

WORLD SERVICE OFFICE, INC.



1992 ANNUAL REPORT

**Covering activity for
January 1 through December 31, 1991**



**WORLD SERVICE OFFICE, INC.
NARCOTICS ANONYMOUS**

P.O. Box 9999
Van Nuys, CA 91409
(818) 780-3951

**World Service Office
1992 Annual Report**

Greetings from the board and staff of your World Service Office. This year's annual report is being sent to you prior to the opening of the World Service Conference annual meeting in Dallas to give you the opportunity to study the material contained in it beforehand. We are looking forward to open discussions with all conference participants on all aspects of World Service Office policy and practice.

The WSO is scheduled to present a financial report to the conference on Monday morning, April 27. Two WSO/WCC discussion panels have been scheduled for that evening. The "A" panel will include discussion of the WCC motion regarding special interest meetings and a panel with WSO, WSB, and WSC Literature Committee representation to determine the fellowship's understanding of the appropriateness of using contract writers in the literature development process. The "B" panel will address two issues--the status of NA in the United States with the Internal Revenue Service, and the WSO sales policy. Our business session is scheduled to occur on Wednesday, April 29.

The WSO Board of Directors would like to take this opportunity to express its gratitude to all the special workers at the World Service Office. In 1991, facing incredible challenges, staff performed more work with fewer people and less resources. Their unflagging enthusiasm and dedication has been truly commendable. Please continue to give them your loving support as we work through the coming year.

If you have any questions about any of the information contained in the annual report, please feel free to write us. Thank you for allowing us to be of service.

WSO Board of Directors

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KEY BOARD ACTIONS

NEW EXECUTIVE DIRECTOR; CHANGES IN ADMINISTRATIVE APPROACH

In 1990, the WSO Board of Directors began making some significant changes in its administrative approach. The board continued this process in its selection of a new executive director in April 1991 to help implement those changes. Joe Gossett, our new WSO executive, has a management style that emphasizes open and honest communication. From his many years of employment with a variety of nonprofit organizations, he has helped us distinguish more clearly between *policy*, which trusted servants must develop, and the *administration* of policy by our special workers. When Joe and his staff are given assignments, they use their experience to locate valuable information and identify the options available to us; the final word on any given subject remains with our trusted servants. We believe this understanding resulted in a much more productive relationship in 1991 between WSO staff and the conference boards and committees with which they work.

This approach has given us a more accessible WSO, but it has also demanded that our trusted servants take greater responsibility for the decisions that must be made in NA's world services. This new administrative style has not provided us with all the solutions to all our challenges. It has simply helped us use our special workers more effectively while focusing more clearly on the process of communication, inclusion, and consensus in our fellowship.

SUMMARY OF YEAR-END FINANCIAL STATUS

In 1991, for the second year in a row, the World Service Office suffered a significant financial loss, expenses exceeding income by slightly more than a quarter-million dollars. The single largest factor contributing to that loss was, once again, a decline in Basic Text sales. We sold 254,661 copies of the hardback text, 9.21% fewer than in 1990. That alone resulted in a \$217,648 drop in revenues. We were able to continue operating only by stretching out payments to our suppliers.

Beginning on page 27, you will find our 1991 financial reports. Though we sold almost \$4.3 million worth of literature, 23% of that was eaten up by discounts, with costs of merchandise taking another 32%. Of almost \$2.2 million in expenses, the study shown on pages 8 and 9 attributes 82% to fellowship services rendered by the WSO: staff support for conference committees, the trustees, literature development, fellowship communications, new groups, and the like.

PRICE INCREASE

Given our financial status, the WSO Board of Directors had to seek ways to both reduce our expenses and increase our income last year. To reduce our costs, we took the following steps:

1. We reduced administrative costs by limiting purchases of office supplies and cutting our travel budget as much as possible.
2. We reduced inventory floor stock, accepting the certainty that some back-orders would build up.
3. We extended in-house production of service handbooks and newsletters that had once been sent to outside printers, accepting the production back-up that would result.
4. We imposed a hiring freeze on new staff and deferred the replacement of departing employees.
5. We reduced merchandise production costs wherever possible.
6. We changed the binding and paper used in publishing the Basic Text.

We also took steps to increase revenues:

1. We considered a direct donation plan that would have encouraged NA members to make contributions to WSO.
2. We produced new sales products (*Introductory Guide*, Spanish and Portuguese Basic Texts, Basic Journal, Basic Mug, Basic Calendar).
3. We tested a "Basic Catalog" program for directly marketing WSO products to NA groups.
4. We expanded the product listing that is normally included in the *Newsline*, offering materials directly for sale to NA members.

Even after taking these cost-cutting and income-raising steps, our expenses still continued to be

greater than our income. By January 1992, our ability to satisfy our creditors had deteriorated to the point where our continued ability to print the Basic Text and other inventory items was in jeopardy. We had two choices:

1. To shut down portions of the World Service Office, or
2. To raise our retail prices by ten percent, our first-ever across-the-board price increase.

The proposed price increase was first considered at our October 1991 meeting, gaining tentative approval. In January 1992, the proposal was confirmed, to become effective February 1.

WSO 1991 TRAVEL EXPENSE SUMMARY

January travel costs, \$11,500

- * WSO-Europe staff training at WSO.
- * Translator from Spain working at WSO.
- * Senior staff attending Intellectual property hearing in Philadelphia.
- * Intellectual property settlement meeting with WSO board in Van Nuys.
- * Directors attending full WSO board meeting in Van Nuys.

February travel costs, \$9,150

- * WCC chair, senior staff, Australia; stopover in New Zealand.
- * Senior staff annual visit to WSO-Europe.

March travel costs, \$7,500

- * Senior staff and Spanish translator attending fellowship events in Brazil and Argentina.
- * Directors participating in workgroup meetings at WSO.
- * Four members of USA Spanish text review group attending meeting at WSO.

April travel costs, \$9,000

- * Directors attending full WSO board meeting in Van Nuys.
- * Directors attending WSC'91, Van Nuys.

May travel costs, none

No travel expenses incurred for this month.

Given the added revenues from the price increase and the hope that additional new products will be available for sale this summer, we now have confidence that World Service Office, Inc. will be operating in the black by the third quarter of 1992, provided we maintain a tight belt. However, the WSO Board of Directors is aware that our financial situation will still need considerable attention and that we will have to remain vigilant about holding down expenses and seeking new ways to increase income. We have learned some valuable lessons about the market we are operating in and the effects of fellowship growth, market saturation, and economic conditions on our sales revenue. We are prepared to meet these challenges and maintain our ability to provide literature and services to the fellowship.

SALES POLICY

The WSO Board of Directors is reviewing all facets of its sales policy, including the discount structure, sales agreements with regions outside the United States, and the purpose of the policy. We need to receive as much input as possible from the general fellowship, the sales offices, and regional representatives before we make any changes to the policy. Any actions that we take to change discount structures may affect the viability of some regional service offices. Therefore, we want to have as much input as possible from those who are served by the offices and those who are not. It will be very important for us to determine what the fellowship believes the goal of the sales policy should be. The board intends to develop a uniform sales policy for all NA communities. This process will also require input from as many sources as possible. Any conference participant with input on any aspect of the sales policy should plan to attend the WSO "B" panel at WSC'92. An additional workshop is tentatively scheduled late this summer to discuss sales policy development. Feel free to send input at any time to Mary Kay Berger, WSO board vice chairperson, who heads up the board's Sales Policy Committee. All of this input will be considered in the formation of a new sales policy, to be finalized at the November 1992 meeting of the WSO Board of Directors.

INCOME, COST OF SERVICES ANALYSIS

Included in this year's WSO annual report is an analysis of the income received by the WSO and the cost of WSO services provided to the fellowship in 1991. The analysis is comprised of two schedules. The first schedule (p. 8) is a departmental cost breakdown, which details most of the major expense categories. The overheads are allocated to each department or project, based on the percentage of salaries attributable to that department. (For instance, one department may consist of staff who spend 25% of their time working on Project A and 75% of their time on Project B.) The second schedule (p. 9) is a summary of our net income, showing expenses allocated as in the first schedule along with other expenses not included in the departmental cost breakdown.

The WSO Board of Directors believes that it is our responsibility to inform the fellowship as fully as possible about our activities and finances so that the fellowship has adequate information when making decisions regarding the use of its resources. Fellowship purchases of literature provide over a million dollars a year for services provided to members and the service structure. We need to assure that you know where the money is going and have the ability to provide input as to how it is spent. While the WSO Board of Directors has been given the responsibility of managing the operation of the World Service Office, the World Service Conference is responsible to give us direction and set priorities.

Travel expense

For a summary of our monthly travel expenses for 1991, see the sidebars on this and the previous page. *Please note that this summary covers expenses only for WSO directors and staff, not for trustees, conference officers, or committee chairs or members.*

Travel includes office staff support for WSC committee and WSB meetings, the WSC meeting in Tulsa, and the World Convention Corporation; director travel to board meetings, the WSC annual meeting, and various multiregional conference agenda workshops; staff travel to oversee operations of the Canadian and European Service Offices and to

meet with vendors; and staff travel to arrange meeting space for the WSC meeting for 1992.

The WSO Board of Directors and office staff have taken every measure possible to minimize the amount of travel expense within the requirements placed on us by the conference. The office travel

WSO 1991 TRAVEL EXPENSE SUMMARY

June travel costs, \$8,300

- * Directors attending full WSO board meeting in Van Nuys.
- * Senior staff attending workshops in Kansas, Arizona.
- * Coordinating staff attending workshop in New York, conducting research in DC, Virginia.

July travel costs, \$2,900

- * Senior staff attending European Conference and Convention, consulting with London staff.

August travel costs, \$11,000

- * Directors attending full WSO board meeting in Van Nuys.
- * Board chair and vice chair, senior and coordinating staff attending WSC workshop, Tulsa.

September travel costs, \$1,000

- * Board chair and vice chair attending work group meeting at WSO.

October travel costs, \$10,000

- * WSO staff working at world convention, Sydney, Australia.
- * Directors attending full WSO board meeting in Van Nuys.

November travel costs, \$4,000

- * Senior staff reorganizing European operations.
- * WCC directors attending board meeting, Toronto.

December travel costs, none

No travel expenses incurred for this month.

coordinator assures that, whenever possible, we maximize the use of frequent flier miles and obtain the best rates available for all trips.

PERSONNEL POLICIES

It may be too easy to visualize the WSO as a giant bureaucracy with virtually unlimited personnel and financial resources, but the real picture is quite different. A review of our organization chart on p. 10 shows that a typical WSO department has only one or two special workers. A review of the payroll distribution chart on p. 11 shows a decrease in total payroll expenditures over the last three years. Current salary ranges established by the board of directors for management, program, production, and clerical employees are shown in the sidebar below. For each level, the salary range and number of employees is shown.

In the past, WSO employment philosophy was not oriented to attract and retain long-term WSO employees. High employee turnover was expected and investments in staff training were not seen as

necessary. The WSO has changed. Today, WSO jobs require a higher level of employee skills, and the loss of any WSO employee means a major commitment to new employee training. The 1991 expenditure for staff training was \$2,129 for thirty-five employees. As funds become available, increases in this line item will be considered. This new emphasis on staff development will assure that all WSO special workers are well prepared to serve the fellowship. The revision of all job descriptions and the addition of performance standards have also added to employee efficiency.

The desire to retain the benefits of experienced employees will require the WSO to consider some type of retirement program for WSO special workers. The lack of any retirement benefits at the WSO has been given as a major reason for staff turnover.

We fulfilled a number of our service priorities in 1991 but had to defer many other activities. Back-orders gave us some concern in 1991, and without additional staff assistance we foresee even larger problems in meeting fellowship order demands in the future. Internal financial control has been adequate, but timely financial reporting has been hampered by the absence of an Accounting Department manager for nine months during 1991. Every department has felt the frustration of not being able to fulfill all its assignments. In 1991, we were successful in doing more with less and we learned new ways to increase our efficiency. We are now approaching maximum efficiency; thus, future expansions in productivity will require additional personnel investments.

UNAUTHORIZED BASIC TEXT DISTRIBUTION

The WSO Board of Directors must inform you that, despite the settlement of one major copyright infringement suit in 1991, certain members of our fellowship in about a dozen NA communities in the USA continue to distribute a hybridized version of various editions of NA's Basic Text without authorization. We have asked these members to stop, but have not yet taken legal action against them. Our court action last year, settled in the first hearing, was very expensive; if we had faced protracted litigation, the expenses would have increased dramatically. We are reticent to commit ourselves to such an expense primarily because we

1991 SALARY RANGES

Management	no.	salary range
Level 1	1	\$60,000 to \$75,000
Level 2	0	\$50,000 to \$63,000
Level 3	2	\$40,000 to \$52,000
Level 4	2	\$28,000 to \$40,000

Program

Level 1	0	\$35,000 to \$49,500
Level 2	3	\$30,000 to \$37,000
Level 3	10	\$24,000 to \$30,000
Level 4	1	\$18,000 to \$24,000

Production

Level 1	1	\$29,000 to \$36,500
Level 2	1	\$23,000 to \$29,000
Level 3	3	\$18,000 to \$23,000
Level 4	0	\$13,000 to \$18,000

Clerical

Level 1	3	\$25,000 to \$30,500
Level 2	5	\$20,000 to \$25,000
Level 3	2	\$16,000 to \$20,000
Level 4	0	\$12,000 to \$16,000

believe that, in the final analysis, unauthorized publication of NA literature can only be stopped by the NA Fellowship itself—that is, by individual members of individual groups in individual communities. If members continue to find a market for unauthorized Basic Texts, they will continue to produce them, no matter the legal consequences; if they find no buyers, they will stop. It's as simple as that.

Unauthorized publication and distribution of the fellowship's copyrighted books and pamphlets threatens the fellowship's legal ownership of that material. It compromises both our common welfare and our unity. The WSO Board of Directors encourages NA members to examine their conscience when considering whether to buy a bootleg Basic Text.

COMMUNICATIONS

The WSO Board of Directors has taken a number of steps this year to communicate more effectively and provide opportunities for others to affect our operations. We've succeeded in expanding our regular communications to include all conference participants. Ultimately, our goal is to communicate directly with every NA group on a regular basis.

We have begun reporting the goals and progress of each WSO department in a monthly "work plan" report sent to all conference participants. The work plan takes its structure from the project priorities established at WSC'92. This 4-page summary allows everyone to see at a glance where the WSO is putting its energy and how well each department is keeping up with its work.

The chair and vice chairpersons of our board, along with senior staff members, have also begun participating in weekly conference calls with the leadership of the World Service Board of Trustees and the WSC Administrative Committee. These calls have helped those most responsible for world services stay abreast of all current activities. They have also helped nurture an unprecedented spirit of cooperation among the three world service branches, aiding in coordination of service resources and short-circuiting potential conflicts.

BUSINESS PLAN DEVELOPMENT

The final communications step taken by our board this year has been to form a committee to prepare a long-term development program for the office. The committee is composed of one director and one trustee who work directly with the WSO executive director. Initial development of the five-year plan began in June 1991 and took more substantial shape following a combined world services meeting held last October. An outline describing the basis for the business plan has been distributed to the WSO board and the WSB for input. Once a draft plan is finished, it will be distributed to both boards and the WSC Administrative Committee for final review before approval by the WSO Board of Directors. Once released, the business plan will be opened each year for a revision that will be based, in part, on fellowship input. It is the WSO board's hope that this process will provide means by which the world service community and the entire fellowship can affect long-term development plans for our World Service Office.

COMMITTED MOTIONS

Several motions were committed to the WSO Board of Directors at WSC 1991. The following is a summary of our recommendations or actions pertaining to those motions.

Translations fund

It was M/S/R Mario L. (RSR, Quebec)/Lucie G. (RSR, Alsask) "That the WSC create a translations fund which only groups and individuals can make direct donations to."

Since current WSC policy indicates that the service structure should not accept contributions earmarked for particular purposes, the WSO Board of Directors cannot recommend adoption of this motion.

USA tax status

It was M/S/R Vinnie B. (RSR, Mountain Valley)/Sonny T. (RSR, Connecticut) "That the WSO Board of Directors continue with an attempt to get a special ruling on NA's tax status from the US Internal Revenue Service."

An ad hoc group composed of two directors, two trustees, and a member of the WSC Administrative Committee was assigned the responsibility of

preparing a recommendation on this motion for action at WSC'92. The group has retained the services of a law firm to establish communication with the IRS. The ad hoc group will lead a discussion at WSC'92 on tax issues during the WSO "B" panel, scheduled for Monday evening, April 27, during which the group will present its recommendations.

WSO reserve fund

It was M/S/R Shannon L. (RSR, Tri-State)/Ed D. (WSC Chairperson) "To refer to the Budget Review and Utilization Committee, for recommendation, the following concept: That the WSO dedicate a portion of its income toward establishing a reserve fund, with a goal of \$750,000 over five years."

