

April 2017

Corporate Board Report: A.A. Grapevine, Inc.
Joel C., Chairperson

A.A. Grapevine, Inc. is one of two affiliate corporations of the General Service Board and the multimedia publisher of Grapevine magazine content, available on various platforms and in a variety of formats. A.A. Grapevine, Inc. also publishes Spanish-language content in La Viña magazine and its related books, CD and audio formats, as well as Spanish-language web pages on aagrapevine.org.

By charter, the A.A. Grapevine Board consists of seven to 10 directors. Since the 66th Conference, there have been eight directors: two general service trustees; two regional trustees; three nontrustee directors; and the executive editor/publisher.

The purpose of the Grapevine Corporate Board is to serve the A.A. Fellowship in the following ways:

- To oversee the publishing operations of A.A. Grapevine, Inc.
- To provide sound financial management of the corporation.
- To establish corporate policies and set corporate priorities.
- To engage in the ongoing process of strategic planning.
- To operate in accordance with the principles of A.A. as expressed in the Twelve Steps, Twelve Traditions and Twelve Concepts.

The board strives to engage the Fellowship, to ensure members' awareness of the international journals of Alcoholics Anonymous, Grapevine and La Viña, as tools to help carry the message.

The A.A. Grapevine Board met in person seven times since the last Conference and once via an all-day teleconference. In 2016-2017, four standing committees were active: The Nominating and Governance Committees, chaired by Albin Z. and Carole B., facilitated all facets in the selection of candidates for board openings and selecting a general service trustee; the Finance and Budget Committee, chaired by Carole B., provided oversight for the budget process; and the Outreach Committee, chaired by Paz Preciado, was made a standing committee. Grapevine's Editorial Advisory Board, consisting of members with particular expertise in media, met five times, always by teleconference in 2016-2017, while the La Viña Editorial Advisory Board met three times by teleconference during the same period.

Since the last Conference, A.A. Grapevine, Inc. has produced 12 issues of Grapevine, six issues of La Viña, an annual wall calendar and pocket planner, and three e-books. La Viña magazine continues to be published in 64 pages in response to the 2010 Conference Advisory Action to maintain spiritual parity with Grapevine magazine.

(Over)

A.A. Grapevine, Inc. distributed 91,528 Grapevine and La Viña books, e-books, CDs, and other content related items, including the two latest book titles: *Un día a la vez*, published during La Viña's 20th anniversary, featuring a collection of stories that appeared in the magazine between 2007-2015 and reflecting the voices of the growing and vibrant Hispanic community in A.A.; and Grapevine's *Our Twelve Traditions*, featuring stories from A.A. members about their personal experiences with the core principles contained in A.A.'s Twelve Traditions.

Circulation – Grapevine's average monthly print circulation was 71,811 in fiscal year 2016 (this is more than budget by 1,442 and less than 2015 by 155). The Grapevine Online (GVO) averaged 5,030 subscribers in 2016. The average bimonthly circulation of La Viña was 10,374 (this is 357 greater than budget and 19 over 2015 levels).

Operations – During 2016, A.A. Grapevine continued operational cost-control measures resulting in expenses coming in under budget.

Financial – Complete and audited financial details for 2016 are included in the Conference Manual and *Final Conference Report*. Here is an overview:

- Grapevine ended 2016 with net income of \$164,540 against budgeted net loss of \$146,063.
- Gross profit for the magazine and subscription products reached \$1,449,246. Gross profit on the magazine was ahead of budget by \$86,718.
- Gross profit on books and related items was \$455,898.
- Overhead costs were budgeted at \$1,867,945 versus an actual of \$1,755,704. This was a savings of \$112,241. This savings occurred mainly in Website Expenses and General and Administrative Expenses.

La Viña – La Viña is published by A.A. Grapevine, Inc., with the shortfall between revenue and expenses made up by the General Service Board as a service to the Fellowship. La Viña had an average circulation of 10,374 per issue. Gross profit on the magazine was \$52,741. This is below budget by \$8,808. Gross profit on related items was ahead of budget by \$5,594, and overhead was under budget by \$2,783. The net difference between revenue and expenses for 2016 was \$152,082 or \$431 more than was budgeted.

