



QUARTERLY REPORT FROM G.S.O.

ACTIVITIES OF THE GENERAL SERVICE BOARD INCLUDING A.A. WORLD SERVICES, INC., A.A. GRAPEVINE, INC.

This is a confidential bulletin, for use only within A.A.

February 2010

General Service Board Meeting

The General Service Board of Alcoholics Anonymous, Inc., held its quarterly meeting at the Hilton Rye Town Hotel in Rye Brook, N.Y. on Monday, February 1, 2010. Chairman Ward Ewing presided and opened the meeting with a moment of silence and the Serenity Prayer. All committees met during the weekend. Highlights of committee reports appear below.

Archives

The committee approved the new "Archives Deaccession Policy" and "Deaccession Form", reviewed and approved a proposed change to the section "What to Collect?" in the Archives Workbook and requested that the revised text be included in the next printing of the Archives Workbook.

The committee discussed the Archivist's proposed 2010 goals and progress report of the 2009 goals with appreciation. It was suggested that committee members communicate with other trustees and delegates to encourage members to use the Archives portal on G.S.O.'s A.A. Web site as a valuable resource.

Conference

Committee members reviewed and approved the updated schedule for the 60th General Service Conference week and the list of items submitted to the Conference assignment for possible placement on 2010 General Service Conference agendas. The theme for the 60th General Service Conference is "Practicing A.A.'s Principles – the Pathway to Unity". The final agendas and background material for all committees will be mailed by February 15th in CD and/or hard copy format to Conference members as requested.

Cooperation with the Professional Community/Treatment Facilities/ Special Needs –Accessibilities

The committee reviewed and accepted with appreciation the report from the subcommittee regarding the process of evaluating C.P.C. exhibits, and the 2010 exhibit schedule. The subcommittee report included a revised Exhibit Evaluation form.

Treatment Facilities/ Special Needs –Accessibilities

The committee agreed to forward to the 2010 Conference Committee on Treatment Facilities/Special Needs/Accessibilities the progress report regarding the proposed Special Needs recovery pamphlet. This progress report will include an outline of the proposed pamphlet and the news that nearly 40 story submissions were submitted for consideration. The chair appointed a subcommittee to begin the process of reviewing the anonymity-protected stories for inclusion in the pamphlet.

The committee discussed an area request "that approval of the revised video *Hope: Alcoholics Anonymous* be rescinded and that all DVDs still in stock at the A.A.W.S. Publishing Department be destroyed" and took no action. The Public Information trustee and Conference Committees will be considering development of a policy that may influence future decisions regarding the use of full faces in A.A. Conference-Approved videos.

Corrections

The committee accepted and agreed to forward to the 2010 Conference Committee on Corrections a progress report on revision of the pamphlet "It Sure Beats Sitting in a Cell" and a report on the signing of 'sponsorship agreements' and legally binding documents.

Finance

Net sales of \$13,490,700 were \$67,300 (.5%) less than budgeted, but 1,060,800 (8.5%) greater than the year 2008. The primary reason for the large increase in dollar sales over the prior year was the literature price increase effective July 1, 2009. Gross profit from literature of \$8,244,400 is 61.1% compared with 55.9% for the year 2008. Contributions for the year of \$6,296,700 were \$203,300 (3%) less than budgeted and \$166,000 or 2.6% less than last year as well.

Total revenue (gross profit from literature plus contributions) was \$14,542,300, \$308,300 or 2% greater than budgeted and \$1,125,400 or 8% greater than 2008. Total expenses for the period of \$13,253,600 were approximately \$79,100 (1%) less than budgeted and \$438,600 (3%) less than 2008 as well. Net profit for the year 2009 was \$1,288,600. The net profit is approximately \$387,500 more than the adjusted budget and approximately \$1,564,000 more than 2008.

The 2010 G.S.O. budget was presented as forwarded from the A.A. World Services Board. The 2010 budget projects net sales of \$13,950,000, approximately \$500,000 greater than 2009. After subtracting manufacturing costs, royalties and shipping expense, gross profit is budgeted at \$8,452,900 or 60.6% compared with \$8,244,400, or 61.1%, for 2009. Contributions are budgeted at \$6,350,000, approximately 1% higher than 2009. Total budgeted expenses for 2010 of \$13,760,900 are approximately \$500,000, or 3.8% higher than 2009. After deducting \$13,760,900 of operating expenses from the anticipated revenue of \$14,803,900, the result is a profit of \$1,042,955 for 2010.

