

General Service Board of Alcoholics Anonymous, Inc. & Subsidiaries
Consolidated Financial Statements
For The Years Ended December 31, 2013 and 2012

| Incorporated in New York in: | 1943 | 1962 | 1944 | 2013 | | 2012 | | 2012 | | |
|---|------------------|------------------|------------------|--------------------|-------------------|-------------------|-------------------|------------------|--------------------|-------------------|
| | GSB | WS | GV | Eliminations | Consolidated | GSB | WS | GV | Eliminations | Consolidated |
| REVENUES | | | | | | | | | | |
| Contributions - related organizations (GSB,WS,GV) | 2,651,267 | | 142,544 | (2,793,811) | 0 | 3,704,644 | | 115,820 | (3,820,464) | 0 |
| Contributions, grants, etc. | 6,906,371 | | | | 6,906,371 | 6,557,608 | | | | 6,557,608 |
| Program service revenue - Int'l Convention | | | | | | | | | | 0 |
| Program service revenue - Magazine circulation | | | 2,242,363 | | 2,242,363 | | | 2,342,910 | | 2,342,910 |
| Program service revenue - Spanish magazine | | | 116,549 | | 116,549 | | | 107,269 | | 107,269 |
| Investment income | 110,727 | 390 | 10,500 | | 121,617 | 158,701 | 392 | 14,800 | | 173,893 |
| Sale of investments (Stocks, Bonds) | 2,750,000 | | | | 2,750,000 | 2,500,000 | | | | 2,500,000 |
| Cost of stock/bonds sold | (2,734,063) | | | | (2,734,063) | (2,490,601) | | | | (2,490,601) |
| Sale of merchandise | | 12,604,719 | 787,697 | | 13,392,416 | | 12,364,758 | 721,520 | | 13,086,278 |
| Cost of merchandise sold | | (2,962,241) | (176,745) | | (3,138,986) | | (2,946,066) | (181,843) | | (3,127,909) |
| TOTAL REVENUES | 9,684,302 | 9,642,868 | 3,122,908 | (2,793,811) | 19,656,267 | 10,430,352 | 9,419,084 | 3,120,476 | (3,820,464) | 19,149,448 |
| EXPENSES | | | | | | | | | | |
| Payments to AA Grapevine, GSB | 142,544 | 2,651,267 | | 2,793,811 | 0 | 115,820 | 3,704,644 | | 3,820,464 | 0 |
| Officers compensation | 430,461 | 327,685 | 383,264 | | 1,141,410 | 464,537 | 277,742 | 334,861 | | 1,077,140 |
| Employee compensation | 3,300,868 | 1,976,443 | 512,019 | | 5,789,330 | 3,184,818 | 1,841,066 | 525,180 | | 5,551,064 |
| Pensions | 1,314,857 | 790,634 | 146,810 | | 2,252,301 | 1,098,895 | 688,794 | 143,895 | | 1,931,584 |
| Employee benefits | 637,035 | 429,306 | 135,589 | | 1,201,930 | 596,262 | 387,525 | 123,845 | | 1,107,632 |
| Payroll taxes | 275,267 | 168,344 | 69,200 | | 512,811 | 257,235 | 159,003 | 62,327 | | 478,565 |
| Legal | 5,594 | 33,965 | 4,466 | | 44,025 | 34,543 | 28,912 | 25,169 | | 88,624 |
| Accounting | 33,900 | 63,800 | 32,000 | | 129,700 | 36,250 | 63,200 | 32,000 | | 131,450 |
| Other professional services | 402,067 | 30,064 | 141,131 | | 573,262 | 486,373 | 212,422 | 160,784 | | 859,579 |
| Advertising and promotion | | | 162,671 | | 162,671 | | | 140,713 | | 140,713 |
| Office expenses | 380,969 | 225,625 | 173,807 | | 780,401 | 352,471 | 224,040 | 172,237 | | 748,748 |
| Information technology | 398,293 | 422,728 | 17,402 | | 838,423 | 384,548 | 290,368 | 29,442 | | 704,358 |
| Royalties | | 27,840 | | | 27,840 | | 27,161 | | | 27,161 |
| Occupancy | 516,021 | 293,449 | 47,408 | | 856,878 | 499,780 | 280,792 | 59,694 | | 840,266 |
| Travel | | 64,189 | 57,440 | | 121,629 | | 77,853 | 54,060 | | 131,913 |
| Conventions, conferences | 889,405 | | | | 889,405 | 934,076 | | | | 934,076 |
| Depreciation | 122,962 | 266,958 | 7,975 | | 397,895 | 117,363 | 110,478 | 8,485 | | 236,326 |
| Mailing labor & postage | 474,203 | | 653,832 | | 1,128,035 | 446,237 | | 701,393 | | 1,147,630 |
| Other program printing, magazine printing | 349,586 | | 258,982 | | 608,568 | 371,426 | | 274,083 | | 645,509 |
| Equipment rental | 99,056 | | | | 99,056 | 106,681 | | | | 106,681 |
| Shipping and warehousing | | 1,505,296 | | | 1,505,296 | | 1,513,607 | | | 1,513,607 |
| Selling expenses | | 340,437 | | | 340,437 | | 346,303 | | | 346,303 |
| Equipment maintenance | | 40,833 | | | 40,833 | | 38,408 | | | 38,408 |
| Bad debts | | 2,621 | 3,707 | | 6,328 | | 2,515 | 15,305 | | 17,820 |
| Other expenses | | | | | | | | | | |
| TOTAL EXPENSES | 9,773,088 | 9,661,484 | 2,807,703 | 2,793,811 | 19,448,464 | 9,487,315 | 10,274,833 | 2,863,473 | 3,820,464 | 18,805,157 |
| REVENUES OVER (UNDER) EXPENSES | (88,786) | (18,616) | 315,205 | | 207,803 | 943,037 | (855,749) | 257,003 | | 344,291 |

