



The material that follows is part of the Conference Approval Track (CAT). As we mention in the introduction to this document, the *CAR* and the CAT are being distributed in one electronic file for the first time because of the extraordinary nature of the 2022 WSC meeting.

GWSNA* p. 19 on the *CAR

The *Conference Agenda Report* is distributed a minimum of one hundred and fifty (150) days prior to the opening day of the conference, with translated versions released a minimum of one hundred and twenty (120) days prior. The amount of material translated can vary, but minimally the front portion of the *CAR* (which contains the reports, proposals, and motions before the conference) is translated into as many languages as possible. The report contains the proposals and motions that the Fellowship is being asked to consider and form a fellowshipwide group conscience on.

***GWSNA* p. 20 on the CAT**

The Conference Approval Track contains a variety of material to be considered at the upcoming World Service Conference that was not included in the *Conference Agenda Report*. This approval track was created as the result of years of input from members and groups regarding the types of issues they were being asked to review in the *CAR*. Having a separate approval track from the *CAR* allows for materials intended for committees and boards, such as handbooks or service manuals, to be distributed directly to conference participants 90 days before the WSC, allowing time for delegates to workshop it in a manner that fits within their local community. Each local community can determine for itself how the material will be reviewed and how to direct their delegate. As the original idea that created the CAT states, "This frees up our members and groups to devote their attention to holding meetings and carrying the message of recovery, without having to ratify every decision made on their behalf at every level of service."

Understanding the Proposed Budget for 2022–2023

Where We Are

There is certainly very little that is normal about the current state of the world, NA World Services, or the WSC. This is the first one-year budget that we have created in over twenty years. The last WSC-approved budget was the Emergency Budget that was adopted at the virtual WSC 2020 for the 2021 and 2022 fiscal years. In that Emergency Budget, only the first year (fiscal year 2021), was budgeted at emergency reductions in income and expense. That emergency budget was drafted only weeks into the global shutdown, and we had no way of knowing at that time that the circumstances it reflected would still be with us now. This budget is offered only to see us through to WSC 2023.

The COVID-19 global pandemic affected NA World Services and our budget in ways that most trusted servants and members never imagined. Our projected revenue decreased almost 90% as soon as the pandemic hit, and we needed to cut expenses drastically and immediately to keep our doors open and continue providing the most essential services for members and groups to carry our message of recovery. We acted to ensure that NA World Services remains a consistent and stable resource for both the Fellowship today and into the future.

Recovering addicts know that almost every crisis creates an opportunity, and one of the opportunities from the pandemic was further recognition that NA World Services must stop relying on the excess revenue from literature sales to fund its services. Our Seventh Tradition is clear that NA declines all outside contributions, which means that the only way we can give ourselves the financial and human resources we need to carry our message is if we provide them ourselves. Only NA members can contribute to NA, so the only way to mature as a Fellowship in our practice of self-support is to create a culture that recognizes the importance of doing that.

While this budget necessarily reflects our over-reliance on funding our services from the excess revenue from literature sales, it also demonstrates that Fellowship contributions have increased from 10% of our budget prior to the pandemic to 24% as of June 2021. By comparison, Alcoholics Anonymous has received more than 70% of their budget from their Fellowship's contributions for years, and we have established a similar goal for Narcotics Anonymous. Funding our services with Fellowship contributions seems more consistent with the philosophy of self-support than our historical reliance on the sale of literature, moreover it is a more sustainable and reliable approach for funding the services that the Fellowship expects and desires from NA World Services.

The proposed budget for 2022–2023 projects that almost 25% of NA World Services' operating income will come from Fellowship contributions. The amount listed in the budget is 12% more than was contributed in the 2021 fiscal year. We understand and appreciate that many members and service bodies responded to the initial financial crisis and tried to help. That initial motivation seems to be evolving into a growing sense of responsibility for NA World Services and the services that have been assigned to it. A 12% increase in Fellowship contributions may be optimistic, rather than our usual approach to conservative budgeting, but we hope that the spirit of responsibility and the evolution to a culture of member support for services will continue and grow. If we all would do what IP #28 suggests, all NA service entities would have the financial resources they need to fulfill our primary purpose.



We have reported contributions as a percentage of our operating income for many years, and those numbers appear in our annual reports: www.na.org/ar. The goal established by the World Board is a bit different. That goal states that 70% of NA World Services' expenses for services (defined as World Service Conference and Fellowship Development in the budget) will come from contributions. For 2022–2023, that 70% would be \$2,281,077, or only \$342,340 more than we have projected for contributions. NA World Services is committed to doing everything it can to make this happen, but it is only possible if the Fellowship embraces this commitment.

While it is inspiring that we are so close to meeting the board's goal, it's important to call attention to the reduction in the proportion of our budget that is expenses for services. Typically, expenses for services is roughly two thirds of our budget. For the 2022–2023 fiscal year, however, it is only about half of our budget because the majority of our reduced staff resources have had to be allocated to accounting and literature production, translation, and distribution. We are optimistic that together we can continue to build back from the pandemic in the year ahead.

NA World Services has used weekly financial indicators for the board to allow for real time financial management since the shutdown in March of 2020. The Executive Committee of the World Board has met at least every two weeks, and the full World Board at least once a month. There has been an extraordinary amount of focus on the finances of World Services to reduce expenses where possible, while still meeting our current financial and legal obligations. As most members know by now, the initial response was to furlough and otherwise reduce over half of the staff because it was one of the few expenses we could immediately affect. We have additionally reduced expenses in a variety of ways: undertaking no routine travel at all since March of 2020 with no plans to change that for the immediate future, eliminating several periodicals and their translation and distribution, and moving to digital rather than paper formats where possible.

This period has been one of sane and purposeful crisis management, focused on the survivability of the office and its branches. Our hope for the upcoming year, leading up to WSC 2023, is to take a step back and evaluate the possibilities for a new normal for the Fellowship's primary service center and its branches. The ever-changing landscape, our reduction in staff levels, and the ongoing activity we have been involved in has not provided that time—yet.

Even with all that we couldn't do with strained and reduced resources, what we have been able to accomplish is impressive. We purposefully prioritized posting all available informational pamphlets (IPs) and recovery booklets in every language we publish on our website in response to the needs for our message to be accessible. We now have more NA Basic Texts in audio on our website, as well as ASL recovery material. We published well over 150 new items of translated NA literature, and we helped to make NA literature available to an increasing number of incarcerated addicts through inmate tablets so they would have access to our message during this critical time. The remaining staff have done a remarkable job in stepping up to meet this challenge head on.

