

AROUND THE PICNIC TABLE

Menu

Finance
76th
General Service Conference

Terry Bedient
General Service Board Interim Treasurer

PART I: 2025 AUDIT RESULTS



- Our third year with BDO – Per 5-year RFP/Rotation Policy Adopted by Trustees Finance and Implemented by Trustees Audit, GSB, AAWS and AAGV boards
- Introduce Matthew Becker, CPA, Lead Engagement Partner at BDO

Q&A For Auditor





PART II: GSB TREASURERS REPORT

2025 AAWS/GSB (GSO) FINANCIAL HIGHLIGHTS

- ❖ Seventh Tradition of Self-Support – \$10.579 million down 6.0% from \$11.249 million in 2024
- ❖ Operating Expense before Depreciation - \$18.528 million up 0.5% from \$18.444 million in 2024
 - ❖ Program Service Expense - \$ 8.778 million down 3.2% from \$9.072 million in 2024
 - ❖ Supporting Services Expense - \$ 9.750 million up 1.4% from \$9.612 million in 2024
- ❖ Self-Support - covered 57% of operating expense
- ❖ Cost of program services per individual – \$5.16 (Program Service Expense divided by 1.7M members)
- ❖ AAWS publishing gross profits – \$7.456 million down 2.4% from \$7.640 million in 2024
- ❖ Operating surplus before depreciation of \$325,068

AAWS/GSB (GSO) Key Financial Indicators

GREEN – Favorable Variance

YELLOW – Unfavorable Variance, Informative

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

Indicator	2025 Actual Versus 2025 Budget	2025 Actual Versus 2024 Actual
Contributions	\$10.579M vs \$11.000M, 4% less than budget	\$10.579M vs \$11.249M, 6% less than prior year
Gross Literature Sales	\$15.264M vs \$16.000M, 5% less than budget	\$15.264M vs \$14.452M, 6% more than prior year
Net Literature Sales (Gross Margin)	\$7.456M vs \$8.510M, 12% less than budget	\$7.456M vs \$7.640M, 2% less than prior year
Operating Expenses before depreciation	\$18.528M vs \$18.967M, 2% less than budget	\$18.528M vs \$18.444, 1% more than prior year
Operating Surplus before depreciation	\$325K vs \$1.316M	\$325K vs \$1.276M
Reserve Coverage (# of months)	5.92	6.47

2025 GRAPEVINE FINANCIAL HIGHLIGHTS

- ❖ App launch on September 1, 2023 – Subscribers with access to the App averaged 17,315 in 2025 – a 22% increase compared to 2024.
- ❖ Grapevine print magazine income increased 5% in 2025, mainly due to a 2024 price increase-the first in 12 years-that continues to impact renewals. Subscription income for GV Online, GV Complete and the GV App increased 20% due to growth in the number of subscribers.
- ❖ 2025 Grapevine results were a gross margin on subscriptions of \$1,174,238 and a gross margin of \$751,851 on other published items. Operating expenses of \$2,243,113 resulted in an operating loss of \$299,727 compared to an operating loss of \$851,735 in 2024.
- ❖ General Fund support of La Viña service activity was \$480,315 in 2025 compared to \$571,939 in 2024 and \$755,749 in 2023. This is an improvement of \$275,434 (36%) in two years.
- ❖ La Viña circulation increased by 6% in 2025 and 17% in 2024.

Grapevine Key Financial Indicators (“KFIs”)

GREEN – Favorable Variance

YELLOW – Unfavorable Variance, Informative

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

Indicator	2025 Actual Versus 2025 Budget	2025 Actual Versus 2024 Actual
Subscription Income	\$2.063M vs \$1.990M 4% higher than budget	\$2.063M vs \$1.957M 5% higher than prior year
Other Published Items Income	\$1.163M vs \$1.128M 3% higher than budget	\$1.163M vs \$1.080M 8% higher than prior year
Gross Margin-all income	\$1.926M vs \$1.809M 6% higher than budget	\$1.926M vs \$1.591M 21% higher than prior year
Operating Expenses before depreciation	\$2.087M vs \$2.064M 1% higher than budget	\$2.087M vs \$2.321M 11% lower than prior year
Operating Loss before depreciation	\$(186K) vs \$(255K) 27% higher than budget	\$(186K) vs \$(746K) 75% higher than prior year