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Incorporated in New York in:

| | 1943 | 1962 | 1944 | | | | | | | |
|---|-------------------|------------------|------------------|--------------------|-------------------|-------------------|------------------|------------------|--------------------|-------------------|
| | | 2013 | | | 2013 | | | 2012 | 2012 | |
| | GSB | WS | GV | Eliminations | Consolidated | GSB | WS | GV | Eliminations | |
| | | | | | | | | | | |
| BALANCE SHEET | | | | | | | | | | |
| ASSETS | | | | | | | | | | |
| Cash & cash equivalents | 11,471,276 | 870,349 | 652,182 | | 12,993,807 | 10,724,637 | 408,643 | 306,898 | | 11,440,178 |
| Accounts receivable | 9,245 | 1,236,456 | 88,559 | | 1,334,260 | 16,563 | 1,288,140 | 117,184 | | 1,421,887 |
| Inventories | | 1,572,996 | 262,483 | | 1,835,479 | | 1,679,492 | 260,139 | | 1,939,631 |
| Prepaid expenses | 326,549 | 89,544 | 123,901 | | 539,994 | 223,611 | 99,521 | 131,863 | | 454,995 |
| Leasehold improvements & equipment | 4,414,658 | 339,302 | 71,282 | | 4,825,242 | 4,414,658 | 439,680 | 66,725 | | 4,921,063 |
| Accumulated depreciation | (3,937,011) | (178,166) | (64,215) | | (4,179,392) | (3,814,049) | (367,922) | (56,240) | | (4,238,211) |
| Marketable securities (US Treasuries) | 6,769,878 | | 1,928,500 | (1,928,500) | 6,769,878 | 7,550,748 | | 1,928,500 | (1,928,500) | 7,550,748 |
| Other securities (bond & equity funds) | 2,544,099 | | | | 2,544,099 | 1,943,526 | | | | 1,943,526 |
| Intangibles | | 363,392 | | | 363,392 | | 425,267 | | | 425,267 |
| Other assets | | 1 | 9,608 | | 9,609 | | | 32,688 | | 32,688 |
| TOTAL ASSETS | 21,598,694 | 4,293,874 | 3,072,300 | (1,928,500) | 27,036,368 | 21,059,694 | 3,972,821 | 2,787,757 | (1,928,500) | 25,891,772 |
| LIABILITIES & FUND BALANCES | | | | | | | | | | |
| Accounts payable | 1,126,145 | 353,677 | 134,965 | | 1,614,787 | 1,047,058 | 326,214 | 126,120 | | 1,499,392 |
| Deferred revenue | 1,600 | 343,911 | | | 345,511 | 2,961 | 31,705 | | | 34,666 |
| Prepaid subscriptions | | | 1,984,816 | | 1,984,816 | | | 2,025,718 | | 2,025,718 |
| Gift certificates and other | | | 9,786 | | 9,786 | | | 8,391 | | 8,391 |
| Related party payable - AA Grapevine | 1,928,500 | | | 1,928,500 | 0 | 1,928,500 | | | 1,928,500 | 0 |
| Accrued post-retirement benefits | 5,664,481 | | | | 5,664,481 | 5,937,994 | | | | 5,937,994 |
| Accrued pension benefits | 3,569,738 | | | | 3,569,738 | 10,368,723 | | | | 10,368,723 |
| Unrestricted fund balance | 9,308,230 | 3,596,286 | 942,733 | | 13,847,249 | 1,774,458 | 3,614,902 | 627,528 | | 6,016,888 |
| TOTAL LIABILITIES & FUND BALANCE | 21,598,694 | 4,293,874 | 3,072,300 | 1,928,500 | 27,036,368 | 21,059,694 | 3,972,821 | 2,787,757 | 1,928,500 | 25,891,772 |

