

**Quarterly Financial Report – Alcoholics Anonymous (“AA”)
September 30, 2024 (End of Third Quarter) Unaudited Financial Statements**

Part I: Overview and Intended Use

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

The QFR Consists of:

- Narrative – Parts II through V Below
- AAWS/GSB Financial Statements
 - Comparative Balance Sheet
 - Comparative Income Statement
 - Monthly Income Statement
 - Graphs – Contributions, Gross Literature Sales, Gross Margin, Operating Expenses
- AAGV Financial Statements
 - Statement of Financial Position/Balance Sheet
 - Comparative Income Statement
 - 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 nine months ended September 30, 2024, total operating revenue is \$14,591,894 which is 3% more than the year to date (YTD) budget of \$14,140,375. Total operating expenses before depreciation are \$13,417,466, which is 3% less than the YTD budget of \$13,826,110. Operating surplus before depreciation is \$1,174,429 compared to a budgeted YTD surplus of \$314,265. Literature accounts receivable is \$673,202, of which 41.7% is current, 34.4% is less than 60 days past due, and 23.9% is more than 60 days past due. The reserve fund is at 6.41 months of 2024 reforecast 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 Reforecast Budget	Versus Prior Year (9 months ended September 30, 2023)
Contributions	\$8.1M vs \$7.60M, 7% greater than budget	\$8.1M vs \$7.3M, 11% greater than prior year
Gross Literature Sales	\$10.8M vs \$12.1M, 10% less than budget	\$10.8M vs \$11.1M, 3% less than prior year
Net Literature Sales (Gross Margin)	\$5.9M vs \$6.1M, 4% less than budget	\$5.9M vs \$5.6M, 4% greater than prior year
Gross Margin as a Percentage of Gross Literature Sales	54.2% versus 50.5%	54.2% versus 50.5%
Operating Expenses before depreciation	\$13.4M vs \$13.8M, 3% less than budget	\$13.4M vs \$13.1M, 3% more than prior year
Operating Surplus before depreciation	\$1.2M vs \$314K	\$1.2M vs \$260K
Reserve Coverage (# of months)	6.41	7.27

II. C. Comparative Balance Sheet Notes

Cash – Cash increased \$179K year-over-year due to increased contributions. Cash as a percentage of Accounts Payable and Accrued Liabilities improved from 22% in 2023 to 62% in 2024.

Accounts Receivable – Accounts receivable decreased \$339K year-over-year due to more effective collection of literature receivables. Literature receivables more than 60 days past due decreased \$255K year-over-year.

Prepaid Expenses – Prepaid expenses increased from \$581K to \$1,311K year-over-year 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 September 30, 2024 represents “typical” desired levels. Since cash is tied up in inventory before it is sold, the AAWS Board carefully reviews 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 year-over-year due to depreciation in excess of capital expenditures and amortization of the “Right-to-Use” Asset which quantifies the economic benefit of the leased space at 475 Riverside Drive.

Postretirement Medical Fund – These assets of \$8.9 million and liabilities of \$5.6 million relate to the postretirement medical insurance program which was closed to new hires as of 2016. Asset values vary throughout the year based on changes in market value and benefit payments. The liability is recalculated annually by our actuaries. As of September 30, 2024, the plan had more investment assets than required to meet benefits when due.

Accounts Payable and Accrued Expenses – Accounts payable and accrued expenses decreased \$1.38M year over year as increased contributions and the January 2024 Reserve Fund draw have enabled more timely payments to vendors.

Defined Benefit Pension Liability – The defined benefit pension plan was closed to new hires as of January 1, 2013. The assets are held in an irrevocable trust from which benefits are paid. The amount as of September 30, 2024, \$(7,184M) is a negative liability which represents the fact that assets in the plan exceed benefit obligations. As is the case with the postretirement plan, asset values vary throughout the year based on investment markets and benefit payments. The liability is recalculated annually by our actuaries. As of September 30, 2024, the plan had more investment assets than required to meet benefits when due.

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

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

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

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

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II. E. Reforecast Budget – AAWS/GSB (Dollars in Thousands)

Budget Item	Reforecast	Original	Impact	Notes
Budgeted Revenue				
Contributions	10,500	10,500		
General Service Conference	405	405		
International	259	245	Increased 14k	Estimated of number of attendees to World Service Meeting has increased.
Net Literature Sales	8,492	8,492		
Total Budgeted Revenue	19,656	19,642	Increased 14k	
Budgeted Operating Expenses				
Personnel	11,808	11,957	Decreased 149k	Due to vacant positions
Professional Fees	1,863	1,821	Increased 42k	Largest drivers: Audit requirements (1) new audit firm (always more in depth first year) including restatement of PSA valuations and (2) New audit requirement for Defined Contribution Plan
Printing and Postage	538	570	Decreased 32k	Primarily due to ceasing of printing and mailing Box 459 subscriptions
Data, Automation, Website	708	741	Decreased 33k	Largest drivers – (1) Reduced estimate for ERP maintenance and licensing and (2) Reduced estimate for need for Microsoft support
Insurance	78	82	Decreased 4k	Renewal premium lower than estimated
Facility and Equipment	1,285	1,277	Increased 8k	Replace CPC display materials, increased cost for postage meter lease.
Travel and Meeting	2,499	2,430	Increased 69k	Largest Drivers – (1) Regional Forum A/V expense and (2) Additional GSB meetings – Board inventory (as per Advisory Action), leadership training, strategic planning (outcome of Inventory)
Other	194	147	Increased 47k	Increased banking, credit card processing and vendor fees
Total Budgeted Operating Expense	18,973	19,025	Decreased 52k	Net impact of items above
Depreciation	950	1,020	Decreased 70k	Some assets have completed their depreciation period. Depreciation is an accounting practice where the cost of a physical asset (for example furniture, technology, fixtures) is spread over the period of “its useful life”, typically 5 years
Operating Deficit After Depreciation	(267)	(403)	Decreased 136k	Net impact of items above
Operating Surplus Before Depreciation Less GSB Support for LaViña	114	48	Increased 66k	Net impact of items above

II. F. Income Statement Notes

Revenue – As noted above, contributions were greater than budget (\$8.1 million versus prior year of \$7.3 million and budget of \$7.6 million). Although gross literature sales and net literature sales were less than budget, the gross margin percentage on those sales (54.2% 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 \$12, \$12 goes to gross sales. If that book cost \$5.50 to print and mail, net sales are what we keep, in this case \$6.50. The Gross Margin percentage on this sale is $6.50/12.00 = 54.2\%$.

Expense – Overall, operating expenses before depreciation were below budget. Except for employee benefits, payroll taxes, and printing postage and supplies, all expense categories were less than budget. In employee benefits, medical and dental insurance, health reimbursement account expenses, and 403b plan employer match are greater than budget. In payroll taxes, our NYS unemployment insurance taxes are greater than expected.

