

**Quarterly Financial Report – Alcoholics Anonymous (“AA”)  
September 30, 2023 (End of Third Quarter) Unaudited Financial Statements**

**Part I: Overview and Intended Use**

**This report provides a finance/business report for the Fellowship. Specifically, it outlines how the Seventh Tradition contributions and publication and subscription income supports the lifesaving work of carrying the message of hope, sobriety and recovery to the still-suffering alcoholic.**

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 73rd 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 both terms for 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 Treasurer, AA General Service Board and Chair, Trustees Finance and Budgetary Committee**

## Part II: AAWS/GSB Financial Statements

Note that for unaudited reporting and budgeting purposes, AAWS and the GSB are reported as one organization. This historical practice has been used rather than the alternative of taking certain costs and allocating them between support functions, literature publishing and services provided to the Fellowship. These allocations are made for presentation of audited financials for the consolidated entities (AAWS, GSB, AAGV) and for stand-alone financial statements for AAWS.

### II.A. Executive Summary

For the nine months ended September 30, 2023, revenue from all sources is slightly below budget (97%). Expenses were reforecasted in July 2023 and year-to-date expenses are slightly below that reforecast (98%). Full-year operating surplus before depreciation is reforecasted to be \$1.0 million versus \$1.7 million included in the original budget. Reserves are just over 7 months of 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 (Reforecast only affects expenses and operating surplus, not revenues) (Dollars in thousands ‘000)	Versus Prior Year (9 months ended September 30, 2022) (Dollars in thousands ‘000)
Contributions	\$7,314 vs \$7,613, 4% less than budget	\$7,314 vs \$7,386, a decrease of 1%
Gross Literature Sales	\$11,208 vs \$11,219, effectively on budget	\$11,219 vs \$9,182, an increase of 22%
Net Literature Sales (Gross Margin)	\$5,621 vs \$5,724, 2% less than budget	\$5,621 vs \$4,290, an increase of 31%
Gross Margin Percentage	50% versus 51%	50% versus 46%
Operating Expenses before depreciation	\$13,062 vs \$13,285, a favorable variance to budget of 2%	\$13,062 vs \$11,747, an increase of 11% over prior year
Operating Surplus before depreciation	\$260 vs \$382	\$260 vs \$345
Reserve Coverage (# of months)	7.27	7.67

## II. C. Comparative Balance Sheet Notes

*Cash* – Cash decreased year-over-year due primarily to funding of the 2022 budgeted operating loss and investments in inventory (printing books).

*Accounts Receivable* – Accounts receivable increased coinciding with the increase in literature sales. These receivables are from groups, central offices, intergroups and other bulk purchasers of AAWS literature.

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

*Fixed Assets/Depreciation and Rent Lease Liability* – Fixed Assets (durable property used for more than one year) increased by \$3.2 million, from \$5.9 million to \$9.1 million. This is due to ordinary fixed asset purchases (the “capital budget”) of \$496 thousand and the required recognition of a Right-to-Use asset of \$2.7 million. New accounting standards for leases require that the future lease payments be recognized as obligations of the organization and that the benefit provided by the lease – in this case use of the office space at 475 Riverside Drive – be recognized as an asset. This standard went into effect for Alcoholics Anonymous in 2022. The addition of this large asset also resulted in a corresponding increase in depreciation expense, which is the method in which fixed assets are charged to expense over their useful lives. Note that the lease transactions did not impact cash.

*Postretirement* – These assets \$(7,298) and liabilities \$(5,388) 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 December 31, 2022, the plan had more investment assets than required to meet benefits when due.

*Accounts Payable and Accrued Expenses* – These represent amounts of invoices (accounts payable) or estimated amounts owed (accrued expenses) by AA. The increase is driven by the liquidity issues experienced during 2023 (see Section VI below).

*Defined Benefit Pension Liability* – The traditional pension plan was closed to new hires as of January 31, 2013. The assets are held in an irrevocable trust from which benefits are paid. The amount as of September 30, 2023, \$(4,786) 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 December 31, 2022, the plan had more investment assets than required to meet benefits when due.

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

AA begins each calendar year with an annual budget which covers the period January through December. Each Summer, we take a look at the income and expenses that have occurred through June and examine whether the original budget estimates ought to be revised (“Reforecasted”) based on actual activity. In Bill W’s words in the 11<sup>th</sup> Concept “At mid-year [the Trustees Finance and Budgetary Committee] will ask for budget revisions if earlier estimates have gone too much wrong”.

The original budget, per our Bylaws, is approved by the General Service Board (“GSB”) at its January meeting each year. The Reforecast Budget is approved by the GSB at its July meeting and from that point forward becomes the baseline for evaluation of financial activity.

## II. E. Reforecast Budget – AAWS/GSB

For 2023, reforecasted revenue is the same as the original budget. Reforecasted expenses are \$17.8 million versus \$17.0 million in the original budget (\$798k change). Full discussion of the Reforecasted Expense budget can be found in the footnotes on the Comparative Income Statement.

## II. F. Income Statement Notes

**Note: All references to the budget refer to the Reforecast Budget.**

*Revenue* – As noted above, contributions, net literature sales and gross margin are slightly below budget. With respect to contributions, individual contributions are ahead of 2022 (\$2,335k vs \$2,214k). Overall group contributions are down 3.7% (\$4,979k vs \$5,173k) but the number of groups contributing has increased slightly from 17,273 to 17,303. The increase in gross literature sales is due to two factors: Unit sales of the 10 highest selling books (e.g., hard cover big book is a separate book from the soft cover) have increased 8%, from 960 thousand units to 1.04 million units and the price increase that went into effect on April 2, 2023. Revenues are close enough to the original budget that a reforecast was not deemed necessary.

*Expense* – Overall expenses are slightly below budget, with greater salary and benefits costs offsetting lower professional fees and savings in printing and postage offsetting higher-than-expected facility and equipment costs. As noted in the Reforecast Budget, travel and meeting expenses have faced upward pressure the entire year.

*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.

The impact is that this measure under the Reforecast is expected to be positive \$1.0 million versus an original budget of \$1.7 million and 2022 loss of \$377k.