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|--|---------|---------|---------|--------------|--------------|---------|---------|---------|---------------------------|---------|
| | GSB | WS | GV | Eliminations | Consolidated | GSB | WS | GV | Eliminations Consolidated | |
| OFFICER/KEY EMPLOYEE COMPENSATION | | | | | | | | | | |
| Donald Meurer - Asst Treasurer | 84,072 | 84,072 | | | 168,144 | 82,479 | 82,479 | | | 164,958 |
| Pension & post-retirement benefits paid/accrued | 69,951 | | | | 69,951 | 57,709 | | | | 57,709 |
| Doug Richardson - Asst Secretary | 130,047 | | | | 130,047 | 125,334 | | | | 125,334 |
| Pension & post-retirement benefits paid/accrued | 58,772 | | | | 58,772 | 61,462 | | | | 61,462 |
| Phylliss A. Halliday - General Manager | 136,632 | 136,632 | | | 273,264 | 130,305 | 130,305 | | | 260,610 |
| Pension & post-retirement benefits paid/accrued | 60,349 | | | | 60,349 | 72,206 | | | | 72,206 |
| Adrienne Brown - Staff | 109,349 | | | | 109,349 | 112,349 | | | | 112,349 |
| Pension & post-retirement benefits paid/accrued | 35,247 | | | | 35,247 | 34,968 | | | | 34,968 |
| Warren Stafford - Staff | 0 | | | | 0 | 107,303 | | | | 107,303 |
| Pension & post-retirement benefits paid/accrued | 0 | | | | 0 | 30,581 | | | | 30,581 |
| Eva Sanchez - Staff | 116,848 | | | | 116,848 | 112,419 | | | | 112,419 |
| Pension & post-retirement benefits paid/accrued | 33,563 | | | | 33,563 | 30,475 | | | | 30,475 |
| Julio Espailat - Staff | 118,505 | | | | 118,505 | 116,629 | | | | 116,629 |
| Pension & post-retirement benefits paid/accrued | 26,102 | | | | 26,102 | 29,528 | | | | 29,528 |
| Valerie O'Neill - Staff (GSB) - Production (WS) | | 0 | | | 0 | | 154,929 | | | 154,929 |
| Pension & post-retirement benefits paid/accrued | | 0 | | | 0 | | 79,583 | | | 79,583 |
| Mary Dargan - Staff | 114,753 | | | | 114,753 | 107,235 | | | | 107,235 |
| Pension & post-retirement benefits paid/accrued | 27,832 | | | | 27,832 | 27,865 | | | | 27,865 |
| Sandra Wilson - Secretary | 33,507 | 33,506 | | | 67,013 | 27,115 | | | | 27,115 |
| Pension & post-retirement benefits paid/accrued | 16,650 | | | | 16,650 | 11,671 | | | | 11,671 |
| Rick Walker - Staff | 114,949 | | | | 114,949 | 110,617 | | | | 110,617 |
| Pension & post-retirement benefits paid/accrued | 20,834 | | | | 20,834 | 23,721 | | | | 23,721 |
| Ami Brophy - President | | | 136,526 | | 136,526 | | | 119,437 | | 119,437 |
| Pension & post-retirement benefits paid/accrued | | | 27,616 | | 27,616 | | | 25,077 | | 25,077 |
| Janet Bryan - Asst Secretary | | | 65,129 | | 65,129 | | | 62,297 | | 62,297 |
| Pension & post-retirement benefits paid/accrued | | | 15,834 | | 15,834 | | | 14,187 | | 14,187 |
| Eugene O'Brien - Asst Treasurer | | | 110,740 | | 110,740 | | | 96,431 | | 96,431 |
| Pension & post-retirement benefits paid/accrued | | | 30,765 | | 30,765 | | | 19,950 | | 19,950 |
| Greg Tobin - Production | | 160,891 | | | | | | | | |
| Pension & post-retirement benefits paid/accrued | | 29,822 | | | | | | | | |

