

AROUND THE PICNIC TABLE

Menu

**Finance
75th
General Service Conference**

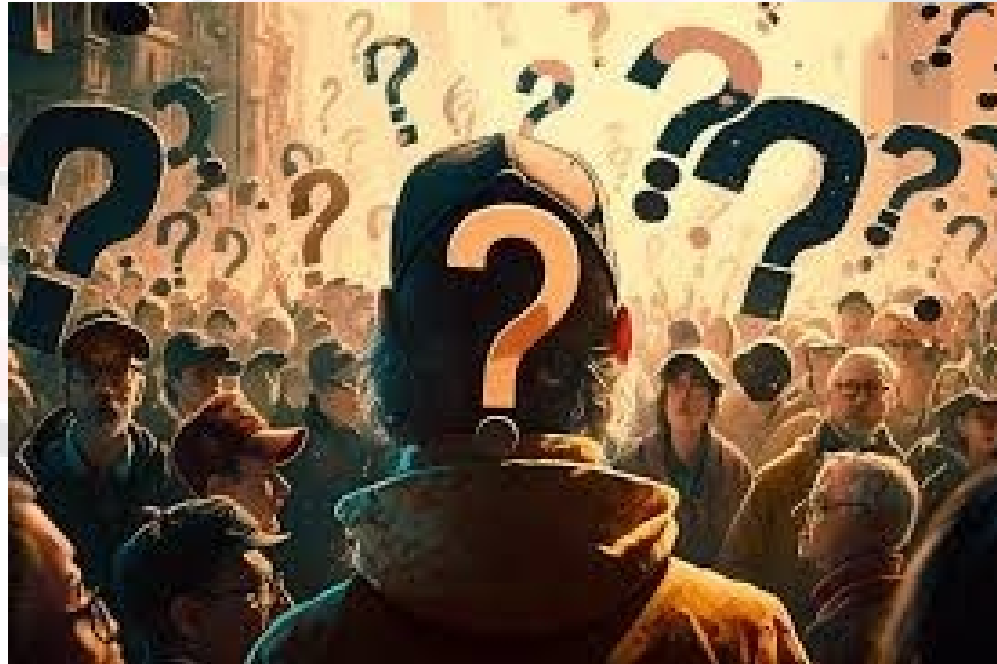
**Kevin Prior, CFA, CPA
Class A (nonalcoholic) Trustee
General Service Board Treasurer**

PART I: 2024 AUDIT RESULTS



- Our second 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



The background of the slide features a stylized, light pink picnic table with a large, five-pointed star on its underside. The table is rendered in a 3D perspective, with its legs and slats visible. The star is a darker shade of pink and is positioned centrally on the bottom of the table. The overall aesthetic is clean and modern.

PART II: GSB TREASURERS REPORT

2024 **GSO** FINANCIAL HIGHLIGHTS

- ❖ Seventh Tradition of Self-Support – \$11.249 million up 3.8% from \$10.841 million in 2023
- ❖ Operating Expense before Depreciation - \$18.684 million up 6.9% from \$17.475 million in 2023
 - ❖ Program Service Expense - \$9.072 million up 1% from \$9.00 million in 2023
 - ❖ Supporting Services Expense - \$9.612 million up 13% from \$8.47 million in 2023
- ❖ Self-Support - covered 60% of operating expense
- ❖ Cost of program services per individual – \$6.48
- ❖ AAWS publishing gross profits – \$7.640 million up 13.0% from \$6.763 million in 2023
- ❖ Operating surplus before depreciation of \$1,035,072

