

	2006	2008	2010	2012	2014	Total	Entry
1	6,158,437	6,105,290	7,026,682	6,999,578	6,871,475	33,161,462	Personnel – Formerly Special Workers
2	2,830,039	2,643,398	3,378,350	3,172,278	3,768,422	15,792,487	Overhead
3	2,967,331	3,324,486	4,002,136	4,084,753	3,126,681	17,505,387	Cost of Literature
4	2,764,419	2,788,762	2,945,727	2,785,711	2,771,869	14,056,488	Discounts – No Details Available
5	815,363	936,629	1,032,220	1,048,518	1,299,413	5,132,143	Shipping
6	1,029,777	1,175,914	994,708	1,107,883	1,064,801	5,373,083	Cost of other inventory
7	480,648	544,377	844,146	750,424	764,682	3,384,277	Developmental literature
8	390,915	533,223	491,476	480,000	630,988	2,526,602	World Board
9	434,944	444,586	262,259	577,416	617,352	2,336,557	Technology
10	291,019	503,223	635,688	360,000	569,034	2,358,964	Fellowship support
11	339,526	419,726	466,000	481,538	491,441	2,198,231	World Service Conference meeting
12	476,206	544,984	413,330	512,392	417,867	2,364,779	Developmental Subsidies & Allowances
13	340,795	320,371	430,995	226,567	200,172	1,518,900	Publications
14	134,362	125,056	74,037	161,921	194,856	690,232	Literature Distribution - Iran (?)
15	160,279	49,237	117,451	128,093	191,161	646,221	In-House Production
16	123,540	281,105	251,551	129,369	150,316	935,881	Public Relations/Professional Events
17	92,135	87,414	74,552	100,083	119,501	473,685	Accounting
18	190,175	96,000	38,031	8,455	58,289	390,950	Legal
19	56,357	85,349	138,768	54,177	51,731	386,382	Translations (not included in cost of goods)
20	27,289	39,780	97,703	48,065	48,080	260,917	Future (and prior) Conventions
21	68,400	56,000	37,740	28,147	34,934	225,221	Business Plan Workgroup
22	55,516	57,037	28,199	26,270	22,782	189,804	Human Resource Panel
23	N/A	N/A	17,906	7,300	22,110	47,316	Literature Production & Distribution Travel
24	211,496	185,848	141,343	3,999	5,071	150,413	Marketing
25	6,750	4,988	5,040	5,000	397	10,437	World Service Conference Co-Facilitators
26	14,710,504	16,115,724	17,819,304	17,106,256	16,642,307	82,394,095	Recovery Literature Income
27	3,714,717	4,009,771	4,489,752	4,578,449	4,677,273	21,469,962	Other Inventory Income
28	741,655	818,948	972,106	1,020,451	1,189,316	4,742,476	Shipping Income
29	1,652,261	2,049,553	1,582,328	1,488,000	1,526,034	8,298,176	Fellowship Contributions
30	97,500	97,000	78,275	59,219	68,661	400,655	Miscellaneous Income

Expenses

1. Personnel

2006	2008	2010	2012	2014	10 Year Total
6,158,437	6,105,290	7,026,682	6,999,578	6,871,475	33,161,462

This contains all wages and salaries, payroll taxes, health and workers compensation insurance, training, recruitment, relocation, and retirement plan expenses associated with employees at all five branches of the World Service Office. It also includes contract labor hired for specific purposes. There are no projected increases.

2. Overhead

2006	2008	2010	2012	2014	10 Year Total
2,830,039	2,643,398	3,378,350	3,172,278	3,768,422	15,792,487

This is the facility lease expense, maintenance and repair, telephone, utilities, postage, auto service and lease, office expense, general insurance, amortization, bad debts, depreciation, bank charges [moved from Accounting in 2010] , and dues and fees associated with the five branches of the World Service Office. Bank charges continue to rise as use of the shopping cart and credit card sales increase.

These expenses rose in this past cycle due to the aging of our assets in Amortization and Depreciation, an increase in bad debts from a few RSO closures, increased postage costs in all branches, obtaining additional warehouse space in Chatsworth, and new equipment in production to allow us to produce more items in-house.

