements from the ILF	0	0	3,847	3,847	7,500	51%	0
92600 - Transfers to La Vina	0	2	0	2	142,378	0%	190,113
92650 - Grapevine Transfers	564,652	9,141	0	573,793	0	N/A	500,000
92800 - Pension	0	0	0	0	0	N/A	0
92850 - Post Retirement Medical Plan	5,481	0	0	5,481	0	N/A	5,390
92950 - Inventory Adjustments	0	0	0	0	0	N/A	0
<b>Total - Other Expense</b>	<b>594,912</b>	<b>33,017</b>	<b>23,656</b>	<b>651,585</b>	<b>186,528</b>	<b>349%</b>	<b>738,516</b>
<b>Net Other Income</b>	<b>(538,762)</b>	<b>210,402</b>	<b>226,960</b>	<b>(101,401)</b>	<b>(186,528)</b>	<b>N/A</b>	<b>(309,486)</b>
<b>Surplus/(Deficit)</b>	<b>(18,208)</b>	<b>398,918</b>	<b>747,955</b>	<b>1,128,665</b>	<b>(337,043)</b>	<b>N/A</b>	<b>843,577</b>





### LITERATURE GROSS MARGIN





**AAGV**

**FINANCIAL STATEMENTS**



**AA Grapevine Inc.**  
**Statements of Financial Position**  
 (Balance Sheet)  
**As of March 31, 2024 and 2023**

	March 31, 2024	March 31, 2023	Variance
<b>Assets</b>			
Current Assets			
Cash And Cash Equivalents	\$ 667,528	\$ 1,155,320	\$ (487,792)
Accounts Receivable Net	290,098	122,607	167,490
Accounts Receivable GSB	147,963	175,917	(27,954)
Subscription Liability Fund	573,012	573,012	-
Inventory	365,246	607,019	(241,773)
<b>Total Current Assets</b>	<b>2,043,847</b>	<b>2,633,875</b>	<b>(590,028)</b>
Other Assets			
Prepaid Expenses	81,469	75,586	5,883
Security Deposits	14,231	14,291	(60)
Mobile App	416,850	-	416,850
Fixed Assets Net	62,502	171,014	(108,512)
<b>Total Other Assets</b>	<b>575,052</b>	<b>260,890</b>	<b>314,162</b>
<b>Total Assets</b>	<b>\$ 2,618,899</b>	<b>\$ 2,894,766</b>	<b>\$ (275,867)</b>
<b>Liabilities and Net Assets</b>			
Current Liabilities			
Accounts Payable	\$ 289,274	\$ 322,648	\$ (33,374)
Inter-Company Due to AAWS	495,677	427,502	68,175
<b>Total Accounts Payable</b>	<b>784,951</b>	<b>750,151</b>	<b>34,801</b>
Other Current Liabilities			
PR Tax And Benefits Payable	14,532	3,025	11,507
Accrued Expenses	149,164	99,462	49,702
GST Payable	(13,232)	(1,978)	(11,254)
NYS Sales Tax	(140)	1,113	(1,253)
Deferred Income Subscriptions	1,700,916	1,563,023	137,893
Gift Certificates	-	-	-
Gift Certificate CTM	7,268	54,402	(47,133)
<b>Total Other Current Liabilities</b>	<b>1,873,062</b>	<b>1,719,047</b>	<b>154,015</b>
<b>Total Liabilities</b>	<b>2,658,014</b>	<b>2,469,197</b>	<b>188,816</b>
<b>Net Assets</b>			
Net Assets - Beg Bal	(341,525)	15,621	(357,146)
Transfer from Reserve Fund	597,664	-	597,664
Investment - Mobile App	-	-	-
Consolidated Net Income (Shortfall)	(295,254)	402,522	(697,776)
<b>Total Net Assets</b>	<b>(39,115)</b>	<b>418,144</b>	<b>(457,259)</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 2,618,899</b>	<b>\$ 2,887,341</b>	<b>\$ (268,443)</b>

