

TREASURER'S REPORT TO THE BOARD

2023 YEAR END

This report is prepared for the Nicotine Anonymous World Services (NAWS) Board for review at its virtual year end meeting scheduled for January 20, 2024. 2023 represented the first full year of “normal operations” after the many changes brought about by the COVID-19 pandemic of 2020-21. The move from customary in-person, intergroup-affiliated meetings towards stand-alone virtual online meetings had consequences for donations, literature sales, and Board functions: This report shows strengthening of NAWS financial position over the past year with approximately break-even operations while maintaining a reasonable and prudent savings reserve.

In the last quarter of 2023, we welcomed Allison A. as the new Office Manager to replace Bill P (and Karen!) and the Treasurers (Elect, Active and Emeritus) want to thank each of them for the very smooth transition! Allison has come up to speed very quickly and with her extensive QuickBooks experience and Bill and Karen's remaining available to answer questions, we anticipate further streamlining of the fellowships Office operations in this new year.

From a financial perspective, NAWS saw a significant increase in donations for 2023, moderation in costs, and almost totally reversed the operating deficit of 2022. The Fellowship is poised to do even better in 2024 with improved efficiencies in its website and online store.

Please note the following comments from the attached Financial Statements for calendar year 2023.

Profit and Loss – This report reviews our income and expenses for calendar 2023 in comparison to the same period in 2022. Our total revenue for 2023 was \$53,730.67, an increase of \$3,580.82 (7.1%) over 2022 total revenue. Total expenses for 2023 were \$42,563.83 which was an increase of \$2,630.94 (or 6.6%) higher than the prior year. Cost of goods sold, however, continued the downward trend reported in prior quarterly reports and ended up lower by \$4,686 - a decrease of approximately 28%. Combining these overall operating figures shows a net loss of \$895.70 for the year – almost the break-even position desired for our non-profit mission (provided that sufficient reserves are maintained). Specific highlights are as follows:

- Total donations were up by almost 36% over 2022 (\$6,964.52 higher)! While Intergroup donations were virtually the same as in 2022, Individual and Gift of Gratitude donations increased by 58% and 42%, respectively, over 2022 levels. While donations tend to be higher during the fourth quarter of each year, they were significantly up this year perhaps due to the Board's outreach to membership about the importance of supporting the organization (especially considering money saved in not purchasing nicotine products!).
- Literature sales for the year were down \$1,421.28, a decline of approximately 6% from 2022 levels. However, as previously reported, Reflections on Freedom and Step Study books were both updated/released in 2022 but there have been no new publications to drive sales in 2023. However, with continued reported reductions in Cost of Goods Sold (about 28% lower in 2023 than 2022) the decline in literature sales did not have a material impact on overall financial operations. This year, with Allison's help, we will be refining how inventory levels and Cost of Goods are reported to more accurately track each publication so that the Board can make better decisions on a publication-by-publication basis. Finally, the Board learned in the fourth quarter

that a recovery-focused website was making copyrighted NAWS publications available without cost (NAWS issued a Cease and Desist letter and the website is no longer doing this). However, this may have hurt publications revenue in 2023. We are working with the website owner to convert this potential undercutting into a referral source to our new website for this year.

- Office Expenses in total were up \$6,867.45 (an approximately 23% increase from 2022). However, that increase is due primarily to costs in transitioning to a new Office Manager, development fees for the new website, and several hosting contracts that will not be renewed for 2024.

Balance Sheet – The Balance Sheet provides an overview of our Fellowship as a non-profit organization and includes our assets and liabilities. Unlike the Profit and Loss statement which covers operations over a period of time, the Balance Sheet provides information as of a specific date (12-31-23) for comparison to totals for the prior year(s). Several items to note:

- Our operating account balance is \$21,431.68 on 12/31/23, \$789.17 (or 3.8%) higher than it was at EOY 2022. The reasonable and prudent reserve represented by the Fellowship’s savings balance is \$26,029.07, virtually the same as last year. Along with selecting a new bank for 2024, your Treasurers are evaluating several options (including CDs) to earn more interest on its reserve funds.
- Our current assets (primarily literature and books) are virtually the same as last year after adjusting for the bank account balances. Fixed assets remain stable as no significant equipment has been purchased in 2023.
- Our total assets are \$76,617, a slight decrease from last year of \$847.47 (or approximately 1.1% lower).