The plan for the Budget Review and Utilization Committee was not implemented in 1991, so there was no committee to address the motion. The WSO Board of Directors gave the motion to its Business Plan Committee, and it has been factored into the draft of the business plan.

Sequential three-year term limits

It was M/S/R Jon T. (RSR, New Jersey)/Al R. (RSR, Greater Philadelphia) "The conference strongly recommends that the World Service Office Board of Directors add at the end of Section 6.05 [of its bylaws] (term of office)... the following statement: Consecutive three-year terms should be limited to two three-year terms; total term of service not to exceed seven years."

The WSO Board of Directors amended the WSO bylaws to limit the number of consecutive three-year terms to three, with a total term of service not to exceed ten years, in accordance with the WSC Policy Committee recommendation on rotation of trusted servants published in the 1991 *Conference Agenda Report*. The board felt that continuity was essential to its ability to manage the WSO effectively. The conference will, of course, maintain its ability to limit the number of terms served by any individual director by not electing that director again to the panel of nominations after a first or second term is completed.

DIRECTORS ELECTION SCHEDULE

The following is a summary of the terms of office of the current membership of the WSO Board of Directors:

Director.....	term	term ends
Mary Kay Berger	1 year	1992
Chris Chambliss.....	1 year	1992
Martin Chess.....	3 years	1992
Bill Winterfeld	3 years	1992
Walter Johnson.....	3 years	1992
Bob McDonough	3 years	1993
Oliver Stanley.....	3 years	1993
Bob MacFarlane.....	3 years	1994
Randy Jones.....	3 years	1994
Tim Banner.....	3 years	1994

Last year, the conference filled only two of the three one-year terms. The three-year term vacated by Stu Tooredman upon his election to the World Service Board in April 1991 was not filled by the WSO board.

This year, Bob McDonough has served as board chairperson, Mary Kay Berger as vice chairperson, Martin Chess as treasurer, and Tim Banner as secretary. In addition to their basic responsibilities as board members, most directors have also served on WSO board committees, trustee committees, or conference committees this year.

Martin Chess has served on the board for nine years, fulfilling two three-year terms and three one-year terms. Bill Winterfeld will be finishing his three-year term as a WSO director and completing his term on the WCC board, of which he is currently chairperson, this year. They have both made significant contributions to the board, and the board is very grateful to them for their selfless service.

DIRECTORS POOL

At last year's conference, a motion was passed which changed the conference policy for nominating members to the WSO Board of Directors pool: "That nominees to the pool of the WSO Board of Directors need not be present, providing that they have indicated a willingness to serve in writing, submitted a service resume, and were past conference participants." The WSO board hopes that the conference will take advantage of this opportunity to

elect pool members who may have the skills and experience we need, but may not be able to attend the conference to stand for election. Our board could benefit greatly from the addition of accountants, lawyers, managers, and other business professionals. If you know of anyone who has eight years clean, is a past conference participant, and is willing to serve, please send their name, phone number, and address to Bob McDonough, WSO board chairperson.

The following is a complete list of those elected by a majority vote of the WSC to the directors pool who will be eligible for WSO board election to three-year terms in June 1992:

Shari Angell (1990; Oklahoma, USA)
 Mary Kay Berger (1990; Virginia, USA)
 Chris Chambliss (1991; Florida, USA)
 Derek Dunsworth (1990; New South Wales, Australia)
 Walter Johnson (1990; British Columbia, Canada)

Three eligible pool members are currently serving as directors. Mary Kay Berger will return to the pool upon completion of her one-year term this June. Chris Chambliss, elected to a one-year term at WSC'91, will enter the pool this June in accordance with conference action taken last year. Walter Johnson was elected by the board from the directors pool in June 1990 to complete a three-year term vacated by Mark Daley, and will be returned to the pool upon completion of that term this June.

Note that John Burnett (Missouri, USA) was elected to the pool in 1990. However, due to clean-time requirements for WSO board membership, he will be ineligible for director service between June and October 1992.

**WORLD SERVICE OFFICE, INC.
DEPARTMENTAL COST BREAKDOWN**

	LABOR %	LABOR COST	LABOR W/ADMIN	BASE %	RENT	UTILITIES	AUTO	COMPUTER SUPPLIES	EQUIPMT LEASE	GENERAL INSURANCE	OFFICE EXPENSE	POSTAGE	TELEPHONE	TRAVEL	TOTALS	OVERHEADS ALLOCATED
FELLOWSHIP SERVICES																
EUROPEAN SERVICE OFFICE	0.81%	\$7,151.53	\$8,384.89	0.71%	\$583.20	\$128.85	\$11.08	\$107.57	\$885.07	\$183.47	\$433.27	\$818.53	\$418.81	\$8,000.00	\$19,572.13	\$24,848.20
GROUP SERVICES	2.79%	\$32,968.83	\$38,899.88	3.28%	\$2,734.67	\$583.84	\$51.00	\$495.82	\$3,158.21	\$845.78	\$1,897.38	\$2,851.48	\$1,829.83	\$2,000.00	\$55,347.85	\$70,550.93
NA WAY MAGAZINE	3.74%	\$44,102.89	\$51,769.13	4.39%	\$3,858.18	\$781.01	\$88.22	\$883.39	\$4,224.78	\$1,131.42	\$2,871.91	\$3,814.42	\$2,581.55	\$1,000.00	\$72,364.01	\$92,240.97
BOARD OF TRUSTEES	3.38%	\$40,015.77	\$48,971.78	3.88%	\$3,318.20	\$708.84	\$81.90	\$801.92	\$3,833.26	\$1,026.57	\$2,424.31	\$3,480.95	\$2,342.32	\$8,000.00	\$70,750.83	\$80,184.88
HOSPITALS & INSTITUTIONS	2.58%	\$30,486.28	\$35,762.29	3.03%	\$2,527.08	\$539.53	\$47.13	\$458.28	\$2,818.48	\$781.59	\$1,845.78	\$2,635.02	\$1,783.34	\$1,500.00	\$50,798.50	\$64,751.85
INTERNATIONAL	1.55%	\$18,338.29	\$21,526.08	1.82%	\$1,521.11	\$324.75	\$28.37	\$275.85	\$1,758.89	\$470.45	\$1,111.00	\$1,588.07	\$1,073.43	\$5,000.00	\$34,873.79	\$44,187.89
TRANSLATIONS	3.82%	\$45,020.80	\$52,846.98	4.48%	\$3,734.36	\$787.27	\$89.85	\$877.21	\$4,312.72	\$1,154.87	\$2,727.54	\$3,883.84	\$2,835.29	\$1,500.00	\$74,348.80	\$94,772.21
LITERATURE	4.70%	\$55,428.88	\$65,084.15	5.51%	\$4,587.87	\$981.58	\$85.75	\$833.78	\$5,309.73	\$1,421.88	\$3,358.09	\$4,784.02	\$3,244.52	\$1,500.00	\$91,181.28	\$118,238.89
POLICY	0.82%	\$8,859.88	\$11,338.81	0.86%	\$801.24	\$171.08	\$14.84	\$145.30	\$925.33	\$247.81	\$585.22	\$835.48	\$585.43	\$1,500.00	\$17,130.81	\$21,836.05
PUBLIC INFORMATION	1.87%	\$19,702.40	\$23,127.30	1.96%	\$1,834.28	\$348.91	\$30.48	\$286.38	\$1,887.37	\$505.45	\$1,183.85	\$1,704.05	\$1,153.28	\$1,500.00	\$33,381.10	\$42,550.23
SPEC PROJ/TRADITIONS	2.99%	\$35,254.87	\$41,383.05	3.51%	\$2,824.28	\$824.32	\$54.54	\$530.30	\$3,377.17	\$904.43	\$2,135.88	\$3,048.18	\$2,083.83	\$0.00	\$57,048.74	\$72,718.35
SPEC PROJ/DAILY BOOK	2.41%	\$28,444.84	\$33,389.22	2.83%	\$2,358.40	\$503.72	\$44.00	\$427.87	\$2,724.82	\$729.72	\$1,723.28	\$2,480.17	\$1,885.00	\$0.00	\$48,027.21	\$58,888.87
SPEC PROJ/GUIDE TO SERVICE	1.18%	\$13,813.54	\$18,332.15	1.38%	\$1,154.09	\$248.38	\$21.52	\$206.29	\$1,332.83	\$358.84	\$842.83	\$1,203.38	\$814.43	\$0.00	\$22,513.88	\$28,886.08
SPEC PROJ/STEPS	4.43%	\$52,328.10	\$61,422.03	5.21%	\$4,340.30	\$928.84	\$80.85	\$787.08	\$5,012.51	\$1,342.38	\$3,170.11	\$4,525.88	\$3,082.80	\$0.00	\$84,870.58	\$107,827.81
WORLD SERVICE CONFERENCE	8.10%	\$95,819.45	\$112,241.14	9.51%	\$7,831.38	\$1,893.32	\$147.82	\$1,438.31	\$8,159.74	\$2,453.03	\$5,792.99	\$8,270.08	\$5,587.08	\$5,000.00	\$158,724.97	\$203,588.28
REACHING OUT MAGAZINE	0.73%	\$8,872.10	\$10,178.58	0.86%	\$719.33	\$153.57	\$13.42	\$130.45	\$830.73	\$222.48	\$325.38	\$750.05	\$507.82	\$0.00	\$14,032.81	\$17,887.08
MEETING BY MAIL	0.88%	\$10,344.58	\$12,142.80	1.03%	\$858.05	\$183.19	\$18.00	\$155.80	\$890.85	\$285.38	\$828.71	\$884.70	\$805.52	\$0.00	\$18,738.90	\$21,338.75
PI NEWS	0.42%	\$5,002.41	\$5,871.88	0.50%	\$414.94	\$88.58	\$7.74	\$75.25	\$479.20	\$128.33	\$303.08	\$432.88	\$292.82	\$0.00	\$8,084.58	\$10,317.88
PROFESSIONAL NEWSLETTER	0.23%	\$2,728.89	\$3,204.55	0.27%	\$228.44	\$48.35	\$4.22	\$41.08	\$281.52	\$70.04	\$185.38	\$238.12	\$158.80	\$0.00	\$4,417.48	\$5,830.88
WSC REPORT/DIGEST	1.57%	\$18,488.88	\$21,704.01	1.84%	\$1,533.88	\$327.44	\$28.80	\$278.13	\$1,771.21	\$474.34	\$1,120.18	\$1,888.18	\$1,082.30	\$0.00	\$28,818.08	\$38,137.28
TOTALS	48.62%	\$573,652.58	\$673,371.55	57.07%	\$47,582.88	\$10,158.78	\$887.41	\$8,828.91	\$54,952.28	\$14,718.55	\$34,754.04	\$48,814.88	\$33,578.70	\$34,500.00	\$882,748.08	\$1,227,183.35
ADMINISTRATIVE DIVISION																
ACCOUNTING	3.53%	\$41,875.38	\$48,919.88	4.15%	\$9,285.28	\$738.03	\$84.47	\$828.88	\$3,992.24	\$1,089.15	\$2,524.85	\$3,804.49	\$2,438.48	\$0.00	\$73,284.72	\$0.00
CONVENTIONS/OFFICES	0.80%	\$8,385.75	\$11,029.03	0.93%	\$2,083.37	\$188.39	\$14.53	\$141.33	\$800.05	\$241.04	\$588.23	\$812.63	\$548.88	\$4,000.00	\$20,517.58	\$28,153.37
PERSONNEL	3.72%	\$43,848.18	\$51,488.01	4.38%	\$8,788.93	\$778.47	\$87.83	\$858.54	\$4,200.18	\$1,124.83	\$2,858.37	\$3,782.24	\$2,588.53	\$0.00	\$77,080.82	\$0.00
BOARD OF DIRECTORS	2.58%	\$30,580.37	\$35,872.73	3.04%	\$8,808.85	\$541.18	\$47.28	\$458.89	\$2,827.48	\$784.00	\$1,851.48	\$2,843.15	\$1,788.85	\$43,448.02	\$87,170.71	\$0.00
LEGAL	1.28%	\$15,154.85	\$17,788.38	1.51%	\$3,378.52	\$288.38	\$23.44	\$227.98	\$1,451.75	\$388.78	\$818.14	\$1,310.75	\$887.09	\$1,000.00	\$27,842.18	\$0.00
WORLD CONVENTION CORP.	3.13%	\$38,888.12	\$43,882.00	3.68%	\$8,238.05	\$854.83	\$57.18	\$558.05	\$3,541.12	\$948.33	\$2,238.55	\$3,187.18	\$2,183.81	\$2,000.00	\$88,885.81	\$85,385.81
NEWSLINE	0.82%	\$8,858.87	\$11,338.00	0.86%	\$2,152.02	\$171.05	\$14.84	\$145.28	\$925.27	\$247.78	\$585.18	\$835.40	\$585.38	\$0.00	\$18,880.33	\$21,844.48
DATA MANAGEMENT	4.92%	\$58,028.54	\$68,115.74	5.77%	\$12,828.78	\$1,027.82	\$88.77	\$872.87	\$5,558.77	\$1,488.87	\$3,515.58	\$5,018.87	\$3,388.70	\$0.00	\$102,013.34	\$0.00
TOTALS	20.78%	\$245,286.24	\$287,824.75	24.40%	\$54,848.79	\$4,343.78	\$378.45	\$3,888.81	\$23,498.87	\$8,292.80	\$14,880.37	\$21,214.71	\$14,357.81	\$50,448.02	\$481,855.72	\$133,183.48
SHIPPING DEPARTMENT																
ORDER ENTRY	3.02%	\$35,597.04	\$41,784.83	3.54%	\$8,881.44	\$630.39	\$55.07	\$535.45	\$3,408.97	\$913.21	\$0.00	\$0.00	\$2,083.87	\$0.00	\$58,074.13	\$74,025.84
PRODUCTION	5.93%	\$89,945.58	\$82,104.31	8.86%	\$17,019.09	\$1,238.88	\$108.20	\$1,052.12	\$8,700.34	\$1,794.39	\$0.00	\$0.00	\$4,084.28	\$0.00	\$114,111.38	\$145,455.52
CANADIAN SERVICE OFFICE	0.78%	\$8,171.41	\$10,785.88	0.91%	\$2,231.58	\$182.42	\$14.18	\$137.88	\$878.58	\$235.28	\$0.00	\$0.00	\$538.85	\$2,000.00	\$18,882.53	\$21,821.80
SHIPPING/RECEIVING	8.07%	\$71,584.78	\$84,005.00	7.12%	\$17,413.08	\$1,287.34	\$110.71	\$1,078.48	\$8,855.45	\$1,835.93	\$0.00	\$0.00	\$4,188.04	\$0.00	\$118,753.03	\$148,822.77
TOTALS	15.78%	\$188,278.79	\$218,859.84	18.53%	\$45,325.19	\$3,288.80	\$288.18	\$2,802.01	\$17,844.33	\$4,778.82	\$0.00	\$0.00	\$10,803.81	\$2,000.00	\$305,801.08	\$388,828.03
ALLOCATED ADMINISTRATION	14.81%	\$174,738.82	(\$174,738.82)												\$0.00	\$0.00
OVERALL TOTALS	100.00%	\$1,178,958.23	\$1,005,217.81	100.00%	\$147,557.84	\$17,801.34	\$1,555.02	\$15,120.53	\$98,283.48	\$25,787.97	\$48,814.41	\$70,828.88	\$58,848.32	\$88,848.02	\$1,750,302.85	\$1,750,302.85

WORLD SERVICE OFFICE, INC.
ANALYSIS OF INCOME AND SERVICES
WSO-VAN NUYS 1991

SALES

Gross sales.....	\$4,083,323
Less discounts	<979,137>
Less cost of sales.....	<1,282,205>
Less shipping costs	<389,926>
NET SALES	\$1,432,055

SERVICES

WSO-Europe	\$24,948
Group services	70,551
<i>The NA Way Magazine</i>	92,241
World Service Board of Trustees.....	90,185
Hospitals & institutions	64,752
International.....	44,198
Translations	94,772
Literature	116,240
Policy	21,836
Public Information	42,550
Special project-traditions.....	72,716
Special project-daily book.....	58,670
Special project- <i>Guide to Service</i>	28,698
Special project-steps	107,928
World Service Conference.....	203,598
<i>Reaching Out</i>	17,887
<i>Meeting by Mail</i>	21,337
<i>PI News</i>	10,318
Professionals newsletter.....	5,631
<i>Conference Report/Digest</i>	38,137
Conventions/offices.....	26,153
World Convention Corporation	85,386
<i>Newsline</i>	21,644
TOTAL SERVICE COSTS	\$1,360,377