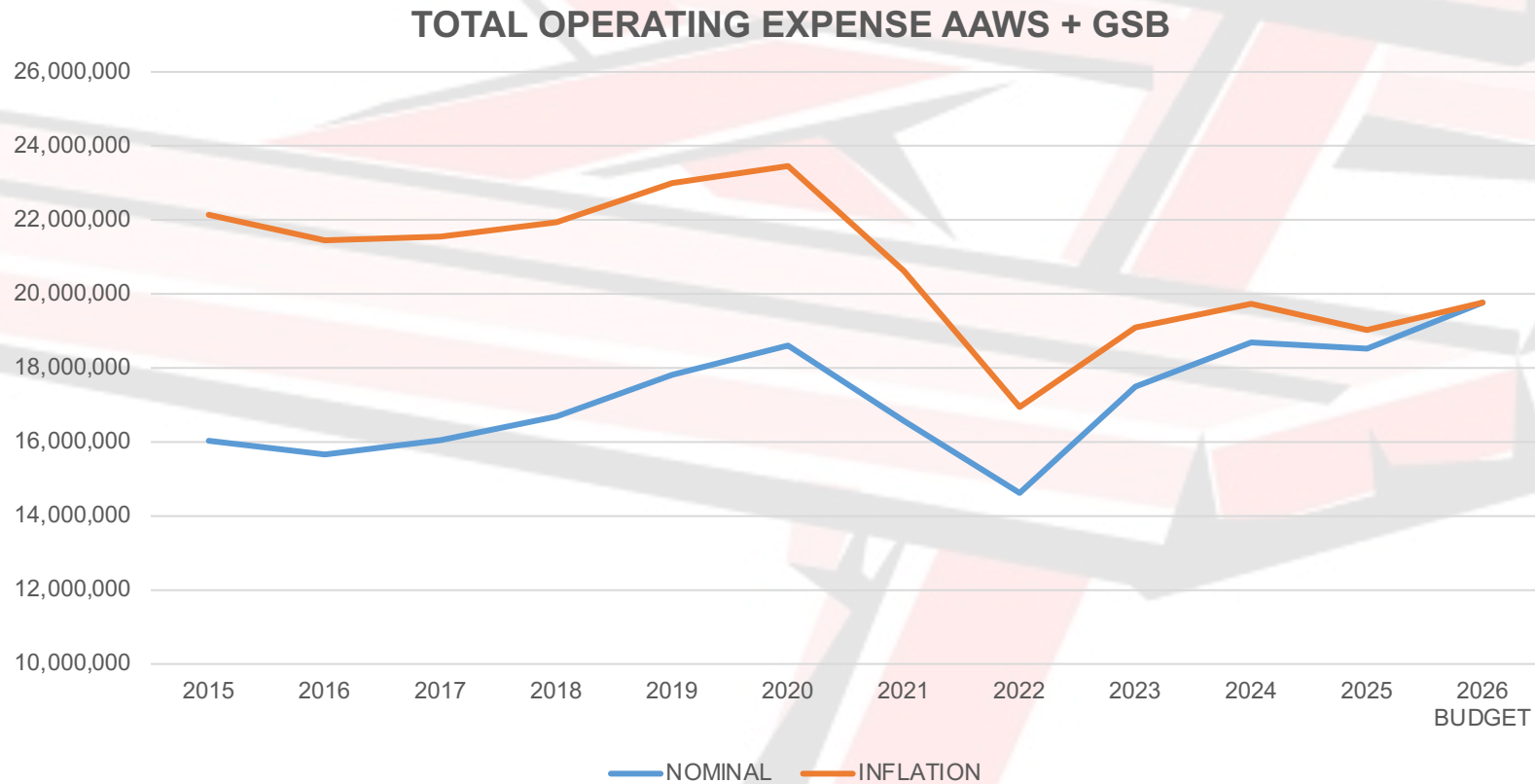
GSO EXPENSES BY CATEGORY IN 2025

Difference column: Red = under budget; Black = over budget

EXPENSE	ACTUAL	BUDGET	DIFFERENCE
Salary and Benefits	11,279,161	10,911,236	367,925
Payroll Taxes	747,864	808,898	(61,034)
Professional Fees	1,568,925	2,148,754	(579,829)
Printing, Postage, Supplies, and Subs	562,386	553,992	8,394
Data, Automation, & Website	718,367	731,757	(13,390)
Insurance	88,147	85,739	2,408
Facility & Equipment	1,368,120	1,322,773	45,347
Travel & Meetings	2,195,212	2,404,038	(208,826)
Total Operating Expense	18,528,182	18,967,187	(439,005)
Depreciation	751,325	947,623	(196,298)

INFLATION ADJUSTED GSO EXPENSE HISTORY

- ❖ 2025 operating expense was lower than inflation adjusted operating expense in 9 of the past 10 years.



