

Quarterly Financial Report – Alcoholics Anonymous (“AA”)
March 31, 2025 (First 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 are 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: An Advisory Action of the 75th GSC has expanded the QFR Scope which will be incorporated into future versions of the QFR after review by the Trustees Finance and Budgetary Committee and General Service Board.

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 by the Trustees Finance and Budgetary Committee on behalf of the GSB.

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, 2025, total operating revenue is \$5,162,541 which is about 2% less than the budget of \$5,260,420. Total operating expenses before depreciation are \$3,897,986, which is about 6% less than the budget of \$4,156,262. Operating surplus before depreciation is \$1,264,555 compared to a budgeted surplus of \$1,104,158. Literature accounts receivable is \$871,767, of which 43.8% is current, 43.6% is less than 60 days past due, and 12.6% is more than 60 days past due. The reserve fund is at 6.37 months of 2025 budgeted GSO, GV, and LV 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	YTD Actual Versus Budget	Versus Prior Year (three months ended March 31, 2024)
Contributions	\$2.372M vs \$2.530M, 6% less than budget	\$2.372M vs \$3.009M, 21% less than prior year (3% less than the first three months of 2023)
Gross Literature Sales	\$5.017M vs \$4.800M, 5% more than budget	\$5.017M vs \$3.626M, 38% more than prior year
Net Literature Sales (Gross Margin)	\$2.464M vs \$2.625M, 6% less than budget	\$2.464M vs \$1.888M, 31% more than prior year
Gross Margin as a Percentage of Gross Literature Sales	49.1% versus 54.7%	49.1% versus 52.1%
Operating Expenses before depreciation	\$3.898M vs \$4.156M, 6% less than budget	\$3.898M vs \$3.871M, 1% more than prior year
Operating Surplus before depreciation	\$1.265M vs \$1.104M	\$1.265M vs \$1.338M
Reserve Coverage (# of months)	6.37	6.29

II. C. Comparative Balance Sheet Notes

Cash – Cash increased \$4.395M year-over-year due to robust literature sales in January and February, and cash receipts from International Convention registration and souvenir book sales. The International Convention has a separate budget and profit and loss statement, but the funds received to date are recorded on our Balance Sheet in accordance with generally accepted accounting principles (GAAP). This is not additional revenue for the General Service Board or AAWS. There will be associated expenses. A detailed budget and P&L for the 2025 IC is the responsibility of the convention management vendor Talley Management Group (TMG) with AAWS Board oversight. Reporting on these financials is separate and ongoing and includes a full accounting of Convention income and expenses. However, funds collected to date are our assets and must be included on our Balance Sheet as such.

Accounts Receivable – Accounts receivable, including the receivable from Grapevine, increased \$287K year-over-year due to robust literature sales in January and February. Literature receivables more than 60 days past due decreased \$107K year-over-year.

Prepaid Expense – Prepaid expense increased by \$1.411M due to International Convention expenditures. Prepaid expenses associated with the Convention will be moved to the IC income statement as expenses in July, 2025.

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, 2025 represents “typical” desired levels. Since cash is tied up in inventory before it is sold, the AAWS Board carefully reviews printing of literature to meet needs without maintaining excessive levels of inventory. A 3-year history further reflects this trend:

Date	Balance	Reduction from prior year
3/31/23	\$4,115K	
3/31/24	\$3,408K	17%
3/31/25	\$2,853K	16%

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 \$8.7 million and liabilities of \$5.2 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 premium payments and changes in market value. The liability is recalculated annually by our actuaries based on changes in medical insurance premiums and retiree life expectancies. As of March 31, 2025, the plan had \$3.5 million more investment assets than required to meet benefits when due.

Accounts Payable and Accrued Expenses – Accounts payable and accrued expenses increased \$93K year-over-year due to large literature print orders invoiced in February.

Deferred Revenue – Deferred Revenue increased by \$5.379M due to International Convention registration and souvenir receipts. Deferred Revenue associated with the Convention will be moved to the IC income statement as revenue in July, 2025.

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 March 31, 2025, \$(11.4 M) is a negative liability which represents the fact that assets in the plan exceed benefit obligations. The liability is recalculated annually by our actuaries. As of March 31, 2025, 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 which expires at the end of 2025.

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. Each July, the budget is reforecast to reflect any actions by the General Service Conference and any needed adjustments to plans and 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.

II. E. Reforecast Budget – AAWS/GSB

The 2025 Reforecast budget will be developed and approved at the GSB July 2025 meeting and will be included in the QFRs published after that date.

II. F. Income Statement Notes

Revenue – As noted above, contributions were significantly (21%) less than the same period in 2024 and slightly less than the same period in 2023. The 2024 level carried over from the contributions appeal letter from the General Manager released in the fourth quarter of 2023 which resulted in record contributions for the last two months of 2023 and the first several months of 2024. Contributions were below budget for the first three months of 2025 by 6%.

Overall, operating revenue before literature is 102% of budget due to the timing of receipt of GSC delegate fees and additional conference contributions. Total operating revenue (including literature) is 98% of budget for the first quarter.

Although gross literature sales and net literature sales (aka gross margin) were less than budget, both are significantly higher than the same period in 2024, primarily due to sales of the Plain Language Big Book which was released in November, 2024.

To explain gross margin, if a hard cover Big Book is sold for \$12, \$12 goes to gross sales. If that book cost \$6.12 to print and mail, net sales are what we keep, in this case \$5.88. The Gross Margin percentage on this sale is $5.88/12.00 = 49\%$.

Expense – Overall, operating expenses before depreciation were slightly below 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 previously purchased and 'capitalized'
- Support for La Viña (per Advisory Action, the shortfall 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 three months ended March 31, 2025 is positive \$1.3 million which approximates the surplus in the first three months of 2024 (\$1.3 million) and favorable to year-to-date budget (surplus of \$1.1 million).

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.

Non-Operating Expense – Non-operating expenses include LaViña support, changes in valuation of pension liabilities, utilization of the World Service Fund and International Literature Fund and reserve fund draws provided to AAGV. Since AAWS and GSB have a consolidated budget, reserve draws for AAWS do not reflect as a non-operating expense on the income statement.

Part III: AAGV Financial Statements

III. A. Executive Summary

Grapevine year-to-date gross margin improved over \$70k (20%) over prior year (gross margin \$413k versus \$344k). Both sales and cost of sales are considerably favorable versus prior year for the first three months of 2024. However, gross margin is unfavorable versus budget (\$413k vs \$492k) due to both lower than expected sales of subscriptions and books as well as higher than expected cost of those sales. Expenses are over budget (\$580k versus \$532k) but are improved over 2024 (\$638k).

La Viña cost of service of \$115k is in line with budget and an improvement from \$147k from the first quarter of 2024. The net shortfall from La Viña subscriptions and book sales minus expenses does not flow to the AAGV corporate bottom line; instead, per Advisory Action, it is funded by the GSB.