A.A. Grapevine and the Reserve Fund – A.A. Grapevine maintains a balance in the Reserve Fund to fund its unfulfilled subscription liability. The balance at December 31, 2016 was \$1,943,500 while the actual subscription liability as of that date was \$1,830,697, meaning that the liability is overfunded by \$112,803. In March 2016, A.A. Grapevine, Inc. made a transfer of \$260,000 into the Reserve Fund. Since 2014 A.A. Grapevine, Inc. has consistently made transfers of excess working capital to the Reserve Fund. The A.A. Grapevine Board continues to be deeply grateful to the Fellowship and staff for these tremendous achievements.

Website – The website is regularly updated to better serve the Fellowship and to engage a wider and more diverse audience; it is central to Grapevine’s current and future plans. Month end December 2016 reports indicate that an average of 41,917 unique visitors go to an average of 3.17 pages on aagrapevine.org each month. The Grow Your Grapevine (GYG) outreach effort encouraged the Fellowship to learn more about Grapevine and to inform Grapevine about members’ favorite activities related to the magazine from March 2016 - February 2017. The area with the greatest number of submissions to GYG will be featured in a special section in Grapevine magazine during 2017.

A web page dedicated to La Vina’s 20th anniversary was also developed and resulted in 800 subscriptions.

The audio page on aagrapevine.org showcases the Audio Project, featuring instructions for recording up to seven-minute-long stories submitted by members, with two member’s audio stories offered online as samples. Over 400 audio stories have been received for Grapevine and are being archived, with 70-plus more for La Viña.

Grapevine continues to produce a complimentary Grapevine Daily Quote online, featuring excerpts drawn from the archives of classic Grapevine literature. Selections are posted daily on aagrapevine.org and may be requested on an opt-in basis for daily email delivery. Subscriptions number 41,767 as of February 2017.

Grapevine and La Viña subscribers are committed to the print magazine as an invaluable Twelfth Step tool as well as for their own personal recovery. At the same time, Grapevine’s online offerings continue to attract new subscribers with few conversions from print. AAgrapevine.org has become the organization’s principal connection with the majority of subscribers. Approximately 29% of Grapevine’s online subscribers opt for both print and online magazines. The Grapevine Online subscription provides unlimited access to previously unpublished stories, Audio Grapevine, the Story Archive and the current online issues of both Grapevine and La Viña.

At current prices, Grapevine’s basic online subscription costs subscribers about ten cents a day, and the print subscription is eight cents per day. The efforts of the Grapevine board and management team continue to broaden awareness of the magazines, books, audio offerings and website to carry the message through an expanded subscriber base. The new Grapevine subscription app, the GYG outreach effort and limited Fellowship New Vision (FNV) list-sharing efforts with A.A.W.S. have contributed to the growth of subscriptions. The Grapevine board is seeking to expand these efforts, including seeking new connections through opt-in features to hear from Grapevine or La Viña with local, state and regional roundup, convention or conference registrations. Organization-wide support is essential to the continued health of A.A. Grapevine, Inc. and has been the subject of many discussions with both the General Service Board and A.A.W.S., Inc.

The A.A. Grapevine Board and management team are committed to self-support, and A.A. Grapevine, Inc.'s continued financial vitality, with member support, while growing and evolving. The board's focus on financial health as demonstrated throughout 2016 will continue in 2017. It is understood that cost reduction represents only one piece of the break-even formula, while new approaches to additional revenue are equally important.

During 2017, the Grapevine Board will introduce or continue:

- The "4 Seasons of Service with Grapevine & La Viña" outreach effort in March 2017.
- Working with A.A.W.S. to identify efficiencies.
- Updating the website and store.
- Exploring incorporating the audio magazine into the Grapevine subscription app.
- Working to establish opt-in selections on local roundup, convention and conference registration forms for those who wish to receive GV/LV email messages.
- Providing a rewarding and supportive work environment for staff, including training and development in line with stated objectives.

As a mirror of the membership, Grapevine both reflects and belongs to the Fellowship. For more than seven decades, Grapevine has conveyed the "Voices of A.A." as a tool for many in recovery, evolving over time and reliably carrying the message to anyone who reaches out for the hand of A.A.

Should the Fellowship desire that Grapevine and La Viña continue into the future — for alcoholics and friends, many of whom may not know about A.A. yet — additional subscribers will be required. Fellowship-wide support for A.A. Grapevine, Inc. is integral to this effort, to our history and to our future.

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