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 as a service from the General Service Board
- Volatile financial results such as changes in investments and obligations for pensions and postretirement obligations.

Operating Surplus Before Depreciation for the nine months ended September 30, 2024 is positive \$1,175k and is favorable versus the first nine months of 2023 (surplus of \$260k) and budget for the first nine months of FY24 (surplus of \$314k).

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

Part III: AAGV Financial Statements**III. A. Executive Summary (including analysis of revenue and expense activity YTD)**

Grapevine net loss for the first nine months of 2024 was \$612k versus a reforecast budgeted loss of \$565k. This \$47k variance is due to subscription income which is 20% greater than 2023 but 2% below the reforecast budget. Expenses are trending within 1% of the reforecast budget.

La Viña revenues and expenses for the first nine months of 2024 both approximate budget. The net shortfall La Viña subscriptions and materials minus expenses does not flow to the AAGV corporate bottom line; instead, per Advisory Action, it is funded by the GSB.

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III. B. AAGV Key Financial Indicators (“KFIs”)

GREEN – Favorable or neutral 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 (9 months ended September 30, 2023) (Dollars in thousands ‘000)
Total Grapevine (“GV”) Subscription Income	\$1,485k vs \$1,518k, 2% behind budget	\$1,485k vs \$1,239k, 20% ahead of prior year
Total GV Print-only Circulation	45,492 vs 46,000, 1% behind budget	
GV App + Online + GV Complete Subscriptions	13,771 vs 16,210, 15% behind budget	
Total Circulation	59,263 vs 62,210, 5% behind budget	59,263 vs 53,902, 10% ahead of prior year
GV Subscription Net Profit Percentage	46.2% vs 46.9%, approximating budget	46.2% vs 36.1%, reflecting the impact of much higher margin digital content
GV Operating Expenses	\$1,881k versus \$1,873k , approximating budget	\$1,881k vs \$1,403k, 34% increase from prior year reflecting Staffing and other costs related to the App
GV Net (Loss) before Reserve Transfers	\$(612k) vs \$(565k)	\$(612k) vs \$(589k)
La Viña (“LV”) Gross Margin on Subscriptions	\$23k vs \$26k, 10% behind budget	\$23k vs \$30k, a decrease of 24%
LV Total Gross Margin	\$84k vs \$87k, 4% behind budget	\$84k vs \$86k, a decrease of 2%
LV Total Circulation	6,986 vs 7,618, 8% behind budget	6,986 vs 6,345, 10% greater than prior year
LV Expenses	\$520k vs \$520k, approximating budget	\$520k vs \$655k, a decrease of 21%
LV Shortfall	\$(436k) vs \$(433k), approximating budget	\$(436k) vs \$(570k), a decrease of 23%

III. C. Statement of Financial Position Notes

Cash and Cash Equivalents – Cash increased year-over-year from \$110k to \$190k. Cash as a percentage of Accounts Payable and Accrued Liabilities improved from 16% in 2023 to 32% in 2024.

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

Subscription Liability Fund – See Part IV Below.

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.

II. D. Reforecast Budget – AAGV (Excluding LaViña) (Dollars in Thousands)

Budget Item	Reforecast	Original	Impact	Notes
Budgeted Revenue				
1. Print-only Subscription Revenue	1,396	1,691	Decreased 295k	Price increase impact was budgeted to take effect immediately but actually rolls out as subscriptions renew. This will not affect future years' revenue
2. GV App, Online, Complete Subscription and Other Subscription-related Revenue	670	594	Increased 76k	Primary driver is \$87k positive adjustment to revenue resulting from accounts receivable clean up.
3. Total Subscription Revenue	2,066	2,285	Decreased 219k	Impact of 1 and 2 above
4. Other Content Revenue (i.e. GV Books)	1,050	1,074	Decreased 24k	Sales of books and booklets slightly below target
5. Total Operating Revenue	3,116	3,359	Decreased 243k	Impact of 3 and 4 above
6. Cost of Goods Sold	1,351	1,452	Decreased 101k	Lower volumes drive lower costs
7. Total Gross Margin	1,765	1,907	Decreased 142k	Net impact of 5 and 7 above
Budgeted Expenses				
8. Editorial	717	812	Decreased 95k	Significant reduction in expected utilization of outsourced help and freelancers and delay in hiring and open position
9. Circulation and Business	1,611	1,549	Increased 62k	Outsourced accounting assistance during the 2023 audit (the Controller position was vacant until the beginning of audit fieldwork) and website and App development costs are over budget.
10. General and Administrative	119	138	Decreased 19k	Close monitoring of office supply and related costs
11. Total Operating Expenses	2,447	2,499	Decreased 52k	Net impact of 8, 9 and 10 above
12. Interest on Subscription Liability Invested in Reserve Fund	10	10	No Change	
13. Net (Loss) Grapevine	(672)	(582)	Increased 90k	Net impact of 7, 11 and 12 above

II. E. Reforecast Budget – LaViña (Dollars in Thousands)

Budget Item	Reforecast	Original	Impact	Notes
Budgeted Revenue				
1. Print-only Subscription Revenue	102	85	Increased 17k	The rollout of the App has resulted in renewed enthusiasm for the print version of La Viña
2. LV App, Online, Complete Subscription and Other Subscription-related Revenue	14	29	Decreased 15k	Driven by \$6k negative adjustment to revenue resulting from cleanup of prior accounts receivable balances and lower-than-expected App subscriptions
3. Total Subscription Revenue	116	114	Increased 2k	Impact of 1 and 2 above
4. Other Content Revenue (i.e. LV Books)	120	101	Increased 19k	Strong sales of books and booklets
5. Total Operating Revenue	236	215	Increased 21k	Impact of 3 and 4 above
6. Cost of Goods Sold	117	96	Increased 21k	Greater than expected cost of sales; allocation methodologies to be examined
7. Total Gross Margin	119	119	Unchanged	Net impact of 5 and 7 above
8. Budgeted Expenses	691	688	Increased 3k	
9. Net LaViña Shortfall	(572)	(569)	Increased 3k	Net impact of 7 and 8 above

Part III. F. Income Statement Notes

Grapevine:

Grapevine subscriptions numbers continue to increase and are 10% above last year. However, total circulation is below the 2024 reforecast by 5% as of September 30th. The revenue per copy is very close to the reforecast.

While in-app subscription growth continues to be behind forecast, they averaged a steady 51 per week in the third quarter. We are encouraged by members who subscribe to our “online” and “complete” options, which both provide app access. Currently in-app subs total 5,330, but subscribers with access to the apps total 13,771. We plan to release the apps internationally soon and see strong potential for domestic and international app sales at the Vancouver Convention in July 2025.

Grapevine income continues to experience solid revenue growth in both subscription income and content income compared to last year, with almost no increase in direct costs. Total gross margin has increased \$453k (56%) year-over-year; however, it is below the reforecast by \$39k.