NOT ALLOCATED TO SERVICES

Unallocated labor cost	\$45,650
Accounting and legal	112,159
Consulting	11,062
Bad debts	2,774
Bank service charges	1,720
Contract labor	40,918
Depreciation.....	55,301
Dues and fees	2,810
Employee training	2,129
Equipment repair	2,188
Free publications	9,890
Interest	8,763
Maintenance and repair.....	16,098
Public Information.....	<1,768>
Service contracts.....	14,744
Translations (correspondence)	304
Typesetting supplies.....	518
Interest earned	<2,817>
Miscellaneous Income	<24,116>
Emergency fund account.....	<717>
TOTAL COSTS NOT	\$297,609
ALLOCATED TO SERVICES	

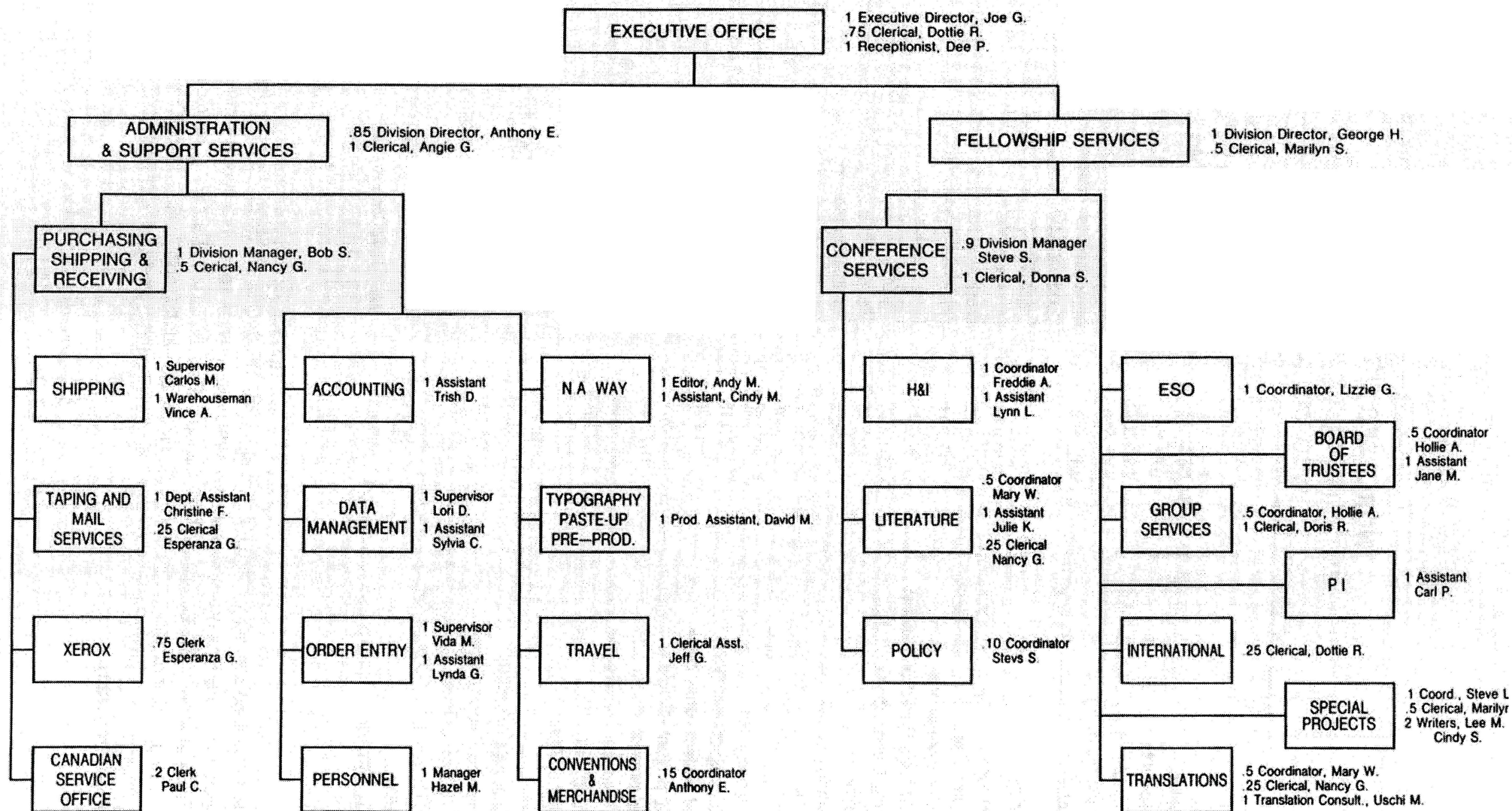
NET INCOME <LOSS>

NET SALES	\$1,432,055
LESS TOTAL SERVICE COSTS	<1,360,377>
LESS COSTS NOT	
ALLOCATED TO SERVICES.....	<297,609>
NET INCOME <LOSS>	\$<225,931>

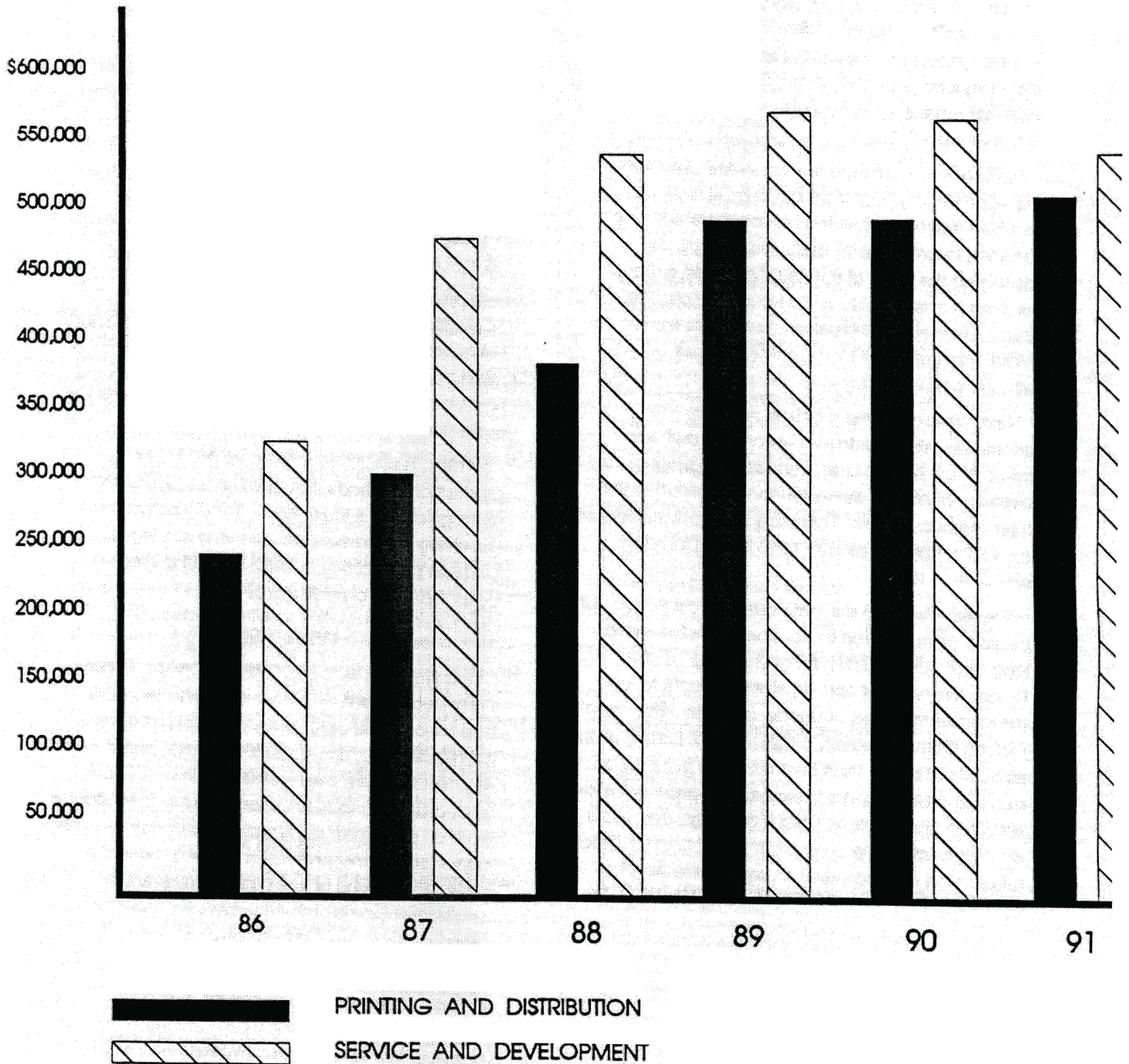
NOTES

This is a simplified summary of income and services. The figures are in USA dollars. It is included to give the fellowship a general idea of the allocation of WSO resources in 1991. The figures in this summary do not account for activity at either WSO-Europe or WSO-Canada. Each figure in this summary represents that portion of the major categories of expense--salaries, rent, utilities, etc.--attributable to each item. Overheads are allocated to each department or project based on a percentage of salaries attributable to each department as indicated by an employee time study.

1991 WSO ORGANIZATION CHART



PAYROLL DISTRIBUTION



DEPARTMENTAL REPORTS

ADMINISTRATIVE OVERVIEW

Last year will go down in the books both as one of the WSO's most difficult and as one of its most productive. The money crunch made 1991 our most difficult year ever, severely limiting our special workers' ability to do their jobs. Reduced staff and reduced inventory required patience. Back-orders and delays were a daily reality. But the tight times of 1991 will result in positive long-term effects at the World Service Office.

First, we learned the limits of our staff. To maximize the value to be gained from our special workers, we carefully examined their job responsibilities during the year, targeting performance standards and identifying the kinds of training that would enhance each employee's ability to do her or his job. We also learned new ways of organizing our work so that we could come as close to 100% efficiency as possible with the staff we had.

Next, we learned the practical necessity of prioritizing. We couldn't do everything that was asked of us, but because world service projects had been prioritized we were able to devote staff to the most important work. Thankfully, the vast majority of our highest priority assignments were fulfilled on schedule in 1991.

The experience of this past year has confirmed our board's determination to develop a much-needed long-term business plan for NA's World Service Office. We have, of course, always sought to keep the long-term impact of our decisions in mind when making them. However, the process of putting all the elements of a long-term business plan together on paper and circulating it for review and input will allow everyone concerned to have a much greater, more direct impact on the course our World Service Office takes in the coming years, as well as assuring comprehensive examination of our operations. The

lack of concerted long-term planning in the past left us wide open to the economic downturn of the last eighteen months.

SHIPPING AND RECEIVING

You are already aware that 1991 was a difficult year for World Service Office finances. This affected everything we do, including our Number One function: the printing, stocking, and selling of NA literature. With limited funds, we had to reduce the inventory levels in our Shipping and Receiving Department. As a result, we were not able to fill many customer orders as quickly as we would like. We anticipate an increase in sales in the second half of 1992, however, and with it an increase in funds that will make it possible to restore inventory levels.

Shipping and Receiving lost one of its six employees in 1992. Because of the cash crunch, we are not sure when or if we will be able to fill that position again. In the meantime, we are doing the best we can to divide that employee's work among remaining staff.

In 1991, we initiated a few changes in our production methods that gave us better products more quickly at a lower cost. The Shipping and Receiving Department will continue striving to increase productivity in 1992, exploring means to better fulfill merchandise orders.

ORDER ENTRY

Last year was also a difficult one for our Order Entry Department. We were unable to hire additional help for our lone order entry operator, who was often overwhelmed by the amount of work facing her each day. Additionally, the need to put many items on back-order due to stock shortages made for double work on many orders. Normally, only three working days elapse between receipt and shipment of an order. By the end of 1991, however, average turnaround time had gone to ten calendar days, not including items put on back-order.

Thanks to our customers for their patience in 1991. Unfortunately, we have to ask for their continuing patience in 1992. We will do everything within our power to increase the effectiveness with which we

Executive Department

Joe Gossett, Executive Director
Dottie Radatz, Executive Secretary
Dee Joyce Price, Receptionist

fulfill customer orders. However, until our financial condition substantially improves, we do not anticipate being able to hire an additional order entry operator or completely eliminate the necessity to put certain items on back-order.

ACCOUNTING

In 1991, the Accounting Department did the same thorough job of maintaining World Service Office financial records that it's done each year. With the departure of our lead bookkeeper and limited funds preventing us from hiring a replacement, however, our one remaining bookkeeper had an excessive workload. Even so, she kept our books in adequate condition, allowing us to pass our annual review audit.

PERSONNEL

Our one-member Personnel Department processed payroll, tax, workers compensation, disability, and insurance materials for thirty-five employees in 1991. An employee sickness and injury prevention program mandated by the California legislature was successfully initiated on June 1, with all staff at middle-management level and above being given first aid training.

TRAVEL

We began making in-house world service travel arrangements in 1990, saving the conference and the office substantial sums as well as providing both accountability and flexibility for trusted servants and special workers travelling on world service business. Our Travel Department staff member did his usual great job in 1991, coordinating hundreds of air travel and hotel reservations for dozens of world service committee, board, and staff meetings, workshops, and business trips.

DATA SERVICES

The primary responsibility of this department is to maintain contact data for three major groups:

- * Trusted servant registration
- * Group registration
- * Mailing lists for the *WSO Newslines* and other periodicals (except *The NA Way*)

Our biggest challenge is maintaining accurate information. (For more on this, see the special report

on pp. 22-26.) We have made a steady effort to improve the accuracy of our database listings over the last year. Recent mailings intended to help us achieve that goal have included our effort to "clean up" the *Newslines* list and our December mailing to regional contacts asking for current group and trusted servant information.

TAPE REVIEW

The Data Services Department personnel also provide coordination support for the tape review process. After tapes are received at the office, they are subjected to a detailed evaluation process. Two separate advisory panels receive tape copies to review according to general criteria—recording

Support Services Division Administration

Anthony Edmondson, Division Director
Angie Gejelan, Executive Secretary

Bob Stewart, Assistant Division Director
Nancy Good, Executive Secretary

Shipping and Receiving

Carlos Martinez, Warehouse Supervisor
Vince Alcala, Warehouseman

Accounting

Patricia Diaz, Bookkeeper

Personnel

Hazel McClara, Personnel Manager

Travel

Jeff Gershoff, Department Assistant

Data Services

Lori Dunnell, Department Supervisor
Sylvia Cordero, Clerical Assistant

Production

David Mizrahi, Production Assistant

Customer Service, Order Entry

Vida Moro, Department Supervisor
Linda Galloway, Order Entry Operator

Printing

Esperanza Gatton, Production Assistant

quality, relevance to the steps and traditions, language, etc. If two-thirds of the members of each advisory panel recommend approval of a tape, it goes on to the fifteen-member Final Review Committee for individual response. Optimally, this committee includes at least one member of the World Service Board of Trustees and one member of the WSO Board of Directors. If two-thirds of the committee responds favorably to the tape, the committee holds a conference call. If there is a seventy-five percent majority, the tape is finally approved for inclusion to the WSO inventory. In the past eight months, we have had a total of 104 tapes go through the process. Only twelve have been approved for sale.

How can you serve on a tape review panel? If you have been clean for at least five years, simply have your RSR submit your name and service resume at the WSC this April in Dallas.

We are in need of more tapes to review! If your region is hosting a regional or area convention and plans to tape the speakers, please contact us for information on how to get tape copies to the review panels.

PRODUCTION

An enormous amount of work was processed by our Production Department in 1991. In addition to typesetting the new or revised English-language publications approved by the World Service Conference last year, we prepared a wide variety of materials for publication in German, French, Portuguese, Spanish, and Swedish. We also refined the application software used to automatically prepare and convert word-processing files into typeset text, significantly increasing this department's productivity. The following is a list of publications prepared by the Production Department in 1991:

English: *Introductory Guide to Narcotics Anonymous*, *Basic Journal*, *For Those in Treatment*, *NA: A Resource in Your Community*, *PI and the NA Member*, and revised service handbooks.

German: Keytags.

French: posters, and IP No.s 2 and 7.

Portuguese: Basic Text, keytags, group readings, and IP No.s 1, 5-11, 14, 16, 19, 20, 22, and 24—plus

drafts of *Behind the Walls*, *The Group Booklet*, and IP No.s 2, 13, and 21.

Spanish: Basic Text, keytags, group readings, and IP No.s 1, 2, 5-14, 16, and 19-24.

Swedish: Keytags, and IP No.s 1, 8, 12, 13—plus drafts of IP No.s 2, 7.

Periodicals: *The NA Way Magazine* (English, monthly), WSC H&I Committee's *Reaching Out* newsletter (English, bimonthly), NA Loner Group newsletter *Meeting by Mail* (English, bimonthly), and the new *Conference Digest* (French, German, Portuguese, Spanish—three issues last year).

Other: Inventory listings, forms, flowcharts.

HOSPITALS AND INSTITUTIONS

Our Hospitals and Institutions Department has one coordinator and one support staff member. However, between July and November 1991 we had no H&I support staff, resulting in a reduction in services to the WSC H&I Committee, area and regional H&I committees, and the addict who still suffers in a hospital or institutional setting.