The committee reviewed a request to make changes to the Pamphlet F-3 "Self-Support: Where Money and Spiritually Mix" and forwarded it to the Conference Committee on Finance for consideration.

The committee reviewed the Grapevine financial results for the year 2009. Average paid circulation of the Grapevine was 102,281. This compares with a budgeted average circulation of 100,000 and the 2008 average of 104,993. Gross profit on the magazine of \$1,247,170 was approximately \$175,000 greater than budget but it was \$2,000 less than the previous year. Gross profit on other publishing items of \$537,440 was approximately \$96,500 less than budgeted. It was however, \$46,000 greater than 2008. Total costs and expenses of the magazine for the year were \$1,959,500, approximately \$20,200 greater than budgeted and \$14,400 more than 2008. After adding interest earned there was a net loss in 2009 of \$129,000 compared with a net loss of \$138,500 in 2008 and a budgeted loss of \$167,360 for 2009.

The 2010 Grapevine budget was presented and is based on an anticipated average paid circulation of 92,000 copies. Total magazine income is expected to be \$2,340,200, an increase of \$213,000 from 2009. Total direct costs are expected to be \$933,000, an increase of \$53,000 from 2009. Gross profit on the magazine for the year 2010 is estimated at \$1,407,300, an increase of \$160,000 from 2009. Gross profit on other magazine related items of \$616,000 is anticipated, \$79,000 higher than 2009. Budgeted costs and expenses of \$2,315,251 for 2010 compare with \$1,959,500 for 2009, an increase of \$355,800. After anticipated interest earnings of \$45,900, a loss of \$245,741 is anticipated for 2010.

A report was presented on results of the La Viña Magazine, for the year ended December 31, 2009. For the year, income from magazine sales was \$96,659 compared with a budget of \$95,513. The average of paid subscriptions for La Viña was 9,663 versus 10,000 budgeted and 10,400 for 2008. Gross profit on the magazine was \$29,490 compared with \$20,915 budgeted. Other publishing income added \$20,915 to the revenue stream. After deducting the costs and expenses for the La Viña Magazine of \$104,878, a net loss from operations of \$54,472 was realized. This compares with a budgeted loss of \$95,776 for 2009 and an actual loss of \$76,260 for 2008.

The 2010 budget for La Viña was presented. Gross profit on the magazine is forecast to be \$23,101 or \$6,400 less than 2009. La Viña anticipates a gross profit on related items of \$24,796. After deducting costs and expenses of \$126,861 the 2010 La Viña budget reflects a loss from operations of \$78,964, compared to the 2009 loss of \$54,472.

The Reserve Fund, as of December 31, 2009, had a balance of \$11,923,908 for the purpose of computing the number of months of operating expenses. The fund represents approximately 9 months of operating expenses. After deducting the amounts required for pension expense the Reserve Fund balance stands at \$5,211,522.

General Sharing Session

The 2010 Winter Quarterly General Sharing Session was held on Saturday, January 30, 2010 at the Hilton Rye Town Hotel in Rye Brook, N.Y. The topics for the sharing session were: "Selection Process of General Service Conference Agenda Items" - "What role would a General Service Conference committee have in selecting final General Service Conference agenda items?" - "Is our present practice of selecting final General Service Conference agenda items working?" Southwestern Regional trustee Conley Byrd chaired on the topic of "Selection of the General Service Conference Final Agenda Items."

The first presentation was given by George Martin, general service trustee and A.A.W.S. director, who spoke to the question: "What role would a General Service Conference committee have in selecting final General Service Conference agenda items?" George noted that until 1973 the Conference Committee on Agenda/Admissions and the trustees General Policy Committee consulted on items submitted as possible Conference agenda items. He referred to the Concepts related to "ultimate authority" and the "right of decision" and the relation of the Conference to the General Service Board in creating a Conference agenda and posed the question, "Should we go back to the pre-1973 system?" George noted that "our modern technology suggests that a return to pre-Conference communication with Conference Committees is not only feasible, but potentially much more productive than it was forty years ago." The challenge, he asserted, was in the lack of time to thoughtfully consider possible agenda items prior to the Conference. Rather than having January 15th as a deadline for agenda items to be submitted, he suggested August 15th as a deadline that would give all parties a chance to ponder and consult thoughtfully on each item and to prioritize, shape and formulate an effective agenda. It would also allow each Conference committee to have the time during its Conference meeting to begin shaping agenda items for the next year's Conference.