Year-to-date expenses are running very close to the reforecast, but are also higher than last year, as planned. Total expenses are over \$8k and the net loss is \$47k higher than the reforecast.

La Vina:

La Vina's subscription numbers are also up 9.1% from last year but 8.3% below the reforecast. This flows through to revenue, which is also lower than the reforecast. Year-to-date direct costs are lower than prior year, as well.

Content revenue for La Vina continues to perform well and contributes more to gross margin than subscription revenue. Gross margin for subscriptions is \$23k and \$61k for content related revenue.

La Vina expenses approximate the reforecast and are \$135k less than last year. Overall, La Vina's bottom line is less than 1% over the reforecast. The total contribution from the General Service Board is \$133k less than last year.

Part IV: Reserve Fund and Grapevine Subscription Liability

As of September 30, 2024, the Reserve Fund Assets total \$12.36 million consisting of cash and certificates of deposit. Less the liability for unfulfilled Grapevine subscriptions of \$540k, the Reserve Fund Balance is \$11.82 million.

Based on the expense budgets for GSO, Grapevine and La Viña (total \$22.212 million) the reserve fund balance is equal to 6.41 months of operating expenses. The goal range is coverage of 9 to 12 months. Note that the calculation is influenced equally by (1) the size of the Reserve Fund Balance and (2) the level of GSO, Grapevine and La Viña expenses.

Part V: Other Notable Items

None.

AAWS/GSB

FINANCIAL STATEMENTS

UNAUDITED

Alcoholics Anonymous World Services
General Service Board of Alcoholics Anonymous
Comparative Balance Sheet
End of September 2024
Thousands of Dollars

	09/30/24	09/30/23	CHANGE
ASSETS			
Current Assets			
Cash	743	565	179
Accounts Receivable (Literature + GV)	1,114	1,453	(339)
Prepaid Expense	1,311	581	730
Literature Inventory	3,054	4,136	(1,082)
Reserve Fund	12,357	13,156	(798)
Total Current Assets	18,579	19,890	(1,311)
Fixed Assets			
Fixed Assets	7,498	9,071	(1,574)
Accumulated Depreciation	(4,359)	(4,374)	14
Net Fixed Assets	3,139	4,698	(1,559)
Other Assets			
Postretirement Medical Fund	8,872	7,298	1,574
Total Other Assets	8,872	7,298	1,574
Total ASSETS	30,590	31,886	(1,296)
LIABILITIES			
Accounts Payable	1,154	1,902	(749)
Accrued Expenses	36	667	(631)
Defined Benefit Pension Liability	(7,184)	(4,786)	(2,398)
Sales Tax	3	0	3
Deferred Revenue	0	0	0
Grapevine Subscription Liability	540	573	(33)
Employee Withholding	39	23	16
Postretirement Benefit	5,632	5,388	243
Rent Lease Liability	1,886	2,812	(926)
Total LIABILITIES	2,106	6,581	(4,475)
NET ASSETS			
Reserve Fund	11,817	12,583	(765)
Postretirement Medical Fund	3,240	1,910	1,331
Capital Projects Fund	1,021	1,552	(531)
Defined Benefit Pension Liability	7,184	4,786	2,398
General Fund	5,221	4,475	746
Total NET ASSETS	28,484	25,305	3,178
Total LIABILITIES AND NET ASSETS	30,590	31,886	(1,296)

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

Account	Current Year to Date (Jan 2024 - September 2024)	Last Year to Date (Jan 2023 - September 2023)	Year To Date Variance	2024 Full Year Reforecast Budget	2023 Actuals
Operating Revenue					
Contributions	8,096	7,314	782	10,500	10,841
International (2024 includes WSM)	221	29	192	259	69
General Service Conference	416	358	58	405	383
Gross Literature Sales	10,812	11,127	(315)	16,817	14,632
Literature Shipping Charges	234	225	9	336	303
Literature Discounts	(429)	(145)	(284)	(252)	(454)
Cost of Goods Sold	4,758	5,586	(828)	8,409	7,726
Gross Margin	<u>5,859</u>	<u>5,621</u>	<u>238</u>	<u>8,492</u>	<u>6,755</u>
Total - Operating Revenue	14,592	13,322	1,270	19,656	18,048
Operating Expense					
Salary & Benefits	8,160	7,554	606	11,032	10,349
Payroll Taxes	557	509	48	776	692
Professional Fees	1,081	1,290	(209)	1,863	1,841
Printing, Postage, Supplies, and Subscriptions	445	423	22	538	573
Data, Automation & Website	429	412	17	708	573
Insurance	58	56	2	78	71
Facility & Equipment	972	931	41	1,285	1,224
Other				194	240
Travel & Meetings	1,715	1,887	(172)	2,499	2,147
Total - Operating Expense	<u>13,417</u>	<u>13,062</u>	<u>355</u>	<u>18,973</u>	<u>17,710</u>
Operating Surplus Before Depreciation	1,175	260	915	683	338
Depreciation Expense	641	812	(171)	950	1,056
Operating Surplus/(Deficit) After Depreciation	534	(552)	1,086	(267)	(718)
Non-Operating Revenue	1,349	629	720		1,397
Non-Operating Expense (Note)	1,186	1,199	(13)	600	(871)
Non-Operating Surplus/(Deficit)	<u>163</u>	<u>(570)</u>	<u>733</u>	<u>(600)</u>	<u>2,268</u>
Total Surplus/(Deficit)	697	(1,122)	1,819	(867)	1,550
Operating Surplus/(Deficit) Before Depreciation net of LaViña Support	1,026	(104)	1,130	114	(418)