## Part III: AAGV Financial Statements

### III. A. Executive Summary

Overall results are on or ahead of the 2023 reforecasted budget. The app launched in September 2023 which is the key driver of revenue and growth going forward. Grapevine is reforecast to incur a loss of \$(872k) versus an original budgeted loss of \$(852k). LaViña revenue and expenses are both reforecasted to be higher than the original budget and the overall net loss is expected to be \$(754k) versus an original budget of \$(653k). 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 (9 months ended September 30, 2022) (Dollars in thousands '000)
Total Grapevine (“GV”) Subscription Income	\$1,240 vs 1,208, 3% ahead of budget	\$1,240 vs \$1,313, 6% below prior year
Total GV Circulation	63,659 vs 62,008, 3% ahead of budget	63,659 vs 59,246, 7% ahead of prior year
GV Complete Subscriptions	6,054 vs 6,307, 4% behind budget	6,054 vs 3,439 – driven by app
GV App Subscriptions	1,119 [No income budgeted]	App launched in 2023
GV Subscription Net Profit	\$440 vs \$383, 15% ahead of budget	\$440 vs \$616
GV Subscription Net Profit Percentage	36% vs 32%	36% vs 47%
GV Operating Expenses	\$1,402 vs \$1,469, 4% favorable versus budget	\$1,402 vs \$1,407
GV Net Income (Loss)	(\$589) vs (\$672)	(\$589) vs (\$282)
La Viña (“LV”) Income	\$93 vs \$83	\$93 vs \$58
LV Expenses	\$658 vs \$649	\$658 vs \$494
LV Net Loss	(\$566) vs (\$566)	(\$566) vs (\$436)

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

*Cash and Cash Equivalents* – Cash decreased year-over-year from \$211k to \$109k due to delayed reimbursement for La Viña expenses from the GSB (see Section V below), partially offset by the transfer from the Reserve Fund to provide working capital (See Section IV below).

*Accounts Receivable* – Total A/R increased from \$323k to \$809k primarily due to the delayed reimbursement for La Viña expenses from the GSB (see Section V below).

*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 will be charged to depreciation expense over time.

*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.

### III. D. Reforecast Budget (Dollars in Thousands)

See Section II. D for overall description of reforecast process for all entities.

For 2023, the full-year reforecast is as follows:

Description	Original	Reforecast	Note
GV Subscription Revenue	\$1,562	\$1,640	Primarily due to increase GV Complete Subs
GV Cost of Subs	\$1,015	\$1,088	Driven by increased subs
GV Net Sales of Books	\$743	\$637	Price increase in 2023 pulled sales forward to 2022
GV Expenses	\$2,150	\$2,069	Lower non-capital app costs, reduced in-person meetings
GV Net Loss	(\$852)	(\$872)	
LV Revenue	\$63	\$110	Additional book sales
LV Expenses	\$716	\$865	Editor position hired, higher non-capital web costs
LV Loss	\$(653)	\$(754)	LV net loss, per Advisory Action, is covered by GSB

### III. E. Income Statement Notes (Dollars in Thousands)

Category	2023 YTD	2023 YTD Reforecast	2022 YTD	Notes
GV Subscription Income	1,240	1,208	1,313	Print subs continue to decline and app/digital will take time to offset the loss
GV Cost of Subscriptions	(799)	(825)	(697)	Increase from 2022 driven mainly by postage increases
GV Book Sales	517	561	623	Announced price increase pulled sales forward to 2022
GV Expenses	(1,402)	(1,468)	(1,407)	
GV Net	(589)	(672)	(282)	All driven by revenue variances above
LV Income	92	83	58	Sales of LV books greater than expected
LV Expenses	658	649	494	Versus Prior Year- Change in allocation methodology, non-capital web costs, hiring of editor
LV Net	(566)	(566)	(435)	

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

As of September 30, 2023, the Reserve Fund Assets total \$13.2 million consisting of cash and certificates of deposit. Less the liability for unfulfilled Grapevine subscriptions of \$573k, the Reserve Fund Balance is \$12.6 million.

A Reserve draw of \$500k for build-out of the Grapevine app (\$400k) and to fund services provided by AAGV including the podcast, YouTube channel and Instagram (\$100k) was approved by the General Service Board in January 2023, as was an adjustment to the Grapevine Subscription Liability and corresponding withdrawal of \$670k to provide working capital for Grapevine. The subscription liability is funded at 34% of the total unfulfilled subscriptions, representing the approximate cost to fulfill those subscription commitments.

Based on the reforecast expense budgets for GSO, Grapevine and La Viña (total \$22 million) the reserve fund balance is equal to 7.27 months of operating expenses versus 7.67 months as of September 30, 2022. 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 \$2,992,033 to rebuild the Reserve Fund to 9 months.

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

As included in the original 2023 budget for AAWS/GSB, short-term liquidity (cash on hand to pay expenses) was low in the third quarter of 2023 relative to our obligations to vendors. As of September 30, 2023, cash on hand was \$565k versus accounts payable of \$1,903k (a short-term deficiency of \$1.3 million) versus the prior year which had a short-term liquidity surplus of \$764k. As noted in Section II.D above, this is driven by funding of the 2022 budgeted operating loss and investments in books (paper and printing) to avoid stock-outs.

As of October 27, 2023, Cash on hand is \$231k and total A/P is \$1,748k (a short-term deficiency of \$1.5 million). Though rent on the office is paid through October 2023, past due balances more than 61 past due are \$194k. In addition, payments to AAGV from the GSB for La Viña support for the first three quarters of 2023 in the amount of \$642k are also in arrears.

This situation is monitoring by the Trustees Finance and Budgetary Committee – including interim meetings – and will be addressed fully in the 2024 budgeting and 2024 and beyond financial planning processes underway between now and the January 2024 GSB Board weekend.