General service trustee and Grapevine corporate board director Don Miller gave the second presentation entitled, "Is our present practice of selecting final General Service Conference agenda items working?" He posed the question in other words, "Does our present practice of selecting final General Service Conference agenda items reflect the best that we can do?"

He suggested the following criteria for effective final agendas for the General Service Conference: The agenda should contain items affecting policies of the General Service Structure that have an effect on AA as a whole and that require widespread debate and decision-making; not contain items which have been agreed upon by tradition or other method(s) that do not affect the General Service Structure of AA as a whole; be constructed and decided in a manner to allow for a timely collection, distribution and discussion of background material throughout the entire Fellowship; honor the limited amount of time available for the annual week-long conference meeting.

Don suggested that the process we use should perhaps do more than just create a useful final Conference agenda. It should: enhance trust between the AA Groups and the General Service Conference; enhance trust among the actively participating members of the General Service Conference; act as a form of institutional memory.

He encouraged everyone to start with building and enhancing trust. He noted that one of the most effective ways to build trust is "...to make sure that we use a 'fair process' for decision making." He concluded that the current process for choosing agenda items works "...and can, of course, always be improved."

International

The committee agreed to forward to G.S.O.'s Intra-office Web site Committee (I.O.W.C) a suggestion that the newsletter *A.A. Around the World* be made available on G.S.O.'s A.A. Web site in an International Assignment folder (bucket) and that hard copy be available upon request. In addition, the committee suggested that future editions of *A.A. Around the World* contain a brief announcement stating that the newsletter is available on G.S.O.'s A.A. Web site.

Following a report on the status of A.A. in Haiti in the aftermath of the January 2010 earthquake, the committee had a lengthy discussion and concluded that the General Service Board and the Fellowship at-large continue to stand ready and willing to meet the A.A. needs in Haiti as they become more evident.

International Conventions/Regional Forums

Approximately 31,000 people have registered for the International Convention so far. We are preparing to be able to welcome all of those who register. Hotel and dorm rooms will continue to be available through the Convention Housing Bureau, and all rooms booked through the Bureau will be served by the shuttle service.

The committee reviewed and agreed to forward to the 2010 Conference Committee on International Conventions/Regional Forums its "Report on the Inventory of the International Convention Site Selection Process".

Literature

The committee recommended to the General Service Board that the revised draft of the pamphlet "The A.A. Member –

Medications & Other Drugs" be forwarded to the members of the 2010 Conference Committee on Literature for their consideration. The committee also recommended to the General Service Board that the revised draft of the pamphlet "Questions and Answers on Sponsorship" be forwarded to the members of the 2010 Conference Committee on Literature for their consideration.

The committee agreed to forward to the Conference Committee on Literature for consideration a request to review the booklet, *Living Sober*; a request to define editorial responsibilities of G.S.O.'s Publications Department; a request to revise and update the video "Your General Service Office, the Grapevine and the General Service Structure"; and a request to develop a book about the early pioneer women in A.A.

The committee agreed to forward to the Conference Committee on Finance for their consideration a request to add Seventh Tradition stories to the pamphlet, "Self-Support: Where Money and Spirituality Mix".

Nominating

The two applicants selected as Class A trustees nominees were notified that their names will go before the General Service Conference this April. The four other candidates who joined us in January for interviews were also informed and thanked for their participation. A letter of appreciation was sent to all 31 Class A candidates that participated in the recent search. Regional trustee candidates were sent information regarding the voting process at this year's General Service Conference. Highlights of the Nominating Committees January meeting were sent to the Conference Committee on trustees.

Public Information

The committee addressed many aspects of the issue of anonymity: the spiritual principle, anonymity on the personal level, and in past advisory actions. Of concern was the proliferation of anonymity breaks on social networking sites and at events ranging from A.A. meetings to conferences and conventions. The committee recognized that there are opportunities through sponsorship, Tradition workshops and Forums to help the Fellowship become more informed about our tradition of anonymity, and anticipates that the 2010 International Convention will provide many occasions for communications from the International Convention coordinator on this topic.

The committee also viewed and agreed to forward to members of the 2010 Conference Committee on Public Information the video with the working title "Animation." If approved at Conference, "Animation" would become part of the A.A. Videos for Young People Project. The trustees also sent on to the General Service Conference a proposed 2010 A.A. TV P.S.A., "My World," which deals with alcoholism afflicting older persons, Native Americans, and alcoholics with special needs.