It is important to note that NAWS could be thought of as actually three companies rolled into one. We are a literature publisher and distributor, a general service company, and an event management company all operating at the same time. While a budget serves as an important administrative tool, it's also a plan of action, a reflection of our priorities, and a tool for coping with adverse situations, known and unknown. The NA World Services budget reflects the Fellowship's collective decision to use proceeds



from literature sales to fund NA services worldwide. It has made it possible to offer literature at reasonable prices while investing any excesses back into the vital work of translations, public relations, support for existing NA groups and members, and Fellowship development, to name a few of the core services NAWS provides and supports. Our past conservative fiscal approach has allowed us to survive this unique period through a combination of financial reserves, loans made available by the US Small Business Administration (known as the SBA), and most amazingly, through the increased generous contributions of our members.

Introduction to the Budget

This introduction explains some of NAWS' basic budgeting terminology and practices. If this is your first experience looking at a NAWS budget proposal, you may find it helpful to read this introduction more than once.

To explain the proposed budget, it may be helpful to understand some key principles of accounting in the nonprofit sector. As you probably know, a budget forecasts the income and expenditures for a specific time period. In this case, you'll be looking at the funds we anticipate receiving and spending over the course of the next fiscal year: fiscal year (FY) 2023, which runs from 1 July 2022 through 30 June 2023. The budget covers the activities for all of World Services' branches and literature distribution centers including Chatsworth, Europe, Iran, Canada, and India.

In the draft budget proposal for 2022–2023, you will see fiscal years' 2020 and 2021 actual income and expense in the first two columns. The income and expenses for 2020 are detailed in the Annual Report. As a reminder, these figures show a past reality including the global shutdown that occurred in March 2020. At the time of this writing, we do not have an approved audit completed for 2021 yet, so the 2021 figures are labeled *unaudited*. We do not anticipate any changes in the audited figures significant enough to require a revision of the budget. We expect to have an approved NAWS audit and the 2021 *Annual Report* released to you in 2022.

For fiscal year 2020, you will see excess expense over revenue of \$1,473,925. With the shutdown,

our net literature income came in \$1,934,566 under the projection in the WSC-approved budget. Contributions for that fiscal year were \$104,471 less than the approved budget. Like many other entities in NA, we responded quickly to the change in the world. We furloughed over half of our staff in March 2020, but expenses for the 2020 fiscal year were \$556,944 over budget. This overage was primarily due to expenses in the line items for Legal and Literature P&D Travel and Exchange Expenses, which were the result of several lawsuits we received. You can find many more details about this fiscal year at www.na.org/ar.

2022–2023 Budget Approach

The second column, fiscal year 2021, ending 30 June 2021, is more reflective of our current reality. It shows our actual income and expense from 1 July 2020 through 30 June 2021, our first full fiscal year since the pandemic began. Fiscal year 2021 is the basis of what you will see in the proposed budget with a few exceptions that we will note here.

We have budgeted for literature income to increase 5% from fiscal year 2021 sales. We hope that as more in-person meetings open up, this percentage will increase, but as is typical for us, we are forecasting conservatively. Literature expense will increase by 18%, as increasing costs of goods and supply chain issues continue to impact NA World Services as they have in much of the world. You will also see a contingent entry for A Spiritual Principle a Day book in both income and cost of goods sold expense shown in **purple**. Obviously, this is contingent on the decision made about the approval draft of the book by the interim WSC in 2022.

The 2022–2023 budget also projects a 12% increase in contributions. As we have already said, this may seem optimistic but it reflects our current trends as well as our current needs.

The proposed 2022–2023 budget shows excess revenue over expense for cash items as \$471,885. This is an important factor to consider when viewing a budget. Once you factor in Amortization and Depreciation, which are both non-cash requirements, the projected revenue is \$96,885 and \$51,302 without Iran.

Fixed Costs Across Four Activity Areas

NA World Services’ activities fall into four categories:

- Literature Production and Distribution
- Conference Support
- Fellowship Development
- Events

In preparing our budget, we assign percentages to these categories based on the number of staff devoted to an activity, the approximate number of staff and labor hours to accomplish the projected activity, and the percentage of overhead (building space, equipment, bank charges, etc.) allocated. We forecast our budget for each of these areas based on these percentages and allocate our fixed operational expenses—costs that are ongoing, repeated, or regular—to each category proportionally. The total expenses for accounting, personnel, overhead, and technology are divided by these percentages and attributed to these expense areas in the budget. In projecting the expenses for 2022–2023, we allocated funds in anticipation of planned activ-

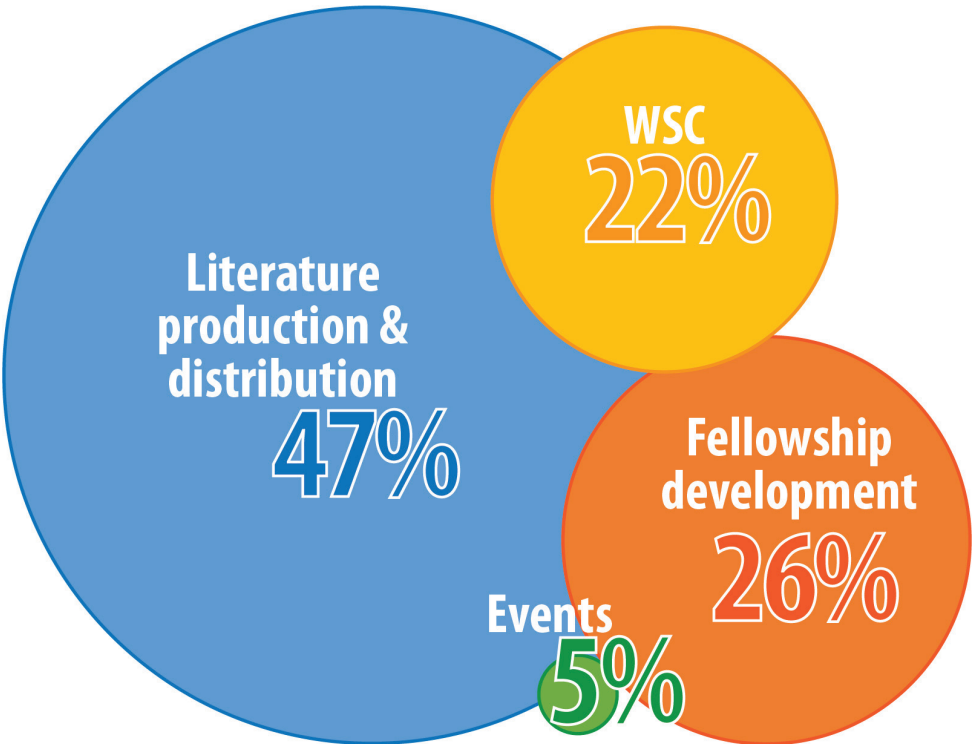
ities and in response to changes in the economic environment. Our allocations have changed more in the pandemic than in any other point in our history. With the reduction in staff, a much greater percentage of our staff and activity are assigned to the category of literature production, which includes inventory, literature production, shipping and distribution, accounting, and translations.