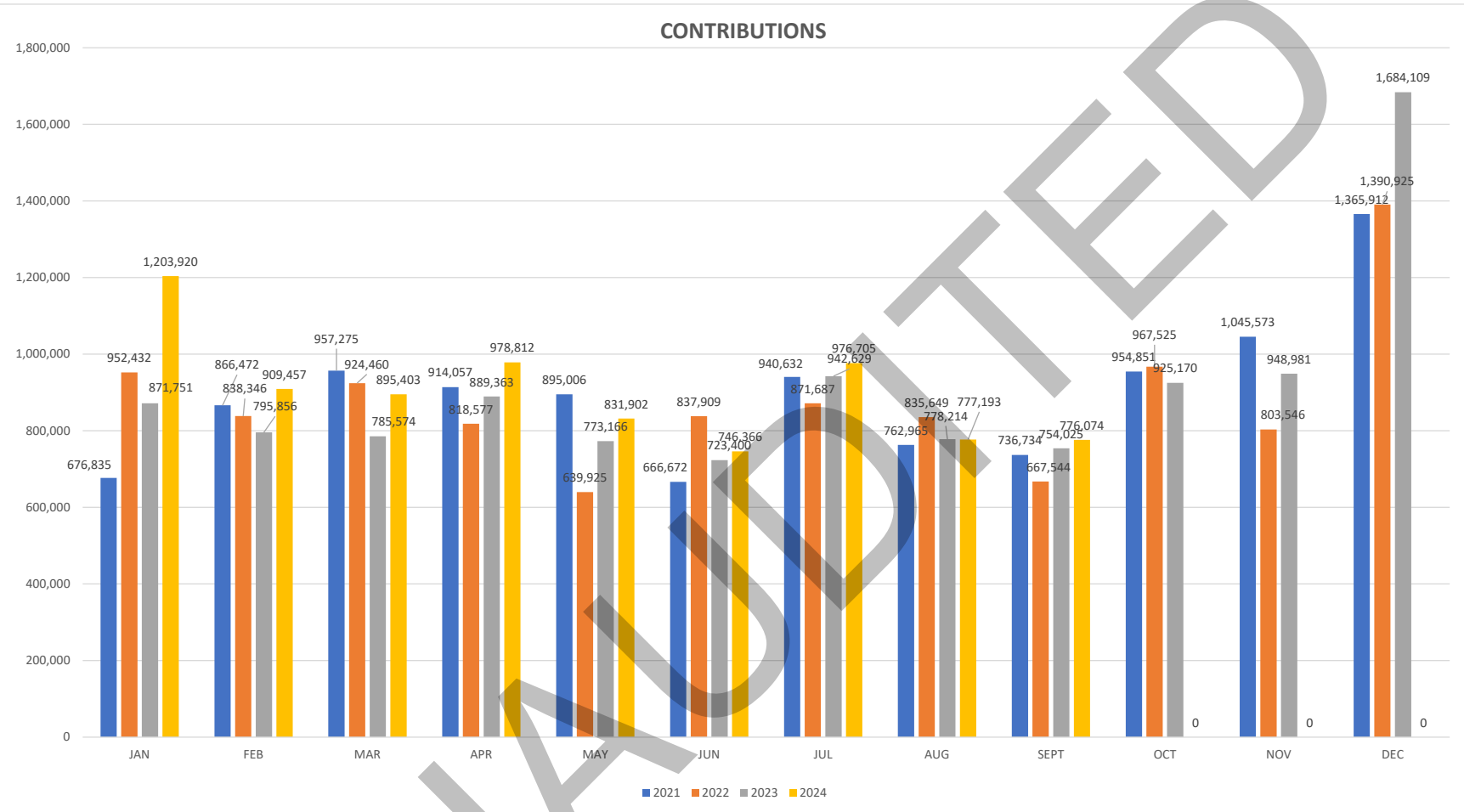
Note 1) 2024 and 2023 Non-operating expense include withdrawals of \$565k and \$500k, respectively from the Reserve Fund for Grapevine.

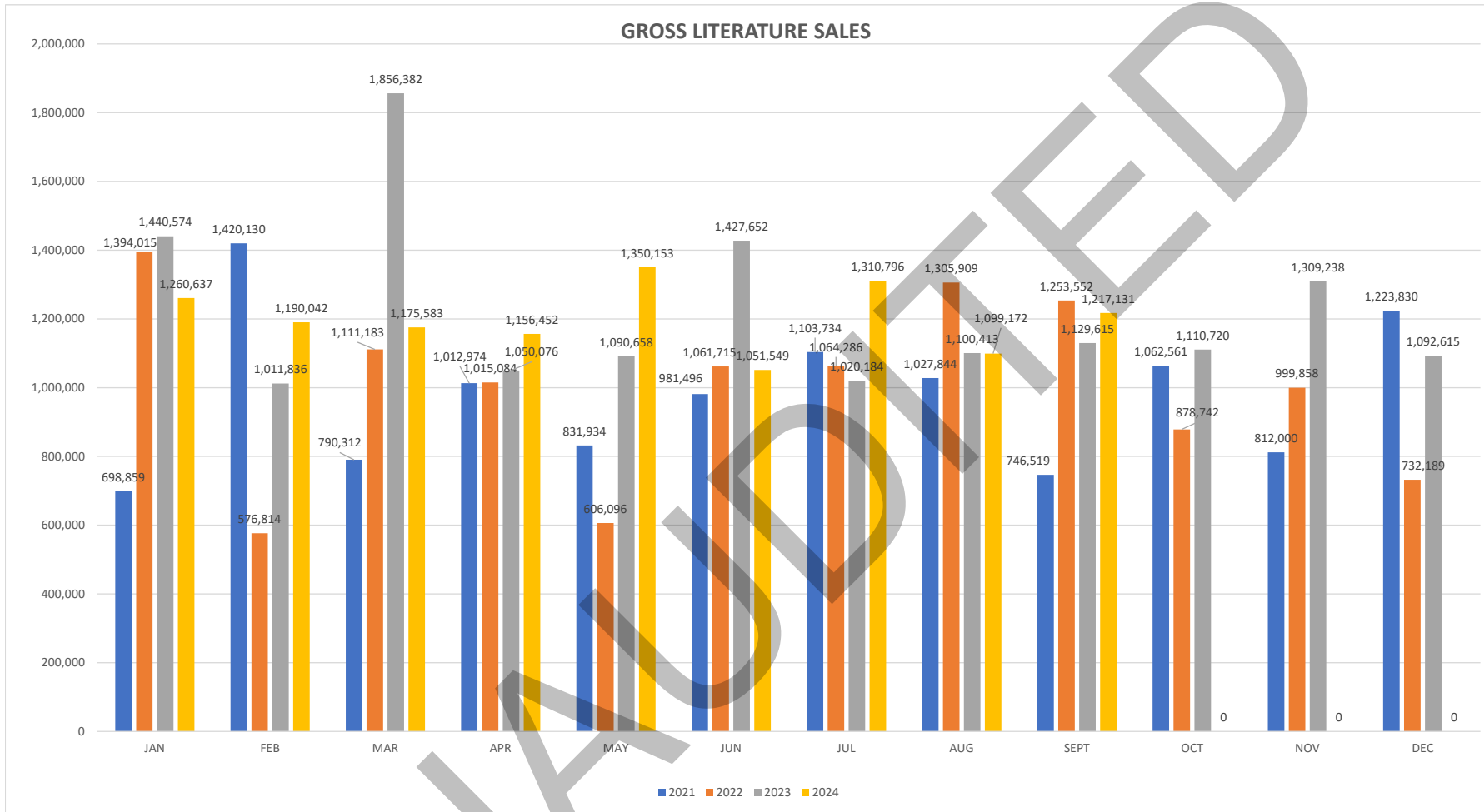
These are reflected as income for Grapevine and this net to \$0 on a consolidated basis.