During the nine-month period ending January 31, 1992, the H&I Department received 1,810 pieces of correspondence from treatment and correctional facilities—1,710 from addicts, 100 from professionals. During this same period, the department also responded to 120 queries from members involved in H&I service. Last year's report covered the eleven-month period between May 1, 1990 and March 1, 1991, when we received 1,708 pieces of correspondence. The department also receives a number of requests for information or assistance by phone.

Department staff provided administrative coordination for numerous WSC H&I Committee projects in 1991, and assisted the committee chair and vice chair in compiling reports and correspondence. The H&I Department provided the clerical, editorial, production, and distribution services necessary to publish *Reaching Out*, the WSC H&I Committee's newsletter, including implementation of a new subscription program approved at WSC'91. The department also provided support for committee members attending regional H&I learning events by arranging travel and gathering

and sharing necessary information between the host region and attending member(s).

Regional and area H&I subcommittees do the bulk of H&I work in their respective regions and areas. However, the office continues to receive an increasing amount of correspondence from addicts in an institutional setting, evidenced by the amount of literature the WSO H&I Department mailed to these addicts in 1991 (see the sidebar on this page) in addition to that drawn from the WSC H&I Committee's stock (see the committee's annual report in the March 1992 *Conference Report*).

LITERATURE

The WSO Literature Department provides administrative support for the work of the WSC Literature Committee. In 1991, the Literature Department answered approximately 450 pieces of general correspondence and about 350 phone calls, each lasting between five and twenty minutes in length. Each piece of correspondence was copied and filed; each phone call was summarized on a message sheet and filed. We sent eighty-eight mailings, each consisting of between five and eight items, to the WSC Literature Committee; each mailing was copied and filed. Three separate daily meditation review batches, consisting of about thirty pieces each, were sent to over seventy regional literature subcommittees. "Thank you" letters were sent to each committee for their input on the daily book and steps projects. To manage this work more efficiently, the department completely revamped its literature computer files in 1991.

TRANSLATIONS

The WSO Translation Department provides administrative and technical support for the World Services Translation Committee, created at WSC'91. The department assisted in the completion of a variety of projects this year: the Spanish and Portuguese Basic Texts, sixteen different pamphlets and booklets, keytags in three languages, three language editions of the new bimonthly *Conference Digest*, and group readings and posters in two languages. These items required extensive production work, notably proofreading and corrections. Works still in progress include seven

pamphlets and booklets. Items that have had initial work and are awaiting local committee action include twelve pamphlets and booklets in six languages and the Basic Text in three additional languages.

We mailed out approximately 150 pieces of mail, including responses to general translation correspondence, draft-stage material, text and artboards of approval-form items, and "blue-line" signature sheets, along with various reports and articles in translation. Three mailings were sent to the Translation Committee, each consisting of between five and thirty items. We answered about 250 phone calls, each lasting an average of twenty minutes. Copies of all mail and telephone messages were filed. Most of the correspondence is in temporary files due to work priorities and lack of staffing. Translation Department staff also provided assistance to other WSO departments regarding non-English correspondence.

CONFERENCE SERVICES

The assistant director of our Fellowship Services Division provides support for the WSC Administrative Committee, the Joint Administrative Committee, and the new Interim Committee created at WSC'91. Assignments have included preparation for committee meetings, compilation of detailed funding requests for consideration, and coordination of one or two conference calls per month. Departmental staff has also prepared discussion material and coordinated weekly conference calls between the chairpersons of the WSC, WSB, and WSO board.

General services to the fellowship provided by this department during the past year have included monthly mailings to WSC participants, responding to requests for tax status information, and providing information about corporations. The assistant division director also functions internally as a

WSO HOSPITALS & INSTITUTIONS DEPARTMENT LITERATURE DISTRIBUTION

Item	1990	1991
Basic Text	9	77
White Booklet	831	904
Pamphlets (various)	9,287	6,062
<i>Behind the Walls</i>	649	875
<i>Introductory Guide to NA</i>	n/a	87

supervisor for WSO's other project coordinators.

The WSC Administrative Committee administers the general operations and activities of the conference and its committees. WSO assignments related to this committee include publication of the *Conference Agenda Report*, the *Conference Report*, and the *Conference Digest*. Support staff is provided for planning the WSC annual meeting, planning WSC

workshops, and producing the WSC minutes. WSC Joint Administrative Committee activity has decreased this year, but staffing was provided for one meeting in January to review the *Conference Agenda Report*. Other projects involved working with the newly formed RSR working groups and compiling resource material for isolated groups. Routine correspondence concerning WSC publications and services was also answered by the assistant division director's staff.

The WSC treasurer has responsibility for any and all World Service Conference bank accounts. The assistant director of the Fellowship Services Division worked with the treasurer on reports, and also facilitated communication between the treasurer, other trusted servants, and the WSO Accounting Department.

POLICY

The Fellowship Services Division assistant director and his staff also worked directly with the WSC Policy Committee in 1991. The WSC Policy Committee evaluates conference policy and procedure as well as proposed modifications to the service structure. It also compiles information on requests for the addition of new regions. WSO staff has assisted the WSC Policy Committee this past year with two major project surveys, one on RSR participation and the other on the seating of new regions. Other assistance provided to the Policy Committee included coordination of conference calls and routine communication with area and regional committees.

TRUSTEE SUPPORT

This past year has seen a considerable increase in the duties of the WSO Trustee Support Department. As the trustees have taken a more active role in world services, staff has been called on to be more involved in the World Service Board's workload. Direct support is given the board during each of its four three-day meetings, plus the WSC. Minutes are compiled, edited, and mailed for approval by the trustees. Additionally, each month there is at least one major mailing to the entire board, updating trustees on the previous month's activities. These mailings include copies of the communications register, draft letter responses, draft minutes,

PACIFIC	1990	1991
Aotearoa New Zealand	83	105
Australia	236	252
Malaysia	1	1
Philippines	9	9
TOTALS	329	367
EAST ASIA	1990	1991
Hong Kong	1	2
Japan	31	32
Singapore	1	1
South Korea	3	3
TOTALS	36	37
INDIAN SUBCONTINENT	1990	1991
Bangladesh	2	2
India	53	54
Pakistan	n/a	2
TOTALS	55	58
MIDDLE EAST	1990	1991
Bahrain	1	2
Egypt	2	2
Israel	23	24
TOTALS	26	28
AFRICA	1990	1991
Kenya	1	3
Nigeria	n/a	30
South Africa	6	14
TOTALS	7	47
CARIBBEAN	1990	1991
Aruba	4	4
Bahamas	28	28
Barbados	3	3
Grenada	n/a	1
Jamaica	7	10
Saint Lucia	3	3
Trinidad and Tobago	18	23
TOTALS	63	72

international updates, and any other items for trustee consideration and information.

Phone contact with the trustee chairperson occurs at least twice weekly, and sometimes even more frequently. Frequent faxes are sent of preliminary drafts of letters, reports, and positions papers which are developed after considerable discussion and direction from the trustees. Frequent phone contact is also maintained with the chairpersons of each of the trustee committees. The WSB Steering Committee, Internal Affairs Committee, and External Affairs Committee have each had conference calls during the year to assist in planning, goal setting, and completion of tasks. Each of these calls has required staff to take minutes.

Several phone calls each week are also handled by WSO Trustee Support Department staff, most particularly those pertaining to the traditions. The coordinator for the trustees also handles group services since there is a tremendous overlap in questions and concerns from members and groups in their efforts to resolve problems. All of the above, combined with the routine administrative tasks required by the trustees, makes for a busy department.

GROUP SERVICES

Even when conference committee activity slows down, one of the busiest departments at the WSO is our Group Services Department. Anything not specifically related to a WSC board or committee or local subcommittee work is assigned to Group Services. This translates into roughly two-hundred letters each month, not to mention an average of twenty to thirty phone calls each day. These calls fall into a variety of categories, such as starter kit or information packet requests, phoneline updates, requests for sample guidelines, and requests for assistance in resolving member or group conflicts. Most of the remaining phone calls are requests for meeting information or local helpline numbers. Many of these calls are from areas where no formal helpline service exists, or where the local helpline is out of service. The reader may get some idea of the scope of the Group Services Department's job by examining the sidebars that show the numbers of NA groups listed in our records for each country. Please

note that these figures are drawn from the report on pages 22-26, which was compiled from incomplete data.

SOUTH AMERICA	1990	1991
Argentina	3	16
Bolivia	7	7
Brazil	69	150
Colombia	86	89
Ecuador	8	8
Peru	28	47
Uruguay	1	3
Venezuela	1	1
TOTALS	203	321
CENTRAL AMERICA	1990	1991
Belize	n/a	2
Costa Rica	5	10
El Salvador	2	2
Guatemala	9	6
Honduras	1	4
Nicaragua	n/a	2
Panama	15	43
TOTALS	32	69
NORTH AMERICA	1990	1991
Bermuda	4	5
Canada	746	840
Mexico	50	44
USA	12,000	14,827
TOTALS	12,800	15,716
EUROPE	1990	1991
Belgium	7	10
Denmark	3	7
Finland	4	4
France	23	33
Germanspeaking Region	76	100
Greece	4	4
Iceland	n/a	1
Ireland	31	30
Italy	34	39
Netherlands	3	6
Norway	6	8
Portugal	18	34
Russia	2	5
Spain	21	35
Sweden	31	69
Ukraine	1	2
United Kingdom	226	220
TOTALS	490	607

In an effort to provide accurate meeting information, the Group Services Department has intensified its efforts to obtain current meeting directories from all areas and regions. With seventy-four regions and 684 areas registered, this makes for quite a task. Nevertheless, communication between world services and local service committees seems to be improving. If receiving minutes from 50 regions and 138 areas is any indication, we have indeed come a long way toward our goal of better communication.

Of course, communication is a two-way street. In the Group Services Department, our main concern is to help our fellowship's trusted servants perform their duties in as productive a way as possible. We accomplish this by copying and distributing vast amounts of resource material and informing trusted servants of service publications available from WSO. Most of all, we encourage our members to arrive at their own resolutions to their own problems by utilizing the Twelve Steps, the Twelve Traditions, and good old-fashioned common sense. In our efforts to have adequate resource material available, we are asking that areas and regions send the WSO Group Service Departments copies of minutes, service and/or subcommittee guidelines, and any additional information they may have on how they have resolved problems within their local NA communities.

NA LONER GROUP

The World Service Office provides direct administrative support for the NA Loner Group, a program that puts addicts who are geographically isolated or unable to attend NA meetings in touch with one another and with loner "sponsors." The group "meets" bimonthly through its newsletter, *Meeting by Mail*. Currently, the group has 217 loner members and 1,108 supporting members. In addition to publishing *Meeting by Mail*, WSO staff answers individual queries about the Loner Group and maintains records of group members' recovery dates, commemorating anniversaries with keytags and medallions.

The Loner Group program encountered one particular problem in 1991 that warrants attention in this report. A number of Loner Group members have told WSO about correspondence they have received

from prison inmates seeking to share more than just recovery experience. We need to remind NA members that *Meeting by Mail*, the Loner Group newsletter, is not to be distributed in treatment centers or correctional facilities; the appropriate periodicals for distribution in those settings are *Reaching Out* and *The NA Way Magazine*. We have sent the same reminder to area and regional H&I subcommittees.

PUBLIC INFORMATION

The WSO Public Information Department serves a number of functions. It provides staff support and coordination to the WSC PI Committee. The department disseminates PI and phoneline information to local, area, and regional subcommittees. It answers inquiries from the fellowship at large and facilitates fellowship communication with the general public.

With the PI Department reduced in 1991 from three staff members to only one, there has been a need to streamline these communication efforts. Conference PI committee communications have been facilitated primarily through a monthly mailing sent to committee members, the WSB External Affairs Committee, and WSO Board of Directors and WSC Administrative Committee liaisons. This has served to keep all world services arms fully informed of WSC PI Committee activities.

The WSO provides clerical, editorial, and production support for the WSC PI Committee's *PI News* newsletter, published twice in 1991. The department stocks several sampler bulletins covering a variety of PI and phoneline-related topics. The WSO also sends letters of acknowledgement to newly registered PI and phoneline subcommittee chairpersons.

General information packages and *NA Update*, *A Newsletter to Professionals* are the primary tools the department uses to communicate with organizations and professionals interested in Narcotics Anonymous. Specific inquiries that cannot be addressed with general correspondence are answered individually.

The WSO Public Information Department provided substantial assistance in developing and publishing a

number of new items in 1991, including *NA—A Resource in your Community* and *PI and the NA Member*. At this writing, there have been three printings of the *Resource* pamphlet (57,720 copies) and two of *PI and the NA Member* (95,413 copies). Staff provided support for development of an updated draft of *A Guide to Phoneline Service*. The first issue of *NA Update* was published late in 1991, and pre-production has begun on the July 1992 issue.

The WSO PI Department serves as an information resource for the fellowship's public information and phoneline efforts. We carefully read minutes from subcommittees around the world, extracting from them valuable experience for use in sample bulletins or essays. Although the decrease in staff has created a lack of available time to write new essays, ideas are compiled with the hopes of producing additional bulletins in the future.

THE NA WAY MAGAZINE

The NA Way Magazine, the fellowship's international journal, is published once a month for subscribers by the WSO. The magazine focussed its attentions in 1991 on two areas: restoring its subscription base and improving both the quality and quantity of the stories it published.

By mid-1991, subscriptions had dropped significantly. Two major group subscription drives conducted in 1988 and 1989 had brought our distribution base up to about 10,000 copies by May 1990, and renewal rates for the magazine from late 1990 through the middle of 1991 were better than the industry standard of 40 percent. However, that meant we had to attract 6,000 new subscribers in 1991 just to keep up. The weak subscription drive we conducted late in 1990 did not enable us to do that. Seeing subscription numbers drop month after month, we decided late in 1991 to run a drive modeled on the 1988 and 1989 efforts, and good results are starting to come in.

The magazine has begun a new program designed to enhance both circulation and editorial quality. A network of *NA Way Magazine* contact people is being assembled through convention workshops and individual encounters. In the short term, local liaisons have helped us increase the number of

manuscripts we are able to consider for publication by about 75 percent. Our long-term goal is to locate, orient, and supply materials to an *NA Way* liaison in every NA community.

SPECIAL PROJECTS

Numerous changes occurred within the WSO Special Projects Department in 1991. While the size of the department did not change—it still consists of a manager, a senior editor, a staff writer, and an assistant—the responsibilities of these four people increased dramatically. The department met all challenges with flying colors.

The Special Projects Department was involved in four major writing projects in 1991: the steps, the traditions, the daily meditation book, and the Twelve

Fellowship Services Division Administration

George Hollahan, Division Director
Marilyn Scott, Executive Secretary

Steve Sigman, Assistant Division Director
Donna Russ, Executive Secretary

Trustee Support and Group Services

Hollie Arnold, Coordinator
Jane McCrary, Department Assistant (Trustees)
Doris Roman, Dep't Assistant (Group Services)

Literature and Translations

Mary VanEvery, Coordinator
Ursula Mueller, Translations Consultant
Julie Kirkpatrick, Department Assistant

Hospitals & Institutions

Freddie Aquino, Coordinator
Lynn Long, Department Assistant

Public Information

Carl Prescott, Department Supervisor

Special Projects

Steve Lantos, Manager
Lee Manchester, Senior Editor
Cindy Samecky, Writer

NA Way

Andy Mann, Managing Editor
Cindy Meyers, Department Assistant

Concepts portion of the *Guide to Service* project. Their involvement in these projects ranged from providing composition and editorial assistance to coordinating committee mailings, reports, and input routing.

The primary writer assigned to the steps project resigned shortly before the first committee meeting of the 1991-92 conference year, leaving us to find a replacement in twenty-four hours. A WSO staff member with writing skills, serving in another department, was immediately reassigned to work with Special Projects. The steps project was back on schedule within three months, and the traditions, daily book, and concepts projects remained on schedule all year with no major problems to report.

Special Projects was given editorial responsibility for all the periodicals published by WSO in 1991, with the exception of *The NA Way Magazine*. These included the *Conference Report*, the *Conference Agenda Report*, *Reaching Out*, the *PI News*, and *Meeting by Mail*. With adoption of the motion creating the *Conference Digest* in April 1991, the department's workload was increased further.

In 1991, Special Projects editorial staff were routinely assigned to work with conference committees and boards that required assistance in developing articles or other major communications. This assistance ranged from performing copy-edits on already written material to composition work on new articles and reports. Every single conference committee and board, at one time or another, utilized the skills of Special Projects Department staff in 1991.

This level of activity led to a very busy and extremely productive year. Between March 1, 1991 and February 29, 1992, department staff spent twenty-six weekends attending conference committee or board meetings or workshops. This next conference year promises to be just as busy, with many projects moving toward completion and new ones being considered.

WSO-EUROPE

"The idea of opening a WSO branch in Europe has been brought up as an important aspect of our commitment to serve the worldwide needs of addicts.... This was first suggested in 1983....