3. Recovery Literature Cost of Goods

2006	2008	2010	2012	2014	10 Year Total
2,967,331	3,324,486	4,002,136	4,084,753	3,126,681	17,505,387

This section covers the cost of goods for recovery literature as defined under the *Fellowship Intellectual Property Trust* (generally all of the direct costs from manufacture to placing the item on the inventory shelf). Through staff efforts we have been able to avoid the standard increases in this area experienced by most publishers, but the publishing world is changing. Paper costs continue to rise worldwide, and we have forecast an overall increase in expense of 2% for year one and 2% for year two for all literature cost of goods. The exception(s) are the expense line item for *Living Clean*, which shows a decrease of 13% for year one and no increase for year two. This adjustment is due to the decrease in the number of books we are expecting to sell, which is reflected in *Living Clean* income.

4. Discounts

2006	2008	2010	2012	2014	10 Year Total
2,764,419	2,788,762	2,945,727	2,785,711	2,771,869	14,056,488

This is based on estimated literature sales and the projected discount level for those sales. The discount level varies based on the customer and size of orders.

5. Shipping

2006	2008	2010	2012	2014	10 Year Total
815,363	936,629	1,032,220	1,048,518	1,299,413	5,132,143

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

6. Other Recovery Literature

2006	2008	2010	2012	2014	10 Year Total
1,029,777	1,175,914	994,708	1,107,883	1,064,801	5,373,083

This refers to the cost of goods for the remaining *FIPT* literature other than books (primarily recovery pamphlets and some booklets). Also reflects a 2% overall projected increase each year.

7. Developmental Literature

2006	2008	2010	2012	2014	10 Year Total
480,648	544,377	844,146	750,424	764,682	3,384,277

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 expenses for shipping, customs, and duties. We are still working on better reflecting this activity in our financial reports. Presently, to see the full value of this provision, you have to add this amount to the line in the Income portion of the budget called “Developmental Subsidies & Allowances.”

8. World Board

2006	2008	2010	2012	2014	10 Year Total
390,915	533,223	491,476	480,000	630,988	2,526,602

The World Board will meet a minimum of eight times in this conference cycle, plus during the conference itself [in WSC budget as well]. An orientation for new board members is included as a separate meeting at the beginning of the conference cycle. Additionally, in each conference cycle, training needs for the full board are included. With the election of a full board from more diverse locations, this expense has increased approximately 15%. The Executive Committee has been planning their meetings to coincide with a World Board or Business Plan meeting.

9. Technology

2006	2008	2010	2012	2014	10 Year Total
434,944	444,586	262,259	577,416	617,352	2,336,557

This is the expense for information services, computer leases, software, supplies, software application upgrades and updates, equipment leases and repair, and service contracts. Expenses associated with maintaining the na.org website; the expense associated with the database, online group data collection, and meeting information; as well as web and software fees for event registration are also included here. This category has increased, which is to be expected when you have an operation that is as dependent upon technology as ours, but is held in check by staff efforts.

As already mentioned, the major expense in the upcoming cycle to transition to a new accounting platform and related technology needs will come from reserve funds.

10. Fellowship Support

2006	2008	2010	2012	2014	10 Year Total
291,019	503,223	635,688	360,000	569,034	2,358,964

This is World Services’ face-to-face interaction with the fellowship, primarily in workshops and forums. This includes interactions at zonal forums, worldwide workshops, and local fellowship development activities. In the past we have also had a line item for travel and workshops under World Service Conference Support, but all travel and workshop expense is now captured here.

The distinction of tracking delegate-focused workshops separately in financial reports has been difficult since they often include fellowship development efforts. We have projected an increase in year two to discuss the Service System transition.

11. World Service Conference

2006	2008	2010	2012	2014	10 Year Total
339,526	419,726	466,000	481,538	491,441	2,198,231

These are the expenses for the site and equipment needed for the event; hiring the parliamentarian; funding for staff, World Board, [in WB's budget as well] WSC Co-facilitators, and the Human Resource Panel; and the travel expense for currently 115 [102 in 2004] delegates from around the world.