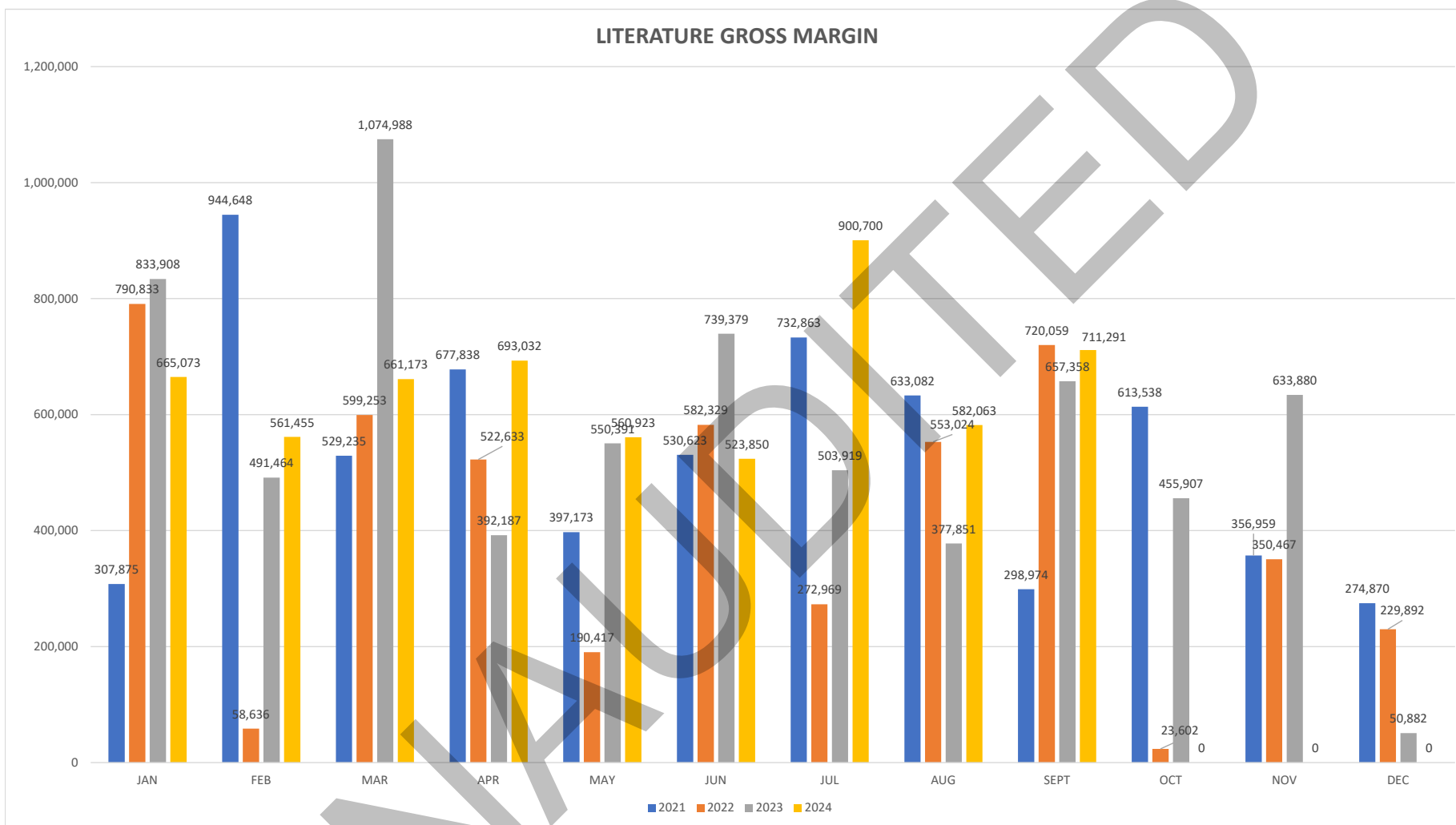
Budgeted Non-Operating Expense for 2024 consist of LaViña support of \$569k and distributions from the International Literature Fund of \$30k.

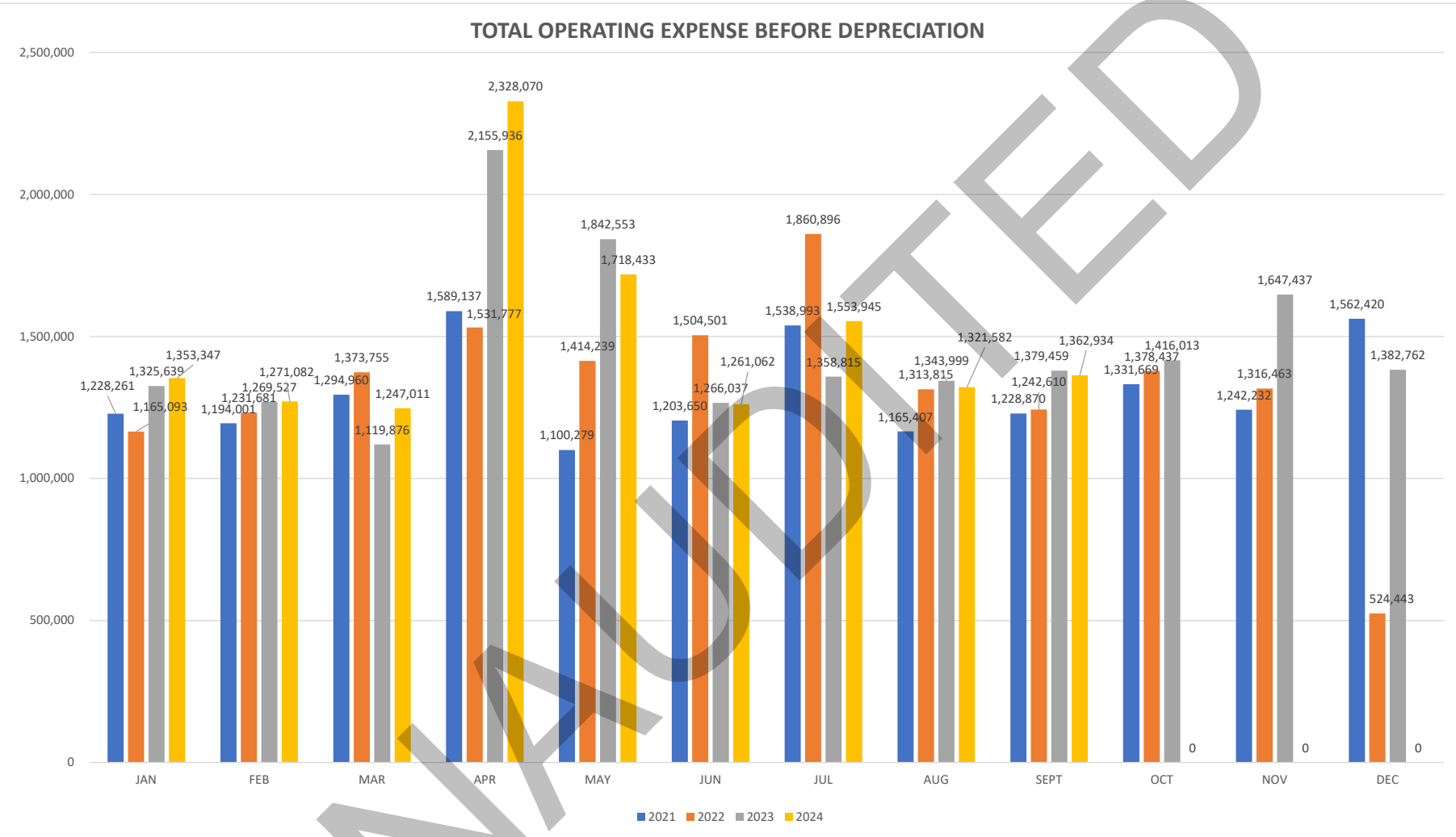
A.A. World Services and General Service Board
 Consolidated
 Monthly Income Statement Compared to Prior Year and Budget
 September 2024