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

GREEN – Favorable or neutral Variance

YELLOW – Unfavorable Variance, Informative

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

Indicator	Versus 2025 Budget (Dollars in thousands ‘000)	Versus Prior Year (March 31, 2024) (Dollars in thousands ‘000)
Total Grapevine (“GV”) Subscription Income	\$489k vs \$512k, 4% behind budget	\$489k vs \$465k, 5% ahead of prior year
Total GV Print-only Circulation	43,066 vs 43,788, 2% behind budget	43,066 vs 46,155, a decline of 6%
GV App + Online + GV Complete Subscriptions	16,136 vs 16,607, 3% behind budget	16,136 vs 12,247, 32% ahead of prior year
Total Circulation	59,202 vs 60,395, 2% behind budget	59,202 vs 58,402, 2% ahead of prior year
GV Subscription Net Profit Percentage	48.7% vs 55.2%	48.7% vs 41.8%
GV Total Gross Margin (all products)	\$414k versus \$493k, 16% behind budget	\$414k vs \$343k, an increase of 21%
GV Operating Expenses	\$580k versus \$533k , unfavorable to budget by 8%	\$580k vs \$639k, a decrease of 9%
GV Net (Loss)	\$(165k) vs \$(40k)	\$(165k) vs \$(295k)
LV Total Gross Margin	\$46k vs \$50k, 8% behind budget	\$46k vs \$25k, an increase of 80%
LV Total Circulation	8,173 vs 7,685 6% ahead of budget	8,173 vs 6,957, 17% greater than prior year
LV Expenses	\$160k vs \$164k, 2% ahead of budget	\$160k vs \$173k, a decrease of 7%
LV Shortfall	\$(115k) vs \$(115k), on budget	\$(115k) vs \$(147k), a decrease of 21%

III. C. Statement of Financial Position Notes

Cash and Cash Equivalents – Cash decreased year-over-year from \$668k to \$72k. Cash as a percentage of Total Accounts Payable declined to 10%. The high cash position in 2024 was due to a reserve transfer in February 2024 to finance the anticipated AAGV shortfall during 2024. As such, a decline in cash from the levels as of March 31, 2024 was expected. AAGV requested and received a reserve transfer of \$150,000 in February 2025 which is a much lower amount than transfers in recent years. These funds will be used to replenish inventory and purchase items to be sold at the International Convention. Although inventory values are lower than last year, inventory levels were higher than needed from 2021—2023 due to the uncertain ability to secure paper and press time. The controller, publisher and board are closely monitoring cash balances and inventory recognizing the goal of becoming self-supporting in the future.

Subscription Liability Fund – See Part IV Below.

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. and II. E. Reforecast Budgets – AAGV

The 2025 Reforecast budget will be developed and approved at the GSB July 2025 meeting and will be included in the QFRs published after that date.

Part III. F. Income Statement Notes

Grapevine:

The total number of subscriptions is 800 higher than this time last year but under budget by 1,193. As expected, there is growth in digital and app subscriptions and reduced print magazine subscriptions. Direct costs are over budget in production and postage, however total direct costs are less than last year. Magazine Gross Margin is under budget by \$46k but \$44k higher than last year.

Content income is under the 2025 budget by \$27k but higher than last year by \$23k. Corresponding Cost of Goods Sold is slightly over budget but lower than last year. Gross Margin for Content Income is \$33k under budget by 26k higher than last year. Total Gross Margin is under budget by \$78k but \$70k higher than last year. We expect our new books, *The Next Frontier* in June and the *Language of the Heart* souvenirs for the convention will bring income back near budget in subsequent quarters.

Grapevine Expenses for Editorial is over budget by \$7k and Circulation and Business is over budget by \$42k.

- We underestimated the total costs of benefits. There are multiple benefit options, and the type of benefit (Family v. Single) can impact overall cost significantly – particularly with only a staff of 12.
- The costs of retiree benefits are higher than expected. This includes pension benefits, medical and prescription costs. There are also actuarial fees for the pension plan recently incurred which were not budgeted.

- Circulation & Business Professional Fees are over budget. We did not budget for the 2025 audit fees which is nearly \$29k for the year of which \$8k is included for Q1. We also had 2024 audit support from our outside accounting firm which is front loaded for the months of February and March. Finally, there are some legal fees for tax planning.
- Fulfillment costs are high due to multiple promotions
- Total expenses are \$47,169 over budget.

The Net Deficit for Grapevine is \$166k, which is over budget by \$125k; however, this is an \$129k improvement over Q1 2024.

La Viña:

Subscription numbers for La Viña (particularly with the magazine and the App) continue to increase. Total subscriptions are over budget by 488 and 1,216 higher than last year.

However, the subscription income is lagging, and it should be higher based on subscription numbers. Grapevine has been working with our fulfillment vendor for months on reporting. The Controller and Customer Relations Manager are analyzing reports and noting incorrect calculations. The Earned Income issue for the LV App has been identified and is being addressed. We are analyzing the magazine, complete and online and identifying issues with these calculations as well. We expect to have this resolved during the month of May. Currently, subscription income is under budget by \$7k.

Cost of Goods Sold for subscriptions is on budget and Gross Margin is under budget due to subscription income being under budget.

La Viña content income is \$4k higher than budget and \$20k (70%) higher than last year. Direct costs are slightly higher than budget and gross margin is \$3k over budget.

Similarly, to Grapevine, payroll taxes and benefits are higher than budgeted for the same reasons. Fulfillment costs are above budget as there have been several promotional mailings early in the year.

Overall, La Viña is under budget by \$419 through March 31st and the bottom line improved by \$33k year over year.

Part IV: Reserve Fund and Grapevine Subscription Liability

As of March 31, 2025, the Reserve Fund Assets total \$12.4 million consisting of cash and certificates of deposit. Less the liability for unfulfilled Grapevine subscriptions of \$540k, the Reserve Fund Balance is \$11.8 million. These are net of the \$150k draw made in February for AAGV.

Based on the expense budgets for GSO, Grapevine and La Viña (total \$22.33 million) the reserve fund balance is equal to 6.37 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.

The AAWS/GSB capital budget reflects the cost of the office renovation expected to begin in July 2025 that will ultimately allow for the elimination of the space on the 8th floor following when the lease for that space expires at the end of 2025. The amount of potential reserve funding for this project is not known, and no withdrawals have been requested or authorized.

Part V: Other Notable Items

None.

