Quarterly Financial Report – Alcoholics Anonymous (“AA”)
June 30, 2026 (Second 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 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. An Advisory Action of the 75th GSC has expanded the QFR Scope to include reporting on current capital projects and current and estimated maintenance costs. <u>These statements are unaudited and as such are subject to revision.</u>

The QFR Consists of:

- Narrative – Parts II through V Below
- AAWS/GSB Financial Statements
  - Comparative Balance Sheet
  - Comparative Income Statement
  - Statement of Functional Expenses
  - Capital Projects Report
  - Reserve Fund History
  - 2026 Reforecast Budget
  - 2026 Reforecast Capital Budget
- AAGV Financial Statements
  - Statement of Activities – Grapevine
  - Statement of Activities – La Viña
  - Statement of Financial Position/Balance Sheet
  - Rolling Cash Flow Forecast

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.

All dollar amounts are stated in US dollars. M = millions of dollars. K (or k) = thousands of dollars.

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 financial statements that are available to everyone in the Final Conference Report.

II. A. Executive Summary

For the six months ended June 30, 2026 (Q2 2026), total operating revenue is $10,329,213, which is almost the same as the year to date (YTD) budget of $10,318,128. Total operating expenses before depreciation are $9,561,563, which is $481,936 less than the YTD budget of $10,043,499. Operating surplus before depreciation is $767,650 compared to a YTD budgeted surplus of $274,629. These figures do not include GSO retrofit expenditures, which are $1,886,762 since the beginning of the project and $1,306,573 YTD.

II. B. AAWS/GSB Key Financial Indicators ("KFIs")

GREEN – Favorable Variance
YELLOW – Unfavorable Variance, Informative
RED – Unfavorable, Trustees Finance/Board action and/or discussions ongoing

Indicator	Q2 2026 Actual Versus YTD Budget	Q2 2026 Actual Versus Q2 2025
Contributions	$5.018M vs $4.830 4% more than budget	$5.018M vs $4.643M, 8% more than prior year
Gross Literature Sales	$8.151M vs $9.566M, 15% less than budget	$8.151M vs $8.307M, 2% less than prior year
Net Literature Sales (Gross Margin)[1]	$4.879M vs $5.083M, 4% less than budget	$4.879M vs $4.239M, 15% more than prior year
Gross Margin as a Percentage of Gross Literature Sales	59.9% versus 53.1%	59.9% versus 51.0%
Operating Expenses before depreciation	$9.562M vs $10.043M, 5% less than budget	$9.562M vs $9.321, 3% more than prior year
Operating Surplus before depreciation	$768K vs $275K	$768K vs $(32K)
Reserve Coverage (# of months)	**4.97**	**6.42**

[1]To explain gross margin, if a hard cover Big Book is sold for $15, $15 goes to gross literature sales. If that book cost $6.12 to print and mail, net sales are what we keep, in this case $8.88. The Gross Margin percentage on this sale is 8.88/15.00 = 59%.

II. C. Comparative Balance Sheet Notes

Cash – Cash decreased $1.680M from the comparable prior year period due to the International Convention (IC). Cash accumulated from IC registrations was spent on IC production in the second and third quarters of 2025. The International Convention has a separate budget and profit and loss (P&L) statement, but the funds received and disbursed are recorded on our Balance Sheet in accordance with generally accepted accounting principles (GAAP) because they are our assets. A detailed budget and P&L for the 2025 IC was the responsibility of the convention management vendor, Talley Management Group (TMG), with AAWS Board oversight. The IC P&L was included in the financial statements section of Q1 2026 QFR.

Accounts Receivable – Accounts receivable, including the receivable from Grapevine, decreased $344K from the prior year due to increased collection of literature receivables.

Prepaid Expense – Prepaid expense decreased by $3.747M because prepaid expenses associated with the Convention were moved in July 2025 from prepaid expense to the Convention income statement as expenses.

Literature Inventory – Literature inventory decreased by $998K due to the selling out of the facsimile first edition Big Book in the first quarter of 2026 and careful inventory management. 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.

Net Fixed Assets – Net Fixed Assets (durable property used for more than one year) increased by $6.156M due to creation of the "Right-to-Use" Asset which quantifies the economic benefit of the new 10 year lease for 475 Riverside Drive which began on January 1, 2026.

Postretirement Medical Fund – These assets of $10.173M and liabilities of $5.624M 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. The plan currently has $4.549M more investment assets than required to meet expected benefits when due.

Accounts Payable and Accrued Expenses – Accounts payable and accrued expenses decreased $1.228M due to prompter payments to vendors.

Defined Benefit Pension Liability – The defined benefit pension plan was closed to new hires as of January 1, 2013. The assets are held in an irrevocable trust from which benefits are paid. The amount as of June 30, 2026, $(13.592 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. The plan currently has more investment assets than required to meet expected benefits when due.

Rent Lease Liability – This reflects the present value of the liability for the current lease at 475 Riverside Drive which began January 1, 2026. Present value is how much money you would have to set aside today in an interest bearing account to make future payments. This amount is recalculated annually.

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

The budget, per our Bylaws, is approved by the General Service Board ("GSB") at its Q1 meeting. 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. A budget reforecast is approved by the GSB at its Q3 meeting and from then on 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.

The QFRs for the 1st and 2nd Quarters are based on the Original Budget. The QFRs for the 3rd quarter and full year are based on the Reforecast Budget.

II. E. Budget – AAWS/GSB

The 2026 reforecast budget was approved by the GSB at its August 3, 2026 meeting and is included in the Financial Statements section of this Quarterly Financial Report. The AAWS/GSB capital budget reflects the cost of the office retrofit that allowed for the elimination of the space on the 8th floor when the lease for that space expired at the end of 2025.

II. F. Income Statement Notes

Revenue – As noted above, contributions are 4% more than YTD budget and 8% more than the comparable period last year. The Self-Support Subcommittee of the AAWS Finance Committee works to increase the effectiveness of communication explaining how contributions make possible essential member services and support for those seeking help. At its October 30, 2025 meeting, the AAWS Board approved a monthly activity communication to Conference members that is initiated from the Self-Support Finance assignment. This communication is developed in consultation with the AAWS Treasurer, Chair of the General Service Board, and General Manager with regular updates provided to the AAWS Self-Support Subcommittee. These communications began in November 2025 and have continued with a monthly cadence since then.

In 2025, Seventh Tradition Self-Support contributions covered 57% of operating expenses. In the first two quarters of 2026, Seventh Tradition Self-Support contributions covered 52% of operating expenses. We rely on Seventh Tradition contributions and literature sales to serve the Fellowship.

Gross literature sales were 15% less than YTD budget and 2% less than the comparable period last year, primarily due a decline in sales of the Plain Language Big Book (PLBB) as the PLBB transitioned from its introductory sales rate to its ongoing sales rate.

Expense – Overall, operating expenses before depreciation were 5% below YTD budget but 3% more than the comparable period last year (compared to a US inflation rate of 3.4% for the twelve months ending in July 2026).

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 deficit 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 was $768K which is more than the $275K YTD budgeted surplus and better than the $32K deficit in the comparable period last year.

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 La Viña support, changes in valuation of pension assets and liabilities, utilization of the World Service Meeting (WSM) Fund and International Literature Fund (ILF)[1] 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.