Activity Area	2018–2022	2022–2023
Literature Production & Distribution	38%	47%
Conference Support (WSC)	22%	22%
Fellowship Development (FD)	35%	26%
Events	5%	5%

Budget Narrative Explaining Activity Areas and Adjustments for 2023

Literature Production and Distribution: The proposed budget allocates a record 47% of all NA World Services’ activities to this category. That the largest percentage of our fixed

Percentages assigned to fixed or operational costs



costs goes to literature production and distribution is a reflection of the complexity of supporting our current inventory, with more titles in more languages than ever before, and the work required to get these items published. To ensure the sustainability of NA World Services, under the present circumstances, it was necessary to prioritize the operability of literature production, distribution, translations, and accounting. Currently, the majority of NA World Services staff work in those areas.

World Service Conference Support: WSC Support includes the expenses to hold the in person meeting, the activity and support between conferences to conference participants and WSC elected trusted servants, and all of the expenses associated with the WSC. This includes all expenses for the World Board, Human Resource Panel, WSC Cofacilitators, conference- and board-related publications, and conference-related projects. We've projected the same percentage, 22% of fixed expenses, to be allocated for WSC Support in the 2022–2023 budget. Having a face-to-face conference in this budget year requires this allocation of the remaining staff to support for the WB, HRP, WSC Cofacilitators, and conference participant webinars and communication.

Fellowship Development: Although everything we do is technically Fellowship Development (FD), for the purpose of this budget, FD encompasses all of the other ways NA World Services supports the continuation and growth of NA worldwide. This budget area includes the direct support we're able to extend to individuals, groups, and service bodies, including a portion of what's spent to provide free and subsidized literature. It also includes public relations, publications, travel, and workshop expenses. We've allocated 26% of the 2022–2023 budget for FD. This is the area most impacted by the reduction in staff. The lack of travel, current cessation of the *NA Way* and *Reaching Out*, and other changes have made the reduction in the allocation percentage possible. We still respond by telephone and email, participate in virtual meetings and events, and provide free and subsidized literature upon request.

Events: We are no longer planning a World Convention in Melbourne, Australia for 2022. By the end of the 2022–2023 fiscal year, we will be deep into planning for the next contracted World Convention in Washington, DC in 2024. Because of that, we are keeping the same 5% allocation for 2022–2023.

Operational Costs That We Allocate by These Proportions

Having estimated the proportion of effort (time, space, and resources) required by our four activity areas, we apply these proportions to four expense categories: Accounting, Personnel, Overhead, and Technology. These expenses are needed for the day-to-day operations at NA World Services, and are not easily assigned to a single function. In the budget that follows, you'll find a portion of each of these indirect costs assigned to the four activity areas according to the percentage established for the coming year.

The table below includes the actual operational expenses for 2019 and 2021, to show the level of expense in these areas pre- and post-COVID. It also shows what expenses we could reduce and what we could not. Our reliance on the internet and web-based technologies, our website, and shopping carts do not allow us to reduce the Technology expense significantly. The same is true in Accounting, where much of this expense is for auditors and other financial-related services.

Operational Costs Allocated to Four Activity Areas

Expense Category	2019 Actuals	2021 Actuals	Proposed 2022–2023
Accounting	\$57,710	\$53,307	\$53,307
Personnel	\$4,188,228	\$2,327,327	\$2,909,159
Overhead	\$2,512,621	\$1,178,631*	\$1,267,028*
Technology	\$418,255	\$399,090	\$399,090

*Beginning in 2020, we have moved Amortization, Depreciation, and Production equipment out of the Overhead category. Amortization and Depreciation is now shown in its own line item, and the lease costs for literature production equipment is now under Production.

Fixed Operational Cost Categories

Accounting: This includes professional services for annual audits and random forensic spot checks, costs to have an audit committee as required by the Sarbanes-Oxley Act, and other professional services associated with routine financial management.

Personnel: This reflects all wages and salaries, payroll taxes, health and worker’s compensation insurance, training, recruitment, relocation, and retirement plan expenses associated with special workers at all five locations of the World Service Office. It also includes contract labor hired for specific purposes. We are projecting a 25% increase for 2022–2023 and plan to bring back staff as we are able and can afford it. We are still projecting staffing levels well below our pre pandemic numbers.

Overhead: This includes facility lease expenses, maintenance and repair, telephone, utilities, postage, auto service, reproduction equipment, office expenses, general insurance, bad debts, bank charges, and fees associated with the five locations of the World Service Office. As expected, bank charges continue to rise, as use of the online store and credit card sales increase. As utilities and other expenses continue to rise, we have allocated a 7.5% increase for 2022–2023. As stated earlier, the expenses for Amortization, Depreciation, and Production leases have been moved out of Overhead.

Technology: This reflects the expense for information services, computer training, leases, new software, technology related supplies, software application upgrades and enhancements, equipment leases and repair, and service con-

tracts. Expenses associated with maintaining the na.org website; the expenses associated with the database, online group data collection, and meeting information; and web and software fees for event registration are also included here. Some budget fluctuations are expected when you have an operation that is as technology-dependent as ours is, but technology costs are usually held in check by staff’s efforts to control costs.

Reading the Budget Itself

The preceding pages describe the frame of our budget—the four activity areas (Lit, WSC Support, FD, and Events) as well as the four categories of ongoing expenses (Accounting, Personnel, Overhead, and Technology), known as “fixed operational expenses” or “fixed costs,” that are distributed proportionally to the activity areas.

The following pages break down the details that affect the 2022–2023 proposed budget and what is contained in each line item in the budget and in our financial reports. At this point, it might be helpful to have the budget handy and follow along as this narrative explains what you’re looking at in each section.

The proposed budget provides a lot of information about our projections for the next fiscal year. The first column gives you the category name, followed by a column with the actual 2019–2020 expenses, a third column with the 2020–2021 unaudited actuals, and then a column with a proposal for fiscal year 2022–2023. We are using the 2020–2021 or third column as the basis for the proposed 2022–2023 fiscal year, without adjustments, except where otherwise noted.

