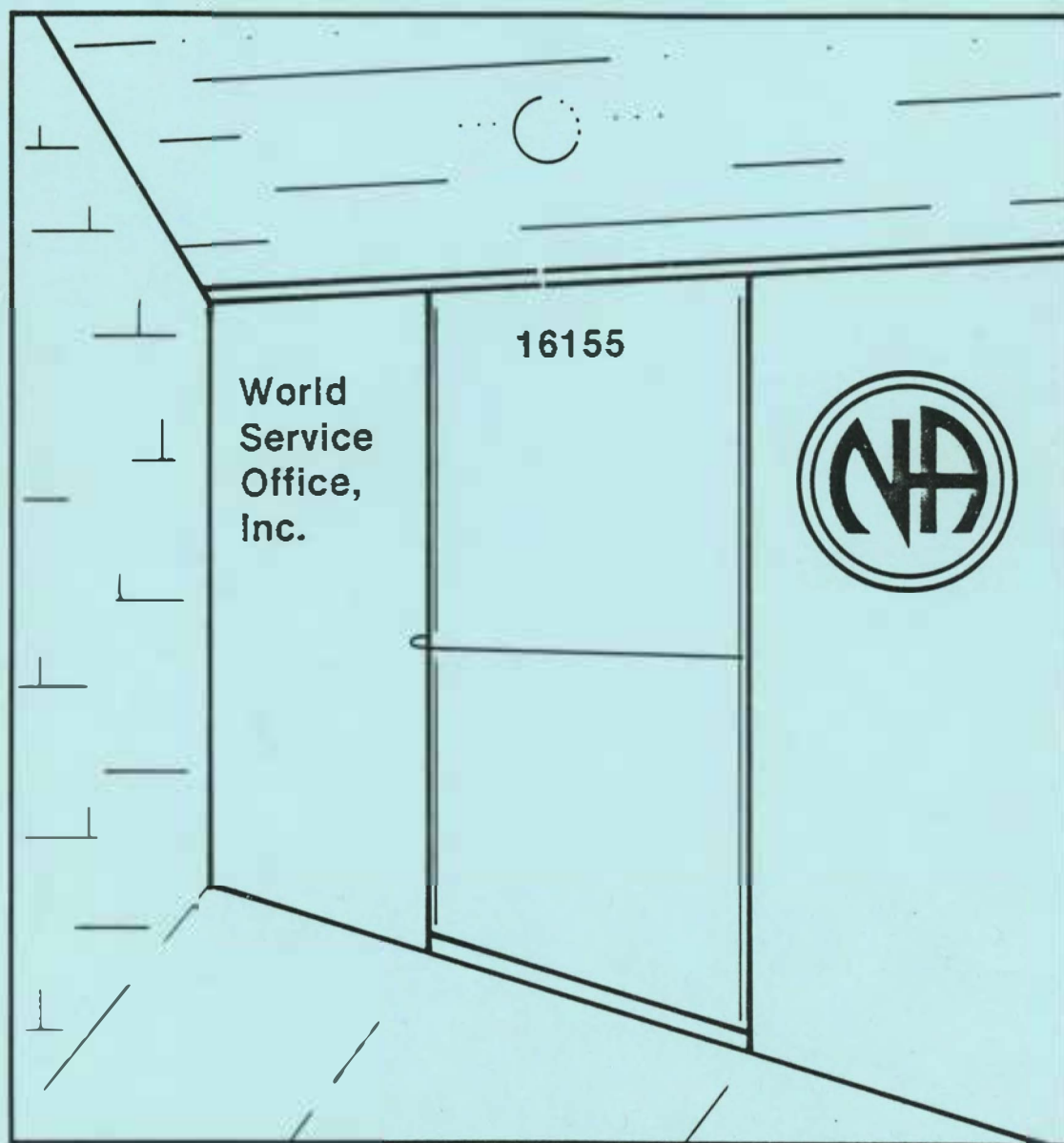




World Service Office
Narcotics Anonymous,
1991 Annual Report





World Service Office Narcotics Anonymous® 1991 Annual Report

In this report:

WSO Board of Directors, page 1

Low-cost Basic Text report, page 14

WSO Fellowship Services Division, page 19

WSO Support Services Division, page 43

Financial charts, page 53

World Service Office
1990 audit report, page 57

World Service Office
1991 revised budget, page 73



WORLD SERVICE OFFICE, INC.
NARCOTICS ANONYMOUS

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

**World Service Office
1991 Annual Report**

Greetings from the board and staff of your World Service Office. This year, the WSO annual report will be presented in four parts. The opening report comes from the WSO Board of Directors. Our report will focus on the ideas that have shaped World Service Office administrative policy over the last year. Part Two details the activities of the WSO Fellowship Services Division. Part Three describes WSO Support Services Division operations. Our financial report to the conference is Part Four.

The WSO board chairperson and both division directors will make presentations on behalf of the World Service Office at next month's World Service Conference, so that all aspects of office operations can be described as accurately and completely as possible. This will also give conference participants the opportunity to have different kinds of questions answered by the person most familiar with the subject at hand.

In past years, this report has not been available until the World Service Conference. By sending our annual report to you about a month prior to the conference, we hope to give you greater opportunity to study the material contained in it before we meet in Van Nuys. We look forward to an open dialogue with all conference participants on all aspects of World Service Office policy and practice.

In service to Narcotics Anonymous,

Stuart Tooredman, Chairperson
WSO Board of Directors

TABLE OF CONTENTS

Section One: WSO Board of Directors

Introduction	1
Literature sales policy–	
RSOs, development assistance, branch offices, and distributor discounts	2
Legal activity, intellectual property	4
Financial activity	7
Low-cost text, introductory guide.....	8
International development	9
WSO Board of Directors	11
Committed motions from WSC'90.....	12
Directors election schedule	12
Report concerning the motion for a low-cost Basic Text.....	14
Basic Text sales and WSO income.....	14
Low-cost text.....	14
Impact of low-cost text sales on WSO income	14
Reduced WSO income, reduced WSO operations.....	15
Impact of low-cost text sales on area, regional office income and operations	16
A program to mitigate the impact of low-cost text sales	16
Conclusion.....	17

Section Two: WSO Fellowship Services Division

Introduction	19
Information management.....	21
"Ask WSO"--mail and phone questions	21
World Service Conference coordinating services.....	25
Non-conference services	29
WSO international services.....	31
Translations	34
European Service Office	37
<i>N.A. Way Magazine</i>	38
Personal reflections.....	40

Section Three: WSO Support Services Division

Introduction	43
N.A. trademarks, service marks, and the "covenant not to sue" agreement	46
Travel report	48
Intro to budget, audit report, and tables and charts.....	52

Section Four: Financial Reports

Charts

Chart One—income vs. expense	53
Chart Two—expenditure summary	54
Chart Three—literature sales by category	55
Chart Four—asset distribution	56

World Service Office 1990 Audit Report (narrative and notes)

1990 audit report notes	57
Cover letters	60
WSO combined balance sheet	62
Van Nuys balance sheet	63
ESO balance sheet	64
CSO balance sheet	65
WSO combined statement of revenues and expenses	66
Van Nuys statement of revenues and expenses	67
ESO statement of revenues and expenses	68
CSO statement of revenues and expenses	69
WSO combined statement of changes in fund balances	70
CPA's notes to financial statements	71

World Service Office 1991 Revised Budget

Specific budget notes	74
WSO budget tables	77
European Service Office (narrative and notes)	81
ESO budget tables	83
Canadian Service Office (narrative and notes)	86
CSO budget tables	87
Supplement C	90

Section One:
WSO Board of Directors

WSO BOARD OF DIRECTORS

This year, the World Service Office has undergone substantial change in the way it is managed. These changes began in June 1990 when the WSO Board of Directors, at the recommendation of the World Service Board of Trustees, declined to renew the former executive director's contract for another year. The trustees expressed their dissatisfaction with the WSO management style. In growing from a storefront operation with two employees to a forty-person, three-building international service corporation with branches in Canada and the United Kingdom, growing pains were to be expected. However, the trustees felt the problems at the World Service Office went deeper than mere growing pains. Conference and trustee leadership, rather than being included in decisions related to WSO fellowship services, had been routinely excluded from discussions and information affecting their responsibilities. These aspects of the WSO management style were impairing the ability of N.A.'s primary service center to effectively serve the N.A. Fellowship.

In reviewing the trustees' recommendation, the WSO Board of Directors considered whether a change in WSO management style could be affected without actually changing management personnel. Because the change being called for was so substantial, we had to answer that question in the negative. We accepted the recommendation of the World Service Board of Trustees and, in a joint meeting with them, considered the management style that should prevail at the WSO.