[1] The WSM Fund is used to help WSM Delegates attend the event if their structures request financial support. The ILF is used to assist countries with development, translation, production, and purchasing of literature.

Part III: AAGV Financial Statements

III. A. Executive Summary

Grapevine's 2ndt quarter income from operations improved by $46k year over year. Non-print subscriptions across all sources continue to grow (19,930 vs 16,469 or +21%), while print subs decreased (40,954 vs 42,165 -3%).

<u>Change in Accounting Estimate</u>: In May 2026, Grapevine made a significant below-the-line adjustment to a Prior Year Accounting Estimate of $403k. Grapevine transitioned to a new fulfillment platform in May 2026 which provided more advanced reporting for deferred revenue. Accounting for deferred revenue is very complex, and estimates in prior years were necessary without detailed reports. With the new platform, management noted that deferred income was understated by $343k and revenue for GV book income had been overstated by this same amount. Additionally, management analyzed long-term accounts receivable reports provided by the fulfillment company and estimated that it was overstated by $60k. Management contacted our auditing firm, BDO to discuss appropriate reclassification. It was determined that a one-time reduction of $403k on the Statement of Activities during May 2026 was appropriate to offset the adjustments to deferred revenue and accounts receivable. These adjustments only impact Grapevine. La Viña financials were correct and did not require adjustment.

La Viña cost of service is $219k, which is ~ $11k lower than the budget, and an improvement of $31k, or 5%, compared to the first six months of 2025. La Viña's subscriptions have declined year-over-year, but book sales are doing very well. We are strategizing to increase subscriptions. 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 General Service Board.

III. B. AAGV Key Financial Indicators ("KFIs")

GREEN – Favorable or neutral Variance
YELLOW – Unfavorable Variance, Informative
RED – Unfavorable, Trustees Finance/Board action and/or AAGV Board discussions ongoing

Indicator	**Versus 2026 Budget (Dollars in thousands '000)**	**Versus Prior Year (6/30/2025) (Dollars in thousands '000)**
Total Grapevine ("GV") Subscription Income	$1,093k vs $1,038k, 5% above budget	$1,093 vs $1,006k, 9% increase
Total GV Print-only Circulation	40,954 vs 40,900-54 subscriptions above budget	40,954 vs 42,165, an anticipated decline of 3%
GV App + Online + GV Complete Subscriptions	19,930 vs 18,990, 940 subscriptions above budget	19,930 vs 16,469, a 21% increase
Total Circulation	60,884 vs 59,890 – 994 subscriptions above budget	60,884 vs 58,634, a 4% increase
GV Subscription Net Profit Percentage	60% vs 59%	60% vs 53%

GV Total Gross Margin (all products)	$894k versus $971k, 8% below budget (attributed to Change in Accounting Estimate)	$894k vs $862k, an increase of 4%
GV Operating Expenses	$1,028k versus $1,043k, 1% lower than budget	$1,028k vs $1,041k, a decrease of 1%
GV Net Loss	$(201k) versus ($140k)-$61 below budget	($201k) vs ($241k), a 17% improvement
LV Total Gross Margin	$103k vs $97k, $6k above budget	$103k vs $81k, a 27% improvement
LV Total Circulation	6,919 vs 7,647, 9% under budget	6,919 vs 8,360, 17% decrease
LV Operating Expenses	$310k vs $312k, 1% below budget	$310k vs $318k, a decrease of 3%
LV Support from GSB	$(219) vs $(230), $11k improvement compared to budget	$(219k) vs $(251k), a decrease of 13%

III. C. Statement of Financial Position Notes

Cash and Cash Equivalents – Cash increased $28k year-over-year due to cost savings and the one-time retirement medical reimbursement in November 2025. Grapevine received a $200k draw from the reserve fund in February 2026 compared to $150k in February 2025. These funds were used to support operations, including transition to a new fulfillment platform and production of new books.

Cash projections are being closely monitored. As part of the Reforecast, Grapevine Book sales are being reduced. Grapevine is reducing expenses to help offset reduced income recognizing the long-term goal of becoming self-supporting.

Inventory & Work in Progress – Inventory levels increased slightly due to reprinting popular titles and the production of two new books released during April and May. Additionally, Work in Progress is a new item on the balance sheet. This represents the remaining investment in the upgrade of the fulfillment platform.

Accounts Payable – Accounts Payable declined $242k year-over-year due to the one-time retirement medical reimbursement in November 2025 and overall cost reductions.

Subscription Liability Fund **–** this $540k fund is the liability for unfulfilled Grapevine subscriptions (and not part of the Reserve Fund). The Grapevine Board now recognizes that with alternative delivery means through apps, website and email, the cost of fulfillment to subscribers can be greatly reduced. The General Service Board approved a reduction to the Subscription Liability Fund of up to $200k.

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 subscription liability 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 & La Viña

The 2026 Reforecast budget was approved by the AAGV Board and the General Service Board at the July 2026 board weekend.

<u>Subscription revenue and expenses:</u>

Grapevine ended 2025 with an average circulation of 58,574 for all products. The 2026 Budget projected total circulation to average 59,936 for the year. As expected, print magazine subscriptions have decreased while the app, online and complete increased through May 2026. Sub counts for complete, online and the app have been above the 2026 Budget. Therefore, these all have increased sub counts in the Reforecast while the print magazine is slightly lower. The Reforecast circulation average is projected to be 60,957 which is 1,021 higher than the 2026 Budget. The 2026 Budget had Total Subscription Income as $2,095k. This is increased to $2,176k for the Reforecast.

Additionally, with reduced printing costs, overall costs to produce Grapevine subscription items have been reduced in 2026. Total direct costs were $889k in 2025. The 2026 Budget projected direct costs to be $839k and is being increased slightly to $862k in the Reforecast. This factors in increased storage and mailing costs.

Gross margin on subscriptions is projected to $1,314k, which is $58k higher than the budget and $139k higher than last year.

<u>Content revenue and expenses:</u>

The 2026 Budget approved in January 2026, utilized GV 2025 Book revenue of $992k which was overstated by $165k due to the Change in Accounting Estimate. Therefore actual 2025 GV Book revenue was $827k. For the Reforecast, 2026 Book revenue is reduced from a Budgeted amount of $1,047k to $841k. This is a reduction of $170k for 2026 Book revenue compared to 2026 Budget, but $14k higher than 2025 Book revenue.

Through May 2026 compared to May 2025 WITHOUT book income is as follows:

January-May 2025: $318,800

January-May 2026 $312,415

AAGV will announce a price increase effective January 1st 2027 in October 2026. We find this will drive sales up above the usual holiday expectations. Additionally, our new “Book of the Month” program starts in August and that will increase end of year sales. Specialty item sales are also expected to increase later this year, with new holiday greeting cards introduced.

The Reforecast also reduces the direct content cost to $323k which is $51k lower than the 2026 Budget. Content Gross Margin is expected to $587k which is $162k lower than the 2026 Budget.

Overall Gross Margin for Grapevine is projected to be $1,900k. This is $104k lower than the 2026 Budget (which was overstated because it was based on the incorrect book income recorded in 2025)

<u>Grapevine expenses</u>:

Grapevine operating expenses are Reforecast to be $24k lower than the 2026 Budget and $67k lower than 2025. However, during 2025, the fulfillment vendor provided $46k credit against 2025 invoices.