2022–2023 World Services Projected Income

Recovery Literature: This category contains all of our Fellowship-approved recovery literature as defined under the *Fellowship Intellectual Property Trust*. A separate line item is shown for each book title. However, the line item for ePub books is a combination of all electronic literature sales. Other recovery literature income includes all Fellowship-approved pamphlets and booklets. We include a separate line item for Literature Income (Iran) in both income and cost of goods sold. We show Iran income separately and call out the budget totals without Iran because, as we have repeatedly reported, these funds are not readily available to us. As stated previously, we have included income and expense for the A Spiritual Principle a Day book and reflected that it is contingent on conference approval.

Other Inventory: This category includes key-tags, chips, medallions of all kinds, and service materials, which are all shown as separate line items.

Shipping: This income projection is based on the estimated literature sales and the annualized actual income and expense.

Discounts: This is based on estimated literature sales and the projected discount level for those sales. The discount level varies based on the size of orders and whether the customer has a contract with us. (Our discount policy is posted at the bottom of this page:

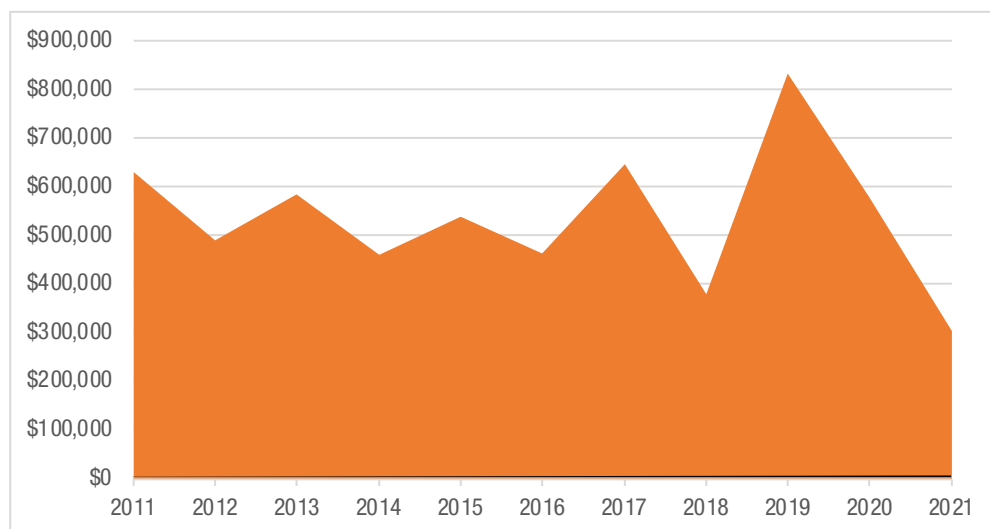
www.na.org/?ID=catalog-products) Since we are all in this together, we plan to continue our contracted discount levels from the pre-pandemic levels through the 2022 calendar year.

Developmental Subsidies & Allowances:

This is the cost of subsidizing or reducing the price of literature (often free) provided to a growing worldwide Fellowship. To see the full value of this cost you have to add this amount to the line in the expense portion of the budget under Fellowship Development labeled Developmental Literature, which includes the direct expenses for shipping, customs, and duties for literature shipments going to these communities. For 2022–2023 that combined number is \$473,872. This expense was dramatically reduced in the pandemic and we expect the need to increase again as things open up. We have and will continue to honor the requests we receive. We have taken the average for the last two years (columns 2 and 3) to project this expense for the next fiscal year. We will continue to attempt to stabilize our costs for this important service by printing in various alternative locations, such as Argentina, Brazil, Russia, and Egypt, all of which have customs issues that prevent us from getting literature to members and significant enough local demand for us to license local printing.

The chart below shows the actual totals since 2011 for the combination of Developmental Subsidies and Developmental Literature.

Free & Subsidized Literature



After these categories, you will see a subtotal for Gross Literature Income, meaning all funds received after discounts. To get to Net Income, you first have to deduct the cost of producing that literature.

Cost of Goods Sold (COGS)

To determine net income, we take what's described above and found on the first page of the actual budget and subtract the cost of goods sold (COGS). COGS fall into two categories, as follows:

Recovery Literature COGS: This section covers the costs of producing recovery literature—from the beginning of the manufacturing process to the inventory shelf. Through staff efforts, we have avoided many of the cost of goods increases experienced by most publishers, but the publishing world is changing. Paper costs continue to rise worldwide, supply chains have been destabilized, and expenses are rising across the board. We are projecting a 18% overall increase in our cost of goods. The costs shown under COGS are directly tied to the quantities included under Income for each line item.

Other Inventory COGS: This section reflects the costs associated with items listed under Other Inventory Income in the previous section, primarily medallions, keytags, chips, and service material. The same 18% increase applies here.

Net Literature Income

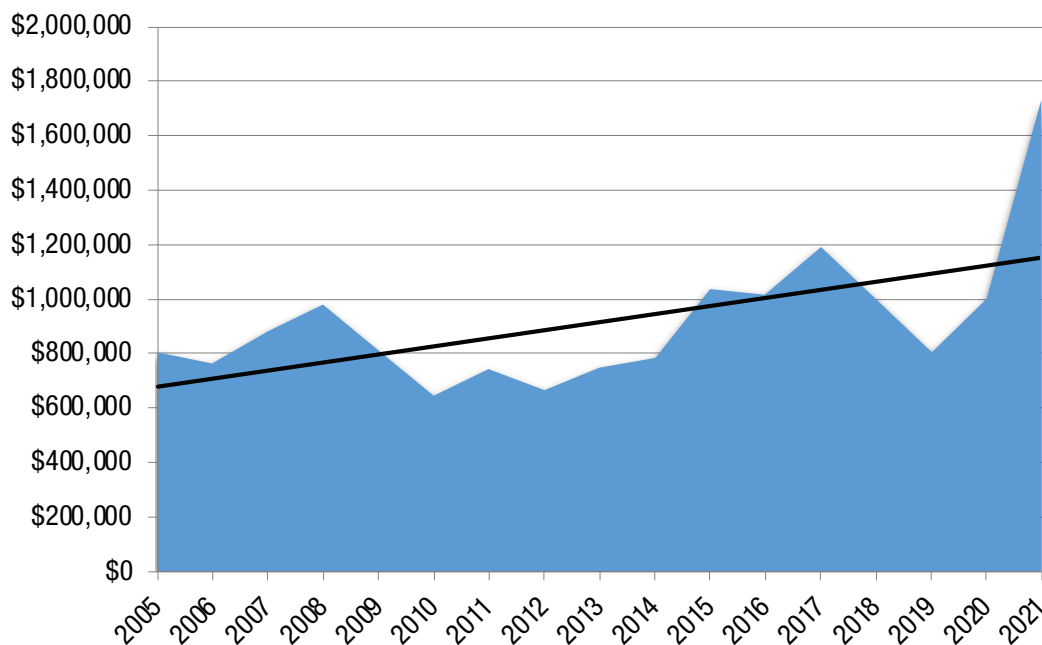
At this point in the budget—the middle of the second page, if you're following along—you will see that we've calculated a subtotal for **net literature income** by taking the gross income on page one, and subtracting the costs associated with producing those goods, the **COGS** detailed on pages one and two of the budget.