**Alcoholics Anonymous World Services  
General Service Board of Alcoholics Anonymous**

**Comparative Balance Sheet  
End of September 2023  
Dollars in thousands (000)**

	September 30, 2023	September 30, 2022	CHANGE
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	565	2,005	(1,440)
Accounts Receivable	1,453	1,221	232
Prepaid Expense	581	431	150
Literature Inventory	4,136	3,988	148
Reserve Fund	13,156	14,361	(1,205)
<b>Total Current Assets</b>	<b>19,891</b>	<b>22,006</b>	<b>(2,115)</b>
<b>Fixed Assets</b>			
Fixed Assets	9,071	5,956	3,115
Accumulated Depreciation	(4,374)	(3,269)	(1,105)
<b>Net Fixed Assets</b>	<b>4,697</b>	<b>2,687</b>	<b>2,010</b>
<b>Other Assets</b>			
Postretirement Medical Fund	7,298	6,758	540
<b>Total Other Assets</b>	<b>7,298</b>	<b>6,758</b>	<b>540</b>
<b>Total ASSETS</b>	<b>31,886</b>	<b>31,451</b>	<b>435</b>
<b>LIABILITIES</b>			
Accounts Payable	1,903	1,241	662
Accrued Expenses	667	235	432
Defined Benefit Pension Liability	(4,786)	(3,572)	(1,214)
Sales Tax	0	5	(5)
Grapevine Subscription Liability	573	1,444	(871)
Employee Withholding	23	72	(49)
Postretirement Benefit	5,388	7,382	(1,994)
Rent Lease Liability	2,812	0	2,812
<b>Total LIABILITIES</b>	<b>6,580</b>	<b>6,807</b>	<b>(227)</b>
<b>NET ASSETS</b>			
<b>Equity</b>			
Reserve Fund	12,583	12,918	(335)
Postretirement Medical Fund	1,910	(624)	2,534
Capital Projects Fund	1,552	2,091	(539)
Defined Benefit Pension Liability	4,786	3,572	1,214
General Fund	4,475	6,687	(2,212)
<b>Total NET ASSETS</b>	<b>25,306</b>	<b>24,644</b>	<b>662</b>
<b>Total LIABILITIES AND NET ASSETS</b>	<b>31,886</b>	<b>31,451</b>	<b>435</b>



**A.A. World Services and General Service Board  
Consolidated  
Comparative Income Statement  
September 2023  
Dollars in thousands (000)**

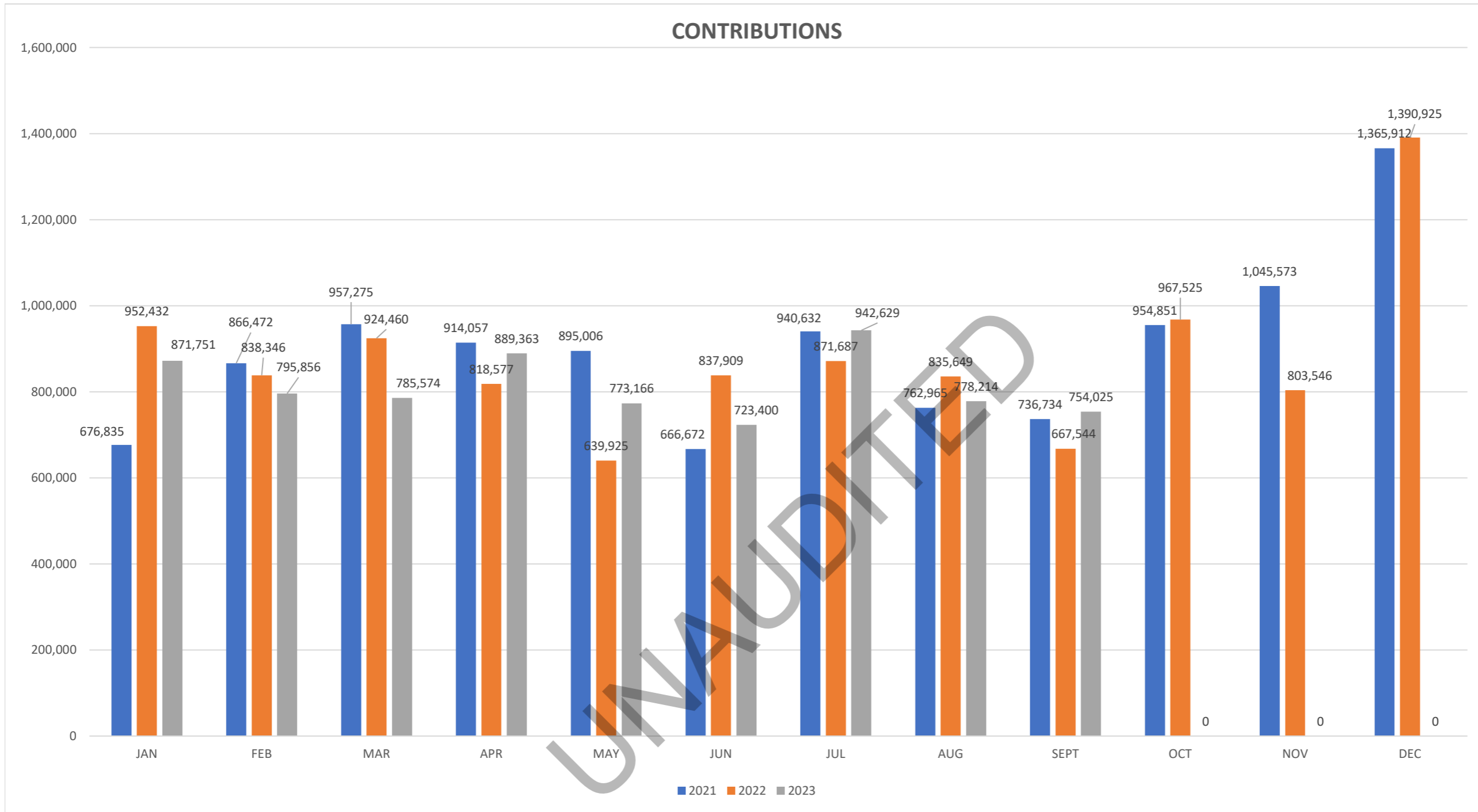
Account	Current Year to Date (Jan 2023 - Sept 2023)	Last Year to Date (Jan 2022 - Sept 2022)	Year To Date Variance \$	YTD Variance %	Full Year 2023 Reforecast Budget (Note)	Full Year 2022 Actual
<b>Operating Revenue</b>						
Contributions	7,314	7,387	(73)	-1.0%	10,500	10,549
International Convention	0	0	0		0	0
International	29	126	(97)	-77.0%	40	140
General Service Conference	358	290	68	23.4%	301	328
Gross Literature Sales	11,127	9,389	1,738	18.5%	15,900	11,999
Literature Shipping Charges	225	215	10	4.7%	398	278
Literature Discounts	(144)	(421)	277	-65.8%	(716)	(482)
Cost of Goods Sold	5,586	4,892	694	14.2%	7,632	6,901
Gross Margin	5,622	4,291	1,331	31.0%	7,950	4,894
<b>Total - Operating Revenue</b>	<b>13,323</b>	<b>12,094</b>	<b>1,229</b>	<b>10.2%</b>	<b>18,791</b>	<b>15,911</b>
<b>Operating Expense</b>						
Salary & Benefits	7,554	6,890	664	9.6%	10,562	9,702
Payroll Taxes	509	444	65	14.6%	660	602
Professional Fees	1,290	1,080	210	19.4%	1,860	1,756
Printing, Postage, Supplies, and Subscriptions	423	315	108	34.3%	614	451
Data, Automation & Website	412	484	(72)	-14.9%	643	611
Insurance	56	51	5	9.8%	78	70
Facility & Equipment	931	942	(11)	-1.2%	1,167	1,242
Travel & Meetings	1,887	1,540	347	22.5%	2,171	1,854
<b>Total - Operating Expense</b>	<b>13,062</b>	<b>11,746</b>	<b>1,316</b>	<b>11.2%</b>	<b>17,755</b>	<b>16,288</b>
<b>Operating Surplus/(Deficit) Before Depreciation</b>	<b>261</b>	<b>348</b>	<b>(87)</b>		<b>1,036</b>	<b>(377)</b>
Depreciation Expense	812	891	(79)		1,200	1,184
<b>Operating Surplus/(Deficit) After Depreciation</b>	<b>(551)</b>	<b>(543)</b>	<b>(8)</b>		<b>(164)</b>	<b>(1,561)</b>
Non-Operating Revenue	629	(1,653)	2,282		0	4,353
Non-Operating Expense	1,009	389	620		834	2,385
<b>Non-Operating Surplus/(Deficit)</b>	<b>(380)</b>	<b>(2,042)</b>	<b>1,662</b>		<b>(834)</b>	<b>1,968</b>
<b>Total Surplus/(Deficit)</b>	<b>(931)</b>	<b>(2,585)</b>	<b>1,654</b>		<b>(998)</b>	<b>407</b>