2026 GSO BUDGET

- ❖ Operating revenue \$21,118,201 compared to \$18,853,249 actual in 2025.
 - ❖ Contributions \$10,500,000 compared to \$10,578,707 actual in 2025.
 - ❖ Literature gross margin \$9,895,601 compared to \$7,456,109 actual in 2025.
- ❖ Total operating expense \$19,765,699 before \$950,000 depreciation compared to \$18,528,182 before \$751,325 depreciation actual in 2025.
- ❖ Operating surplus of \$1,352,503 before depreciation compared to \$325,068 surplus in 2025.
- ❖ Capital expenditures of \$2,091,788, including 2026 retrofit expenditures of \$1,850,000. (Total 2025-26 retrofit budget is \$2.1 million.) Without retrofit, \$241,788 compared to \$298,777 in 2025.

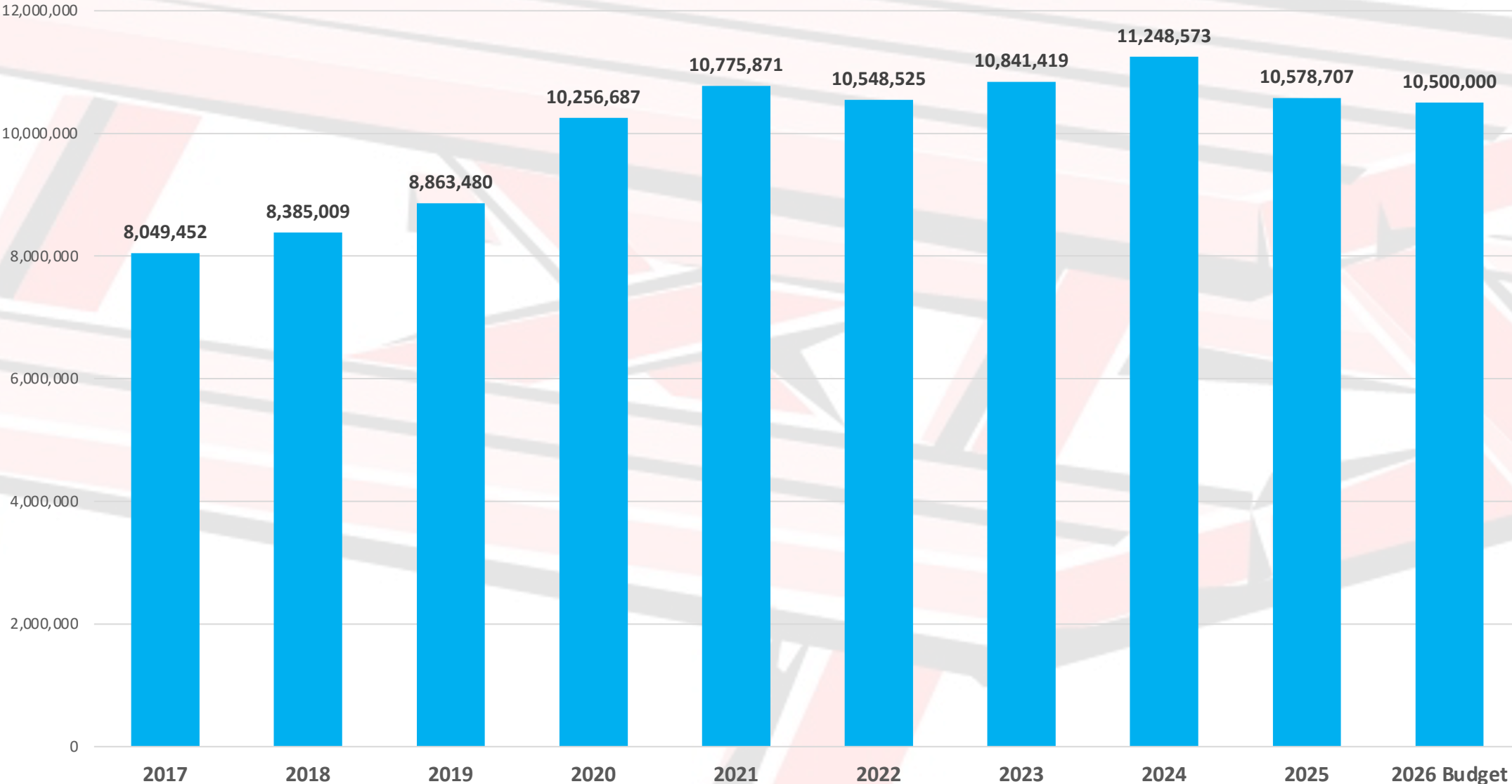
2026 GRAPEVINE BUDGET

- ❖ Print magazine circulation expected to decrease to 40,875 from 41,258 in 2025.
- ❖ Online and Complete circulation to increase to 10,236 from 9,784 in 2025.
- ❖ Average number of app subscribers to increase to 8,825 compared to 7,532 in 2025.
- ❖ Gross margin on subscriptions \$1,255,892 compared to \$1,174,238 in 2025.
- ❖ Grapevine operating deficit of \$198,917 compared to \$299,727 in 2025.
- ❖ La Viña magazine circulation to increase to 7,313 compared to 7,298 in 2025.
- ❖ General Fund La Viña support of \$434,049 compared to \$480,315 in 2025.