AAWS/GSB

FINANCIAL STATEMENTS

Alcoholics Anonymous World Services
General Service Board of Alcoholics Anonymous
Comparative Balance Sheet
End of March 2025

	03/31/25	03/31/24	CHANGE
ASSETS			
Current Assets			
Cash	5,544,723	1,149,278	4,395,445
Accounts Receivable (Literature + GV)	1,390,980	1,104,417	286,563
Prepaid Expense	2,338,552	928,006	1,410,546
Literature Inventory	2,853,332	3,407,703	(554,371)
Reserve Fund	12,386,687	12,173,806	212,881
Total Current Assets	24,514,273	18,763,210	5,751,062
Fixed Assets			
Fixed Assets	4,967,815	7,413,668	(2,445,853)
Accumulated Depreciation	(3,050,651)	(3,936,219)	885,568
Net Fixed Assets	1,917,164	3,477,449	(1,560,285)
Other Assets			
Postretirement Medical Fund	8,674,134	8,416,072	258,063
Total Other Assets	8,674,134	8,416,072	258,063
Total ASSETS	35,105,571	30,656,730	4,448,841
LIABILITIES			
Accounts Payable	977,523	632,705	344,818
Accrued Expenses	59,567	312,412	(252,845)
Defined Benefit Pension Liability	(11,414,732)	(7,183,690)	(4,231,042)
Sales Tax	5,666	(4,818)	10,484
Deferred Revenue	5,379,290	0	5,379,290
Grapevine Subscription Liability	540,000	540,000	0
Employee Withholding	33,084	36,778	(3,693)
Postretirement Benefit	5,189,509	5,631,648	(442,139)
Rent Lease Liability	949,133	1,886,482	(937,349)
Total LIABILITIES	1,719,041	1,851,517	(132,477)
NET ASSETS			
Reserve Fund	11,846,687	11,633,806	212,881
Postretirement Medical Fund	3,484,625	2,784,424	700,202
Capital Projects Fund	790,985	1,306,950	(515,964)
Defined Benefit Pension Liability	11,414,732	7,183,690	4,231,042
General Fund	5,849,501	5,896,344	(46,843)
Total NET ASSETS	33,386,530	28,805,213	4,581,318
Total LIABILITIES AND NET ASSETS	35,105,571	30,656,730	4,448,841

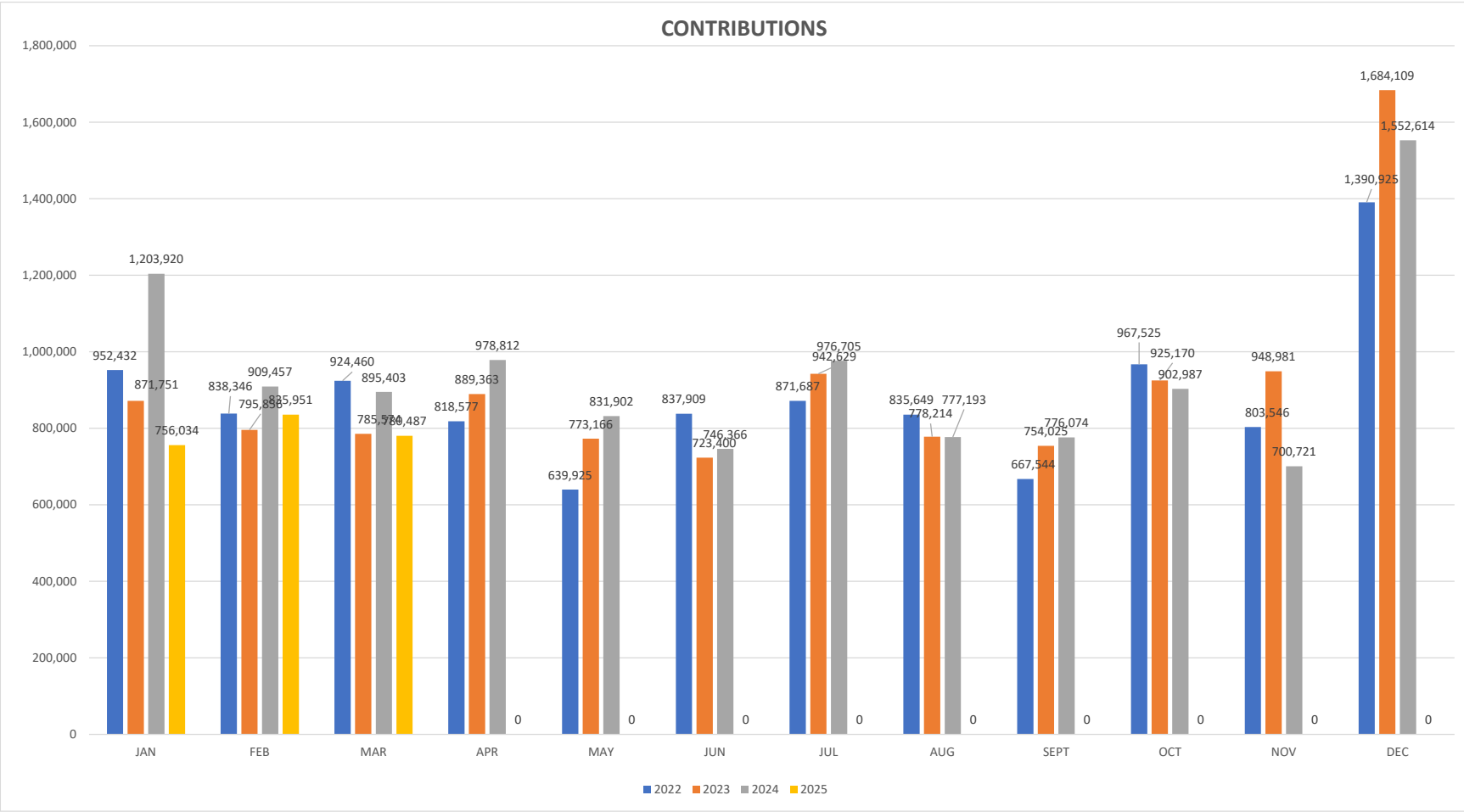
A.A. World Services and General Service Board
Consolidated
Comparative Income Statement
March 2025