Fellowship Contributions

Beginning in 2015, we had four fiscal years with over \$1,000,000 in Fellowship contributions a year. For fiscal year 2019, contributions were 27% below budget at \$805,208. Fellowship Contributions represented 10% of NAWS' operating income for 2019, 14% in 2020, and 24% in 2021. Who says NA cannot change! Again, to say thank you to all of the members, groups, and service bodies who have contributed seems inadequate. The silver lining in the pandemic has truly been to see the commitment and efforts from NA members in so many ways.

The World Board has made this conversation—how we invest in our vision, including all of the ways members support NA—a priority for the past several years and will continue to do so. We are proposing a budget that calls for contributions to continue to increase.

Fellowship Contributions



Licensed Vendor Payments, Interest, and Miscellaneous

This is income from licensing vendors, primarily for material that we do not produce at NAWS, in order to protect the Fellowship's trademarks. We extended the existing licenses, without charge to the vendors, because of the impact of the pandemic, but fees will begin again in January 2022.

Operating Income

The final entry under income takes in all that's been accounted for so far to calculate our total operating income for each year and the cycles.

2022–2023 World Services Projected Expense

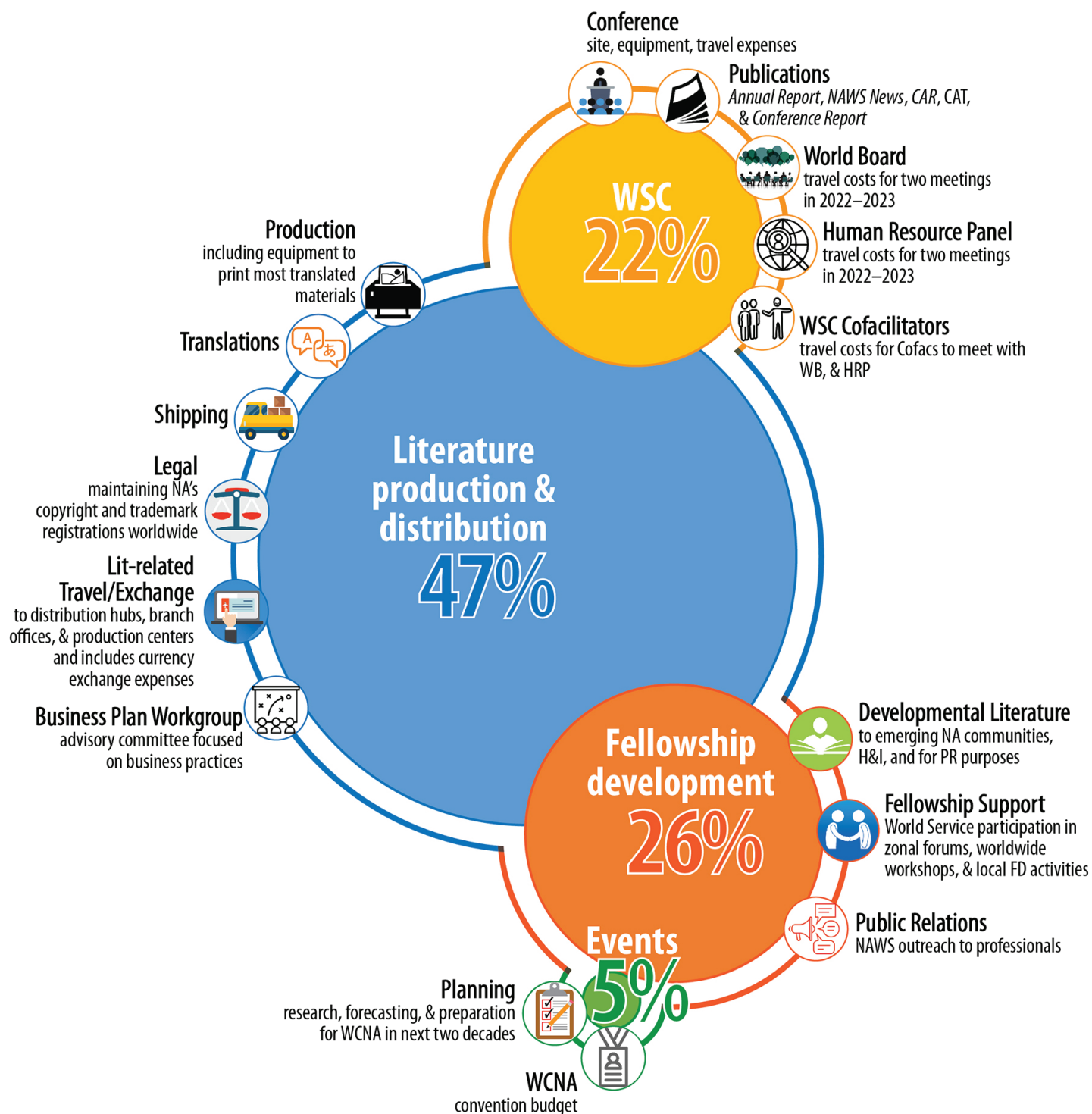
The next sections of the proposed budget contain the expenses categorized under the four activity areas previously described—Lit Production & Distribution, WSC Support, Fellowship Development, and Events. Expenses are all calculated based on the amounts spent in 2021 with the following exceptions.

- Literature Distribution (Iran): We had a large value adjustment in 2021 only due to exchange rates. While it is not possible to forecast future exchange rates, we do not expect the same circumstances.
- The World Board is budgeted to meet face to face twice in 2022–2023, which will be the first time since March 2020. We will also continue to meet monthly virtually. Funds have also been added for the WSC Cofacilitators and the Human Resource Panel (HRP) to meet face to face before WSC 2023.
- WSC 2023 has a 3% increase from the approved budget for 2022, due to an increase in seated participants and rising infrastructure costs. We appreciate the number of participants who have paid their delegate's expenses in the past; this has helped keep costs down.
- The expense for Publications has been drastically reduced, as we have moved to digital and electronic versions rather than

paper and are not producing several of our typical publications. The expenses shown are for translations.

- No Fellowship travel is currently being planned for fiscal year 2022–2023, but small amounts have been budgeted for unforeseen circumstances in both Literature Production and Distribution, Fellowship Support, and Public Relations.
- As we spend less on the items that need to be amortized or depreciated, we have reduced the amount projected for Amortization and Depreciation from 2021.