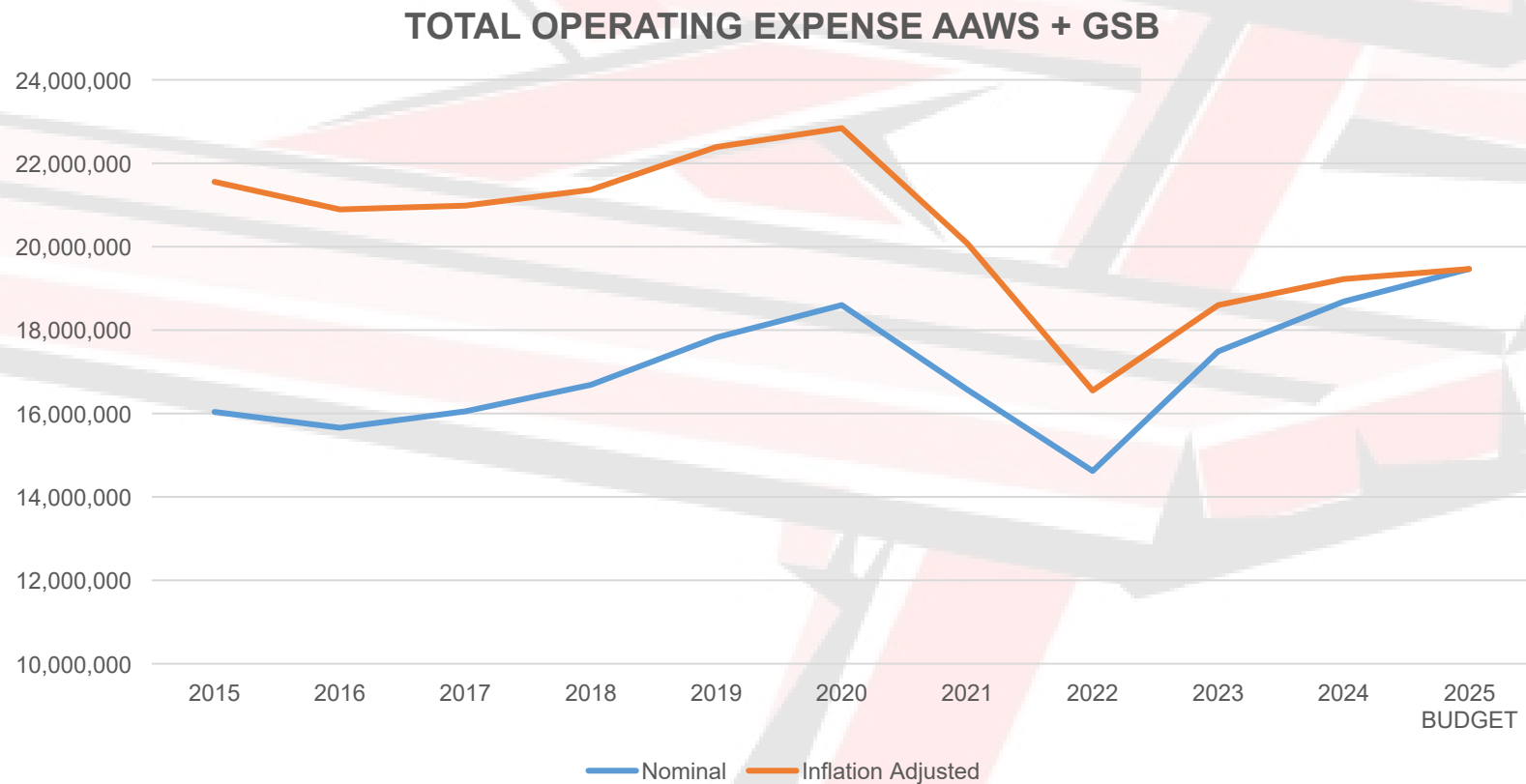
GSO EXPENSES BY CATEGORY IN 2024

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

EXPENSE	ACTUAL	BUDGET	DIFFERENCE
Salary and Benefits	11,175,289	11,051,989	123,300
Payroll Taxes	752,466	776,052	(23,586)
Professional Fees	1,748,646	1,863,906	(115,260)
Printing, Postage, Supplies, and Subs	604,373	538,219	66,154
Data, Automation, & Website	578,785	707,586	(128,801)
Insurance	75,217	77,945	(2,278)
Facility & Equipment	1,287,410	1,285,815	1,595
Travel & Meetings	2,462,059	2,498,702	(36,643)
Total Operating Expense	18,684,246	18,800,214	(115,968)

INFLATION ADJUSTED **GSO** EXPENSE HISTORY

- ❖ In 2024, operating expense was lower than inflation adjusted operating expense in 7 of the past 9 years.



2024 **GRAPEVINE** FINANCIAL HIGHLIGHTS

- ❖ App launch on September 1, 2023 – Subscribers with access to the App averaged 14,142 in 2024.
- ❖ Grapevine print magazine income increased 3% in 2024, mainly due to a price increase—the first in 12 years. Subscription income for GV Online, GV Complete and the GV App increased 25% due to growth in the number of subscribers.
- ❖ 2024 Grapevine results were a gross margin on subscriptions of \$766,004 and a gross margin of \$824,391 on other published items. Operating expenses of \$2,457,623 resulted in an operating loss of \$851,735 compared to a loss of \$857,144 in 2023.
- ❖ General Fund support of La Viña service activity was \$571,939 in 2024, compared to \$755,749 in 2023.
- ❖ La Viña circulation increased by 17% in 2024 compared to a 3% decrease in 2023.

2025 **GSO** BUDGET

- ❖ Operating revenue \$20,523,275 compared to \$19,719,318 in 2024.
 - ❖ Contributions \$11,000,000 compared to \$11,248,573 in 2024.
 - ❖ Literature gross margin \$8,750,000 compared to \$7,639,508 in 2024.
- ❖ Total operating expense \$19,495,343 before \$945,632 depreciation compared to \$18,684,246 before \$843,246 depreciation in 2024.
- ❖ Operating surplus of \$1,027,932 before depreciation compared to \$1,035,072 surplus in 2024.
- ❖ Capital expenditures of \$2,374,982, including GSO retrofit budgeted at \$2,030,000. Without retrofit, \$344,982 compared to \$199,267 in 2024.