Cash Flows – Total cash at the end of the period, which includes the checking and savings account, is \$48,929.78, up 4.85% compared to \$46,665.27 at the end of 2022 (this information was pulled from the December 31, 2022 Cash Flow Report).

On December 31st, 2023, our bank account balances were as follows:

Checking account:	\$21,431.68
Savings account:	<u>\$26,029.07</u>
TOTAL:	\$47,460.75

Overall, the Fellowship finances improved over last year, with most of the losses incurred during the first two quarters of 2023 reversed by better third and fourth quarter results. While only a small loss was incurred in 2023, NAWS should continue to focus on promoting individual and group donations and expanding its ability to efficiently offer literature to our fellowship.

In service,
George V.
Active Treasurer, NAWS

NAWSO

Profit and Loss

January - December 2023

	TOTAL			
	JAN - DEC 2023	JAN - DEC 2022 (PP)	CHANGE	% CHANGE
Income				
4000 Donations				
4010 Individual	14,293.60	9,027.92	5,265.68	58.33 %
4020 Group	3,250.42	3,319.78	-69.36	-2.09 %
4030 Intergroup	2,638.72	2,618.52	20.20	0.77 %
4050 Gift of Gratitude	2,530.00	1,782.00	748.00	41.98 %
Total 4000 Donations	22,712.74	16,748.22	5,964.52	35.61 %
4100 Literature Sales	-56.45	-129.56	73.11	56.43 %
4120 The Book Sales	6,046.94	5,119.86	927.08	18.11 %
4121 El Libro		11.50	-11.50	-100.00 %
4122 Kindle Books	5.00	346.15	-341.15	-98.56 %
4125 Newcomers Booklet	715.00	817.60	-102.60	-12.55 %
4126 Newcomers Package	1,368.00	1,692.00	-324.00	-19.15 %
4128 Amazon sales	-55.74		-55.74	
4130 Path To Freedom Sales	545.25	489.37	55.88	11.42 %
4131 12 Traditions	117.50	99.50	18.00	18.09 %
4132 Sponsorship in NICA Booklet	120.00	275.00	-155.00	-56.36 %
4133 Reflections on Freedom	2,658.64	4,120.00	-1,461.36	-35.47 %
4135 90 in 90 Sales	1,328.55	750.35	578.20	77.06 %
4136 Year of Miracles	2,924.10	2,952.18	-28.08	-0.95 %
4137 Step Study Workbook	4,461.27	5,108.62	-647.35	-12.67 %
4138 Voices of NicA CD	32.00	56.00	-24.00	-42.86 %
4140 Pamphlet Sales	981.90	1,000.85	-18.95	-1.89 %
4142 Voices NicA mp3	32.00	60.00	-28.00	-46.67 %
4160 Seven Minutes Subscriptions	537.00	333.00	204.00	61.26 %
4171 Books on Compact Disk		25.00	-25.00	-100.00 %
4180 Nook ebook	83.00	25.00	58.00	232.00 %
4181 2017 Conf Sales-mp3 & cd	20.00		20.00	
4190 No Charge Sales	0.00	0.00	0.00	
4199 Sales Adjustments	-180.22	-47.40	-132.82	-280.21 %
Total 4100 Literature Sales	21,683.74	23,105.02	-1,421.28	-6.15 %
4186 2022 Conference		1,688.44	-1,688.44	-100.00 %
4187 2023 conference	-215.16	-1,589.00	1,373.84	86.46 %
4200 Miscellaneous Income	0.29		0.29	
4290 Shipping & Handling Income	5,907.04	6,591.28	-684.24	-10.38 %
Non Profit Income	502.33	158.01	344.32	217.91 %
Prfd Rwd for Bus BofA Merchant Svs Cash Reward	17.80	15.71	2.09	13.30 %
Sales of Product Income	3,121.89	3,432.17	-310.28	-9.04 %
Total Income	\$53,730.67	\$50,149.85	\$3,580.82	7.14 %