Account	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	YTD 2024	Reforecast 1.1 YTD Budget 2024	% of YTD Reforecast 1.1	YTD Actual 2023
Operating Revenue													
Total - 40000 - Contributions - Members & Groups	1,203,920	909,457	895,403	978,812	831,902	746,366	976,705	777,193	776,074	8,095,834	7,560,000	107%	7,313,978
Total - 42000 - International	5,357	522	7,357	9,352	35,328	18,748	50,766	65,172	28,174	220,777	102,450	215%	28,739
Total - 43000 - General Service Conference	76,607	57,671	165,382	71,810	17,300	11,700	14,200	1,055	0	415,724	384,370	108%	357,739
Total - Operating Revenue before Literature	1,285,883	967,649	1,068,143	1,059,975	884,531	776,814	1,041,670	843,421	804,249	8,732,334	8,046,820	109%	7,700,456
Total - 46000 - Literature Sales	1,185,218	1,201,375	1,187,960	1,173,649	1,297,455	1,002,975	1,239,661	1,097,585	1,231,468	10,617,346	12,126,777	88%	11,207,926
Total - Cost Of Sales	520,144	639,920	526,787	480,617	736,532	479,125	338,961	515,523	520,177	4,757,786	6,033,222	79%	5,586,480
Literature Gross Margin	665,073	561,455	661,173	693,032	560,923	523,850	900,700	582,063	711,291	5,859,560	6,093,555	96%	5,621,446
Total Operating Revenue	1,950,957	1,529,104	1,729,316	1,753,006	1,445,454	1,300,664	1,942,370	1,425,484	1,515,540	14,591,894	14,140,375	103%	13,321,902
Operating Expense													
60100 - Payroll & Benefits : Salaries	581,219	691,580	703,018	715,069	1,058,812	691,435	694,301	690,121	685,661	6,511,218	6,730,826	97%	6,004,704
Total - 60300 - Payroll & Benefits : Employee Benefits	257,587	121,566	134,596	152,521	146,210	138,580	134,779	112,699	134,532	1,333,069	1,073,381	124%	1,320,876
Total - 60500 - Payroll & Benefits : Retirement Plan Contributions	37,882	40,024	39,739	36,208	37,298	32,591	31,669	30,856	29,628	315,896	307,658	103%	227,985
Subtotal - 60000 - Payroll & Benefits	876,688	853,171	877,353	903,797	1,242,321	862,606	860,749	833,676	849,820	8,160,182	8,111,865	101%	7,553,565
Total - 60400 - Payroll & Benefits : Payroll Taxes	68,841	67,706	60,434	57,478	85,685	55,088	55,797	53,568	52,315	556,911	567,115	98%	508,955
Total - 70000 - Professional Fees	69,568	69,148	105,396	181,456	121,282	142,463	151,066	74,574	166,313	1,081,266	1,360,653	79%	1,290,286
Total - 72000 - Printing, Postage, and Supplies Expenses	39,224	34,400	25,240	63,187	32,151	42,072	53,523	51,975	103,485	445,256	425,190	105%	422,792
Total - 73000 - Data, Automation & Website	43,418	61,847	22,713	34,927	73,184	27,611	53,195	66,145	46,171	429,211	550,431	78%	412,053
Total - 74000 - Insurance	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	6,442	57,978	58,459	99%	56,207
Total - 76000 - Facility & Equipment Expenses	93,036	124,265	114,837	100,118	81,877	99,285	129,383	102,158	115,030	959,989	971,074	99%	931,276
Total - 78000 - Travel & Meetings Expenses	156,130	54,104	34,595	980,665	75,492	25,495	243,789	133,045	23,359	1,726,674	1,781,324	97%	1,886,706
Total Operating Expense	1,353,347	1,271,082	1,247,011	2,328,070	1,718,433	1,261,062	1,553,945	1,321,582	1,362,934	13,417,466	13,826,110	97%	13,061,840
Operating Surplus/(Deficit) Before Depreciation	597,610	258,023	482,305	(575,064)	(272,979)	39,602	388,424	103,901	152,606	1,174,429	314,265		260,061
76800 - Facility & Equipment Expenses : Depreciation Expense	77,056	69,507	71,285	71,231	71,390	70,230	69,839	69,796	70,382	640,716	712,500	90%	811,762
Operating Surplus/(Deficit) After Depreciation	520,554	188,516	411,021	(646,295)	(344,370)	(30,627)	318,586	34,105	82,224	533,713	(398,235)		(551,701)
Other Income and Expenses													
Other Income													
Total - 45000 - Other Revenue	56,150	243,418	250,616	(257,850)	301,256	162,499	207,397	192,201	193,664	1,349,351	0		629,353
45600 - Conventions, Meetings & Events	0	0	0	0	0	0	0	0	0	0	0		0
Total - Other Income	56,150	243,418	250,616	(257,850)	301,256	162,499	207,397	192,201	193,664	1,349,351	0		629,353
Other Expense													
Total - 92000 - Other Expenses	24,779	23,874	19,809	17,472	15,461	7,556	20,537	29,867	29,080	188,436	149,600	126%	137,666
92150 - Disbursements from the ILF	0	0	3,847	113	0	0	0	898	0	4,858	22,500	22%	11,720
92600 - Transfers to La Vina	0	2	0	0	148,775	0	0	151,034	101,143	400,953	427,134	94%	543,994
92650 - Grapevine Transfers	564,652	9,141	0	0	0	0	0	0	0	573,793	0		500,000
92800 - Pension	0	0	0	0	0	0	0	0	0	0	0		0
92850 - Post Retirement Medical Plan	5,481	0	0	6,293	0	0	6,340	0	0	18,114	0		5,637
92950 - Inventory Adjustments	0	0	0	0	0	0	0	0	0	0	0		0
Total - Other Expense	594,912	33,017	23,656	23,878	164,236	7,556	26,877	181,799	130,222	1,186,154	599,234	198%	1,199,017
Net Other Income	(538,762)	210,402	226,960	(281,728)	137,019	154,943	180,519	10,403	63,442	163,197	(599,234)		(569,664)
Surplus/(Deficit)	(18,208)	398,918	637,980	(928,023)	(207,350)	124,315	499,105	44,508	145,666	696,910	(997,469)		(1,121,365)