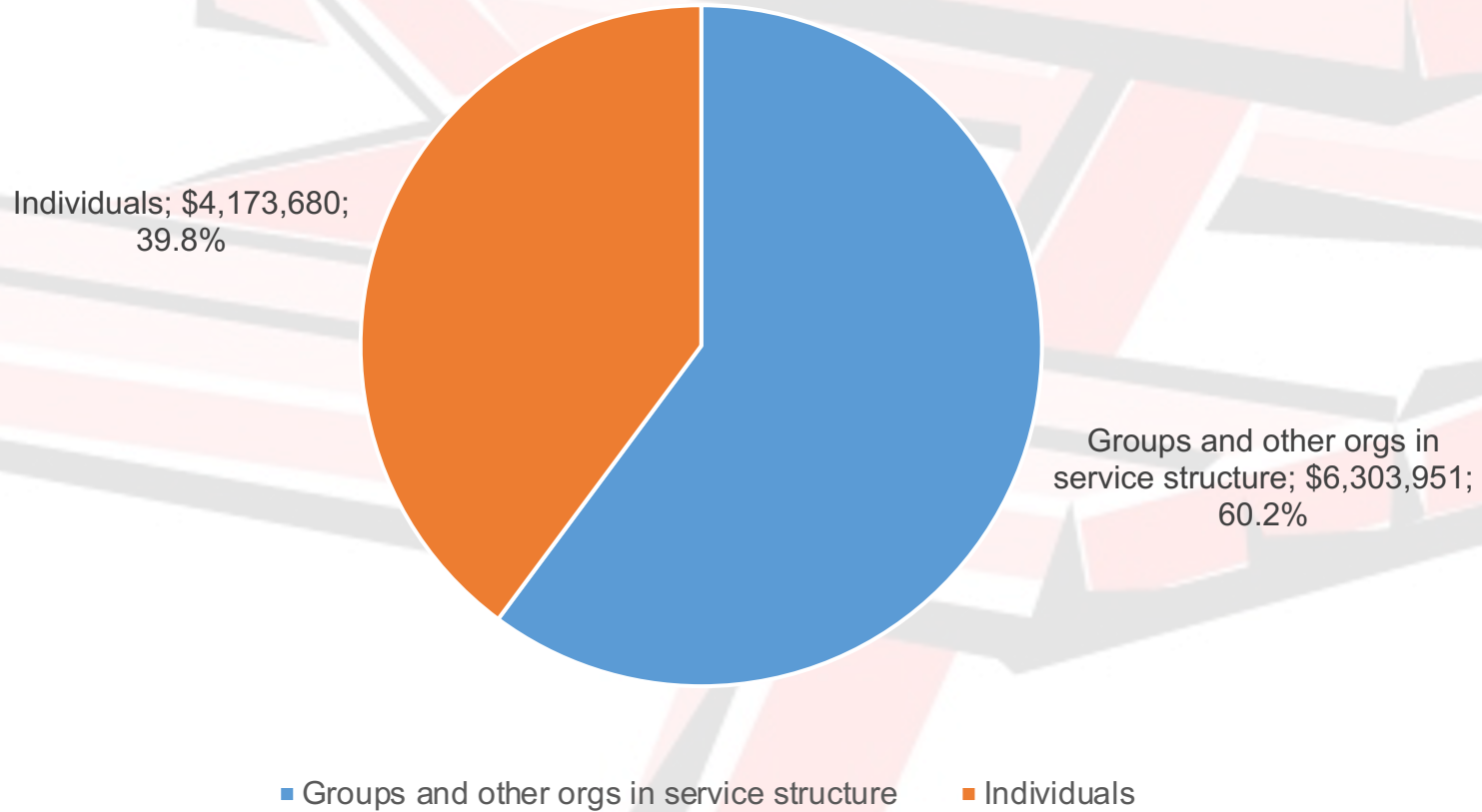
THROUGH OUR OWN SELF-SUPPORT



SEVENTH TRADITION SELF-SUPPORT – 2017 – 2026



CONTRIBUTIONS BY TYPE OF CONTRIBUTOR 2025



CONTRIBUTIONS STATISTICS 2025

INDIVIDUALS

Seventh Tradition Self-Support Contributions	4,173,680
Average Contribution	138.06
Most Common Contribution	50.00
Number of Contributions	30,231

