



® NA World Services, Inc.



*1998 Annual Report*

# Foreword to the 1998 NA World Services Annual Report

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Welcome to the first-ever NA World Services *Annual Report*. What's the "theme" this year? In two words—changes and challenges! In this report, most of what you'll find will look familiar, though you may have become used to seeing some of the information contained here in other publications. The reason for this change is that, with the creation of the new corporation, NA World Services, Incorporated, and the adoption and election of our first World Board, literally all of the functions of world services now fall under the single umbrella of NAWS, Inc. Consequently, information like the facts and figures relevant to the world convention, which used to be published separately in the WCNA *Annual Report*—as well as other kinds of information that used to be communicated to you in the Interim *Annual Report*—will all be available for the first time in one place: the NA World Services *Annual Report*.

This transition has brought along with it new advantages as well as a set of new challenges. One advantage to having a single board is that world services can finally consolidate all of its annual reporting information into a single document. Another and perhaps greater advantage of having a single board is that, for the first time, a single body of people can hold comprehensive discussions about world services' long- and short-term goals and objectives. No longer is world services fragmented in such a way that it takes months for numerous separate service bodies to hold discussions and then attempt to come to collective agreement. It is, quite frankly, an exciting time for world services and, we trust, for the fellowship at large. At last, we can collectively begin to move forward into the 21<sup>st</sup> century with a sense of unity and sureness of direction and purpose that we've never before enjoyed. Thanks to the fact that we now have a single board, directly accountable to the members they serve through the WSC, that will oversee all world service operations.

The ongoing transition to this new system, though, has not been without its challenges. And it is the nature of these challenges—resulting from the changes which WSC participants set in motion last year with the creation of the new corporation, the adoption of the Unified Budget, and the election of the World Board—that we will focus on in this report. Along, of course, with reporting the kinds of production-, service-, and financially relevant information you've come to expect from the annual reports of years past.

Meanwhile, the transition continues. We can expect that the new system will not be fully in place until after the 2000 World Service Conference. By then, the Unified Budget will have been in place for almost a full year, and the WSO should have been re-organized to complement the World Board's new committee system and its accompanying duties. But in the meantime, it's important to understand that, during 1999, due to the changeover to the new fiscal year (beginning 1 July 1999), there will also be two "*Annual Reports*" this year. This one—covering world service activities for calendar year 1998; and an "interim" report, covering 1 January 1999 through 30 June 1999. From then on, the NA World Services *Annual Report* will cover the fiscal year from 1 July through 30 June of each year.

Lots of changes and plenty of challenges are happening at world services. We thank you for your continued support during this exciting time of transition to what we believe will be a more efficient and responsive world services system.

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### The State of the Board:

At our very first meeting as a board this past June, we all agreed upon the ground rules by which we would hold discussions and do business as a board: a simple, basic understanding of things like “the operating principles of the World Board are the Twelve Concepts,” and “one person speaks at a time,” and “the group will start and stop on time,” with “no sidebar conversations,” the fact that we would try to ensure that “issues would be discussed, not personalities,” and so on. We include this information in this annual report not to impress you with our hard work, but rather to try to convey a very basic notion of the significant challenges that face us as a brand new board of a brand new corporation—and as eighteen individuals with a deep love for Narcotics Anonymous, but many of whom have never worked together in any capacity before our election to the World Board.

We are aware that some members feel that we haven’t moved quickly enough, or made enough progress in our first year as a board. Some members also seem to feel that we should have initiated our committee system this year and begun the work that has been handed off to us by previous world service boards and committees. We understand these expectations and concerns: there is so much that needs doing, and it seems that time is of the essence in our efforts to develop materials and services that can help us improve our ability to carry the message.

At the same time, though, we need to let you know that, as a board, our very first meeting was, in some ways, as simple and basic as the above description of behavioral ground rules for how we would interact with one another. And, perhaps most importantly, we believe that—contrary to some folks’ hopes that we would move more quickly—this deliberate and conscientious approach has been one of our greatest *strengths* during 1998.

Of course, we could have come to that first meeting in June and immediately begun to “gear up” for the next world service project or projects, formed committees, and things could have marched along at their previous pace—heaven knows there’s plenty to do! We could have tried, in the process, to fulfill what we might have perceived as everyone’s expectations of us to get the work of world services back underway after such a long inventory/transition process. In some ways, such a diving into the familiar might have been more comfortable than what we actually chose to do, instead. . . .

We believe that the conference’s direction, indeed its mandate, to us was crystal clear: our members, and conference participants want a new world service system. New from the ground up. Of course, we all want the work of our previous committees to continue as well—that work is vital to our ongoing service efforts. We also saw that we needed to fulfill our ongoing responsibilities of seeing to it that routine services, such as answering letters and phone calls, and delivering other kinds of services to the fellowship, continued. Yet we concluded pretty quickly that simply changing *what* we do on the board isn’t the only place where we could improve upon the old system: we also believe that deliberately examining *how* and *why* we do what we do was equally important to our long-term success.

So we chose to spend our first two meetings, in large measure, simply allowing ourselves to be educated as to what our responsibilities actually consist of. We have reported to you all year that “we have been focused upon developing our internal processes this year.” This sounds simple enough, yet, what does this phrase actually entail? First of all, we’ve all been “getting up to speed”

by learning the dozens of services and functions that world services performs as “routine services,” a list of responsibilities that includes everything from ongoing fellowship services to reviewing translations progress, fellowship development, WSC coordination and planning, and a host of other day-to-day activities. And, all the while, we have also had to traverse the steep learning curve of overseeing the World Service Office, reviewing the quarterly financials (including the 1997 audits, product pricing, and our FIPT responsibilities), the WSO marketing plan, our website, and general WSO operations (including review of staff responsibilities and assessment of future restructuring priorities).

It made sense to us to examine these duties in some detail (the *what we do*) before we decide how best to assign duties, responsibilities, and protocols (the *why* and *how*) to our committee system. We felt that each of us must have sufficient understanding of the world service system, and its accompanying responsibilities, before we could even begin to form our committee system and set about dividing up the responsibilities of world services among that system. This is why we have devoted so much time and energy to understanding world services’ responsibilities: we want to get our new system off on the right foot, and so we have simply moved as conscientiously and deliberately as possible, examining our decisions as we go to ensure that we are setting good precedents for future World Boards. In this way, we are truly trying to fulfill the leadership roles to which we have been elected.

## **Issues Needing Immediate Prioritization**

Even though we have moved as carefully as possible during our first year as a board in allowing ourselves to be educated so we can make informed decisions, we also recognized that there are more pressing world service needs requiring our more immediate attention. When we looked at where we needed to start as a board in terms of setting immediate priorities for action during our October meeting, we were pretty overwhelmed with the number of items that faced us: fellowship communications, the training and orientation of trusted servants, reviewing the strategy for fellowship development trips, discussing strategies for a future service material projects, looking at the need for a comprehensive Public Relations Plan, discussing the continuing goal of achieving a \$1,000,000 donation level by 2000, examining the need to review our development process for recovery literature, making decisions regarding the upcoming development forum at this year’s conference, and reviewing local committee letters (PI, H&I, Literature, and Translations) is only a partial list of what board members have been faced with prioritizing within just the last few months of 1998.

## **The Creation of the Executive Committee**

The one committee we did create this year was the Executive Committee, and the way we have gone about doing this is a good example of how we have tried to do things differently this year and come together as a cohesive, unified team. In past years in NA world services, various service boards and committees have had executive committees of one form or another which sometimes became divided, separate, and apart from the main board or committee, resulting also in a hierarchical relationship. Impossible workloads have sometimes been heaped upon executive committees, and the general membership of the committee has sometimes felt disenfranchised from key decisions. We did not want to create a new “Interim Committee.” We have been determined to avoid these kinds of problems and issues in the way we have setup the working relationship between the Executive Committee and the board as a whole. It is our feeling that we have been successful in doing this. Every member of the board has worked hard to keep the lines of communication open between the Executive Committee and the board as a whole. The Executive Committee has been

careful to not usurp the prerogatives of the whole board, to be accountable about all of its activities, to be inclusive, to report fully on its activities to the full board, all while accomplishing its task of being the administrative entity for an administrative body. The Executive Committee consists of an elected Chairperson, (Michael M.), Vice Chairperson (Mary K.), Secretary (Jon T.), and Treasurer (Susan C.) The Executive Co-Directors of the WSO are also members of the Executive Committee with full participation rights, except voting. The way the members of the Executive Committee have worked together so cooperatively is a key example of the feeling of a new partnership between trusted servants and special workers in the new system.

## Communications Our #1 Priority for 1999

After having examined all of the items needing our attention and prioritization, we set about reaching a consensus among the board to prioritize these issues. The result of these discussions was overwhelmingly clear: we agreed that world service communications had to be our top priority. After looking at all of our responsibilities, and at the Fellowship Development Plan that was handed off to us by the Board of Directors and the Board of Trustees, we saw that there was almost no facet of our duties that wasn't affected by, and whose success didn't depend upon, effective communications. It was clear to us that, although communications was identified time and again throughout the inventory process as a problem needing attention, it was never really addressed by either the Resolution Group or the Transition Group in a way that was put before the conference for specific action.

It was apparent to us that, if we don't improve our communications with the fellowship, then all of our other priorities would be less successful, in the long run—hindered by what everyone agrees is a less-than-satisfactory ability on the part of world services to communicate to our members, as well as a long-recognized need to find better ways to listen to our members. Concept Eight of NA's Twelve Concepts for Service states that "Our service structure depends on the integrity and effectiveness of our communications." We believe deeply in this principle and feel we must now consider how we can improve communications between our members and groups and each part of the NA service structure. We believe world services communications in the past has too often been like a *monologue*, and we want to move to a new system based on *dialogue* between and among members, groups, areas, regions, and within world services. We hope to initiate fellowship discussions at the 1999 World Service Conference that will help to improve the integrity and the effectiveness of all our communications and, thereby, strengthen our entire service effort.

To address this issue, and to begin the process of focusing upon and improving our communications, we have created a Communications Task Force—a group of four board members, working with WSO staff, who will conduct focus groups, research, and make some general and specific recommendations to the World Board as to how we can proceed to improve our communications. We will be reporting further on this process and present a project plan at the 1999 World Service Conference in April.

## Work Groups

We have also been required to deal with some more immediate issues in our first year of existence. To accommodate these responsibilities, we have created a number of work groups to address specific tasks that we have simply not been able to defer. These areas of responsibility include—the NA Way Magazine Editorial Review Board, board communications, the development forum, translations evaluations, *Reaching Out*, the world convention, and assistance to regional delegates submitting motions to the *Conference Agenda Report*. These work groups are carrying out specific

responsibilities on behalf of the board, and they will dissolve when their responsibilities have either been fulfilled, or taken up by our committee system once it is in place. We also used members chosen from the World Pool to assist us in attending professional events, attending a variety of fellowship workshops, in filling our trusted servant complement for the Unified Budget work group, and in assisting with various duties at the world convention in San Jose.

## **The *NA Way* Editorial Board**

Because they are the only one of these workgroups with ongoing responsibilities, the *NA Way* Editorial Board requires some additional elaboration here. The goal of the Editorial Board has been to assist in building on the success of the magazine, while searching for the ways and means to do so. To achieve this end, we have focused on several areas. We have tried to strengthen the partnership with the WSO editorial staff in order to maximize all efforts with the magazine. We have reviewed the history of the magazine, its current production schedule, and development plan. We have begun to develop guidelines that define the responsibilities of the Editorial Board to help both the current Editorial Board and the future members entrusted to serve in this role. The Editorial Board is focused on short-term and long-range planning for the magazine, assisting in the solicitation of manuscripts, reviewing and approving the content of the magazine, and serving as a communications channel between the World Board and the *NA Way Magazine*.

We would like to ask assistance from conference participants as well. Specifically by providing us with information about what the members in your part of the world think of their magazine. (1) What do our members like about the magazine? (2) What don't they like? (3) What are some of the things they would like to see in the magazine? (4) What would they suggest we do differently? All of your input and ideas are welcomed, because after all, the magazine belongs to all of us. We hope that you have enjoyed the *NA Way* thus far, and look forward to your continued support.

## **Ongoing Duties**

We have had to deal with a significant number of other practical duties during our first year. These included helping with the preparations for this year's Unity Day; making decisions about Development Forum funding and activities for this year's WSC; reviewing our responsibilities regarding our attendance at Professional Events (which also includes selecting members to be authorized to attend the United Nations as part of our advisory status); dealing, when appropriate, with local committee letters (PI, H&I, Literature, and Translations) as well as correspondence directed specifically to the World Board; reviewing the quarterly world service financials (including the 1997 audits—WSO, product pricing, and FIPT); reviewing our Website and making recommendations for its ongoing development; learning about and overseeing WSO operations (including review of staff responsibilities and assessment of future restructuring priorities); reviewing the WSO marketing program; examining our responsibilities in the area of fellowship development (including strategy for development trips); overseeing the *Conference Agenda Report* development; and planning for WSC '99—which included the related duties previously handled by the Administrative Committee and the WSC Policy Committee. We also have made significant effort to establish working relationships with both the Human Resource Panel and the WSC Co-facilitator.

As you can see, 1998 has indeed been a busy and active year for the World Board.



## Overview

At our June meeting, the World Board addressed a number of required corporate actions that, in the past, the Board of Directors had to affirm. This year, however, those corporate actions and affirmations took on a new dimension, because on 12 June at 12:01 a.m., we would be ushering in a new phase in NA history—that of Narcotics Anonymous World Services, Inc. (NAWS, Inc.). In June, therefore, we affirmed the bylaws for NAWS, the agreement of merger, the external guidelines for the World Board and the Unified Budget, the change of name of corporation, banking approvals for the Executive Committee, the Restated Article of Incorporation, the confirmation of authority of the WSO Executive Co-Directors, the amended Fellowship Intellectual Property Trust (as amended by 1998 WSC action), and the amended Trust Bulletin #1 (also amended in 1998). At that June meeting, we also empowered the WCC Board to function through WCNA27.

## WSO's Merger Responsibilities

Meanwhile, the WSO has been faced with a number of tasks as well in dealing with the merger of our previous two corporations into a new corporate entity. Some of these duties included: administrating the legal necessities associated with the change of our corporate name to NA World Services, Inc.; having to file new registrations for all of NA's intellectual properties; and having to assess the status of seventy-five international property registrations and any changing laws that may have affected them, as well as prioritizing which of these we needed to re-register in order to protect our properties in other countries. We had to make such prioritizations based upon our limited human and financial resources. We also had to change the copyright page of all of our existing literature to reflect the new corporation's name—all of these conditions have presented some of the challenges we faced during 1998. To accommodate the Unified Budget adopted at WSC '98, the office is also switching over its accounting systems and training staff to use the new systems and software. It is significant to mention that we have been implementing these changes while supporting the single largest convention in our fellowship's history—WCNA27.

In the 1998 budget, \$50,000 was allocated to deal with the legal responsibilities necessitated by the creation of the new corporation. As of the end of 1998, we had utilized almost \$40,000 of those allocations. This figure, however, will not end up being an accurate estimation of complete merger costs, due to the fact that throughout 1998, all copyright registration expenses and new trademark registrations were still being billed to the WSO. We will update this figure more accurately as our budgeting practices transition to the new Unified Budget.

## Unified Budget

Regarding the progress being made towards the implementation of the world services' Unified Budget, we would remind our members of this process as it was described at last year's conference. At the end of calendar year 1998, we ended the budget that had been forecasted for NAWS, Inc. for 1998. During the period from 1 January 1999 through 30 June 1999, we will be restructuring world services' accounting practices and budgeting categories to reflect the transition to the new Unified Budget. At the 1999 World Service Conference in April, the first Unified Budget proposal will be presented to conference participants for review and approval. This new budget will then go into effect, and will run on the fiscal year, from 1 July 1999 through 30 June 2000.

## World Board Roster

The bylaws of the Narcotics Anonymous World Services, Inc. state that the World Board has a maximum of twenty-four members, though our first World Board is currently made up of eighteen. Board members must have at least ten years clean. All Board members are to be elected directly by a sixty percent majority vote of the World Service Conference for six-year terms on the board. The transition for initial board members' terms adopted by the conference was as follows: *"To establish one-third of board seats rotating every two years, the first board will have one-third serving a two-year term, one-third serving a four-year term, and one-third serving a six-year term. The length of term for initial board members will be chosen by volunteers and then by lot at the first World Board meeting."* All members of the board are eligible for election to two consecutive terms.

According to a motion passed by the World Service Conference in 1993, for the purpose of nomination and election for all world service positions, nominees are not required to be present at the annual meeting of the World Service Conference.

The following is a list of terms of office for the current membership of the World Board:

	<b>YEAR ELECTED</b>	<b>CURRENT TERM ENDS</b>	<b>FROM</b>
Bella Anderson	1998	2004	NSW, Australia
Mary Kay Berger	1998	2000	Virginia, USA
Floyd Best	1998	2000	Michigan, USA
Susan Chess	1998	2004	Washington, USA
Lib Edmonds	1998	2004	New Zealand
David James	1998	2000	Manchester, England
Bob Jordan	1998	2000	Florida, USA
Stephan Lantos	1998	2002	California, USA
Claudio Lemionet	1998	2002	Mexico City, Mexico
Michael McDermott	1998	2002	California, USA
Jane Nickels	1998	2004	Connecticut, USA
Craig Robertson	1998	2004	North Carolina, USA
Larry Roche	1998	2002	Hawaii, USA
Daniel Schuessler	1998	2000	Offenbach, Germany
Cary Seltzer	1998	2002	Illinois, USA
Mario Tesoriero	1998	2000	NSW, Australia
Jon Thompson	1998	2002	New Jersey, USA
Tony Walters	1998	2004	South Carolina, USA

If you have any questions about this report, would like more information about NAWS, the World Board, the World Service Office, or simply want to share an idea you have about any world service operations, feel free to contact the WSO by mail, fax, email, or telephone.

# Fellowship Development Plan Update

## Overview

At WSC '98, the Fellowship Development Plan (FDP) was "handed off" to the newly created World Board by the former Board of Directors and Board of Trustees. During the course of our operations this year, we have continually referred to the FDP as our "map" for both assessing present and future world services' direction and duties, and also for beginning to determine our priorities as the board gets up-and-running and ready to resume the work of world services that has been turned over to our care.

## FDP Goals and Objectives

As a reminder for conference participants, we have included the following list of FDP goals, and have then described the areas that we have been focusing on relevant to each of those goals below. We plan to update the copy of the Fellowship Development Plan that is distributed to conference participants to reflect the current structure and with realistic timeframes. For our purposes this year, we focused on the work that these goals directed us, to rather than spending time revising the plan itself.