AAGV

FINANCIAL STATEMENTS

UNAUDITED

AA Grapevine Inc.
Statement of Financial Position (Balance Sheet)
As of September 30, 2024
(Dollars in Thousands)

	September 30, 2024	September 30, 2023	Variance
Assets			
Current Assets			
Cash And Cash Equivalents	\$ 190	\$ 110	\$80
Accounts Receivable Net	267	240	27
Accounts Receivable GSB	45	571	(526)
Subscription Liability Fund	573	573	-
Inventory	313	484	(171)
Total Current Assets	1,388	1,978	(590)
Other Assets			
Prepaid Expenses	102	89	13
Security Deposits	13	16	(3)
Mobile App	467	360	107
Fixed Assets Net	33	132	(99)
Total Other Assets	615	597	18
Total Assets	\$ 2,003	\$ 2,575	(572)
Liabilities and Net Assets			
Liabilities			
Accounts Payable	\$ 181	\$ 156	\$25
Inter-Company Due to AAWS	401	537	(136)
Total Accounts Payable	582	693	(111)
Other Current Liabilities	214	194	20
Deferred Subscriptions	1,559	1,760	(201)
Total Other Current Liabilities	1,773	1,954	(181)
Total Liabilities	2,355	2,647	(292)
Total Net Assets	(352)	-72	(280)
Total Liabilities And Net Assets	\$ 2,003	\$ 2,575	(572)

A.A. Grapevine Inc.
Consolidated Comparative Income Statement as of September 30, 2024
(Dollars in Thousands)

Account	Current Year to Date (Jan 2024 - September 2024)	Last Year to Date (Jan 2023 - September 2023)	Year To Date Variance	2024 Full Year Reforecast Budget	2023 Actuals
Grapevine					
Operating Revenue					
Subscriptions	1,485	1,518	(33)	2,066	1,710
Book and Other Content Sales	768	787	(19)	1,050	922
Total Operating Revenues	2,253	2,305	(52)	3,116	2,632
Cost of Goods Sold	991	1,004	(13)	1,351	1,399
Gross Margin	1,262	1,301	(39)	1,765	1,233
Operating Expense					
Editorial	541	388	153	717	982
Circulation and Business	1,252	821	431	1,611	884
General and Administrative	7	20	(13)	11	161
Total - Operating Expense	1,800	1,229	571	2,339	2,027
Operating (Deficit) Before Depreciation	(538)	72	(610)	(574)	(794)
Depreciation Expense	81	49	32	108	69
Operating (Deficit) After Depreciation	(619)	23	(642)	(682)	(863)
Interest on Reserve Fund	7	5	2	10	6
Transfer from Reserve Fund	565	500	65	0	500
Non-Operating Surplus	572	505	67	10	506
Total Surplus/(Deficit)	(47)	528	(575)	(672)	(357)
La Vina					
Operating Revenue					
Subscriptions	89	95	(6)	116	112
Book and Other Content Sales	90	90	0	120	139
Total Operating Revenues	179	185	(6)	236	251
Cost of Goods Sold	96	98	(2)	117	108
Gross Margin	83	87	(4)	119	143
Operating Expense					
Editorial	256	259	(3)	365	569
Circulation and Business	249	243	6	288	313
General and Administrative	0	0	0	2	4
Total - Operating Expense	505	502	3	655	886
Operating (Shortfall) Before Depreciation	(422)	(415)	(7)	(536)	(743)
Depreciation Expense	15	18	(3)	36	13
Operating (Shortfall) After Depreciation	(437)	(433)	(4)	(572)	(756)
Support from General Service Board	437	433	4	572	756
Net	0	0	0	0	0

AA Grapevine Inc.
Statements of Activities- Actual vs Budget vs Prior Year
For the Nine Months Ended September 30, 2024

	Actual	Reforecast Budget	Actual vs Reforecast Budget	Prior Year as of September 30, 2023	Actual vs. Prior Year
Grapevine					
Circulation (Average Number of Subscribers)					
GV Print subscriptions	45,492	46,000	(508)		
GV Complete (Print and Online)	5,454	5,610	(156)		
GV Online subscriptions	2,987	3,900	(913)		
GV App subscriptions	5,330	6,700	(1,370)		
Total Circulation	59,263	62,210	(2,947)	53,902	5,361
Revenue per Print subscription	\$ 2.42	\$ 2.40	\$ 0.02		
Revenue GV Complete (Print and Online)	\$ 3.88	\$ 3.91	\$ (0.03)		
Revenue per GV Online subscription	\$ 2.26	\$ 2.29	\$ (0.03)		
Revenue per App subscription	\$ 2.57	\$ 2.62	\$ (0.05)		
Income					
Subscription Income					
Subscription Income	\$ 989,006	\$ 1,017,772	\$ (28,766)	\$ 1,036,958	\$ (47,952)
Mobile App Income	123,296	123,569	(273)	2,798	120,498
Back Issues	33,671	34,210	(539)	53,553	(19,882)
GV Complete	190,612	193,087	(2,475)	123,631	66,981
Prior Year Revenue Adjustment	87,772	87,772	0	-	87,772
GV Online	60,754	61,709	(955)	22,782	37,972
Total Subscription Income	\$ 1,485,111	\$ 1,518,119	\$ (33,008)	\$ 1,239,722	\$ 245,389
Direct Cost					
Cost of Printing	\$ 64,939	\$ 66,100	\$ (1,161)	\$ 59,681	\$ 5,258
Service/Fulfillment	348,521	339,479	9,042	352,990	(4,469)
Postage	357,832	369,607	(11,775)	358,944	(1,112)
GV Audio	10,025	12,407	(2,382)	20,855	(10,830)
GV Sub App	18,409	18,450	(41)	-	18,409
Total Direct Cost	\$ 799,726	\$ 806,043	\$ (6,317)	\$ 792,470	\$ 7,256
Net Profit On Subscription	\$ 685,385	\$ 712,076	\$ (26,691)	\$ 447,252	\$ 238,133
Content Related Income					
Books and Booklets	\$ 742,492	\$ 767,584	\$ (25,092)	\$ 505,685	\$ 236,807
Other Items	26,038	19,561	6,477	46,708	(20,670)
Content Related Income	768,530	787,145	(18,615)	552,393	216,137
Content Related Direct Cost	192,242	198,377	(6,135)	190,942	1,300
Net Profit Other Published Items	\$ 576,288	\$ 588,768	\$ (12,480)	\$ 361,451	\$ 214,837
Total Gross Margin	\$ 1,261,673	\$ 1,300,844	\$ (39,171)	\$ 808,703	\$ 452,970
Expenses					
Editorial					
Personnel and Temporary Help	\$ 365,524	\$ 366,741	\$ (1,217)	\$ 483,818	\$ (118,294)
Professional Fees	63,877	63,922	(45)	73,410	(9,533)
Occupancy	16,787	22,940	(6,153)	21,656	(4,869)
Office Supplies, Equipment, Other	32,522	33,569	(1,047)	34,453	(1,931)
Website	61,952	54,153	7,799	112,514	(50,562)
Total Editorial	\$ 540,662	\$ 541,325	\$ (663)	\$ 725,851	\$ (185,189)
Circulation And Business					
Personnel and Temporary Help	\$ 763,800	\$ 764,291	\$ (491)	\$ 308,474	\$ 455,326
Fulfillment Cost	164,923	161,000	3,923	132,470	32,453
Professional Fees	123,060	117,275	5,785	73,786	49,274
Meetings and Conferences	23,242	25,596	(2,354)	18,129	5,113
Occupancy	26,367	27,161	(794)	21,842	4,525
Office Supplies, Equipment, Other	91,518	94,536	(3,018)	-	91,518
Website and App	59,500	54,000	5,500	81,664	(22,164)
Total Circulation and Business	\$ 1,252,410	\$ 1,243,859	\$ 8,551	\$ 636,365	\$ 616,045
General And Administrative					
Depreciation	\$ 80,694	\$ 74,530	\$ 6,164	\$ 34,328	\$ 46,366
Office Supplies and Other	7,436	13,478	(6,042)	6,448	988
Total General and Administrative	88,130	88,008	122	40,776	47,354
Total Expenses	\$ 1,881,202	\$ 1,873,192	\$ 8,010	\$ 1,402,992	\$ 478,210
Interest on Reserve Fund Subscription Liability	7,200	7,200	-	4,672	2,528
Net Income (Loss) Grapevine	\$ (612,329)	\$ (565,148)	\$ (47,181)	\$ (589,617)	\$ (22,712)
Transfer from Reserve Fund	564,652	564,652	-	500,000	64,652
Net after Transfer from Reserve Fund	\$ (47,677)	\$ (496)	\$ (47,181)	\$ (89,617)	\$ 41,940