When factoring this credit, 2026 expenses are projected to be $113k lower than 2025. This is a combination of adjustments to the staff reduction, website costs, fulfillment expenses, professional fees and office expenses.

Grapevine bottom line:

The net deficit for Grapevine's Reforecast is now projected to be $286k. This is a setback of $87k compared to the 2026 Budget.

LA VIÑA

Subscription revenue

La Viña circulation increased significantly during 2024 and the first half of 2025, then magazine subscriptions began declining and have not yet recovered. The 2026 Budget projected that LV circulation to be 7,984 which was slightly higher than final 2025 circulation of 7,951.

However, for the first 6 months of 2026, print subs have been lower than budget while the other formats have been slightly above budget. The Reforecast continues this trend but anticipates a boost with the 30th La Viña Anniversary promotions. The overall Reforecast is projecting total 2026 circulation to be 7,060 which is 892 lower than 2025. A task force has been assembled to address magazine circulation.

La Viña revenue per copy is higher than expected, which improves subscription income. We discovered that price increases impact La Viña subs sooner as LV subscribers tend to have shorter terms. The 2026 Budget projected La Viña subscription income to be $148k. The 2026 Reforecast is reducing this to $139k. Overall, La Viña gross margin for subscriptions is Reforecast to be $47k which is $8k lower than the budget.

Content revenue and COGS:

La Viña's 2026 Budget projected $224k in content revenue with the gross margin to be $165k. Sales are strong year-to-date, and we expect the trend to continue. Book income has been increased, and total content revenue is projected to be $236k which is $12k higher than the budget. Cost of Goods is calculated to be 29% of sales — this factors in all costs including COGS, shipping, etc.

Overall, the Reforecast is reducing Gross Margin for La Viña by $5k.

La Viña Expenses:

La Viña expenses are Reforecast to be $619k which is about $7k lower than the 2026 Budget. This is mostly due to small adjustments to salary, benefits and fulfillment.

La Viña Bottom Line

The La Viña Reforecast bottom line has a minimal changed from the 2026 Budget. The GSB contribution is projected to be $432k which is $2k lower than the 2026 Budget. Additionally, this is $46k lower than 2025 and $138k lower than 2024.

Part III. F. June 2026 Income Statement Notes

Grapevine:

Summary: Grapevine circulation and income continue to do well through June 2026. Although it is slightly lower than in previous months, total subscriptions are above budget by 994 with all components exceeding budget. Subscription income is over the budget by $55k including the Gift Certificate catch up from prior years.

Other Published Income is below budget by $148k through June 2026. 2026 Revenue was reduced by $35k in May which was income related to estimates that were recorded incorrectly earlier in the year. Book sales in 2025 were also overstated due to the accounting estimates for deferred income and revenue. This is being adjusted "below the line". When factoring the adjustments, Book revenue in 2026 and 2025 are similar.

Total Gross Margin is $76k lower than the budget and operating expenses are below budget by $15k, and the GV bottom line is a $61k deficit compared to the budget.

Detail

In January 2026, both Grapevine and La Viña recognized a one-time gift subscription income catch-up. This was a calculation from the fulfillment vendor of all the months when gift subs had zero income. This was created when gift subscriptions were valued at $0 at the time of redemption. However, these were all CTM and Gift Certificates purchased for the cost of the subscription by a contributor. The one-time amount for GV was $21k.

Subscription income is $1,093k which is $55k higher than the budget and $87k higher than last year. Direct cost for subscriptions is higher than budget by $8k, but $35k lower than last year. Postage is over budget since we are mailing more magazines than budgeted throughout the first 6 months of 2026. Gross margin on subscriptions is $661k, a $47k improvement over the budget and a $122k improvement over 2025.

Overall, Other Published items revenue is $387k which is lower than the budget by $148k. The Reforecast for July to December reduces the projected Book sales. COGS are $24k below budget. Gross Margin for Other Published Items is $233k, which is $123k below budget.

Total Gross margin for Grapevine is $894k, which is $76k below the budget but is an improvement of $33k compared to the prior year.

Grapevine Operating Expenses are $1,028k, which is lower than the budget by $15k and $14k lower than last year. However, last year, the fulfillment vendor issued a $46k credit to GV. Factoring in this credit, GV expenses reduced $60k year over year, which is about 5%.

The operating loss through June is $133k which is $61k below the budget but a $46k improvement compared to last year. The Net Deficit (after Depreciation and Interest Income) for Grapevine is $201k, which is a $61k deficit compared to the budget but a $40k improvement compared to last year.

Below Net Income (Loss) is the one-time Adjustment for Prior Year Accounting Estimate of $403k which was discussed and approved with the auditors.

La Viña:
Summary: La Viña subscriptions are 728 below budget and 1,441 lower than last year.

La Viña also recognized a one-time revenue adjustment of $2k for unrealized income for Gift Certificates and CTM previously redeemed for $0. Because of this, LV sub income is $69k which is $2k below budget.

However, Other Published Items is $113k which is $11k over budget.

La Viña operating expenses are $310k, which is $2k below the budget and $9k lower than last year. The operating shortfall before depreciation is $207k and $219k after depreciation. Overall, La Viña's bottom line is a $11k improvement over the budget and a $31k improvement compared to last year.

Detail:
Subscription numbers for La Viña remain below budget through June, and subscription income is $2k below that budget and $1k higher than last year. COGS is equal to the budget and $3k lower than last year. Gross Margin on subscriptions is $23k, which is $2k lower than the budget but $3k higher than last year.

Although LV is overall below budget and last year, LV does have improvement in Online, Complete subscriptions compared to budget and last year. Additionally, revenue per copy increased substantially year over year for the print magazine and the LV app. Along with the one-time Gift Certificate catch-up, this is helping the total subscription income for LV stay close to budget.

La Viña Other Published Items revenue is $113k which is $11k above budget and $25k higher than last year. There continues to be strong demand for LV books. COGS is $3k over budget and gross margin is an $8k improvement compared to the budget and $19k higher than last year.

Total Gross Margin is $103k, which is $6k higher than the budget and $22k above last year.

La Viña operating expenses are $310k, which is $2k lower than the budget and $9k lower than last year. The Operating shortfall is $177k which is $1k higher than the budget, and $24k improvement compared to last year. Overall, La Viña 's bottom line after depreciation is a deficit of $219k which is a $11k improvement compared to budget and $31k improvement compared to last year.

Part IV: Reserve Fund and Grapevine Subscription Liability

As of June 30, 2026, the Reserve Fund Assets total $9.851M consisting of cash and certificates of deposit. Less the liability for unfulfilled Grapevine subscriptions of $540K, the Reserve Fund Balance is $9.311 million. As of June 30, $1.884M of the $2.1M approved for the retrofit has been drawn down.

Based on the 2026 expense budgets for GSO, Grapevine and La Viña (total $22.460 million) the reserve fund balance is equal to 4.97 months of operating expenses. Once the entire amount authorized to be drawn for the retrofit is actually drawn, the reserve fund is expected to be at about 4.79 months of operating expenses. Note that the calculation of months of operating expenses is influenced both by (1) the size of the Reserve Fund Balance and (2) the level of GSO, Grapevine and La Viña expenses.