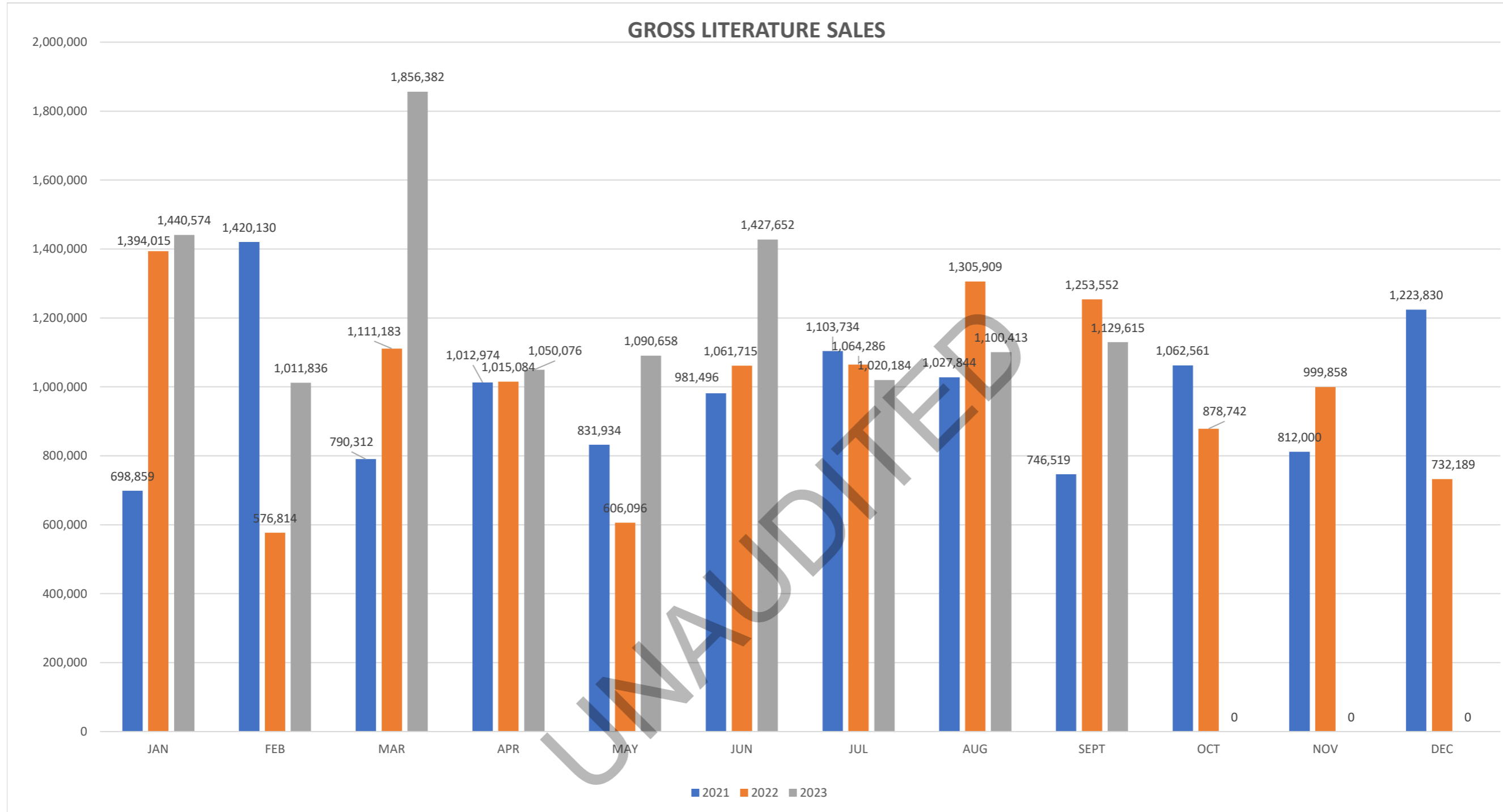
**Notes:**

1. Reforecast budget was approved by the General Service Board at its July 2023 meeting
2. Revenues - As Contribution and Literature Sales (Gross and Net) were close to YTD budget as of June 30, 2023, the Reforecasted Budget for Revenue is unchanged from the Original
3. Expenses - Reforecasted Expenses are \$17.8 million versus \$17.0 included in the original budget. This variance is due to:
  - a. Greater than expected expenses for Conference
  - b. Higher than expected lodging, food and A/V costs at Board weekends
  - c. engagement of a consultant for the Location Plus Study
  - d. engagement of temporary help to resolve licensing backlog,
  - e. higher than expected usage of outsourced accounting assistance
  - f. more Conference documents requiring translation than anticipated
  - g. Higher than anticipated legal fees (contract reviews, personnel, Board and Bylaws matters),
  - h. Increased expenses were offset by the deferral of certain technology projects.