12. Developmental Subsidies & Allowances

2006	2008	2010	2012	2014	10 Year Total
476,206	544,984	413,330	512,392	417,867	2,364,779

This is the cost of subsidizing or reducing the price of literature (often free) provided to a growing worldwide fellowship. We are not projecting an increase in this proposal. Presently, 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 expenses for shipping, customs, and duties. This line item had increased between 7% and 25% each year for the previous seven fiscal years, but we were actually able to better stabilize our costs for this important service in the last fiscal year by printing in various alternative locations.

13. Publications

2006	2008	2010	2012	2014	10 Year Total
340,795	320,371	430,995	226,567	200,172	1,518,900

These are 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. *The NA Way* is also translated into a seventh language, Farsi, but since WSO Iran charges for these issues, there is no expense. The conference decided at WSC 2010 that we did not have to automatically send paper copies of the *NA Way* to all registered groups; groups and members who wanted a paper copy of the magazine were asked to re-subscribe. In the next conference cycle, we were able to save almost \$175,000 for this expense over the previous two-year cycle. Since then, the number of paper copies of the *NA Way* has continued to increase – by about 40% in fiscal years 2012 and 2013 and an estimated 24% in the current 2014 fiscal year. We are happy to report that at the same time we have had an increase of 18% in subscriptions of the e-version of *The NA Way*. For the same period, paper subscriptions to *Reaching Out* also increased by 11%, and the subscriptions for *Conference Report* and at WSC 2014.

Additionally, these are the expenses associated with the production of the *Annual Report* once a year, and the Conference Report, [twice a year in 2004 & 2006] the *Conference Agenda Report*, and Conference Approval Track material [added in 2010] once each conference cycle, and *NAWS News* approximately four times per year [2005-1, 2010-3, 2011-2.5, 2013-3]. The expense for translating *NAWS News* and the *CAR* is also included here.

14.

Literature

Distribution (Iran)

2006	2008	2010	2012	2014	10 Year Total
134,362	125,056	74,037	161,921	194,856	690,232

This is the allocation for the literature that is sold in Iran.

15. In-House Production

2006	2008	2010	2012	2014	10 Year Total
160,279	49,237	117,451	128,093	191,161	646,221

This includes the lease for reproduction equipment to print most translated books, booklets, and IPs that are not outsourced (and not included in Cost of Goods)—primarily non-English recovery books, pamphlets, and booklets, service materials, publications other than English *NA Way*, and reports. We have brought more of this activity in-house which has given us greater flexibility and control of those items that we produce in small quantities.

16. Public Relations

2006	2008	2010	2012	2014	10 Year Total
123,540	281,105	251,551	129,369	150,316	935,881

This is the expense for attendance at and participation in professional events, both NAWS and locally attended, that in some way address addiction and/or addicts. Some of these events have been the International Society of Addiction Medicine (ISAM), the World Federation of Therapeutic Communities (WFTC), the annual meeting of the American Society of Addiction Medicine (ASAM), the South-East Conference on Alcoholism and Drug Addiction (SECAD), the National Association of Alcohol and Drug Abuse Counselors (NAADAC), and some minor activity with the United Nations. These activities often overlap our marketing activity.

17. Accounting

2006	2008	2010	2012	2014	10 Year Total
92,135	87,414	74,552	100,083	119,501	473,685

This contains professional services for annual audits and random forensic spot checks, costs associated with having an audit committee as required by the Sarbanes-Oxley Act, other professional services associated with financial management, and contract labor. [Bank charges moved to overhead in 2010]

18. Legal

2006	2008	2010	2012	2014	10 Year Total
190,175	96,000	38,031	8,455	58,289	390,950

This is primarily the direct registration 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. It may also include direct costs to defend our intellectual property.

19. Translations

2006	2008	2010	2012	2014	10 Year Total
56,357	85,349	138,768	54,177	51,731	386,382

This covers the direct expense for translations of recovery and service material into languages other than English that is not already captured under the COG for each specific project [added in 2008].