A 10 year history of the reserve fund balance and months of operating expenses is included in the financial statements.

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 June 2026

	06/30/26	06/30/25	CHANGE
ASSETS			
Current Assets			
Cash	1,295,852	2,975,812	(1,679,960)
Accounts Receivable (Literature + GV)	1,026,229	1,369,773	(343,543)
Prepaid Expense	707,980	4,454,798	(3,746,818)
Literature Inventory	2,137,866	3,135,638	(997,773)
Reserve Fund	9,850,579	12,481,173	(2,630,594)
Total Current Assets	**15,018,507**	**24,417,195**	**(9,398,688)**
Fixed Assets			
Fixed Assets	11,210,913	5,054,797	6,156,116
Accumulated Depreciation	(1,662,999)	(3,239,453)	1,576,455
Net Fixed Assets	**9,547,914**	**1,815,343**	**7,732,571**
Other Assets			
Postretirement Medical Fund	10,173,062	9,197,255	975,807
Total Other Assets	**10,173,062**	**9,197,255**	**975,807**
Total ASSETS	**34,739,483**	**35,429,793**	**(690,310)**
LIABILITIES			
Accounts Payable	480,702	1,620,457	(1,139,755)
Accrued Expenses	61,090	149,253	(88,163)
Defined Benefit Pension Liability	(13,591,589)	(11,414,732)	(2,176,857)
Sales Tax	4,213	5,457	(1,244)
Deferred Revenue	0	5,931,070	(5,931,070)
Grapevine Subscription Liability	540,000	540,000	0
Employee Withholding	29,268	33,019	(3,751)
Postretirement Benefit	5,624,496	5,189,509	434,987
Rent Lease Liability	7,210,868	949,133	6,261,734
Total LIABILITIES	**359,047**	**3,003,165**	**(2,644,118)**
NET ASSETS			
Reserve Fund	9,310,579	11,941,173	(2,630,594)
Postretirement Medical Fund	4,548,566	4,007,746	540,820
Capital Projects Fund	2,233,022	715,908	1,517,115
Defined Benefit Pension Liability	13,591,589	11,414,732	2,176,857
General Fund	4,696,680	4,347,069	349,611
Total NET ASSETS	**34,380,436**	**32,426,628**	**1,953,808**
Total LIABILITIES AND NET ASSETS	**34,739,483**	**35,429,793**	**(690,310)**

A.A. World Services and General Service Board Consolidated
Comparative Income Statement
For the Six Months Ended June 30, 2026

Account	Current YTD Jan-26 to June-26	Last YTD Jan-25 to June-25	Variance This Year to Last Year	Budget YTD Jan-26 to June-26	Variance This Year to Budget
Operating Revenue					
Contributions	5,017,679	4,642,998	374,681	4,830,000	187,679
International (2026 includes WSM)	78,714	36,636	42,078	33,000	45,714
General Service Conference	353,786	370,302	(16,516)	372,029	(18,243)
Gross Literature Sales	8,150,841	8,307,207	(156,366)	9,565,841	(1,415,000)
Literature Shipping Charges	128,304	197,394	(69,090)	221,105	(92,801)
Literature Discounts	(121,764)	(566,720)	444,956	(373,799)	252,035
Cost of Goods Sold	3,278,347	3,698,413	(420,066)	4,330,048	(1,051,701)
Gross Margin	4,879,035	4,239,468	639,567	5,083,099	(204,064)
Total - Operating Revenue	**10,329,213**	**9,289,404**	**1,039,809**	**10,318,128**	**11,085**
Operating Expense					
Salary & Benefits	5,723,552	5,536,042	187,511	6,302,667	(579,115)
Payroll Taxes	396,340	376,553	19,787	434,500	(38,160)
Professional Fees	730,902	660,432	70,470	606,875	124,027
Printing, Postage, Supplies, and Subscriptions	259,177	316,822	(57,645)	195,212	63,965
Data, Automation & Website	348,645	318,696	29,949	374,265	(25,620)
Insurance	46,506	43,435	3,071	48,500	(1,994)
Facility & Equipment	641,255	650,628	(9,372)	639,904	1,352
Travel & Meetings	1,415,186	1,418,562	(3,376)	1,441,578	(26,392)
Total - Operating Expense	**9,561,563**	**9,321,169**	**240,394**	**10,043,499**	**(481,936)**
Operating Surplus/(Deficit) Before Depreciation	**767,650**	**(31,765)**	**799,415**	**274,629**	**493,021**
Depreciation Expense	283,585	379,949	(96,364)	475,000	(191,415)
Operating Surplus/(Deficit) After Depreciation	**484,064**	**(411,714)**	**895,778**	**(200,371)**	**684,435**
Non-Operating Revenue	864,103	741,743	122,361	0	864,103
Non-Operating Expense**	461,776	441,014	20,762	304,000	157,776
Non-Operating Surplus/(Deficit)	**402,327**	**300,729**	**101,598**	**(304,000)**	**706,327**
Total Surplus/(Deficit)	**886,391**	**(110,986)**	**997,377**	**(504,371)**	**1,390,762**

**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, Inc
General Service Board
Statement of Functional Expenses
From January 2026 to June 2026

Financial Row	Literature Development and Distribution	Regional Forums	Archives	Nominating	International Assignment	Communications	International Convention	Language Services	Self Support/Finance	Staff Assignment	Public Information	Cooperation with the Professional Community	Treatment/ Accessibilities/ LIM
Expense													
Salaries	543,909	68,351	245,236	95,864	52,694	351,737	0	205,192	68,888	87,972	78,725	81,960	76,052
Employee Benefits	114,342	18,569	48,674	18,100	19,245	41,041	0	39,865	15,474	17,805	16,131	16,131	16,037
Retirement Plan Contributions	28,619	4,668	12,235	4,550	4,927	17,445	0	9,996	3,890	4,479	4,055	4,055	4,031
Payroll Taxes	48,116	7,848	20,570	7,649	8,283	29,329	0	16,805	6,540	7,530	6,817	6,817	6,777
Professional Fees	55,869	22,083	1,609	2,361	14,764	9,844	4,425	7,488	4,024	2,435	17,810	1,151	6,728
Printing, Postage, and Supplies Expenses	6,898	6,374	546	54	74	15,498	(34,657)	1,085	5,056	218	5,411	1,054	176
Data, Automation & Website	9,490	1,462	6,201	1,425	1,544	170,563	0	3,009	1,219	1,403	1,270	1,270	1,263
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility & Equipment Expenses	104,468	16,862	51,404	16,436	17,798	63,089	0	36,194	14,051	16,189	14,647	14,648	14,562
Travel & Meetings Expenses	3,062	17,678	0	2,405	33,377	14	(18,329)	351	0	858	(428)	7,454	0
Total Operating Expense	**914,773**	**163,895**	**386,476**	**148,844**	**152,707**	**698,560**	**(48,561)**	**319,984**	**119,141**	**138,890**	**144,438**	**134,539**	**125,627**
Other Income and Expenses													
Other Expense	0	0	0	0	37	0	1,306	0	0	0	0	0	0
Total Net Expenses	**914,773**	**163,895**	**386,476**	**148,844**	**152,744**	**698,560**	**(47,256)**	**319,984**	**119,141**	**138,890**	**144,438**	**134,539**	**125,627**