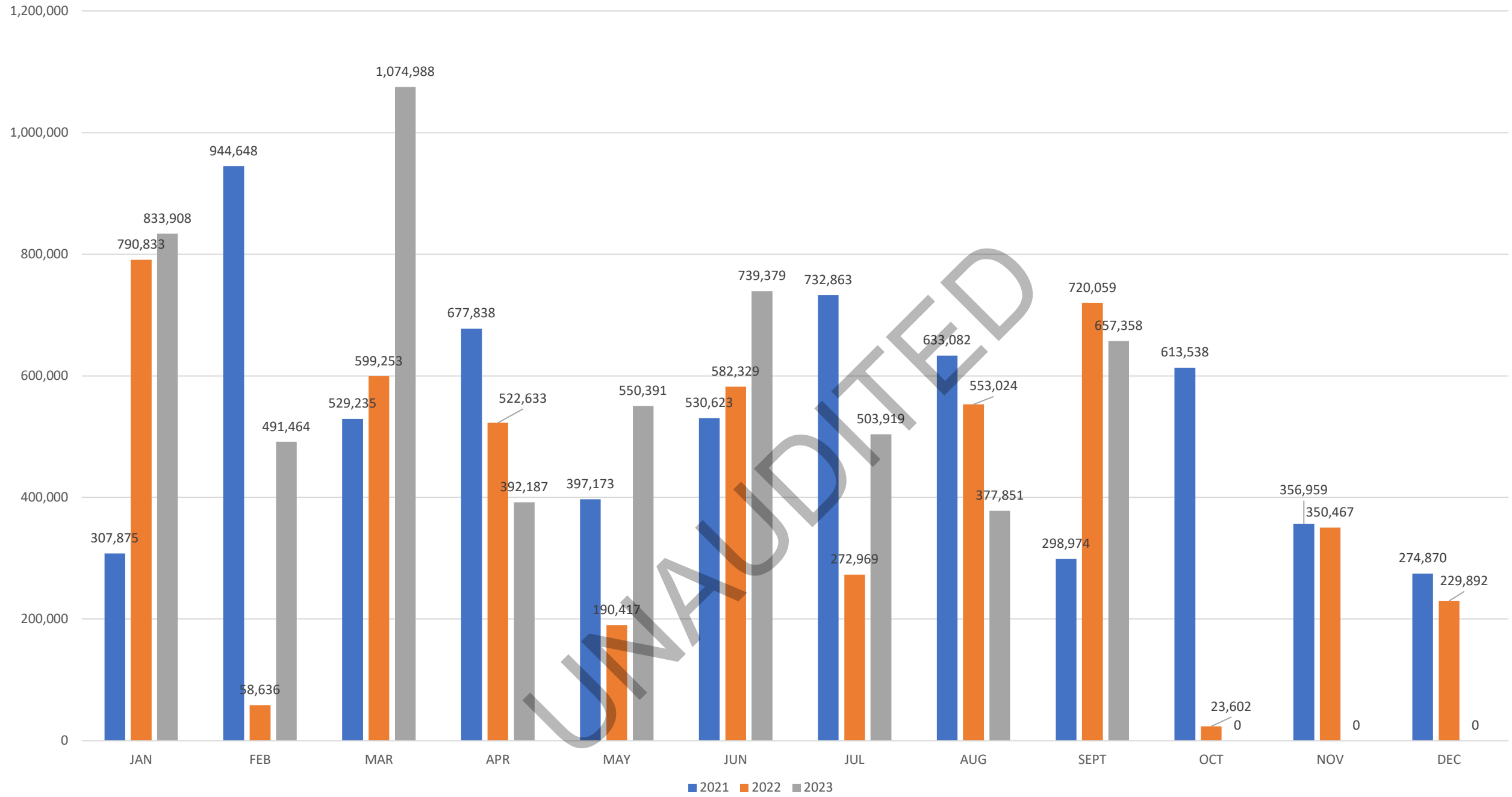
A.A. World Services and General Service Board  
Consolidated  
Monthly Income Statement Compared to Prior Year and Budget  
September 2023