We agreed that, in the future, conference boards and committees should take part in defining the service goals and tasks to be administered by the World Service Office and its staff. This would give office management much clearer direction in fulfilling its responsibilities, and provide for a wider consensus in the making of decisions affecting World Service Office activities. Additionally, we agreed that WSO management should be much more open in sharing information related to office operations and fellowship services. With wider, more direct access to this information, all members of the world service com-

munity would be able to play more productive roles in fulfilling their duties.

Immediately after the decision had been made not to renew the executive director's contract, an interim management team began a hands-on examination of World Service Office finances, contracts, and operations. This examination was not conducted because we suspected the former executive director of any wrongdoing. Such examinations are routinely conducted in organizations like ours when there is a change of management.

The interim management team was composed of World Service Office directors, members of the World Service Board of Trustees, and officers of the World Service Conference. They determined that all WSO funds and financial records were in order. Once that task had been completed, they began reviewing staff assignments with an eye toward creating a new management plan implementing the more open, consensus-based style desired by both the office directors and the trustees.

The basic management plan now in place for World Service Office operations is simple. The WSO executive director, the director of our Fellowship Services Division, and the WSO Support Services Division director work as a team, collectively discussing and making decisions concerning administrative issues facing the World Service Office. Those decisions are then carried out through the various departments in each of the two WSO divisions. While the executive director still retains final administrative responsibility for the World Service Office, both the decisions and the practical, hands-on administration of the office are shared among the executive director and the division directors.

This management style has some distinct advantages. It allows more than one person to take part in the office's decision-making process, and allows input from different outlooks to impact the actions of the office. This translates into a more diversified approach to our decisions which we feel will be of great benefit to the WSO, world services, and the fellowship as a whole. It will also make it easier for members of the fellowship to get information from the

World Service Office. In the past, division directors were unable to answer certain critical questions about office operations because the executive director was in sole charge of those operations. This often made it very difficult to get straight, timely answers to questions about WSO activities. With both division directors now actively involved in all WSO administrative decisions, they will be able to answer most questions about office operations themselves in a timely manner.

In a similar vein, the World Service Office has begun working cooperatively with the other world-level service boards and committees to craft policy proposals affecting the entire world service community. The directors, trustees, and conference officers all took part in drafting and refining the translation, travel, and budget review policy proposals presented to you in the 1991 *Conference Agenda Report*. Likewise, no actions were taken by the World Service Office Board of Directors in addressing this year's Basic Text controversy without first consulting both the conference and trustee leadership. That kind of cooperation among the three arms of N.A. world services has proven indispensable, and will be cultivated further in the future.

At the core of the World Service Office's current management plan is our understanding that WSO is our fellowship's primary service center. As such, the World Service Office should facilitate the fulfillment of N.A. service activities in accordance with the guidance of N.A.'s World Service Conference. Our job is to administer the policies and directives of the conference's boards and committees, and to maintain the intellectual properties the fellowship has placed in our trust. It is not our job to restrict participation in service activities or to close access to service information. To the contrary, the World Service Office should be the conduit which opens access to our fellowship's services.

We have already begun putting to work this understanding of our role in the N.A. service structure. We have released to anyone who asks for it a variety of information not seen before, including minutes of WSO board meetings, employee salary ranges, WSO and world convention budgets, and specific world service project financial information. In the years to

come, we hope this kind of openness will be more the rule than the exception. We hope, too, that through your review of this report, and of reports in the future, you will see this conceptual change in action.

While many features of the World Service Office management plan have been updated in the last nine months, much is still under development. The WSO Board of Directors hopes that you will be patient with us if you encounter some bugs during this initial period. We believe the effort that is going into "retooling" the World Service Office will give us a more focused and unified approach to the job of delivering services to the worldwide Narcotics Anonymous Fellowship.

LITERATURE SALES POLICY—RSOs, DEVELOPMENT ASSISTANCE, BRANCH OFFICES, AND DISTRIBUTOR DISCOUNTS

As in past years, the World Service Office again conducted a workshop for those involved with local service centers. The workshop was held December 7-9, 1990, in Chicago, Illinois. We believe the meeting was extremely productive, both for the World Service Office and for the participants from area and regional service offices. Several difficult points were addressed at the workshop, points we would like to discuss with you here.

From our talks in Chicago, it seems clear that we need to develop a better understanding of why local service centers are established and how they grow in different circumstances. When regional and area offices are set up without understanding these things, the results are often disastrous. What kinds of things should a local committee consider when creating a service office? First, local offices should be established only to address real, specific needs in the local N.A. community. In most cases, it is not necessary to create another World Service Office in your community. The poorly conceived office drains regional resources, and does more to raise the cost of literature to local groups than sustain an efficient literature distribution system.

Most local service centers depend on volume purchase discounts from the WSO to help cover their

operating expenses. Remote offices and offices in small N.A. communities generally do not have a large enough sales base to qualify for large-volume discounts; hence, they usually cannot generate enough money to pay their bills. On the other hand, local offices serving large metropolitan areas or a high concentration of members can effectively distribute N.A. literature at a reasonable price to local groups because their sales volume qualifies them for the discounts they need to survive. With more local offices closing each year, it has become increasingly important that we begin to take a more studied approach to local office development. At service office workshops in the future, we hope to be able to present participants with a number of organizational and operational models to choose from, each tailored to a different set of local needs and resources.

Other problems related to local service office operations have arisen with the splitting of regions. Offices serving regions with large territories and substantial numbers of groups are able to sustain themselves on WSO volume discounts. When those large regions split into two smaller regions, the literature sales base also splits. An RSO serving only one of the new regions may not be able to generate sufficient sales to qualify for the volume discounts it needs to continue operations. However, our sales policy currently bars RSOs from selling outside their own regions, except in special circumstances. These are areas that need to be addressed in the World Service Office sales policy. We hope in the coming year to try some pilot plans with offices serving more than one region, and to come up with a more helpful sales policy.

Another subject related to service offices that needs to be discussed throughout the fellowship is the relationship between service corporations and local service committees. Service committees create corporations mostly for one of two purposes: to provide a more efficient literature distribution system to their groups, or to organize a convention. However, once these corporations are created, many regional and area service committees neglect to fulfill their responsibility to review and direct corporate operations. Many areas and regions seem to be laboring under the misunderstanding that the service corpo-

rations they have created are not legally accountable to them. Rest assured, *this is not true*. An N.A. service corporation created by a regional or area service committee is, and must be, directly responsible to that committee and, through it, to the groups and members it serves. If your area or region has encountered problems related to the accountability of your service corporation, we urge you to consider revising your corporate by-laws and lay those conflicts to rest.

All the topics we have addressed so far relating to local service offices will be considered further at future office workshops. We would urge your region to participate in these service office meetings whenever they are held. If funds permit, we will have another such meeting in September or October of this year. That workshop will have a topic-oriented agenda, with interactive problem-solving sessions. Although we will include sessions that will help those regions who are considering development of a new office, the primary focus will be on the operations of existing offices.

There is one further area of our sales policy we would like to discuss with you, one for which no clear policy has yet been defined. This is the area of international and regional development assistance. In the past, the World Service Office has extended credit both to developing regions and to growing international communities. We have provided some regions with sufficient literature to help them get new offices on their feet, or to maintain their office's operations. We have also sold literature at cost to some national N.A. communities, in some cases acting only as their printer, in order to support fellowship development in their countries. It has become apparent to the WSO Board of Directors that the other two arms of our world service structure--the World Service Board of Trustees and the officers of the World Service Conference--should be included in making future decisions in these areas. This is one of the primary reasons we have held joint meetings these past few months with the trustees and the conference officers. By continuing to discuss such matters in future joint meetings, we hope to achieve a broader-based consensus on these issues, and also to increase the understanding throughout our world service community

of the efforts needed to support fellowship development.

A related area of consideration concerns the creation and operation of WSO branch offices outside the United States. Two such offices are currently in operation, the European Service Office in London and the Canadian Service Office outside Toronto. The European Service Office allows us an effective means of distributing N.A. literature to fellowship communities in Europe, and also serves to foster increased communication between those communities. However, the ESO has not been able to generate sufficient funds from European literature sales to pay its own expenses. This may be due to more limited use of N.A. literature in European communities than in the U.S., or it may be due simply to those communities' early states of development. These factors, combined with the low value of the U.S. dollar in Europe and the comparatively high costs of operating a branch office in London, have led the WSO directors to begin considering alternatives to the current European Service Office operation.

Narcotics Anonymous does indeed exist outside the United States, and deserves the same kind of support given the fellowship in the U.S. However, we should not exaggerate the size and rate of growth of the fellowship outside the United States when making realistic service plans. It costs a great deal of money to run the European Service Office. When the ESO was first opened, our finances were such that we could open a London branch with full knowledge that it might not become self-supporting for a number of years. Today, we must take a much more conservative view of such matters. In coming months the WSO Board of Directors will consider if it will continue the London branch or move ESO to a European city where operating costs are lower. If finances become extremely poor, we may be forced to close the ESO. We intend to include the other service arms in this decision, and will keep you informed of our discussions as they develop.