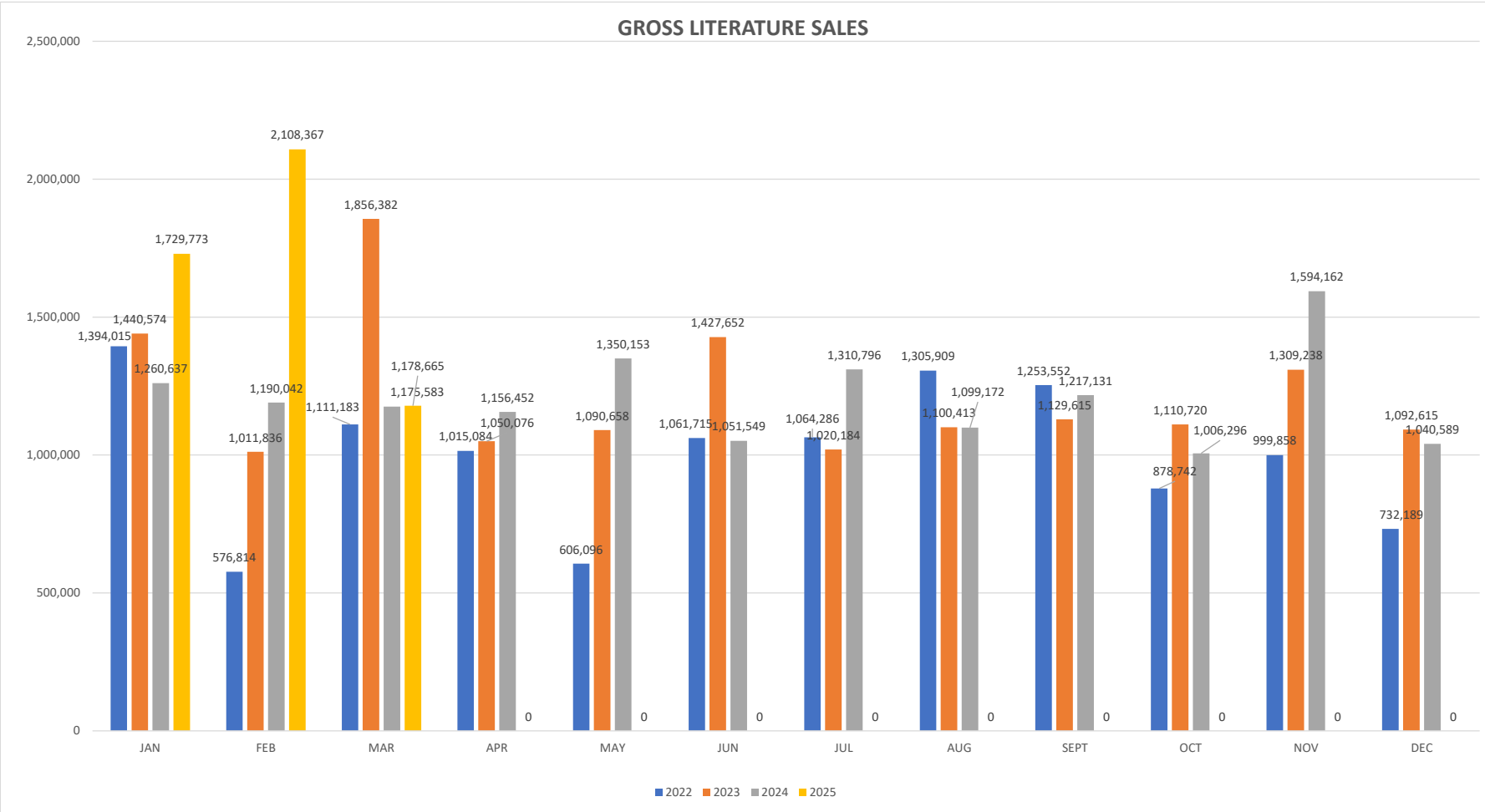
Account	Current Year to Date (Jan 2025 - Mar 2025)	Last Year to Date (Jan 2024 - Mar 2024)	Year To Date Variance	2025 Year to Date Budget	Year to Date Budget Variance	2025 Full Year Budget
Operating Revenue						
Contributions	2,372,472	3,008,780	(636,308)	2,530,000	(157,528)	11,000,000
International (2024 includes WSM)	18,317	13,236	5,081	22,500	(4,183)	90,000
General Service Conference	307,402	299,659	7,742	82,920	224,482	414,600
Gross Literature Sales	5,016,806	3,626,263	1,390,543	4,800,000	216,806	16,000,000
Literature Shipping Charges	120,744	81,804	38,940	105,000	15,744	350,000
Literature Discounts	(525,597)	(133,515)	(392,082)	(120,000)	(405,597)	(400,000)
Cost of Goods Sold	2,147,603	1,686,850	460,752	2,160,000	(12,397)	7,200,000
Gross Margin	2,464,351	1,887,702	576,649	2,625,000	(160,649)	8,750,000
Total - Operating Revenue	5,162,541	5,209,377	(46,836)	5,260,420	(97,879)	20,254,600
Operating Expense						
Salary & Benefits	2,431,900	2,606,923	(175,024)	2,508,824	(76,924)	11,231,832
Payroll Taxes	176,243	196,981	(20,738)	191,860	(15,617)	831,393
Professional Fees	242,259	244,111	(1,853)	477,064	(234,805)	2,118,862
Printing, Postage, Supplies, and Subscriptions	161,308	98,864	62,445	148,430	12,878	560,206
Data, Automation & Website	161,399	127,978	33,421	146,877	14,522	702,736
Insurance	22,159	19,326	2,833	21,258	901	85,739
Facility & Equipment	314,912	332,138	(17,226)	329,536	(14,624)	1,297,255
Travel & Meetings	387,806	244,829	142,977	332,413	55,393	2,498,920
Total - Operating Expense	3,897,986	3,871,151	26,835	4,156,262	(258,276)	19,326,943
Operating Surplus/(Deficit) Before Depreciation	1,264,555	1,338,226	(73,671)	1,104,158	160,397	927,657
Depreciation Expense	191,147	217,847	(26,700)	236,408	(45,261)	945,632
Operating Surplus/(Deficit) After Depreciation	1,073,408	1,120,379	(46,971)	867,750	205,658	(17,975)
Non-Operating Revenue	16,369	550,184	(533,815)	0	16,369	0
Non-Operating Expense**	258,750	651,585	(392,835)	47,100	211,650	644,026
Non-Operating Surplus/(Deficit)	(242,381)	(101,401)	(140,980)	(47,100)	(195,281)	(644,026)
Total Surplus/(Deficit)	831,027	1,018,978	(187,951)	820,650	10,377	(662,001)