AA Grapevine Inc.
Statements of Activities- Actual vs Budget vs Prior Year
For the Nine Months Ended September 30, 2024

	Actual	Reforecast Budget	Actual vs Reforecast Budget	Prior Year as of September 30, 2023	Actual vs. Prior Year
La Viña					
Circulation (Average Number of Subscribers)					
LV Print subscriptions	6,569	7,100	(531)		
LV Complete (Print and Online)	109	113	(4)		
LV Online subscriptions	73	55	18		
LV App subscriptions	235	350	(115)		
Total Circulation	6,986	7,618	(632)	6,345	641
Revenue per Print subscription	\$ 3.04	\$ 2.46	\$ 0.58		
Revenue LV Complete (Print and Online)	\$ 4.99	\$ 3.54	\$ 1.45		
Revenue per LV Online subscription	\$ 2.15	\$ 1.72	\$ 0.43		
Revenue per App subscription	\$ 1.68	\$ 2.50	\$ (0.82)		
Income					
Subscription Income					
Subscription Income	\$ 79,938	\$ 84,552	\$ (4,614)	\$ 67,855	\$ 12,083
Mobile App Income	1,580	2,352	(772)	313	1,267
Back Issues	10,913	11,716	(803)	12,273	(1,360)
LV Complete	2,178	1,931	247	3,912	(1,734)
Prior Year Revenue Adjustment	(6,177)	(6,177)	0	-	(6,177)
LV Online	625	464	161	479	146
Total Subscription Income	\$ 89,057	\$ 94,838	\$ (5,781)	\$ 84,832	\$ 4,225
Direct Cost					
Service/Fulfillment	\$ 51,213	\$ 50,674	\$ 539	\$ 43,463	\$ 7,750
Postage	14,677	17,537	(2,860)	11,266	3,411
LV App	236	1,010	(774)	-	236
Total Direct Cost	\$ 66,126	\$ 69,221	\$ (3,095)	\$ 54,729	\$ 11,397
Gross Margin On Subscription	\$ 22,931	\$ 25,617	\$ (2,686)	\$ 30,103	\$ (7,172)
Content Related Income					
Books and Booklets	\$ 87,279	\$ 86,461	\$ 818	\$ 78,845	\$ 8,434
Other Items	3,628	3,607	21	-	3,628
Content Related Income	90,907	90,068	839	78,845	12,062
Content Related Direct Cost	30,204	28,802	1,402	23,372	6,832
Gross Margin Other Published Items	\$ 60,703	\$ 61,266	\$ (563)	\$ 55,473	\$ 5,230
Total Gross Margin	\$ 83,634	\$ 86,883	\$ (3,249)	\$ 85,576	\$ (1,942)
Expenses					
Editorial					
Personnel and Temporary Help	\$ 212,515	\$ 212,070	\$ 445	\$ 297,544	\$ (85,029)
Professional Fees	10,167	10,787	(620)	19,857	(9,690)
Occupancy	9,769	13,137	(3,368)	12,908	(3,139)
Office Supplies, Equipment, Other	7,775	7,270	505	8,165	(390)
Website	15,354	15,854	(500)	68,109	(52,755)
Total Editorial	\$ 255,580	\$ 259,118	\$ (3,538)	\$ 406,583	\$ (151,003)
Circulation And Business					
Personnel and Temporary Help	\$ 173,476	\$ 174,933	\$ (1,457)	\$ 169,019	\$ 4,457
Fulfillment Cost	27,987	22,716	5,271	29,066	(1,079)
Professional Fees	31,553	27,865	3,688	17,434	14,119
Occupancy	7,299	10,107	(2,808)	9,581	(2,282)
Office Supplies, Equipment, Other	8,608	7,147	1,461	16,974	(8,366)
Total Circulation and Business	\$ 248,923	\$ 242,768	\$ 6,155	\$ 242,074	\$ 6,849
General And Administrative					
Depreciation	\$ 15,795	\$ 18,050	\$ (2,255)	\$ 6,480	\$ 9,315
Total General and Administrative	15,795	18,050	(2,255)	6,480	9,315
Total Expenses	\$ 520,298	\$ 519,936	\$ 362	\$ 655,137	\$ (134,839)
GSB Support	436,664	433,053	3,611	569,561	(132,897)
Net La Viña Shortfall	\$ -	\$ -	\$ -	\$ -	\$ -

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