### **Goal One—Increase and improve world services' available financial resources.**

Under this goal, the World Board is reviewing the following objectives:

1. *Achieving a ninety-day operating reserve by 2000.*
2. *Reducing the ratio of WSO personnel expense and the WSO cost of goods.*
3. *Maintaining sales and marketing plans that benefit the WSO and the end-user.*
4. *Conducting an annual review of product pricing, sales policies, and the marketing plan.*
5. *Seeking ways to increase in the efficiency of our literature distribution system.*
6. *Clearly defining routine operations of world services.*
7. *Encouraging the fellowship to increase donations to world services an additional \$1,000,000.*

### **Goal Two—Increase and improve world services' available Fellowship Development Tools—such as service handbooks, bulletins, manuals, and training materials—that address recovery- and service-related questions and concerns.**

Under this goal, the World Board is reviewing the following objectives:

1. *Developing a process to determine needed informational tools and bulletins to address fellowship issues.*

2. *Creating a process for the selection, evaluation, creation, and distribution of bulletins to address fellowship issues.*
3. *Creating informational tools that are needed and appropriate for Fellowship Development.*

### **Goal Three—Increase and improve world services' retention of fellowship data.**

**Under this goal, the World Board is reviewing the following objectives:**

1. *Creating a procedure to gather fellowship information annually in order to measure growth, service delivery, and general conditions.*
2. *Designing an effective information management system.*

### **Goal Four—Increase and improve world services' available human resources.**

**Under this goal, the World Board is reviewing the following objectives:**

1. *Providing training and orientation for trusted servants and WSO staff.*
2. *Creating a process for the succession and continuity of trusted servants.*
3. *Identifying resources to meet specialized needs.*
4. *Developing a training and education program.*
5. *Developing a human resources network.*
6. *Incorporating a training and education component into all of the Fellowship Development Plan goals.*

### **Goal Five—Increase and improve planning for fellowship development activities and travel.**

**Under this goal, the World Board is reviewing the following objectives:**

1. *Effectively planning fellowship development activities.*
2. *Creating a strategy for developmental trips.*

### **Goal Six—Institute a quality assurance program at WSO.**

**Under this goal, the World Board is reviewing the following objective:**

1. *Integrating a quality program with all necessary systems and training into the WSO.*

### **Goal Seven—Enact the necessary structural changes to allow world services to become more effective.**

**Many of aspects of this goal have already been implemented in accordance with WSC action at the 1998 conference.**

**Goal Eight—Improve world services' written and face-to-face communication with the fellowship.**

**Under this goal, the World Board is reviewing the following objectives:**

1. *Establishing communication standards that address the following critical issues:*
  - *Education and training of staff and trusted servants.*
  - *Technology planning and utilization.*
  - *Relationship of management and leadership.*
  - *Relationship with membership and service structure.*
  - *Translations.*
2. *Creating the Communication Task Force*
3. *Developing a protocol for standardized responses to fellowship inquiries that includes acceptable response times.*
4. *Creating a quarterly consolidated publication for world services.*
5. *Creating a fellowship-wide interactive workshop system.*

**Goal Nine—Identify new recovery material(s) needed by the fellowship and develop a plan for their creation.**

**Under this goal, the World Board is reviewing the following objectives:**

1. *Creating a process for the development of new recovery material.*

**Goal Ten—Develop and maintain strategies that further our public relations philosophy, objectives, and activities.**

**Under this goal, the World Board is reviewing the following objectives:**

1. *Assuring that all current strategies and activities, as well as future public relations plans must address the following issues:*
  - *Orientation of trusted servants and staff.*
  - *Professional events.*
  - *Tools for service and recovery information.*
  - *General Informational Services (internet, CSA,PSA).*
  - *Training and coordination with fellowship.*
  - *Well-planned, quality presentations.*
  - *Increased public visibility.*
  - *Networking and liaisons with professionals.*
  - *Data collection/surveys, internally controlled.*
  - *Tools for local fellowships' PR efforts.*
  - *Tools for local fellowships when approached by professionals, in particular researchers.*
  - *Follow-up.*

### **All Changes to Sales Policy Document Complete**

As of 31 December 1998, all of the changes that the board had intended to incorporate into the Sales Policy documents for the WSO have been completed. No new changes beyond those that have already been widely communicated to the fellowship have been added. If you would like to receive a copy of the revised policy, please contact the WSO.

### **Review Period of Changes' Effects Begins in January, 2000**

As we have communicated before, the World Board intends to follow through on the Board of Directors' original plan to evaluate the effects of the changes to the Sales Policy across the fellowship, once those changes have been in effect for two years. That two-year period will have elapsed in January of 2000, when the World Board's evaluation of the Sales Policy changes' effects will commence.

### **World Board Postpones Price Increase**

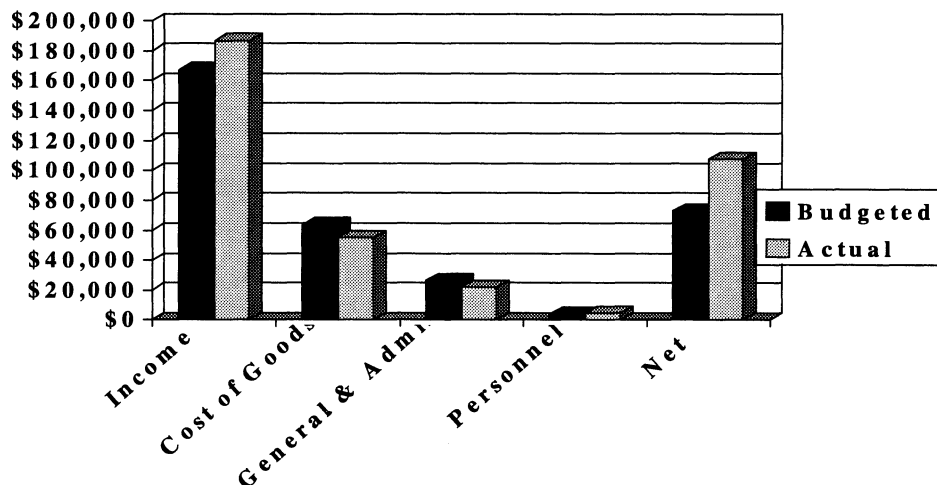
As we have previously reported in the November *Conference Report*, the World Board has decided to postpone the price increase that had been scheduled for January 1999 for one year, until January 2000. These incremental price increases have been built into the Sales Policy every three years in order to keep up with the WSO's cost of goods and overall inflation. The reason for this postponement is that we want to evaluate the effect of the existing Sales Policy changes upon the fellowship. We have seen positive results at the office from the existing Sales Policy changes, but we intend, over the coming twelve months, to continue to gather as much data as we can to determine how the Sales Policy changes have affected the fellowship at large. Therefore, pending our examination of the situation, we have decided to hold off on any additional price increases.

## WSO-Canada and WSO-Europe

### WSO-Canada

The WSO-Canada's success as an effective literature distribution center continued during 1998, as the following chart demonstrates:

### 1998 WSO Canada thru December



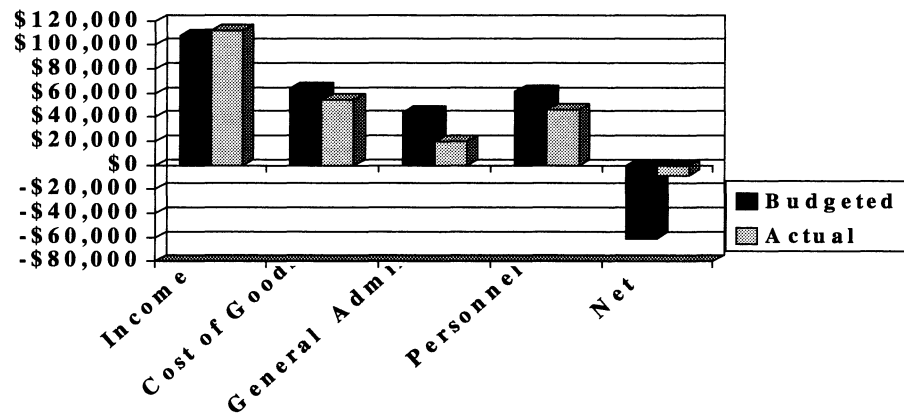
As you can see, the WSO-Canada's financial performance exceeded our projected net for 1998, while cost of goods and personnel expenses were lower than expected.

The other important clarification that we wish to add to this year's report on WSO-Canada concerns the issue of price indexing. Currently (as of 26 March 1999), the official exchange rate is \$1.51 Canadian Dollars to \$1.00 US Dollars. The WSO, on the other hand, offers an exchange rate of \$1.25 Canadian Dollars to \$1.00 US Dollars. Because of the WSO's more lenient exchange rate, Canadian customers are receiving what amounts to a twenty-six percent discount on their literature purchases when they purchase from the WSO-Canada—*only when they pay in Canadian dollars*. In this scenario, if the WSO were to initiate price indexing for Canadian customers (as it is commonly understood among the fellowship as being based upon current exchange-rates), literature would cost our Canadian customers significantly more than they are now paying for literature. There was some confusion regarding this issue with some of the customers in Canada over the last year. We have taken steps to provide additional clarity to these customers regarding this issue.

## WSO-Europe

During 1998, the WSO-Europe's balance sheet looked far better than we had projected, as the following chart indicates:

### 1998 WSO Europe thru December USING DECEMBER PROJECTIONS



As you can see, where we had projected a \$65,000 shortfall for 1998, we actually experienced less than a \$9,000 loss for WSO-Europe, with income slightly higher than projected and cost of goods, general and administrative expenses, and personnel expenses all coming in lower than projected. Needless to say, we are very happy with this financial result. It is also important to note that the WSO-Europe uses the same practice as WSO-Canada in fixing a rate of exchange for literature purchases.



# Fellowship Intellectual Property Trust (FIPT)

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## Background

*The Fellowship Intellectual Property Trust (FIPT)* arose out of several motions addressed by the World Service Conference in 1991. At that conference, participants took definitive action in affirming the WSO as the sole publisher and distributor of NA's literature. They also affirmed the WSO's responsibility for protecting that literature, and all of NA's intellectual properties, on behalf of the members of Narcotics Anonymous by holding those properties in trust. The need for a registered trust instrument was recognized, and a working group of regional service representatives was formed to assist the World Service Board of Trustees in developing such a document. Thus, the purpose of the *FIPT* is to provide clear direction regarding the management and protection of our fellowship's literature, and other intellectual properties, including the management of income deriving from those properties. After considerable fellowship review, discussion, workshopping, and input, the *FIPT* was adopted by the 1993 World Service Conference.

## Registering Our Trademarks Around the World

We are pleased to report that, due to the world services improved financial viability in 1998, we have made some progress in the area of trademark and other intellectual property registrations this year. World services spent approximately \$65,000 registering our name and logos in countries around the world so that they would be protected from trademark infringement. We were able to stay current with all of the registrations that came up for renewal, to address our copyright registrations, and make the necessary name changes to our existing registration due to the action taken at WSC 1998. At the end of 1998, we were able to make the decision to initiate trademark registration in five new countries and expect to be able to continue this same type of progress on outstanding registrations this year. We have added the "group logo" from the Jimmy Kinnon archives to our trademark registrations, which is explained later in this section. We still project that we will need about a quarter of a million dollars over the next three years to stay current.

## Recovery Material on the Internet

In spite of many requests to not post our recovery literature on the Internet, some of our members are still using this medium to post our fellowship's properties electronically without the fellowship's permission to do so. The problem is that there seems, at present, to be no effective way to adequately guarantee the protection of our copyrights for material posted on the Internet. In plain terms, until the courts make some definite decisions about the relationship of current copyright laws to electronic media, we simply can't afford to take the chance of jeopardizing our fellowship's right to control its intellectual properties by making it available electronically. We here at the WSO believe so strongly in this position that we ourselves post no recovery literature on the Internet.

Is illegally posting our recovery literature on the Internet the kind of activity our members support? Actions at the World Service Conference don't suggest that we do. Each and every vote ever taken at the World Service Conference on the issue of a low-cost Basic Text, and on the issue of world services' responsibility to care for our fellowship's intellectual properties, flatly declares that the overwhelming majority of our members do not support activities that could compromise our fellowship's ability to protect its literature and other intellectual properties. That, in fact, our membership trusts world services to be fair and equitable in its protection of our properties and in the sale of our literature.

And this is why we are seeking our members' help. You've told us repeatedly that you want us to protect our fellowship's properties, yet world services cannot "police" these activities alone. As it says in our Basic Text, "We are each other's eyes and ears. When we do something wrong, our fellow addicts help us by showing us what we cannot see." (Basic Text, page 100). If our members don't support these ill considered activities, then the people who participate in them may finally understand that, as a fellowship, we have spoken time and again about this issue, and the issue is clear: we don't want our right to protect our literature compromised in any way—not even by our own members!

We are actively pursuing the most current legal information that we can obtain about copyright law and the Internet. We are in the process of hiring an attorney who specializes in this type of law to work with WSO management and our intellectual property attorney to address these issues. We want to be fully informed before we make any recommendations about how we as a fellowship should address this issue in the future. We have no desire to be obstructionist, but believe that you have asked us to be cautious and conservative in our care of the fellowship's property.

We believe that, upon consideration, you will agree that it is in our fellowship's best interest for all of us to move cautiously into this territory. We therefore ask that you refrain from posting literature and other copyrighted materials on the Internet. We will keep you informed as we gain new information. We hope to protect our fellowship's right to our message and to our literature, and we ask for your assistance in helping us do so.

## **Vendor Registrations in 1998**

Those who wish to register as vendors authorized to manufacture and sell products utilizing any of NA's intellectual properties may do so twice a year: during the months of January and July. Simply contact the World Service Office with your request for vendor registration during either of these months, and through this process you can become a legally authorized vendor of NA-related merchandise. Vendor registration costs \$500 annually, plus a \$50 annual processing fee.

Since these new fees have begun to be assessed, the number of vendors registered with the WSO has decreased from eighty-five to twenty-three. This number is, however, up from fourteen last year. This improvement may be indicating a trend toward more vendors registering through the WSO and protecting NA's properties. We will continue to update you on these numbers as this matter progresses.

## **"The Group" Logo Now Registered**

In the April 1998 issue of the *NA Way Magazine* and again in the publication *Miracles Happen* that was released in September 1998, a very old logo that had been designed for the NA group by Jimmy K was unveiled for the first time in many years. Subsequently, the WSO had a significant number of requests from members to use this logo, and they were asked to wait until we had properly protected it before they began to use it on their T-shirts and other merchandise. We are happy to report that the new "old" logo, known as "The Group" logo, is trademark protected and can now be used under the same conditions as our other logos—the Narcotics Anonymous name and service symbol. Should you have questions about these conditions, you may consult Fellowship Intellectual Property Bulletin #1, or contact the WSO for further information.

## **From Executive Management:**

### ***The State of the WSO***

Perhaps the word the best sums up the WSO's focus this past year would be "partnership." In our efforts to help educate the eighteen new board members about world services' responsibilities, and to prepare ourselves for this new world services system that is quite unlike our previous system in a number of ways, we have had to stretch our own limits and attempt to develop a new way of thinking about world services.

We have begun to realize a new kind of partnership with the new board. In this new way of accomplishing the work of world services, the board's role will be predominately an administrative one, just as their new guidelines suggest. And, in this new scenario, the WSO will serve as the board's "hands," carrying out the work that the board has directed us to accomplish. Of course, this broad generalization doesn't mean that board members won't have their hands full with plenty of detailed work to do both during the transition to the new system and possibly into the future. Nor does it exclude the vital role of the members who will be pulled from the World Pool to assist the board and its committees in the new system. Perhaps the most exciting thing about these changes is that this new way of proceeding will allow a number of improvements to the ways in which world services provides service delivery.

Some of these areas that we believe will see great improvement include: more deliberate and rational project planning; more emphasis upon long-term goals and objectives for world services and worldwide fellowship development; more accurate cost-accounting for world service projects and general service delivery; clearer lines of responsibility and accountability for the work that is accomplished; better administrative focus; and better quality control over the work that is accomplished.

The WSO has also embarked on a long-term training project for staff, which commenced during 1998. Emphasizing everything from individual productivity and personal growth to team-building and focusing all staff upon the office's mission, this new training utilized action groups and full staff meetings, guided by professional business consultants, to help further strengthen our commitment to change and growth among the world services system.

In short, we at the WSO are very enthusiastic about the prospects for accomplishing more than we have ever done before to further our primary purpose worldwide. And so perhaps more than ever before, the new world services system demands that special workers and trusted servants work together in a new partnership of cooperation and mutual support to deliver services to the fellowship more effectively and efficiently than ever.

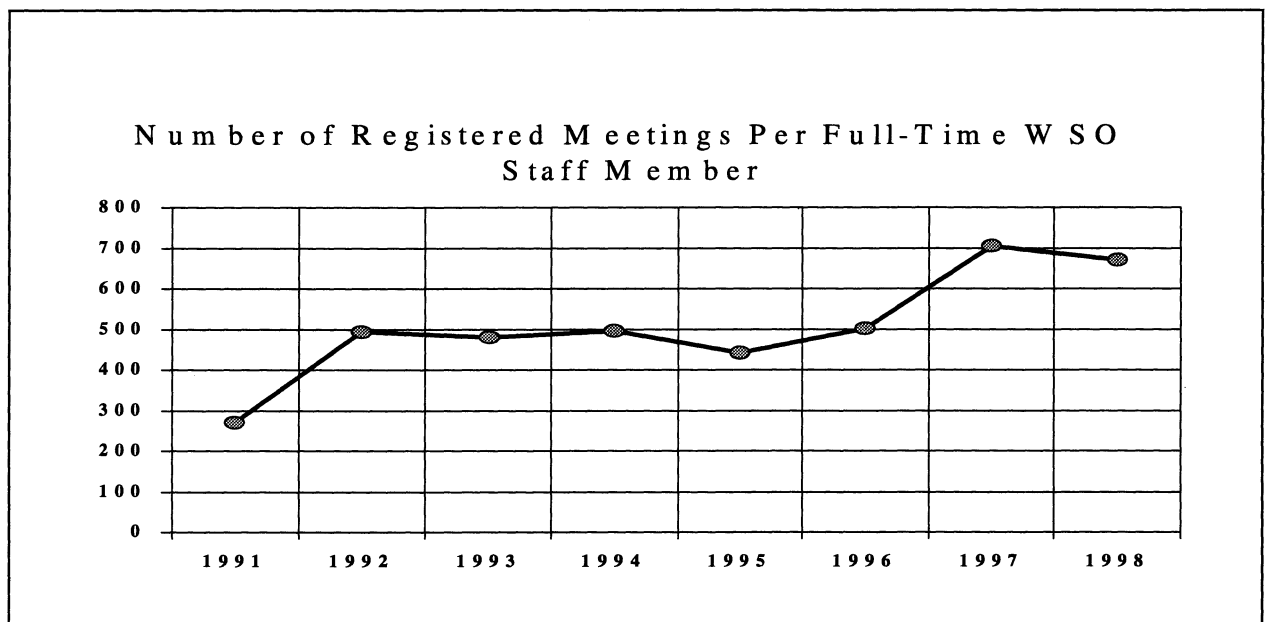
### **Sales Policy Changes Have Helped**

Based on our early indications, the changes to the WSO Sales Policy that began to take effect in the Fall of 1997 have been quite successful in helping to shore up the WSO's financial viability. What this means in reality is that, had our discount structure remained unchanged between 1997 and 1998, we would have given an additional \$290,400 in discounts to fellowship and non-fellowship

customers. Instead, thanks to the overall reduction in the discount structure from twenty-four percent to about nineteen and a half percent, we were able to recapture this amount from our overall sales income.

## Challenges Too

Of course, this improvement in the office's financial viability does not change the fact that the office will be faced with significant challenges as the World Board begins to initiate the work of its committee system. Staffing these new committees, as well as staffing for the board itself, presents a difficulty, because the WSO is operating understaffed to begin with, as this chart demonstrates.

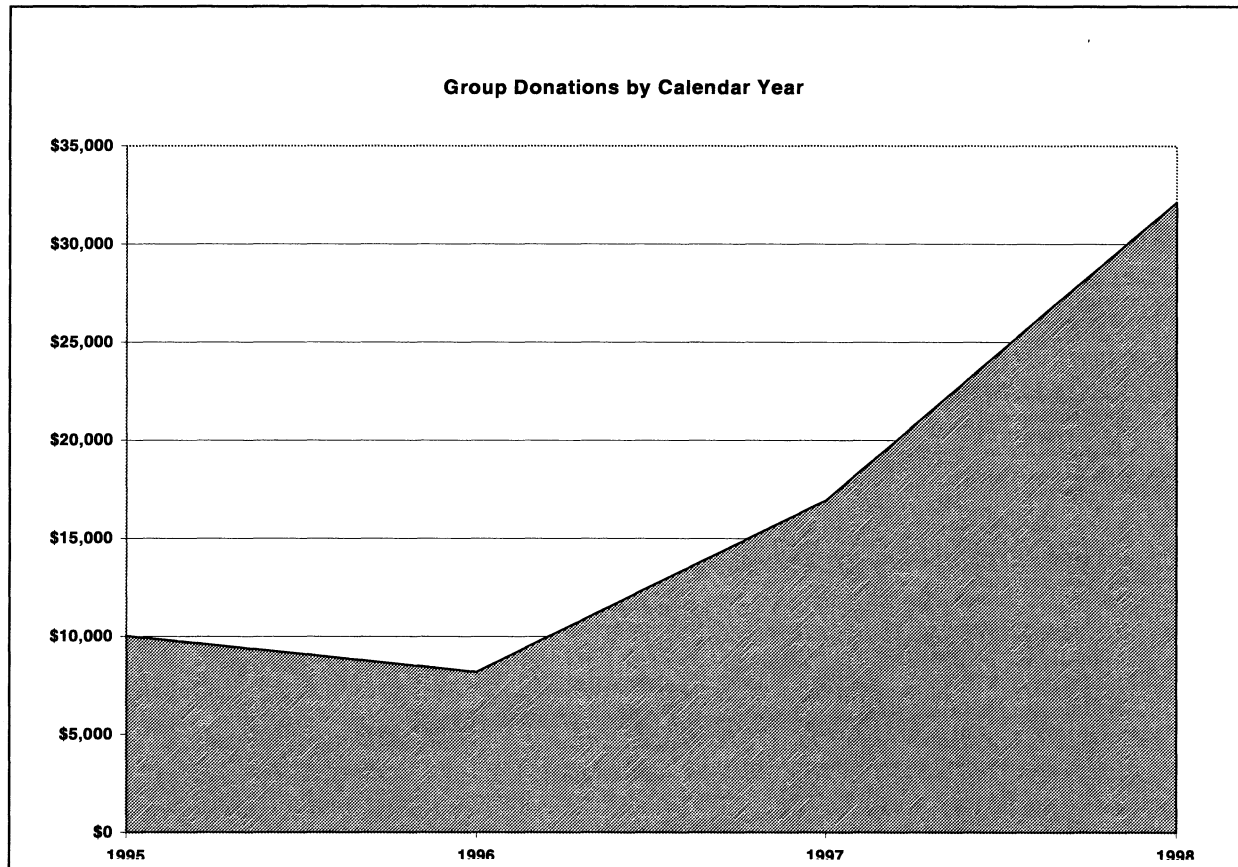


In a very real way, the actual number of meetings is one indicator as to the level of work required from WSO staff to provide services to our growing membership. As you can see, for the past several years, the fellowship has been growing at a faster pace than our ability to acquire staff to meet the increasing demands that accompanies such growth. For this reason, one of Executive Management's goals over the coming two years is to begin to fill this shortage of professional-level staff, some of whom will work primarily as board and committee support staff.