**A.A. Grapevine Inc.**  
**Consolidated Comparative Income Statement as of March 2024**  
**(Dollars in Thousands)**

Account	Current Year to Date (Jan 2024 - Mar 2024)	Last Year to Date (Jan 2023 - Mar 2023)	Year To Date Variance	2024 Full Year Budget	2023 Actuals
<b>Grapevine</b>					
<b>Operating Revenue</b>					
Subscriptions	465	426	39	2,284	1,710
Book and Other Content Sales	222	202	20	1,075	922
<b>Total Operating Revenues</b>	<u>687</u>	<u>628</u>	<u>59</u>	<u>3,359</u>	<u>2,632</u>
<b>Cost of Goods Sold</b>	333	296	37	1,452	1,399
<b>Gross Margin</b>	354	332	22	1,907	1,233
<b>Operating Expense</b>					
Editorial	219	195	24	812	982
Circulation and Business	406	193	213	1,549	884
General and Administrative	3	5	(2)	30	161
<b>Total - Operating Expense</b>	<u>628</u>	<u>393</u>	<u>235</u>	<u>2,391</u>	<u>2,027</u>
<b>Operating Surplus/(Deficit) Before Depreciation</b>	<u>(274)</u>	<u>(61)</u>	<u>(213)</u>	<u>(484)</u>	<u>(794)</u>
Depreciation Expense	24	17	7	108	69
<b>Operating Surplus/(Deficit) After Depreciation</b>	<u>(298)</u>	<u>(78)</u>	<u>(220)</u>	<u>(592)</u>	<u>(863)</u>
Non-Operating Revenue	3	2	1	10	6
<b>Non-Operating Surplus/(Deficit)</b>	<u>3</u>	<u>2</u>	<u>1</u>	<u>10</u>	<u>6</u>
<b>Total Surplus/(Deficit)</b>	<u>(295)</u>	<u>(76)</u>	<u>(219)</u>	<u>(582)</u>	<u>(857)</u>
<b>La Vina</b>					
<b>Operating Revenue</b>					
Subscriptions	38	28	10	115	112
Book and Other Content Sales	28	14	14	100	139
<b>Total Operating Revenues</b>	<u>66</u>	<u>42</u>	<u>24</u>	<u>215</u>	<u>251</u>
<b>Cost of Goods Sold</b>	41	22	19	96	108
<b>Gross Margin</b>	25	20	5	119	143
<b>Operating Expense</b>					
Editorial	92	121	(29)	362	569
Circulation and Business	76	85	(9)	288	313
General and Administrative	0	0	0	2	4
<b>Total - Operating Expense</b>	<u>168</u>	<u>206</u>	<u>(38)</u>	<u>652</u>	<u>886</u>
<b>Operating Surplus/(Deficit) Before Depreciation</b>	<u>(143)</u>	<u>(186)</u>	<u>43</u>	<u>(533)</u>	<u>(743)</u>
Depreciation Expense	4	3	1	36	13
<b>Operating Surplus/(Deficit) After Depreciation</b>	<u>(147)</u>	<u>(189)</u>	<u>42</u>	<u>(569)</u>	<u>(756)</u>
Non-Operating Revenue	147	189	(42)	569	756
<b>Non-Operating Surplus/(Deficit)</b>	<u>147</u>	<u>189</u>	<u>(42)</u>	<u>569</u>	<u>756</u>
<b>Total Surplus/(Deficit)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**AA Grapevine Inc.**  
**Statements of Activities - Actual vs Budget and Prior Year**  
**(Income Statement)**  
**For the Quarter Ended March 31, 2024 and 2023**