Unfortunately, the [European] office will not be self-supporting for several years... [however,] as the fellowship grows there, [so] will [WSO-Europe].* The projections first stated in these quotes from the August 1987 *Newsline* began to unfold more and more in 1991. Income from sales at our European branch increased by 60% in 1991, and the forecast for 1992 is for a continued increase. Although we are still a couple of years away from having a self-supporting operation, the sales figures coupled with strong support from the European NA community made 1991 a year of great progress.

The three primary functions of WSO-Europe are literature distribution and sales, group services and information contact, and administrative support to the European Resource Group and the European Conference and Convention. In addition, we published the *European Newsline* three times during the past year.

Our recent success at this location has not come without its problems. Our location in London provides a number of logistical difficulties with storing our inventory and shipping to the Continent. We also lost a valuable staff member, Lizzie Guest, who operated virtually alone during her two-and-a-half-year tenure. Fortunately, she was able to recommend two replacements to fill the post before she departed, and we were able to maintain operations without a great deal of difficulty. David W. and Sean B. are now staffing the office, each on a part-time basis, and have done a tremendous job familiarizing themselves with the needs of the various NA communities the office serves.

We will continue to seek a new and more convenient location for WSO-Europe in 1992. This may mean a temporary move to another London location, with an eye toward moving to the Continent in 1993.

WSO-CANADA

WSO-Canada, a small warehouse facility located outside Toronto, fulfills all our Canadian customer orders, and 1991 was its best year to date. There seems to have been an upsurge in the growth of the fellowship in Canada, growth that showed itself in the number of orders fulfilled by WSO-Canada. We are still refining our stocking procedures for WSO-

Canada, but in 1991 we started to print Canada's English and French IPs and White Books locally. This substantially improved our ability to process Canadian customer orders quickly and inexpensively.

The only major problems in Canadian operations for 1991 arose from WSO's overall cash shortage, which resulted in floor stock shortages similar to those experienced at the main office in California. Some order delays were also experienced because of conflicts between order transmission from California and our Canadian part-time staffer's work schedule. However, we believe we have resolved those scheduling problems.

When WSO-Canada first opened in 1990, we expected it would take at least two years before it became self-supporting. In fact, Canadian orders paid for Canadian operations before its first year was done. All in all, WSO-Canada has been and continues to be one of our most successful operations.

WORLD CONVENTION CORPORATION

Last year was a difficult one for the World Convention Corporation. There were five WSO staff members who routinely worked on various WCC-related matters, none of whom had an overabundance of time available. In 1990, we invited job applications for a WCC coordinator, but the financial pinch forced us to put off hiring anyone for that position. As a result, the director of the WSO Support Services Division continued to serve as WCC coordinator in 1991, creating many work-scheduling conflicts. Members of the WCC Board of Directors had to become personally involved in many corporate functions ordinarily handled by staff, and will continue that kind of involvement until either a WCC coordinator or a WSO accountant is hired. For details on World Convention Corporation activities for 1991, please see the WCC annual report, which is being mailed separately to conference participants.

REGIONAL, AREA, AND GROUP CONTACT INFORMATION

For several years, the office has reported extensively on the difficulties associated with maintaining current contact information for the fellowship. In the past year, we have done two mailings to each region in an effort to let you know what information we have so that you could provide us with updated listings. Unfortunately, responses have been limited. To illustrate how obviously inaccurate our information is, we have included the table appearing on the following pages. As you will see, our Data Services Department badly needs your help.

Column 1: The number of meetings taken from RSR reports from 1989.

Column 2: The number of meetings reported by the RSRs in their 1990 annual reports. Because there is no requirement for RSRs to include meeting counts in their reports, some did not.

Columns 3 and 4: Groups and meetings WSO had on record April 1, 1990.

Column 5: Groups on file, but not updated in the past 14 months. This information may be as much as five years old.

Column 6: Groups on file, but with no known mailing address.

Columns 7 and 8: Groups and meetings WSO had on record as of January 31, 1992. These group and meeting figures do not include H&I meetings.

Column 9: Check marks indicate that we have a mailing address for the regional service committee.

Columns 10 and 11: Check marks indicate that we have addresses for an RSC chairperson and secretary on file.

Columns 12, 13, and 14: Check marks indicate that we have addresses for regional H&I, PI, and literature subcommittee chairpersons on file.

Column 15: The number of areas we show in the region.

Column 16: The number of ASC addresses we show in the region.

Columns 17-22: The number of ASRs, ASC chairpersons, ASC secretaries, and H&I, literature, and PI subcommittee chairpersons for which we have addresses on file.

As the chart clearly shows, there is still much to be done before our records are accurate. We realize that we will never have *completely* accurate records on a worldwide basis. Changes will occur each week. We must also allow some margin for error. We have systems in place that should allow us to keep good records. Those systems, however, only work when we receive regular, accurate information from the fellowship.

WHY KEEP RECORDS?

One important reason to keep these records is that we are striving to improve communication within Narcotics Anonymous. Should the need arise to communicate directly with the groups over some matter of great concern to the fellowship, we need the ability to do that. Also, if we are ever to produce a meeting directory for the USA, we will need to have much more accurate meeting information.

Consideration is still being given to revising the computer system for modem access, allowing area or regional committees to input or update their own information. At present, no concrete foundation has been laid to facilitate this kind of change to our system. Input on this subject is welcomed.

WHAT YOUR REGION CAN DO TO HELP

We are asking each regional service representative to distribute the group registration update and service committee registration forms that have been sent to your region. We hope that we can make great strides to correct the information in our computer files about each region/country. It would be helpful if each RSR regularly impressed upon all trusted servants the need to keep this information current. Our records for your region are available to RSRs at any time upon request.

Group, Trusted Servant, and Service Committee Information

Region/Country	Regional Meeting Rpt.		1990 WSO		Groups need		Current Total		RSC		RSC		Reg.		Total Areas	ASCs w/address	ASC			Area		
	1989	1990	Groups/Meetings		update	w/No address	Groups/Meetings		address	Chr.	Sec.	HI	Lit	PI			ASRs	Chr.	Sec.	HI	Lit	PI
Alabama/NW Florida Region	175	0	76	163	66	19	115	254	✓	✓	✓	✓			12	7	10	9	9	8	5	5
Alaska Region	0	0	18	17	18	3	39	51	✓	✓	✓	✓	✓		10	5	5	1	2	3	3	2
Alsask Region	82	0	80	105	68	17	114	137	✓	✓	✓	✓	✓	✓	8	5	5	4	3	2	4	3
Aotearoa New Zealand Region	70	0	68	76	18	3	102	105	✓	✓	✓	✓	✓	✓	3	3	3	2	1	1	3	2
Arizona Region	0	0	143	184	85	45	146	215	✓	✓	✓	✓	✓	✓	6	5	5	3	3	3	2	3
Arkansas Region	0	0	0	0	38	1	57	132	✓	✓	✓		✓	✓	6	3	5	5	3	2	4	3
Australian Region	207	0	59	217	46	23	130	252	✓	✓	✓	✓	✓	✓	13	11	14	6	5	2	3	6
Bahamas Region	0	0	0	0	10	0	10	28	✓						1	1	0	0	0	1	0	1
Best Little Region	50	0	31	43	41	8	68	116	✓	✓	✓	✓	✓	✓	8	2	4	4	3	1	2	3
Brazil Region	0	0	29	51	57	33	79	150	✓	✓	✓				1	1	1	1	1	0	0	0
British Columbia Region	100	0	78	114	22	17	151	165	✓	✓	✓	✓	✓	✓	10	9	9	4	4	5	8	6
Buckeye Region	0	0	56	52	36	15	114	156	✓	✓	✓	✓	✓	✓	7	3	6	5	2	5	5	8
California Mid-State Region	0	135	43	38	96	0	119	148	✓	✓	✓			✓	5	5	5	2	2	3	3	4
Carolina Region	319	474	154	216	0	33	238	627	✓	✓	✓	✓		✓	18	14	16	11	12	18	9	18
Central California Region	0	140	69	67	66	8	113	122	✓	✓	✓	✓	✓		5	4	5	6	3	4	3	8
Chesapeake/Potomac Region	569	678	266	222	326	67	430	454	✓	✓		✓		✓	13	8	12	7	7	6	6	9
Chicagoland Region	265	300	226	246	1	129	289	310	✓	✓	✓	✓	✓	✓	12	9	9	8	6	4	3	6
Colombia Region	0	0	34	81	37	5	39	89							0	0	0	0	0	0	0	0
Colorado Region	0	0	116	103	101	66	166	175	✓	✓	✓	✓	✓		9	7	9	9	6	5	5	6
Connecticut Region	137	171	78	48	64	5	165	157	✓	✓	✓	✓	✓	✓	8	5	6	6	3	5	8	5
Florida Region	674	0	137	171	101	19	259	378	✓	✓	✓	✓	✓		18	14	17	10	5	14	13	10
Freestate Region	0	0	0	0	13	22	329	403	✓	✓	✓		✓		7	7	7	6	4	4	4	4
Georgia Region	0	350	89	77	76	53	196	344	✓	✓	✓	✓	✓	✓	15	8	11	10	9	12	10	6
German Speaking Region	55	56	15	65	4	30	76	92	✓				✓		4	1	0	0	0	0	0	0
Greater Illinois Region	0	0	79	189	40	14	86	210	✓	✓		✓	✓		6	4	5	4	3	3	7	5
Greater New York Region	735	897	137	139	97	9	527	636	✓	✓	✓	✓	✓	✓	16	12	12	12	4	14	8	11
Greater Philadelphia Region	0	0	104	117	99	21	337	411	✓	✓	✓		✓	✓	13	9	6	5	5	6	9	5
Hawaii Region	70	70	48	33	57	7	99	93	✓	✓		✓	✓	✓	7	7	4	3	3	6	3	5
Indiana Region	171	200	94	81	102	5	183	185	✓	✓	✓	✓	✓	✓	7	7	6	5	4	3	6	5
Iowa Region	150	200	86	99	66	10	142	181	✓	✓	✓	✓	✓	✓	12	11	9	6	6	6	8	5
Ireland Region	0	32	21	30	0	0	26	30	✓	✓	✓	✓			1	1	2	1	0	2	1	2
Israel Region	0	0	10	23	10	0	10	24	✓						0	0	0	0	0	0	0	0
Japan Region	0	0	28	30	29	2	30	32	✓						2	1	0	0	0	0	0	0
Kentuckiana Region	90	0	95	135	73	14	123	168	✓	✓	✓	✓	✓	✓	6	6	4	6	5	6	5	4
Lone Star Region	596	765	230	712	178	44	292	942	✓	✓	✓	✓	✓	✓	14	10	9	10	12	12	9	14
Louisiana Region	162	152	146	172	84	24	154	169	✓	✓	✓	✓	✓		8	4	5	6	3	4	4	6

Region/Country	Regional Meeting Rpt.		1990 WSO		Groups need w/No		Current Total		RSC address	RSC Chr. Sec.	Reg. HI	Lit	PI	Total Areas	ASCs w/address	ASC			Area			
	1989	1990	Groups/Meetings		update	address	Groups/Meetings									ASRs	Chr.	Sec.	HI	Lit	PI	
Mid-America Region	0	0	106	154	69	20	112	183	✓		✓	✓	✓	✓	7	4	5	7	5	4	6	6
Mid-Atlantic Region	180	192	80	78	77	11	151	187	✓		✓	✓	✓	✓	9	7	2	3	4	6	5	6
Mississippi Region	0	0	33	48	29	8	59	112	✓			✓		✓	10	1	2	2	3	1	3	3
Mountain Valley Region	0	0	0	0	31	7	73	123	✓	✓	✓	✓	✓	✓	4	4	4	3	2	4	4	3
Mountaineer Region	0	45	52	66	20	3	44	60	✓	✓		✓	✓		5	5	4	5	4	3	3	4
Nebraska Region	0	0	39	36	13	2	47	55	✓	✓	✓	✓	✓	✓	5	4	1	4	1	3	4	3
New England Region	460	0	310	261	205	17	361	481	✓		✓	✓	✓	✓	23	15	13	13	10	14	14	14
New Jersey Region	370	225	105	90	0	0	204	234	✓	✓	✓	✓	✓	✓	10	10	6	8	6	7	10	9
New Mexico Region	0	80	33	37	27	3	55	73	✓	✓	✓	✓	✓		6	1	4	2	4	4	5	4
North East Atlantic Region	0	0	0	0	22	4	37	46	✓	✓	✓				3	3	2	3	1	3	3	2
North East Quebec Region	0	0	0	0	37	21	38	39	✓				✓		3	1	0	0	0	0	0	0
Northern California Region	475	696	254	240	172	17	481	829	✓	✓	✓	✓	✓	✓	17	14	18	12	14	11	8	10
Northern New England Region	0	0	0	0	13	3	77	95	✓	✓	✓	✓		✓	4	4	2	3	3	3	3	4
Northern New Jersey Region	0	0	81	58	36	42	207	195	✓	✓		✓	✓	✓	10	9	9	8	2	3	7	9
Northern New York Region	0	175	147	148	76	53	188	216	✓	✓	✓	✓	✓	✓	9	5	8	7	4	7	6	8
OK Region	0	240	151	154	2	7	81	244	✓	✓		✓		✓	4	3	4	4	3	3	1	3
Ohio Region	0	0	131	120	103	43	216	264	✓	✓	✓	✓	✓	✓	11	8	10	5	5	8	9	5
Ontario Region	125	207	166	197	1	21	199	234	✓	✓	✓	✓	✓	✓	20	14	19	3	1	5	4	8
Pacific Cascade Region	0	0	172	248	181	92	290	414	✓	✓	✓	✓	✓	✓	15	10	13	7	8	7	9	8
Portugal Region	0	0	10	19	9	3	11	19							1	0	1	1	1	1	1	0
Quebec Region	143	191	163	168	43	12	187	204	✓	✓	✓	✓	✓	✓	10	6	9	6	2	4	5	5
Region of the Virginians	0	0	139	144	110	28	236	272	✓	✓	✓		✓	✓	12	7	8	6	4	5	7	6
San Diego/Imperial Region	186	237	49	262	23	8	176	315	✓	✓	✓	✓	✓	✓	8	6	7	2	3	7	5	4
Show-Me Region	233	0	195	218	165	65	264	402	✓	✓	✓	✓	✓	✓	14	10	12	12	13	11	11	8
Sierra Sage Region	62	82	66	80	46	21	68	82	✓	✓	✓	✓	✓	✓	4	4	4	4	2	1	2	1
South Florida Region	0	350	118	114	170	60	287	404	✓	✓	✓	✓	✓		8	3	6	5	5	6	5	7
Southern California Region	438	445	181	187	213	85	477	505	✓	✓	✓	✓	✓	✓	20	16	17	15	14	13	14	12
Southern Idaho Region	0	0	0	0	37	8	64	71	✓	✓	✓	✓	✓	✓	5	2	2	4	4	4	3	4
Southern Nevada Region	0	0	51	20	47	1	61	75	✓	✓		✓	✓	✓	3	2	1	1	1	1	0	1
Spain Region	0	14	10	20	0	0	15	35	✓						5	2	2	0	0	0	0	0
Tri-State Region	157	237	193	205	52	30	269	287	✓	✓	✓	✓	✓	✓	16	12	14	14	12	10	6	6
UK Region	191	0	50	142	64	40	99	209	✓	✓	✓	✓	✓	✓	5	4	8	6	4	5	5	5
Upper Midwest Region	0	0	155	154	150	60	206	228	✓	✓	✓	✓	✓	✓	14	9	11	9	6	9	8	8
Upper Rocky Mountain Region	0	0	68	112	34	10	83	156	✓	✓	✓	✓	✓	✓	7	5	7	3	7	4	6	4
Utah Region	0	0	79	53	23	2	60	64	✓	✓		✓	✓	✓	3	3	3	3	2	1	2	2
Volunteer Region	0	240	107	122	84	27	167	261	✓	✓	✓				9	5	7	7	5	6	5	5
Washington/N. Idaho Region	334	408	261	276	124	20	307	535	✓	✓	✓		✓		18	14	17	13	9	8	15	13
Wisconsin Region	0	300	105	95	114	43	256	301	✓	✓	✓	✓		✓	14	10	12	5	6	9	10	11