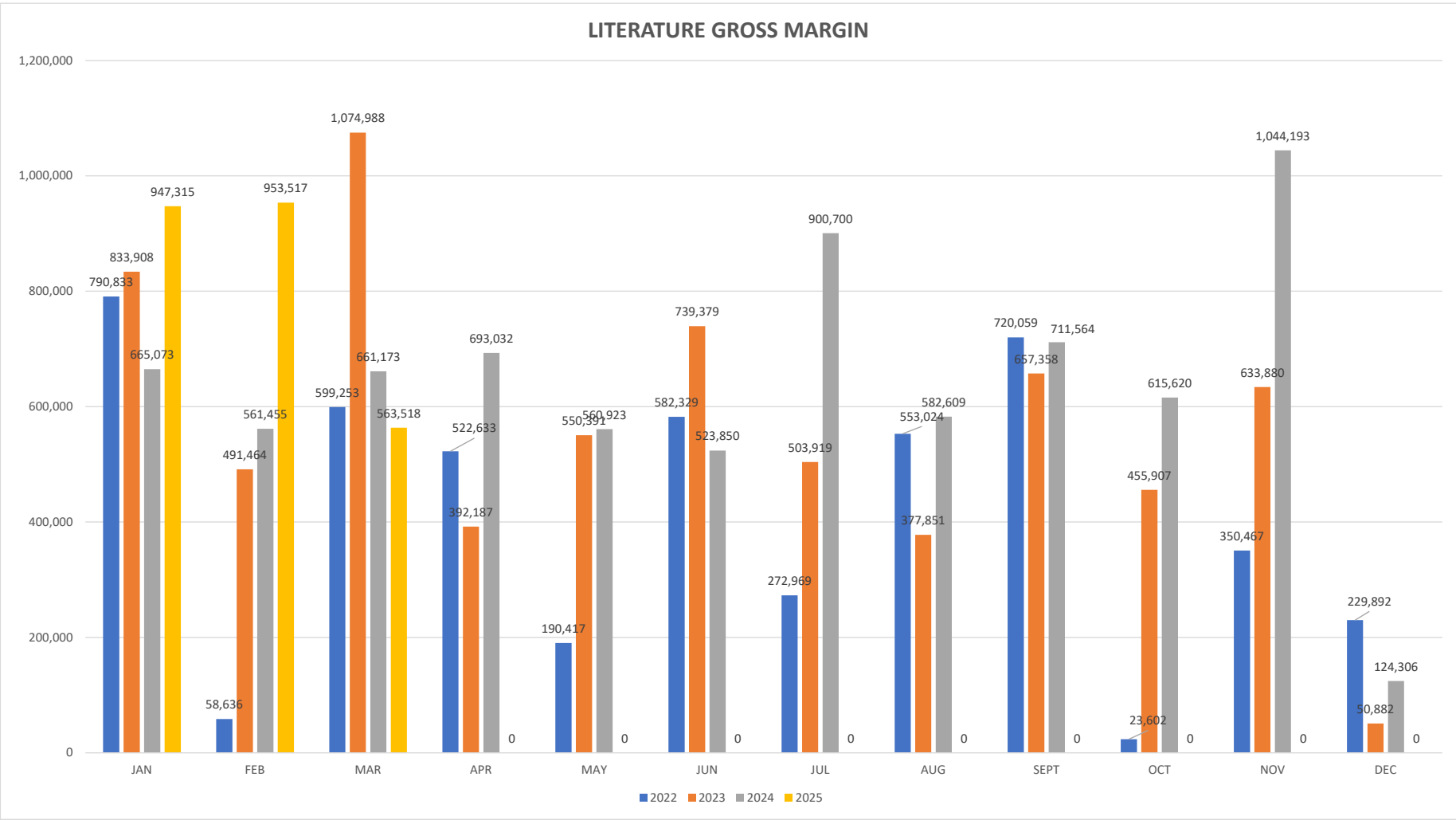
**Withdrawals from the Reserve Fund for Grapevine are an expense for GSB and revenue for GV, netting to 0 on a consolidated basis.

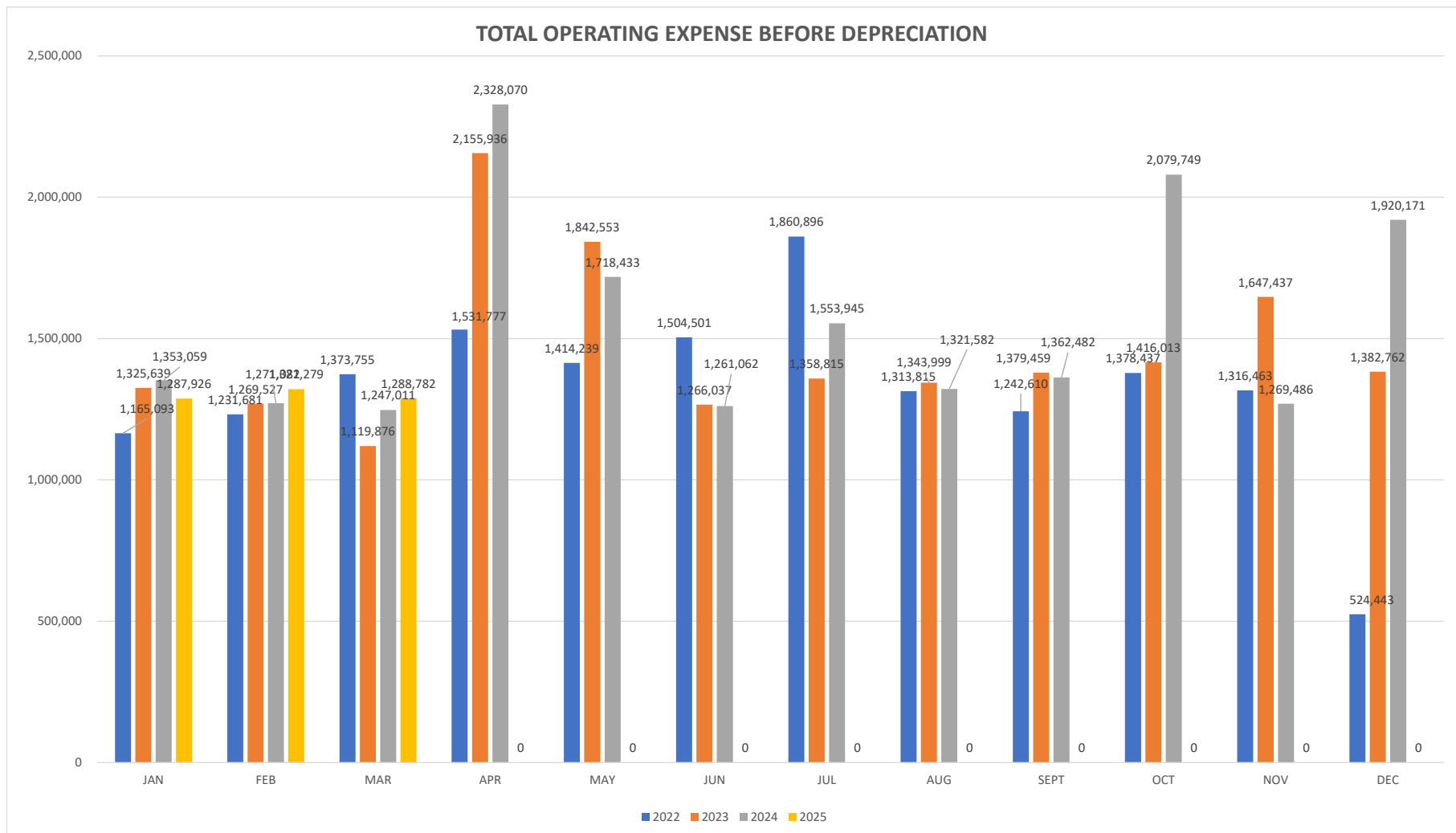
A.A. World Services and General Service Board
Consolidated
Income Statement Compared to Prior Year and Budget
March-25