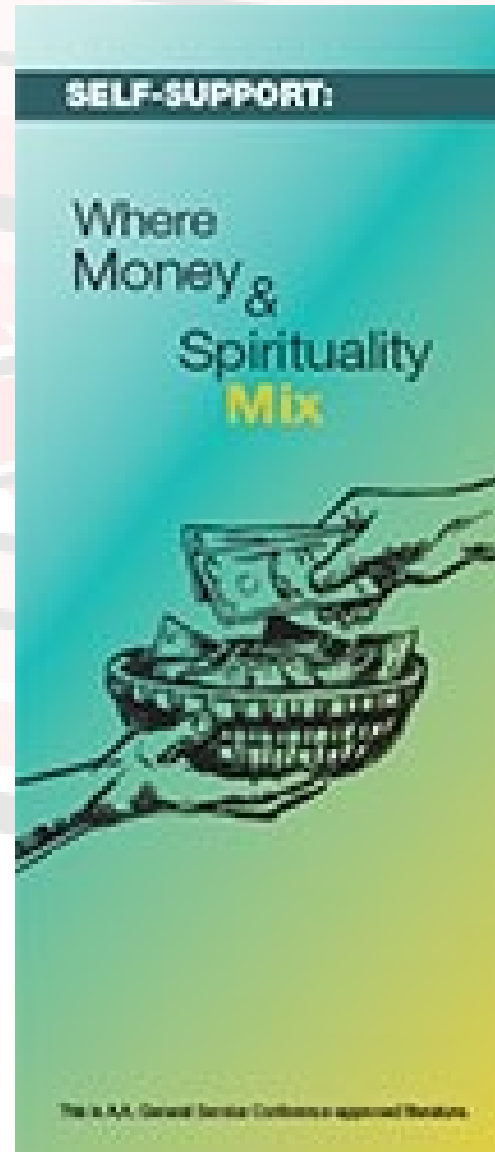
2025 **GRAPEVINE** BUDGET

- ❖ Print magazine circulation expected to decrease to 44,488 from 45,048 in 2024.
- ❖ Online and Complete circulation to increase to 10,043 from 8,571 in 2024.
- ❖ Average number of app subscribers to increase to 8,966 compared to 5,571 in 2024.
- ❖ Gross margin on subscriptions \$1,043,606 compared to \$766,004 in 2024.
- ❖ Grapevine net deficit of \$134,862 compared to a net deficit of \$851,735 in 2024.
- ❖ La Viña magazine circulation to increase to 7,683 compared to 7,006 in 2024.
- ❖ General Fund La Viña support of \$455,626 compared to \$571,939 in 2024.