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
<b>Grapevine</b>					
<b>Circulation (Average Number of Subscribers)</b>					
GV Print subscriptions	46,155	48,580	(2,425)	-	-
GV Complete (Print & Online)	5,465	3,500	1,965	-	-
GV Online subscriptions	2,547	-	2,547	-	-
GV App subscriptions	4,235	6,244	(2,009)	-	-
<b>Total Circulation</b>	<b>58,402</b>	<b>58,324</b>	<b>78</b>	<b>53,030</b>	<b>5,372</b>
Revenue per Print subscription	2.46	3.00	(0.54)	-	-
Revenue per GV Complete (Print & Online)	3.90	4.00	(0.10)	-	-
Revenue per GV Online subscription	2.15	-	2.15	-	-
Revenue per App subscription	2.56	2.66	(0.10)	-	-
<b>Income</b>					
Subscription Income					
Subscription Income	\$ 340,142	\$ 437,220	\$ (97,078)	\$ 363,834	\$ (23,692)
Mobile App Income	32,472	49,890	(17,418)	-	32,472
Back Issues	11,755	12,501	(746)	-	11,755
GV Complete	63,977	42,000	21,977	62,093	1,884
GV Online	16,433	-	16,433	-	16,433
<b>Total Subscription Income</b>	<b>464,778</b>	<b>541,611</b>	<b>(76,833)</b>	<b>425,926</b>	<b>38,852</b>
Direct Cost					
Cost of Printing	22,678	24,429	(1,751)	11,448	11,229
Service/Fulfillment	114,162	126,398	(12,236)	127,857	(13,695)
Postage	125,935	125,586	349	103,882	22,053
GV Audio	3,331	6,630	(3,299)	13,915	(10,584)
GV App	4,871	7,483	(2,612)	-	4,871
<b>Total Direct Cost</b>	<b>270,977</b>	<b>290,526</b>	<b>(19,549)</b>	<b>257,103</b>	<b>13,874</b>
<b>Gross Margin on Subscriptions</b>	<b>193,801</b>	<b>251,085</b>	<b>(57,284)</b>	<b>168,824</b>	<b>24,978</b>
Content Related Income					
Books and Booklets	215,083	253,125	(38,042)	196,129	18,953
Cassettes And MP3	2,540	6,000	(3,460)	1,593	947
Other Special Items	4,339	9,498	(5,159)	3,849	491
<b>Total Content Related Income</b>	<b>221,962</b>	<b>268,623</b>	<b>(46,661)</b>	<b>201,571</b>	<b>20,391</b>
Cost of Goods -Books and Booklets	54,688	49,410	5,278	30,627	24,061
Cost of Goods Cassettes and MP3	283	3,054	(2,771)	94	189
Cost of Goods Other Special Items	1,736	7,620	(5,884)	999	737
Mailing-Postage, Fulfillment, and Other Services	5,110	10,401	(5,291)	6,963	(1,853)
<b>Total Content Related Direct Cost</b>	<b>61,816</b>	<b>70,486</b>	<b>(8,670)</b>	<b>38,683</b>	<b>23,134</b>
<b>Gross Margin - Other Published Items</b>	<b>160,146</b>	<b>198,137</b>	<b>(37,991)</b>	<b>162,888</b>	<b>(2,743)</b>
Interest Reserve Fund	2,400	2,400	-	1,752	648
<b>Total Gross Margin</b>	<b>\$ 356,347</b>	<b>\$ 451,622</b>	<b>\$ (95,275)</b>	<b>\$ 333,464</b>	<b>\$ 22,883</b>

**AA Grapevine Inc.**  
**Statements of Activities - Actual vs Budget and Prior Year**  
**(Income Statement)**  
**For the Quarter Ended March 31, 2024 and 2023**