Next, you will see a total for each of the four activity areas' fixed expenses, with past variable or project expenses listed separately. There are no variable expenses budgeted for 2022–2023. At the end of all expenses, you will see a subtotal for NAWS expenses. This is followed by a total or excess revenue/expense line. Again, it shows excess income over expense for cash items as \$471,885. After the non-cash entries for Amortization and Depreciation, you see a net revenue of \$96,885 and \$51,302 without Iran. With the current volatility of the Iranian rial and the lack of access to those funds as usable, it is important to focus on the number without Iran, shown in **blue**.



Literature Production & Distribution

This section of the budget covers the expenses associated with distributing NA literature to Fellowship and non-Fellowship customers. Distribution occurs through the WSO in Chatsworth and its branches in Canada, Belgium, India, and Iran.

Fixed Operational Expense

This includes all literature production and distribution costs that are not covered under Total Cost of Goods Sold.

Production: This includes the lease for reproduction equipment to print most translated booklets and IPs; service materials; publications other than the English *NA Way*; and reports. We've entered into a strategic relationship with a national printer that has local facilities to routinely produce all of our translated books and booklets to give us greater flexibility and control of small-quantity products and to ensure a consistent, higher quality of the materials—primarily translated, softcover literature. We moved the cost of equipment previously reported under Overhead to this line item beginning in 2020. Most of this expense can be viewed as a Cost of Goods, but the attribution is captured here.

Translations: The majority of our translation expenses are not shown in this line item. This line item only covers the direct expense for translations of recovery and service material into languages other than English that is not already captured under the COGS for each specific project. As an example, there are expenses for translations, copyediting, layout, and proofing before a piece of recovery literature is finalized and available. It is only after a piece is available, that these expenses can be captured in Cost of Goods Sold (COGS). Most of the expense for translating recovery and service material is under COGS for each specific project, and the translation expenses for periodicals are in the two line items for Publications.

Literature Distribution (Iran): This is the allocation for the literature that is sold and distributed in Iran. We list Iran separately because we do not have access to those funds. We could at any time experience a value shift in the exchange rate, which we are unable to forecast. The projected amount for 2022–2023 is more of our customary expense.

Shipping: This expense is based on the shipping charges for estimated literature sales and announced or anticipated rate increases from our major carriers.

Business Plan Workgroup: This is the allocation for a workgroup that focuses on the routine business operations of NAWS and makes recommendations to the board on business matters. Additionally, as required by law, a portion of this group fulfills the audit committee function. This workgroup's function and expenses have been moved into fixed operations with the concurrence of the conference. This group will continue to meet virtually.

Legal: This is primarily the direct registration costs and legal expense associated with maintaining worldwide copyright and trademark registrations for Narcotics Anonymous, *The NA Way*, the NA Logo, the Group Logo, and the Service Symbol, as well as all recovery and service material. In 2020 there were over 1,600 global registrations. It may also include other direct costs to protect our intellectual property. In the past several years, this amount has increased due to the cost of lawsuits.

Literature Production and Distribution Travel & Exchange Expenses: This allocation allows us to interact directly with branch offices and literature production locations around the world, and includes currency exchange loss or gain. We have no travel planned for 2022–2023 so this is almost all currency exchange expenses. We also keep a small allocation in this entry to allow for unforeseen circumstances that may require literature production-related travel.

World Service Conference Support

Fixed Operational Expense

This section of the budget covers the expenses associated with support to all World Service Conference–related activities.

Publications: These are the expenses associated with the production of the *Annual Report* once a year; the *Conference Report*, the *Conference Agenda Report*, and Conference Approval Track material once each conference cycle; and *NAWS News* approximately four times per year. The expense for translating *NAWS News* and the *CAR* is also included here. Moving to digital distribution, rather than paper mailing, has drastically reduced the typical expenses here with the exception of translations.

We want to take this opportunity to thank our publication translators. Throughout the pandemic, they have gone to great lengths to support NA World Services. Many have donated their professional services entirely and others have provided a greatly reduced rate. We are grateful for their ongoing professionalism and support.

World Service Conference: These are the expenses for the site and equipment needed for the event; funding for staff, World Board, WSC Cofacilitators, and the Human Resource Panel; and the travel expense for what is now 129 delegates from around the world. There are currently 123 seated regions, 6 seated zones, 13 WB members, 4 HRP, 2 Cofacs, and 6–8 translators funded to attend the WSC, and space and accommodations arranged for a potential of 129 alternates.

World Board: The World Board is tentatively budgeted to meet in person two times in the upcoming fiscal year. With a 19-hour time zone difference among its members, a face-to-face meeting for the World Board that can last for several full days is a high priority. It will have been more than two years since the board has met in person, and we would typically have met 3–4 times per year. Our average cost per World Board meeting in the 2018–2020 cycle was approximately \$45,000 per meeting,

with only 11 board members. We now have 13 World Board members. We also include incidental expenses associated with the World Board. The World Board will continue to meet monthly virtually.

The Executive Committee continues to meet virtually every two weeks.

Human Resource Panel: This group is scheduled to meet up to two times during the cycle to work on nominations and manage the World Pool.

WSC Cofacilitators: The WSC Cofacilitators are scheduled to meet to prepare for the conference with the World Board and HRP.

Fellowship Development

Fixed Operational Expense

This section of the budget covers the expenses associated with support to the Fellowship.

Publications: These have been the projected expenses for producing, publishing, and distributing *Reaching Out* four times per year and *The NA Way Magazine* four times per year in six languages. We have left some funds in this area in the hope that we can publish *Reaching Out* again but have no plans or staff at present for that publication or the *NA Way*.

Fellowship Support: This is World Services' face-to-face interaction with the Fellowship, primarily in workshops and forums. Typically, this includes interactions at zonal forums, workshops, and local Fellowship development activities, as well as funding for events such as the African Zonal Forum. We have only included a small amount to cover unforeseen circumstances and currently expect no travel of this type until sometime after WSC 2023.

Public Relations: This is the cost of NAWS' efforts aimed at furthering NA's primary purpose by making professionals in various fields aware that NA is a viable community resource for addicts. This includes attendance at and participation in professional events for NAWS and NAWS' cooperation with local PR events, as well as the costs associated with maintaining our recognized status with the United Nations. For this budget, we have only included a small

amount for unforeseen circumstances but have no current plans to travel.

Developmental Literature: This is the cost to distribute free literature to a growing number of developing NA communities, to hospitals and institutions, and for public relations purposes. The amount also includes the ever-increasing expenses for shipping, customs, and duties. We are still working on better reflecting this activity in our financial reports. To see the actual amounts of the items distributed, see the description for “Developmental Subsidies & Allowances” under the Income heading.