A.A. World Services

Since its October 2009 meeting, through January 2010, the A.A. World Services Corporate Board met twice, December 11, 2009, and January 28, 2010. During this same period, the A.A.W.S. Finance, Publishing, and Services Committees each met twice. The A.A.W.S. Nominating Committee met once.

Finance

For details on Finance see the report of the Finance Committee on page 2.

Services

Regional Forums: The East Central Regional Forum was held in Kalamazoo, Michigan, November 13–15, 2009.

Visitors to Office: During the year 2009, the General Service Office (G.S.O.) was pleased to welcome 1,513 visitors.

G.S.O.'s A.A. Website – The A.A.W.S. board took action on the following items related to G.S.O.'s A.A. Website, as recommended by the A.A.W.S. Services Committee: a] That the committee be supplied, annually at its January meeting, with an activity report on G.S.O.'s A.A. Website that details the number of hits, month by month, for the prior year, along with a daily average; b] that the "Quarterly Report (October–December 2009) Summary of G.S.O.'s A.A. Website Activities" and the "Annual Report: 2009 Summary of G.S.O.'s A.A. Website Activities" be approved and forwarded to the trustees Committee on Public Informational.

The board viewed with appreciation a presentation by Michelle Mirza, archivist, on the G.S.O. A.A. Website's Digital Archives Exhibits.

International Convention – 2010 – As of late January, registration for the International Convention in San Antonio, Texas, stood at 31,000.

Publications

Books – Unit Distribution – Total distribution of all books for the 12 months ending December 31, 2009 was 2,212,348 units, up 5% from the same period in 2008. For the year ending December 2009, total A.A. purchases amounted to 1,695,186 units while non-A.A.s accounted for 517,162 units, or 30.6%. This percentage is much higher than normal, owing to a large order received from Hazelden prior to the July 1, 2009 price increase. Andrea Brennan, order entry manager, estimates that the Hazelden order represented two to three years' inventory for them. In 2008, non-A.A. purchases represented 20% of total units distributed.

Big Book Sales (All Editions) – Through the 12 months ending December 31, 2009, 1,224,346 units were distributed, compared to 1,111,906 units for the year ending December 31, 2008. The 1,224,346 units represents 55.5% of 2009 all books distribution.

Gross Sales – December 2009 gross sales were budgeted at \$996,630. Actual sales, unaudited, came in at \$942,900,

which is \$53,730 or 5.4% under budget. In December 2008, gross sales amounted to \$918,185. Budgeted gross sales for 2009 was \$13,900,000. Actual 2009 gross sales, unaudited amounted to \$13,751,111 or 1.08% under budget.

Operations – We processed 1,829 pay orders and 539 complimentary orders in December 2009. There were 190 online large-purchaser orders in December 2009.

Production – An attractive flyer with an order form and information about new products and formats was mailed November 25, 2009 in the Holiday Issue of *Box 4-5-9*. The flyer and the highly-anticipated "Young People's Video" DVD, with an explanation of revised credits in one segment of the video, were mailed to all Conference members on December 7.

Reprint Requests – Since its October 2009 meeting, A.A.W.S. has granted permission/did not object to 30 requests to reprint from A.A. literature, and denied permission (including lack of authority to grant permission) to 15 requests.

Pricing for "A.A. in Correctional Facilities" compilation DVD (English, French, Spanish) – The A.A.W.S. Board approved the Publishing Committee's recommendation that the "A.A. in Correctional Facilities" compilation DVD (English, French and Spanish) be priced at \$10.00.

Revised text for inclusion in "A.A.W.S." section of Service Manual – The A.A.W.S. Board approved the changes and updates to the "A.A.W.S." section of *The A.A. Service Manual* forwarded by the Publishing Committee. Per the 2009 Conference Action, the board agreed to forward the revised text of the A.A.W.S. section of the Service Manual to the Conference Report and Charter Committee with a transmittal note from the board chair, John Kane.

Publications Department summary of A.A.W.S. materials not available in all three languages, English, French and Spanish: The committee reviewed a Publications Department summary of A.A.W.S. materials in English, French and Spanish with appreciation and requested that the list be revisited in conjunction with the list of priority projects that will be submitted by the Publications Department.

Other Subjects

Contributions on Line – The G.S.O. is on schedule with our Website Contributions online project and a demonstration is planned during the upcoming General Service Board weekend.

A.A. Directories – The G.S.O. Records Department has begun the process of coordinating with area registrars to update all records with the intention of printing regional directories in 2010.