A.A. World Services, Inc
General Service Board
Statement of Functional Expenses
From January 2026 to June 2026

Financial Row	Corrections	International Literature Fund	General Service Conference	Total Program	Management & General	Trustee and Director Activities	Member Services	Legal, Licensing & Intellectual Property	Total Support	Grand Total
Expense										
Salaries	67,518	0	88,228	**2,112,325**	1,827,058	0	234,229	222,651	**2,283,938**	**4,396,263**
Employee Benefits	14,912	356	17,538	**414,222**	573,679	0	57,574	46,071	**677,323**	**1,091,545**
Retirement Plan Contributions	3,748	0	4,408	**111,106**	98,659	0	14,428	11,551	**124,638**	**235,745**
Payroll Taxes	6,302	0	7,412	**186,795**	165,868	0	24,256	19,421	**209,545**	**396,340**
Professional Fees	2,725	0	97,340	**250,655**	467,235	12,105	1,214	4,118	**484,672**	**735,327**
Printing, Postage, and Supplies Expenses	121	0	4,566	**12,474**	202,853	3,091	436	5,665	**212,046**	**224,520**
Data, Automation & Website	1,174	0	1,381	**202,675**	137,613	0	4,610	3,747	**145,970**	**348,645**
Insurance	0	0	0	**0**	46,506	0	0	0	**46,506**	**46,506**
Facility & Equipment Expenses	13,540	0	16,087	**409,977**	420,968	1,601	52,118	41,828	**516,514**	**926,491**
Travel & Meetings Expenses	0	0	1,087,737	**1,134,178**	18,089	244,591	0	0	**262,679**	**1,396,857**
Total Operating Expense	**110,040**	**356**	**1,324,697**	**4,834,406**	**3,958,527**	**261,388**	**388,865**	**355,051**	**4,963,831**	**9,798,237**
Other Income and Expenses										
Other Expense	0	15,725	0	**17,068**	446,014	0	0	0	**446,014**	**463,082**
Total Net Expenses	**110,040**	**16,081**	**1,324,697**	**4,851,474**	**4,404,542**	**261,388**	**388,865**	**355,051**	**5,409,845**	**10,261,319**

A.A. WORLD SERVICES AND GENERAL SERVICE BOARD
CONSOLIDATED
YTD CAPITAL PROJECTS REPORT
JANUARY THROUGH JUNE 2026

	AMOUNT	ESTIMATED ANNUAL MAINTENANCE
Communications		
Meeting Guide App Development	2,428	Estimated annual Meeting Guide App maintenance is $66,000
Website Development	31,090	Estimated annual website maintenance is $236,000
Audio video equipment	0	No maintenance is required
Total Communications	**33,518**	
Technology Services		
ERP Enhancements	5,500	Estimated annual ERP maintenance is $66,000
AAWS App High Level Design	0	No maintenance is required
Uninterrupted Power Supply Devices	0	No maintenance is required
Meraki Wireless Access Points	0	No maintenance is required
Computers and Peripherals	5,874	No maintenance is required
Total Technology Services	**11,374**	
Publishing		
Computers and Peripherals	2,699	No maintenance is required
Total Publishing	**2,699**	
Office Retrofit since January 1	**1,306,573**	
TOTAL CAPITAL EXPENDITURES	**1,354,164**	
CAPITAL EXPENDITURE BUDGET	**2,091,788**	
REMAINING BUDGET	**737,624**	
% OF BUDGET SPENT	**65%**	

RESERVE FUND BALANCE HISTORY
2015 - 2026

DATE	ASSETS	GV SUBSCRIPTION LIABILITY	BALANCE	OPERATING EXPENSES	MONTHS OF EXPENSES
12/31/15	14,583,935	1,903,842	12,680,093	16,655,754	9.14
12/31/16	14,958,734	1,841,125	13,117,609	17,034,889	9.24
12/31/17	14,352,618	1,943,500	12,409,118	16,726,806	8.90
12/31/18	17,898,391	1,943,500	15,954,891	19,072,945	10.04
12/31/19	18,128,708	1,893,500	16,235,208	20,703,929	9.41
12/31/20	13,923,464	1,443,500	12,479,964	18,806,219	7.96
12/31/21	14,295,786	1,443,500	12,852,286	17,554,866	8.79
12/31/22	14,192,560	1,243,500	12,949,060	20,105,896	7.73
12/31/23	13,203,875	573,012	12,630,863	21,095,796	7.18
12/31/24	12,454,738	540,000	11,914,738	21,799,168	6.56
12/31/25	11,562,418	540,000	11,022,418	21,427,634	6.17
06/30/26	9,850,579	540,000	9,310,579	22,459,727	4.97