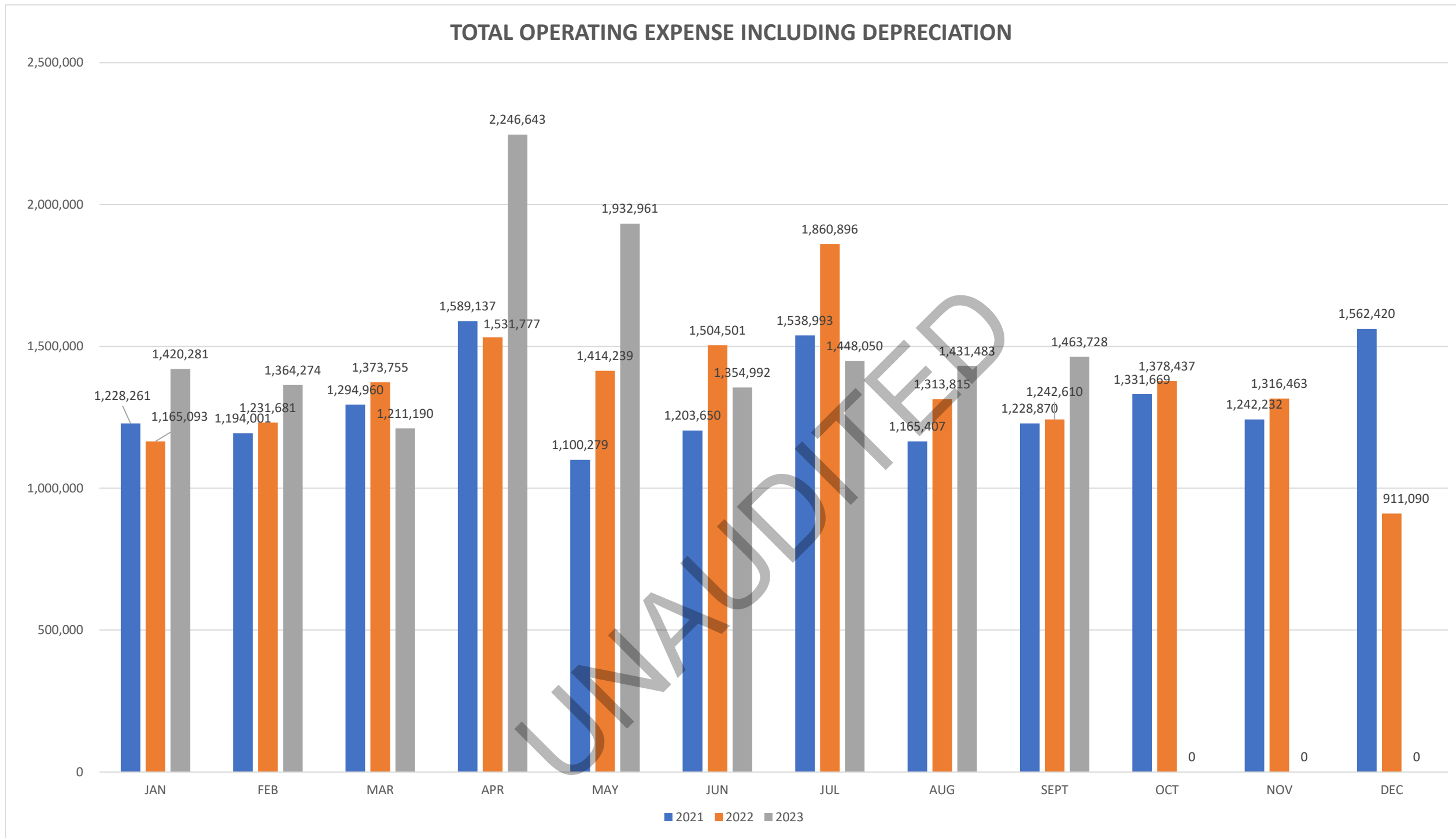
Account	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	YTD 2023	Reforecast 3.0		YTD Actual 2022
											YTD Budget 2023	% of YTD Budget	
<b>Operating Revenue</b>													
Total - 40000 - Contributions - Members & Groups	871,751	795,856	785,574	889,363	773,166	723,400	942,629	778,214	754,025	7,313,978	7,612,500	96%	7,386,529
Total - 41500 - International Convention Revenue	0	0	0	(690)	0	690	0	0	0	0	0	N/A	(357)
Total - 42000 - International	10,381	4,198	522	11,276	(150)	523	202	725	1,061	28,739	30,000	96%	126,340
Total - 43000 - General Service Conference	24,900	110,192	145,073	40,500	24,485	1,700	10,889	0	0	357,739	301,320	119%	290,207
<b>Total - Operating Revenue before Literature</b>	<b>907,032</b>	<b>910,246</b>	<b>931,169</b>	<b>940,449</b>	<b>797,500</b>	<b>726,313</b>	<b>953,721</b>	<b>778,939</b>	<b>755,086</b>	<b>7,700,456</b>	<b>7,943,820</b>	<b>97%</b>	<b>7,802,719</b>
Total - 46000 - Literature Sales	1,446,800	1,026,000	1,872,841	1,055,753	1,093,299	1,437,778	1,025,842	1,113,159	1,136,454	11,207,926	11,219,040	100%	9,182,212
Total - Cost Of Sales	612,892	534,536	797,853	663,567	542,907	698,399	521,923	735,308	479,096	5,586,480	5,495,040	102%	4,892,060
<b>Literature Gross Margin</b>	<b>833,908</b>	<b>491,464</b>	<b>1,074,988</b>	<b>392,187</b>	<b>550,391</b>	<b>739,379</b>	<b>503,919</b>	<b>377,851</b>	<b>657,358</b>	<b>5,621,446</b>	<b>5,724,000</b>	<b>98%</b>	<b>4,290,153</b>
<b>Total Operating Revenue</b>	<b>1,740,940</b>	<b>1,401,710</b>	<b>2,006,157</b>	<b>1,332,636</b>	<b>1,347,892</b>	<b>1,465,692</b>	<b>1,457,640</b>	<b>1,156,790</b>	<b>1,412,444</b>	<b>13,321,902</b>	<b>13,667,820</b>	<b>97%</b>	<b>12,092,872</b>
<b>Operating Expense</b>													
60100 - Payroll & Benefits : Salaries	523,401	708,920	520,563	624,601	1,051,464	565,028	664,503	656,246	689,979	6,004,704	6,241,230	96%	5,487,975
Total - 60300 - Payroll & Benefits : Employee Benefits	261,247	131,825	119,675	118,871	138,807	143,790	146,314	138,802	121,544	1,320,876	1,515,794	102%	1,236,561
Total - 60500 - Payroll & Benefits : Retirement Plan Contributions	25,433	26,266	29,324	28,925	27,896	28,841	24,677	21,931	14,692	227,985	included above	N/A	165,612
<b>Subtotal - 60000 - Payroll &amp; Benefits</b>	<b>810,081</b>	<b>867,011</b>	<b>669,563</b>	<b>772,397</b>	<b>1,218,166</b>	<b>737,659</b>	<b>835,493</b>	<b>816,979</b>	<b>826,216</b>	<b>7,553,565</b>	<b>7,757,023</b>	<b>97%</b>	<b>6,890,148</b>
Total - 60400 - Payroll & Benefits : Payroll Taxes	55,169	62,728	42,822	57,974	80,642	51,766	54,156	50,600	53,098	508,955	482,121	106%	444,242
Total - 70000 - Professional Fees	103,907	90,617	120,796	121,060	178,400	137,236	170,367	139,869	228,034	1,290,286	1,314,232	98%	1,079,703
Total - 72000 - Printing, Postage, and Supplies Expenses	37,715	29,731	63,609	32,244	57,434	53,969	9,196	61,596	77,299	422,792	478,040	88%	315,003
Total - 73000 - Data, Automation & Website	37,717	42,923	30,353	48,890	64,780	35,613	29,435	98,431	23,911	412,053	478,257	86%	484,106
Total - 74000 - Insurance	6,245	6,245	6,245	6,245	6,245	6,245	6,245	6,245	6,245	56,207	58,511	96%	51,376
Total - 76000 - Facility & Equipment Expenses	92,432	102,268	115,726	103,615	100,226	103,199	114,894	103,232	95,684	931,276	873,491	107%	942,217
Total - 78000 - Travel & Meetings Expenses	182,373	68,004	70,763	1,013,510	136,659	140,349	139,029	67,048	68,972	1,886,706	1,843,993	102%	1,540,100
<b>Total Operating Expense</b>	<b>1,325,639</b>	<b>1,269,527</b>	<b>1,119,876</b>	<b>2,155,936</b>	<b>1,842,553</b>	<b>1,266,037</b>	<b>1,358,815</b>	<b>1,343,999</b>	<b>1,379,459</b>	<b>13,061,840</b>	<b>13,285,669</b>	<b>98%</b>	<b>11,746,895</b>
<b>Operating Surplus/(Deficit) Before Depreciation</b>	<b>415,301</b>	<b>132,183</b>	<b>886,282</b>	<b>(823,300)</b>	<b>(494,661)</b>	<b>199,655</b>	<b>98,826</b>	<b>(187,209)</b>	<b>32,985</b>	<b>260,061</b>	<b>382,151</b>	N/A	<b>345,977</b>
76800 - Facility & Equipment Expenses : Depreciation Expense	94,642	94,747	91,315	90,707	90,408	88,956	89,235	87,484	84,269	811,762	900,000	90%	891,472
<b>Operating Surplus/(Deficit) After Depreciation</b>	<b>320,660</b>	<b>37,436</b>	<b>794,967</b>	<b>(914,007)</b>	<b>(585,070)</b>	<b>110,700</b>	<b>9,590</b>	<b>(274,693)</b>	<b>(51,284)</b>	<b>(551,701)</b>	<b>(517,849)</b>	N/A	<b>(545,496)</b>
<b>Other Income and Expenses</b>													
<b>Other Income</b>													
Total - 45000 - Other Revenue	409,558	(174,946)	194,419	86,823	(47,625)	324,619	206,034	(112,550)	(256,977)	629,353	0	N/A	(1,652,544)
45600 - Conventions, Meetings & Events	0	0	0	0	0	0	0	0	0	0	0	N/A	0
<b>Total - Other Income</b>	<b>409,558</b>	<b>(174,946)</b>	<b>194,419</b>	<b>86,823</b>	<b>(47,625)</b>	<b>324,619</b>	<b>206,034</b>	<b>(112,550)</b>	<b>(256,977)</b>	<b>629,353</b>	<b>0</b>	<b>N/A</b>	<b>(1,652,544)</b>
<b>Other Expense</b>													
Total - 92000 - Other Expenses	21,086	15,931	11,386	8,956	7,499	16,119	36,594	10,883	14,848	143,303	108,193	132%	134,253
92150 - Disbursements from the ILF	0	0	0	11,720	0	0	0	0	0	11,720	22,500	52%	24,069
92600 - Transfers to La Vina	0	0	0	0	0	173,917	0	179,965	0	353,881	494,558	72%	231,061
92650 - Grapevine Transfers	0	500,000	0	0	0	0	0	0	0	500,000	0	N/A	0
<b>Total - Other Expense</b>	<b>21,086</b>	<b>515,931</b>	<b>11,386</b>	<b>20,676</b>	<b>7,499</b>	<b>190,036</b>	<b>36,594</b>	<b>190,848</b>	<b>14,848</b>	<b>1,008,904</b>	<b>625,251</b>	<b>161%</b>	<b>389,383</b>
<b>Net Other Income</b>	<b>388,471</b>	<b>(690,878)</b>	<b>183,034</b>	<b>66,147</b>	<b>(55,124)</b>	<b>134,583</b>	<b>169,439</b>	<b>(303,397)</b>	<b>(271,825)</b>	<b>(379,551)</b>	<b>(625,251)</b>	N/A	<b>(2,041,928)</b>
<b>Surplus/(Deficit)</b>	<b>709,131</b>	<b>(653,442)</b>	<b>978,001</b>	<b>(847,860)</b>	<b>(640,194)</b>	<b>245,282</b>	<b>179,030</b>	<b>(578,090)</b>	<b>(323,110)</b>	<b>(931,252)</b>	<b>(1,143,099)</b>	N/A	<b>(2,587,423)</b>