A look at the Canadian Service Office presents quite a different picture. After only one year's operations, the CSO is already self-supporting from literature sales income. This can be directly attributed to the size of the N.A. community in Canada, which is

large enough to generate sales income sufficient to sustain a branch office. And because the fellowship in Canada is growing significantly each year, we expect the Canadian Service Office to be able to continue expanding its services proportionately.

One final item related to the office's sales policy deserves mention. In the early stages of the policy's development, we made arrangements to have the Basic Text and other N.A. literature distributed through some of the larger catalogue sales houses. We required these distributors to sell the books and pamphlets for no more than what an addict would pay for the same items at an N.A. meeting, so that addicts buying our literature from these houses would not be charged exorbitant prices. In exchange, we offered these distributors our best discount rate for volume purchases. In the years since that policy was established, it has been our observation that addicts buy their literature at N.A. meetings, not from catalogue houses; these distributors' primary customers appear to be treatment centers and professional therapists, not individual addicts. Hence, the preferential discount we have given them in exchange for their agreement to keep low resale prices does not benefit addicts at all, and substantially reduces our sales income. Therefore, the WSO Board of Directors is considering a proposal to lift the catalogue distributor resale price restriction and simultaneously reduce the discount allowed these distributors. We will keep you informed of further developments in this area as they arise,

LEGAL ACTIVITY, INTELLECTUAL PROPERTY

The World Service Office has spent a great deal of energy this year focusing on legal issues related to the fellowship's "intellectual properties." *Intellectual property* is a legal term used to describe things like copyrighted literature (such as the N.A. Basic Text) and registered trademarks and service marks (including the Narcotics Anonymous name and logos). The decisions our fellowship has made over the years concerning its intellectual property can be found in the records and minutes of business meetings held at the early World Conventions, World Service Conference minutes and reports, world-level committee handbooks, and the *Temporary Working Guide to our Service Structure*. However, no single

document gathers all those separate decisions together in one place, clearly spelling out the details of how N.A.'s intellectual property is administered: where it comes from, how it is approved or revised, who owns the copyright, trademark, and service mark registrations, who the registered property owners are responsible to, what can be done with the intellectual property, and how the money generated by the intellectual property should be used. It's true that, last September, we released a paper, "A Report on the N.A. Literature Trust," recounting the various decisions our fellowship has made concerning its intellectual property. However, that paper was simply a report of earlier actions; it was not itself a trust document that had been discussed and approved by our fellowship. Had such a document been in existence, this year's Basic Text controversy might never have occurred.

The WSO Board of Directors operates with the understanding that, as the fellowship's primary service corporation, the World Service Office is responsible to register and protect N.A.'s intellectual properties and to publish and distribute N.A. literature, subject to the direction of the World Service Conference. We understand the World Service Conference to be the body empowered by the members of Narcotics Anonymous to make those decisions which could affect the entire fellowship, including the approval of N.A. literature. To eliminate any further confusion, we will ask the conference in April to reaffirm these general understandings in principle. At the same time, the World Service Office will present the conference with a trust document containing a description of N.A.'s intellectual properties and operational procedures for administering those properties. At this writing, that document is being developed in consultation with the World Service Board of Trustees and the officers of the World Service Conference. We will ask the conference to review and input the trust document for a period of six months. After factoring in the input, we will place the final version of that document on the 1992 agenda of the World Service Conference for approval by the entire fellowship. We believe this course of action will give us organizational tools our fellowship desperately needs to help limit conflict and remain focused on our primary purpose.

Another point of contention related to N.A.'s intellectual properties concerns the authorship of N.A. literature and its bearing on copyright registration. When a piece of literature is copyrighted, authorship can be cited in one of three ways: as an individual work, as a collective work, or as a work made for hire. An individual work, of course, is simply registered in the author's name. A collective work is copyrighted in the names of all the authors and editors who took part in creating it. A work made for hire, however, is registered in the name of the organization responsible for the work, no matter how many individuals actually took part in the project; for the purposes of copyright registration, the organization is shown as being the "author." So long as the project is under the control of, and subject to the approval of, the organization or agent which finally registers the copyright for the literary work produced by the project, work for "hire" may be either salaried or volunteered. Since all items of N.A. conference-approved literature are created under the auspices of N.A.'s World Service Conference, are approved by the conference, and are registered by the conference's corporate agent, the World Service Office, all pieces of N.A. literature are registered as works made for hire, showing WSO, Inc., as the author. So that no further questions arise concerning the authorship of conference-approved, copyrighted N.A. literature, we have recently filed amplifications of our original copyright registrations describing the means by which each piece of literature was commissioned, developed, and approved for use.

As Narcotics Anonymous communities develop in more and more countries, our intellectual properties are being used more widely around the world. To insure that the fellowship's trademarks, service marks, and literary copyrights are adequately protected, the World Service Office has continued to register N.A.'s claims to these properties in those countries where fellowship-related activity is beginning. Anthony Edmondson will describe the details of this activity in his report; however, a brief mention here of the significance of this activity might be helpful.

Narcotics Anonymous literature is translated by a variety of means. Sometimes it is brought to us by N.A. members from a particular country who have

completed it themselves. In other cases, because the growth of the fellowship in some countries is initiated by a particular treatment center or therapist, the translation work is completed by a non-member treatment professional. In such cases, we often learn that the professional has already been utilizing the translations for their treatment practices. In most of the cases of this sort that we have encountered so far, these professionals have simply been trying to help us carry our message, and have not been attempting to appropriate our intellectual properties for their own personal or professional gain. The only major problems that have occurred in such cases have been when the translated material has shown the name of the treatment center or the individual professional in conjunction with the Narcotics Anonymous name, making it appear that the two are officially related in some way. Unfortunately, this happens in many cases and is not an exception. So long as we keep our intellectual property registrations current, we have means to remedy such problems in short order. Currently, we are registering our copyrights and marks in the South American countries in anticipation of the completion of the Spanish and Portuguese translations of the Basic Text. We expect that the copyright, trademark, and service marks will be fully registered in South America by the time those translations are complete.

In protecting the fellowship's intellectual properties, we have been involved in two court actions this year; both cases have been settled. The first case involved a Northern California company, Creative Arts. This company made copies of our Basic Text cassette tapes without our permission, marketing them with both the Creative Arts name and the N.A. logo on the cover. They also copied our recovery medallions. Upon investigation, we discovered other items in their inventory which caused us further concern. After repeated attempts to persuade this company to stop copying our materials, we filed suit in court. After lengthy proceedings, Creative Arts agreed to a settlement that required them to stop copying our Basic Text tapes, our medallions, and our logos, place a disclaimer in their catalogue, and pay some of our costs related to the lawsuit. The agreement also placed certain restrictions on their sales of other

N.A.-related items, such as the medallions they purchase from us, plate, and resell to their customers.

The Creative Arts settlement did more than dispose of one of our most serious legal matters. In the course of conducting the research that led to the settlement, we discovered a process that will help us resolve a variety of problems related to the merchandising of products displaying the N.A. name or logo. This process is known as a "covenant not to sue." The covenant not to sue acknowledges the intellectual property rights of the World Service Office, and provides assurance that suit for the infringement of intellectual property rights will not be brought against someone, provided they meet our conditions for the property's use. This kind of agreement allows us to stay within our tradition of non-endorsement and protect the fellowship's intellectual property rights without having to sue anyone or become our own clearing house for N.A.-related merchandise. This has been a long-standing problem for our fellowship, and we hope this solution will resolve it. In his report, Anthony Edmondson will describe in greater detail the dynamics of the covenant-not-to-sue process and its potential benefits.

Our second Intellectual property suit this year was related to the much-discussed unauthorized production of the Basic Text. This case was very complicated, and very difficult to address. The production and marketing of the Basic Text outside the recognized N.A. service structure was clearly an infringement of the fellowship's copyrights; that aspect of the matter was not an internal issue, but a matter to be settled in legal circles. We brought legal suit seeking a permanent injunction against continued infringement of the fellowship's copyrights and, as part of our settlement, procured that injunction. However, there were other issues behind the unauthorized publication of the Basic Text, issues that were clearly internal matters: conflict over the process by which the Basic Text has been approved and revised, and disagreement about whether we need a low-cost version of the text or some new products for the new member. The WSO Board of Directors does not believe it has the authority to settle these internal issues on its own; these issues must be settled by the World Service Conference. These conflicts have paralyzed

us on several occasions, preventing us from moving forward in our delivery of services to the fellowship. Hopefully, the conference will be able to settle these problems once and for all by addressing Motions 13, 14, and 15 in this year's *Conference Agenda Report*.