2026 REFORECAST BUDGET
A.A. WORLD SERVICES AND GENERAL SERVICE BOARD

	2026 REFORECAST BUDGET	2026 ORIGINAL BUDGET	2025 ACTUAL	2024 ACTUAL	2023 ACTUAL	2022 ACTUAL
OPERATING REVENUE						
Literature (excluding Convention)						
Gross Literature Sales	16,301,682	18,672,343	15,264,029	14,452,652	14,641,176	11,999,441
Shipping Charges	376,798	431,593	352,813	340,281	294,321	277,893
Discounts	(679,878)	(778,748)	(676,154)	(568,379)	(453,695)	(482,071)
Net Sales	15,998,602	18,325,188	14,940,688	14,224,553	14,481,802	11,795,264
Cost of Goods Sold	6,559,427	8,429,586	7,333,473	6,585,045	7,726,991	6,901,151
Gross Profit	**9,439,175**	**9,895,602**	**7,607,214**	**7,639,508**	**6,754,811**	**4,894,113**
Contributions						
Individuals/Groups	10,500,000	10,500,000	10,578,707	11,248,573	10,841,419	10,548,525
Conference Delegate Fees	204,600	204,600	202,276	199,811	163,800	165,600
Additional Conference Contributions	210,000	210,000	227,476	245,551	219,186	162,640
World Service Meeting Delegate Fees	148,000	148,000	573	148,000	2,891	49,617
World Service Meeting Fund	100,000	100,000	48,399	94,772	24,775	35,682
International Literature Fund	60,000	60,000	43,424	143,102	41,484	54,513
Total Contributions	**11,222,600**	**11,222,600**	**11,100,855**	**12,079,809**	**11,293,556**	**11,016,577**
Subscriptions						
Everything AA	126,000	0	N/A	N/A	N/A	N/A
Convention						
Souvenir Book Sales	N/A	N/A	215,505			
Three Big Meeting Video	N/A	N/A	80,781			
Cost of Goods Sold	N/A	N/A	151,106			
Gross Profit	**N/A**	**N/A**	**145,180**			
TOTAL OPERATING REVENUE	**20,787,775**	**21,118,202**	**18,853,249**	**19,719,318**	**18,048,367**	**15,910,691**
OPERATING EXPENSE						
Salary	10,047,817	10,374,015	9,051,503	9,153,868	8,469,058	included below
Recoupment of Convention Overhead	N/A	N/A	(545,000)	N/A	N/A	N/A
Vacancy Allowance	0	(207,480)	N/A			
GV HR Shared Services Payment	(33,298)	(33,298)	(14,930)		0	0
Employee Benefits	2,152,629	2,187,831	2,227,658	2,021,421	1,879,954	included below
Payroll Taxes	878,071	868,999	747,864	752,466	692,343	included below
Subtotal Personnel	13,045,219	13,190,067	11,467,095	11,927,755	11,041,355	10,303,829
Professional Fees	1,700,631	1,468,467	1,568,925	1,748,646	1,841,628	1,756,363
Printing, Postage, and Supplies	404,770	383,023	562,386	604,373	575,949	451,413
Data, Automation & Website	780,737	748,529	718,367	578,785	573,591	611,490
Insurance	109,445	97,000	88,147	75,217	70,884	69,575
Facility and Equipment	1,243,941	1,294,867	1,423,830	1,287,410	1,223,760	1,258,295
GV Rent Payment	(15,060)	(15,060)	(55,710)			
Travel and Meeting	2,498,357	2,388,181	2,195,212	2,462,059	2,147,709	1,854,281
Other	162,700	154,000	134,894		193,436	228,127
TOTAL OPERATING EXPENSE	**19,930,740**	**19,709,074**	**18,103,145**	**18,684,245**	**17,668,310**	**16,533,372**
OPERATING SURPLUS/(DEFICIT) BEFORE DEPRECIATION**	**857,035**	**1,409,128**	**750,104**	**1,035,073**	**380,057**	**(622,681)**
Depreciation	615,000	950,000	751,325	843,246	1,056,630	1,184,394
OPERATING SURPLUS/(DEFICIT) AFTER DEPRECIATION	**242,035**	**459,128**	**(1,222)**	**191,827**	**(676,573)**	**(1,807,075)**
Non-Operating Revenue						
Investment		0	1,627,915	1,420,864	1,344,343	(1,228,234)
Total Non-Operating Revenue	**0**	**0**	**1,627,915**	**1,420,864**	**1,344,343**	**(1,228,234)**
Non-Operating Expense						
Cash						
International Literature Fund	20,000	20,000	18,868	13,723	17,110	29,296
G.S.B. support for La Viña	434,000	434,000	440,142	571,939	755,749	636,604
Recommended addition to Reserve Fund*	250,000	250,000				
Non-Cash						
Inventory Adjustment						821,900
Pension			14,522	(3,976,446)	(2,398,106)	(1,199,878)
Post-Retirement Medical			27,226	(653,275)	243,253	(2,327,970)
Total Non-Operating Expense	**704,000**	**704,000**	**500,758**	**(4,044,059)**	**(1,381,994)**	**(2,040,048)**
NON-OPERATING SURPLUS/(DEFICIT)	**(704,000)**	**(704,000)**	**1,127,157**	**5,464,923**	**2,726,337**	**811,814**
GRAND TOTAL SURPLUS/(DEFICIT)	**(461,965)**	**(244,872)**	**1,125,935**	**5,656,750**	**2,049,764**	**(995,261)**

*Any additional funds available at the end of 2026 will be recommended for addition to the Reserve Fund

**Operating Surplus/(Deficit) Before Depreciation Less GSB support for La Vina	423,035	975,128	309,962	463,134	(375,692)	(1,259,285)

2026 REFORECAST CAPITAL EXPENDITURE BUDGET
A.A. WORLD SERVICES AND GENERAL SERVICE BOARD

	2026 REFORECAST	2026 ORIGINAL	2025 ACTUAL
COMMUNICATIONS			
Meeting Guide App Development	22,600	22,600	41,763
Website Development	68,063	39,120	25,832
Digital Publication Project	0	0	25,813
Analytics Reporting Data Warehouse	0	0	32,614
Audio video equipment	2,459	100	6,995
TOTAL COMMUNICATIONS	**93,122**	**61,820**	**133,017**
PUBLISHING			
Computer Equipment	3,000	3,000	8,926
Digital Publication Platform	0	0	25,813
Digital Distribution of Videos	0	0	24,349
TOTAL PUBLISHING	**3,000**	**3,000**	**59,088**
TECHNOLOGY SERVICES			
ERP Enhancement	5,500	110,000	27,050
New Contributions Platform	121,000	0	0
AAWS App High Level Design	0	30,000	0
Purchase of Everything AA app	165,000	0	0
Uninterrupted Power Supply Devices	2,768	2,768	0
Cisco Switches	0	0	32,033
Digital Asset Repository	0	0	15,500
Meraki Wireless Access Points	0	7,200	0
Conference Rooms Audio Visual	44,869	0	0
Equipment	6,000	30,000	32,090
TOTAL TECHNOLOGY SERVICES	**345,137**	**179,968**	**106,673**
OFFICE RETROFIT[1]	**1,607,225**	**1,850,000**	**492,775**
TOTAL CAPITAL EXPENDITURE	**2,048,484**	**2,094,788**	**791,553**
TOTAL WITHOUT RETROFIT	**441,259**	**244,788**	**298,778**

[1]$Approx 1.6M of the $2.1M retrofit budget rolled over from 2025 to 2026.

AAGV

FINANCIAL STATEMENTS

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending June 30, 2026 and 2025

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
Grapevine					
Circulation (Average Number of Subscribers)					
GV Print subscriptions	40,954	40,900	54	42,165	(1,211)
GV Complete (Print & Online)	6,080	5,615	465	5,566	514
GV Online subscriptions	4,774	4,600	174	4,027	747
GV App subscriptions	9,076	8,775	301	6,876	2,200
Total Circulation	**60,884**	**59,890**	**994**	**58,634**	**2,250**
Revenue per Print subscription	$ 2.69	$ 2.61	$ 0.08	$ 2.53	$ 0.16
Revenue per GV Complete (Print & Online)	$ 4.03	$ 3.98	$ 0.05	$ 3.97	$ 0.06
Revenue per GV Online subscription	$ 2.27	$ 2.33	$ (0.06)	$ 2.25	$ 0.02
Revenue per App subscription	$ 2.54	$ 2.56	$ (0.02)	$ 2.55	$ (0.01)
Income					
Subscription Income					
Print Magazine	$ 661,294	$ 639,705	21,589	$ 641,094	20,200
GV Complete	146,934	$ 133,382	13,552	132,735	14,199
GV Online	65,081	$ 62,945	2,136	54,476	10,605
GV App	138,249	$ 130,944	7,305	105,349	32,900
GV Back Issues & Prison/Hospital Issues	60,275	$ 71,000	(10,725)	72,619	(12,344)
Gift Certificate prior year catch up	21,519	-	21,519	-	21,519
Total Subscription Income	**$ 1,093,352**	**$ 1,037,976**	**$ 55,376**	**$ 1,006,273**	**$ 87,079**
Cost of Goods Sold					
Magazine Production	173,506	175,000	(1,494)	194,789	(21,283)
Audio Production	13,260	13,260	-	13,260	-
Warehousing	32,160	27,000	5,160	34,069	(1,909)
Postage	192,767	189,000	3,767	208,993	(16,226)
GV App	20,508	19,642	866	15,801	4,707
Total Cost of Goods Sold	432,202	423,902	8,300	466,912	(34,710)
Gross Margin on Subscriptions	**$ 661,150**	**$ 614,074**	**$ 47,076**	**$ 539,361**	**$ 121,789**
Other Published Items Income					
Books (reduced $35k in May)	356,583	496,700	(140,117)	448,277	(91,694)
Audio Products	20,558	18,600	1,958	18,172	2,386
Specialty Items	9,816	19,200	(9,384)	8,084	1,732
Specialty Items-International Convention	-	-	-	42,980	(42,980)
Total Other Published Items Income	**$ 386,956**	**$ 534,500**	**$ (147,544)**	**$ 517,513**	**$ (130,557)**
Total Cost of Goods Sold					
Cost of Goods -Books and Booklets	120,400	134,109	(13,709)	119,453	947
Cost of Goods-Audio Products	859	600	259	152	707
Cost of Goods- Specialty Items	2,278	4,800	(2,522)	1,617	661
Cost of Goods-IC2025 Journal + Fulfill+Shipping	-	-	-	24,539	(24,539)
Mailing-Postage, Fulfillment, and Other Services	30,164	38,333	(8,169)	49,420	(19,256)
Total Direct Cost	153,701	177,842	(24,141)	195,181	(41,480)
Gross Margin - Other Published Items	**$ 233,256**	**$ 356,658**	**$ (123,402)**	**$ 322,332**	**$ (89,076)**
Total Gross Margin	**$ 894,405**	**$ 970,732**	**$ (76,327)**	**$ 861,693**	**$ 32,712**