Account	Jan-25	Feb-25	Mar-25	YTD 2025	% of YTD Budget 5.1	Budget 5.1 YTD Budget 2025	YTD Actual 2024
Operating Revenue							
Total - 40000 - Contributions - Members & Groups	756,034	835,951	780,487	2,372,472	94%	2,530,000	3,008,780
Total - 42000 - International	8,767	9,550	0	18,317	81%	22,500	13,236
Total - 43000 - General Service Conference	0	109,417	197,985	307,402	371%	82,920	299,659
Total - Operating Revenue before Literature	764,801	954,918	978,472	2,698,191	102%	2,635,420	3,321,675
Total - 46000 - Literature Sales	1,521,139	1,903,971	1,186,844	4,611,953	96%	4,785,000	3,574,552
Total - Cost Of Sales	573,824	950,454	623,325	2,147,603	99%	2,160,000	1,686,850
Literature Gross Margin	947,315	953,517	563,518	2,464,351	94%	2,625,000	1,887,702
Convention	0	0	0	0		0	
Total Operating Revenue	1,712,115	1,908,435	1,541,991	5,162,541	98%	5,260,420	5,209,377
Operating Expense							
60100 - Payroll & Benefits : Salaries	311,411	708,841	706,447	1,726,698	92%	1,883,861	1,975,818
Total - 60300 - Payroll & Benefits : Employee Benefits	279,214	139,582	164,753	583,549	115%	509,602	513,461
Total - 60500 - Payroll & Benefits : Retirement Plan Contributions	44,810	31,430	45,412	121,652	105%	115,361	117,645
Subtotal - 60000 - Payroll & Benefits	635,435	879,853	916,612	2,431,900	97%	2,508,824	2,606,923
Total - 60400 - Payroll & Benefits : Payroll Taxes	47,893	68,671	59,678	176,243	92%	191,860	196,981
Total - 70000 - Professional Fees	57,601	83,967	100,691	242,259	51%	477,064	244,111
Total - 72000 - Printing, Postage, and Supplies Expenses	68,096	49,234	43,978	161,308	109%	148,430	98,864
Total - 73000 - Data, Automation & Website	45,078	79,615	36,706	161,399	110%	146,877	127,978
Total - 74000 - Insurance	7,251	7,450	7,458	22,159	104%	21,258	19,326
Total - 76000 - Facility & Equipment Expenses	106,385	103,187	105,340	314,912	96%	329,536	332,138
Total - 78000 - Travel & Meetings Expenses	320,186	49,301	18,318	387,806	117%	332,413	244,829
Total Operating Expense	1,287,926	1,321,279	1,288,782	3,897,986	94%	4,156,262	3,871,151
Operating Surplus/(Deficit) Before Depreciation	424,190	587,157	253,209	1,264,555		1,104,158	1,338,226
76800 - Facility & Equipment Expenses : Depreciation Expense	64,285	63,510	63,352	191,147	81%	236,408	217,847
Operating Surplus/(Deficit) After Depreciation	359,905	523,647	189,856	1,073,408		867,750	1,120,379
Other Income and Expenses							
Other Income							
Total - 45000 - Other Revenue	221,758	3,979	(209,369)	16,369		0	550,184
Total - Other Income	221,758	3,979	(209,369)	16,369		0	550,184
Other Expense							
Total - 92000 - Other Expenses	24,612	18,542	1,862	45,016	23%	42,100	68,463
92150 - Disbursements from the ILF and WSM Fund	990	660	8,422	10,072	34%	5,000	3,847
92600 - Transfers to La Vina	0	43,805	(12,228)	31,577	6%	0	2
92650 - Grapevine Transfers	0	165,493	0	165,493		0	573,793
92800 - Pension	0	0	0	0		0	0
92850 - Post Retirement Medical Plan	6,592	0	0	6,592		0	5,481
92400 - Bad Debt Expense	0	0	0	0		0	0
Total - Other Expense	32,194	228,500	(1,944)	258,750	33%	47,100	651,585
Net Other Income and Expense	189,564	(224,521)	(207,424)	(242,381)		(47,100)	(101,401)
Surplus/(Deficit)	549,469	299,126	(17,568)	831,027		820,650	1,018,978









AAGV

FINANCIAL STATEMENTS

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending March 31, 2025 and 2024

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
Grapevine					
Circulation (Average Number of Subscribers)					
GV Print subscriptions	43,066	43,788	(722)	46,155	(3,089)
GV Complete (Print & Online)	5,553	5,497	56	5,465	88
GV Online subscriptions	3,953	3,985	(32)	2,547	1,406
GV App subscriptions	6,630	7,125	(495)	4,235	2,395
Total Circulation	59,202	60,395	(1,193)	58,402	800
Revenue per Print subscription	2.46	2.52	(0.06)	2.46	0.00
Revenue per GV Complete (Print & Online)	4.00	3.92	0.08	3.90	0.10
Revenue per GV Online subscription	2.28	2.74	(0.46)	2.15	0.13
Revenue per App subscription	2.64	2.33	0.31	2.56	0.08
Income					
Subscription Income					
Print Magazine	\$ 317,969	\$ 331,350	\$ (13,381)	\$ 340,142	\$ (22,173)
GV Complete	66,700	64,449	2,251	63,976	2,724
GV Online	27,000	31,935	(4,935)	16,433	10,567
GV App	52,550	48,173	4,377	32,472	20,078
GV Back Issues & Prison/Hospital Issues	24,725	36,250	(11,525)	11,755	12,970
Prior Year Revenue Adjustment	-	-	-	-	-
Total Subscription Income	488,944	512,157	(23,213)	464,778	24,166
Direct Cost					
Magazine Production & Fulfillment	114,773	102,137	12,636	117,260	(2,487)
Audio Production	6,630	6,750	(120)	3,331	3,299
Warehousing	17,274	15,000	2,274	19,580	(2,306)
Postage	104,609	97,328	7,281	125,935	(21,326)
GV App	7,621	7,226	395	4,871	2,750
Total Direct Cost	250,907	228,441	22,466	270,977	(20,070)
Gross Margin on Subscriptions	238,037	283,716	(45,679)	193,801	44,236
Content Related Income					
Books and Booklets	231,719	259,834	(28,115)	215,083	16,636
Audio Products	9,648	3,750	5,898	2,540	7,108
Specialty Items	4,210	9,525	(5,315)	4,339	(129)
Total Content Related Income	245,577	273,109	(27,532)	221,962	23,615
Cost of Goods -Books and Booklets	42,317	57,500	(15,184)	54,688	(12,372)
Cost of Goods-Audio Products	36	300	(264)	283	(247)
Cost of Goods- Specialty Items	842	2,100	(1,258)	1,736	(894)
Cost of Goods-International Convention items	-	-	-	-	-
Mailing-Postage, Fulfillment, and Other Services	28,376	6,250	22,126	17,717	10,659
Total Content Related Direct Cost	71,571	66,150	5,422	74,424	(2,853)
Gross Margin - Other Published Items	174,006	206,959	(32,954)	147,538	26,468
Interest Reserve Fund	2,250	2,250	-	2,400	(150)
Total Gross Margin	\$ 414,293	\$ 492,925	\$ (78,633)	\$ 343,739	\$ 70,554

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending March 31, 2025 and 2024