As we leave our discussion of intellectual property matters, let us reiterate the importance of developing, as a fellowship, working documents that will allow us to function without impairment while still protecting our fellowship's intellectual properties. These types of organizational instruments, commonly used in dealing with the administration of intellectual property, are not restrictive, and will help us retain our focus on our primary purpose as we deal with the issues before us. Hopefully, in upcoming years, we will have such trust documents in place to help us avoid further diverting our energies in these areas.

FINANCIAL ACTIVITY

Prior to 1990, the WSO Board of Directors could count on office income increasing each year, and made operating plans accordingly. Until that time, there had been sufficient surplus income to continue expanding World Service Office activities and N.A. services in general. At the 1990 conference, we informed you that we believed the rising WSO revenue curve would soon level out. Sales of the Basic Text, representing about 70% of WSO revenue, had neared their peak. Since we did not expect any new books to be added to our sales inventory in the next year or two, we believed we would find ourselves having to make more conservative plans for World Service Office operations.

Last spring's concerns became last summer's reality. It became apparent that Basic Text sales had already peaked, and were not merely leveling but decreasing at an alarming rate. Accordingly, we began implementing an immediate expense reduction plan. By the end of 1990, this plan had helped the office sustain a substantially smaller net annual loss than it would have taken otherwise; WSO lost a quarter million U.S. dollars on 1990 operations, rather than half a million. World Service Office income dropped 15% from 1989 to 1990. In 1991, we expect our income to drop further, but by a smaller percentage. As we seek to stabilize our level of income over the next

couple of years, the WSO Board of Directors will be very cautious in making budget decisions, particularly in the areas of travel and personnel expenditures.

For a number of years, the World Service Office had substantial monetary reserves that cushioned us from fluctuations in the state of the economy and the value of the U.S. dollar. However, those reserves, once amounting to about \$250,000 U.S., have been reduced to about \$50,000 today. Consequently, we now feel economic and monetary fluctuations acutely and must make plans accordingly. As we seek a balance in our revenue, the services we provide will be subject to a more conservative financial planning process. Until our revenues stabilize, we may be forced to reduce office operations. Anthony Edmondson's portion of this annual report contains a more extensive discussion of our expenditure and revenue projections, as well as the effect of reductions in our income and services.

In a different matter, the WSO Board of Directors recently approved a proposal to conduct a certified process audit of World Service Office finances and financial policies. The board believes it important that, with the recent changes in the executive director's position and in our general operations, we have all our financial processes and records reviewed. The audit will include an examination of the actual financial policies that have arisen from WSO board decisions, including those affecting our methods of handling income and expenditures. You should be made aware that the accounting firm conducting this process audit will be installed for a time as a regular component of all World Service Office financial operations, including those related to the World Service Conference, the World Convention Corporation, the European Service Office, the Canadian Service Office, and the fellowship at large. This may have some effect on your dealings with the World Service Office. For example, if you have purchased literature or other products from us, the accounting firm may contact you to discuss those purchases. This is a normal part of the procedure for a certified process audit. Currently, the firm is conducting a preliminary review of our operational policies in order to provide an accurate assessment of how long the audit will

take and how much it will cost. The firm's estimate will be based on its evaluation of the ease with which our financial policies and practices can be analyzed. All things considered, we do not expect the audit will be completed until late this year.

Let us move on to give you a brief update on taxes. We are currently awaiting a summary report on taxes and Narcotics Anonymous from our attorney. Our research on the matter will be concluded once we receive that report, unless the conference feels we should continue with an attempt to get a special ruling on N.A.'s tax status from the U.S. Internal Revenue Service. We do not feel that further work in this area is warranted, and are satisfied with the research that has been conducted to date. Hopefully, tax information will be included in an updated *Treasurers Handbook*, which will provide the fellowship with the guidance it needs to properly handle its financial affairs. In the meantime, if you encounter any difficulties in the area of taxes, please contact us at the World Service Office.

In closing the discussion here of WSO financial matters, allow us to emphasize one point in particular. This year's World Service Office annual report provides you with a great deal of information about our financial status, accounting procedures, and budget. As members of the World Service Conference and the N.A. Fellowship, you have a right to full disclosure of this information, but you also have certain responsibilities. While budgets and balance sheets can be cumbersome and sometimes difficult to analyze, we encourage you to find answers to whatever questions you may have concerning these financial data before you make any decisions based on them. In addition, we would ask that you evaluate all the proposals that will come before this year's World Service Conference with both an accountant's eye and a member's heart, considering costs and available resources along with the potential benefits of a proposal. We hope you find the information contained in this year's WSO annual report helpful as you strive to effectively, responsibly serve the Fellowship of Narcotics Anonymous.

LOW-COST TEXT, INTRODUCTORY GUIDE

Most of you are already somewhat familiar with the idea of producing a low-cost Basic Text. Later in this report, a complete analysis of low-cost text production is provided; please refer to it for further details. That report describes some problems we have discovered with marketing such a book, including the impact publication of such a book would have on Basic Text sales. Those problems can be minimized if sales of the low-cost book are limited to fellowship buyers, manufacturing costs for the existing Basic Text are reduced, paperback Basic Text sales are increased, and across-the-board adjustments are made to our sales discount policy. Even given these measures, distributing the low-cost text would be a risky venture. Nonetheless, we would be prepared to take that risk. We believe that such a book would be very useful in carrying our message to indigent members in the U.S. and for use by developing N.A. communities in other countries.

After some preliminary consultation with the leadership of the WSC Literature Committee, we have developed an additional proposal: to publish a compilation of a number of already-approved works in a book aimed specifically at the newcomer. We might call such a book *An Introductory Guide to Narcotics Anonymous*. This introductory guide would be a pocket-sized book of about seventy pages in length. We have not yet determined the price we would have to charge for such a book. We would be able to class an introductory guide of this sort as a new product, with its own discount schedule. We think it unlikely that sales of such an introductory guide would cut substantially into Basic Text sales.

Keep in mind that the low-cost text and the introductory guide are two different books; each must be considered on its own merits. The low-cost text will give indigent individuals or groups, as well as N.A. communities in developing countries, an affordable version of our primary piece of recovery literature. The introductory guide is specifically designed to address the particular needs of newcomers. Remember that, although the introductory guide will contain sections of our text, the low-cost text *is* our text. In reviewing the information related to these two products, please consider the need as well as the financial

effects. We intend to develop samples and production data for both the low-cost text and the introductory guide in time for your consideration at next month's conference, and hope you will carefully evaluate the merits of both books.

INTERNATIONAL DEVELOPMENT

From its inception, one of the primary responsibilities of the World Service Office has been to provide assistance to developing N.A. communities. Since the early days of our fellowship's evolution, when we assisted young N.A. communities in the United States, the office has been at the forefront of development activities. Ten to fifteen years ago, it was standard WSO policy to distribute several thousand U.S. dollars of worth of literature each year to developing American communities on a free or pay-as-you-can basis. Long telephone calls and extended visits by members of the world service community to developing regions also supported those regions in their development process. By current standards, there may seem to have been relatively little development activity conducted in those early days, but the types of activities conducted then are fundamentally the same as today's. The underlying issues related to development work also remain the same, and continue to call for serious consideration on the part of the fellowship.

Until this year, the World Service Office has not only been at the forefront of international development activities, it has had to bear virtually sole responsibility for administering those activities. The office has been the point where almost all decisions have been brought regarding N.A. literature translations, development-related travel, N.A.'s primary international development budget, and international literature distribution--in other words, all of our primary development activities. At last year's conference, the WSO board became aware that most of the fellowship--general members and conference participants alike--had no idea of the scope of the international development activities we had been conducting for years on its behalf. In his report, George Hollahan will give a detailed description of the international development work the World Service Office has engaged in to date. The following are but a few examples of WSO international development activity.

For the past four years, the N.A. fellowship in the United Kingdom has received literature at cost. Even so, their WSO debt had mounted to 10,000 pounds before being written off last year by the WSO Board of Directors. We have made many trips to England, and have located a branch service office there. These measures have allowed N.A. in the U.K. to stabilize its services and gear up for the significant growth it has experienced in the last four years. Only now is the U.K. Service Office able to pay full market price for its literature, thus sharing in the costs of development efforts helping others. Australian N.A. was given similar assistance (with the exception that its debt was not written off) under similar circumstances with similar results, and is now paying the market price for its literature.

In Canada, the fellowship received a cost of living reduction in their literature prices for a number of years. This cost reduction gave their services the margin of support they needed to develop nationwide. Today, N.A. in Canada is able to pay full market price for its literature, purchased through the Canadian Service Office. In the Canadian province of Quebec, a concerted effort produced the translated Basic Text now used by the French-speaking community there--a community that is, by the way, nine times the size of the N.A. community in all of France. That effort was financed by the World Service Office.