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending June 30, 2026 and 2025

Expenses	**Actual**	**Budget**	**Variance Actual vs Budget**	**Prior Year**	**Variance Actual vs Prior Year**
Editorial					
Salaries	91,791	93,600	(1,809)	89,085	2,706
Payroll Taxes and Benefits	21,569	21,000	569	17,287	4,282
Freelance/Temp Help	77,279	76,800	479	89,717	(12,438)
Website Maint./Development	40,694	39,000	1,694	42,167	(1,473)
Total Editorial	231,333	230,400	933	238,256	(6,923)
Circulation And Business					
Salaries	338,395	339,750	(1,355)	364,496	(26,101)
Payroll taxes and benefits	120,225	123,000	(2,775)	121,245	(1,020)
Fulfillment	130,391	137,502	(7,111)	140,864	(10,473)
Fulfillment vendor credit	-	-	-	(46,002)	46,002
App Development	24,000	24,000	-	24,000	-
Professional fees	68,801	75,500	(6,699)	64,725	4,076
AAWS HR Allocation	11,280	11,280	-	6,553	4,727
Bank/CC service charges	45,620	43,200	2,420	41,050	4,570
Total Circulation And Business	738,714	754,232	(15,519)	716,931	21,782
General And Administrative					
Meetings and conferences	12,824	17,496	(4,672)	10,629	2,195
Occupancy & Insurance	17,880	15,870	2,010	31,447	(13,567)
Office supplies and expenses	27,029	25,200	1,829	33,148	(6,119)
IC2025 Expenses	-	-	-	11,045	(11,045)
Total General And Administrative	57,733	58,566	(833)	86,269	(28,536)
Total Operating Expenses	**$1,027,780**	**$1,043,198**	**($15,419)**	**$1,041,456**	**($13,677)**
Grapevine Operating Income (Loss)	**($133,373)**	**($72,466)**	**($60,907)**	**($179,763)**	**$46,390**
Non-Operating Income/Expenses					
Depreciation Expense	**71,731**	**72,000**	**(269)**	**65,670**	**6,061**
Interest from Reserve Fund	**4,500**	**4,500**	**-**	**4,500**	**0**
Total Non-Operating Income (Expense)	**$ (67,231)**	**$ (67,500)**	**$ 269**	**$ (61,170)**	**$ (6,061)**
Grapevine Net Income (Loss)	**$ (200,604)**	**$ (139,966)**	**$ (60,638)**	**$ (240,933)**	**$ 40,329**
Transfer from Reserve Fund	**200,000**	**200,000**	**-**	**150,000**	**50,000**
Adjustment in Prior Year Accounting Estimate	**$ (402,834)**	**$ -**	**(402,834)**	**$ -**	**$ (402,834)**
Grapevine Net Income (Loss) after Adjustment	**$ (403,438)**	**$ 60,034**	**$ (463,472)**	**$ (90,933)**	**$ (312,505)**

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending June 30, 2026 and 2025

	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
La Viña					
Circulation (Average Number of Subscribers)					
LV Print subscriptions	6,232	7,010	(778)	7,689	(1,457)
LV Complete	192	166	26	158	34
LV Online subscriptions	115	93	22	83	32
LV App subscriptions	380	378	2	430	(50)
Total Circulation	**6,919**	**7,647**	**(728)**	**8,360**	**(1,441)**
Revenue per Print subscription	$ 2.82	$ 2.70	$ 0.12	$ 2.41	$ 0.41
Revenue per LV Complete (Print & Online)	$ 3.95	$ 4.13	$ (0.18)	$ 4.19	$ (0.24)
Revenue per LV Online subscription	$ 2.19	$ 2.20	$ (0.01)	$ 2.26	$ (0.07)
Revenue per App subscription	$ 2.52	$ 2.60	$ (0.08)	$ 2.45	$ 0.07
Income					
Subscription Income					
Print Magazine	52,678	56,781	(4,103)	55,491	(2,813)
LV Complete	2,274	2,047	227	1,981	293
LV Online	757	614	143	563	194
LV App	2,870	2,948	(78)	3,166	(296)
LV Back Issues	8,501	8,700	(199)	7,158	1,343
Gift Certificate prior year catch up	1,969	-	1,969	-	1,969
Total Subscription Income	**$ 69,049**	**$ 71,090**	**$ (2,041)**	**$ 68,359**	**$ 690**
Direct Cost					
Magazine Production	29,464	29,650	(186)	30,181	(717)
Audio Production	5,235	5,235	-	5,235	-
Postage	11,236	11,400	(164)	13,197	(1,961)
LV App	430	170	260	262	168
Total Direct Cost	46,366	46,455	(89)	48,875	(2,509)
Gross Margin on Subscriptions	**$ 22,682**	**$ 24,635**	**$ (1,952)**	**$ 19,484**	**$ 3,199**
Other Published Items Income					
Books and Booklets	105,222	91,900	13,322	82,929	22,293
Specialty Items	7,541	9,750	(2,209)	2,096	5,445
10% of Convention Journal Income	-	-	-	**2,500**	(2,500)
Total Other Published Items Income	**$ 112,763**	**$ 101,650**	**$ 11,113**	**$ 87,525**	**$ 25,238**
Cost of Goods	32,445	29,500	2,945	26,405	6,040
Gross Margin - Other Published Items	**$ 80,318**	**$ 72,150**	**$ 8,168**	**$ 61,120**	**$ 19,198**
Total Gross Margin	**$ 103,000**	**$ 96,785**	**$ 6,216**	**$ 80,604**	**$ 22,396**

AA Grapevine Inc.
Statements of Activities - Actual vs Budget and Prior Year
(Income Statement)
For the periods ending June 30, 2026 and 2025