## \$1 Million Donation Level Still A Distant Reality

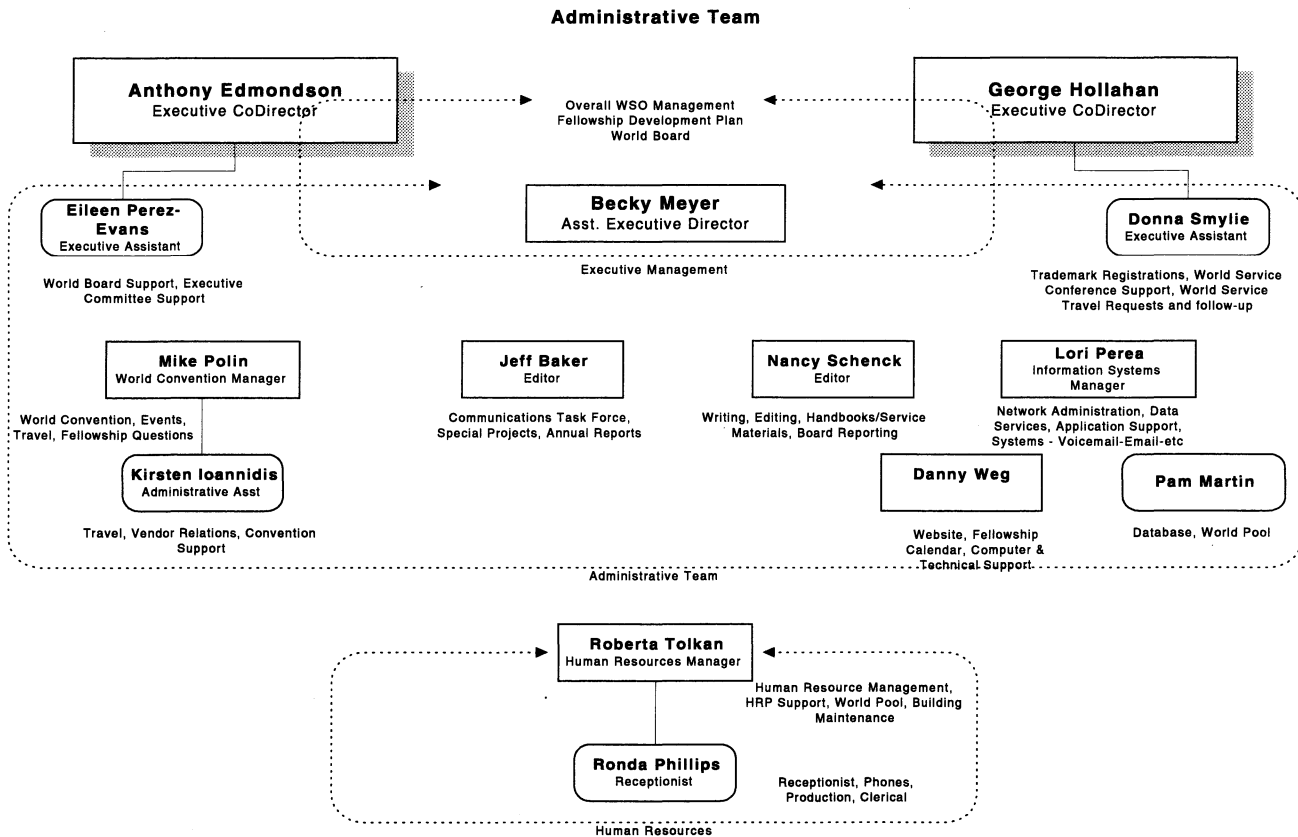
A number of the objectives from Fellowship Development Plan Goal Number One are designed to complement each other, to reinforce our primary service center and provide improved services to the fellowship. Take for instance the objectives about changing the Sales Policy, the objective to increase fellowship donations to world services by \$1 million dollars, and the objective to establish a ninety day operational reserve for the office. Changes to the Sales Policy help to recapture a small percentage of our income allowing us to survive but only takes us so far. Increasing fellowship donations on the other hand, put us in a position to then strengthen our operations and build our reserve, all the while decreasing our reliance on sales income. We still have a long way to go to meet

our projected operating goal. Yet, as the following chart shows, if the current donation trend from groups is an indication, the concept of direct donations to all levels of service is one that is gathering momentum.

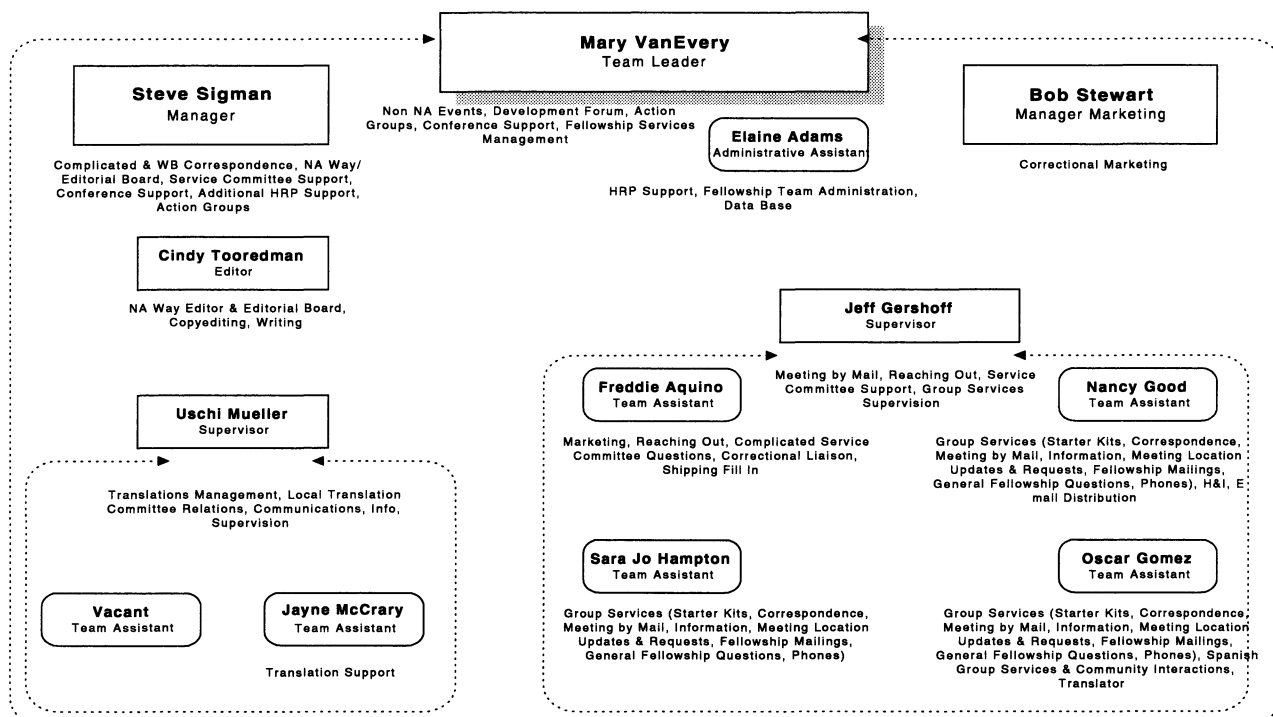


So, while the WSO is certainly not without its challenges as we move toward the full implementation of the World Board and the new service delivery system, it helps to be enthusiastic about the changes we see on the horizon. It is exciting to look at the direction the new board has taken. Their commitment to integrity, honest and open communication, and responsiveness to our fellowship has only strengthened our enthusiasm for providing service and support to our members around the world. We are excited about the potential that this new system brings to all of us.

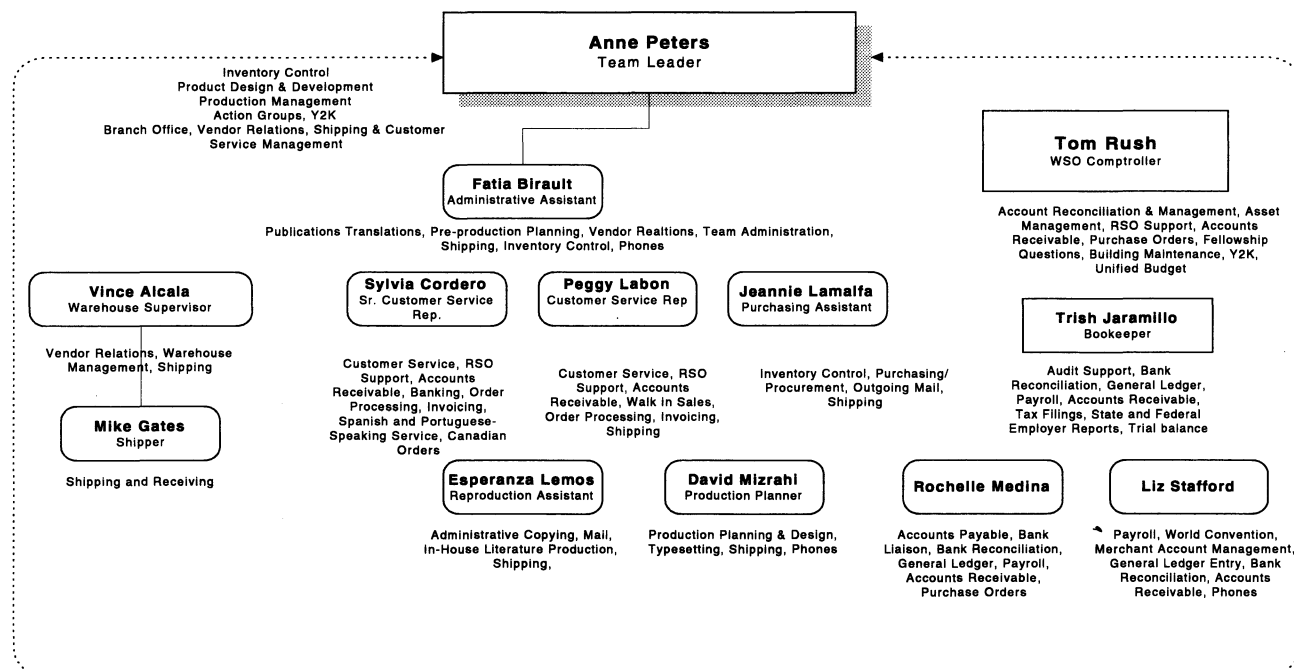
# Team Organization Charts With Staff Functions



## Fellowship Services Team



## Production, Distribution & Asset Management Team



## The Cost of Services

The two charts below show a breakdown of the WSO's cost allocations for 1998. By way of explanation, it should be noted that the breakout of attributable costs does not always occur across team-lines and functions. Instead, when determining the allocation of expenses for any given WSO responsibility, often those expenses occur across teams due to the particular requirements of any given project or task. As we have reported in our discussions of the Unified Budget, world services is transitioning to a project-costs accounting practice. For this reason, the following breakdown of the cost of services is the last time you will see our costs broken down according to these six categories. In the future, we hope to provide a clearer and more meaningful breakdown of the cost of services to our membership, to the World Service Conference, and to the general public.

## World Service Office Cost Allocations For the Year Ended 31 December 1998

Function Supported	People	Facilities	Equipment	Postage Telephone Supplies	Travel	Other	Totals
Administrating/WSC*	316,769	36,200	45,139	34,562	8,578	7,372	448,621
Supporting/WSC*	304,434	42,986	43,436	23,255	15,096	34,554	463,761
Group Services	235,557	31,074	33,461	15,645	6,359	32,925	355,022
World Fell Dev	90,450	5,603	12,736	29,122	26,376	83,268	247,556
Lit Dev/Creation**	127,841	59,641	17,995	13,558	3,420	23,646	246,102
Lit Sales/Orders/Ship	352,307	122,177	43,288	32,605	8,228	30,984	589,589
FIPT	37,983	5,077	4,892	3,684	930	12,748	65,315
WSO – Canada	59,391	18,160	8,137	8,94	2,540	4,945	101,466
WSO – Europe	30,598	11,284	3,837	10,657	3,349	286	60,011
Convention Corporation	199,283	23,771	34,522	25,517	6,560	29,551	320,204
<b>Totals</b>	<b>\$1,754,614</b>	<b>\$355,974</b>	<b>\$ 247,444</b>	<b>\$ 197,899</b>	<b>\$ 81,436</b>	<b>\$260,279</b>	<b>\$ 2,897,646</b>

\*"Administrating the WSC" and "Supporting the WSC" are two different functions. For example, securing hotel facilities for trusted servants would be considered "administrating," while the cost of providing special workers to assist during the WSC would be considered "Support" services.

\*\* Includes costs associated with the translation of literature not directly attributable to WSTC support.

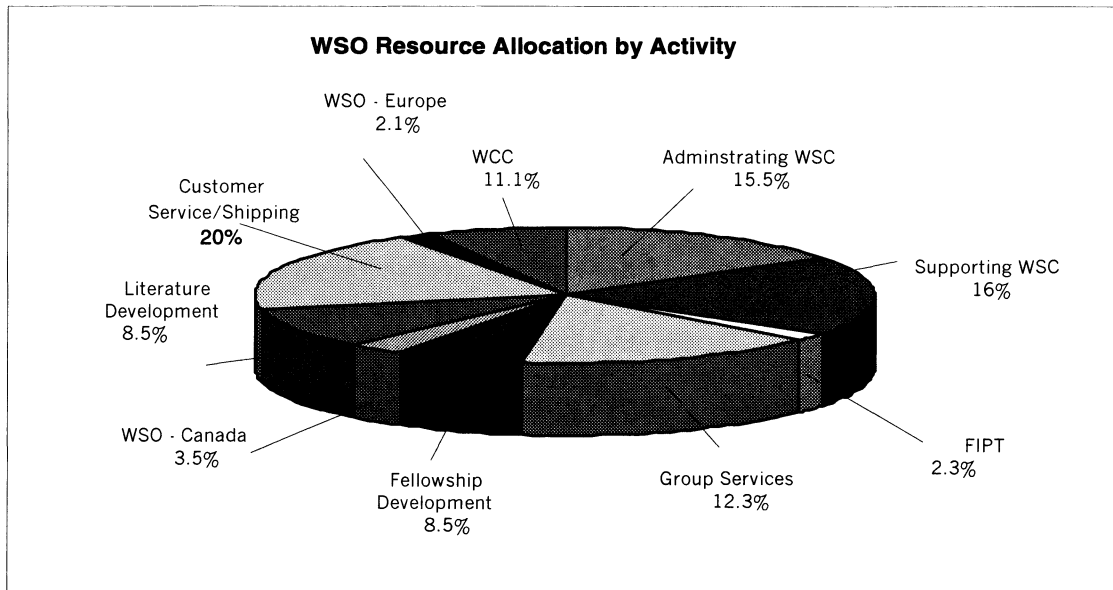
## Calculations

The preceding table represents the costs of running the WSO. Within that table:

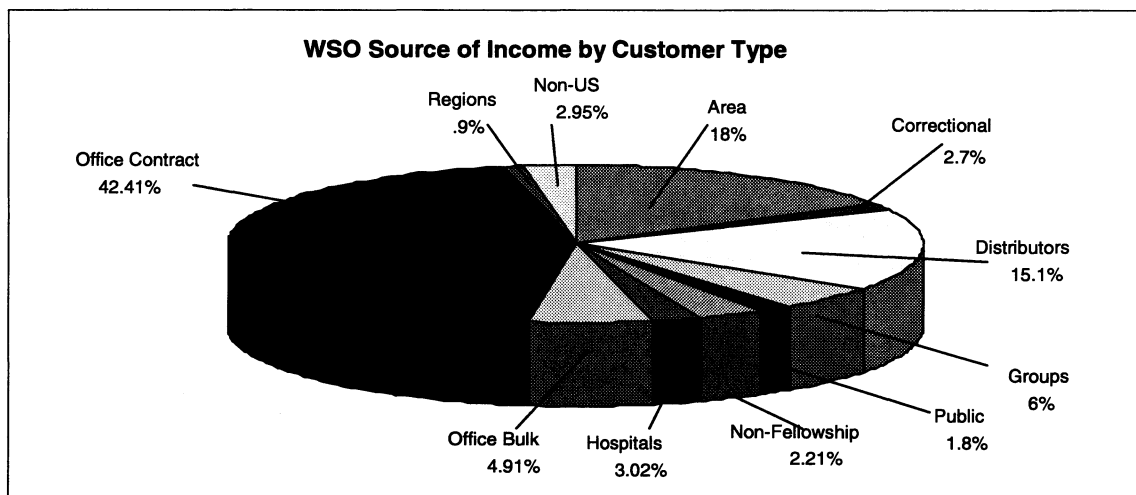
- "People" represents WSO personnel costs, which were estimated across various staff functions, and also includes costs associated with administrative functions (payroll allocation, for example) and building overhead.
- "Facilities" includes rent, maintenance, utilities, depreciation of improvements, and interest on the improvements loan, all of which were then allocated based on square footage attributable to each function.
- "Other" primarily reflects two large amounts: approximately \$74,000 for air shipping and customs/duties for literature shipments outside of the US and Canada; and about \$110,000 in free literature and publications.
- It should also be noted that many identifiable "direct costs" associated with the branch offices, the convention corporations, and the WSC (along with its boards and committees) have been transferred onto their "Income and Expense Statements" and are not duplicated here.
- A further breakout and explanation of this information is available in the Financial Information section of this report.



The following chart, based upon the above figures, offers a visual representation of WSO operational resource allocation by activity or area of service provision. In other words, the WSO allocated almost sixteen percent of its total operational resources toward providing administrative assistance to the World Service Conference, and sixteen percent of those resources to various kinds of support to the conference and its boards and committees. The other big allocation of resources at twenty percent went toward providing customer service such as order entry, shipping, and literature sales, while about thirteen percent of our resources went toward providing information and guidance to our members and to the general public through group services activities. The other percentages reflect the other kinds of service we provided and how much of our total resources went to fulfilling those responsibilities.



The final chart in this section simply shows the sources of WSO income by customer type. As you can see, our reliance on non-fellowship customers such as distributors, correctional purchases, hospitals, and so forth amounts to about thirty percent, which means that our fellowship is now purchasing nearly seventy percent of all of the literature sold. This marks an unmistakable trend that clearly shows a decreasing reliance upon non-fellowship sales, which is good news for the WSO, and for the fellowship at large.



# WSO Administrative Team

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## Administrative Team

The WSO Administrative Team can hardly be called a “team,” as such—the duties and responsibilities of this team are so diverse that we never even get an opportunity for “team meetings.” Yet it’s clear that the Administrative Team’s function, regardless of all its individual components, is to carry out the vision for the office as identified by the former Board of Directors and reaffirmed by the World Board.

The team achieves this vision in three basic areas of operation: technological support and information technologies; public relations and fellowship development activities; and organizational communications. Within these broad categories, however, are dozens of responsibilities—everything from Executive Management’s overseeing of all office operations and general administrative duties to planning major events to maintaining our computers and other technological equipment to producing some of our periodicals and addressing our human resources responsibilities.