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Profit and Loss

January - December 2023

	TOTAL			
	JAN - DEC 2023	JAN - DEC 2022 (PP)	CHANGE	% CHANGE
Cost of Goods Sold				
5000 COGS				
5020 The Book	1,326.20	5,255.12	-3,928.92	-74.76 %
5021 El Libro		6.13	-6.13	-100.00 %
5025 Newcomers Booklet	86.40	100.20	-13.80	-13.77 %
5026 Newcomers Pckage	433.20	535.80	-102.60	-19.15 %
5030 Our Path To Freedom	102.87	97.79	5.08	5.19 %
5034 Reflections on Freedom		-568.76	568.76	100.00 %
5035 90 Days 90 Ways	252.83	146.72	106.11	72.32 %
5036 Sponsorship in NicA Booklet	0.00	0.00	0.00	
5037 Step Study Workbook	794.25	6,147.92	-5,353.67	-87.08 %
5038 12 Traditions	28.20	25.20	3.00	11.90 %
5039 A Year of Miracles	393.76	402.32	-8.56	-2.13 %
5040 Pamphlets	782.06	2,098.99	-1,316.93	-62.74 %
5041 Voices of NicA CD	4.64	9.85	-5.21	-52.89 %
5051 Book on CD		15.00	-15.00	-100.00 %
5060 Other Items	17.40	8.05	9.35	116.15 %
5100 Seven Minutes COGS				
5120 Printing	1,823.53	1,589.05	234.48	14.76 %
Total 5100 Seven Minutes COGS	1,823.53	1,589.05	234.48	14.76 %
5250 Shipping Costs	5,471.74	5,672.50	-200.76	-3.54 %
Total 5000 COGS	11,517.08	21,541.88	-10,024.80	-46.54 %
5001 Cost of Goods Sold	551.77	829.68	-277.91	-33.50 %
Inventory Shrinkage		-5,616.71	5,616.71	100.00 %
Total Cost of Goods Sold	\$12,068.85	\$16,754.85	\$ -4,686.00	-27.97 %
GROSS PROFIT	\$41,661.82	\$33,395.00	\$8,266.82	24.75 %
Expenses				
6000 Office Expenses		-29.65	29.65	100.00 %
6010 Bank Service Charges	28.00	63.12	-35.12	-55.64 %
6020 Checking Account Fees	41.03	2.67	38.36	1,436.70 %
6025 Paypal Fees	645.07	804.51	-159.44	-19.82 %
6030 Merchant Account Fees	1,405.74	1,307.84	97.90	7.49 %
Total 6010 Bank Service Charges	2,119.84	2,178.14	-58.30	-2.68 %
6060 Group Mailing				
6062 Postage, Printing and Supplies	35.99		35.99	
Total 6060 Group Mailing	35.99		35.99	
6090 Legal & Professional	300.00	315.00	-15.00	-4.76 %
6100 Licenses and Permits		295.00	-295.00	-100.00 %
6120 Office Supplies, Etc	317.18	496.26	-179.08	-36.09 %
6200 Postage-Administrative		53.44	-53.44	-100.00 %