Events

Fixed Operational Expense

This section of the budget covers the fixed expenses to the Fellowship associated with event planning and support.

Future and Prior Conventions: These are the expenses associated with planning up to five Conventions at any time. The planning for Washington, DC will be underway before the 2022–2023 fiscal year ends.

We are, unfortunately, no longer planning to hold a World Convention in 2022 so no convention budget is included here.

Total Expenses

If you are following along in the budget draft, at this point you will see the total expenses projected for the fiscal year. We have added the following line item, which was previously reported in Overhead:

Amortization & Depreciation Expense:

Amortization and Depreciation are accounting practices to account for the cost and value of an asset over its useful life. Amortization is used for intangible items such as trademarks and copyrights, and Depreciation is used for tangible assets such as equipment, computer hardware, and furniture. Amortization and depreciation are referred to as non-cash expenses, which are always required under generally accepted accounting principles (GAAP).

2022–2023 World Services Variable Operations

The “Guidelines for the NA World Services Budget” (GWSNA, p. 28) call for a specific process for the consideration, evaluation, development, and approval of World Services projects and those activities that vary from year to year.

Since this is our first de facto three-year conference cycle, the WSC will not be considering any new projects until WSC 2023.

The draft budget is contained on the following four pages.

Motion 5 To approve the Narcotics Anonymous World Services, Inc. budget for 2022–2023.

NARCOTICS ANONYMOUS WORLD SERVICES, INC.			
PROPOSED BUDGET FOR FISCAL YEAR 2023			
	2019-20 Actual	2020-21 Actual	Proposed July 2022 - June 2023
	audited totals	unaudited totals	
INCOME			
RECOVERY LITERATURE INCOME			
BASIC TEXT: Hardcover English	\$1,650,767	\$1,401,916	\$1,472,012
BASIC TEXT: Translated	171,234	173,838	182,530
BASIC TEXT: Softcover	925,412	837,199	879,059
JUST FOR TODAY	646,785	711,121	746,677
IT WORKS: HOW & WHY	535,334	542,271	569,384
SPONSORSHIP BOOK	25,429	24,976	26,225
STEP WORKING GUIDES	767,993	752,102	789,707
LIVING CLEAN	344,444	360,844	378,886
GUIDING PRINCIPLES	134,015	126,001	132,301
<i>A Spiritual Principle a Day (contingent on WSC approval)</i>			470,000
ePUB BOOKS	131,701	132,890	139,534
LITERATURE INCOME (IRAN)	262,333	187,602	196,982
OTHER RECOVERY LITERATURE	1,096,184	417,825	438,716
Subtotal	\$6,691,631	\$5,668,585	\$6,422,014
OTHER INVENTORY INCOME			
MEDALLIONS	\$731,120	\$686,989	\$721,338
KEYTAGS & CHIPS	1,114,993	627,704	659,089
NON-FIPT INFORMATION BOOKLETS	18,872	7,701	8,086
SERVICE MATERIAL	135,469	65,002	68,252
SPECIALTY ITEMS	70,671	98,344	103,261
MIRACLES HAPPEN	15,304	19,227	20,188
Subtotal	2,086,429	1,504,966	1,580,215
SHIPPING	\$545,699	\$541,735	\$568,822
DISCOUNTS	(1,264,218)	(953,367)	(1,001,035)
DEVELOPMENTAL SUBSIDIES & ALLOWANCES	(121,754)	(124,377)	(130,596)
Subtotal	(\$840,272)	(\$536,009)	(\$562,810)
	=====	=====	=====
Gross Literature Income (less discounts)	7,937,788	6,637,541	7,439,418.54
Gross Literature Income (without Iran)	7,675,454	6,449,939	7,242,436
RECOVERY LITERATURE COST OF GOODS SOLD			
BASIC TEXT: Hardcover English	\$365,653	\$258,260	\$304,746
BASIC TEXT: Translated	29,266	35,685	42,108
BASIC TEXT: Softcover	131,097	112,639	132,914
JUST FOR TODAY	72,992	75,454	89,036
IT WORKS: HOW & WHY	107,229	82,824	97,732
SPONSORSHIP BOOK	4,291	4,852	5,726
STEP WORKING GUIDES	89,886	70,823	83,571
LIVING CLEAN	77,328	53,940	63,650
GUIDING PRINCIPLES	27,695	20,204	23,841
<i>A Spiritual Principle a Day (contingent on WSC approval)</i>			70,000
ePUB BOOKS	39,464	39,867	47,043
LITERATURE PRODUCTION (IRAN)	283,066	100,338	118,399
OTHER RECOVERY LITERATURE	211,455	78,449	92,570
Subtotal	1,439,422	933,335	1,171,335

NARCOTICS ANONYMOUS WORLD SERVICES, INC.			
PROPOSED BUDGET FOR FISCAL YEAR 2023			
	2019-20 Actual	2020-21 Actual	Proposed July 2022 - June 2023
	audited totals	unaudited totals	
OTHER INVENTORY COST OF GOODS SOLD			
MEDALLIONS	\$151,907	\$127,309	\$150,225
KEYTAGS & CHIPS	260,055	118,092	139,349
NON-FIPT INFORMATION BOOKLETS	3,247	1,733	2,045
SERVICE MATERIAL	38,949	15,288	18,040
SPECIALTY ITEMS	1,467	32,802	38,706
MIRACLES HAPPEN	2,985	3,710	4,378
INVENTORY ADJUSTMENT	0	16	0
Subtotal	\$458,610	\$298,950	\$352,743
	=====	=====	=====
Total Cost of Goods Sold	\$1,898,032	\$1,232,285	\$1,524,078
Total Cost of Goods Sold (without Iran)	\$1,614,966	\$1,131,947	\$1,405,679
	=====	=====	=====
Net Literature Income	\$6,039,756	\$5,405,256	\$5,915,340
Net Literature Income (without Iran)	\$6,060,488	\$5,317,992	\$5,836,757.16
FELLOWSHIP CONTRIBUTIONS by donor type			
Members	\$209,231	\$638,440	\$715,053
Groups	83,514	125,255	140,286
Areas	126,147	157,056	175,902
Regions	520,773	650,406	728,455
Events/Conventions	31,339	84,694	94,858
Unity Day	0	0	0
Zonal & Other Forums	28,205	75,164	84,183
Total Contributions	\$999,209	\$1,731,015	\$1,938,737
Other Income			
LICENSED VENDOR PAYMENTS	\$35,718	\$12,550	\$30,000
INTEREST	14,916	9,461	10,000
MISCELLANEOUS	(11,502)	1,272	0
INTERBRANCH	(1,029)	(1)	
Total Other Income	\$38,104	\$23,282	\$40,000
	=====	=====	=====
OPERATING INCOME (Not including event specific)	\$7,077,069	\$7,159,554	\$7,894,077
OPERATING INCOME (Not including Iran)	\$7,097,802	\$7,072,290	\$7,815,494

NARCOTICS ANONYMOUS WORLD SERVICES, INC.