## Human Resources

Our previous Human Resources Manager left the WSO last year to pursue new opportunities, and so we were able to replace her with a former executive assistant here at the office. In addition to assuming the Human Resources duties, our new manager is also serving as the primary staff for the Human Resources Panel and oversees the maintenance of the World Pool.

During 1998, the WSO hired five replacement staff for previously existing positions that had been vacant. Pam Martin was hired to work in data entry; Rochelle Medina was hired to fill in an accounting vacancy; Fatia Birault was hired to fill the vacant Production Assistant position; Kirsten Ioannidis was hired to fill the WCC assistant position; and Ronda Phillips assumed the receptionist duties for the WSO. We were also able to create two new positions: Danny Weg was hired as the WSO’s Information Services Assistant; and Nancy Schenck was hired to perform various writing, research, and editing duties. We welcome our new staff, who have proven to be valuable additions to the WSO team.

We automated our Human Resources software this year, which assists the HR Manager in performing routine administrative functions. This software is also being used to track the Human Resource Panel’s World Pool. In June we updated our Employee Handbook, and we are in the process of bringing the office up to OSHA code.

Also significant to mention was the loss of our receptionist of twelve years, Dee Price. “The voice of the WSO” for many years, Dee is sorely missed by everyone at the office, and by all who came to look forward to her voice on the phone when members from around the world called the WSO.

## Communications

Perhaps the most promising news in the communications category was the creation of the Communication Task Force by the World Board. If the conference agrees, this team of staff and board members will research and propose practical solutions to the major communication challenges facing world services. We are very enthusiastic about this project, whose scope is quite far-reaching and whose potential for creating real and productive changes to the way world services

communicates is exciting. The other major success story under this category is the *NA Way Magazine*, now in its second year of operation. With a distribution of nearly 30,000 addresses in five languages, the *NA Way* is reaching more addicts than ever before, uniting our members in a growing global fellowship. We have also received numerous letters from members around the world expressing their gratitude for and appreciation of the new format.

## **Marketing**

Our marketing staff were assigned the responsibility during 1998 of developing a customer base from the correctional facility marketplace. To help achieve this end, in 1998 we continued to attend and exhibit at both the Winter and Summer American Correctional Association of America conferences. At the Winter ACA held in San Antonio, Texas, Narcotics Anonymous was one of the presenters at a workshop entitled "The Effectiveness of Twelve-Step Programs vs. Other Treatment Modalities." This was the first time that NA has given a presentation at a national corrections event. We also attended our third American Jail Association Conference and Expo that was held in Cincinnati, Ohio. In addition to these conferences, we also attended and exhibited at the National Association of Blacks in Criminal Justice.

When we first began our marketing efforts, we felt that the target market we wanted to reach was the correctional marketplace—and that idea still holds true. However, what we believe today is that a significant secondary market exists as well—the substance abuse treatment marketplace. This year we have expanded into this marketplace by attending two substance abuse treatment conferences: the 22<sup>nd</sup> Annual National Association of Alcohol and Drug Addiction Counselors (NAADAC) and the Southeast Conference on Alcoholism and Drug Addiction (SECAD). As a result of these efforts, corrections sales have doubled from \$86,260 in 1997 to \$158,465 in 1998. We hope to achieve another seventy to eighty percent increase in sales annually for the next few years. Meanwhile, we will continue to attend and exhibit at the corrections and substance abuse treatment conferences, and are investigating the possibility of attending the American Public Health Conference for the first time in our history this year.

## **World Convention**

### **WCNA-27**

WCNA-27 was the largest world convention in our history with attendance over 19,000 people. Paid registration totaled 13,516, plus over 1,600 newcomer packages were distributed. All the comments we have received from the fellowship since the convention have been extremely positive. Recovery meetings and workshops were well attended. All the paid events were successful and realized our income projections.

The convention was very successful from the perspective of the planning and executing of the event. We were able to implement a plan for an event (that kept growing in size) with precision, enabling attendees to experience a convention that to them looked flawless. Our efforts at incorporating professional personnel in certain areas and improving signage and communications to attendees definitely paid off. However, preliminary financial reports indicate that we did not realize the net proceeds originally projected for this event. The primary cause was additional expenses directly related to the increased size of the convention and the costs of implementing the approved logistical plan. Without any history of a similarly sized past world convention in these types of convention venues to compare projected expenses, we either underestimated certain expenses, or failed completely to anticipate the extent of certain expenses.

As the projected attendance surpassed 15,000 people, we encountered significant additional labor requirements from the city and from facilities. At the same time, with only about 13,500 paid registrants, we did not actualize a parallel increase in gross income. We needed additional equipment to support the increased logistical efforts necessary to support a 19-20,000 person event. The size and complexity of the event forced us to intensify the training opportunities provided to volunteers. These additional efforts, undertaken in the final days leading up to the convention and on-site, dramatically increased our expenses. Overall, expenses increased approximately \$207,000. Labor costs for additional police, security, facilities personnel (ushers, EMT, security), drayage labor, and union labor on-site in the convention center rose, totaling \$105,000. We spent \$20,000 more for shuttle buses and \$10,000 more on equipment rentals for computers, registration booths, telephones, and radios. Our video, sound, and facilities expenses increased at the San Jose Arena by \$30,000. We incurred an additional \$15,000 in utilities expenses for electricity. We also spent \$12,000 more on corporate travel and \$5,000 more on planning trips than originally anticipated. These monies were spent to support additional training of volunteers, logistical meetings with vendors, and the cost of corporate personnel required to facilitate additional set-up days to prepare the convention center for the event. Finally, we realized a significant increase in credit card use by attendees, resulting in bank charges that exceed our projections by \$10,000.

The world convention, as stated in our guidelines, is a celebration of recovery and a demonstration of our unity. Aside from generating income to support world conventions held outside North America, we have not typically viewed the convention as a source for generating operational income for world services. The additional costs of staging WCNA-27 encompass new expenses that we will encounter in all future world conventions held in North America. If the board intends to generate net proceeds for world services above those necessary to cover administrative expenses for the upcoming and future world conventions, it will be necessary to reevaluate our income sources and make some price adjustments.

In addition to the recovery celebration at the convention and all that it entailed, another major component of the event was world services' ongoing effort to provide services to our members at our fellowship's single largest event. In this effort, at WCNA-27 fourteen service-related workshops were held and included the following topics: "So You're Ready to Carry the Message: The Line Between Attraction and Promotion," "What Do You Do When You're Meeting's Recovery Atmosphere Is In Jeopardy," "Self Support: The Spiritual Principle of Giving," "Meet the World Board: Our Evolving Service Structure," "Did You Hear What I Heard? Building Better Fellowship Communications," "Setting an Example: Leadership," "Do I Need to Change My Clean Date?," "I Internet, Therefore I Am: NA's Future in Virtual Reality," and "Our Basic Text: To Change or Not to Change."

At the WSO onsite, World Board members were also on hand to assist and answer members' questions. The WSO group registration database was available to allow members to check their group's registration and, if necessary, provide updated information. We also showcased a display of NA historical items that members spent countless hours browsing and studying.

Finally, the office also unveiled the story of NA's beginnings in the new book, *Miracles Happen: The Birth of Narcotics Anonymous in Words and Pictures*. A hit with convention-goers, this book sold over three thousand copies at the convention site.

### WCNA-27 SIMPLIFIED SUMMARY

#### INCOME

1996 Income from Early Registration	\$15,060.00
1997 Income form Pre-Registration	\$12,310.00
1998 Income (all sources)	1,443,245.11
<b>Subtotal</b>	<b>\$1,470,615.11</b>

#### ACCOUNTS RECEIVABLE

Hotel Rebates	\$3,398.69
San Jose Cultural Affairs Subsidy	\$2,000.00
Nationwide Audio	\$2,165.00
<b>Subtotal</b>	<b>\$7,563.69</b>

<b>Total WCNA-27 Income</b>	<b>\$1,478,178.80</b>
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#### EXPENSES

1996 Facilities Expenses	\$1,000.00
1996 Administrative Expenses	1,445.59
1997 Printing Expenses	6,929.16
1997 Administrative Expenses	\$8,925.24
1998 Operational Expenses	\$1,347,359.10
1998 Administrative Expenses	\$101,479.71

<b>Total WCNA-27 Expenses</b>	<b>1,467,138.80</b>
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<b>WCNA-27 Net Proceeds</b>	<b>\$11,040.00</b>
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**\* For a detailed 1998 end-of-year financial report for all WCC activities, please refer to the financial section in the back of this document.**

#### ***World Unity Day***

The 1998 Unity Day was the most successful ever—members from thirty-one countries participated. The 1999 Unity Day celebration will be held in late September or early October in conjunction with the world services meeting. We will communicate more specifically to you on this issue at the 1999 World Service Conference.

## **WCNA-28**

Cartagena, Colombia was chosen for the site for WCNA-28 following an eighteen-month negotiation and site selection process. Other cities considered were Panama City, Panama; Rio de Janeiro, Brazil; and Buenos Aires, Argentina. Issues of safety, valuation of currency, and political/governmental stability were issues in varying degrees in each location.

Cartagena, located on the Caribbean coast of Colombia, was selected in large part because it has one of the best convention centers in all of Latin America, has several four- and five-star hotels, and is a major vacation destination in Latin America. At the same time we have had several concerns that would pose challenges to us in planning a world convention in this location. Colombia has experienced inflation of about twenty percent annually over the last three years. To this end, we negotiated contracts in US dollars.

There is also the ongoing concern of safety in Colombia even though Cartagena has had no history of terrorist or guerilla activities or other acts of violence against tourists. We have taken several initial steps to address this with government officials. Prior to the final selection of Cartagena, a series of meetings was held with representatives of the city and national government, Colombian customs and immigration representatives, and local and national police liaisons. These meetings sought to establish a protocol for ongoing communications in the planning of the convention and to gain a general agreement from the parties involved of their willingness to help accommodate our needs in the areas of security, safety, and entry/exit into Colombia. Additionally, the mayor of Cartagena attended a WCC board meeting for the purpose of personally conveying to us the city's overall commitment of bringing the convention to Cartagena and assisting us in any way to accommodate our needs. These efforts will need to continue through the event.

We also adopted a strategy of trying to move most of our attendees directly into Cartagena without having to enter Colombia through Bogota or Cali, wherever possible. We have successfully negotiated direct flights from several points in the United States on Avianca Airlines that will reroute regular flights to Bogota (on our heavy days of travel) to stop in Cartagena. We traveled to Cartagena in November to continue our planning in addressing these issues, completing contractual discussions with vendors, and having discussions with the Colombian region regarding a host committee to be elected in March 1999.

## **WCNA-29, 30**

There is no new information to communicate about WCNA-29 and 30 beyond what has already been widely communicated to the fellowship. Just as a reminder, here are the dates and locations for these conventions: WCNA-29 will be held 3-6 July 2002 in Atlanta, Georgia, and WCNA-30 will be held 3-6 July 2003 in San Diego to celebrate the fellowship's 50th birthday.

## **WCNA-31**

We have completed our initial site research in Melbourne and Sydney, Australia; Christchurch, New Zealand; and Hawaii. All locations have the necessary meeting space and hotel rooms needed to bid on our convention. Following the completion of initial negotiations in each city, proposals will be submitted to the board this spring or summer for consideration, with final selection due to occur early in 2000.

We still need to conduct research on potential sites in India. This information is not as readily available as the other sites being considered. We expect to complete this work in the first half of 1999.

### ***Fellowship Interaction and Support***

Another growing responsibility for WSO convention staff is assisting local convention committees by providing various kinds of consultation services. Staff is frequently asked to review, input, and assist local convention committees in writing guidelines, negotiating hotel and insurance contracts, preparing floor plans, and even providing conflict resolution in some instances. In fact, the WSO receives dozens of these calls and requests per week. The WSO also provides local training in the form of convention workshops and, upon request, by conference call. Training usually covers structural and committee issues as well as training for technical skills regarding convention planning. The WSO's convention services also handle many of the questions regarding local fellowship functions and activities, as well as taxes and other legal issues, both for regional convention committees and regional service committees themselves. While we have provided this service for the past several years, we had more requests in 1998 than ever before, significantly impacting the workload of our convention staff.

### Most notable challenges for 1998

Other than the always increasing amount of work, the biggest challenge for the Fellowship Services Team overall has been to adjust to a re-prioritized workload, especially since the April WSC meeting. Much of our regular work changed in 1998—no WSC committee work and no WSB work. This gave us the opportunity to catch up on many ongoing tasks that had fallen behind and, most importantly, to work at establishing a stable work routine. This has enabled us to focus on our planning and maintenance of a regular schedule for routine work.

A huge challenge for us during 1998 has been a significant increase in email, which has made timely response a bigger challenge than ever. Last year, we reported some general total numbers (8500 calls, letters, emails, and faxes) and the difficulty we had in answering them within a thirty day period. From our logs and tallies, we estimate that this communication has increased by fifteen to twenty percent (to over 11,000) in 1998, with the most significant increases being in the number of phone calls, foreign language communications, and email messages. We have achieved a one to seven day response time on many things and a maximum of fourteen day response time on nearly everything else, with less extra staff hours than in 1997.

Additionally, communication has become more reflective of our worldwide fellowship, meaning North America isn't quite as dominant as in years past. More communication asking for start-up information has been received from countries with younger NA communities, e.g., Thailand, Bangladesh, Malta, Guatemala, and Indonesia. We are also receiving more inquiries about service-related material for both younger and established NA communities, particularly the *Guide to Local Services*.

Other ongoing responsibilities of the Fellowship Services Team include: staffing for events like the annual WSC and WCNA; WSC minutes drafting and revising; assisting the board with general correspondence and with the WSC Development Forum, along with answering all manner of general correspondence directed to Fellowship Services.

A major WSO activity, the World Convention in San Jose, required all staff to be part of the World Convention Work Team. For the Fellowship Services Team, this meant helping out for June, July, and August with preparations and planning. Our team members worked hard in the weeks leading up to the event with packing supplies, preparing all the boxes for shipping, and processing early registrations. At San Jose, we helped out with registration, merchandise, and in the onsite WSO. During this period, most of our regular work was set aside or delayed, but we quickly caught up after the convention was over. Helping with the convention was new for many of the team members and a definite challenge for everyone because of the size and complexity of the convention. It was also a clear illustration of our team's dedication to working together and to the WSO mission. In this way, it boosted staff morale for everyone.

### Changes in the Fellowship Services Team

Staffing for the team also brought new challenges. Both marketing and *The NA Way* were reassigned to this team; one team member assigned to translations moved into an administrative assistant's position for one of the Co-Executive Directors, and to provide World Board support. Our



translations position has remained vacant for the balance of '98, but will be filled in 1999. The Fellowship Services Team shares staff with other WSO functions, e.g., two people to help with HRP meetings, one person to help with HRP data needs, alternating receptionist relief, and when needed, helps out in shipping.

## Marketing

The team's work with fellowship H&I, PI, and Professional Events is complementary to marketing efforts since our marketing interaction is with correctional and other professionals at national and international conferences. The fellowship's H&I and PI efforts at the regional and area levels have a direct effect on NA's public relations, and are usually impacted by world services' PI & H&I efforts. So, when possible and appropriate, local service committees are notified or included in these events. We get the opportunity to know local service committee trusted servants, share in their experiences and lend ours as well. The result is that all levels of services cooperate with one another and get the benefits. We look forward to more of these opportunities as part of our overall commitment to the Fellowship Development Plan.

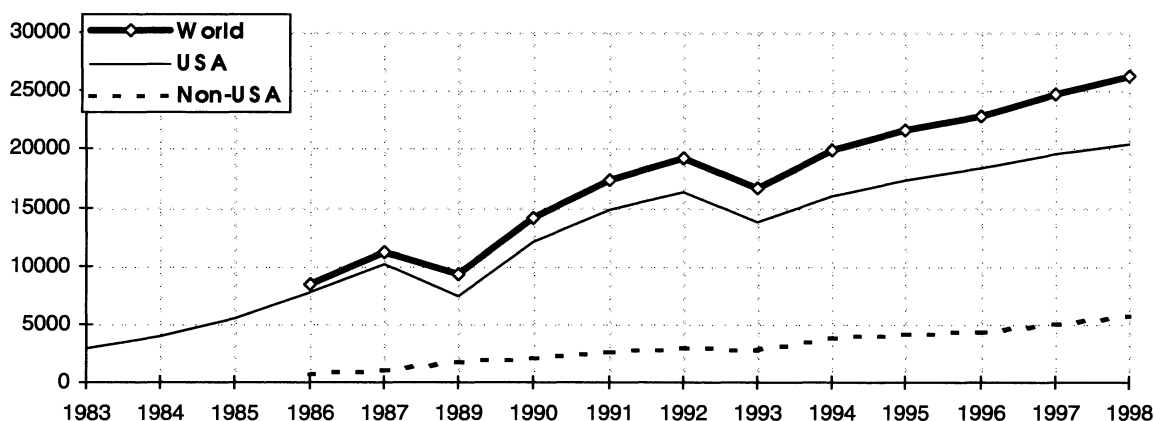
## NA Way

In August, the *NA Way* editor and her associated responsibilities came to Fellowship Services Team. Also new for the *NA Way* process has been working with an editorial board that will have a larger role in planning all facets of the magazine. Our experience so far is that this responsibility dovetails nicely with our fellowship communication functions, and the information sharing has been mutually beneficial to the *NA Way* staff and the Fellowship Services staff.

## Database

For most of 1998 our team was primarily responsible for the routine data entry. Although a new staff person joined the WSO in July specifically for database entry work, at least two months of her time were spent in general convention activities and the remainder of the year in training. Meanwhile, our fellowship continues to grow, as the following chart demonstrates.

**NARCOTICS ANONYMOUS MEETINGS, 1983-1998**



### NOTES

1. All data is taken from WSO annual reports. Data reflects counts for *meetings* registered with the WSO.
2. We have no data for any meetings outside the USA prior to 1986, although we know that meetings were held elsewhere before that year.

3. We have no data for any meetings for 1988. For reasons unknown, that data was not shown in the annual report prepared by the WSO in 1989. Rather than show a gap in the graphs, we've masked 1988 from the charts.
4. The decline in figures for 1989 may be accounted for by a change in the basis for the figures. Prior to 1990, meeting counts were taken from our world directory, which was never purged of outdated information. From 1990 on (when the 1989 count was tabulated), figures were summed from our group registrations database.
5. The meeting count for the USA for 1990 was estimated at 12,000, based on a general examination of the same report from which the precise figures for meetings elsewhere that year were taken.
6. The decline in figures for 1993 may be accounted for by a purging of outdated meeting registrations from our database early in 1994, when the 1993 figures were tabulated. Because we suspected that so many meeting registrations were outdated, we sent notice to all registered meetings that their records would be purged if they did not send back the reply form enclosed with that notice.

## Translations

For translations, our biggest challenge was meeting the demands of more and more projects from more and more NA communities, while the staff level was down one person. In real terms this has meant longer response times and less proactive efforts. Nevertheless, we remain excited about new translations like Thai, Kannada (India), along with renewed efforts in other languages that have been inactive or stalled like Russian, Bahasa Malayu, and Nederlands. See the chart below for numbers of completed and published recovery-literature translations over the last seven years.

### ***WSO Translations—Aggregate Project Completion and Publication***

Language	1991	1993	1994*	1995	1996	1997	1998
Bahasa Melayu	0	0	0	0	0	0	2
Bengali	0	0	0	0	0	0	3
Brazilian	6	7	15	18	21	21	21
Finnish	0	0	0	6	13	13	14
French	14	23	25	26	27	29	29
German	14	24	26	26	27	28	28
Hebrew	0	0	0	1	4	4	4
Hindi	0	0	0	2	2	2	2
Italian	0	0	0	6	11	14	14
Japanese	0	9	9	9	9	9	9
Manipuri	0	0	0	0	0	4	13
Nederlands	0	0	0	2	2	13	14
Norwegian	0	4	12	15	15	16	17
Portuguese	16	23	24	27	29	29	32
Spanish	15	26	29	30	30	31	31
Swedish	2	1**	10	12	17	21	23
Tagalog	0	0	0	2	2	2	2
Turkish	0	0	0	0	1	6	6
<b>TOTALS</b>	<b>67</b>	<b>117</b>	<b>150</b>	<b>182</b>	<b>210</b>	<b>242</b>	<b>264</b>

\*from 1994 the count includes approved recovery-glossary translation as a completed project

\*\*item withdrawn from inventory for revision of terminology

# Customer Service, Production, and Distribution Team

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## Staffing Challenges

Our staffing has remained eight—the same since the restructuring in March 1997, when we lost four of our employees. The only staffing change was in March 1998 when our production assistant left, and we hired a new one in May. Therefore, 1998 was an equally demanding year for our team.