Expenses	Actual	Budget	Variance Actual vs Budget	Prior Year	Variance Actual vs Prior Year
Editorial					
Salaries	88,671	89,000	(329)	83,438	5,233
Payroll taxes and benefits	34,558	34,200	358	35,324	(766)
Freelance/Temp Help	18,720	20,000	(1,280)	14,361	4,359
Website Maint./Development	10,050	8,550	1,500	7,489	2,561
Total Editorial	151,999	151,750	249	140,612	11,387
Circulation And Business					
Salaries	76,088	77,000	(912)	79,535	(3,447)
Payroll taxes and benefits	32,745	33,000	(255)	32,758	(13)
Professional fees	6,370	7,000	(630)	9,645	(3,275)
Fulfillment - Subscription orders	26,737	28,500	(1,763)	31,075	(4,338)
AAWS HR Allocation	3,762	3,762	-	1,404	2,358
Total Circulation And Business	145,702	149,262	(3,560)	154,417	(8,715)
General And Administrative					
Meetings & Conferences	3,893	3,502	391	4,367	(474)
Occupancy & Insurance	5,962	5,652	310	15,809	(9,847)
Office Supplies & Expense	2,025	1,800	225	1,824	201
IC2025 Expenses	-	-	-	1,250	(1,250)
Total General And Administrative	11,880	10,954	926	23,250	(11,370)
Total Operating Expenses	**$ 309,580**	**$ 311,966**	**$ (2,385)**	**$ 318,279**	**$ (8,698)**
Total Operating Income (Shortfall)	**$ (206,581)**	**$ (215,181)**	**$ 8,600**	**$ (237,675)**	**$ 31,094**
Depreciation Expense	**12,658**	**14,700**	**(2,042)**	**12,979**	**(321)**
Net Income / Shortfall before GSB Contribution	**(219,239)**	**(229,881)**	**10,642**	**(250,654)**	**31,415**
Contribution from GSB	**$ 219,239**	**$ 229,881**	**$ (10,642)**	**$ 250,654**	**$ (31,415)**
Net Income (Shortfall)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

AA Grapevine Inc.

Statements of Financial Position

(Balance Sheet)

June 30, 2026 and 2025

	June 30, 2026	June 30, 2025	Variance
Assets			
Current Assets			
Cash And Cash Equivalents	$ 112,828	$ 84,715	$ 28,113
Accounts Receivable Net	189,577	277,516	(87,939)
Accounts Receivable GSB	64,388	97,479	(33,091)
Subscription Liability Fund	540,000	540,000	-
Inventory	402,758	391,249	11,510
Total Current Assets	1,309,551	1,390,958	(81,407)
Other Assets			
Prepaid Expenses	63,346	71,510	(8,164)
Security Deposits	13,676	14,756	(1,080)
Mobile App Net	292,567	372,411	(79,844)
Work in Progress	6,607	-	6,607
Fixed Assets Net	62,929	66,775	(3,846)
Total Other Assets	439,125	525,451	(86,326)
Total Assets	$ 1,748,676	$ 1,916,410	$ (167,733)
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable & Accrued Expenses	$ 250,585	$ 362,565	$ (111,980)
Inter-Company Due to AAWS	400,872	531,247	(130,375)
Total Accounts Payable	651,457	893,812	(242,355)
Other Current Liabilities			
International Convention-Deferred Income	-	21,431	(21,431)
Deferred Income Subscriptions	1,735,896	1,678,817	57,079
Gift Certificate CTM	2,085	8,878	(6,793)
Total Other Current Liabilities	1,737,981	1,709,125	28,856
Total Liabilities	2,389,438	2,602,937	(213,499)
Net Assets			
Net Assets - Beginning Balance	(237,323)	(595,593)	358,270
Change in Prior Year Accounting Estimate	(402,834)		(402,834)
Consolidated Net Income (Shortfall)	(604)	(90,933)	90,329
Total Net Assets	(640,761)	(686,527)	45,765
Total Liabilities And Net Assets	$ 1,748,676	$ 1,916,410	$ (167,734)

AA Grapevine Inc.
Rolling Cash Flow Forecast
For the Twelve Months Ended December 31, 2026

	ACTUAL						FORECAST						
Grapevine & La Vina Revenue	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	**Jul-26**	**Aug-26**	**Sep-26**	**Oct-26**	**Nov-26**	**Dec-26**	**Total**
Consolidated Net Income (Shortfall)	**$ (4,068)**	**$ (32,549)**	**$ 2,660**	**$ (60,086)**	**$ (140,275)**	**$ (50,089)**	**$ (10,000)**	**$ (22,109)**	**$ (15,000)**	**$ (50,000)**	**$ (15,000)**	**$ (13,092)**	**(409,608)**
Accounts Receivable	59,363	19,199	14,883	(50,905)	30,953	(7,083)	2,500	2,500	2,500	2,500	2,500	2,500	81,409
La Viña Reimbursement Billed	(38,194)	(35,337)	(33,086)	(52,753)	(27,848)	(32,020)	(30,768)	(37,289)	(26,587)	(48,858)	(25,072)	(33,926)	(421,738)
La Viña Reimbursement Received	30,848	40,153	38,194	35,337	33,086	52,753	27,848	32,020	30,768	37,289	26,587	48,858	433,741
Draw from Reserve Fund	-	200,000	-	-	-	-	-	-	-	-	-	-	200,000
Reduction of Subscription Liability	-	-	-					200,000					200,000
Inventory	(20,887)	12,680	18,496	(43,283)	(9,748)	10,252	(10,000)	(10,000)	(25,000)	(10,000)	(10,000)	10,000	(87,490)
Prepaid expenses	26,310	(6,345)	4,572	4,113	8,891	27,046	(5,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	47,087
Depreciation/Amortization	13,548	13,548	13,749	13,749	14,749	14,450	14,450	14,450	14,450	14,450	14,450	14,450	170,493
Accounts Payable & Accrued Expenses	25,967	30,649	153	95,439	(44,101)	(14,229)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	63,878
Intercompany Due AAWS Charged	23,343	42,621	42,942	33,478	44,487	44,000	44,000	44,000	44,000	44,000	44,000	44,000	494,871
Intercompany Due AAWS Paid	(43,807)	(43,807)	(54,043)	(54,043)	(54,043)	(39,714)	-	(80,000)	(43,440)	(52,082)	(52,073)	(43,807)	(560,859)
Deferred Income	(99,610)	(135,772)	(66,565)	31,135	63,958	18,656	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(218,197)
Mobile App/Work in Progress	(8,610)	(1,841)	(23,605)	8,261	10,900	(7,000)	(4,000)	(4,000)	(5,000)	(4,000)	(4,000)	(4,000)	(46,895)
Gift Certificates	6,123	(1,103)	2,207	364	(4,500)	(3,804)	500	500	500	500	500	500	2,287
Total Adjustments to reconcile Net Revenue to Net Cash	**(25,606)**	**134,645**	**(42,103)**	**20,892**	**66,782**	**63,305**	**29,529**	**149,680**	**(20,310)**	**(28,701)**	**(15,609)**	**26,075**	**358,586**
Cash at Beginning of Period	179,000	149,327	251,423	211,979	172,785	99,612	112,828	132,357	259,928	224,618	145,917	115,611	179,000
Cash at End of Period	**$ 149,327**	**$ 251,423**	**$ 211,979**	**$ 172,785**	**$ 99,612**	**$ 112,828**	**$ 132,357**	**$ 259,928**	**$ 224,618**	**$ 145,917**	**$ 115,611**	**$ 128,594**	**$ 128,594**