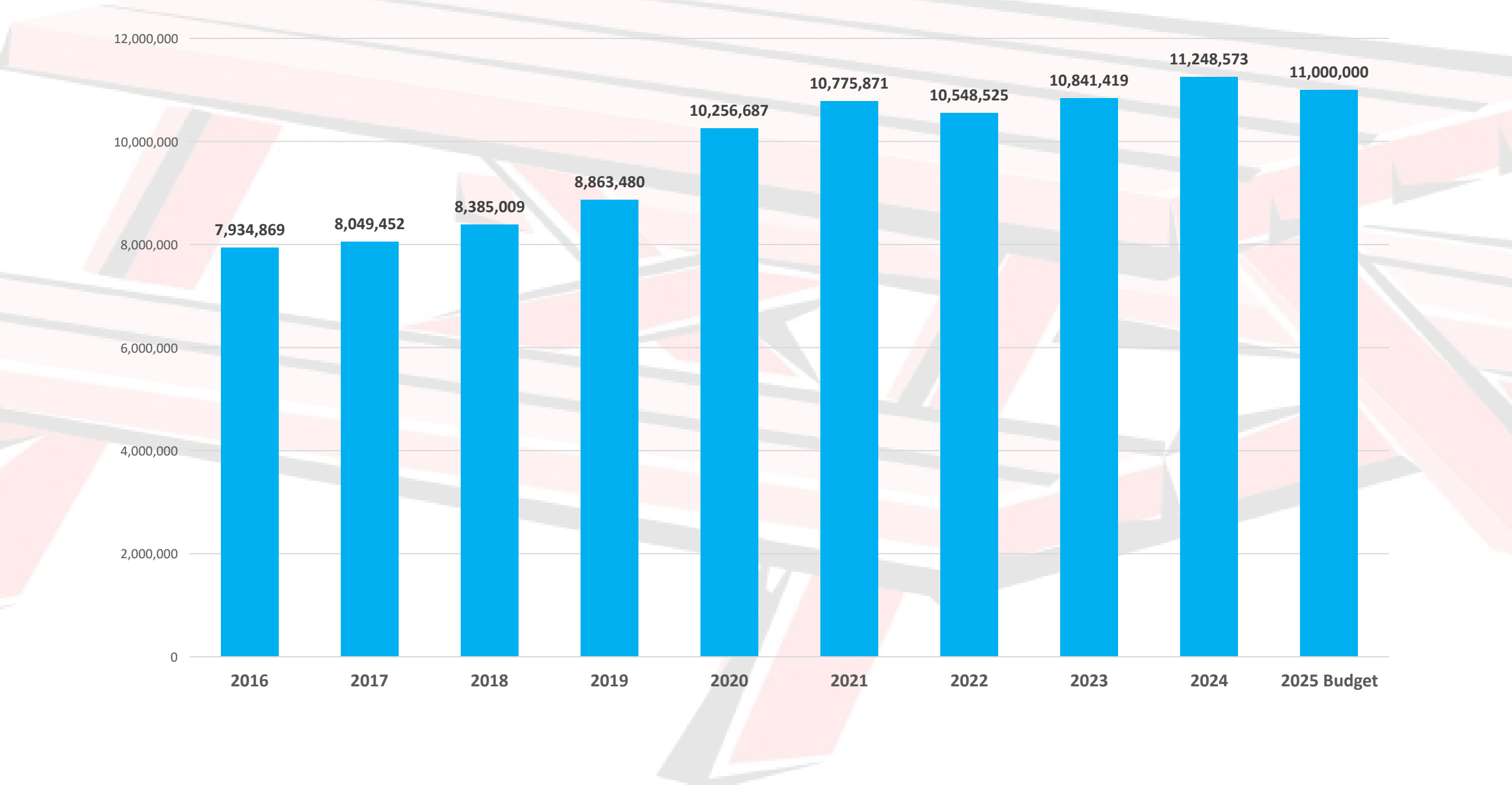
GRATITUDE – 7TH TRADITION



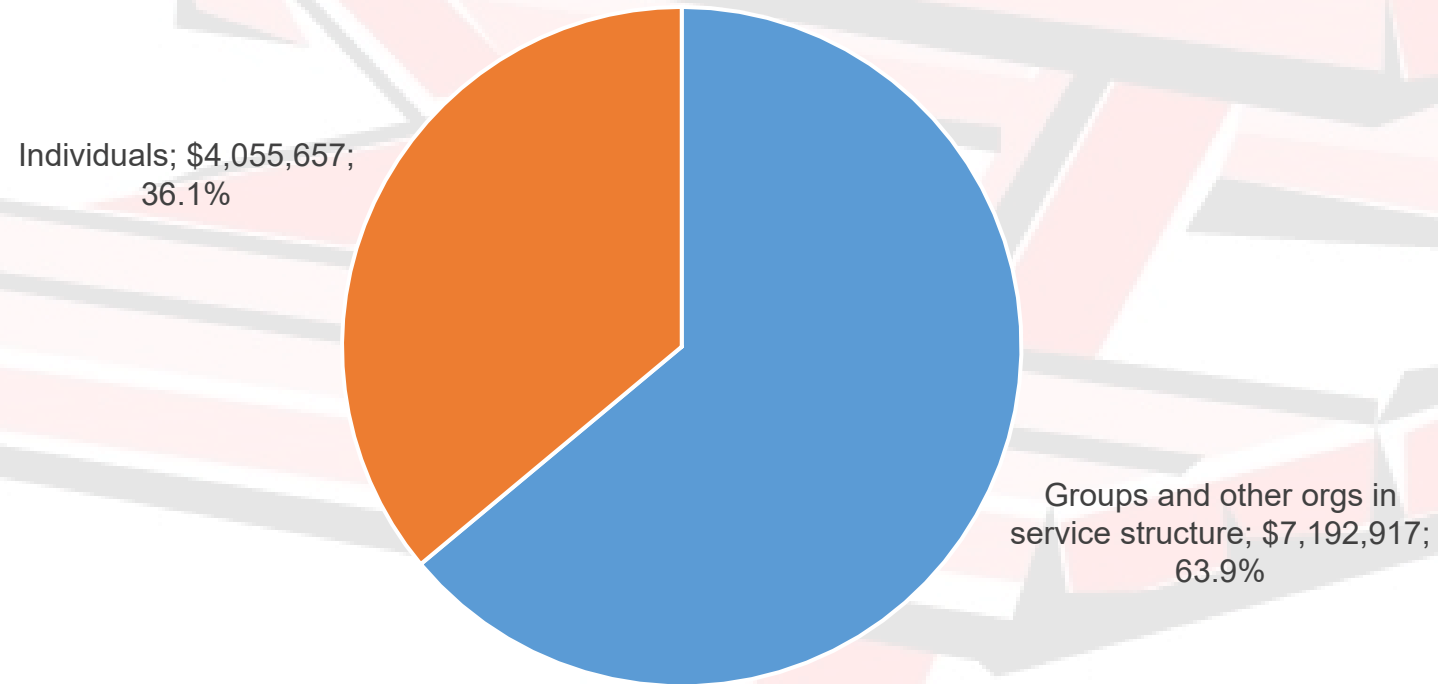
THROUGH OUR OWN SELF-SUPPORT



SEVENTH TRADITION SELF-SUPPORT – 2016 – 2025



CONTRIBUTIONS BY TYPE OF CONTRIBUTOR 2024



■ Groups and other orgs in service structure ■ Individuals

CONTRIBUTIONS STATISTICS 2024

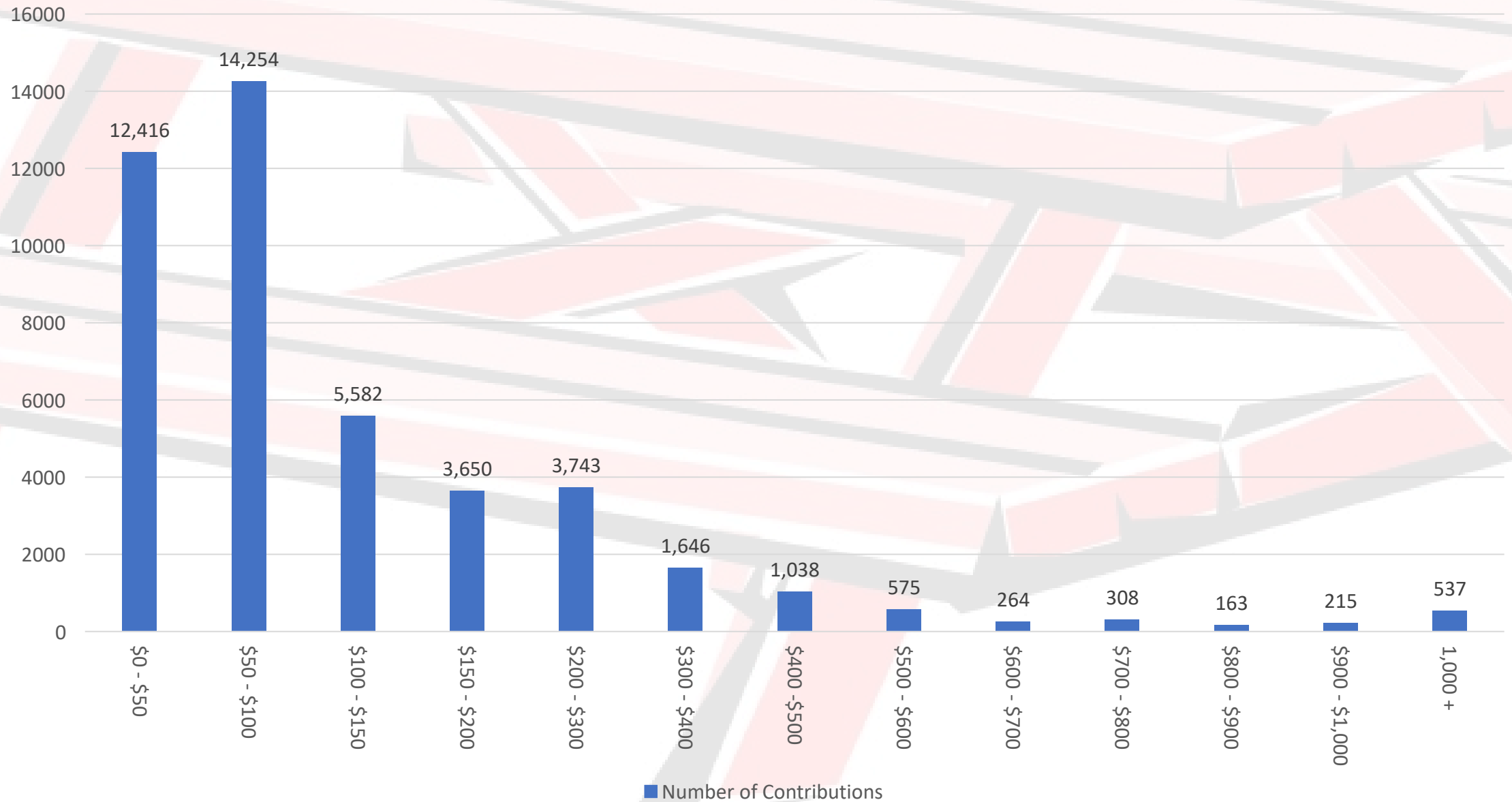
INDIVIDUALS