Since October 1998—due to an increased volume of orders—we have been processing approximately 200 more orders per month compared to 1997. Although there has been a marked increase in orders, we still have the same number of staff, so we have been challenged to maintain our level of service to our customers. Fortunately, we have been able to minimize the impact on our customers—the average turnaround on processing an order has only increased by four hours. We have been able to do this by becoming a stronger, more cohesive, and efficient team. However, in order to provide better service during 1999, we hope to hire a new customer service/shipping staff member.

During the summer of 1998, our customers outside the United States and Canada were affected by Sales Policy changes. As with last year, our customer service staff was challenged with learning new information, adjusting orders, and educating customers. Other challenges for customer service and shipping included an increased number of walk-in orders, increased processing of Canadian orders, and—as all of the WSO experienced in 1998—the necessity of making up for the time during which the office was closed for WCNA-27.

## Growing WSO Inventory

Over the past year we introduced 61 new products to our inventory (21 more than in 1997). Of these new items, four were books: Portuguese *It Works*, *Miracles Happen*, *The NA Step Working Guides*, and the Swedish *Basic Text*. In addition, our contract translations have continued to increase. With the inception of the new periodical of the World Board, *NAWS News*, we have been kept busy printing, translating, and distributing that as well. But through our experience with the new *NA Way*, we have been able to work through the problems and smoothly integrate *NAWS News* into the system.

## A Productive But Challenging Year

We have continued to seek out and implement ways to improve our service. In that effort, we have been improving our efficiency through streamlining our processes and outsourcing. Additionally, we have been upgrading our technology and accounting software. All of this has helped, but nonetheless, for our team, 1998 was a year much like 1997: challenging.

## Group and Meeting Information

Region	Groups	Meetings	Areas
ABCD Region *	1	1	1
Alabama/NW Fla	125	312	11
Alaska	40	73	3
Alsask	136	160	7
Aotearoa New Zealand	88	94	3
Argentina	36	69	1
Arizona	191	308	9
Arkansas	78	214	10
Australian	264	289	16
Best Little	50	143	4
Brazil	211	414	22
British Columbia	248	297	16
Buckeye	144	149	7
California Inland	157	173	5
California Mid-St.	141	209	7
Carolina	354	757	23
Central California	186	227	5
Ches & Potomac	342	371	13
Chicagoland	243	294	13
Colombia	65	156	2
Colorado	126	194	7
Connecticut	244	258	9
Denmark *	74	79	6
E. New York	155	192	3
Ecuador	43	178	1
Finland *	31	51	0
Florida	349	542	17
France	58	72	3
Freestate	449	622	7
Georgia	283	546	14
German Spkng	173	191	6
Greater Illinois	61	114	6
Greater NY	984	1196	16
Greater Philly	331	458	17
Guatemala *	14	80	0
Hawaii	87	102	6
India	67	113	4
Indiana	219	241	10
Iowa	166	228	14
Ireland	75	87	4
Israel	37	100	0
Italy	59	102	6
Japan	51	62	11
Kentuckiana	133	200	8
Le Nordet	36	37	7
Lone Star	161	765	9
Louisiana	189	291	10
Metro Detroit	367	394	10
Mexico	58	338	32
Michigan	196	311	12
Mid-America	96	222	9

Region	Groups	Meetings	Areas
Mid-Atlantic	235	355	14
Minnesota	177	187	9
Mississippi	69	171	5
Montana	47	78	4
Mountain Valley	97	117	5
Mountaineer	66	102	6
Nebraska	68	84	7
NERF *	10	29	2
New England	362	404	17
New Jersey	276	320	10
NE Atlantic	92	125	8
N. California	950	1156	18
N. New England	124	133	5
N. New Jersey	332	350	14
N. New York	223	276	8
Ohio	279	317	11
OK	114	336	4
Ontario	279	341	19
Pacific Cascade	242	328	13
Panama	24	106	1
Peru	22	72	1
Philippines	31	39	0
Portugal	176	181	9
Puerto Rico	37	58	0
Quebec	229	240	13
Reg. of the Virginians	277	351	14
Rio Grande	81	126	6
San Diego/Imper	309	434	9
Show-Me	322	587	13
Sierra Sage	62	82	4
South Dakota	29	47	2
South Florida	294	438	9
South Mountain *	10	11	1
S. California	766	862	17
Southern Idaho	100	123	6
Southern Nevada	31	78	1
Spain	49	88	5
Sweden	109	195	4
Tejas Blubonnet	211	520	8
Tri-State	455	494	15
UK	331	361	14
Upper Midwest	40	49	5
Upper Rocky Mtn	46	121	6
Uruguay	3	3	0
Utah	68	71	6
Volunteer	154	309	9
Wash/N. Idaho	388	540	19
W. New York	131	158	4
Wisconsin	185	302	18
<b>Regional Total</b>	<b>17487</b>	<b>25336</b>	<b>840</b>

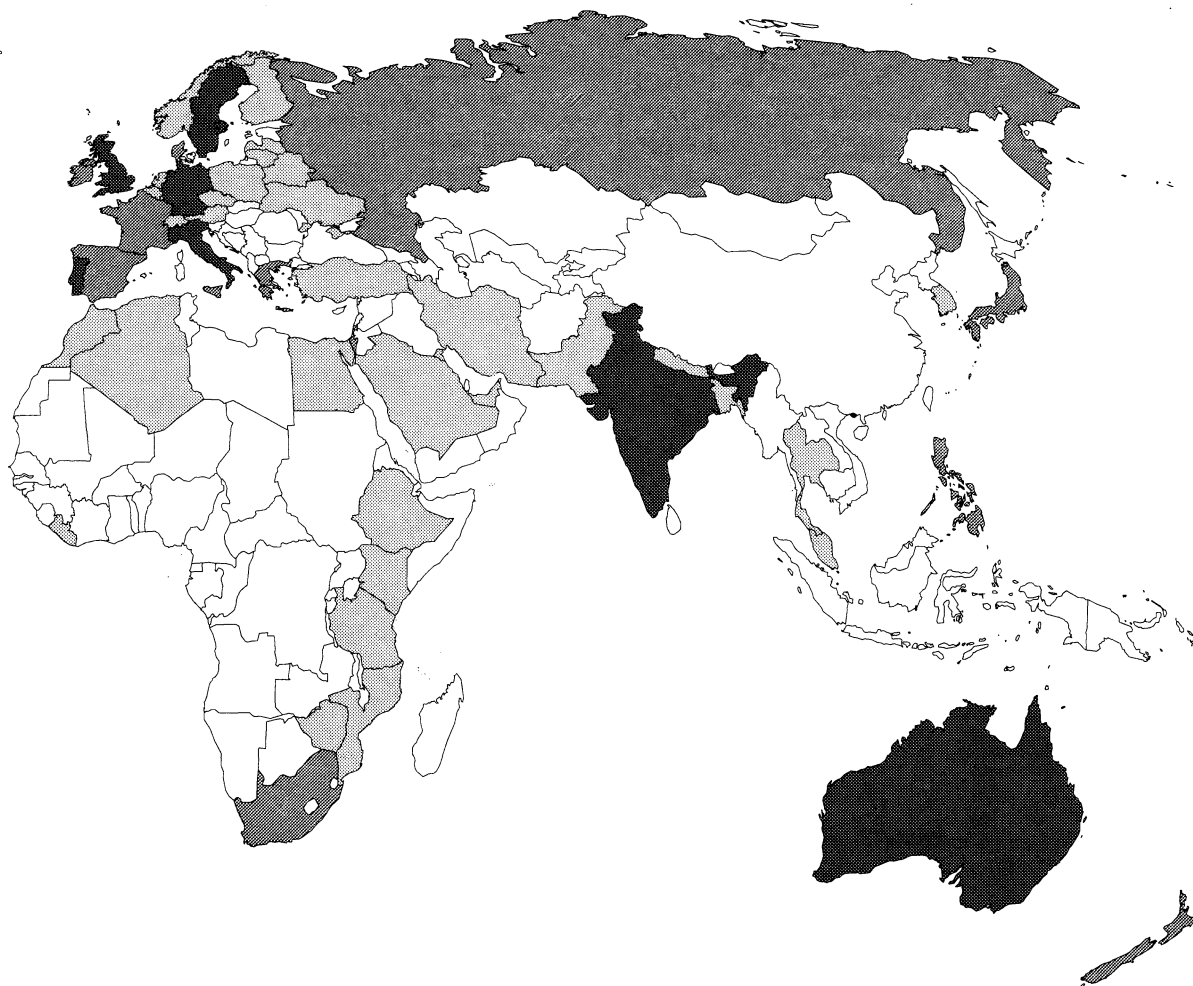
\* Indicates Regions that have not been seated at the WSC

Country	Groups	Meetings	Areas
Antigua and Barbuda	2	5	0
Aruba	10	45	1
Austria	2	2	0
Bahrain	3	6	0
Bangladesh	7	14	0
Barbados	2	5	0
Belgium	16	16	2
Belize	2	4	0
Bermuda	5	5	1
Bolivia	4	13	0
Cayman Islands	1	2	0
Chile	11	36	0
China (Mainland)	1	1	0
Costa Rica	23	129	0
Czech Republic	1	3	0
Dominican Republic	4	7	0
Egypt	1	3	0
El Salvador	6	37	1
Ethiopia	1	1	0
Georgia	1	1	0
Greece	10	37	1
Greenland	1	1	0
Grenada	1	1	0
Guyana	2	2	0
Honduras	2	6	0
Hong Kong	3	5	0
Iceland	1	1	0
Iran	2	8	0
Jamaica	4	17	0
Kenya	16	21	0
Kuwait	1	2	0
Lativa	1	1	0
Liberia	3	7	0
Lithuania	3	3	0
Luxembourg	2	2	0
Malaysia	6	7	0
Maldives	1	2	0
Malta	2	2	0
Martinique	1	2	0
Morocco	1	7	0
Mozambique	1	2	0
Nepal	2	5	0
Netherlands	15	18	1
Netherlands-Antilles	1	1	0
Nicaragua	1	6	0
Nigeria	1	1	0
Northwest Territories	2	4	0
Norway	19	22	2
Pakistan	6	16	0






Country	Groups	Meetings	Areas
Poland	7	7	0
Russian Federation	12	25	0
Saint Lucia	1	4	0
Saint Vincent and the Grenadines	1	1	0
Saudi Arabia	3	15	0
Singapore	1	2	0
Slovakia	1	4	0
Slovenia	1	4	0
South Africa	31	33	0
South Korea	2	2	0
Switzerland	15	15	2
Tanzania	8	10	0
Thailand	2	4	0
Trinidad and Tobago	24	32	2
Turkey	4	9	0
Ukraine	4	9	0
United Arab Emirates	1	2	0
Venezuela	10	29	0
Virgin Islands	13	47	0
Western Somoa	1	1	0
Yukon Territory	3	9	0
Zimbabwe	2	4	0
<b>Countries Total</b>	<b>361</b>	<b>812</b>	<b>13</b>
<b>Grand Total</b>	<b>17,848</b>	<b>26,148</b>	<b>853</b>



**WEEKLY NARCOTICS ANONYMOUS  
MEETINGS BY COUNTRY**  
December 1998

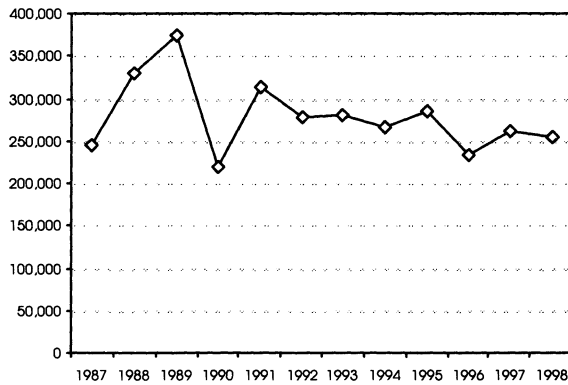


### Legend

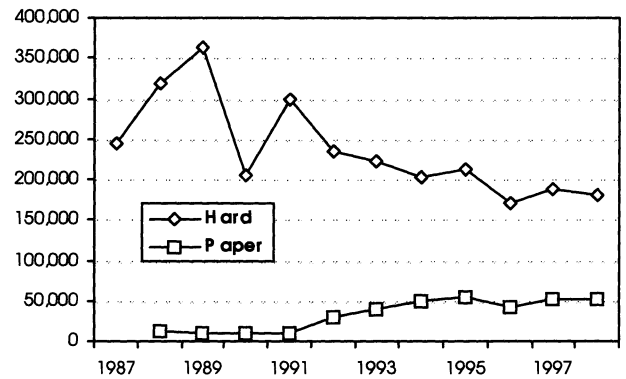
 USA—20,500 Meetings	 100-500 Meetings
 Canada—1,200 Meetings	 25-99 Meetings
	 1-24 Meetings

**NOTE:** China, Ethiopia, Greenland, Iceland, Latvia, Netherlands-Antilles, Nigeria, St. Vincent and the Grenadines, and Western Samoa each has 1 registered meeting.

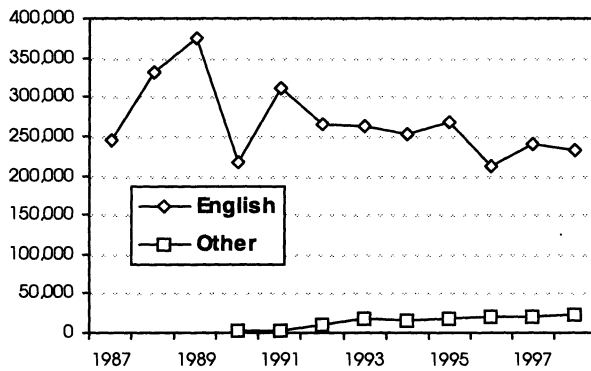
## Unit sales charts—1987-1998



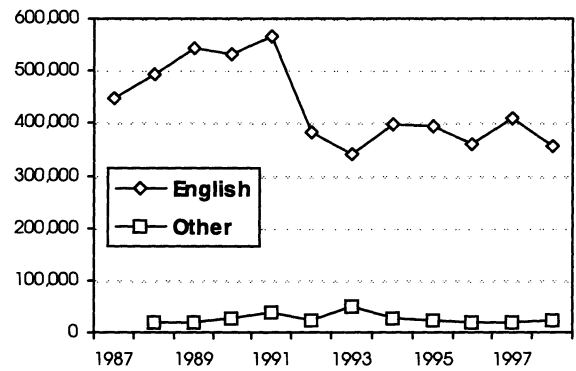
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*All editions, All languages*



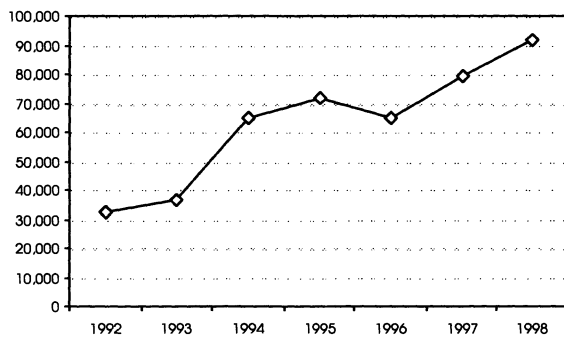
**Basic Text, English**  
*Hard cover and paperback*



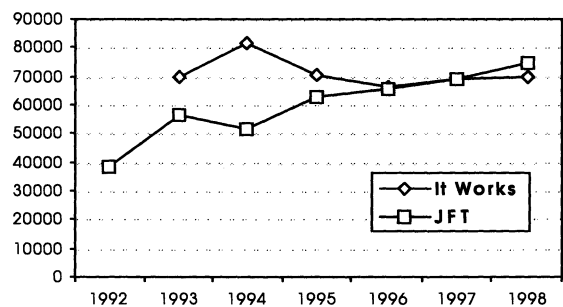
**Basic Text: All editions**  
*English and Other Languages*