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
Expenses					
Editorial					
Salaries	\$ 40,643	\$ 42,080	\$ (1,437)	\$ 55,556	\$ (14,913)
Payroll Taxes and Benefits	11,341	9,948	1,393	20,649	(9,308)
Freelance/Temp Help	43,712	40,000	3,712	50,608	(6,896)
Professional fees	2,250	6,250	(4,000)	33,898	(31,648)
Recruitment Fees	-	-	-	-	-
Website Maint./Development	24,355	16,250	8,105	26,604	(2,249)
Total Editorial	122,301	114,528	7,773	187,315	(65,014)
Circulation And Business					
Salaries	177,251	175,111	2,140	155,008	22,243
Payroll taxes and benefits	62,491	57,114	5,377	54,469	8,022
Freelance/Temp Help	2,250	1,500	750	449	1,801
Fulfillment	73,230	56,250	16,980	41,183	32,047
App Development	12,000	12,000	-	42,000	(30,000)
Professional fees	38,081	21,250	16,831	44,469	(6,388)
Website Maint./Development	1,839	2,250	(411)	1,195	644
Recruitment Fees	-	-	-	30,000	(30,000)
AAWS HR Allocation	3,276	3,984	(708)	-	3,276
Canadian exchange	(43)	780	(823)	(845)	802
Bank service charges	20,542	18,850	1,692	12,050	8,492
Total Circulation And Business	390,916	349,089	41,827	379,978	10,938
General And Administrative					
Occupany & Insurance	17,345	16,770	575	22,189	(4,844)
Office supplies and expenses	12,892	8,750	4,142	21,386	(8,494)
Meetings and conferences	4,409	8,751	(4,342)	4,310	99
Depreciation expense	32,194	35,000	(2,806)	23,815	8,379
Total General And Administrative	66,840	69,271	(2,431)	71,700	(4,860)
Total Expenses	580,057	532,888	47,169	638,993	(58,936)
Net Income (Shortfall) Grapevine	(165,764)	(39,963)	(125,801)	(295,254)	129,490

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending March 31, 2025 and 2024

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
La Vina					
Circulation (Number of Subscribers)					
LV Print subscriptions	7,568	7,100	468	6,624	944
LV Complete	149	165	(16)	99	50
LV Online subscriptions	71	80	(9)	36	35
LV App subscriptions	386	340	46	198	188
Total Circulation	8,174	7,685	489	6,957	1,217
Revenue per Print subscription	2.13	2.74	(0.61)	2.49	(0.36)
Revenue per LV Complete (Print & Online)	4.44	3.85	0.59	3.80	0.64
Revenue per LV Online subscription	2.36	2.17	0.19	1.68	0.68
Revenue per App subscription	1.36	2.10	(0.74)	2.60	(1.24)
Income					
Subscription Income					
Print Magazine	\$ 32,195	\$ 39,110	\$ (6,915)	32,946	\$ (751)
LV Complete	1,318	1,217	101	752	566
LV Online	333	341	(8)	166	167
LV App	1,050	1,394	(344)	514	536
LV Back Issues	4,722	4,750	(28)	3,343	1,379
Prior Year Revenue Adjustment		-	-	-	-
Total Subscription Income	39,618	46,812	(7,194)	37,720	1,898
Direct Cost					
Magazine Production	19,917	21,667	(1,750)	21,523	(1,606)
Audio Production	3,490	-	3,490	3,490	-
Postage	4,478	5,625	(1,147)	4,218	260
LV App	158	209	(51)	76	82
Total Direct Cost	28,043	27,501	542	29,307	(1,264)
Gross Margin on Subscriptions	11,575	19,311	(7,736)	8,413	3,162
Content Related Income					
Books and Booklets	47,108	42,750	4,358	26,922	20,186
Audio Products	-	63	(63)	45	(45)
Specialty Items	1,370	1,250	120	1,510	(140)
Total Content Related Income	48,477	44,063	4,414	28,477	20,000
Cost of Goods	14,445	13,500	945	11,702	2,743
Gross Margin - Other Published Items	34,032	30,563	3,469	16,775	17,257
Total Gross Margin	\$ 45,607	\$ 49,874	\$ (4,267)	\$ 25,188	\$ 20,419

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending March 31, 2025 and 2024

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
Expenses					
Editorial					
Salaries	\$ 36,936	\$ 39,642	\$ (2,706)	\$ 42,218	\$ (5,282)
Payroll taxes and benefits	18,599	15,347	3,252	19,367	(768)
Freelance/Temp Help	8,961	10,000	(1,039)	12,731	(3,770)
Professional fees		1,250	(1,250)	5,702	(5,702)
Website Maint./Development	289	4,337	(4,048)	7,118	(6,829)
Total Editorial	64,786	70,576	(5,790)	87,136	(22,350)
Circulation And Business					
Salaries	40,755	42,497	(1,742)	42,147	(1,392)
Payroll taxes and benefits	17,476	15,814	1,662	15,185	2,291
Freelance/Temp Help	256	1,500	(1,244)	-	256
Professional fees	5,398	3,500	1,898	7,194	(1,796)
Fulfillment - Subscription orders	16,709	8,625	8,084	7,153	9,556
AAWS HR Allocation	702	703	(1)	-	702
Total Circulation And Business	81,297	72,639	8,658	71,679	9,618
General And Administrative					
Depreciation expense	5,311	10,003	(4,692)	4,375	936
Meetings & Conferences	1,659	2,808	(1,149)	701	958
Occupany & Insurance	7,152	7,965	(813)	8,589	(1,437)
Office Expense	-	750	(750)	149	(149)
Miscellaneous	-	150	(150)	-	-
Total General And Administrative	14,122	21,676	(7,554)	13,814	308
Total Expenses	160,205	164,891	(4,686)	172,629	(12,424)
Total Operating Income (Shortfall)	(114,598)	(115,017)	419	(147,440)	32,843
Contribution from GSB	114,598	115,017	(419)	147,440	(32,843)
Net Income (Shortfall) La Vina	-				

AA Grapevine Inc.
Statements of Financial Position
(Balance Sheet)
As of March 31, 2025 and 2024