Seventh Tradition Self-Support Contributions	4,055,657
Average Contribution	124.25
Most Common Contribution	50.00
Number of Contributions	32,640

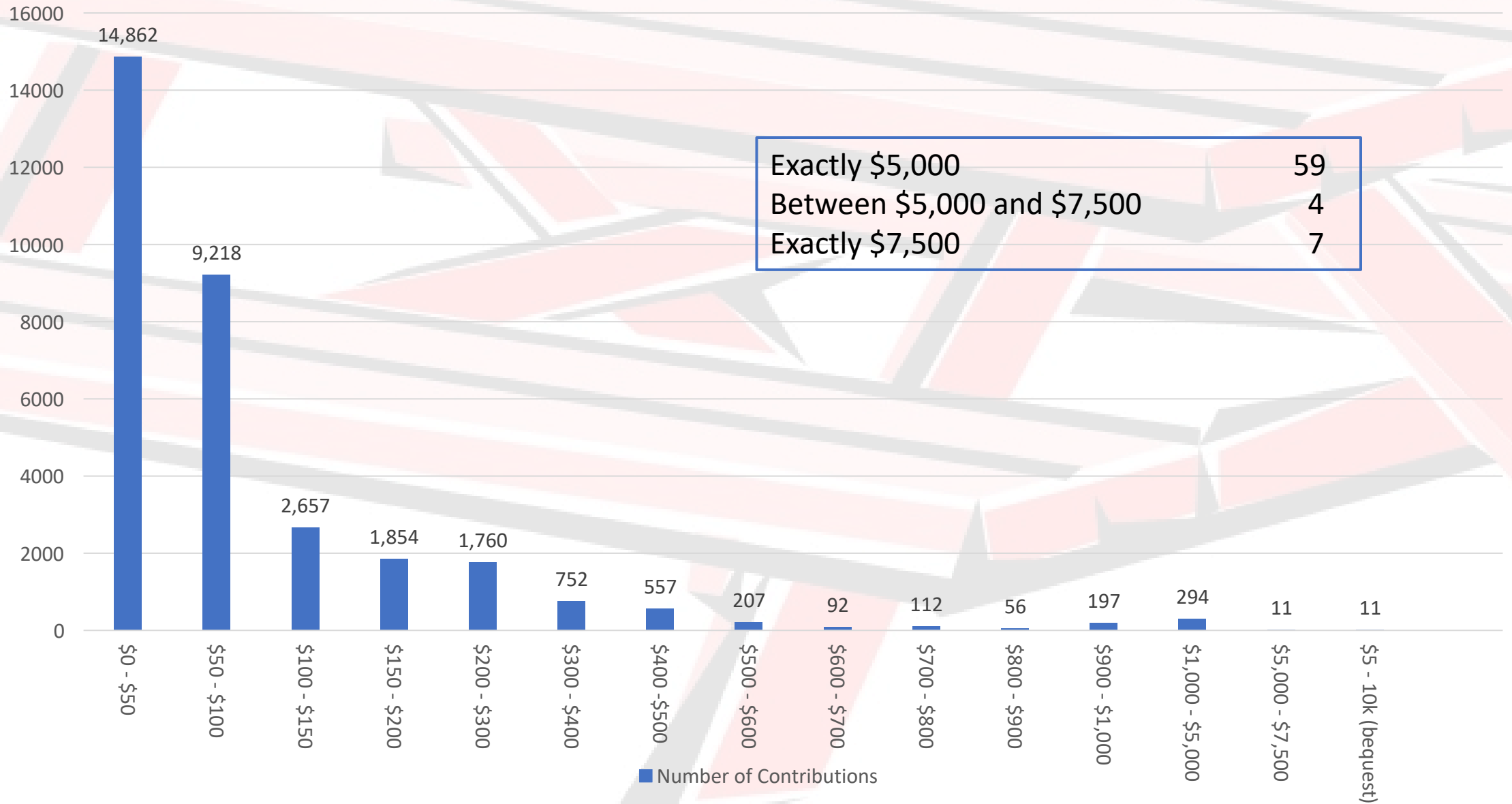
GROUPS

7 th Tradition Self-Support Contributions	7,192,917
Number of Active Groups	55,050
Number of Groups Contributing	17,840
Percentage of Groups Contributing	32.41
Average Contributed by a Group During the Year	403.19