### LITERATURE GROSS MARGIN





**AA Grapevine Inc.**  
**Statements of Financial Position**  
**As of September 30, 2023**

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>Variance</u>
<b>Assets</b>			
Current Assets			
Cash And Cash Equivalents	\$ 108,506	\$ 211,078	(102,572)
Accounts Receivable Net	239,672	122,365	117,307
Accounts Receivable GSB	570,557	201,128	369,429
Subscription Liability Fund	573,012	1,243,500	(670,488)
Inventory	484,294	508,022	(23,728)
Total Current Assets	<u>1,976,041</u>	<u>2,286,093</u>	<u>(310,052)</u>
Other Assets			
Prepaid Expenses	87,487	108,429	(20,942)
Security Deposits	15,791	14,291	1,500
Mobile App	360,000	-	360,000
Fixed Assets Net	132,142	163,672	(31,530)
Total Other Assets	<u>595,420</u>	<u>286,392</u>	<u>309,028</u>
Total Assets	<u>\$ 2,571,461</u>	<u>\$ 2,572,485</u>	<u>(1,024)</u>
<b>Liabilities and Net Assets</b>			
Liabilities			
Accounts Payable	\$ 151,585	\$ 258,881	\$(107,296)
Inter-Company Due to AAWS	537,625	442,177	95,448
Total Accounts Payable	<u>689,210</u>	<u>701,058</u>	<u>(11,848)</u>
Other Current Liabilities	200,740	191,512	9,228
Deferred Subscriptions	1,760,988	1,672,527	88,461
Total Other Current Liabilities	<u>1,961,728</u>	<u>1,864,039</u>	<u>97,689</u>
Total Liabilities	<u>2,650,938</u>	<u>2,565,097</u>	<u>85,841</u>
Total Net Assets	<u>(79,477)</u>	<u>7,388</u>	<u>(86,865)</u>
Total Liabilities And Net Assets	<u>\$ 2,571,461</u>	<u>\$ 2,572,485</u>	<u>(1,024)</u>

**AA Grapevine Inc.**  
**Statements of Activities- Actual vs Budget vs Prior Year**  
**For the Nine Months Ended September 30, 2023**