Addressing N.A. development needs in predominantly English-speaking countries, while involving much work, has been relatively simple. The needs of the N.A. community in Germany, on the other hand, have been more akin to the needs of the majority of developing N.A. communities. The most pressing need in Germany has been for translated literature; the printed message in English is of little use there. We have been providing German N.A. with translation services, services which have speeded their efforts to produce literature their members can use. Currently, they are workshopping the material translated thus far and hope to have completed the translation of the Basic Text in the near future.

In several of the last few meetings of the World Service Conference, the body has dealt with the question, "Are we truly a *World Service Conference*?" Many participants have been heard to remark that

most of the issues discussed at the conference effect only the American N.A. community and have little to do with the fellowship worldwide. Rarely noted is the practical, worldwide impact our service discussions have. The worldwide services that are regularly provided, day in, day out, by World Service Conference boards and committees are often ignored. Even more rare have been discussions of the evolutionary process of Narcotics Anonymous.

All of our discussions at the conference have direct effect, one way or another, on the worldwide N.A. Fellowship. Debates concerning the development, approval, and revision of N.A. literature show results when that translated literature finds its way into the hands of the international fellowship. Likewise, H&I and P.I. discussions have their application in many countries as N.A. grows internationally. Even the more cumbersome discussions of conference policy, structure, and organization have their bearing on the developing international community insofar as the World Service Conference draws together both the conscience and the strength of the fellowship as it is applied to international development work. The largest problem with these kinds of discussions at the conference is that the subject matter, at times, may be too far removed from the experience of delegates from developing communities to be understood or applied. All in all, it would seem hasty to conclude from the nature of the discussions held at the World Service Conference that we are not a "world fellowship."

There is something we all need to understand. This week, N.A. groups will hold meetings in more than fifty-three countries around the globe. However, there are no national N.A. communities apart from the U.S. and Canada with more than 250 meetings a week; most have less than fifty per week. Only a few have functioning national service structures; in most cases, they do not even have the most rudimentary of group representation structures in place. How can these developing communities best be assisted in becoming equal, full-fledged partners in our world fellowship? Conference representation would seem to be at the bottom of our list of priorities; translated literature, subsidized literature, and regular visits would seem to be at the top. The latter are the areas

where the World Service Office has focused its international development efforts.

The most pressing problem facing today's international development program is the lack of funds; the second most pressing problem is ignorance, ignorance of what has already been done and ignorance of what can be done if we simply resolve ourselves to do it. This is why, In reorganizing the World Service Office, the directors Initially focused on the translation, travel, and budgetary processes. By clearly describing the processes already in place and connecting them through recognized committees to the fellowship reporting system, N.A. members will become better Informed of the actual scope of the international development work done on their behalf year round. The WSO Board of Directors believes that, after reading this entire report, you will have a different perspective on the subject of whether or not we are a "world fellowship." We believe we have provided exactly what the international community needs for its development--literature, translations, funds, and our experience.

There are three important questions related to international development work still to be addressed in our report. The first is, who directs this effort? Should it be the World Service Office Board of Directors, or should it be a joint effort of all world service arms? The directors believe that guidance for international development activity should be considered a joint responsibility of the entire world service community. We believe our efforts to create translation, travel, and budget committees with joint membership will go a long way toward unifying our development efforts. So will our recently-Instituted joint meetings with the trustees.

The next question goes a little closer to the root of the situation. It is, what kind of support aids development, and what kind of support stunts development? Positive development efforts are motivated by a desire to support a growing N.A. community in the hope that it will flourish and become a force capable of carrying our message of recovery on its own. Development efforts go awry when they cease seeking to put an N.A. community on its own feet, instead trying to solve all its problems and control its every move. Being that charity is the key motive behind

our Twelfth Step and a high priority in our personal recovery, we sometimes find ourselves highly susceptible to "enabling" growing N.A. communities, rather than encouraging them in their struggles to become as self-supporting as they can possibly be. We must remember that every evolving community has to experience the pains and joy of growth in some fashion and, through that experience, develop its own identity. This is a difficult line to walk. The WSO Board of Directors feels that, as a fellowship, we must jointly take on the task of international development; the more of us that are involved, the less likely it is that our efforts will degenerate to "enabling."

The final point we wish to touch on has been implied in much of what we have already addressed: the perceived division of the World Service Office from the rest of world services. It is imperative that we understand that the World Service Office is N.A.'s primary service center, and that it acts on behalf of the World Service Conference. The actions and activities of the office are an expression of the consensus of our world service community. As such, the efforts discussed in the body of this report are not the work only of World Service Office, Inc., but of world services as a whole. In many cases, in the United States and in other countries, a distinction is made between the office and the conference. Members of the international community may be aware of what the World Service Office has done for them, but they often do not relate those efforts to the direction and guidance the World Service Conference provides the office, and thus wrongly conclude that the World Service Conference is not serving the worldwide N.A. Fellowship. Hopefully, the relation between the conference and the office will be seen in better perspective in the future.

In conclusion, we of the WSO board and staff hope that we can continue to provide what is necessary to carry our message of recovery throughout the world and to be truly representative of a "world fellowship." We encourage you to take the time to read George Hollahan's report to further understand the vast effort world services has taken on behalf of the worldwide Fellowship of Narcotics Anonymous to help developing international communities.

WSO BOARD OF DIRECTORS

In the past, the WSO Board of Directors has occupied itself almost exclusively with the business affairs of the World Service Office, interacting with the rest of the fellowship only as required. This year, we have taken deliberate steps to become more directly involved with other elements of the service structure. We have held two joint meetings this year with the World Service Board of Trustees and the officers of the World Service Conference, and have actively cooperated with them between these joint meetings in addressing mutual concerns.

We have expanded an earlier program designed to allow regional leaders to become more directly familiar with the inner workings of the WSO board. In 1989, we began bringing the RSC chairpersons and RSRs on a rotating basis to each of our meetings in Van Nuys. To broaden fellowship access to the board, we plan in the coming year to hold some of our meetings outside the Los Angeles area. Open forums will be included on the agenda for these meetings.

The WSO Board of Directors has been discussing the possibility of proposing limited joint membership with the World Service Board of Trustees. Such an arrangement would permanently link the trustees and directors without compromising their separate identities. The WSO board has just begun discussing this idea. More discussions will be held in the future, both in the regular WSO board meetings and in our joint meetings with the trustees.

Along with the policy proposals offered in the *Conference Agenda Report*, the WSO Board of Directors has also been revising its personnel policies. Our personnel committee will be reviewing final drafts of the revised policy at its March meeting, and hopes that the new policies can be adopted and implemented by the board shortly thereafter. Several minor revisions of the personnel policy have been made in previous years. The revision currently in development, however, is quite extensive, and has required the advice of employment policy consultants.

It is important for the fellowship at large to understand that our employees are just that—employees. In managing WSO special workers, we are bound to

obey the same labor laws and regulations as any other employer. Similarly, we must treat our employees with the same regard we ourselves would expect to be accorded if we were in their positions--and here, we means all of us, directors and fellowship alike. If any of you have any complaints about a WSO employee's conduct, be assured that our personnel and management policies contain adequate procedures for dealing with such complaints. We would appreciate it if you would take the time to consult with the director of either the WSO Fellowship Services Division or the Support Services Division before confronting an individual employee with your concerns. Dealing with such complaints is part of the division directors' jobs, and they will help you resolve your concerns. If your complaint has to do either with one of the division directors themselves or with the executive director, please feel free to contact either the chairperson of the WSO Board of Directors or the WSO Personnel Committee directly.

COMMITTED MOTIONS FROM WSC'90

The WSO board has been reviewing the motions committed to us by the 1990 World Service Conference. An ad hoc committee of the board was assigned to study those motions in detail. Those motions, and our recommendations or actions, are:

1) "To reestablish a WSC finance committee to consist of the WSC chair, WSC treasurer, Chairman WSO BOD, BOT chair, and three RSRs, with the WSC treasurer chairing the committee." The board's response to this proposal is Addenda 3A and 3B in this year's *Conference Agenda Report*, which consider the creation of a new Budget Review and Utilization Committee.

2) "To have the WSO increase prices of literature."

3) "That the WSO increase the price of all inventory items by the same rate as the annual Consumer Price Index of the United States, as released by the U.S. Government in February of each year. The increase would come into effect as soon as practical. The increased revenue would in turn be pledged by the BOD toward maintaining existing, and increasing, services to the developing international N.A. communities." Items 2 and 3 will be considered by the fellowship at large and by the World Service Conference,

we are sure, when this year's Motion #14 is discussed. The board has not taken any action on referred Items 2 and 3 this year.