GROUPS AND OTHER ORGS

Seventh Tradition Self-Support Contributions	6,303,951
Number of Active Groups	53,703
Number of Groups Contributing	18,312
Percentage of Groups Contributing	34.10%
Average Contributed by a Group During the Year	344.25

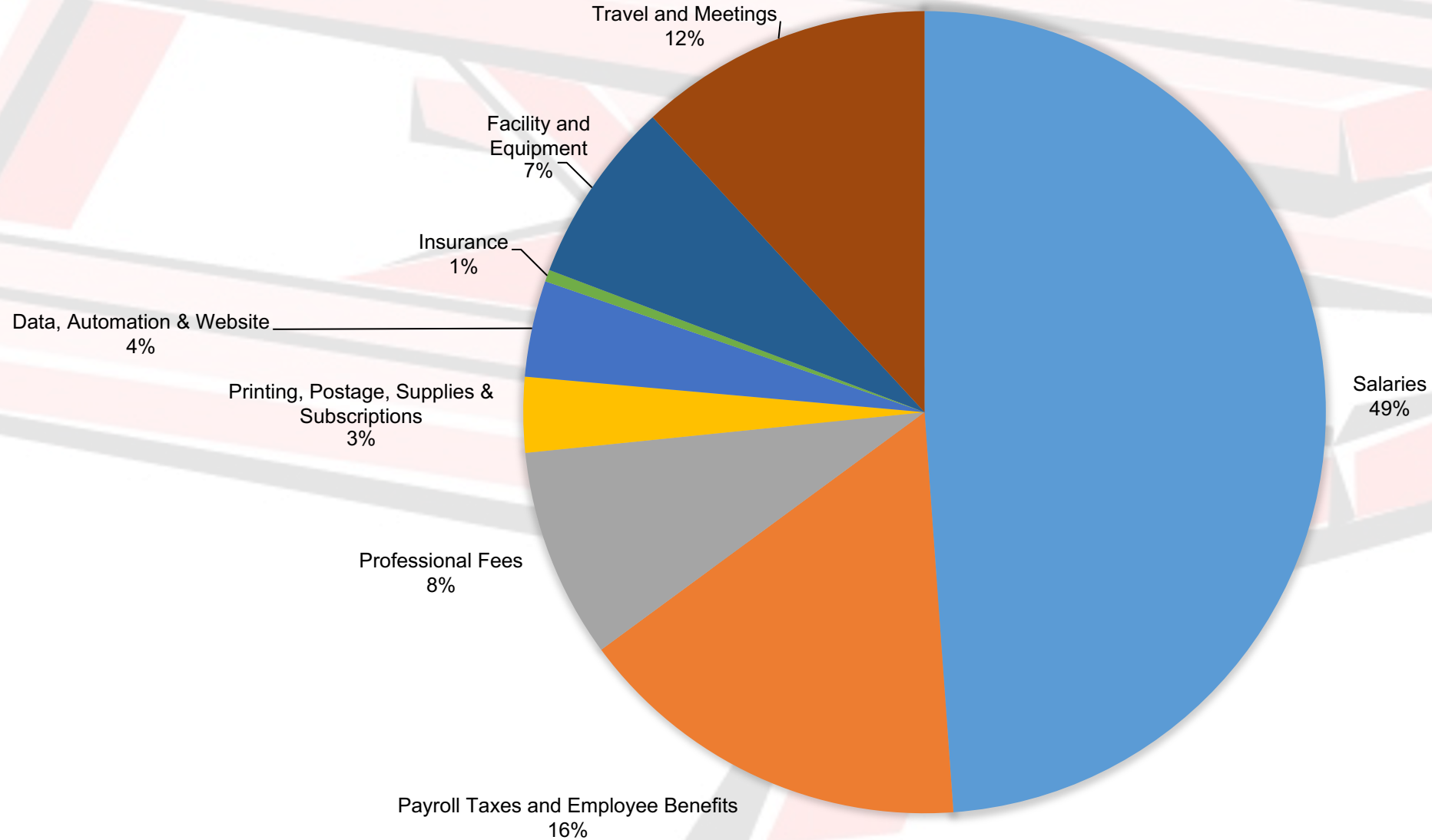
AAWS – PUBLISHING – 2025 ACTUAL vs 2025 BUDGET