**White Booklet**  
*English and Other Languages*  
(note scale)

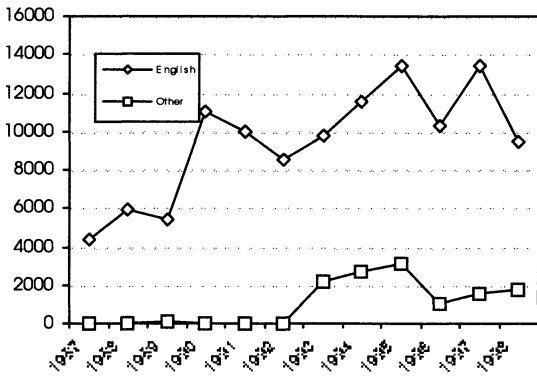


**Introductory Guide to NA**  
*All editions, All languages*  
(note scale)

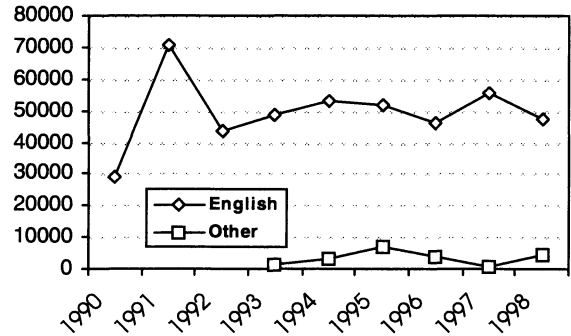


**It Works and Just for Today**  
*All editions, All languages*  
(note scale)

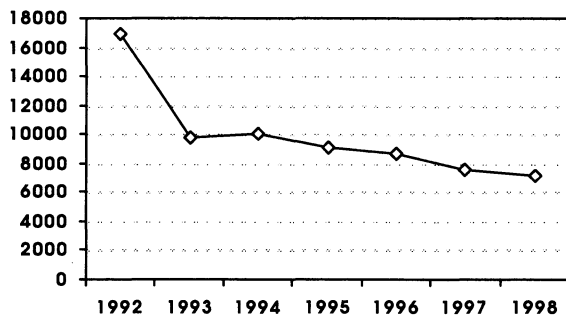




**Group Starter Kit/Group Booklet**  
*English And Other Languages*  
 (note scale)

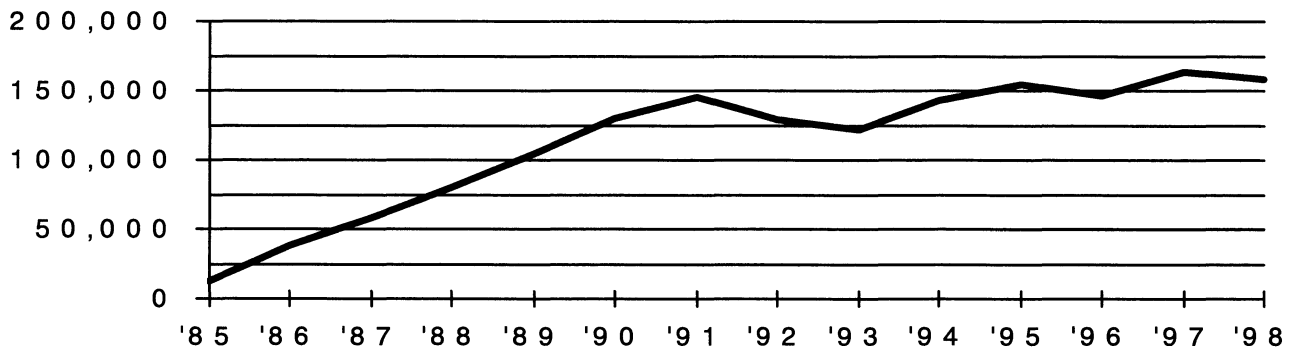


**Behind The Walls**  
*English And Other Languages*  
 (note scale)



**Twelve Concepts For NA Service**  
*English Only*  
 (note scale)

**TOTAL BRONZE MEDALLION SALES,  
 1985-1998**



## Bronze medallion sales 1987-1998

YEARS	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	Totals
1	23,045	30,302	38,657	43,661	45,439	32,906	31,282	34,187	37,378	34,925	35,843	31,950	416,899
18 MO				5,401	18,400	9,779	10,130	11,536	12,078	10,325	11,092	9,261	97,110
2	12,605	17,392	22,622	26,868	26,640	22,423	18,847	21,265	21,993	20,613	22,378	20,820	252,779
3	7,725	10,277	13,645	17,828	17,649	18,912	13,787	15,986	15,674	16,338	16,418	15,271	178,323
4	4,574	6,708	8,921	10,968	10,803	13,312	11,543	13,355	12,735	11,339	12,872	12,198	128,404
5	3,482	4,925	6,574	8,268	8,375	9,058	9,945	12,842	11,680	9,734	10,750	11,125	105,975
6	1,829	2,703	3,684	4,780	4,709	6,066	7,466	9,047	10,604	7,443	8,907	8,504	75,112
7	1,248	1,851	2,664	3,043	3,244	4,425	4,666	6,594	8,011	8,339	8,732	8,100	60,317
8	792	1,474	1,862	2,349	2,447	3,147	4,045	4,518	6,884	5,988	7,777	7,343	48,079
9	750	1,130	1,537	1,706	1,803	2,447	2,933	3,663	4,901	5,189	6,823	7,046	39,481
10	687	994	1,335	1,445	1,557	2,121	2,182	2,915	3,757	4,768	5,698	6,659	33,708
11	295	503	491	695	669	898	1,232	1,538	2,164	2,732	3,572	4,385	18,948
12	247	480	378	528	522	674	968	1,233	1,614	2,116	2,789	3,467	14,843
13	218	305	329	445	437	618	541	863	1,289	1,608	2,239	2,744	11,458
14	192	258	297	473	452	518	461	656	978	1,175	1,708	2,146	9,198
15	189	226	256	413	384	579	334	572	721	1,001	1,399	1,548	7,510
16	83	120	133	262	269	270	327	388	363	633	889	1,220	4,886
17	58	121	124	221	225	227	316	368	315	439	733	907	3,989
18	58	111	129	198	201	241	229	328	325	439	604	857	3,661
19	54	101	104	194	191	171	180	301	266	366	522	725	3,124
20	53	86	112	191	202	194	182	312	297	380	290	646	2,898
21		18	33	50	64	40	42	89	101	128	221	260	1,030
22		20	29	48	62	43	42	78	74	110	221	254	966
23		17	30	47	60	32	25	83	52	98	207	193	832
24		18	25	49	62	24	21	70	61	68	194	145	732
25		16	23	41	52	31	21	62	55	95	219	146	756
26		10	13	14	19	15	8	32	34	49	75	94	355
27		5	14	14	20	11	12	31	35	38	64	92	325
28		6	14	15	20	12	3	31	31	33	72	80	311
29		4	12	13	19	14	6	24	31	31	50	65	265
30		5	14	16	24	13	8	28	27	24	44	66	265
31		3	10	4	4	11	6	17	11	8	10	20	103
32		6	9	4	5	10	4	15	14	6	12	25	109
33		4	13	3	4	8	7	17	12	6	13	17	103
34		4	9	5	5	10	3	13	9	11	10	18	96
35		7	13	3	4	8	4	13	10	5	12	18	96
36			1	6	8	10	5	19	11	1	10	6	77
37			1	9	12	7	6	19	11	2	7	8	82
38			1	8	10	7	5	19	11	0	7	5	73
39			1	8	10	9	3	18	13	1	5	7	75
40			1	9	12	7	5	18	11	6	5	7	81
Eternity												569	569
Totals	58,184	80,210	104,120	130,303	145,094	129,308	121,832	143,163	154,641	146,610	163,493	147,045	1,524,003

## Section Three: 1998 Financial Reports

### 1998 Allocated Summary Sheet

This table excludes World Service Conference donations, World Convention income and direct expenses for both.

<b>SALES</b>			
Gross Income/Sales	\$6,250,739	1	"Gross Income sales" includes "Miscellaneous Income"
Shipping Income	232,774		
Less Discounts	1,254,319		
Less Cost of Sales	2,111,472	2	"Cost of Sales" includes cost of merchandise purchased, the associated costs for procurement and inventory (space and maintenance), as well as associated customer service, accounting, order processing, and packaging labor.
Less Direct Shipping Costs	223,351	3	Direct shipping costs not intended to be offset by shipping income (e.g., non-USA air-freight, customs, and duties) are included in "World Fellowship Development"
<b>NET SALES</b>	<u>\$2,894,371</u>		
<b>SERVICES/SUPPORT</b>			
WSC Administrative Support	\$ 448,621		
WSC Support	463,761		
Group Services	355,022		
World Fellowship Development	247,556	3	"World Fellowship Development includes direct shipping costs not intended to be offset by shipping income (e.g., non-USA air-freight, customs, and duties).
Literature Development/Creation	246,102		
Fellowship Intellectual Property Trust	65,315		
WSO - Canada Sales Support	101,466	4	The WSO branch operations support includes items such as audits, tax filings, record keeping, order entry and payroll (WSO-Canada), banking, inventory maintenance and administration, not reflected as direct expenses on the branch operations' "Income and Expense Statements"
WSO - Europe Sales Support	60,011	4	
World Convention Corporation	320,204	5	The estimated allocation for the WCC is a representation of costs not reflected as direct expenses on the convention corporation's "Income and Expense Statement"
<b>TOTAL SERVICES/SUPPORT</b>	<u>\$2,308,057</u>		
<b>NET INCOME</b>			
Net Sales	\$2,894,371		
Less Total Services/Support	2,308,057		
<b>NET INCOME (LOSS)</b>	<u>\$ 586,314</u>		

## Accounts Receivable Balances as of 31 December 1998

At the 1996 WSC a motion was adopted to require the WSO to publish a snapshot of our accounts receivable balances. Needless to say there are several challenges to looking at information that is several months old. However, following the will of the WSC, we are providing the following information to comply. As we clarified during that conference meeting, this would be a summary of fellowship customers and the specific listing of customers who were five percent or more of the total fellowship receivable balance, and who were delinquent at the time of the snapshot, which was 31 December 1998.

It is important to note that in a usual year this information is three months old by the time it is being reviewed by conference participants. Consequently, fellowship customers listed as delinquent here could be completely current by the time the report is distributed. We pointed out this potential challenge at the 1996 WSC, but were uncertain of what the reality of the motion would be. Now that we have complied with the motion twice, we believe that some additional clarity from the conference may be necessary to help insure that the WSO is providing the conference with the specific information that it desires.

Snapshot of Fellowship Accounts Receivable									
As of 12/31/98									
Aged Days of invoices				30 Days		60 Days	90 Days	120 Days	
			Balance	Current					
Offices			\$317,078	\$208,413	\$ 88,114	\$ 5,317	\$ (5)	\$ 15,239	
Areas			\$ 5,255	\$ 2,762	\$ 649	\$ -		\$ 1,562	
Regions			\$ 2,620	\$ 1,282	\$ -	\$ -	\$ 1,338	\$ -	
Developmental			\$ 51,596	\$ 16,225	\$ 4,094	\$ 1,886	\$ 1,462	\$ 27,930	
			Total	\$376,265	\$228,682	\$ 92,856	\$ 7,203	\$ 2,794	\$ 44,730
Customers Representing 5% {\$18,813} or More of Total Fellowship Receivables Past Due as of 12/31/98									
				60 Days	90 Days	120 Days			
			Total	\$ -	\$ -	\$ -			

## UNIFIED BUDGET PROGRESS

The budget below is what we are operating on for the first six months of 1999. Please remember that this actually represents a hybrid between our old financial system format and the new Unified Budget format that is the next budget (7/1/99-6/30/00). Therefore, it should be viewed only as a vehicle to get us to the next stage in our transition to a new system of budgeting.

The core premise of this proposal is that all world services entities that need to be allocated in this proposal performed either up-to or better-than budget this year in 1998. Therefore, we used the 1998 adopted budgets as the foundation to create the base numbers from. That means that we took the 1998 adopted figures in all companies and used them as the starting point for the entries in the simplified proposal before you. Where we knew about adjustments that needed to be made, we made those changes. Again, there is one thing that became obvious through this process, integrating the WSC income and expense stream has some challenges. First, we are bridging the reality of WSO & WCC operating on January to December financial years and the WSC operating on June 1<sup>st</sup> to May 31<sup>st</sup>. This means that in this proposal we had to add back in income that was technically earned in the prior year (approx. \$95,995) to prevent the WSC expenses, which are heaviest in the second half of the year, from making the overall proposal a negative number. Normally, you would not make such an adjustment.

### 1999 NAWS, Inc. First Six Month Budget

#### INCOME

FIPT Literature Income-Chatsworth	\$2,175,130	A
FIPT Literature Income-Canada	\$61,868	A
FIPT Literature Income-Europe	\$54,085	A
Non-FIPT Literature Income-Chatsworth	\$779,811	B
Non-FIPT Literature Income-Canada	\$17,710	B
Non-FIPT Literature Income-Europe		*
Donation Income {ANTICIPATED 1/1/99-6/30/99}	\$275,046	
Event Income	\$0	
Discounts & Allowances-Chatsworth	(\$584,356)	
Discounts & Allowances-Canada	(\$9,624)	
Discounts & Allowances-Europe	(\$20,574)	
PROJECTED DONATION INCOME UNSPENT THRU 12/31/98	\$95,995	2
<b>Total Income Less Discounts</b>	<b>\$2,845,090</b>	

**EXPENSE**  
***Cost of Goods***

Cost of Goods WSO Chatsworth-FIPT	\$346,141	A
Cost of Goods WSO Canada-FIPT	\$14,841	A
Cost of Goods WSO Europe-FIPT	\$33,600	A
Cost of Goods WSO Chatsworth-NonFIPT	\$376,930	B
Cost of Goods WSO Canada-NonFIPT	\$17,710	B
Cost of Goods WSO Europe-NonFIPT		*
Cost of Goods WCNA	\$0	
Cost of Goods WSC	\$0	
<b>Subtotal</b>	<b>\$789,222</b>	

<b>Operating Income</b>	<b>\$2,055,868</b>	
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***Operational Expenses***

General & Administrative Expense WSO-Chatsworth	\$556,523	
General & Administrative Expense WSO-Canada	\$13,695	
General & Administrative Expense WSO-Europe	\$24,047	
Administrative Expense WSC	\$33,000	
Annual Meeting	\$96,167	
Development Forum	\$30,000	
World Board	\$77,167	
Committee & Board Mailings	\$14,277	
Legal & Accounting	\$13,218	
Professional Events	\$12,500	
Fellowship Development	\$22,777	
Publications	\$27,500	
Other Project Expense [H&I Literature]	\$11,278	
Leadership Orientation	\$15,000	
WSC Co-Facilitators	\$2,750	
Prior Year Carryover		
<b>Subtotal</b>	<b>\$949,897</b>	

**Variable Project Expenses**

Communications Task Force	\$9,000	
<b>Subtotal</b>	<b>\$958,897</b>	

***Human Resources***

Human Resources WSO-Chatsworth	\$838,913	3
Human Resources WSO-Canada	\$2,783	
Human Resources WSO-Europe	\$30,550	
Human Resources WCNA	\$47,500	
Human Resource Panel	\$17,514	
WSC Leadership Planning & Training	\$15,000	
<b>SubTotal</b>	<b>\$952,259</b>	
<b>Excess Revenue/Expense incl/Depreciation &amp; Amortization</b>	<b>\$153,712</b>	

# **Narcotics Anonymous World Services**

## **Financial Data**

**December 1998**

**This material is being provided as additional resource information.**



**World Service Conference  
Income Statement**

**December 1998**

## INCOME STATEMENT

## NA WORLD SERVICES - CONFERENCE

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
INCOME:		
DIRECT DONATIONS		
Members	\$5,577.27	2.0 %
Groups	16,029.44	5.7
Areas	23,528.64	8.3
Regions	226,915.98	80.4
TOTAL DIRECT DONATIONS	272,051.33	96.4
OTHER DONATIONS		
Unity Day Donations	50.00	.0
Event/Convention Donations	9,031.03	3.2
WSC Annual Meeting Refreshment	291.43	.1
Zonal and Other Forums	111.00	.0
TOTAL OTHER DONATIONS	9,483.46	3.4
OTHER INCOME		
Interest	793.95	.3
TOTAL OTHER INCOME	793.95	.3
TOTAL INCOME	282,328.74	100.0
	282,328.74	100.0
EXPENSE:		
ANNUAL MEETING		
Annual Mtg/Eq Rnt/WSC Conf	(160.00)	(.1)
TOTAL ANNUAL MEETING	(160.00)	(.1)
HUMAN RESOURCE PANEL		
Air Fare/HR Panel	3,890.55	1.4
Meals/HR Panel	1,080.00	.4
Lodging/HR Panel	686.28	.2
TOTAL HUMAN RESOURCE PANEL	5,656.83	2.0
LEADERSHIP PLANNING & TRAINING		
Ldrship Orientation Consultant	8,686.22	3.1
Ldrship Orientation/Consultant	1,350.00	.5
TOTAL LEADERSHIP PLANNING & TR	10,036.22	3.6
WORLD BOARD		
Single Board/Misc/SBoD	251.56	.1
Single Board/Air/SBoD	40,134.12	14.2

## INCOME STATEMENT

## NA WORLD SERVICES - CONFERENCE

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
WORLD BOARD	(Continued)	
Air Fare	\$7,112.52	2.5 %
Single Board/Meals/SBoD	5,074.48	1.8
Meals	1,827.00	.6
Single Board/Grnd Trav/SBoD	543.99	.2
Ground Travel	561.47	.2
Single Board/Lodging/SBoD	299.98	.1
Lodging	45.54	.0
Lodging	1,064.76	.4
Lodging	3,725.52	1.3
TOTAL WORLD BOARD	60,640.94	21.5
COMMITTEE & BOARD PHONE & COPY		
Copying/SBoD	293.46	.1
Telephone/SBoD	1,911.23	.7
TOTAL COMMITTEE & BOARD PHONE	2,204.69	.8
COMMITTEE & BOARD MAILINGS		
Mailings/SBoD	416.61	.1
TOTAL COMMITTEE & BOARD MAILIN	416.61	.1
CONFERENCE CALLS		
Conference Calls/SBoD	4,709.27	1.7
TOTAL CONFERENCE CALLS	4,709.27	1.7
LEGAL & ACCOUNTING		
Legal & Accounting Fees/HRP	3,548.95	1.3
Legal & Accounting/Merger	34,330.15	12.2
Translation/Merger	711.25	.3
TOTAL LEGAL & ACCOUNTING	38,590.35	13.7
MISC OFFICE SUPPLIES & EXPENSE		
Bank Charges	20.50	.0
TOTAL MISC OFFICE SUPPLIES & E	20.50	.0
PROFESSIONAL EVENTS (NON-NA)		
Professional Events (Non NA)	7,011.25	2.5
Bank Charges/Prof Events	109.00	.0
Prof Events/Registration	977.53	.3
Prof Evnts/Air/Conference	759.94	.3
Prof Events/Meals	1,602.00	.6
Prof Evnts/Meals/Conference	1,048.00	.4
Prof Events/Ground Travel	122.43	.0
Prof Evnts/Grnd Trav/Conferenc	48.26	.0

## INCOME STATEMENT

## NA WORLD SERVICES - CONFERENCE

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
PROFESSIONAL EVENTS (NON-NA)	(Continued)	
Prof Evnts/Lodging/Conference	\$1,039.34	.4 %
TOTAL PROFESSIONAL EVENTS (NON	12,717.75	4.5
H & I LITERATURE DISTRIBUTION		
H&I Stockpile/Mailing	516.26	.2
H&I Stockpile/Literature	1,230.62	.4
H&I Stockpile/Literature	345.14	.1
TOTAL H & I LITERATURE DISTRIB	2,092.02	.7
CONFERENCE REPORT & DIGEST		
Conference Rpt/Mail	42.02	.0
Conference Rpt/Mail	1,558.63	.6
TOTAL CONFERENCE REPORT & DIGE	1,600.65	.6
PUBLICATIONS TRANSLATIONS		
Conf Dig & CAR/Translations	1,068.85	.4
TOTAL PUBLICATIONS TRANSLATION	1,068.85	.4
REACHING OUT		
Reaching Out/Mailing	3,081.79	1.1
TOTAL REACHING OUT	3,081.79	1.1
NA WORLD SERVICE NEWS		
Translations/World Board	130.00	.0
TOTAL NA WORLD SERVICE NEWS	130.00	.0
FELLOWSHIP ASSISTANCE & DEV		
Fell Asst/Air/W Board	2,077.24	.7
Fell Asst/Air Fare	210.00	.1
Fell Asst/Meals	46.00	.0
Fell Asst/Lodging/W Board	700.28	.2
Fell Asst/Workshops	402.00	.1
Fell Asst/Direct Zonal/Conf	1,020.00	.4
TOTAL FELLOWSHIP ASSISTANCE &	4,455.52	1.6
ZONAL FORUMS		
Zonal & WS/\$ Assist/WBoD	8,268.64	2.9
TOTAL ZONAL FORUMS	8,268.64	2.9

## INCOME STATEMENT

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
PRIOR YEAR CARRYOVER EXPENSES		
Prior Yr/Meals/Trustee/Full	\$280.00	.1 %
Prior Yr/Meals/Lit Committee	760.00	.3
Prior Yr/Meals/Translation	200.00	.1
Prior Yr/Meals/Ann Mtg	3,057.54	1.1
Prior Yr/Lodging/Interim	880.00	.3
Prior Yr/Lodging/Prof Events	686.00	.2
TOTAL PRIOR YEAR CARRYOVER EXP	5,863.54	2.1
TOTAL EXPENSE	161,394.17	57.2
EXCESS OR INCOME ABOVE EXP	120,934.57	42.8
	120,934.57	42.8
NET INCOME (LOSS)	\$120,934.57	42.8 %

## BALANCE SHEET

NA WORLD SERVICES - CONFERENCE

DECEMBER 31, 1998

## ASSETS

## CURRENT ASSETS

Cash On Hand	\$(387.08)
American Pacific State Bank	250,409.10
Bank of America	4,453.41
Citibank - Checking	9,072.19
Citibank - Savings	25,928.56
Wells Fargo Bank/Money Market	50,243.71
Wells Fargo - Checking	59,668.15
Accounts Receivable	18.79
WSO Accounts Receivable	(135,897.63)

## TOTAL CURRENT ASSETS

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263,509.20

## TOTAL ASSETS

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\$263,509.20

## BALANCE SHEET

NA WORLD SERVICES - CONFERENCE

DECEMBER 31, 1998

## LIABILITIES AND FUND BALANCE

## CURRENT LIABILITIES

WSO Accounts Payable	\$ (5.00)
WSO Literature Payments	6,121.61

TOTAL CURRENT LIABILITIES	6,116.61
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TOTAL LIABILITIES	6,116.61
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## RETAINED INCOME

Retained Income - Prior Years	136,458.02
RETAINED EARNINGS-CURRENT YEAR	120,934.57

TOTAL RETAINED INCOME	257,392.59
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TOTAL LIABILITIES AND FUND BALANCE	\$263,509.20
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**Chatsworth**  
**Budget to Actual Comparison**  
**December 1998**