4) "To recommend that the WSO translate and produce for sale our existing conference-approved PSAs to American Sign Language and/or closed caption." In consultation with the WSC Public Information Committee, the board is taking action to implement this motion.

5) "To recommend that the BOD amend Article 13 of the WSO Bylaws by adding the language after... meeting 'with prior WSC approval.' " We have asked our attorney to provide the fellowship with a report on certain issues related to this item. That report should be mailed to conference participants on or about April 1, 1991.

6) "That the WSC elect all directors of the WSO." The board believes that the intent of this motion was fulfilled when the conference altered its election procedures for the WSO board candidates pool. In order to be added to the pool, candidates must be individually elected by a majority of the conference. Since three board members are already elected directly by the conference, and the remaining nine are elected by the board itself from the pool, the conference now, in effect, elects the entire board. The WSO board's ad hoc committee assigned to study motions referred to us by last year's conference has made a suggestion as to how last year's decision to change the conference election procedures could be incorporated into the WSO by-laws. That suggestion appears on page 28 of this year's *Conference Agenda Report*.

DIRECTORS ELECTION SCHEDULE

The WSO Board of Directors has twelve members. Nine members are elected for three-year terms by the board itself from a pool of candidates selected by the World Service Conference. Three WSO directors are elected directly by the World Service Conference for one-year terms. As per the decision of the 1990 World Service Conference, nominees must have seven years clean to be elected in 1991.

Terms to be completed in 1991

Jamie Scott-Hopkins, 1-year term, expires June 1991

Tim Banner, 1-year term, expires June 1991

Mary Kay Berger, 1-year term, expires June 1991

Randy Jones, 3-year term, expires June 1991

Gerrie Durkin, 3-year term, expires June 1991

Bob McFarlane, 3-year term, expires June 1991

Bob is completing George Krzyminski's term.

George resigned prior to the August 1990 meeting of the WSO Board of Directors.

Terms to be completed in 1992

Martin Chess, 3-year term, expires June 1992

Bill Winterfeld, 3-year term, expires June 1992

Walter Johnson, 3-year term, expires June 1992

Walter is completing Mark Daley's term. Mark resigned prior to the August 1990 meeting of the WSO Board of Directors.

Terms to be completed in 1993

Stu Tooredman, 3-year term, expires June 1993

Bob McDonough, 3-year term, expires June 1993

Oliver Stanley, 3-year term, expires June 1993

Directors pool

In 1990, the World Service Conference revised the procedure by which it elects candidates to the WSO

Board of Directors pool. The revised procedure reads, "All one-year nominees not elected [to one-year terms on the WSO Board of Directors] will be added to the pool if they receive majority approval. The conference will vote to approve each nominee to the pool by a majority vote." The conference used this procedure to elect the following candidates to the WSO Board of Directors pool:

Bob McDonough (Texas)

Oliver Stanley (Ireland)

Stu Tooredman (California)

Bob McFarlane (California)

Walter Johnson (British Columbia)

Shari Angell (Oklahoma)

John Burnett (Missouri)

Derek Dunsworth (Australia)

Mary Kay Berger (Virginia)

CLOSING

The directors of the World Service Office thank you for the opportunity you have given us to serve the fellowship, and look forward to a more open relationship with the fellowship in the future.

--Stuart Tooredman, Chairperson
WSO Board of Directors

REPORT CONCERNING THE MOTION FOR A LOW-COST BASIC TEXT

This year's WSC Motion 14 proposes "that the WSO produce, at a reduced price, the edition of the text ratified by the WSC. The actual price of this text should be determined in view of the following factors: its affordability to the membership at large; a change in the cost and quality of the materials used in producing the book; the responsibility of the WSO to provide services from the income generated by sales of the Basic Text; and whether it includes personal stories or only the first ten chapters." In this report, we will examine the impact such a motion's passage might have on the World Service Office, local service offices, and the fellowship's overall ability to distribute N.A. literature. It is vital that conference participants discuss this issue in their regions, and then come to the conference with the ability to consider additional information and different perspectives before casting their vote.

As an aside, it may be useful to recall a similar motion presented to the conference four or five years ago. In 1987, the WSO studied a motion to reduce the price of the Basic Text and our information pamphlets by twenty-five percent. Such a price reduction would have resulted in a substantial loss of services to the fellowship, a loss not outweighed by the benefits individual members might have received from lower-priced literature. Our report on the matter was accepted by the World Service Conference.

BASIC TEXT SALES AND WSO INCOME

The World Service Office has only one major product: the book *Narcotics Anonymous*, our Basic Text. The World Service Office sold 291,278 English-language Basic Texts in 1990, both casebound and softbound, at an average discount rate of approximately 20% and an average production cost of about \$1.96.¹ After deducting discount and merchandise costs, 1990 text receipts came to about \$1,293,274.40, or close to \$4.44 for each book sold. This accounted for approximately 63.82% of WSO's 1991 income after discount and merchandise costs, which came to about \$1,993,093.65.

Basic Text sales are declining. Following its initial release on April 27, 1983, unit sales increased each year by about 125% for two straight years. From 1986 through 1989, annual unit sales growth rates dropped from 52% to 14%. Then, in 1990, unit sales dropped by 20%. As a result, the World Service Office posted its first annual net loss in 1990, income falling short of expenses by about 6.65%. Cost-cutting measures have been implemented which we believe will keep us from posting another net loss in 1991. However, the balance of WSO's 1991 budget depends on an increase of about 8% in unit Basic Text sales. If this year's unit text sales remain precisely at last year's level, and if WSO does not further reduce its operations, the office can expect to show close to a 2.5% loss. Therefore, we must view with some alarm any proposal the least bit likely to reduce unit Basic Text sales, unless the proposal also includes measures that would make up for lost text sales.

LOW-COST TEXT

Most of those we've heard urging publication of a low-cost text suggest that such a book need only contain Book One—the first 103 pages—of the Basic Text. Such a volume might be sold for around \$3.00. For the purposes of this report, we are roughly figuring the cost of merchandise for such an item at about 45 cents per copy. Because the title and substance of this book would be the same as the Basic Text we currently sell, we believe that we would have to offer customers the same discount rate we allow on other literature purchases, averaging out at 24%. (We'll talk more about discount rates later in this report.) Hence, the discount expense per unit would be about 72 cents. Income available from each book would be about \$1.83.

IMPACT OF LOW-COST TEXT SALES ON WSO INCOME

As far as many of our customers are concerned, the low-cost text would be essentially the same as the text they currently purchase at a much higher price. If all the Basic Texts sold in 1990 had instead been low-cost texts, WSO income would have been

¹ All currency figures in this report are in U.S. dollars.

reduced by about \$739,027.84. We do not expect the impact of a low-cost text to be this extreme, of course, since many N.A. members and other customers will continue to buy the Basic Text currently on our inventory. A certain unknown percentage of N.A. members can be expected to purchase one of the low-cost versions, and at some future point purchase the Basic Text. However, be aware that if the actual impact of the low-cost text is only one-fiftieth as bad as the worst-case scenario described above, the World Service Office will begin showing a net loss.

We are fairly certain that our non-fellowship customers, who represent approximately 33.87% of all sales, would quickly begin ordering low-cost texts instead of Basic Texts. If our single largest customer had bought low-cost texts rather than Basic Texts in 1990, the resulting income reduction would have been approximately \$184,364.60. That kind of reduction, all by itself, would translate into something like a 4.66% net annual loss in the 1991 budget.

In fairness, we must tell you that we do not believe the full impact of low-cost text sales would be felt immediately, but we have no way of telling how long it would actually take to feel the full effect. Since we might be adding another major book to our inventory in approximately two years, we may only have to look at surviving until that time. However, to bank on that, we would have to assume that the N.A. literature development schedule will be strictly adhered to over the next eighteen months or so, and that the World Service Conference will approve whatever is developed. Considering our history in that area, such an assumption would not be prudent.