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Profit and Loss

January - December 2023

	TOTAL			
	JAN - DEC 2023	JAN - DEC 2022 (PP)	CHANGE	% CHANGE
6210 Postal Box Rental	300.00	300.00	0.00	0.00 %
6330 Storage	2,925.00	2,625.00	300.00	11.43 %
6340 Office Mgr contract	27,145.00	20,379.00	6,766.00	33.20 %
6350 Software	1,111.45	1,514.77	-403.32	-26.63 %
6400 Telephone		16.52	-16.52	-100.00 %
6430 Info 800	354.30	298.91	55.39	18.53 %
6440 Office	224.31	54.99	169.32	307.91 %
Total 6400 Telephone	578.61	370.42	208.19	56.20 %
6500 Web Site				
6505 Domain Names	125.40	47.98	77.42	161.36 %
6510 Hosting	587.80	378.37	209.43	55.35 %
6515 Website software	1,190.89	945.98	244.91	25.89 %
Total 6500 Web Site	1,904.09	1,372.33	531.76	38.75 %
Total 6000 Office Expenses	36,737.16	29,869.71	6,867.45	22.99 %
6600 WSO Expenses				
6620 World Services Misc Expense	129.88		129.88	
6700 Projects				
6740 Public Outreach	760.34		760.34	
6750 Web Site Redesign		2,250.00	-2,250.00	-100.00 %
Total 6700 Projects	760.34	2,250.00	-1,489.66	-66.21 %
6800 Officer Travel & Meeting Costs	2,926.36		2,926.36	
6820 Conference Calls	159.80	159.80	0.00	0.00 %
6840 Officer Transportation	1,288.53	4,286.93	-2,998.40	-69.94 %
6850 Officer Lodging	455.45	3,290.09	-2,834.64	-86.16 %
Total 6800 Officer Travel & Meeting Costs	4,830.14	7,736.82	-2,906.68	-37.57 %
Total 6600 WSO Expenses	5,720.36	9,986.82	-4,266.46	-42.72 %
6900 Other Operating Expenses				
6950 Taxes				
6970 Sales Tax	106.31	76.36	29.95	39.22 %
Total 6950 Taxes	106.31	76.36	29.95	39.22 %
Total 6900 Other Operating Expenses	106.31	76.36	29.95	39.22 %
Total Expenses	\$42,563.83	\$39,932.89	\$2,630.94	6.59 %
NET OPERATING INCOME	\$ -902.01	\$ -6,537.89	\$5,635.88	86.20 %
Other Income				
8000 Interest Income	6.31	7.78	-1.47	-18.89 %
Total Other Income	\$6.31	\$7.78	\$ -1.47	-18.89 %
NET OTHER INCOME	\$6.31	\$7.78	\$ -1.47	-18.89 %
NET INCOME	\$ -895.70	\$ -6,530.11	\$5,634.41	86.28 %

NAWSO

Balance Sheet

As of December 31, 2023

	TOTAL			
	AS OF DEC 31, 2023	AS OF DEC 31, 2022 (PP)	CHANGE	% CHANGE
ASSETS				
Current Assets				
Bank Accounts				
1003 Bk of America chkg	21,431.68	20,642.51	789.17	3.82 %
1004 Bk of America savings	26,029.07	26,022.76	6.31	0.02 %
Total Bank Accounts	\$47,460.75	\$46,665.27	\$795.48	1.70 %
Accounts Receivable				
1200 Accounts Receivable	31.66	245.56	-213.90	-87.11 %
1210 Advances to Conference	0.00	0.00	0.00	
1220 Other Receivables	0.00	0.00	0.00	
Total Accounts Receivable	\$31.66	\$245.56	\$ -213.90	-87.11 %
Other Current Assets				
1300 Inventory Asset	23,358.89	28,056.97	-4,698.08	-16.74 %
1330 Advance to Fulfillment	0.00	0.00	0.00	
1340 Prepaid Expenses	0.00	0.00	0.00	
4188 2024 NAWS Conference	1,800.00		1,800.00	
Total 1340 Prepaid Expenses	1,800.00	0.00	1,800.00	
1390 Undeposited Funds	1,469.03	0.00	1,469.03	
6030	97.59	97.59	0.00	0.00 %
Credit Card Receivables	47.05	47.05	0.00	0.00 %
Total Other Current Assets	\$26,772.56	\$28,201.61	\$ -1,429.05	-5.07 %
Total Current Assets	\$74,264.97	\$75,112.44	\$ -847.47	-1.13 %
Fixed Assets				
1500 Office Equipment	0.00	0.00	0.00	
1501 OE-Secretary's Laptop	366.67	366.67	0.00	0.00 %
1502 OE-Office Printer	0.00	0.00	0.00	
1503 OE-OM's Computer	0.00	0.00	0.00	
1504 Conference equipment	1,122.53	1,122.53	0.00	0.00 %
1505 Recording Equipment for Literature - 2 locations	863.80	863.80	0.00	0.00 %
Total 1500 Office Equipment	2,353.00	2,353.00	0.00	0.00 %
1510 Accumulated Depreciation	0.00	0.00	0.00	
Total Fixed Assets	\$2,353.00	\$2,353.00	\$0.00	0.00 %
Other Assets				
1600 Deposits	0.00	0.00	0.00	
Total Other Assets	\$0.00	\$0.00	\$0.00	0.00 %
TOTAL ASSETS	\$76,617.97	\$77,465.44	\$ -847.47	-1.09 %