SELECTED FINANCIAL RATIOS

| | | | | | | | | | | |
|--|------------|-----------|-----------|-------------|------------|------------|-----------|-----------|-------------|------------|
| Cash, cash equivalents & investments | 20,785,253 | 870,349 | 2,580,682 | (1,928,500) | 22,307,784 | 20,218,911 | 408,643 | 2,235,398 | (1,928,500) | 20,934,452 |
| Total assets | 21,598,694 | 4,293,874 | 3,072,300 | (1,928,500) | 27,036,368 | 21,059,694 | 3,972,821 | 2,787,757 | (1,928,500) | 25,891,772 |
| Percentage | 96.2338% | 20.2696% | 83.9984% | | 82.5103% | 96.0076% | 10.2860% | 80.1863% | | 80.8537% |
| Accrued post-retirement/pension benefits | 9,234,219 | 0 | 0 | | 9,234,219 | 16,306,717 | 0 | 0 | | 16,306,717 |
| Total liabilities & fund balances | 21,598,694 | 4,293,874 | 3,072,300 | (1,928,500) | 27,036,368 | 21,059,694 | 3,972,821 | 2,787,757 | (1,928,500) | 25,891,772 |

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|---|------------|-----------|-----------|---------------------|---------------------|------------|------------|-----------|---------------------|---------------------|
| | GSB | WS | GV | Eliminations | Consolidated | GSB | WS | GV | Eliminations | Consolidated |
| Percentage | 42.7536% | 0.0000% | 0.0000% | | 34.1548% | 77.4309% | 0.0000% | 0.0000% | | 62.9803% |
| Accrued post-retirement/pension benefits | 9,234,219 | 0 | 0 | | 9,234,219 | 16,306,717 | 0 | 0 | | 16,306,717 |
| Total assets | 21,598,694 | 4,293,874 | 3,072,300 | (1,928,500) | 27,036,368 | 21,059,694 | 3,972,821 | 2,787,757 | (1,928,500) | 25,891,772 |
| Percentage | 42.7536% | 0.0000% | 0.0000% | | 34.1548% | 77.4309% | 0.0000% | 0.0000% | | 62.9803% |
| Wages/pension & post-retirements expense for year | 5,683,221 | 3,524,068 | 1,177,682 | | 10,384,971 | 5,344,512 | 3,195,127 | 1,127,781 | | 9,667,420 |
| Total expenses | 9,773,088 | 9,661,484 | 2,807,703 | (2,793,811) | 19,448,464 | 9,487,315 | 10,274,833 | 2,863,473 | (3,820,464) | 18,805,157 |
| Percentage | 58.1517% | 36.4754% | 41.9447% | | 53.3974% | 56.3332% | 31.0966% | 39.3851% | | 51.4083% |
| Total pension/post-retirement expense | 1,951,892 | 1,219,940 | 282,399 | | 3,454,231 | 1,695,157 | 1,076,319 | 267,740 | | 3,039,216 |
| Total wages | 3,731,329 | 2,304,128 | 895,283 | | 6,930,740 | 3,649,355 | 2,118,808 | 860,041 | | 6,628,204 |
| Percentage | 52.3109% | 52.9458% | 31.5430% | | 49.8393% | 46.4509% | 50.7983% | 31.1311% | | 45.8528% |
| Investment income | 126,664 | 390 | 10,500 | | 137,554 | 168,100 | 392 | 14,800 | | 183,292 |
| Total income | 9,684,302 | 9,642,868 | 3,122,908 | | 19,656,267 | 10,430,352 | 9,419,084 | 3,120,476 | | 19,149,448 |
| Percentage | 1.3079% | 0.0040% | 0.3362% | | 0.6998% | 1.6116% | 0.0042% | 0.4743% | | 0.9572% |
| Exempt function income | 6,906,371 | 9,642,478 | 2,969,864 | | | 6,557,608 | 9,418,692 | 2,989,856 | | |
| Total income | 9,684,302 | 9,642,868 | 3,122,908 | | | 10,430,352 | 9,419,084 | 3,120,476 | | |
| Percentage | 71.3151% | 99.9960% | 95.0993% | | | 62.8704% | 99.9958% | 95.8141% | | |
| Program service expenses | 5,893,931 | 7,385,225 | 2,216,799 | | | 5,733,634 | 8,114,882 | 2,285,017 | | |
| Total expenses | 9,773,088 | 9,661,484 | 2,807,703 | | | 9,487,315 | 10,274,833 | 2,863,473 | | |
| Percentage | 60.3078% | 76.4399% | 78.9542% | | | 60.4347% | 78.9782% | 79.7988% | | |
| Total number of employees | 0 | 90 | 11 | | | 0 | 86 | 17 | | |