Country	Regional Meeting Rpt.		1990 WSO		Groups need w/No		Current Total		RSC		RSC		Reg.		Total Areas	ASCs w/address	ASC			Area	
	1989	1990	Groups/Meetings		update	address	Groups/Meetings		address	Chr.	Sec.	HI	Lit	PI			ASRs	Chr.	Sec.	HI	Lit
Argentina	0	0	1	3	1	0	1	3							0	0	1	1	0	1	1
Aruba	0	0	1	3	0	0	1	4							0	0	0	0	0	0	0
Austria	0	0	1	2	1	0	1	2							0	0	0	0	0	0	0
Bahrain	0	0	0	1	0	0	1	2							0	0	0	0	0	0	0
Bangladesh	0	0	1	1	1	0	1	2							0	0	0	0	0	0	0
Barbados	0	0	2	3	2	1	2	3							0	0	0	0	0	0	0
Belgium	0	0	3	10	3	5	7	10							0	0	0	0	0	0	0
Belize	0	0	0	0	0	0	1	2							0	0	0	0	0	0	0
Bermuda	0	0	4	4	0	0	5	5							1	1	0	1	1	0	1
Bolivia	0	0	1	4	1	0	2	7							0	0	0	0	0	0	0
Costa Rica	0	0	2	5	0	0	2	10							0	0	0	0	0	0	0
Denmark	0	0	2	2	2	2	4	7							0	0	0	0	0	0	0
Ecuador	0	0	4	11	3	1	4	8							0	0	0	0	0	0	0
Egypt	0	0	1	2	1	0	1	2							0	0	0	0	0	0	0
El Salvador	0	0	0	2	0	0	0	2							0	0	0	0	0	0	0
Finland	0	0	4	4	2	2	4	4							0	0	0	0	0	0	0
France	0	0	20	23	1	2	32	33							1	1	0	1	0	0	1
Greece	0	0	4	5	1	0	1	4							0	0	0	0	0	0	0
Grenada	0	0	0	0	0	0	1	1							0	0	0	0	0	0	0
Guatemala	0	0	2	9	1	1	2	6							0	0	0	0	0	0	0
Holland	0	0	1	2	0	0	1	5							0	0	0	0	0	0	0
Honduras	0	0	0	1	0	0	1	4							0	0	0	0	0	0	0
Hong Kong	0	0	1	1	0	0	2	2							0	0	0	0	0	0	0
Iceland	0	0	0	0	0	0	1	1							0	0	0	0	0	0	0
India	0	0	20	44	15	1	29	54							1	1	0	1	1	0	0
Ireland (Northern)	0	0	1	1	1	0	1	1							0	0	0	0	0	0	0
Italy	0	0	6	26	5	3	11	39							0	0	0	0	0	0	0
Jamaica	0	0	1	7	0	0	2	10							0	0	0	0	0	0	0
Kenya	0	0	1	1	1	1	3	3							0	0	0	0	0	0	0
Korea (South)	0	0	0	3	0	0	1	3							0	0	0	0	0	0	0
Malaysia	0	0	0	0	1	0	1	1							0	0	0	0	0	0	0
Mexico	0	0	11	39	11	2	13	44							0	0	0	0	0	0	0
Netherlands	0	0	1	1	1	0	1	1							0	0	0	0	0	0	0
Newfoundland	0	0	1	1	2	2	7	7							0	0	0	0	0	0	0
Norway	0	0	4	6	3	3	4	8							0	0	0	0	0	0	0
Panama	0	0	2	14	0	1	10	43							1	1	0	0	0	0	0
Peru	0	0	3	16	0	2	9	47							1	1	0	0	0	0	0
Philippines	0	0	3	4	7	2	7	9							0	0	0	0	0	0	0

Country	Regional Meeting Rpt.		1990 WSO		Groups need w/No		Current Total		RSC address	RSC		Reg.			Total Areas	ASCs w/address	ASRs	ASC			Area	
	1989	1990	Groups/Meetings		update	address	Groups/Meetings			Chr.	Sec.	HI	Lt	PI				Chr.	Sec.	HI	Lit	PI
Prince Edward Island	0	0	4	7	2	0	4	5							0	0	0	0	0	0	0	
Puerto Rico	0	0	22	40	23	1	24	42		✓	✓	✓	✓	✓	0	0	0	0	0	0	0	
Russia	0	0	0	0	1	0	4	5							0	0	0	0	0	0	0	
Saint Lucia	0	0	1	7	1	0	1	3							0	0	0	0	0	0	0	
Scotland	0	0	6	10	6	1	10	14							3	0	0	1	0	0	1	
Singapore	0	0	0	0	1	0	1	1							0	0	0	0	0	0	0	
South Africa	0	0	2	5	3	0	10	14							0	0	0	0	0	0	0	
Sweden	0	0	8	23	13	1	39	69							4	1	2	2	0	0	1	
Switzerland	0	0	3	6	1	1	2	6							0	0	0	0	0	0	0	
Trinidad	0	0	7	17	7	4	18	23							0	0	0	1	0	0	0	
Ukraine	0	0	0	0	1	0	2	2							0	0	0	0	0	0	0	
Uruguay	0	0	0	1	0	0	1	3							0	0	0	0	0	0	0	
Venezuela	0	0	1	1	1	0	1	1							0	0	0	0	0	0	0	
Virgin Islands	0	0	1	11	6	6	9	25							0	0	0	0	0	0	1	
Wales	0	0	0	0	1	1	1	7							0	0	0	0	0	0	0	
Yukon Territory	0	0	1	3	1	0	1	3							0	0	0	0	0	0	0	
TOTAL	8431	9484	7241	9121	5162	1781	12,485	17,734	73	66	62	60	59	53	676	471	522	419	336	390	391	

WORLD SERVICE OFFICE 1991 AUDIT REPORT

For the fourth consecutive year, World Service Office, Inc. commissioned a review audit of the financial records. The review audit is intended to examine the reliability of the accounting records and practices of the WSO so as to provide an overview of the office's financial condition as of December 31st, 1991.

The accountant made several observations or recommendations, which have been incorporated into the notes for the individual operations or categories.

This report shows data for all World Service Office, Inc. operations, both collectively and for activity at the Van Nuys, Europe, and Canada locations. The report is divided into the following sections:

Page 32 is the combined operations balance sheet, where all of the assets and liabilities of all of the locations are combined to provide a comprehensive view of our asset position.

Page 33 is a balance sheet for the Van Nuys operation.

Page 34 is a balance sheet for the Canadian location in Mississauga, Ontario, outside Toronto.

Page 35 is a balance sheet for the European location in London.

Page 36 is statement of revenues and expenses for the combined WSO operations.

Page 37 is a statement of revenues and expenses for Van Nuys.

Page 38 is a statement of revenues and expenses for Canada.

Page 39 is a statement of revenues and expenses for Europe.

Page 40 is a statement of changes in fund balances for all operations. It reflects the changes in the significant asset and liability categories.

Page 41 are notes from the accountant about specific items in the audit that needed emphasis.

The notes below apply to the numbered entries on the audit report. The audit report follows the notes.

CONSOLIDATED BALANCE SHEET

1. There was a significant decrease in the level of cash in the savings accounts. This was due primarily to the need to use those funds to meet operational expenses during the year.
2. The accounts receivable balance was up over last year's end of the year total by \$53,623.00. In comparison to the balance in accounts payable, it is obvious that we owed more money at the end of the year than was owed to us. This is one of the indications of WSO's depressed financial condition in 1991. Also, the accountant recommended that the receivables from the United Kingdom Service Office in London and the Fellowship Service Office in Australia, which have been carried on the books for over two years, be written off. Although the WSO Board of Directors has had some discussions about these receivables, they are being carried in association with existing sales agreements with both customers.
3. This figure increased in comparison to last year, mainly due to a higher level of receivables for the World Convention Corporation. The WSO has been assisting WCC to meet its operational expenses over the last two years. These expenses are being carried as a receivable since repayment by WCC is expected.
4. Another indication of the generally poor fiscal position is the balance of the inventory compared to last year. As we have previously reported, we have been existing off our inventory and receivables. During the year, as available cash became more sensitive, it was necessary to make the decision to reduce the floor levels of inventory, resulting in numerous backorders during the year.
5. Since we converted to an ordering system for the Basic Text that consolidates the paper and printing in a single vendor, the level of prepaid expenses, which in the past was primarily for paper for the text printing, will remain at much lower levels.
6. The level of this asset has increased by approximately \$10,511.00 over the last year. Since the majority of our equipment is more than four years old, the rate of equipment failure—and therefore the

need for replacement--was significantly higher. It is expected that it will be necessary to replace office and computer equipment in the coming year.

7. The level of accounts payable reflects the inability to clear all short-term debts before the end of the year. The majority of this balance is for an \$83,000 Basic Text printing invoice which was received in late December.

8. The increase in this entry is due to money which is primarily being held for Goods and Services Tax payments in Canada.

9. The Capital Bank of California credit line was due in July of this year. It was necessary to reschedule payment of the remaining balance over a six-month term. This figure reflects the amount still due as of December 31, 1991. This liability was paid off in February 1992.

VAN NUYS BALANCE SHEET

10. This figure reflects the amount of total receivables which is attributable to the Van Nuys location. Currently, the entire balance is collectable within the terms for each customer. The exceptions would be those amounts which are being carried in conjunction with the two existing sales agreements and one service office, now closed, whose balance is being carried on a longer term.

11. This figure is the level of the Van Nuys inventory at December 31, 1991. It represents the lowest inventory balance that we have ever had. This just further reflects how serious the fiscal situation was by the end of the year.

12. This figure represents the amount of sales and payroll taxes payable which was due December 31, 1991 for the Van Nuys operation. The payroll taxes have been paid and the sales tax will be paid with the next quarterly payment.

WORLD SERVICE OFFICE-CANADA BALANCE SHEET

13. The level of accounts receivable in Canada has steadily increased since this operation began functioning. It is expected that the level of accounts receivable will continue to increase each year.

14. This is the amount of sales and payroll taxes connected with the amount due for the Goods & Services Tax in Canada.

WORLD SERVICE OFFICE-EUROPE BALANCE SHEET

15. We have had significant difficulty with European branch office operations over the last year. These problems led our account to put several recommendations forward concerning its general operations.

First, by having neither a viable accounting system in place nor an employee with some accounting background, the problems with the operations of the European branch were compounded. Having to wait substantial periods of time to get basic disbursement, sales, and inventory information had a tremendous impact on the efficiency of the European branch.

Also, we have sought to minimize the expenses associated with the European branch for the last two years. This was possible since the number of orders processed was minimal and the relative size of each order did not require a significant investment of operational equipment. We used old equipment from the Van Nuys office or purchased just enough basic equipment to mail small orders. Over the last year, relative order size as well as the total volume of orders has increased. This had made the existing operational procedures cumbersome, to say the least.

Presently, the part-time staff at WSO-Europe have to climb four flights of stairs each time there is a large order to process. There is no elevator in the existing building. There is not sufficient space in the office itself or adequate space in the storage facility downstairs to efficiently process literature orders. Further, it is currently necessary for the employee to carry the literature orders to the post office himself; considering the increase in the relative size of literature orders, this has become an increasing problem.

All this has brought into question the viability of the existing site. We are in the process of conducting research into moving the European branch sometime in 1992. What is needed is a ground-floor location with proximity to the shipping point. The current

lease expense is such that it may be possible to move the office and offset the moving expense in the monthly savings on lease space.

One of the other items that was raised by the accountant was the need to carry all WSO accounting records US dollars. The primary reason for this recommendation was that fluctuations in currency rates makes end-of-year reconciliation more difficult than it needs to be. In response to the accountant's recommendation, we are in the process of converting all branch operation accounts into US funds.

The WSO Board of Directors has examined the European branch operation over the last year, and has reaffirmed its commitment to maintaining WSO-Europe despite its fiscal drain on the other operations. The board believes that the services the European branch provides to NA communities in Europe is invaluable and therefore totally consistent with the commitment to deliver similar services from the Van Nuys location. Steps have and are being taken to minimize expenses and bolster income for this operation.

CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES

16. Overall sales for all operations were down by \$92,672.00 in 1991.

17. Although overall sales were down for the year, discount expense was actually up by two percent. This is a result of a higher number of discounted orders.

18. Interest income was down in 1991 because there was not as much money in the interest-bearing accounts.

19. There is a dramatic change in the level of miscellaneous income. Prior to 1991, we lumped all a variety of products in this category. Over the last two years, we have worked to better characterize our products to provide more detail in our sales reports. In 1992, there will be very little in the WSO inventory that is classified as miscellaneous; as a result, this figure will decline even further.

20. This category has remained up this year. The primary reasons were the balance of payments for work related to the unauthorized text as well as the

research done on the tax issue. In addition, there was a significant amount of non-US copyright and trademark registration activity initiated in 1991. Currently, there are approximately eighty translation projects in different stages of completion. These will all involve some registration activity in the coming year. Additionally, it will be necessary to work on updating some of the US registrations as well.

21. Bank service charges are up this year because of a higher level of interbank wire transfers.

Additionally, the account management charges increased slightly in 1991.

22. This figure is 37% lower than the previous year. This figure includes the expense for all contract translations as well.

23. Depreciation is down this year because many of the assets have depreciated to no value. This is primarily some of the office equipment which is over four years old as well as some of the original computer equipment.

24. Free publications is the expense category that we created to show the expense of the publications that we produce that do not generate revenue. The publications in question are the *Newsline* and the Loner Group newsletter, *Meeting by Mail*. The figure reflects that there was only one *Newsline* in 1991, while *Meeting By Mail* was produced six times.

25. The level of interest expense increased this year because of the line-of-credit balance being termed over six months to pay it off.

26. Postage and shipping were down by 46% in 1991. We were able to achieve this by minimizing our use of express mail and finding vendors who could provide the same services for considerably less. We were also able to take advantage of several vendor-discount programs to reduce our administrative shipping expense.

27. This figure is up considerably since we increased our expense for the Xerox reproduction lease, which is also incorporated in this figure. By increasing our Xerox lease expense, we were able to reduce our cost of merchandise for some of the items which we used to produce out-of-house.

28. This figure reflects a significant decrease in the expense for translations; however, the volume of

letters which were translated did not decrease. We began to use employees who were able to translate many of the letters that were received. The expense for contract translations is reflected in the contract labor and consulting category.

REVENUES, EXPENSES—EUROPE

29. This figure represents a remaining positive balance from the reconciliation of all currency transfers between the three companies (Van Nuys, Europe, and Canada). This occurs because the wire transfers all occur at different rates through the year. This is one of the bookkeeping items that the

accountant highlighted for action. We have instituted a process to reconcile each wire transaction on a monthly basis to remove this level of variance. Additionally, since the physical inventory has been in question until recently, it is possible that this balance reflects unreconciled cost of merchandise for the European branch. We are still in the process of conducting analysis to determine the exact source of this positive balance.

NOTES TO THE FINANCIAL STATEMENT

30. The figure cited in this note is the balance which is referred to in note #2.

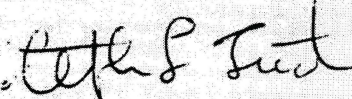
MARCH 9, 1992

BOARD OF DIRECTORS
WORLD SERVICE OFFICE, INC
16155 WYANDOTTE STREET
VAN NUYS, CALIFORNIA 91406

I HAVE AUDITED THE ACCOMPANYING COMBINED BALANCE SHEETS OF WORLD SERVICE OFFICE, INC., (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION) AS OF DECEMBER 31, 1991, AND THE RELATED STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE FOR THE YEAR THEN ENDED. THESE FINANCIAL STATEMENTS ARE THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT. MY RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS BASED ON MY AUDIT.

I CONDUCTED MY AUDIT IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS. THOSE STANDARDS REQUIRE THAT I PLAN AND PERFORM THE AUDIT TO OBTAIN REASONABLE ASSURANCE ABOUT WHETHER THE FINANCIAL STATEMENTS ARE FREE OF MATERIAL MISSTATEMENT. AN AUDIT INCLUDES EXAMINING, ON A TEST BASIS, EVIDENCE SUPPORTING THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS. AN AUDIT ALSO INCLUDES ASSESSING THE ACCOUNTING PRINCIPLES USED AS SIGNIFICANT ESTIMATES MADE BY MANAGEMENT, AS WELL AS EVALUATING THE OVERALL FINANCIAL STATEMENT PRESENTATION. I BELIEVE THAT MY AUDIT PROVIDES A REASONABLE BASIS FOR MY OPINION. IN MY OPINION, THE FINANCIAL STATEMENTS REFERRED TO ABOVE PRESENT FAIRLY, IN ALL MATERIAL RESPECTS, THE FINANCIAL POSITION OF WORLD SERVICE OFFICE, INC., AS OF DECEMBER 31, 1990 AND DECEMBER 31, 1991 AND THE RESULTS OF THEIR OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR THEN ENDED IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

RESPECTFULLY SUBMITTED,



STEPHEN L. FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT

SLF/RT

WORLD SERVICE OFFICE, INC.