**1998 COMPARISON TO PRIOR YEAR ACTUAL AND ADOPTED BUDGET**

<b>WSO - CHATSWORTH SALES</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
BASIC TEXT: HARD COVER	\$1,656,186	\$1,561,186	\$1,607,490	\$46,304	3%
BASIC TEXT-SOFTBOUND	\$475,300	\$449,300	\$488,819	\$39,519	9%
BASIC TEXT-CASTILLIAN	\$40,848	\$39,948	\$55,698	\$15,750	39%
BASIC TEXT-FRENCH	\$110	\$110	\$126	\$16	15%
BASIC TEXT-GERMAN	\$110	\$110	\$74	(\$37)	-33%
BASIC TEXT-PORTUGUESE	\$53	\$53	\$47	(\$6)	-11%
BASIC TEXT-BRAZILIAN	\$16,868	\$16,868	\$23,053	\$6,185	37%
JUST FOR TODAY	\$490,846	\$479,846	\$468,995	(\$10,851)	-2%
JUST FOR TODAY (Gift Edition)	\$10,560	\$10,560	\$16,184	\$5,624	53%
HANDBOOKS	\$52,087	\$52,087	\$59,182	\$7,095	14%
IT WORKS: HOW & WHY	\$546,052	\$535,052	\$546,380	\$11,328	2%
IT WORKS: HOW & WHY (Special Edition)	\$3,745	\$3,745	\$1,610	(\$2,135)	-57%
IT WORKS: HOW & WHY (Gift Edition)	\$2,370	\$2,370	\$4,305	\$1,935	82%
MIRACLES HAPPEN		\$0	\$112,319	\$112,319	
LITERATURE	\$746,502	\$773,827	\$718,250	(\$55,577)	-7%
MEDALLIONS:BRONZE	\$341,035	\$341,035	\$325,711	(\$15,324)	-4%
MEDALLIONS:BI-PLATE	\$46,046	\$43,546	\$68,092	\$24,546	56%
MEDALLIONS:GOLD PLATE	\$17,702	\$17,702	\$23,439	\$5,737	32%
MEDALLIONS:SILVER	\$8,425	\$8,425	\$9,606	\$1,181	14%
KEY TAGS	\$592,375	\$632,727	\$608,768	(\$23,959)	-4%
CHIPS	\$43,257	\$33,457	\$51,489	\$18,032	54%
INFORMATION BOOKLETS	\$379,985	\$379,985	\$483,767	\$103,782	27%
NA WAY MAGAZINE	\$0	\$0	\$114	\$114	
MISCELLANEOUS	\$984	\$984	\$1,104	\$120	12%
SPECIALTY ITEMS	\$39,734	\$29,801	\$37,197	\$7,396	25%
MINUTES/REPORTS	\$36,521	\$36,521	\$46,526	\$10,005	27%
PI PRODUCTS	\$2,519	\$2,519	\$1,907	(\$612)	-24%
AUDIO MATERIALS	\$27,491	\$27,491	\$48,521	\$21,030	76%
GROUP/AREA MATERIALS	\$48,160	\$48,160	\$53,967	\$5,807	12%
SHIPPING	\$190,953	\$195,953	\$214,441	\$18,488	9%
DISCOUNTS	(\$1,418,925)	(\$1,168,712)	(\$1,195,053)	(\$26,341)	2%
<b>TOTAL WSO - CHATSWORTH SALES</b>	<b>4,397,899</b>	<b>4,554,656</b>	<b>4,882,127</b>	<b>\$327,470</b>	<b>7%</b>

<b>WSO - CHATSWORTH COST OF MERCHANDISE</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
BASIC TEXT: HARD COVER	\$287,174	\$278,823	\$283,118	\$4,295	2%
BASIC TEXT-SOFTBOUND	\$52,221	\$50,845	\$49,820	(\$1,025)	-2%
BASIC TEXT-CASTILLIAN	\$21,433	\$21,590	\$21,120	(\$470)	-2%
BASIC TEXT-FRENCH	\$49	\$51	\$52	\$1	1%
BASIC TEXT-GERMAN	\$433	\$446	\$48	(\$398)	-89%
BASIC TEXT-PORTUGUESE	\$0	\$0	\$25	\$25	
BASIC TEXT-BRAZILIAN	\$8,661	\$8,921	\$11,145	\$2,224	25%
JUST FOR TODAY	\$69,239	\$69,718	\$63,830	(\$5,888)	-8%
JUST FOR TODAY (Gift Edition)	\$2,253	\$2,321	\$5,348	\$3,027	130%
HANDBOOKS	\$11,494	\$11,839	\$12,023	\$184	2%
IT WORKS: HOW & WHY	\$108,386	\$109,389	\$118,445	\$9,056	8%

**1998 COMPARISON TO PRIOR YEAR ACTUAL AND ADOPTED BUDGET**

<b>WSO - CHATSWORTH GENERAL &amp; ADMINISTRATIVE</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
FREE LITERATURE DISTRIBUTION	\$9,375	\$12,000	\$14,186	\$2,186	18%
FREE PUBLICATIONS	\$65,636	\$110,636	\$95,660	(\$14,976)	-14%
INSURANCE (General)	\$30,059	\$31,562	\$30,891	(\$671)	-2%
INTEREST	\$8,871	\$8,960	\$5,345	(\$3,615)	-40%
MAINTENANCE & REPAIR	\$26,790	\$28,130	\$30,578	\$2,448	9%
OFFICE EXPENSE	\$42,755	\$39,335	\$64,724	\$25,389	65%
POSTAGE	\$19,369	\$19,369	\$34,790	\$15,421	80%
PUBLIC INFORMATION	\$11,279	\$11,279	\$21,407	\$10,128	90%
RENT	\$204,629	\$210,729	\$213,501	\$2,772	1%
REPRODUCTION LEASE	\$44,192	\$44,192	\$49,439	\$5,247	12%
SERVICE CONTRACTS	\$13,861	\$13,861	\$12,521	(\$1,340)	-10%
TELEPHONE	\$58,514	\$58,514	\$59,355	\$841	1%
TRANSLATIONS (Letters)	\$0	\$0	\$40	\$40	
TRAVEL	\$98,675	\$82,000	\$77,796	(\$4,204)	-5%
TYPESETTING SUPPLIES	\$3,042	\$3,042	\$808	(\$2,234)	-73%
UTILITIES	\$49,454	\$47,970	\$50,466	\$2,496	5%
<b>TOTAL GENERAL &amp; ADMIN</b>	<b>1,004,604</b>	<b>1,038,047</b>	<b>1,048,638</b>	<b>\$10,591</b>	<b>1%</b>

<b>WSO - CHATSWORTH PERSONNEL EXPENSES</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
EMPLOYEE MOVING	\$0	\$4,000	\$3,907	(\$93)	-2%
EMPLOYEE RECRUITMENT	\$0	\$0	\$539	\$539	
EMPLOYEE TRAINING	\$7,492	\$17,500	\$29,427	\$11,927	68%
INSURANCE (Health)	\$120,338	\$83,716	\$79,025	(\$4,691)	-6%
INSURANCE (Workers Compensation)	\$12,966	\$20,000	\$20,658	\$658	3%
OTHER EMPLOYER EXPENSE		\$22,000	\$13,617	(\$8,383)	-38%
RETIREMENT PLAN	\$41,885	\$43,560	\$38,662	(\$4,898)	-11%
PAYROLL TAXES	\$109,025	\$118,837	\$110,482	(\$8,355)	-7%
SALARIES	\$1,350,193	\$1,463,212	\$1,390,321	(\$72,891)	-5%
<b>TOTAL PERSONNEL</b>	<b>1,641,899</b>	<b>1,772,825</b>	<b>1,686,640</b>	<b>(\$86,185)</b>	<b>-5%</b>

<b>WSO - CHATSWORTH OTHER INCOME</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
VENDOR LICENSE PAYMENTS			(\$11,500)	(\$11,500)	N/A
VENDOR LICENSE HANDLING			(\$1,250)	(\$1,250)	N/A
LEGAL SETTLEMENT-OLD AUDITOR			(\$8,000)	(\$8,000)	N/A
INTEREST EARNED	(\$612)	(\$612)	(\$1,639)	(\$1,027)	168%
MISCELLANEOUS	(\$7,257)	\$0	(\$21,981)	(\$21,981)	N/A
<b>TOTAL OTHER INCOME</b>	<b>(\$7,869)</b>	<b>(\$612)</b>	<b>(\$44,369)</b>	<b>(\$43,757)</b>	<b>7150%</b>

<b>WSO - CHATSWORTH NET PROFIT/(LOSS)</b>	<b>\$197,798</b>	<b>\$124,472</b>	<b>\$482,399</b>	<b>\$357,927</b>	<b>288%</b>
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## BALANCE SHEET

## NARCOTICS ANONYMOUS WORLD SERVICES

DECEMBER 31, 1998

## ASSETS

## CURRENT ASSETS

CASH ON HAND	\$1,092.11
GENERAL ACCOUNT	24,261.67
BANK OF AMERICA - CHECKING	32,060.45
CITIBANK - CHECKING	2,153.27
WELLS FARGO - PAYROLL ACCOUNT	23,412.16
CALIFORNIA FEDERAL BANK	67,653.01
BANK OF AMERICA SAVINGS	10,680.91
WELLS FARGO - SAVINGS ACCOUNT	7,571.79
EMERGENCY FUND ACCOUNT	2,392.58
ACCOUNTS RECEIVABLE	478,487.48
ACCOUNTS RECEIVABLE WSC	123,395.63
ACCOUNTS RECEIVABLE WCC	120,385.04
WCC DEFERRED LABOR	90,370.98
ALLOWANCE FOR DOUBTFUL ACCTS	(20,000.00)
INVENTORY	350,674.81
PREPAID INSURANCE	19,696.00
PREPAID WORKERS COMP INSURANCE	8,559.00

## TOTAL CURRENT ASSETS

1,342,846.89

## LONG TERM ASSETS

WSO-EUROPE ADVANCES	823,661.17
WSO-EUROPE INVENTORY ADVANCES	236,462.44
WSO-CANADA ADVANCES	(712,930.35)
WSO-CANADA INVENTORY ADVANCES	289,353.28

## TOTAL LONG TERM ASSETS

636,546.54

## FIXED ASSETS

COMPUTER EQUIPMENT	276,192.10
DUPLICATING EQUIPMENT	4,952.25
TYPESETTING EQUIPMENT	5,025.00
OFFICE EQUIPMENT	63,741.70
FURNITURE	44,951.90
LEASEHOLD IMPROVEMENTS	472,033.54
LESS: ACCUMULATED DEPRECIATION	(652,689.96)

## TOTAL FIXED ASSETS

214,206.53

## OTHER ASSETS

DEPOSITS	15,000.00
TRADEMARKS & COPYRIGHTS	206,688.38
DIES, MOLDS, & PLATES	13,693.00

## BALANCE SHEET

## NARCOTICS ANONYMOUS WORLD SERVICES

DECEMBER 31, 1998

## ASSETS (Continued)

## OTHER ASSETS (Continued)

LESS: ACCUMULATED AMORTIZATION

\$(93,971.91)

TOTAL OTHER ASSETS

141,409.47

TOTAL ASSETS

\$2,335,009.43

## BALANCE SHEET

## NARCOTICS ANONYMOUS WORLD SERVICES

DECEMBER 31, 1998

## LIABILITIES AND FUND BALANCE

## LIABILITIES

ACCOUNTS PAYABLE	\$339,421.81
PAYABLES DEPOSITS	3,793.54
PREPAID OPEN ORDERS	(3,866.87)
PAYROLL TAXES PAYABLE - FIT	2,239.80
PAYROLL TAXES PAYABLE - FICA	3,338.88
PAYROLL TAXES PAYABLE - SIT	547.24
PAYROLL TAXES PAYABLE - SDI	109.84
PAYROLL TAXES PAYABLE - SUTA	527.12
SALARIES PAYABLE	17,622.80
VACATION PAYABLE	58,127.00
SALES TAXES PAYABLE	(14,994.00)
PURCHASES CLEARING	76,310.03
LEASEHOLD IMPROVEMENT LOAN	42,500.00

TOTAL LIABILITIES	<u>525,677.19</u>
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TOTAL LIABILITIES	<u>525,677.19</u>
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## FUND BALANCE

FUND BALANCE	1,326,933.34
RETAINED EARNINGS-CURRENT YEAR	482,398.90

TOTAL FUND BALANCE	<u>1,809,332.24</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$2,335,009.43</u></u>
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**Canada**  
**Budget to Actual Comparison**  
**December 1998**

<b>WSO - CANADA SALES</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
BASIC TEXT: HARD COVER	\$29,671	\$29,671	\$33,116	\$3,445	10%
BASIC TEXT-SOFTBOUND	\$65	\$0	\$1,665	\$1,665	100%
BASIC TEXT-CASTILIAN	\$68	\$68	\$53	(\$16)	-30%
BASIC TEXT-FRENCH	\$6,279	\$6,279	\$6,893	\$614	9%
HANDBOOKS	\$2,361	\$2,361	\$3,018	\$657	22%
JUST FOR TODAY	\$31,456	\$31,456	\$26,952	(\$4,504)	-17%
JUST FOR TODAY (Gift Edition)	\$285	\$285	\$300	\$15	5%
IT WORKS: HOW & WHY	\$12,385	\$12,385	\$14,853	\$2,468	17%
IT WORKS: HOW & WHY (Special Edition)	\$35	\$35	\$175	\$140	80%
IT WORKS: HOW & WHY (Gift Edition)	\$120	\$120	\$105	(\$15)	-14%
LITERATURE	\$28,895	\$28,895	\$30,942	\$2,047	7%
MEDALLIONS: BRONZE	\$10,883	\$10,883	\$12,314	\$1,431	12%
MEDALLIONS: BI-PLATE	\$4,435	\$4,435	\$2,911	(\$1,524)	-52%
MEDALLIONS: SILVER	\$289	\$289	\$578	\$289	50%
MEDALLIONS: GOLD PLATE	\$662	\$662	\$798	\$136	17%
KEY TAGS	\$27,498	\$27,498	\$30,416	\$2,918	10%
CHIPS	\$377	\$377	\$400	\$23	6%
INFORMATION BOOKLETS	\$14,542	\$14,542	\$20,574	\$6,032	29%
MISCELLANEOUS	\$645	\$645	\$566	(\$79)	-14%
AUDIO MATERIALS	\$1,175	\$1,175	\$946	(\$229)	-24%
GROUP/AREA MATERIALS	\$2,030	\$2,030	\$1,943	(\$87)	-4%
MINUTES/REPORTS	\$720	\$720	\$756	\$36	5%
PI PRODUCTS	\$74	\$74	\$483	\$409	85%
SPECIALTY ITEMS	\$1,832	\$1,832	\$4,486	\$2,654	59%
SHIPPING	\$9,784	\$9,784	\$10,763	\$979	9%
DISCOUNTS	(\$21,338)	(\$19,247)	(\$20,575)	(\$1,328)	6%
<b>TOTAL WSO - CANADA SALES</b>	<b>\$165,228</b>	<b>\$167,254</b>	<b>\$185,429</b>	<b>\$18,175</b>	<b>10%</b>

<b>WSO - CANADA COST OF MERCHANDISE</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
BASIC TEXT: HARD COVER	\$5,033	\$5,167	\$5,663	\$496	9%
BASIC TEXT-SOFTBOUND	\$7	\$0	\$181	\$181	100%
BASIC TEXT-CASTILIAN	\$33	\$34	\$24	(\$10)	-42%
BASIC TEXT-FRENCH	\$2,734	\$2,807	\$2,933	\$126	4%
HANDBOOKS	\$443	\$455	\$483	\$28	6%
JUST FOR TODAY	\$5,913	\$6,071	\$4,605	(\$1,466)	-32%
JUST FOR TODAY (Gift Edition)	\$61	\$63	\$64	\$1	2%
IT WORKS: HOW & WHY	\$2,413	\$2,477	\$2,755	\$278	10%
IT WORKS: HOW & WHY (Special Edition)	\$7	\$7	\$38	\$31	81%
IT WORKS: HOW & WHY (Gift Edition)	\$27	\$28	\$23	(\$5)	-19%
LITERATURE	\$7,268	\$7,462	\$6,527	(\$935)	-14%

<b>WSO - CANADA</b>	<b>1997</b>	<b>1998</b>	<b>1998</b>	<b>1998</b>	<b>%</b>
<b>COST OF MERCHANDISE</b>	<b>ACTUAL</b>	<b>ADOPTED</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	
MEDALLIONS: BRONZE	\$1,838	\$1,887	\$2,100	\$213	10%
MEDALLIONS: BI-PLATE	\$1,359	\$1,395	\$898	(\$497)	-55%
MEDALLIONS: SILVER	\$40	\$41	\$84	\$43	51%
MEDALLIONS: GOLD PLATE	\$139	\$143	\$162	\$19	12%
KEY TAGS	\$8,070	\$8,285	\$7,922	(\$363)	-5%
CHIPS	\$99	\$102	\$97	(\$5)	-6%
INFORMATION BOOKLETS	\$5,421	\$5,566	\$6,268	\$702	11%
MISCELLANEOUS	\$314	\$322	\$239	(\$83)	-35%
AUDIO MATERIALS	\$558	\$573	\$401	(\$172)	-43%
GROUP/AREA MATERIALS	\$817	\$839	\$845	\$6	1%
MINUTES/REPORTS	\$62	\$64	\$299	\$235	79%
PI PRODUCTS	\$20	\$21	\$136	\$115	85%
SPECIALTY ITEMS	\$567	\$582	\$831	\$249	30%
PRODUCT DEVELOPMENT	\$1,556	\$2,000	\$0	(\$2,000)	
SHIPPING	\$4,831	\$4,960	\$4,293	(\$667)	-16%
SHIPPING - IN	\$13,110	\$13,460	\$7,835	(\$5,625)	-72%
SHIPPING SUPPLIES	\$283	\$291	\$168	(\$123)	-73%
INVENTORY ADJUSTMENTS	\$0	\$0		\$0	
<b>TOTAL COST OF MERCHANDISE</b>	<b>63,023</b>	<b>64,918</b>	<b>55,873</b>	<b>(9,229)</b>	<b>-14%</b>

<b>WSO - CANADA</b>	<b>1997</b>	<b>1998</b>	<b>1998</b>	<b>1998</b>	<b>%</b>
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>ACTUAL</b>	<b>ADOPTED</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	
BAD DEBTS	20	27	0	(\$27)	
BANK SERVICE CHARGES	158	242	220	(\$22)	-10%
BUSINESS TAX	1,066	1,066		(\$1,066)	
CURRENCY CONVERSION GAIN/LOSS	141	188	86	(\$102)	-118%
DUES & FEES	0	0		\$0	
EQUIPMENT RENTAL	377	503	141	(\$362)	-257%
GOODS & SERVICES TAX	988	900	1,538	\$638	41%
INSURANCE (General)	1,560	1,560	1,559	(\$1)	0%
MAINTENANCE & REPAIR	627	936	981	\$45	5%
OFFICE EXPENSE	388	1,500	209	(\$1,291)	-617%
POSTAGE	1,295	1,727	668	(\$1,059)	-158%
PUBLIC INFORMATION			73	\$73	100%
RENT	10,530	10,960	11,712	\$752	6%
SERVICE CONTRACTS	0	480		(\$480)	
TELEPHONE	1,993	800	1,367	\$567	41%
TRANSLATIONS	1,764	0	1,722	\$1,722	100%
TRAVEL	2,668	3,000	1,020	(\$1,980)	-194%
UTILITIES	1,486	1,500	964	(\$536)	-56%
<b>TOTAL GENERAL &amp; ADMIN</b>	<b>25,061</b>	<b>25,389</b>	<b>22,261</b>	<b>(-3127.56)</b>	<b>-12%</b>



<b>WSO - CANADA PERSONNEL EXPENSE</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
ACCOUNTING & LEGAL	0	1,000	0	(\$1,000)	
SALARIES	3,203	4,565	4,718	\$153	3%
<b>TOTAL PERSONNEL</b>	<b>3,203</b>	<b>5,565</b>	<b>4,718</b>	<b>(-846.89)</b>	<b>-15%</b>
<b>WSO - CANADA OTHER INCOME</b>	<b>1997 ACTUAL</b>	<b>1998 ADOPTED</b>	<b>1998 ACTUAL</b>	<b>1998 VARIANCE</b>	<b>%</b>
MISCELLANEOUS EXPENSE	(1,114)	0	(2,811)	(\$2,811)	
<b>TOTAL OTHER INCOME</b>	<b>(1,114)</b>	<b>0</b>	<b>(2,811)</b>	<b>(-2811)</b>	
<b>WSO - CANADA NET PROFIT/(LOSS)</b>	<b>75,055</b>	<b>71,382</b>	<b>105,388</b>	<b>(34005.58)</b>	<b>48%</b>

## BALANCE SHEET

NA WORLD SERVICES - CANADA

DECEMBER 31. 1998

## ASSETS

## CURRENT ASSETS

GENERAL ACCOUNT	\$110,019.80	
ACCOUNTS RECEIVABLE	39,347.85	
INVENTORY	38,967.79	
TOTAL CURRENT ASSETS		188,335.44

## FIXED ASSETS

OFFICE EQUIPMENT	7,628.96	
LESS: ACCUMULATED DEPRECIATION	(7,628.96)	
TOTAL FIXED ASSETS		.00

## OTHER ASSETS

DEPOSITS	1,663.67	
TOTAL OTHER ASSETS		1,663.67
TOTAL ASSETS		\$189,999.11

## BALANCE SHEET

NA WORLD SERVICES - CANADA

DECEMBER 31, 1998

## LIABILITIES AND FUND BALANCE

## LIABILITIES

GOODS & SERVICES TAX PAYABLE	\$4,858.07	
PRE-PAID OPEN ORDERS	(3,709.82)	
WSO-CHTSWRTH ADVANCES	(712,930.35)	
WSO-CHTSWRTH INVENTORY ADVANCE	289,353.28	
TOTAL LIABILITIES		(422,428.82)
TOTAL LIABILITIES		(422,428.82)