Number of Group Contributions by Dollar Value 2024



Number of Individual Contributions by Dollar Value 2024



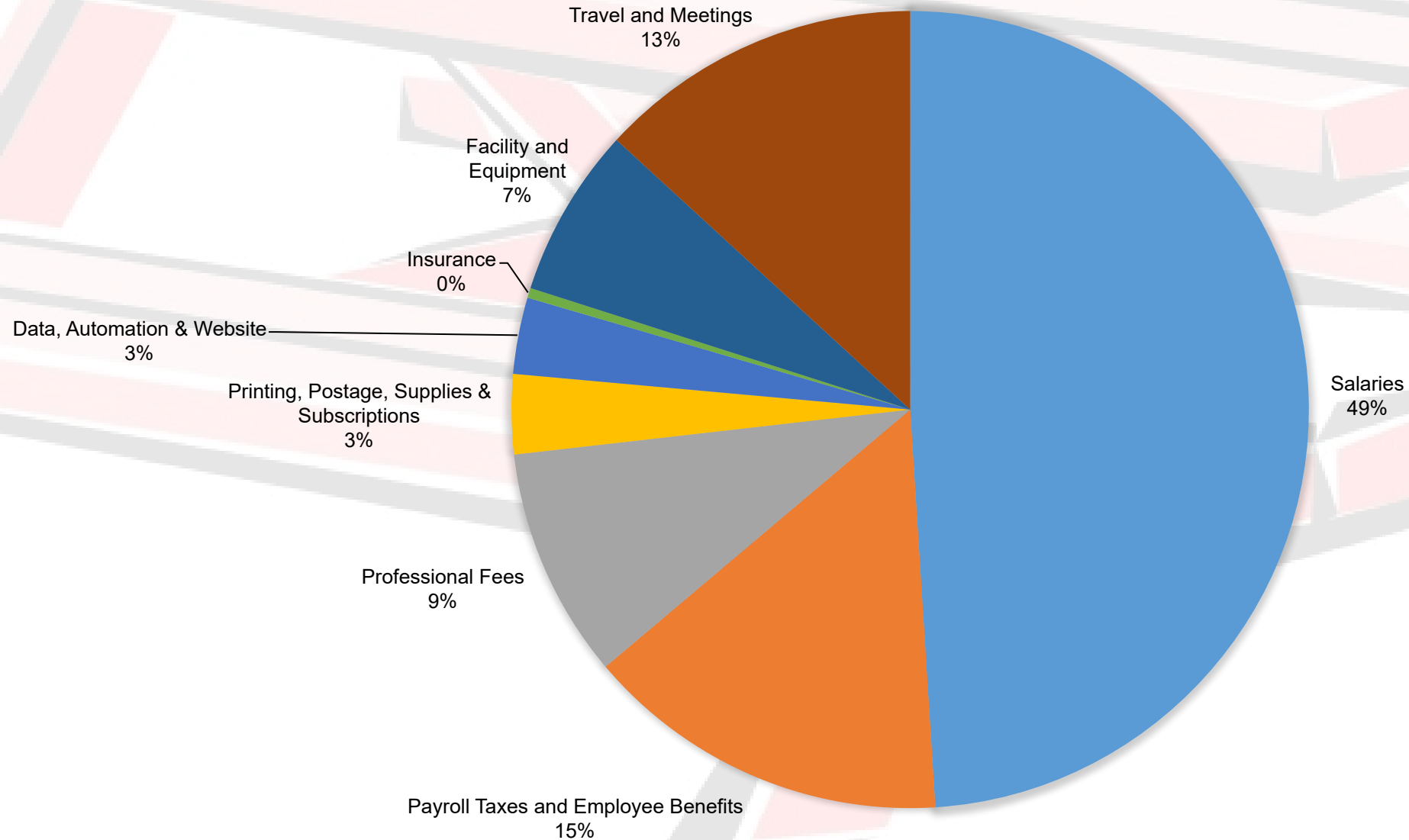
AAWS – PUBLISHING – 2024 ACTUAL vs 2024 BUDGET

	2024 ACTUAL	2024 BUDGET	INCREASE (DECREASE)
Gross Sales – Literature	14,452,652	16,817,345	(2,364,693)
Discounts	(568,359)	(252,260)	(316,099)
Shipping Charges	340,280	336,347	3,933
Net Sales - Literature	14,224,553	16,901,432	(2,676,879)
Cost of Literature Sold	6,585,045	8,408,672	(1,823,627)
Gross Profit	7,639,508	8,492,760	(853,252)
Gross Profit Percentage	52.9%	50.2%	(2.7%)