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
<b>Expenses</b>					
Editorial					
Salaries	\$ 55,556	\$ 61,188	\$ (5,632)	\$ 56,720	\$ (1,165)
Payroll Taxes and Benefits	20,649	20,940	(291)	23,328	(2,678)
Temp Help	46,745	47,499	(754)	61,734	(14,989)
Insurance	3,354	2,250	1,104	2,059	1,295
Occupancy costs	7,724	7,750	(26)	6,357	1,368
Office supplies and expenses	4,124	5,499	(1,375)	6,338	(2,214)
Office Equipment	2,762	250	2,512	-	2,762
Professional fees	49,251	48,756	495	16,405	32,846
Bank service charges	60	126	(66)	32	27
Meetings and conferences	2,356	2,499	(143)	2,308	49
Website Maint./Development	26,604	12,501	14,103	19,413	7,191
Total Editorial	219,186	209,258	9,928	194,694	24,492
Circulation And Business					
Salaries	155,008	186,855	(31,847)	76,327	78,681
Payroll taxes and benefits	54,469	61,413	(6,944)	24,502	29,967
Temp Help	-	3,000	(3,000)	6,788	(6,788)
Fulfillment - Subscription orders	36,747	56,250	(19,503)	30,108	6,639
Insurance	2,684	435	2,249	1,943	741
Occupancy costs	8,427	8,985	(558)	6,553	1,874
Professional fees	48,332	40,838	7,494	15,101	33,231
Website Maint./Development	1,195	1,248	(53)	83	1,112
Office supplies and expenses	14,500	9,249	5,251	9,540	4,960
App Development & Launch	42,000	31,500	10,500	-	42,000
Meetings and conferences	1,263	6,250	(4,987)	5,472	(4,209)
Recruitment Fees	30,000	30,000	-	-	30,000
Canadian exchange	(845)	900	(1,745)	(152)	(693)
Bank service charges	12,050	19,998	(7,948)	16,703	(4,653)
Total Circulation And Business	405,831	456,921	(51,091)	192,970	212,861
General And Administrative					
Temp Help	449	1,644	(1,195)	-	449
Office supplies and expenses	-	3,873	(3,873)	2,053	(2,053)
Meetings and conferences	691	900	(209)	-	691
Depreciation expense	23,815	26,901	(3,086)	16,906	6,909
Bad debts	-	750	(750)	2,718	(2,718)
Total General And Administrative	26,585	34,068	(7,483)	21,677	4,908
<b>Total Expenses</b>	<b>651,601</b>	<b>700,247</b>	<b>(48,646)</b>	<b>409,340</b>	<b>242,261</b>
<b>Net Income (Shortfall)</b>	<b>(295,254)</b>	<b>(248,625)</b>	<b>(46,629)</b>	<b>(75,876)</b>	<b>(219,378)</b>
<b>Net Income (Shortfall) Grapevine</b>	<b>\$ (295,254)</b>	<b>\$ (248,625)</b>	<b>\$ (46,629)</b>	<b>\$ (75,876)</b>	<b>\$ (219,378)</b>

**AA Grapevine Inc.**  
**Statements of Activities - Actual vs Budget and Prior Year**  
**(Income Statement)**  
**For the Quarter Ended March 31, 2024 and 2023**

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
<b>La Vina</b>					
<b>Circulation (Number of Subscribers)</b>					
LV Print subscriptions	6,624	6,710	(86)		
LV Complete	99	50	49		
LV Online subscriptions	36	-	36		
LV App subscriptions	198	200	(2)		
<b>Total Circulation</b>	<b>6,957</b>	<b>6,960</b>	<b>(3)</b>	<b>6,072</b>	<b>885</b>
Revenue per Print subscription	2.49	2.10	0.39		-
Revenue per LV Complete (Print & Online)	3.80	3.50	0.30		-
Revenue per LV Online subscription	1.68		1.68		-
Revenue per App subscription	2.60	2.50	0.10		-
<b>Income</b>					
Subscription Income					
Subscription Income	\$ 32,946	\$ 28,203	\$ 4,743	22,333	\$ 10,613
Mobile App Income	514	1,750	(1,236)	-	514
Back issues	3,343	4,334	(991)	1,781	1,563
LV Complete	752	525	227	3,645	(2,894)
LV Online subscriptions	166	-	166	-	166
<b>Total Subscription Income</b>	<b>37,720</b>	<b>34,812</b>	<b>2,908</b>	<b>27,758</b>	<b>9,962</b>
Direct Cost					
Service/Fulfillment	25,013	20,262	4,751	17,521	7,492
Postage	4,218	5,078	(860)	1,581	2,637
LV App	76	263	(187)	-	76
<b>Total Direct Cost</b>	<b>29,307</b>	<b>25,603</b>	<b>3,704</b>	<b>19,102</b>	<b>10,205</b>
<b>Gross Margin on Subscriptions</b>	<b>8,413</b>	<b>9,209</b>	<b>(796)</b>	<b>8,657</b>	<b>(243)</b>
Content Related Income					
Books and Booklets	26,922	20,400	6,522	13,441	13,481
Cassettes and MP3	45	225	(180)	10	35
Other Special Items	1,510	2,760	(1,250)	624	886
<b>Total Content Related Income</b>	<b>28,477</b>	<b>23,385</b>	<b>5,092</b>	<b>14,075</b>	<b>14,402</b>
Cost of Goods	11,702	4,260	7,442	2,689	9,013
Mailing-Postage, Fulfillment, and Other Services	-	-	-	-	-
<b>Total Content Related Direct Cost</b>	<b>11,702</b>	<b>4,260</b>	<b>7,442</b>	<b>2,689</b>	<b>9,013</b>
<b>Gross Margin - Other Published Items</b>	<b>16,775</b>	<b>19,125</b>	<b>(2,350)</b>	<b>11,386</b>	<b>5,389</b>
<b>Total Gross Margin</b>	<b>\$ 25,189</b>	<b>\$ 28,334</b>	<b>\$ (3,145)</b>	<b>\$ 20,043</b>	<b>\$ 5,146</b>