	Actual	Reforecast Budget	Variance vs Reforecast	Actual Prior Year	Actual vs. Prior Year
<b>Grapevine</b>					
<b>Circulation (Average Number of Subscribers)</b>					
Paid Circulation Average	53,734	51,866	1,868	52,720	1,014
GV Complete	6,054	6,307	(253)	3,439	2,615
GV Sub App	-	-	-	-	-
GV ePub	2,752	3,835	(1,083)	3,087	(335)
GV app	1,119	-	1,119	-	1,119
<b>Total Circulation</b>	<b>63,659</b>	<b>62,008</b>	<b>1,651</b>	<b>59,246</b>	<b>4,413</b>
Revenue Per Magazine	2.41	2.40	0.01	2.25	0.16
Revenue Per GV Complete	2.55	2.65	-0.10	2.41	0.14
Revenue Per GV ePub	1.03	1.03	0.00	0.00	1.03
Revenue per app	2.50	2.50	0.00	0.00	2.50
<b>Income</b>					
Subscription Income					
Subscription Income	\$ 1,037,029	\$ 995,824	\$ 41,205	\$ 1,133,674	\$ (96,645)
Mobile App Income	2,798	0	2,798	0	2,798
Back Issues	53,553	47,234	6,319	36,636	16,917
GV Complete	123,631	133,714	(10,083)	98,497	25,134
GV ePub	22,782	31,602	(8,820)	44,434	(21,652)
<b>Total Subscription Income</b>	<b>1,239,793</b>	<b>1,208,374</b>	<b>31,419</b>	<b>1,313,241</b>	<b>(73,448)</b>
Direct Cost					
Cost of Printing	59,606	70,137	(10,531)	36,601	23,005
Service/Fulfillment	360,224	355,286	4,938	373,007	(12,783)
Postage	359,019	372,828	(13,809)	267,503	91,516
GV Audio	20,490	27,551	(7,061)	19,916	574
GV Sub App	-	-	-	-	-
<b>Total Direct Cost</b>	<b>799,339</b>	<b>825,802</b>	<b>(26,463)</b>	<b>697,027</b>	<b>102,312</b>
<b>Net Profit On Subscription</b>	<b>440,454</b>	<b>382,572</b>	<b>57,882</b>	<b>616,214</b>	<b>(175,760)</b>
Content Related Income					
Books and Booklets	517,076	561,760	(44,684)	623,422	(106,346)
Other Items	42,184	40,003	2,181	32,909	9,275
<b>Content Related Income</b>	<b>559,260</b>	<b>601,763</b>	<b>(42,503)</b>	<b>656,331</b>	<b>(97,071)</b>
Content Related Direct Cost	190,942	187,612	3,330	158,168	32,774
<b>Net Profit Other Published Items</b>	<b>368,318</b>	<b>414,151</b>	<b>(45,833)</b>	<b>498,163</b>	<b>(129,845)</b>
Miscellaneous Income	-	-	-	-	-
Interest Reserve Fund	4,672	400	4,272	10,500	(5,828)
<b>Total Income</b>	<b>813,444</b>	<b>797,123</b>	<b>16,321</b>	<b>1,124,877</b>	<b>(311,433)</b>
<b>Expenses</b>					
Editorial	691,504	678,953	12,551	667,296	24,208
Circulation And Business	603,390	687,733	(84,343)	697,479	(94,089)
General And Administrative	107,416	102,134	5,282	42,224	65,192
<b>Total Expenses</b>	<b>1,402,310</b>	<b>1,468,820</b>	<b>(66,510)</b>	<b>1,406,999</b>	<b>(4,689)</b>
<b>Net Income (Loss) Grapevine</b>	<b>\$ (588,866)</b>	<b>\$ (671,697)</b>	<b>\$ 82,831</b>	<b>\$ (282,122)</b>	<b>\$ (306,744)</b>



**AA Grapevine Inc.**  
**Statements of Activities- Actual vs Budget vs Prior Year**  
**For the Nine Months Ended September 30, 2023**

	Actual	Reforecast Budget	Variance Actual vs Reforecast	Prior Year	Actual vs. Prior Year
<b>LaViña</b>					
<b>Circulation (Average Number of Subscribers)</b>					
Paid Circulation Average	4,049	4,438	(389)	6,658	(2,609)
					-
LV Complete	139	146	(7)	34	105
LV ePub	36	44	(8)	68	(32)
LV app	24		24		24
<b>Total Circulation</b>	<b>4,248</b>	<b>4,628</b>	<b>(380)</b>	<b>6,760</b>	<b>(2,512)</b>
Revenue Per Magazine	2.09	2.10	-0.01	2.08	0.01
Revenue Per LV Complete	3.53	3.50	0.03	3.24	0.29
Revenue Per LV ePub	1.66	1.70	-0.04	0.00	1.66
Revenue per app	2.50	2.50	0.00	0.00	2.50
<b>Income</b>					
Subscription Income					
Subscription Income	\$ 67,855	\$ 74,557	\$ (6,702)	\$ 72,631	\$ (4,776)
Mobile App Income	60	0	60	0	60
Back Issues	12,273	11,690	583	6,350	5,923
GV Complete	3,912	4,074	(162)	578	3,334
GV ePub	479	600	(121)	584	(105)
Total Subscription Income	84,579	90,921	(6,342)	80,143	4,436
Direct Cost	54,729	62,085	(7,356)	58,622	(3,893)
<b>Net Profit On Subscription</b>	<b>29,850</b>	<b>28,836</b>	<b>1,014</b>	<b>21,521</b>	<b>8,329</b>
Content Related Income	86,149	70,021	16,128	38,916	47,233
Content Related Direct Cost	23,372	15,657	7,715	2,226	21,146
<b>Net Profit Other Published Items</b>	<b>62,777</b>	<b>54,364</b>	<b>8,413</b>	<b>36,690</b>	<b>26,087</b>
<b>Total Income</b>	<b>92,627</b>	<b>83,200</b>	<b>9,427</b>	<b>58,211</b>	<b>34,416</b>
<b>Expenses</b>					
Editorial	406,583	394,307	12,276	293,974	112,609
Circulation And Business	242,197	242,666	(469)	189,398	52,799
General And Administrative	9,485	12,513	(3,028)	10,563	(1,078)
<b>Total Expenses</b>	<b>658,265</b>	<b>649,486</b>	<b>8,779</b>	<b>493,935</b>	<b>164,330</b>
<b>Net Operating Income (Loss)</b>	<b>(565,638)</b>	<b>(566,286)</b>	<b>648</b>	<b>(435,724)</b>	<b>(129,914)</b>
Contribution GSB	565,638	566,286	(648)	435,724	129,914
<b>Net Income/(Loss) LaViña</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>