NAWSO

Balance Sheet

As of December 31, 2023

	TOTAL			
	AS OF DEC 31, 2023	AS OF DEC 31, 2022 (PP)	CHANGE	% CHANGE
LIABILITIES AND EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 Accounts Payable	0.00	0.00	0.00	
Total Accounts Payable	\$0.00	\$0.00	\$0.00	0.00%
Other Current Liabilities				
2100 Payroll Liabilities				
2110 FWT Payable	0.00	0.00	0.00	
2120 FICA Employee Tax Payable	0.00	0.00	0.00	
2130 SWT Payable	0.00	0.00	0.00	
2140 SDI Payable	0.00	0.00	0.00	
2150 FUTA Payable	0.00	0.00	0.00	
2160 SUTA Payable	0.00	0.00	0.00	
2190 Payroll Tax Liability Adjustment	0.00	0.00	0.00	
Total 2100 Payroll Liabilities	0.00	0.00	0.00	
2200 Sales Tax Payable	-184.66	-188.29	3.63	1.93 %
2900 Suspense	0.00	0.00	0.00	
No Sales Tax Payable	-117.01	-117.01	0.00	0.00 %
Sales Tax Agency Payable	639.47	594.87	44.60	7.50 %
Total Other Current Liabilities	\$337.80	\$289.57	\$48.23	16.66 %
Total Current Liabilities	\$337.80	\$289.57	\$48.23	16.66 %
Total Liabilities	\$337.80	\$289.57	\$48.23	16.66 %
Equity				
3000 Opening Bal Equity	24,415.30	24,415.30	0.00	0.00 %
3005 Reserve Account	17,207.61	17,207.61	0.00	0.00 %
3020 Unrestricted Net Assets	10,006.58	10,006.58	0.00	0.00 %
3040 Retained Earnings	25,546.38	32,076.49	-6,530.11	-20.36 %
Net Income	-895.70	-6,530.11	5,634.41	86.28 %
Total Equity	\$76,280.17	\$77,175.87	\$ -895.70	-1.16 %
TOTAL LIABILITIES AND EQUITY	\$76,617.97	\$77,465.44	\$ -847.47	-1.09 %

NAWSO

Statement of Cash Flows

January - December 2023

	TOTAL
OPERATING ACTIVITIES	
Net Income	-895.70
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	213.90
1300 Inventory Asset	4,698.08
4188 Prepaid Expenses:2024 NAWS Conference	-1,800.00
2200 Sales Tax Payable	3.63
No Sales Tax Payable	0.00
Sales Tax Agency Payable	44.60
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	3,160.21
Net cash provided by operating activities	\$2,264.51
NET CASH INCREASE FOR PERIOD	\$2,264.51
Cash at beginning of period	46,665.27
CASH AT END OF PERIOD	\$48,929.78