**AA Grapevine Inc.**  
**Statements of Activities - Actual vs Budget and Prior Year**  
**(Income Statement)**  
**For the Quarter Ended March 31, 2024 and 2023**

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
<b>Expenses</b>					
Editorial					
Salaries	\$ 42,218	\$ 46,938	\$ (4,720)	\$ 31,581	\$ 10,637
Payroll taxes and benefits	19,367	15,489	3,878	16,815	2,552
Temp Help	12,731	13,749	(1,018)	42,359	(29,628)
Insurance	1,058	1,560	(502)	1,040	18
Professional fees	5,702	3,720	1,982	12,983	(7,281)
Website Maint./Development	7,118	2,499	4,619	11,171	(4,053)
Occupancy costs	3,210	4,368	(1,158)	3,837	(627)
Office supplies and expenses	124	780	(656)	47	77
Recruitment	-	-	-	-	-
Meetings and conferences	703	1,500	(797)	1,056	(353)
<b>Total Editorial</b>	<b>92,230</b>	<b>90,603</b>	<b>1,627</b>	<b>120,889</b>	<b>(28,659)</b>
Circulation And Business					
Salaries	42,147	41,109	1,038	41,863	283
Payroll taxes and benefits	15,185	13,566	1,619	11,877	3,308
Insurance	1,167	300	867	681	486
Temp Agency	-	1,644	(1,644)	-	-
Professional fees	7,194	3,600	3,594	7,301	(106)
Fulfillment - Subscription orders	7,153	7,383	(230)	18,959	(11,806)
Fulfillment - Product orders	-	-	-	-	-
Fulfillment - Customer Service	-	-	-	-	-
Occupancy costs	3,154	2,808	346	3,072	82
Office supplies and expenses	25	1,476	(1,451)	506	(481)
Meetings and conferences	-	-	-	469	(469)
Selling expense--regular	-	-	-	-	-
<b>Total Circulation And Business</b>	<b>76,024</b>	<b>71,886</b>	<b>4,138</b>	<b>84,728</b>	<b>(8,704)</b>
General And Administrative					
Salaries	-	-	-	-	-
Payroll taxes and benefits	-	-	-	-	-
Depreciation expense	4,375	9,600	(5,225)	3,178	1,197
Furniture & Equipment	-	-	-	-	-
Copyright Matters	-	-	-	-	-
<b>Total General And Administrative</b>	<b>4,375</b>	<b>9,600</b>	<b>(5,225)</b>	<b>3,178</b>	<b>1,197</b>
<b>Total Expenses</b>	<b>172,629</b>	<b>172,089</b>	<b>540</b>	<b>208,795</b>	<b>(36,166)</b>
<b>Net Operating Income (Shortfall)</b>	<b>(147,440)</b>	<b>(143,755)</b>	<b>(3,685)</b>	<b>(188,752)</b>	<b>41,312</b>
Contribution GSB	147,440	143,755	3,685	52,821	94,620
<b>Net Income (Shortfall) La Vina</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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