20. Future and Prior Conventions

2006	2008	2010	2012	2014	10 Year Total
27,289	39,780	97,703	48,065	48,080	260,917

These are the expenses associated with planning up to five conventions at any time.

21. Business Plan Workgroup

2006	2008	2010	2012	2014	10 Year Total
68,400	56,000	37,740	28,147	34,934	225,221

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.

22. Human Resource Panel

2006	2008	2010	2012	2014	10 Year Total
55,516	57,037	28,199	26,270	22,782	189,804

This group is scheduled to meet a minimum of five times during the cycle to work on nominations and manage the World Pool. Part of one of these meetings will be used for orientation and training.

23. Literature Production and Distribution Travel

2006	2008	2010	2012	2014	10 Year Total
N/A	N/A	17,906	7,300	22,110	47,316

This allocation allows us to interact directly with RSOs, in addition to the quarterly webinars we have been holding, as well as travel to branch offices as needed.

24. Marketing

2006	2008	2010	2012	2014	10 Year Total
211,496	185,848	141,343	3,999	5,071	547,757

This covers the expense for attendance at and participation in professional events primarily related to corrections and treatment. Although we call this marketing, it is public relations-focused activity. These efforts are primarily conducted by staff with local volunteers. This includes the registration and preparation for events, travel, and follow-up for this activity.

25. WSC Co-facilitators

2006	2008	2010	2012	2014	10 Year Total
6,750	4,988	5,040	5,000	397	22,175

The WSC Co-facilitators are scheduled to meet to prepare for the conference, with the parliamentarian and the World Board and HRP.

Income

26. Recovery Literature

2006	2008	2010	2012	2014	10 Year Total
14,710,504	16,115,724	17,819,304	17,106,256	16,642,307	82,394,095

2014 is estimated to provide no increase in income, and 2015 is estimated to provide an increase of 2.5% for the Basic Text and 5% for everything else over year one income. *Living Clean* is projected to have a \$150,000 or 13% decrease because it has now been available for almost two years. We believe these are realistic estimates.

We include a separate line item for Literature Income (Iran) in both income and cost of goods. We show this separately and call out the budget totals without Iran because, as we have repeatedly reported, these are not funds readily available to us.

27. Other Inventory

2006	2008	2010	2012	2014	10 Year Total
3,714,717	4,009,771	4,489,752	4,578,449	4,677,273	21,469,962

We have estimated the same overall increase as reported above for recovery literature.

28. Shipping Income

2006	2008	2010	2012	2014	10 Year Total
741,655	818,948	972,106	1,020,451	1,189,316	4,742,476

This income is based on the estimated literature sales and the annualized actual income and expense. Since the last shipping increase took place 1 July 2013 this may vary somewhat.

29. Fellowship Contributions

2006	2008	2010	2012	2014	10 Year Total
1,652,261	2,049,553	1,582,328	1,488,000	1,526,034	8,298,176

We are forecasting that contributions will remain the same as the actual monies received this year. Since 2008, when we received almost one million dollars, contributions declined 17% in 2009, then decreased an additional 20% in 2010, increased 15% in 2011, and then decreased 10% in 2012. For the fiscal year ending 30 June 2013, we recouped some of that unprecedented decline and showed a 12% increase. There is no consistent trend here. We thank all of the members, groups, areas, and regions who responded to our appeal.

30. Licensed Vendor Payments, Interest, and Miscellaneous

2006	2008	2010	2012	2014	10 Year Total
97,500	97,000	78,275	59,219	68,661	400,655

This income estimate is conservatively based on previous actual experience.

2006	2008	2010	2012	2014	Total	Entry
526,937	1,242,200	2,103,584	2,286,917	1,246,275	7,405,913	LITERATURE INCOME (IRAN)
590,025	1,012,855	1,415,559	1,490,415	744,995	5,253,849	LITERATURE PRODUCTION (IRAN)
134,362	125,056	74,037	161,921	194,856	690,232	LITERATURE DISTRIBUTION (IRAN)