PROPOSED BUDGET FOR FISCAL YEAR 2023

	2019-20 Actual	2020-21 Actual	Proposed July 2022 - June 2023
	audited totals	unaudited totals	
EXPENSE			
LITERATURE PRODUCTION & DISTRIBUTION			
FIXED OPERATIONAL EXPENSES			
PRODUCTION	\$75,855	\$851,599	\$872,889
TRANSLATIONS (not included in Cost of Goods)	47,772	33,053	33,879
LITERATURE DISTRIBUTION (IRAN)	33,746	(216,812)	33,000
SHIPPING	486,611	539,066	552,543
BUSINESS PLAN WORKGROUP	1,170	0	0
LEGAL	442,880	242,442	248,503
LIT P&D TRAVEL AND EXCHANGE EXPENSES	324,036	(30,149)	7,000
ACCOUNTING	\$ 22,165	\$ 20,257	\$ 25,054
PERSONNEL (Includes amt budgeted to variable projects)	1,412,337	884,384	1,367,305
OVERHEAD	812,250	447,880	595,503
TECHNOLOGY	125,018	151,654	187,572
Total Literature Production & Distribution	\$3,783,841	\$2,923,374	\$3,923,248
Total Literature Production & Distribution (without Iran)	\$3,750,094	\$3,140,186	\$3,890,248
WORLD SERVICE CONFERENCE SUPPORT			
FIXED OPERATIONAL EXPENSES			
PUBLICATIONS	\$5,154	\$2,508	\$10,000
WORLD SERVICE CONFERENCE BIENNIAL MTG	50,741	184	512,000
WORLD BOARD	120,330	1,998	122,000
HUMAN RESOURCE PANEL	20,076	399	20,076
WSC COFACILITATORS	1,782	-	6,000
ACCOUNTING	\$ 12,832	\$ 11,728	11,728
PERSONNEL (Includes amt budgeted to variable projects)	817,669	512,012	640,015
OVERHEAD	470,250	259,299	278,746
TECHNOLOGY	72,379	87,800	87,800
Subtotal	\$1,571,213	\$875,928	\$1,688,365
VARIABLE OPERATIONAL EXPENSES			
FUTURE OF WSC	22,688	0	
Total World Service Conference Support	\$1,593,901	\$875,928	\$1,688,365

NARCOTICS ANONYMOUS WORLD SERVICES, INC.

PROPOSED BUDGET FOR FISCAL YEAR 2023

	2019-20 Actual	2020-21 Actual	Proposed July 2022 - June 2023
	audited totals	unaudited totals	
FELLOWSHIP DEVELOPMENT			
FIXED OPERATIONAL EXPENSES			
PUBLICATIONS	\$49,429	\$5,471	\$5,608
FELLOWSHIP SUPPORT	122,001	1,094	15,000
PUBLIC RELATIONS	34,808	500	3,000
DEVELOPMENTAL LITERATURE	458,370	228,182	343,276
ACCOUNTING	\$20,415	\$18,658	13,860
PERSONNEL (Includes amt budgeted to variable projects)	1,300,837	814,565	756,381
OVERHEAD	748,125	412,521	329,427
TECHNOLOGY	115,149	139,682	103,763
Subtotal	\$2,849,133	\$1,620,672	\$1,570,316
VARIABLE OPERATIONAL EXPENSES			
DAILY MEDITATION BOOK	59,444	23,657	0
MENTAL HEALTH/ILLNESS PAMPHLET	990	-	-
Subtotal	\$60,435	\$23,657	\$0
Total Fellowship Development	\$2,909,568	\$1,644,330	\$1,570,316
EVENTS			
FIXED OPERATIONAL EXPENSES			
FUTURE (AND PRIOR) CONVENTIONS	\$6,138	\$8,618	\$8,834
ACCOUNTING	\$2,916	\$2,665	2,665
PERSONNEL (Includes amt budgeted to variable projects)	185,834	116,366	145,458
OVERHEAD	106,875	58,932	63,351
TECHNOLOGY	16,450	19,955	19,955
Total Events	\$318,214	\$206,536	\$240,263
	=====	=====	=====
EXPENSE (For activity areas only)	\$8,605,523	\$5,650,168	\$7,422,192
EXPENSE (Activity Areas w/o IRAN)	\$8,571,776	\$5,866,980	\$7,389,192
EXCESS REVENUE/EXPENSE (Cash Activities only)		\$1,509,386	\$471,885
Non Cash Items			
Depreciation and Amortization Expense		406,203	375,000
TOTAL EXPENSE	\$8,605,523	\$6,056,371	\$7,797,192
EXCESS REVENUE/EXPENSE	(\$1,528,454)	\$1,103,183	\$96,885
EXCESS REVENUE/EXPENSE (without Iran)	(\$1,473,975)	\$799,107	\$51,302

Motions & Survey Tally Sheet

This tally sheet is for you to collect responses on the *Conference Agenda Report* and Conference Approval Track motions if you find it helpful. The *Interim CAR & CAT (ICC)* is available for download from the Conference webpage: www.na.org/conference. The ICC contains explanatory essays on the motions and the World Service Conference. We encourage you to familiarize yourself with all of the content. Summary videos will be available soon after the release of the ICC.

CONFERENCE AGENDA REPORT MOTIONS				
#1	Maker: World Board Acting as the trustor, the delegates present at the virtual WSC 2022, are continuing the suspension of Article 5, Section 3 of the <i>FIPT</i> Operational Rules, while we make a decision about the future. This suspension will expire at the close of WSC 2023.	Yes	No	Abs
#2	Maker: World Board To extend the terms of the WSC elected positions for the two Human Resource Panel members and one WSC Cofacilitator currently set to expire in 2022 to 2023.	Yes	No	Abs
#3	Maker: World Board To extend the terms of the three WSC elected positions on the World Board currently set to expire in 2022 to 2023.	Yes	No	Abs
#4	Maker: World Board To approve the book contained in Addendum B, “A Spiritual Principle a Day” as Fellowship-approved recovery literature.	Yes	No	Abs

CONFERENCE APPROVAL TRACK MOTION				
#5	Maker: World Board To approve the Narcotics Anonymous World Services, Inc. budget for 2022–2023.	Yes	No	Abs