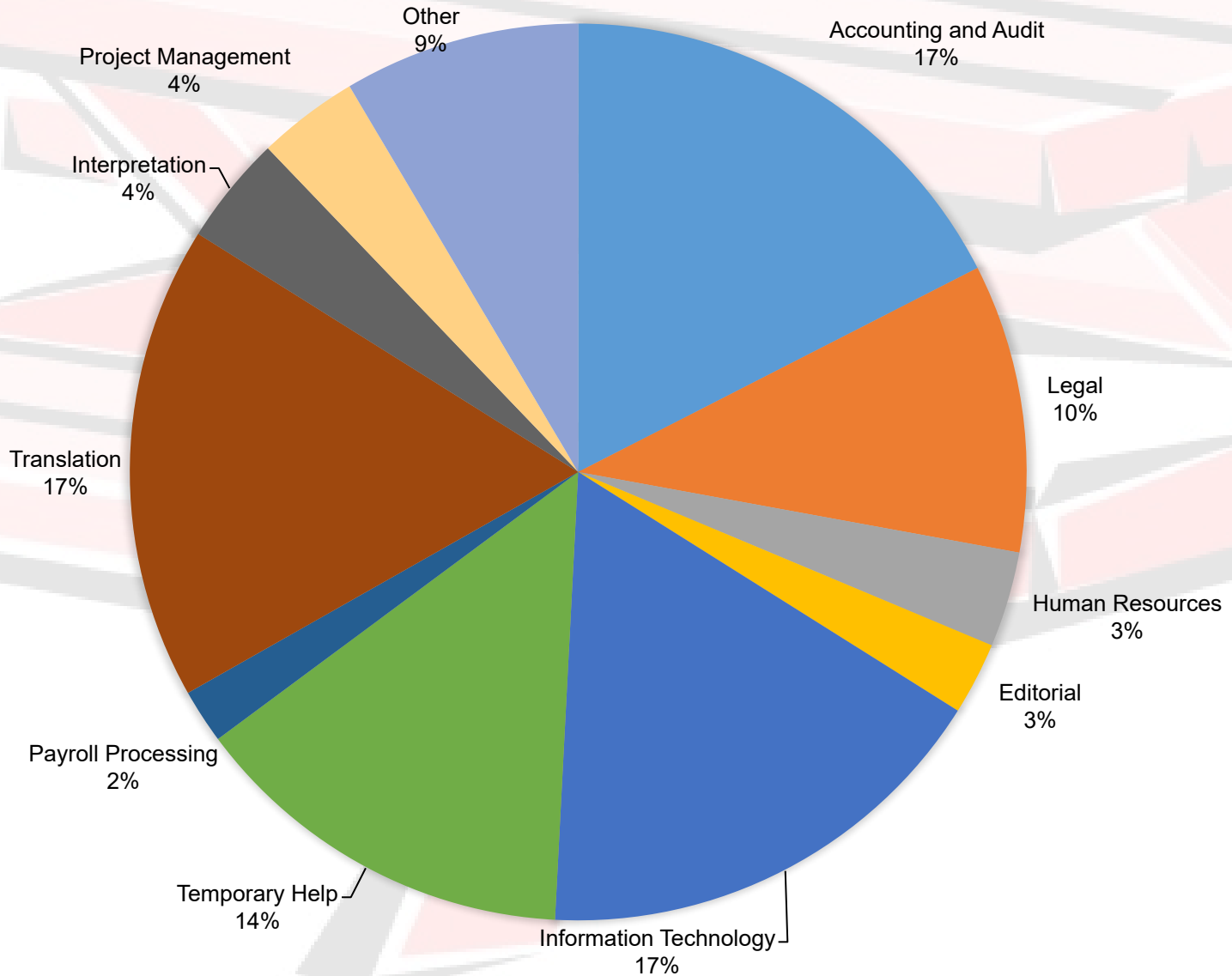
GSO OPERATING EXPENSES – 2024

FINANCIAL STATEMENT EXPENSE CATEGORIES

PERCENTAGE BREAKDOWN



GSO PROFESSIONAL FEES– 2024 PERCENTAGE BREAKDOWN



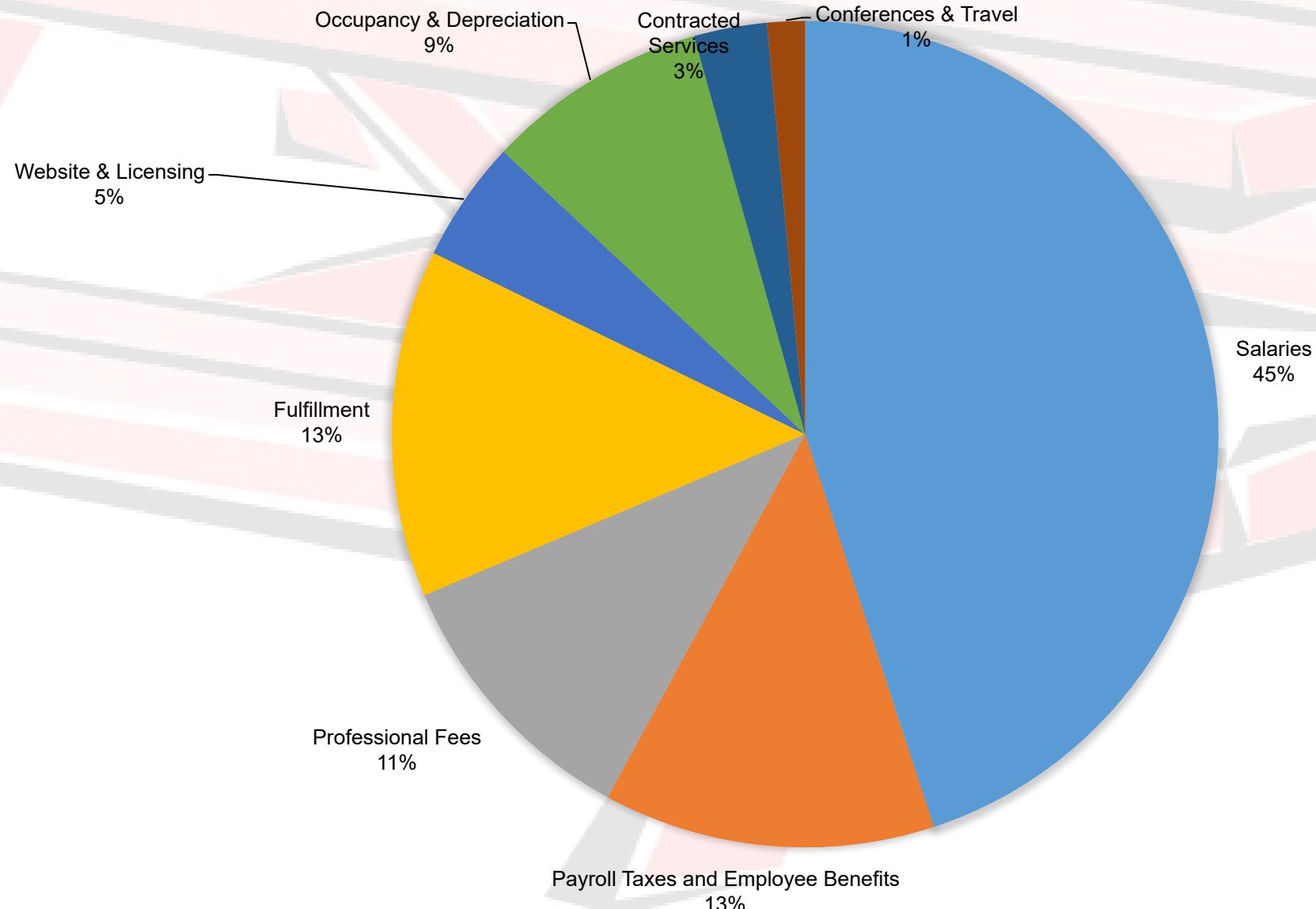
Other Includes:

- GSB leadership development facilitator
- PSA placement and tracking
- Board inventory consultant
- Video voice overs
- Video animation
- Video editing
- Podcast

GRAPEVINE OPERATING EXPENSES – 2024

FINANCIAL STATEMENT EXPENSE CATEGORIES

PERCENTAGE BREAKDOWN



2024 PRUDENT RESERVE

Beginning Balance January 1, 2024	12,630,863
Investment Earnings	348,527
Drawdowns	(1,064,652)
Additions	0
Ending Balance December 31, 2024	11,914,738

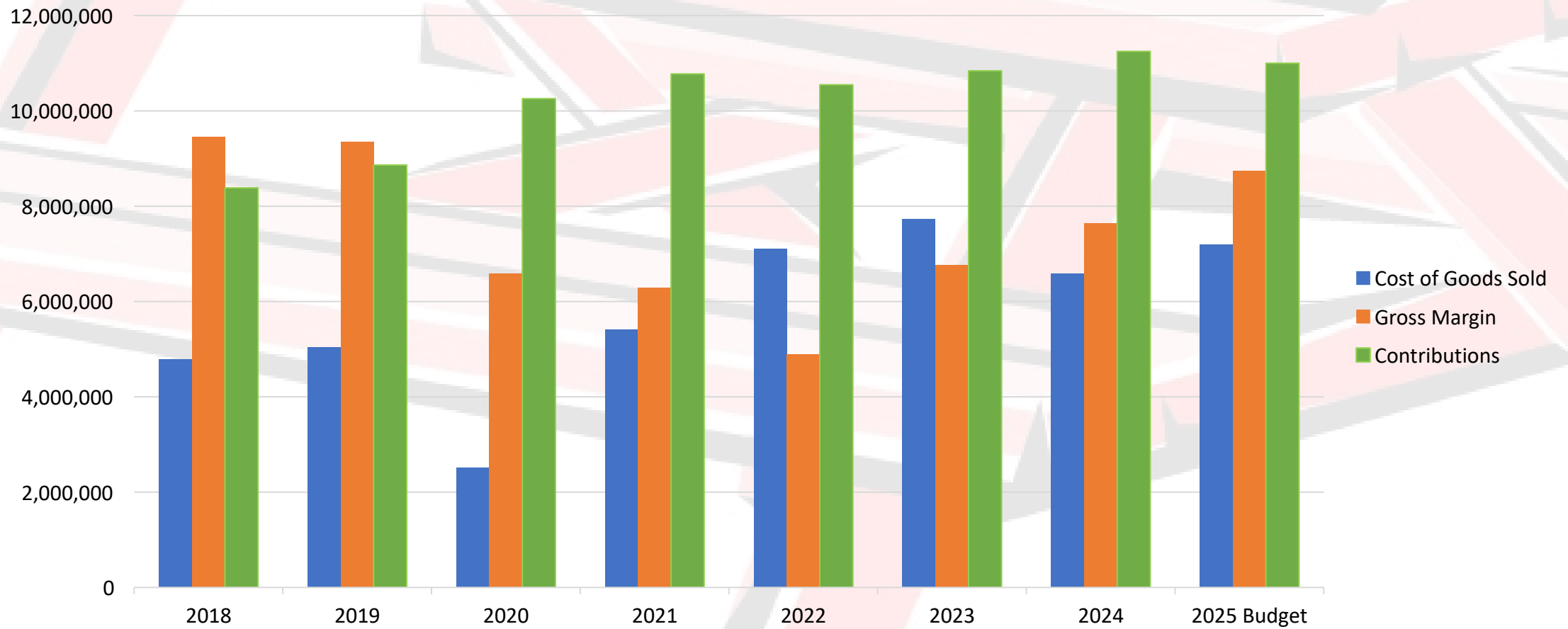
Composition of Ending Balance	
Cash	4,268,422
Certificates of Deposit (CDARs)	8,030,470
Accrued Interest	155,846
Less Grapevine subscription liability	(540,000)
Ending Balance	11,914,738

Number of Months Expenses Held	Based on 2024 actual exp.	Based on 2025 budget exp.
January 1, 2024	6.95	6.79
December 31, 2024	6.56	6.40

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 Reserve Fund policy was adopted by the General Service Board in 2022.

GSO REVENUE TREND



WORLD SERVICE MEETING

REVENUE	
Delegate Fees	148,000
Support from World Service Meeting Fund	94,772
Support from AAWS	149,427
TOTAL REVENUE	392,199
EXPENSE	
Professional Fees	34,469
Travel and Meetings	356,380
Other	1,350
TOTAL EXPENSE	392,199

MEETING GUIDE APP 2025 BUDGET

❖ **Operations \$43,426** includes

- ❖ Database support
- ❖ Systems support
- ❖ User interface support
- ❖ Customer support

❖ **Development \$50,100** includes

- ❖ Improve the user interface to specific online vs. in person features
- ❖ Improve the search experience
- ❖ Add events
- ❖ User research for the above improvements

THANK YOU

- ❖ Paul Konigstein, Chief Financial Officer
- ❖ Zenaida Medina, Controller
- ❖ Donna Chahal, Grapevine Controller
- ❖ Diana L, Conference Coordinator, for her patience
- ❖ 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

Any questions – Please feel free to contact me at – kevin@kevinjprior.com