Board Action — The board approved the execution by the corporation of the Second Amendment to the Retirement Plan (needed to comply with recent changes in the pension law), and the Third Amendment to the Retirement Plan (to implement a benefit increase for certain currently retired employees in an amount previously approved by the board), in the form presented to the Board, with such necessary or desirable changes as may be approved by the general manager in consultation with counsel and the plan's actuaries.

A.A. Grapevine, Inc.

The A.A. Grapevine Board met as a Planning Committee on December 4 and 5, 2009. The board met on December 15, 2009, via teleconference; and on January 28, 2010, for its quarterly board meeting.

A.A. Grapevine, Inc., faced a number of challenges this quarter: the repercussion of subscription price increases; the accelerating change in magazine and digital publishing; lower than expected sales of books, CDs and other items; and a full publishing schedule. At the same time, A.A.G.V. received more stories and art from members, and realized increased income per subscription.

While Grapevine circulation fell to 97,900 in December, average monthly circulation for the year of 102,281 was higher than budgeted. Income from the magazine offset lower than expected income from books, CDs and other items, and A.A. Grapevine finished the year ahead of budget.

La Viña circulation fell to 9,100 in December 2009, and average bimonthly circulation and the sale of other items for the year were lower than anticipated. However, the sale of back issues was higher than expected, direct costs and overhead expenses were under budget, and La Viña finished the year ahead of budget as well.

Year to date, A.A. Grapevine, Inc., distributed 1,273,922 copies of the Grapevine (current and back issues); 69,928 copies of La Viña (current and back issues); 77,095 books; 10,748 CDs; and 31,641 other items.

Financial Report: For details on finance see the G.S.B. treasurer's report on page 2.

At the Planning Committee meeting, December 4-5, the directors reviewed the budgeting process, discussed the 2010 budget and plan, and heard a report from the auditor on his analysis of Grapevine's working capital needs.

Ad Hoc A.A.G.V. Board Finance and Budget Committee developed two plans and two 2010 budgets for A.A. Grapevine, Inc., and forwarded them to the full Board for discussion.

Ad Hoc A.A.G.V. Board Committee on the History of Advisory Actions presented a draft of the committee's report on the history of Advisory Actions and on Grapevine's decision-making prepared at the request of the 2009 G.S.C. committee on the Grapevine.

The Ad Hoc A.A.G.V. Board Committee on the General Service Manual has reviewed suggested revisions to the chapters on A.A. Grapevine in the Service Manual, noted the rationale for each, and recommended forwarding the revisions to the 2010 G.S.C. Committee on Report and Charter.

The Ad Hoc A.A.G.V. Board Committee on the 2010 International Convention discussed what visitors might learn about AA at the convention, suggested having a monitor at the Grapevine booth and holding a Digital Archive workshop, and discussed reporting on the Convention in the magazines and on the web.

The Ad Hoc A.A.G.V. Board Committee on the A.A.G.V. Directors' Handbook recommended reorganizing the handbook and making other improvements to make the handbook easier to use.

The A.A. Grapevine Editorial Advisory Board met once this quarter reviewed the Composition and Scope of the Editorial Advisory Board. Two members, Loretta B. and Patricia H., rotated off the Board and a new member, Brian B., was selected to join the board at its March meeting. The La Viña Editorial Advisory Board met once to discuss the need for more stories from Spanish-speaking members and ideas for improving the look of the magazine.

Controller's Report: Investment in the Reserve Fund of \$1,716,400 is 92% of our Grapevine's prepaid subscriptions, which is short of the 95-97% funding range that we maintain by approximately \$56,000. At the Board's request, auditor Kevin Sunkel calculated the level of cash needed for working capital for A.A. Grapevine. As of December 31, 2009, he said the level of working capital needed was \$375,000. The current cash balance was \$237,000. He explained that it is not possible to determine exactly how much working capital would be depleted if a deficit budget of \$246,000 was adopted, but that such a loss would deplete working capital and would most likely require equivalent funding (\$246,000) from the Reserve Fund to sustain operations.

Grapevine Editorial Report: Recent issues of the Grapevine focused on "Women in A.A." (November 2009), "What Gives You Hope" (December 2009) and "The Moment of Truth" (January 2010). The February 2010 issue celebrates "YPAA Everywhere" and March 2010 focuses on "Financial Insecurity." The Grapevine published the GVR Handbook and started production on the *Home Group* audiobook, in English and Spanish, and on the special convention issue.

www.aagrapevine.org: Staff is in the final stages of selecting a vendor for the Content Management System and is preparing to begin the relaunch project very soon. A web editor is scheduled to join the staff in February.