REDUCED WSO INCOME, REDUCED WSO OPERATIONS

To judge the effect a substantial income reduction might have on World Service Office operations, we would suggest you examine this year's report from the WSO Fellowship Services Division, our 1990 income statement, and our 1991 budget. The loss of revenues in 1990 has already resulted in substantial cutbacks in the WSO's projected personnel and travel expenditures for 1991. Further losses will re-

quire further cutbacks in one or more of the following areas:

- 1) The European Service Office, providing literature distribution, public information, and fellowship communications support to N.A. communities in Europe. We project a loss of more than \$80,000 in 1991 for ESO operations.
- 2) Free or reduced-price literature to developing N.A. communities (e.g. India, S. America, Europe).
- 3) Accommodation of local fellowship short-term cash flow problems. Current policy permits us, under certain circumstances, to offer distressed N.A. communities terms that allow them to continue to purchase N.A. literature while they get back on their feet.
- 4) Literature sales discount policy, both for N.A. and non-fellowship customers. The highest discount rate for our largest non-fellowship customers is 40%; for the largest regional offices, 35%. Large reductions in these discount rates might increase our revenues, but would result in higher consumer prices for those who purchase from non-fellowship distributors, and would have a significant negative impact on regional offices who pay their operating costs from their literature markup. Additionally, substantial reductions in discount rates might result in lower-volume unit sales to these customers.
- 5) WSO Fellowship Services Division, conference support. Departments in this division provide clerical, research, and coordinating support for the World Service Board of Trustees and for the WSC Administrative, Public Information, Hospitals and Institutions, Literature, and Policy Committees.
- 6) WSO Fellowship Services Division, Special Projects Department provides development, composition, and editorial services for both halves of *It Works: How and Why, A Guide to Service in Narcotics Anonymous*, the N.A. daily meditation book, the *Newsline*, and the *Fellowship Report*. If this year's Motion 2 passes, this department will also provide services for the *Conference Digest*.

- 7) WSO Fellowship Services Division, general services. Such services include the N.A. Loner Group and its *Meeting by Mail* newsletter, *The N.A. Way Magazine*, group registration, distribution of free group starter kits, information for local service committees, and N.A. literature translation.
- 8) WSO Support Services Division provides administrative, accounting, personnel, database, customer order entry, production, warehousing, and shipping and receiving services.

In the final analysis, the World Service Office could cut facilities, equipment, and personnel back to the point where we only print, stock, and fill orders for existing N.A. literature. This would require one building and a manager, a bookkeeping/order entry clerk, and shipping and receiving personnel. However, as you are well aware, this would be a very different kind of World Service Office than the one developed under the fellowship's guidance since 1982. We'll leave you to judge for yourselves what impact such a reduction in WSO services might have on the fellowship.

IMPACT OF LOW-COST TEXT SALES ON AREA, REGIONAL OFFICE INCOME AND OPERATIONS

So far, we have only discussed the impact on the WSO. However, there is a fairly certain impact that would occur in the general fellowship as well. Right now, area and regional service offices primarily exist on the margin between their discounted Basic Text purchase price and the amount they sell the book to their customers for. It is reasonable to presume that most would have to close if their revenue from text sales dramatically decreased. This would force areas and groups to purchase literature directly from the World Service Office, with increased order turnaround time and likely at an increased price. Those local offices that remained open would probably have to operate from smaller facilities, using exclusively volunteer staff, resulting in a likely reduction in the quality and timeliness of local literature distribution services.

A PROGRAM TO MITIGATE THE IMPACT OF LOW-COST TEXT SALES

In principle, we support the proposal to publish a low-cost version of our fellowship's Basic Text. We recognize the low-cost text's potential to increase our fellowship's ability to carry the message to more addicts. However, at the same time we discuss publishing such an item, we also have to seek ways to mitigate any negative impact such an action might have on other fellowship services. The following are six measures that should be taken in concert with the release of a low-cost text.

Measure One. The first measure has to do with the terms of sale for the low-cost text itself. We should sell Book One of the Basic Text, published with the same quality paper, binding, and cover you would find in a mass market paperback book, at a retail price of \$3.00. We should offer a maximum discount of 10% for large purchases of, say, more than 500 copies. Finally, we should sell the low-cost text only to fellowship buyers—N.A. members, groups, ASCs, RSCs, and local N.A. offices.

In order to be able to restrict sales of such a book to fellowship buyers only, we would have to negotiate with our largest non-fellowship customers. The U.S. Fair Trade Act requires that if a manufacturer offers one version of a product to all its customers, it must offer all versions of that product to all its customers. We would have to negotiate an agreement with our two big catalogue-house customers in order to be able to offer one version of the Basic Text only to the fellowship. We have a fair degree of confidence in the goodwill of both our major non-fellowship customers, and believe such negotiations would very likely prove successful.

Measure Two. We should reduce the production standards and costs for the current hardcover Basic Text, while continuing to sell the book at a retail price of \$8.00. When we began publishing the Basic Text, production standards were set at a very, very high level, giving our customers a book designed to last a lifetime. Some reductions in the production standards for the hardcover text could be affected without noticeably affecting the appearance of the text,

and would significantly increase available revenues from each unit sale.

Measure Three. We should reduce the production standards and costs on the softbound Basic Text (Books One and Two) even further, publishing it in the mass market paperback format, and we should sell it at a retail price of \$6.50. Currently, we sell the paperback text for the same \$8.00 retail price as the hardcover book. Consequently, in 1990, we sold only 10,745 softbound texts--only 3.69% of total Basic Text unit sales. By offering the softbound Basic Text at a significantly lower price than the hardcover book, we would almost certainly increase paperback unit sales. However, even given an increase in sales volume, we would still have to substantially reduce the paperback publishing standards and costs in order to come out ahead. But since production standards for the softbound book we currently publish are exceedingly high for the paperback market, we believe we can do so successfully.

Measure Four. We should reduce the discount rate we offer our top non-fellowship customers from 40% to 25%, while simultaneously lifting their resale price ceiling. We believe that, by allowing these customers to set their own resale price for the Basic Text, they could eliminate the impact of such a reduction in their purchase discount rate. Such a reduction in the discount rate offered our largest customer last year would have brought in close to \$148,861.20 in additional income, reducing our 1990 net loss by nearly 58%.

Measure Five. We should reduce the discount rate we offer our top fellowship customers from 35% to 30%. In 1990, while the World Service Office posted its first annual net loss, most of these customers showed income surpluses. We do not believe a 5% reduction in their discount rate would drastically affect their ability to continue serving their regions and areas.

Measure Six. We should publish a compilation of already-approved N.A. literary items in a pocket-sized *Introductory Guide to Narcotics Anonymous*, offering the book to all our customers at the same price and under the same terms as the low-cost text. Such a book would be designed particularly with the needs

of newer N.A. members in mind. We would naturally seek the assistance of the WSC Literature Committee in the selection of material for inclusion in such a volume.

Sales and printing costs would be about the same as for the low-cost text. However, because this introductory guide would be a new product, we could sell it under its own discount schedule. We would prefer not to offer any discount greater than 10% on this product. Income available from each book would be between \$1.25 and \$1.65.

Because, we believe, this product would not reduce Basic Text sales, the introductory guide would have no negative impact either on World Service Office income or local service center sales. In fact, a new item of this sort, aimed especially at newcomers, would probably generate additional sales income.

CONCLUSION

As we said before, we recognize the potential of a low-cost text to increase our fellowship's ability to carry the message to more addicts; therefore, at least in principle, we support the low-cost text. However, we must tell you that if the World Service Conference mandates production of a low-cost text without also supporting measures to mitigate the impact of low-cost text sales on WSO and RSO income, the conference will, in effect, be closing both down.

If the WSO's general financial position were better than it actually is, we might be more willing to take a drastic risk, knowing we had the resources in reserve to accommodate any dramatic shortfall in income. Unfortunately, that is not the case. Given the potentially grave impact, we have struggled to find a way to publish the low-cost text without placing the office at undue fiscal risk. We believe the six measures described at the end of this report move the risk involved in publishing a low-cost text from the "undue" to "acceptable" category of risk.

There are no certainties when examining this question, only the best opinions that we can muster based upon the facts at hand and our experience. We are confident that the participants of the World Service Conference understand that the issues surrounding a decision about the Basic Text may have a profound

effect on our ability to provide service to the fellowship. We also have confidence that the fellowship can understand the issues and make reasonable decisions as a result. We sincerely believe that we have a responsibility to address the needs of the fellowship, and will implement whatever decision the World Service Conference makes. We only request that participants come to the conference with some flexibility as it relates to this very important decision.

Section Two:
WSO Fellowship Services Division

WSO FELLOWSHIP SERVICES DIVISION

Serving the needs of a growing fellowship presents both constant and not so constant challenges to the twenty-two staff members of the WSO Fellowship Services Division. During a typical week, the staff of the Fellowship Services Division makes and receives close to four hundred phone calls, responds to over a hundred letters and requests, generates a report or two, meets with other staff and visitors, files correspondence and input, produces a thousand photocopies, fields new assignments, prepares for a committee meeting, readies material for production, reads minutes, and develops one or more publications before deadline. Everything runs smoothly--provided, of course, that the phone calls don't last over five minutes, all the equipment is functional, nobody calls in sick, the boss doesn't change his or her mind, and no one has a bad day.

Our primary concerns in the Fellowship Services Division are administration, communication, and information. Most of our departments are set up to perform two important functions: assisting world service committees and boards, and providing information to the membership at large and the general public. Explaining how we do this has been the subject of previous annual reports, but those reports did not fully explain the degree to which the office and its staff are involved in these tasks and the sometimes crucial role we are often placed in concerning the growth and development of the fellowship.