BALANCE SHEET

DECEMBER 31, 1991 AND 1990

ASSETS

	<u>1991</u>	<u>1990</u>
<u>CURRENT ASSETS</u>		
CASH ON HAND AND IN CHECKING	\$ 84,699	\$ 91,534
CASH IN SAVINGS	35,678	71,574 1
ACCOUNTS RECEIVABLE - CUSTOMERS	249,528	195,905 2
ACCOUNTS RECEIVABLE - OTHER (WSC-WCCNA)	51,521	33,653 3
EMPLOYEE EXCHANGE	---	300
INVENTORY	143,130	237,508 4
PREPAID EXPENSES	5,102	63,203 5
	-----	-----
TOTAL CURRENT ASSETS	569,658	693,677
	-----	-----
<u>FIXED ASSETS, AT COST</u>		
AUTOMOBILE	2,500	2,500
OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)	481,714	471,203 6
FURNITURE AND EQUIPMENT	180,029	179,827
LEASEHOLD IMPROVEMENTS	77,921	77,928
LESS: ACCUMULATED DEPRECIATION	(513,255)	(456,468)
	-----	-----
NET BOOK VALUE OF ASSETS	228,909	274,990
	-----	-----
<u>OTHER ASSETS</u>		
DEPOSITS - RENT	20,348	19,522
	-----	-----
TOTAL ASSETS	\$ 818,915	\$ 988,189
	=====	=====

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>		
ACCOUNTS PAYABLE	\$ 286,899	183,022 7
SALES, PAYROLL, GOOD AND SERVICES TAX PAYABLE	12,752	1,143 8
CREDIT LINE PAYABLE	28,620	62,550 9
	-----	-----
TOTAL CURRENT LIABILITIES	328,271	246,715
	-----	-----
<u>FUND BALANCE</u>	490,644	741,474
	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$ 818,915	\$ 988,189
	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC. - VAN NUYS

BALANCE SHEET

DECEMBER 31, 1991

ASSETS

CURRENT ASSETS

CASH ON HAND AND IN CHECKING ACCOUNTS	\$	57,457	
CASH IN SAVINGS		35,678	
ACCOUNTS RECEIVABLE - CUSTOMERS		233,352	10
ACCOUNTS RECEIVABLE - OTHER (WSC-WCCNA)		51,336	
INVENTORY		94,090	11
PREPAID EXPENSES		5,102	

TOTAL CURRENT ASSETS		477,015	

FIXED ASSETS, AT COST

AUTOMOBILE		2,500	
OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)		471,956	
FURNITURE AND EQUIPMENT		180,029	
LEASEHOLD IMPROVEMENTS		77,291	
LESS: ACCUMULATED DEPRECIATION		(510,561)	

NET BOOK VALUE OF ASSETS		221,215	

OTHER ASSETS

DEPOSITS - RENT		14,156	

TOTAL ASSETS	\$	712,386	
		=====	

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

ACCOUNTS PAYABLE		286,899	
SALES AND PAYROLL TAXES PAYABLE		4,554	12
CREDIT LINE PAYABLE		28,620	

TOTAL CURRENT LIABILITIES		320,073	

FUND BALANCE

		392,313	

TOTAL LIABILITIES AND FUND BALANCE	\$	712,386	
		=====	

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC. - CANADA

BALANCE SHEET

DECEMBER 31, 1991

ASSETS

CURRENT ASSETS

CASH ON HAND AND IN CHECKING ACCOUNTS	\$ 18,836
ACCOUNTS RECEIVABLE - CUSTOMERS	13,064 13
ACCOUNTS RECEIVABLE - OTHER (WSC-WCCNA)	185
INVENTORY	23,966

TOTAL CURRENT ASSETS	56,051

FIXED ASSETS, AT COST

OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)	7,106
LESS: ACCUMULATED DEPRECIATION	(1,522)

NET BOOK VALUE OF ASSETS	5,584

OTHER ASSETS

DEPOSITS - RENT	1,825

TOTAL ASSETS	\$ 63,460
	=====

LIABILITIES AND FUND BALANCE

LIABILITIES

GOODS AND SERVICES TAX PAYABLE	\$ 8,198 14

FUND BALANCE

TOTAL FUND BALANCE	\$ 55,262

	\$ 63,460
	=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC. - EUROPE

BALANCE SHEET

DECEMBER 31, 1991

15

ASSETS

CURRENT ASSETS

CASH ON HAND AND IN CHECKING ACCOUNTS	\$ 8,406
ACCOUNTS RECEIVABLE - CUSTOMERS	3,112
INVENTORY	25,074

TOTAL CURRENT ASSETS	36,592

FIXED ASSETS, AT COST

OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)	2,652
LEASEHOLD IMPROVEMENTS	630
LESS: ACCUMULATED DEPRECIATION	(1,172)

NET BOOK VALUE OF ASSETS	2,110

OTHER ASSETS

DEPOSITS - RENT	4,367

TOTAL ASSETS	\$ 43,069
	=====

LIABILITIES AND FUND BALANCE

FUND BALANCE

43,069
=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1991 AND 1990

	<u>1991</u>	<u>1990</u>
<u>REVENUES</u>		
LITERATURE SALES	\$ 4,246,327	\$ 4,338,999 16
LESS: RETURNS AND ALLOWANCES	(992,022)	(969,724) 17
INTEREST	2,817	5,516 18
MISCELLANEOUS	38,787	103,461 19
	-----	-----
TOTAL REVENUE	3,295,909	3,478,252
<u>COST OF MERCHANDISE</u>	(1,364,007)	(1,453,967)
	-----	-----
<u>GROSS PROFIT</u>	1,931,902	2,024,285
	-----	-----
<u>EXPENSES</u>		
ACCOUNTING AND LEGAL	112,159	115,697 20
AUTOMOBILE LEASE	1,555	3,909
BAD DEBTS	2,774	18,426
BANK SERVICE CHARGES	2,527	1,232 21
CONTRACT LABOR AND CONSULTING	52,201	82,416 22
DEPRECIATION	56,784	105,016 23
FREE PUBLICATIONS	9,890	26,933 24
INSURANCE	151,066	162,337
INTEREST EXPENSE	8,763	4,683 25
MAINTENANCE, REPAIRS AND SERVICE CONTRACTS	33,447	55,550
MISCELLANEOUS	5,226	2,884
OFFICE EXPENSE	86,269	81,935
PAYROLL TAXES	83,093	97,249
POSTAGE AND SHIPPING	75,529	101,531 26
PUBLIC INFORMATION	---	4,374
RENT AND LEASES	251,414	191,771 27
SALARIES	1,053,356	1,055,661
SUPPLIES	15,638	10,420
TELEPHONE	65,974	70,015
TRANSLATIONS	304	13,493 28
TRAVEL	96,191	163,563
UTILITIES	18,572	19,344
	-----	-----
TOTAL EXPENSES	2,182,732	2,388,439
	-----	-----
<u>EXCESS EXPENSES OVER REVENUES</u>	(250,830)	(364,154)
<u>FUND BALANCE, BEGINNING OF YEAR</u>	741,474	1,105,628
	-----	-----
<u>FUND BALANCE, END OF YEAR</u>	\$ 490,644	\$ 741,474
	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES - VAN NUYS
FOR THE YEAR ENDED DECEMBER 31, 1991

REVENUES

LITERATURE SALES	\$ 4,083,323
LESS: RETURNS AND ALLOWANCES	(979,137)
INTEREST	2,817
MISCELLANEOUS	24,833

TOTAL REVENUE	3,131,836

COST OF MERCHANDISE

(1,282,205)

GROSS PROFIT

1,849,631

EXPENSES

ACCOUNTING AND LEGAL	112,159
AUTOMOBILE LEASE	1,555
BAD DEBTS	2,774
BANK SERVICE CHARGES	1,720
CONTRACT LABOR AND CONSULTING	51,980
DEPRECIATION	55,301
FREE PUBLICATIONS	9,890
INSURANCE	149,842
INTEREST EXPENSE	8,763
MAINTENANCE, REPAIRS AND SERVICE CONTRACTS	33,030
MISCELLANEOUS	3,171
OFFICE EXPENSE	75,102
PAYROLL TAXES	83,093
POSTAGE AND SHIPPING	71,661
RENT AND LEASES	217,533
SALARIES	1,018,489
SUPPLIES	15,638
TELEPHONE	58,840
TRANSLATIONS	304
TRAVEL	86,946
UTILITIES	17,801

TOTAL EXPENSES

2,075,592

EXCESS EXPENSES OVER REVENUES

\$ (225,961)
=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES - CANADA
FOR THE YEAR ENDED DECEMBER 31, 1991

REVENUES

LITERATURE SALES (INCLUDES MISC. INCOME \$1460)
LESS: RETURNS AND ALLOWANCES

\$ 136,096
(12,885)

TOTAL REVENUE

123,211

COST OF MERCHANDISE

(72,509)

GROSS PROFIT

50,702

EXPENSES

BANK SERVICE CHARGES
CONTRACT LABOR AND CONSULTING
DEPRECIATION
INSURANCE
MISCELLANEOUS
OFFICE EXPENSE
RENT AND LEASES
SALARIES
TELEPHONE
TRAVEL
UTILITIES

69
221
1,015
850
1,302
506
12,635
2,654
2,088
228
771

TOTAL EXPENSES

22,339

EXCESS REVENUES OVER EXPENSES

\$ 28,363

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES - EUROPE
FOR THE YEAR ENDED DECEMBER 31, 1991

<u>REVENUES</u>	
LITERATURE SALES	\$ 28,368
MISCELLANEOUS - CONVERSION CHANGE	12,494 29

TOTAL REVENUE	40,862
<u>COST OF MERCHANDISE</u>	
	(9,293)

<u>GROSS PROFIT</u>	31,569

<u>EXPENSES</u>	
BANK SERVICE CHARGES	738
DEPRECIATION	468
INSURANCE	374
MAINTENANCE, REPAIRS AND SERVICE CONTRACTS	417
OFFICE EXPENSE	10,661
MISCELLANEOUS	753
POSTAGE AND SHIPPING	3,868
RENT AND LEASES	21,246
SALARIES	32,213
TELEPHONE	5,046
TRAVEL	9,017

TOTAL EXPENSES	84,801

<u>EXCESS EXPENSES OVER REVENUE</u>	\$ (53,232)
	=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEARS ENDED DECEMBER 31, 1991 AND 1990

	<u>1991</u>	<u>1990</u>
CASH WAS PROVIDED BY:		
EXCESS OF EXPENSES OVER REVENUES	\$ (250,830)	\$ (364,154)
DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(71,491)	124,957
DECREASE (INCREASE) IN EMPLOYEE EXCHANGE	300	1,166
DECREASE (INCREASE) IN INVENTORY	94,378	158,403
DECREASE (INCREASE) IN PREPAID EXPENSES	58,101	(51,036)
DECREASE (INCREASE) IN FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION)	46,081	41,938
(INCREASE) IN DEPOSITS	(826)	(2,301)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	103,877	112,079
INCREASE (DECREASE) IN SALES TAX PAYABLE	11,609	247
INCREASE (DECREASE) IN CREDIT LINE PAYABLE	(33,930)	12,500
	-----	-----
INCREASE (DECREASE) IN CASH	(42,731)	33,799
CASH IN BANKS AND ON HAND DECEMBER 31, 1990, 1989	163,108	129,309
	-----	-----
CASH IN BANKS AND ON HAND DECEMBER 31, 1991, 1990	\$ 120,377	\$ 163,108
	=====	=====
CASH ON HAND AND IN CHECKING ACCOUNTS	\$ 84,699	\$ 91,534
CASH IN SAVINGS	35,678	71,574
	-----	-----
	\$ 120,377	\$ 163,108
	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1991

NOTE 1 - ACCOUNTS RECEIVABLE ARE WRITTEN OFF DIRECTLY AS THEY BECOME UNCOLLECTIBLE. RECEIVABLES WRITTEN OFF ARE INCLUDED IN BAD DEBT. ACCOUNTS RECEIVABLE - OTHER OF \$20,666 IS FROM A EUROPEAN AND AUSTRALIAN OFFICE WHICH IS OVER FOUR YEARS OLD AND MAY NOT BE RECOVERED. INVENTORY IS VALUED AT COST.

NOTE 2 - WORLD SERVICE OFFICE, INC. IS A NON PROFIT ORGANIZATION AND THEREFORE THERE IS NO PROVISION FOR INCOME TAXES INCLUDED IN THESE STATEMENTS.

NOTE 3 - FIXED ASSETS ARE DEPRECIATED ON THE STRAIGHT LINE METHOD OVER THE ESTIMATED USEFUL LIVES OF THE ASSETS.

NOTE 4 - THE COMPANY HAS A LINE OF CREDIT FROM CAPITAL BANK FOR \$100,000. INTEREST WAS PAID AT 10.00% PER ANNUM AT DECEMBER 31, 1991.

NOTE 5 - THE COMPANY HAS LEASES FOR 16129 WYANDOTTE STREET AND 16155 WYANDOTTE STREET THAT EXPIRE OCTOBER 31, 1991. THERE IS A THREE YEAR LEASE COMMENCING DECEMBER 1, 1988, ON 16135 WYANDOTTE STREET, VAN NUYS, CALIFORNIA. AS OF DECEMBER 31, 1991 THE TOTAL LEASE PAYMENT IS \$11,474 PER MONTH. THERE IS ALSO A MONTH TO MONTH LEASE IN LONDON AT \$1393 PER MONTH. THERE IS A LEASE IN CANADA AT \$987 PER MONTH FOR THREE YEARS THAT COMMENCED JUNE 1, 1990 (WITH FUTURE INCREASES).

NOTE 6 - NOT INCLUDED IN THIS REPORT IS \$236,982 OF INCOME AND \$208,492 IN EXPENSES FROM WORLD SERVICE CONFERENCES, WHO IS AN AFFILIATED ENTITY. THE WORLD SERVICE OFFICE ACTS IN A CAPACITY TO PROCESS THE INCOME FOR, AND EXPEND FUNDS ON BEHALF OF, THE WORLD SERVICE CONFERENCE. WORLD SERVICE CONFERENCE REPAYS THE WORLD SERVICE OFFICE ON A MONTHLY BASIS, AFTER VERIFICATION OF EXPENSES BY THE TREASURER OF THE AFFILIATED ENTITY.

NOTE 7 - THE FOLLOWING CONVERSION RATES WERE USED TO PREPARE THIS REPORT:

U.S. DOLLAR

LONDON OFFICE	ONE BRITISH POUND	\$1.80
CANADIAN OFFICE	ONE CANADIAN DOLLAR	\$.85

SEE NOTES TO FINANCIAL STATEMENTS

1992 REVISED BUDGET NOTES

Adjustments discussed at the January 1992 WSO Board of Directors meeting have been incorporated into this version of the 1992 budget. Although at the January meeting the Option I column reflected a ten percent increase, this version of the budget has been amended to reflect what we actually expect to receive. Since most of our customers placed orders prior to the February 1, 1992 price increase, we will only receive revenue at the new prices for three quarters this year. For that reason, we have adjusted the income column to reflect a 7.5% increase.

WORLD SERVICE OFFICE

1. It appears that net sales were down from last year by approximately ten to fifteen percent. As the decrease is fairly uniform across all of our major income categories, we attribute the 1991 decline to the general state of the economy. In talking to our major customers, they tell us that things are starting to improve for them. None of them attributed the decrease in their respective purchasing to a downturn in the text. Hazelden has sent us a copy of their purchase estimates for the next year, and they match the 1991 levels. Therefore, we expect to receive the same amount of revenue next year.

It appears to us that the downturn in Basic Text sales has stopped. When we look at income, we see that sales in every category declined by ten to fifteen percent last year with the exception of the Basic Text, which showed only a 9.7% decline. If the general downturn in text sales were continuing, we believe that the percentage of decrease would have been much higher.

2. We actually experienced an increase in softcover sales during the last year. As you can see from the comparison, we sold approximately 5,600 more softcover texts in 1991 than in the previous year.

3. Since we do not know if the meditation book will be approved, there is no figure reflected.

4. This figure is based upon the projected sale of 2500 biplated medallions.

5. All of these items are still included in our miscellaneous category.

6. In past years, discounts have averaged 22%. This year, the average discount was approximately 24%. We believe that this was primarily due to the fact that more service offices attained a higher level of discount in 1991.

7. We only project \$2,000 in earned interest next year, since the current levels of our savings accounts is down from the previous year.

8. These figures are based upon the new production standards for the text. The new casebound cost of production is \$1.46, and the softcover cost is 90 cents. We project to produce 280,000 casebound books next year and 11,000 softcover.

9. Since we have already paid for the Commemorative Edition, there is no actual production expense.

10. There is no projection for this item, since it is not complete.

11. There presently is no projection for production costs for the meditation book. It is expected that, if it is approved, we would produce between 35,000 and 50,000 copies on the initial printing.

12. This figure is based upon the production of 600 copies of the review form of the steps.

13. This figure is based upon the production of 300 copies of the approval form of the traditions.

14. These figures are based on production of medallions at the new price.

15. This projection is based on the production of 2500 biplated medallions.

16. These figures were not separated from the miscellaneous expense category.

17. This is the portion of the Xerox lease that is attributed to cost of merchandise.

18. We allocated funds from the translation (letters) entry under the general and administrative expenses heading to accommodate an increase in this category.

19. This category has changed over the last couple of years because of the analysis charges associated with multiple accounts.