	2025 ACTUAL	2025 BUDGET	INCREASE (DECREASE)
Gross Sales – Literature	15,264,029	16,000,000	(735,971)
Discounts	(676,154)	(640,000)	(36,154)
Shipping Charges	352,813	350,000	2,813
Net Sales - Literature	14,940,688	15,710,000	(769,312)
Cost of Literature Sold	7,484,579	7,200,000	284,579
Gross Profit	7,456,109	8,510,000	(1,053,891)
Gross Profit Percentage	48.8%	53.2%	(4.4%)

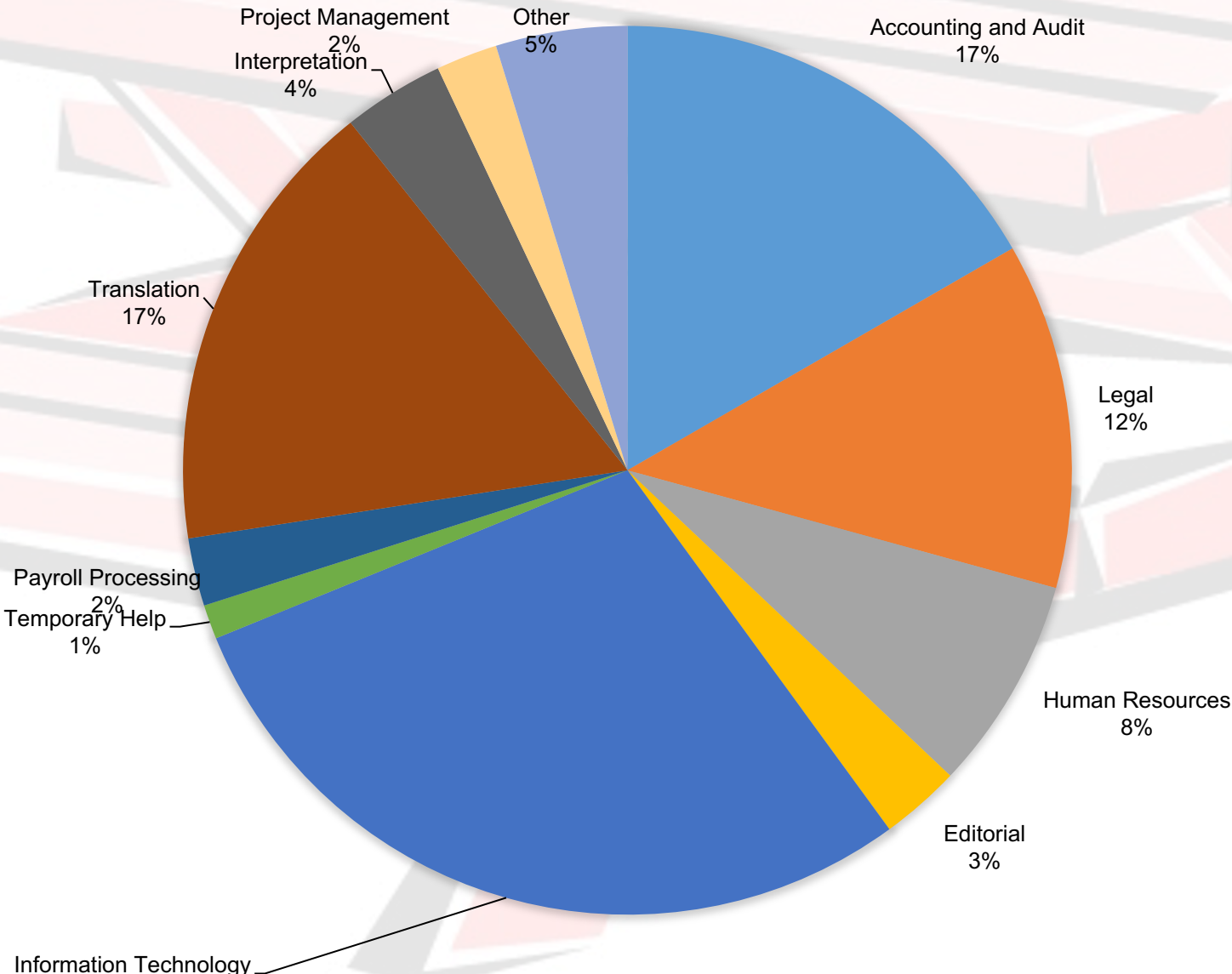
GSO OPERATING EXPENSES – 2025

FINANCIAL STATEMENT EXPENSE CATEGORIES

PERCENTAGE BREAKDOWN



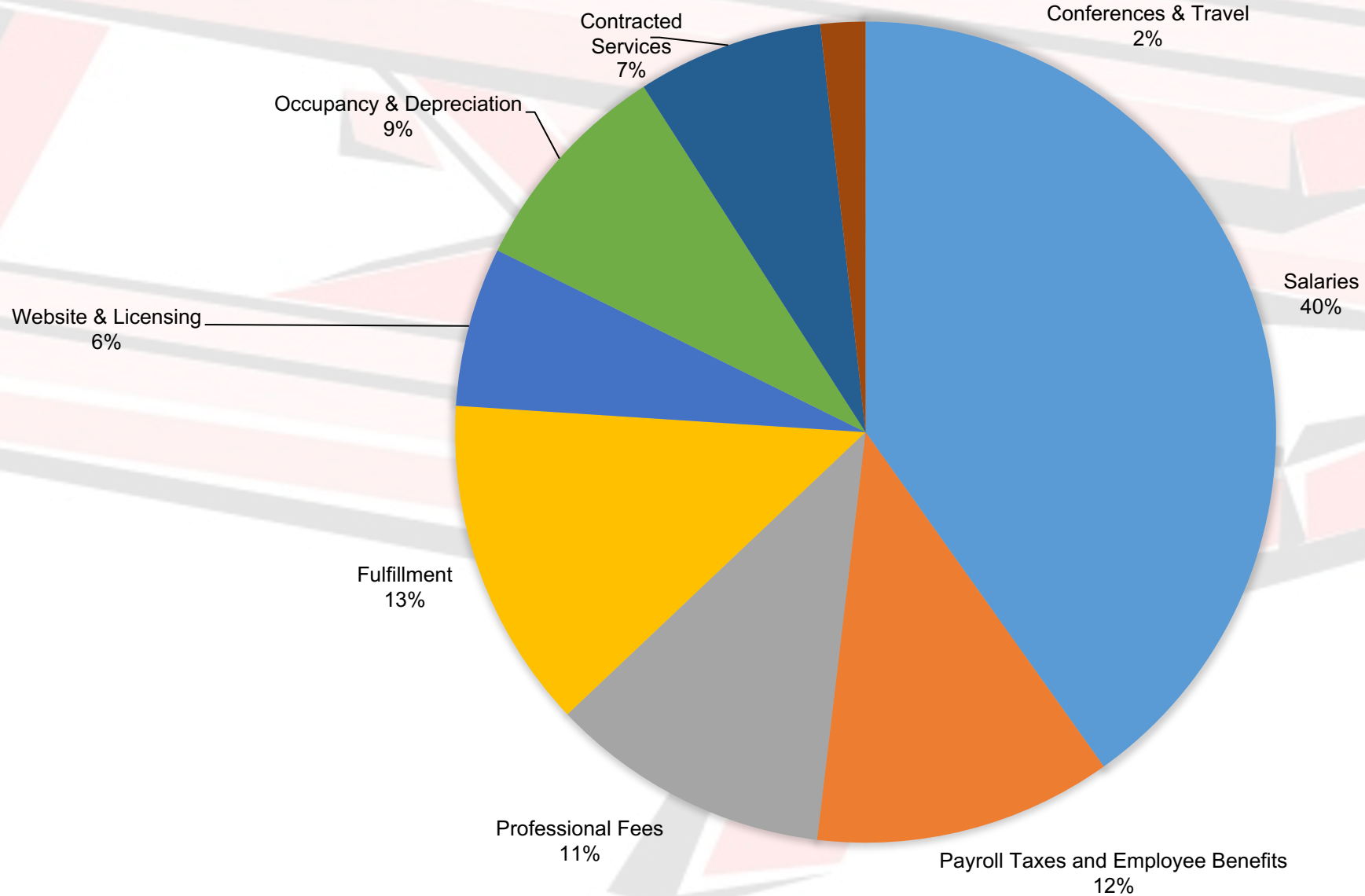
GSO PROFESSIONAL FEES – 2025 PERCENTAGE BREAKDOWN