	March 31, 2025	March 31, 2024	Variance
Assets			
Current Assets			
Cash And Cash Equivalents	\$ 71,814	\$ 667,528	\$ (595,714)
Accounts Receivable Net	261,522	290,098	(28,576)
Accounts Receivable GSB	84,753	147,963	(63,210)
Subscription Liability Fund	540,000	540,000	-
Inventory	362,231	382,468	(20,237)
Total Current Assets	1,320,320	2,028,056	(707,736)
Other Assets			
Prepaid Expenses	76,247	84,896	(8,650)
Security Deposits	14,756	14,231	525
Mobile App Net	390,206	396,007	(5,801)
Fixed Assets Net	75,764	84,902	(9,138)
Total Other Assets	556,973	580,037	(23,063)
Total Assets	<u>\$ 1,877,293</u>	<u>\$ 2,608,093</u>	<u>\$ (730,800)</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 311,020	\$ 307,337	\$ 3,683
Inter-Company Due to GSB	-	-	-
Inter-Company Due to AAWS	416,279	495,677	(79,398)
Total Accounts Payable	727,300	803,014	(75,714)
Other Current Liabilities			
PR Tax And Benefits Payable	8,640	14,532	(5,891)
Accrued Expenses	29,398	130,369	(100,970)
GST Payable	(23,603)	(13,387)	(10,216)
NYS Sales Tax	167	-	167
Deferred Income Subscriptions	1,506,379	1,682,457	(176,078)
Deferred Income Mobile Apps	182,532	-	182,532
Gift Certificates	-	-	-
Deferred Income-IC 2025	56,444	-	56,444
Gift Certificate CTM	10,952	7,269	3,683
Total Other Current Liabilities	1,770,909	1,821,239	(50,330)
Total Liabilities	2,498,209	2,624,253	(126,044)
Net Assets			
Net Assets - Beg Bal	(1,193,257)	(341,525)	(851,732)
Transfer from Reserve Fund	747,664	597,664	150,000
Investment - Mobile App	-	-	-
Consolidated Net Income (Shortfall)	(175,323)	(272,299)	96,977
Total Net Assets	(620,916)	(16,160)	(604,755)
Total Liabilities And Net Assets	<u>\$ 1,877,293</u>	<u>\$ 2,608,093</u>	<u>\$ (730,800)</u>

AAGrapevine Inc.
Rolling Cash Flow Forecast
For the Twelve Months Ended December 31, 2025

	ACTUAL			FORECAST									
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Total
Grapevine & La Vina Revenue	\$ (57,177)	\$ (32,982)	\$ (56,914)	\$ (17,510)	\$ (41,250)	(\$6,353)	\$71,871	(\$6,844)	(\$6,141)	(\$39,647)	(\$6,239)	(\$6,372)	(205,559)
Consolidated Net Income (Shortfall)													
Accounts Receivable	(46,646)	(40,025)	8,514	(10,000)									(88,157)
La Vina Reimbursement Billed	(31,159)	(48,317)	(34,186)	(42,756)	(46,642)	(42,707)	(30,291)	(41,643)	(24,227)	(50,139)	(24,678)	(37,525)	(454,270)
La Vina Reimbursement Received	44,335	43,805	31,577	40,000	34,186	42,756	46,642	42,707	30,291	41,643	24,227	50,139	472,308
Draw from Reserve Fund		150,000											150,000
Inventory	(50,230)	12,680	(25,674)	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-	(33,224)
Purchase of Fixed Assets	-	-	-	0	0	-	-	-	(3,000)	(3,000)	-	(3,000)	(9,000)
Depreciation/Amortization	12,566	12,481	12,458	12,500	12,500	12,000	12,000	12,500	12,500	12,500	12,500	12,500	149,005
Accounts Payable	121,920	(53,732)	(2,214)	10,000	10,000	10,000	(20,000)	(25,000)	(5,000)	(5,000)	(5,000)		35,974
Intercompany Due AAWS Charged	46,531	33,597	48,620	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	560,748
Intercompany Due AAWS Paid	(47,473)	(47,473)	(51,451)	(51,142)	(51,142)	(56,000)	(56,000)	(56,000)	(52,000)	(52,000)	(52,000)	(52,000)	(624,681)
Deferred Income	(32,275)	3,600	47,327	10,000	10,000	10,000	15,000	10,000	10,000	4,000	3,000	3,000	93,652
International Convention Journal &other content	2,715	2,100	(12,922)	(10,000)	(15,000)	(15,000)	-	-	-	-	-	-	(48,107)
Investment - Mobile App	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(48,000)
Gift Certificates	(2,504)	500	268	500	500	500	500	500	500	500	500	500	2,764
Total Adjustments to reconcile Net Revenue to Net Cash	13,780	65,216	18,317	8,102	3,400	10,547	16,850	(7,937)	18,063	(7,496)	2,548	17,614	159,012
Cash at Beginning of Period	121,573	78,177	110,411	71,814	62,406	24,876	29,070	117,791	103,010	114,932	67,789	64,401	121,573
Cash at End of Period	\$ 78,177	\$ 110,411	\$ 71,814	\$ 62,406	\$ 24,876	\$ 29,070	\$ 117,791	\$ 103,010	\$ 114,932	\$ 67,789	\$ 64,401	\$ 75,643	\$ 75,328

A.A. Grapevine Inc.
Consolidated Comparative Income Statements
(Dollars in Thousands)

Account	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Variance	2025 YTD Budget	Variance - Actual to Reforecast	2025 Full-Year Approved Budget
Grapevine						
Operating Revenue						
Subscriptions	489	465	24	512	(23)	2,186
Book and Other Content Sales	245	222	23	273	(28)	1,281
Total Operating Revenues	<u>734</u>	<u>687</u>	<u>47</u>	<u>785</u>	<u>(51)</u>	<u>3,467</u>
Cost of Goods Sold	323	344	(21)	294	29	1,460
Gross Margin	411	343	68	491	(80)	2,007
Operating Expense						
Editorial	122	187	(65)	114	8	469
Circulation and Business	391	380	11	349	42	1,405
General and Administrative	34	49	(15)	34	0	137
Total - Operating Expense	<u>547</u>	<u>616</u>	<u>(69)</u>	<u>497</u>	<u>50</u>	<u>2,011</u>
Operating (Deficit) Before Depreciation	(136)	(273)	137	(6)	(130)	(4)
Depreciation Expense	32	24	8	35	(3)	140
Operating (Deficit) After Depreciation	(168)	(297)	129	(41)	(127)	(144)
Interest on Reserve Fund	2	2	0	2	0	9
Transfer from Reserve Fund	0	0	0	0	0	0
Non-Operating Surplus	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>9</u>
> Reserve Fund transfer of \$150k is not listed as it is to purchase inventory for sale at the International Convention, not to support operations						
Total Surplus/(Deficit)	(166)	(295)	129	(39)	(127)	(135)

A.A. Grapevine Inc.
Consolidated Comparative Income Statements
(Dollars in Thousands)

Account	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Variance	2025 YTD Budget	Variance - Actual to Reforecast	2025 Full-Year Approved Budget
La Vina						
Operating Revenue						
Subscriptions	40	38	2	47	(7)	161
Book and Other Content Sales	48	28	20	44	4	217
Total Operating Revenues	88	66	22	91	(3)	378
Cost of Goods Sold	42	41	1	41	1	150
Gross Margin	46	25	21	50	(4)	228
Operating Expense						
Editorial	65	87	(22)	71	(6)	295
Circulation and Business	81	72	9	73	8	301
General and Administrative	14	14	0	21	(7)	87
Total - Operating Expense	160	173	(13)	165	(5)	683
Operating (Shortfall)	(114)	(148)	34	(115)	1	(455)
Support from General Service Board	114	148	(34)	115	(1)	455
Net	0	0	0	0	0	0