20. We allocated all of the money from the consulting entry to this category.

21. The credit figure represents the fact that at the end of the year we have been overpaid in anticipation of the production an issue of the *PI News*.

22. This is the portion of the Xerox 5090 lease that we attribute to nonproduction uses.

23. The salary figure in the 1992 adjusted column is what we expect salaries to be once the remaining adjustments are made in February, along with the addition of an accountant to our payroll.

WORLD SERVICE OFFICE-EUROPE

The WSO-Europe budget is based on projections since we did not have the detail information when we prepared this proposal. We do know that the European branch exceeded the projected income level for last year, so we have projected next year on the same basis. Our projections are based upon continuation of the operation at its present level.

WORLD SERVICE OFFICE-CANADA

The WSO-Canada budget is based on actually having most of the year-end information. The Canadian branch also exceeded the projected income level last year.

WORLD SERVICE OFFICE, INC. 1992 BUDGET

JANUARY 13, 1992

INCOME		1991	1991	1992	OPTION I	
		ADOPTED	ACTUAL	PROPOSED	7.5% Increase	
5000-00	BASIC TEXT	2,353,442.80	2,027,192.00	2,027,192.00	2,179,231.40	1
5005-00	BASIC TEXT-SOFTBOUND		128,656.00	128,656.00	138,305.20	2
5010-00	BASIC TEXT-COM ED	23,660.00	10,500.00	9,000.00	9,675.00	
5015-00	BASIC TEXT-SPANISH	0.00	0.00	30,000.00	32,250.00	
5020-00	BASIC TEXT-FRENCH	15.00	20.00	20.00	21.50	
5022-00	BASIC TEXT-PORTUGUESE	0.00	0.00	3,000.00	3,225.00	
5025-00	BASIC TEXT-BRAZILIAN	0.00	0.00	0.00	0.00	
5027-00	JUST FOR TODAY	0.00	3,451.15	0.00	0.00	3
5030-00	HANDBOOKS	65,256.68	43,982.35	45,000.00	48,375.00	
5040-00	IT WORKS: STEPS	0.00	315.00	1,500.00	1,612.50	
5050-00	IT WORKS: TRADITIONS	0.00	2,030.00	15,000.00	16,125.00	
5060-00	LITERATURE	686,612.12	609,350.16	609,350.16	655,051.42	
5070-00	MEDALLIONS	720,474.05	230,903.40	230,903.40	248,221.16	
5075-00	MEDALLIONS:BI-PLATE	0.00	0.00	26,250.00	28,218.75	4
5080-00	MEDALLIONS:SILVER	19,187.50	9,350.00	9,350.00	10,051.25	
5082-00	CHIPS		60,571.10	60,571.10	65,113.93	
5084-00	KEYTAGS		338,147.85	338,147.85	363,506.94	
5090-00	INFORMATIONAL BOOKLETS	245,788.48	267,645.78	267,645.78	287,719.21	
5100-00	NA WAY MAGAZINE	120,000.00	74,986.54	82,500.00	88,687.50	
5110-00	MISCELLANEOUS	110,422.32	122,176.04	122,176.04	131,339.24	
5112-00	SPECIALITY ITEMS	0.00	33,962.35	87,782.85	94,366.56	
5114-00	MINUTES/REPORTS	0.00	0.00	0.00	0.00	
5116-00	PI PRODUCTS	0.00	0.00	0.00	0.00	5
5117-00	AUDIO MATERIALS	0.00	0.00	0.00	0.00	
5118-00	GROUP/AREA MATERIALS	0.00	0.00	0.00	0.00	5
5120-00	SHIPPING	111,146.16	99,945.69	99,945.69	107,441.62	
5130-00	CANADIAN CONVERSIONS	0.00	62.02	100.00	107.50	
5140-00	DISCOUNTS	(1,020,310.77)	(978,709.10)	(978,709.10)	(1,052,112.28)	6
9020-00	INTEREST EARNED	4,313.08	2,380.94	2,000.00	2,150.00	7
9040-00	MISCELLANEOUS	0.00	24,302.85	20,000.00	21,500.00	
TOTAL INCOME WSO		3,440,007.42	3,111,222.12	3,237,381.77	3,480,185.40	
TOTAL INCOME CSO		\$103,048.41	\$143,059.17	\$150,212.12	\$161,478.03	
TOTAL INCOME ESO		\$20,505.86	\$32,673.25	\$32,673.25	\$35,123.74	
TOTAL INCOME		\$3,563,561.69	\$3,286,954.54	\$3,420,267.14	\$3,676,787.18	

COST OF MERCHANDISE		1991	1991	1992	OPTION I	
		ADOPTED	ACTUAL	PROPOSED		
6020-00	BASIC TEXT	617,500.00	479,637.93	408,800.00	408,800.00	8
6030-00	BASIC TEXT-SOFTBOUND		22,786.06	9,900.00	9,900.00	8
6040-00	BASIC TEXT-COM ED	0.00	0.00	0.00	0.00	9
6060-00	BASIC TEXT-FRENCH	0.00	0.00	20.00	0.00	
6062-00	BASIC TEXT-SPANISH	0.00	7,784.98	8,000.00	8,000.00	
6067-00	BASIC TEXT-PORTUGUESE	0.00	7,949.84	8,000.00	8,000.00	
6069-00	BASIC TEXT-BRAZILIAN	0.00	0.00	0.00	0.00	10
6070-00	JUST FOR TODAY		0.00	0.00	0.00	11
6080-00	HANDBOOKS	27,454.89	20,379.97	20,000.00	20,000.00	
6100-00	IT WORKS: STEPS	0.00	39.06	186.00	186.00	12
6120-00	IT WORKS: TRADITIONS	0.00	518.10	3,900.00	3,900.00	13
6140-00	LITERATURE	173,267.67	155,098.97	155,098.97	155,098.97	
6160-00	MEDALLIONS	270,056.36	86,459.74	48,100.00	48,100.00	14
6162-00	KEYTAGS	0.00	148,786.11	148,786.11	148,786.11	
6164-00	CHIPS	0.00	36,342.36	15,142.65	15,142.65	14
6166-00	MEDALLIONS:BI-PLATE	0.00	0.00	4,000.00	4,000.00	15
6180-00	MEDALLIONS: SILVER	9,893.06	4,861.20	3,157.00	3,157.00	
6200-00	WHITE BOOKS	111,296.16	117,237.81	117,237.81	117,237.81	
6220-00	NA WAY MAGAZINE	51,000.00	92,231.86	95,000.00	95,000.00	
6240-00	MISCELLANEOUS	55,652.52	57,152.69	60,010.32	60,010.32	
6242-00	SPECIALITY ITEMS		13,681.00	35,113.14	35,113.14	
6244-00	MINUTES/REPORTS		0.00	0.00	0.00	
6246-00	PI PRODUCTS		0.00	0.00	0.00	16
6248-00	AUDIO MATERIALS		0.00	0.00	0.00	
6250-00	GROUP/AREA MATERIALS		0.00	0.00	0.00	16
6260-00	CONTRACT LABOR	1,119.00	0.00	0.00	30,000.00	
6280-00	COST OF GOODS	0.00	2,600.00	4,000.00	4,000.00	
6300-00	DISCOUNTS	0.00	(3.95)	(1.15)	(1.15)	
6320-00	REPRODUCTION LEASE	9,300.00	0.00	32,724.37	32,724.37	17
6340-00	REPRODUCTION SUPPLIES	6,100.00	8,725.42	8,725.42	9,100.00	
6360-00	SHIPPING	122,000.00	114,094.42	115,000.00	115,000.00	
6380-00	SHIPPING SUPPLIES	5,955.36	5,867.41	6,160.78	6,160.78	
6400-00	TRANSLATIONS (COG)	4,082.20	10,657.25	12,500.00	12,500.00	18

TOTAL WSO C.O.M.	1,464,677.22	1,392,888.03	1,319,561.42	1,349,916.00
TOTAL ESO C.O.M.	6,504.86	10,128.71	10,128.71	10,128.71
TOTAL CSO C.O.M.	57,712.23	66,610.71	66,610.71	66,610.71
TOTAL C.O.M.	1,528,894.31	1,469,627.45	1,396,300.84	1,426,655.42

GENERAL/ADMIN EXPENSES		1991	1991	1992	OPTION I
		PROPOSED	ACTUAL	PROPOSED	
7020-00	AUTO EXPENSE	2,723.00	1,446.49	1,500.00	1,100.00
7040-00	BAD DEBTS	1,960.00	2,774.19	3,500.00	3,500.00
7060-00	BANK SERVICE CHARGES	482.13	1,403.78	1,500.00	1,500.00
7080-00	COMPUTER SUPPLIES	9,000.00	12,746.82	9,000.00	9,000.00
7090-00	CONTRACT LABOR	28,000.00	39,985.19	45,000.00	45,000.00
7100-00	COPYRIGHTS	100.00	0.00	100.00	300.00
7120-00	DEPRECIATION	95,300.00	26,100.00	46,400.00	46,400.00
7140-00	DUES & FEES	2,908.75	2,860.00	3,000.00	3,000.00
7160-00	EMPLOYEE TRAINING	2,000.00	2,030.01	5,000.00	7,700.00
7180-00	EQUIPMENT LEASE	16,000.00	25,487.11	25,487.11	25,487.11
7200-00	EQUIPMENT REPAIR	1,454.21	660.86	750.00	750.00
7210-00	FOREIGN CONVERSIONS	0.00	0.00	100.00	100.00
7215-00	FREE PUBLICATIONS	18,000.00	2,308.00	18,000.00	18,000.00
7220-00	INSURANCE (GENERAL)	29,000.00	26,586.78	27,500.00	27,500.00
7240-00	INTEREST	4,184.10	8,320.01	500.00	500.00
7260-00	MAINTENANCE & REPAIR	15,000.00	15,965.29	15,000.00	15,000.00
7280-00	OFFICE EXPENSE	50,000.00	47,288.45	50,000.00	50,000.00
7300-00	POSTAGE	83,000.00	70,883.28	80,000.00	80,000.00
7320-00	PUBLIC INFORMATION	4,823.76	(1,767.65)	3,500.00	3,500.00
7340-00	RENT	144,138.00	147,409.25	150,000.00	150,000.00
6320-00	REPRODUCTION LEASE	43,233.00	70,806.37	38,082.00	38,082.00
7360-00	SERVICE CONTRACTS	30,000.00	14,457.76	15,000.00	15,000.00
7380-00	TELEPHONE	55,000.00	49,167.30	53,500.00	53,500.00
7400-00	TRANSLATIONS (LETTERS)	11,500.00	303.90	5,000.00	5,000.00
7420-00	TRAVEL	80,000.00	82,977.45	75,000.00	103,000.00
7440-00	TYPESETTING SUPPLIES	5,000.00	517.53	5,500.00	5,500.00
7460-00	UTILITIES	17,000.00	15,305.79	16,500.00	16,500.00
2010-00	COMPUTER EQUIPMENT	3,500.00	0.00	7,000.00	20,000.00
2060-00	LEASEHOLD IMPROVEMENTS	1,000.00	0.00	1,500.00	1,500.00
TOTAL WSO GEN/ADMIN		859,006.95	839,923.94	856,519.11	700,019.11
TOTAL ESO GEN/ADMIN		51,166.44		46,366.44	46,366.44
TOTAL CSO GEN/ADMIN		22,388.60		23,000.00	23,000.00
TOTAL GEN/ADMIN		732,561.99	839,923.94	725,885.55	769,385.55

PERSONNEL EXPENSES		1991 PROPOSED	1991 ACTUAL	1992 PROPOSED	OPTION I
8020-00	ACCOUNTING & LEGAL	67,000.00	108,589.47	50,000.00	50,000.00
8040-00	CONSULTING	25,000.00	11,061.75	0.00	0.00
8060-00	INSURANCE (HEALTH)	125,000.00	111,838.87	117,535.81	117,535.81
8080-00	INSURANCE (W.C.)	13,541.43	13,153.71	13,811.40	13,811.40
8100-00	PAYROLL TAXES	90,359.37	83,088.84	87,243.28	87,243.28
8120-00	SALARIES	1,075,000.00	1,018,488.88	1,058,000.00	1,100,000.00
0000-00	CONTINGENCY	0.00	0.00	0.00	0.00
TOTAL PERSONNEL WSO		1,395,900.60	1,346,321.52	1,328,590.49	1,368,590.49
TOTAL PERSONNEL ESO		43,975.00		28,433.00	28,433.00
TOTAL PERSONNEL CSO		6,700.00		6,700.00	6,700.00
TOTAL PERSONNEL EXPENSE		1,446,575.60	1,346,321.52	1,361,723.49	1,403,723.49
TOTAL WSO EXPENSE		3,519,584.97	3,379,133.49	3,302,671.02	3,418,525.60
TOTAL ESO EXPENSE		101,896.36	101,896.36	74,787.86	74,787.86
TOTAL CSO EXPENSE		94,529.48	86,800.83	82,120.83	82,120.83
TOTAL BUDGET EXPENSE		3,716,010.79	3,567,830.68	3,459,579.71	3,575,434.29
ESTIMATED TOTAL INCOME		3,563,561.69	3,286,954.54	3,420,267.14	3,676,787.18
NET PROFIT/(LOSS) MINUS DEPRECIATION		(152,449.10)	(280,876.14)	(39,312.57)	101,352.89
NET PROFIT/(LOSS) W/ DEPRECIATION		(247,749.10)	(308,976.14)	(85,712.57)	54,952.89

*** THESE AMOUNTS WILL ACTUALLY BE INCREASES TO FIXED ASSETS AND ARE ONLY REFLECTED HERE TO SHOW THE PROJECTED CASH EXPENSE

1991 ANALYSIS OF SALES BY INCOME CATEGORY

CATEGORY	1990 UNITS SOLD	1991 UNITS SOLD	UNITS CHANGE	% CHANGE	1990 DOLLARS SOLD	1991 DOLLARS SOLD	DOLLARS CHANGE	% CHANGE 1/-	
BASIC TEXT:CASEBOUND	280,497	254,661	(25,836)	-9.21%	\$2,244,840.00	\$2,027,192.00	(\$217,648.00)	-9.70%	1
BASIC TEXT:SOFTBOUND	10,817	16,442	5,625	52.00%	\$86,536.00	\$128,656.00	\$42,120.00	48.67%	1
BASIC TEXT:FRENCH	3,911	3,866	(45)	-1.15%	\$19,835.00	\$19,330.00	(\$505.00)	-2.55%	1
BASIC TEXT:COMMEMORATIVE	676	316	(360)	-53.25%	\$23,660.00	\$10,500.00	(\$13,160.00)	-55.62%	1
JUST FOR TODAY	12	1,051	1,039	8658.33%	\$96.00	\$3,451.15	\$3,355.15	3494.95%	
INTRODUCTORY GUIDE TO N.A.	0	9,233	9,233	100.00%	\$0.00	\$23,082.50	\$23,082.50	100.00%	
HANDBOOKS	19,202	14,854	(4,348)	-22.64%	\$58,871.00	\$43,989.95	(\$14,881.05)	-25.28%	
LITERATURE	4,811,294	4,317,204	(494,090)	-10.27%	\$654,176.66	\$584,294.08	(\$69,882.58)	-10.68%	
MEDALLIONS	130,635	118,438	(12,197)	-9.34%	\$254,648.55	\$230,903.40	(\$23,745.15)	-9.32%	
KEYTAGS	1,516,473	1,352,601	(163,872)	-10.81%	\$351,613.45	\$338,147.85	(\$13,465.60)	-3.83%	
CHIPS	356,245	302,853	(53,392)	-14.99%	\$70,849.50	\$60,571.10	(\$10,278.40)	-14.51%	
MEDALLIONS:SILVER	614	374	(240)	-39.09%	\$15,125.00	\$9,350.00	(\$5,775.00)	-38.18%	
INFORMATION BOOKLETS	566,023	623,015	56,992	10.07%	\$229,660.60	\$232,920.27	\$3,259.67	1.42%	
MISCELLANEOUS					\$105,141.74	\$156,138.39	\$50,996.65	48.50%	
NA WAY MAGAZINE	7,930	5,095	(2,835)	-35.75%	\$118,955.89	\$76,432.54	(\$42,523.35)	-35.75%	

OTHER ITEM BREAKOUT

SPEAKER TAPES	2005	2439	434	21.65%	\$10,025.00	\$12,195.00	\$2,170.00	21.65%
RECOVERY TAPES	385	3317	2,932	761.56%	\$2,537.25	\$28,583.25	\$26,046.00	1026.54%
BASIC JOURNAL	0	2910	2,910	100.00%	\$0.00	\$20,224.50	\$20,224.50	100.00%
BASIC CALENDARS	0	4905	4,905	100.00%	\$0.00	\$13,282.85	\$13,282.85	100.00%
BASIC MUGS	0	91	91	100.00%	\$0.00	\$455.00	\$455.00	100.00%

1 - THIS ITEM CONTAINS THE TEXTS THAT WERE SOLD IN CANADA