La Viña Report: The November/December 2009 issue featured "Staying Sober During the Holidays," the January/February 2010 issue focused on "Sponsorship," and the March/April 2010 issue will feature "Solitary A.A.s." The freelance editor is scheduled to join staff February 2010, as is an assistant editor.

Circulation and Development: Circulation activities this quarter featured the gift-subscription program (2 subscriptions for \$40) in inserts cards, gatefolds, the web and GvR correspondence; a review of the fulfillment house; and monitoring the conversion of our fulfillment services to a new software system. RLV and GvR Handbooks were mailed to 4000 representatives and a system for backing up the master file of subscribers and saving it in house was put into place.

Board Actions: During its December 15, 2009, teleconference, the Board approved the second and third amendments to the A.A.W.S. and A.A. Grapevine Retirement Plan.

At its quarterly meeting on January 28, 2010, the Board forwarded: the 2010 Grapevine budget to the trustees Finance and Budgetary Committee; the 2010 La Viña budget to the trustees Finance and Budgetary Committee; a request to the trustees Finance and Budgetary Committee that A.A. Grapevine, Inc.'s working capital be increased to \$375,000, per the auditor's calculation; a request to the trustees Finance and Budgetary Committee that \$138,000 be transferred from the Reserve Fund to A.A. Grapevine, Inc., and that the \$50,000 advance from the Reserve Fund that A.A. Grapevine received in October 2009 be made permanent, to restore A.A. Grapevine's working capital to the level recommended by the auditor.

The board also: agreed to notify the trustees Finance and Budgetary Committee that A.A. Grapevine will probably

require withdrawals of up to \$246,000, if the 2010 deficit budget is approved; approved making short-term (7-month) Grapevine subscriptions available at \$17.00 per subscription; forwarded a request for a Digital Archive workshop at the 2010 International Convention to the trustees Committee on International Conventions/Regional Forums; agreed to forward revisions to the chapters on A.A.; Grapevine in the Service Manual to the 2010 G.S.C. Committee on Report and Charter; agreed to forward to the 2010 G.S.C. Committee on the Grapevine for their consideration a report on the History of Grapevine Committee Advisory Actions; and agreed to forward to the 2010 G.S.C. Committee on the Grapevine for its consideration a request that La Viña be published in color, with a 'perfect binding' or a sewn binding so that it may be taken into correctional facilities; and more stories be included in each edition."

FINANCIAL DATA: For the twelve months ended 12/31/09 (All figures pending final C.P.A. audit)

G.S.O.

Contributions from A.A. groups and members	\$ 6,500,000
Sales less cost of production, royalties and shipping	7,729,900
Interest Income	4,000
Total Income	14,233,900
Total G.S.O. expenses:	13,398,788
Net Operating Income (Loss)	835,112

	2009 Budget	2009 Actual	2008 Actual
Contributions from A.A. groups and members	\$ 6,500,000	\$ 6,296,710	\$ 6,462,760
Sales less cost of production, royalties and shipping	7,729,900	8,244,374	6,948,350
Interest Income	4,000	1,187	5,758
Total Income	14,233,900	14,542,271	13,416,868
Total G.S.O. expenses:	13,398,788	13,253,623	13,692,233
Net Operating Income (Loss)	835,112	1,288,648	(275,365)

A.A. GRAPEVINE, INC.

Sales less cost of products	\$ 1,705,726	\$ 1,784,611	\$ 1,740,417
— Reserve Fund	66,200	45,900	66,200
Total Income	1,771,926	1,830,511	1,806,617
Expenses	1,939,286	1,959,468	1,945,073
Income (loss) from operations	(167,360)	(128,957)	(138,456)
LA VIÑA magazine	(95,776)	(54,472)	(76,264)
Net Income (Loss)	(263,136)	(183,429)	(214,720)

SALARIES — 2009

G.S.O. seeks to follow Concept XI, which states, "We believe that each paid executive, staff member or consultant should be recompensed in reasonable relation to the value of his or her similar services or abilities in the commercial world." Shown below are approximate range of salaries actually paid to G.S.O. employees during 2009.

	Number of employees	Approximate ranges of actual G.S.O. salaries
Administrative, A.A. Staff, Supervisory, and Exempt Professionals	31	\$50,150 to \$200,000
Supporting personnel	47	\$31,100 to \$ 66,700

For comments or questions write to: Staff Coordinator, Box 459, Grand Central Station, New York, NY 10163