Other Includes:
Podcast Production
Facilitator for Town Hall meeting at Q3
GSB weekend
Meeting Guide App maintenance

Information Technology

GRAPEVINE OPERATING EXPENSES – 2025 FINANCIAL STATEMENT EXPENSE CATEGORIES PERCENTAGE BREAKDOWN



2025 PRUDENT RESERVE

Beginning Balance January 1, 2025	11,914,738
Investment Earnings	354,549
Drawdowns	(1,246,869)
Additions	0
Ending Balance December 31, 2025	11,022,418

Composition of Ending Balance	
Cash	3,882,368
Certificates of Deposit (CDARs)	7,550,000
Accrued Interest	130,050
Less Grapevine subscription liability	(540,000)
Ending Balance	11,022,418

Number of Months Expenses Held	Based on 2025 actual exp.	Based on 2026 budget exp.
January 1, 2025	6.67	6.37
December 31, 2025	6.17	5.89

2026 ANTICIPATED RESERVE FUND ACTIVITY

DATE	ACTIVITY	AMOUNT
	Beginning Balance	11,022,418
January	Drawdown for Retrofit	544,478
February	Drawdown for Retrofit	469,339
February	Drawdown for Grapevine Operations	200,000
April	Drawdown for Retrofit	79,377
Anticipated	Drawdown for Retrofit	759,937
	Anticipated Ending Balance	8,969,287
	Anticipated Months on Hand 12/31/26	4.79

USES OF GSB's RESERVE FUND

- ❖ Concept of GSB's Prudent Reserve – not same as in your Home Group's reserve
- ❖ GSB's Reserve Fund covers much more
- ❖ In 1967, the General Service Conference issued the Advisory Action that “The GSB make use of investment income from the Reserve Fund for whatever purpose the Board may authorize”.
- ❖ Broadly, this could include, whether planned or unplanned:
 - ❖ Operating Deficits of AAWS or Grapevine
 - ❖ Periodic expenditures such as an office renovation or major technical upgrade
 - ❖ Extraordinary expenses outside of “normal” operations
- ❖ A formal Reserve Fund policy was adopted by the General Service Board in 2022.

INTERNATIONAL CONVENTION

REVENUE	
Registration	5,,575,508
Other Revenue	228,924
TOTAL REVENUE	5,804,432
EXPENSE	
Event Planning	583,331
Event Production	2,776,024
Event Communication & Attraction	1,024,060
Staff, Volunteers, and Trustees	820,769
Administrative & General	591,884
TOTAL EXPENSE	5,796,068
SURPLUS	8,364

2025 GSO CAPITAL PROJECTS REPORT

❖ **Communications \$133,017**

- ❖ Meeting Guide App \$41,763
- ❖ Website Development \$25,832
- ❖ Digital Publication Platform \$25,813
- ❖ Analytics Reporting Data Warehouse \$32,614
- ❖ Audio video equipment \$6,995

❖ **Technology Services \$106,673**

- ❖ Digital Asset Repository \$15,500
- ❖ Cisco Switches \$32,033
- ❖ ERP Enhancements \$27,050
- ❖ Computers and Peripherals \$32,090

2025 GSO CAPITAL PROJECTS REPORT CONTINUED

❖ Publishing \$59,088

- ❖ Digital Publication Platform
\$25,813
- ❖ Digital Video Distribution Phase
One \$24,349
- ❖ Computers and Peripherals
\$8,926

❖ Office Retrofit \$492,775

❖ Total Capital Expenditures \$791,553

THANK YOU

- ❖ Paul Konigstein, Chief Financial Officer
- ❖ Zenaida Medina, Controller
- ❖ Donna Chahal, Grapevine Controller
- ❖ Rainer L, Conference Coordinator and Nathalia, Conference Staff Associate
- ❖ All of the employees of both A.A.W.S. and Grapevine
- ❖ Members of Trustees' Finance and Budgetary Committee, along with members of the Finance Committees of A.A.W.S. and Grapevine and the Conference Finance Committee
- ❖ Our Independent Auditors – BDO USA
- ❖ Our outsourced accounting support – Your Part-time Controller