## FUND BALANCE

RETAINED EARNINGS - PRIOR	507,040.85	
RETAINED EARNINGS-CURRENT YEAR	105,387.08	
TOTAL FUND BALANCE		612,427.93
TOTAL LIABILITIES AND FUND BALANCE		\$189,999.11

**Europe**  
**Budget to Actual Comparison**  
**December 1998**

WSO - EUROPE SALES	1997 ACTUAL	1998 ADOPTED	1998 ACTUAL	1998 VARIANCE	%
BASIC TEXT: HARD COVER	\$16,946	\$58,901	\$22,015	\$4,255	7%
BASIC TEXT: SOFT COVER	\$703		\$83		
BASIC TEXT-CASTILIAN	\$635		\$583		
BASIC TEXT-FRENCH	\$2,258		\$2,258		
BASIC TEXT-GERMAN	\$3,197		\$3,549		
BASIC TEXT-PORTUGUESE	\$4,489		\$3,423		
BASIC TEXT-ITALIAN	\$1,580		\$819		
JUST FOR TODAY	\$11,450		\$16,148		
JUST FOR TODAY (Gift Edition)	\$555		\$285		
HANDBOOKS	\$1,001		\$1,083		
IT WORKS: HOW & WHY	\$8,001		\$12,826		
IT WORKS: (Special Edition)	\$265		\$85		
LITERATURE	\$17,707	\$83,352	\$18,420	(\$1,047)	-1%
MEDALLIONS: BRONZE	\$11,106		\$12,852		
MEDALLIONS: BI-PLATE	\$1,941		\$1,647		
MEDALLIONS: SILVER	\$289		\$318		
KEY TAGS	\$23,958		\$21,787		
CHIPS	\$645		\$882		
INFORMATION BOOKLETS	\$10,206		\$11,708		
NA WAY MAGAZINE	\$759		\$107		
MISCELLANEOUS	\$216		\$130		
SPECIALTY ITEMS	\$1,821		\$1,219		
MINUTES REPORTS	\$155		\$252		
PI PRODUCTS	\$301		\$253		
AUDIO MATERIALS	\$545		\$1,019		
GROUP/AREA MATERIALS	\$2,643		\$2,609		
MIRACLES HAPPEN			\$3,917		
STEP WORKING GUIDES			\$5,185		
SHIPPING	\$6,128	\$7,066	\$7,570	\$504	7%
DISCOUNTS	(\$35,781)	(\$41,148)	(\$40,691)	\$457	-1%
<b>TOTAL WSO - EUROPE SALES</b>	<b>93,724</b>	<b>108,171</b>	<b>112,341</b>	<b>4,170</b>	<b>4%</b>

WSO - EUROPE COST OF MERCHANDISE	1997 ACTUAL	1998 ADOPTED	1998 ACTUAL	1998 VARIANCE	%
BASIC TEXT: HARD COVER	\$2,903	\$12,615	\$3,700	(\$108)	-1%
BASIC TEXT: SOFT BOUND	\$86		\$1		
BASIC TEXT-CASTILIAN	\$260		\$376		
BASIC TEXT-FRENCH	\$985		\$996		
BASIC TEXT-GERMAN	\$1,815		\$2,120		
BASIC TEXT-PORTUGUESE	\$2,119		\$2,339		
BASIC TEXT-ITALIAN	\$620		\$383		
JUST FOR TODAY	\$2,034		\$2,532		
JUST FOR TODAY (Gift Edition)	\$118		\$61		

WSO - EUROPE COST OF MERCHANDISE	1997 ACTUAL	1998 ADOPTED	1998 ACTUAL	1998 VARIANCE	%
HANDBOOKS	\$331	\$29,239	\$191	(\$44)	0%
IT WORKS: HOW & WHY	\$1,742		\$2,791		
IT WORKS: (Special Edition)	\$58		\$14		
LITERATURE	\$5,387		\$5,103		
MEDALLIONS: BRONZE	\$1,883		\$2,172		
MEDALLIONS: BI-PLATE	\$501		\$456		
MEDALLIONS: SILVER	\$40		\$44		
KEY TAGS	\$7,236		\$6,476		
CHIPS	\$196		\$192		
INFORMATION BOOKLETS	\$5,917		\$6,449		
NA WAY MAGAZINE			\$18		
MISCELLANEOUS	\$101		\$59		
SPECIALTY ITEMS	\$626		\$319		
MINUTES/REPORTS	(\$202)		\$337		
PI PRODUCTS	\$184		\$63		
AUDIO MATERIALS	\$253		\$1,218		
GROUP/AREA MATERIALS	\$1,105		\$1,630		
MIRACLES HAPPEN			\$466		
STEP WORKING GUIDES			\$1,200		
COST OF GOODS/PRODUCT DEVL P.	\$0				
IMPORT/EXPORT DUTIES	\$2,305	\$576	\$4,163	\$3,587	623%
SHIPPING	\$5,802	\$6,440	\$7,958	\$1,518	24%
SHIPPING - IN	\$12,555	\$13,936		(\$13,936)	-100%
SHIPPING SUPPLIES	\$459	\$915	\$835	(\$80)	-9%
INVENTORY ADJUSTMENT			(\$23)	(\$23)	
<b>TOTAL COST OF MERCHANDISE</b>	<b>57,420</b>	<b>63,721</b>	<b>54,635</b>	<b>(9,086)</b>	<b>-14%</b>

WSO - EUROPE GENERAL & ADMINISTRATIVE	1997 ACTUAL	1998 ADOPTED	1998 ACTUAL	1998 VARIANCE	%
ACCOUNTING & LEGAL	\$61	\$1,000	\$0	(\$1,000)	
BAD DEBTS	\$447	\$241	\$372	\$131	55%
BANK SERVICE CHARGES	\$482	\$457	\$458	\$1	0%
BUSINESS TAX	\$106	\$0	\$0	\$0	
COMPUTER SUPPLIES	\$219	\$369	\$0	(\$369)	-100%
CONTRACT LABOR	\$3,234	\$8,000	\$0	(\$8,000)	-100%
CONVERSION GAIN/LOSS	\$7,074	\$424	(\$1,200)	(\$1,624)	-383%
DEPRECIATION	\$2,500	\$2,652	\$0	(\$2,652)	-100%
DUES AND FEES	\$427	\$0	\$0	\$0	
EMPLOYEE TRAINING	\$633	\$844	\$0	(\$844)	-100%
INSURANCE (GENERAL)	\$574	\$258	\$307	\$49	19%
INTEREST	\$0	\$27	\$0	(\$27)	-100%
MAINTENANCE & REPAIR	\$1,389	\$995	\$21	(\$974)	-98%
OFFICE EXPENSE	\$1,674	\$2,265	\$2,907	\$642	28%
POSTAGE	\$500	\$1,346	\$1,595	\$249	19%
PUBLIC INFORMATION	\$189	\$0	\$0	\$0	
RENT	\$9,940	\$10,381	\$8,654	(\$1,727)	-17%

WSO - EUROPE GENERAL & ADMINISTRATIVE	1997 ACTUAL	1998 ADOPTED	1998 ACTUAL	1998 VARIANCE	%
TELEPHONE	\$6,198	\$4,958	\$3,295	(\$1,663)	-34%
TRANSPORT	\$52	\$146	\$29	(\$117)	-80%
TRAVEL	\$9,966	\$8,487	\$2,620	(\$5,867)	-69%
UTILITIES	\$1,245	\$1,245	\$995	(\$250)	-20%
<b>TOTAL GENERAL &amp; ADMINISTRATIVE</b>	<b>46,910</b>	<b>44,095</b>	<b>20,055</b>	<b>(24,041)</b>	<b>-55%</b>

WSO - EUROPE PERSONNEL EXPENSE	1997 ACTUAL	1998 ADOPTED	1998 ACTUAL	1998 VARIANCE	%
INSURANCE (HEALTH)	\$107	\$16,050	\$558	(\$15,492)	-97%
PAYROLL TAXES	\$39,066	\$16,050	\$23,948	\$7,898	49%
SALARIES/TAXES & INSURANCE	\$28,619	\$29,000	\$21,847	(\$7,153)	-25%
<b>TOTAL PERSONNEL EXPENSE</b>	<b>67,792</b>	<b>61,100</b>	<b>46,353</b>	<b>(14,747)</b>	<b>-24%</b>

WSO - EUROPE OTHER INCOME	1997 ACTUAL	1998 ADOPTED	1998 ACTUAL	1998 VARIANCE	%
INTEREST EARNED	(\$74)	(\$74)	(\$117)	(\$43)	59%
MISCELLANEOUS	(\$1,593)			\$0	
<b>TOTAL OTHER INCOME</b>	<b>(1,667)</b>	<b>(74)</b>	<b>(117)</b>	<b>(\$43)</b>	<b>59%</b>

<b>WSO - EUROPE NET PROFIT/(LOSS)</b>	<b>(76,731)</b>	<b>(60,672)</b>	<b>(8,585)</b>	<b>52,087</b>	<b>-86%</b>
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## BALANCE SHEET

DECEMBER 31, 1998

## ASSETS

## CURRENT ASSETS

CASH ON HAND	\$246.71
GENERAL ACCOUNT: BRITISH POUND	(411.45)
GENERAL ACCOUNT: \$USD	736.40
OFFICE ACCT: BRITISH POUND	2,721.76
BRUSSELS WSO INC	3,746.51
BRUSSELS AISBL	50,568.76
ACCOUNTS RECEIVABLE	19,556.29
INVENTORY	48,221.01

TOTAL CURRENT ASSETS

125,385.99

## FIXED ASSETS

PREPAID EXPENSES	286.32
COMPUTER EQUIPMENT	26,928.98
OFFICE FURNITURE	1,892.86
OFFICE EQUIPMENT	4,697.99
LEASEHOLD IMPROVEMENTS	4,138.36
LESS: ACCUMULATED DEPRECIATION	(11,502.35)

TOTAL FIXED ASSETS

26,442.16

TOTAL ASSETS

\$151,828.15



## LIABILITIES AND FUND BALANCE

## LIABILITIES

ACCRUED ACCOUNTS PAYABLE	\$(1,493.00)	
SALARIES PAYABLE	635.86	
WSO ADVANCES	802,436.24	
INVENTORY ADVANCES	226,585.66	
COMPUTER EQUIPMENT ADVANCES	7,663.91	
TOTAL LIABILITIES		1,035,828.67
TOTAL LIABILITIES		1,035,828.67

## FUND BALANCE

FUND BALANCE	(875,415.55)	
RETAINED EARNINGS-CURRENT YEAR	(8,584.97)	
TOTAL FUND BALANCE		(884,000.52)
TOTAL LIABILITIES AND FUND BALANCE		\$151,828.15

**World Convention  
Income Statement**

**December 1998**

# NA WORLD SERVICES - CONVENTION

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
INCOME		
REGISTRATION: WC28	\$16,620.00	1.1 %
REGISTRATION: PRE	214,596.00	14.5
REGISTRATION:LATE	(80.00)	.0
REGISTRATION: GENERAL	209,559.00	14.2
ENTERTAINMENT: THEME PARTY	36,480.00	2.5
ENTERTAINMENT: COMEDY SHOWS	75,315.00	5.1
ENTERTAINMENT: LIVE CONCERT	143,700.00	9.7
ENTERTAINMENT: JAZZ BREAKFAST	56,525.00	3.8
MERCHANDISE: WEARABLES	14,353.91	1.0
MERCHANDISE: WC27	476,874.93	32.2
MERCHANDISE: SPECIALTY	6,353.51	.4
MERCHANDISE: PRE-REGISTRATION	83,597.00	5.6
REBATES: HOTELS	38,529.08	2.6
REBATES: TAPING SALES	25,950.00	1.8
REBATES: JEWELRY SALES	43,930.00	3.0
NEWCOMER DONATION	20,446.00	1.4
UNITY DAY	17,743.10	1.2
SHIPPING	2.50	.0
JEWELRY	242.00	.0
PRICING ADJUSTMENT	(708.36)	.0
TOTAL INCOME	1,480,028.67	100.0
OPERATIONAL COSTS		
CONTRACT LABOR	1,198.99	.1
CONTRACT LABOR	10,586.04	.7
CONTRACT LABOR: SECURITY	24,740.00	1.7
CONTRACT LABOR: STAFF	9,568.50	.6
CONTRACT LABOR: FACILITIES	111,588.69	7.5
CONTRACT LABOR: EXPOSITION SERV	39,504.00	2.7
CONTRACT LABOR: EXPOSITION SERV	10,000.00	.7
CONTRACT LABOR: LIVE CONCERT	32,242.02	2.2
MERCHANDISE	109,483.93	7.4
MERCHANDISE: WEARABLES	13,437.27	.9
MERCHANDISE: WEARABLES	196,721.21	13.3
MERCHANDISE: SPECIALITY	6,113.28	.4
MERCHANDISE: SHIPPING	46.43	.0
EQUIPMENT RENTAL	107,302.42	7.3
EQUIPMENT RENTAL: VIDEO & SOUND	86,732.64	5.9
EQUIPMENT RENTAL: CONCERT	15,952.00	1.1
EQUIPMENT RENTAL: SVC DELIVERY	8,905.60	.6
EQUIPMENT RENTAL: ELECTRICAL	24,254.39	1.6
EQUIPMENT RENTAL: TRANSLATIONS	19,119.38	1.3
EXPENDABLE SUPPLIES	3,935.96	.3
FACILITIES	20,150.00	1.4
ENTERTAINMENT: INCIDENTALS	5,257.01	.4
ENTERTAINMENT: DANCES	18,100.00	1.2
ENTERTAINMENT: COMEDY SHOWS	12,412.00	.8
ENTERTAINMENT: CONCERT	89,755.13	6.1

## INCOME STATEMENT

## NA WORLD SERVICES - CONVENTION

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
OPERATIONAL COSTS	(Continued)	
ENTERTAINMENT:JAZZ BREAKFAST	\$6,824.40	.5 %
ENTERTAINMENT:TRAVEL	32,558.18	2.2
ENTERTAINMENT:COFFEE HOUSE	37,129.60	2.5
ENTERTAINMENT: THEME PARTY	30,820.10	2.1
ENTERTAINMENT:MISCELLANEOUS	7,007.50	.5
FOOD & BEVERAGE:SUPPORT COMM.	257.00	.0
FOOD & BEVERAGE:JAZZ BREAKFAST	49,000.00	3.3
JEWELRY:COG	145.20	.0
LITERATURE PURCHASES - WCNA27	881.18	.1
PRINTING: REGISTRATION	18,702.78	1.3
PRINTING: SIGNS	16,094.69	1.1
PRINTING: GENERAL	1,015.48	.1
PRINTING: PROGRAM	15,178.82	1.0
REGISTRATION REFUNDS	8,188.23	.6
REGISTRATION REFUNDS-MERCHAND	3,292.00	.2
REGISTRATION REFUNDS-COMEDY	2,234.00	.2
REGISTRATION REFUNDS-CONCERT	2,735.00	.2
REGISTRATION REFUNDS-JAZZ: WC2	1,726.00	.1
REGISTRATION REFUND:THEME PRTY	1,380.00	.1
REGISTRATION SUPPLIES	65,806.85	4.4
SHIPPING	53.34	.0
SHIPPING	3,887.99	.3
SHIPPING SUPPLIES	515.64	.0
TRANSPORTATION: RENTAL	1,737.85	.1
TRANSPORTATION-SHUTTLE: WC27	79,328.71	5.4
TRANSPORTATION-ADD NEEDS: WC27	5,515.00	.4
UNITY DAY: TELEPHONE HOOKUP	9,184.75	.6
TOTAL OPERATIONAL COSTS	1,378,307.18	93.1
GROSS PROFIT	101,721.49	6.9

## ADMINISTRATIVE:

## GENERAL &amp; ADMINISTRATIVE EXPEN

ACCOUNTING & LEGAL	2,500.00	.2
BANK SERVICE CHARGES	281.39	.0
BANK SERVICE CHARGES	16,583.90	1.1
COMPUTER SUPPLIES	234.65	.0
COMPUTER SUPPLIES/SOFTWARE	2,585.40	.2
DUES & FEES	136.00	.0
MAINTENANCE & REPAIR	690.00	.0
MISCELLANEOUS EXPENSES	273.52	.0
OFFICE EXPENSE	302.91	.0
OFFICE EXPENSE	2,584.36	.2
OFFICE EXPENSE	11,399.50	.8
POSTAGE & SHIPPING	5,506.53	.4
POSTAGE & SHIPPING	8,290.26	.6
MEETING SPACE	320.00	.0
TELEPHONE	467.36	.0

## INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
GENERAL & ADMINISTRATIVE EXPEN	(Continued)	
TELEPHONE	\$8,982.45	.6 %
TELEPHONE	1,109.11	.1
TRAVEL	1,013.19	.1
TRAVEL	217.80	.0
TRAVEL: WC31	942.00	.1
TRAVEL:PLANNING	5,353.95	.4
TRAVEL:SITE VISIT	13,197.87	.9
TRAVEL:MEETINGS	12,065.10	.8
TRAVEL: SERVICE DELIVERY	5,946.31	.4
TRAVEL:WORLD SERVICES	1,852.20	.1
TRAVEL:WORLD SERVICES	3,962.61	.3
TRAVEL:CORPORATE	4,082.33	.3
TRAVEL:CORPORATE	32,717.76	2.2
TRAVEL:STAFF DEVELOPMENT	2,571.70	.2
TRAVEL:FELLOWSHIP INTERACTION	328.00	.0
TRAVEL:CONTRACT LABOR	(67.83)	.0
TRAVEL: HOST COMMITTEE	971.65	.1
TRAVEL: HOST COMMITTEE	7,246.77	.5
TRAVEL:PROGRAM	7,653.85	.5
TOTAL GENERAL & ADMINISTRATIVE	162,302.60	11.0
OTHER INCOME AND EXPENSE		
INTEREST EARNED	(169.85)	.0
MISC INCOME	280.24	.0
WSO DEFERRED LABOR	65,370.98	4.4
TOTAL OTHER INCOME AND EXPENSE	65,481.37	4.4
TOTAL ADMINISTRATIVE	227,783.97	15.4
NET INCOME FROM OPERATIONS	(126,062.48)	(8.5)
EARNINGS BEFORE INCOME TAX	(126,062.48)	(8.5)
NET INCOME (LOSS)	\$(126,062.48)	(8.5)%

## BALANCE SHEET

NA WORLD SERVICES - CONVENTION

DECEMBER 31, 1998

## ASSETS

## CURRENT ASSETS

WELLS FARGO - GENERAL ACCOUNT	\$1,603.71
WELLS FARGO - WCNA27 HOST ACCT	4,605.79
BANK OF AMERICA- AUXILIARY	3,903.04
CITIBANK - VAN NUYS CHECKING	9,037.91
ACCOUNTS RECEIVABLE	2,946.43
WCNA-27 ACCOUNTS RECEIVABLE	7,563.69
INVENTORY	11,226.73

TOTAL CURRENT ASSETS

40,887.30

## FIXED ASSETS

COMPUTER EQUIPMENT	7,014.58
OFFICE EQUIPMENT	36,723.49
LESS: ACCUM DEPRECIATION	(19,130.67)

TOTAL FIXED ASSETS

24,607.40

TOTAL ASSETS

\$65,494.70

## BALANCE SHEET

DECEMBER 31, 1998

## LIABILITIES AND EQUITY

## LIABILITIES

ACCOUNTS PAYABLE	\$120,385.04	
DEFERRED WSO ACCOUNTS PAYABLE	90,370.98	
UNCOLLECTED WCNA27 A/R	7,563.69	
SALES TAX PAYABLE	(28,022.63)	
TOTAL LIABILITIES		190,297.08
TOTAL LIABILITIES		190,297.08

## EQUITY

RETAINED EARNINGS - PRIOR	1,260.10	
RETAINED EARNINGS-CURRENT YEAR	(126,062.48)	
TOTAL EQUITY		(124,802.38)
TOTAL LIABILITIES AND EQUITY		\$65,494.70