



INDEPENDENT AUDITOR'S REPORT

To the World Board of
Narcotics Anonymous World Services, Inc.

Qualified Opinion

We have audited the accompanying consolidated financial statements of Narcotics Anonymous World Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 2021, and 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Narcotics Anonymous World Services, Inc. as of June 30, 2022, 2021, and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

We did not audit the financial statement balances and activity related to the Iranian service office, Payam Omega as of and for the years ended June 30, 2022, 2021, and 2020, and they were not audited by other auditors due to declining relations between Iran and the United States of America. We were unable to obtain sufficient appropriate audit evidence about the amounts recognized for the Iran service office as of and for the years ended June 30, 2022, 2021, and 2020. Consequently, we were unable to determine whether any adjustments to those amounts were necessary.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Narcotics Anonymous World Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Narcotics Anonymous World Services, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

To the World Board of
Narcotics Anonymous World Services, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Narcotics Anonymous World Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Narcotics Anonymous World Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Miller Kaplan Arase LLP

MILLER KAPLAN ARASE LLP

North Hollywood, California

March 8, 2023

Independent Auditors' Report

NAWS contracts with an independent accounting firm to audit its financial statements each fiscal year. The audit team spends about a week in the Chatsworth office after the close of each fiscal year, during which they perform transaction tests, inspect internal controls, and scrutinize internal financial practices. This professional audit of NAWS' financial reports and practices conforms to best practices in the world of accounting and complies with the legal requirements for nonprofits. To audit the financial activities of WSO Iran, we have to hire an accounting firm in Iran that provides its audit to our US-based auditors. While this makes for an exceedingly slow process, it ensures management and the board have verified figures for all branch offices.