There have been many changes in the relationship between WSO staff and the various world service boards and committees. From a staff perspective, the overall involvement in world services has increased. World service committees and boards have provided specific directions for the work they want WSO staff to accomplish, and have monitored the staff's progress through completion of each project.

Matching particular staff members with the needs of each world service committee and board is a job that requires sensitivity and judgement. The relationship between the two is critical to the success of each world service project. Trying to understand how this partnership works often raises questions in the minds of our members. What about "professionalism?"

Who pays staff salaries? What about non-members working on N.A. service projects? Let's answer some of the most commonly asked questions about WSO special workers.

Currently, the WSO employs thirty-seven people; twenty-six are N.A. members, eleven are not. None of them are "professional addicts"--that is, no one is paid to twelfth-step newcomers or counsel members. Our staff is paid to do a job in accordance with the employee policies of the WSO Board of Directors. All salaries are paid from the income generated by the sale of N.A. literature and other inventory items, and from no other source.

Our non-addict staff members are as dedicated to the goals of the fellowship as our addict staff members are. Their skills and abilities have proven tremendously valuable in our work. I know it may be hard for some to believe, but our non-addict employees are often the first to speak up when we find ourselves going "off the path." They offer fresh insight on how we can better serve the needs of the fellowship. While they may not have first-hand experience of drug addiction, that does not limit them in their understanding of our mission and their appreciation of the difference Narcotics Anonymous makes in people's lives.

Each year, we have experienced some changes in staff and department assignments, but 1990 saw more change than ever before. The most significant changes had to do with development of the new WSO Special Projects Department, created to provide administrative and editorial support for the various writing projects now underway.

Although experience has taught us that the World Service Conference cannot be second-guessed, we nevertheless try to plan ahead for future conference needs. Long before last year's conference, we were already discussing how we could best serve the needs of the steps, traditions, *Guide to Service*, and daily book projects, if and when they were initiated. Should we assign responsibility for support of these projects to existing WSO departments, or should a new department be created? After consulting with our staff coordinators and the leadership of the re-

spective boards and committees, we decided to create the Special Projects Department. Of course, at that point, it was only a plan. We would have to wait for the decision of the World Service Conference before implementing it—but we were ready.

It was a simple plan—at least it *looked* simple. We would just move some current employees around and hire a couple of new ones to get the job done. Here's how "simplicity" actually works. The manager of the new Special Projects Department was selected from among our current employees, which left a vacancy in his old department. That vacancy was filled by a support staff member taken from another department; the vacancy that person left in moving to his new position was not filled. Next, we had to assign Special Projects support staff. We moved an assistant from another department, leaving that department short-staffed. Our "simple" plan had already gotten complicated.

We had the core of the new Special Projects Department, but we still needed three people with composition and editorial skills to do the actual work on the writing projects. One employee with such skills was already on staff, and we moved him into Special Projects. We announced to the fellowship that we would be hiring additional staff to fill the other two vacancies, but then discovered that our financial condition was decaying and that we might not have the money to hire both. In early July, we hired an applicant for the second newly-created position. Since we did not have the resources to hire additional staff, we were fortunate that a current employee was found to have the required skills for the third position. With everything in place, the committees responsible for the steps, traditions, and *Guide to Service* projects resumed their work. But the changes were not over.

At their June meeting, the WSO board decided not to renew our executive director's contract. The staff, already disoriented from assignment changes, had to deal with the loss of its number one leader; morale suffered badly. Then, at their July meeting, the WSO Board of Directors made a detailed examination of the total operations of the office, recommending additional staff moves. Consequently, several coordinators and support staff members were again reas-

signed, departmental responsibilities were redefined, and the two division directors were given additional responsibilities. Then, on top of all the rest, came the Basic Text controversy. Given the circumstances, it's a miracle that the office didn't explode.

We all had our initial reactions to the decision not to renew Bob Stone's contract. Many of us were forced to ask ourselves where our loyalties lay. We've had nine months to answer that question, and we want to assure you that today, as far as we are concerned, there *is* no question. Your World Service Office staff, addict and non-addict alike, is entirely dedicated to serving the Fellowship of Narcotics Anonymous and helping fulfill its primary purpose.

The greatest difficulties the WSO Fellowship Services Division faces today and in the near future are related to funds. Simply put, the staff at the office is getting smaller while the needs of a growing fellowship are getting bigger. Even when staff size was larger, there was always something more to do.

One of the main reasons we have not been able to establish an archives service is that we have never had enough staff to operate such a service, considering all the other priorities. If the fellowship desires this type of service from the World Service Office, it needs to say so clearly and provide the funds needed for trained staff, facilities, equipment, and supplies.

Another consideration related to N.A.'s archives is the actual inventory itself. Gradually, we have been collecting N.A. materials of historical significance, but by no means do we have copies of most of the pre-1980 fellowship records and documents that exist; most such material is in the private hands of individual members. Some of our oldtimers have a much better inventory of memorabilia than we do. It's true that many of them have cooperated by providing us with copies of communication, booklets, and minutes kept during N.A.'s early days. However, there are still a great many gaps in our documentary record. If we are ever to write a history about our fellowship, then we must secure such important information as soon as possible, or it could be lost forever.

As you can tell, 1990 was not a routine year. However, as the primary service center for the Fellowship of N.A., we're used to constant challenge. Since its

Inception, the World Service Office—and especially the Fellowship Services Division—has faced many challenges: its relationship to the fellowship and the leadership of the various world service boards and committees, concerns about professionalism, communication problems, and questions related to the management of information.

INFORMATION MANAGEMENT

The primary resource of the office is information; collecting it, compiling it, preparing it, and sharing it is what we do, day in and day out. Managing the large amount of information that passes through our hands every day places us in a critical position in the overall world service system. Communicating that information to others is therefore our primary responsibility. Each day, we must sort through the hundreds of phone calls, faxes, and letters that come in from around the world, determine the relative importance of each piece, and relay information to the committees and boards who need it.

Over the past seven years, the WSO Fellowship Services Division has become an important pivot point, interfacing the world service boards and committees with the fellowship at large. Often this point is where the needs of the fellowship come face to face with the services designed to meet those needs. Fellowship Services Division departments and staff act as a "valve" in our service system, passing information alternately to the fellowship and to the various world service boards and committees. This "valve" is critical to the overall health of the system; when it fails, the whole system suffers.

The events of 1990 have made it clear that the fellowship does not want the World Service Office to initiate services or direct the allocation of resources on its own. That is as it should be; the valve in this system should respond to the flow, not try to control it. But this is not always an easy balance to maintain, as the valve is sometimes in a better position to advise the system of an appropriate rate and direction of the flow. Nevertheless, the valve is dedicated to preserve the system, not itself.

Many times in the past, N.A. members have called the World Service Office and asked for a particular

piece of information, only to be told that we cannot give it to them. More times than not, we are simply implementing a policy dictated to us by one of the world service boards or committees, and do not actually make the decision ourselves to release it or not.

One such area of information management is mailing lists. Each world-level committee and board decides for itself how its mailing list is to be used. The World Service Conference, in particular, has been quite explicit in its instructions about who is to receive the RSR mailing list. These lists are treated with the utmost care, because both the fellowship and the individuals whose names are on these lists must have the greatest confidence that the lists are not being misused. We hope you understand if your request for a particular mailing list is turned down.

The World Service Office receives about one hundred and fifty requests a year to use or reprint portions of our literature. Most of these requests come from magazine writers, libraries, book publishers, and treatment professionals. We usually respond positively to these requests, under the condition that the proper source be noted and that a copy of the material it's used in be sent to us. When someone asks for permission to include the full text of a pamphlet or a Basic Text chapter, or a significant portion thereof, the request is denied. Occasionally, we get requests from other organizations or Twelve Step fellowships for permission to adapt our literature for their own use. We usually do not grant these requests, either, because of the confusion which could result. We encourage these organizations, instead, to create their own literature.

"ASK WSO"—MAIL AND PHONE QUESTIONS

One of the WSO Fellowship Services Division's primary responsibilities is to answer mail and phone questions from the fellowship and the public. This has generally been recognized as an appropriate responsibility of the World Service Office. Keeping track of all these requests can be overwhelming, even when you are doing it full time. Occasionally, messages and communications get lost. We apologize if this has happened to you or anyone you know. We do not deliberately refrain from responding to any request for information. If you or anyone in your re-

gion has not been given a response to a request for information from the World Service Office, please let us know.

In some ways, our receptionist has the most important job of all at the World Service Office. Dee Price answers all the phone calls, opens all the mail, and makes sure they all go to the right departments. Just about all the information requests and inquiries we receive are routed to one or more of the departments in the Fellowship Services Division, who then respond either by relating routine fellowship experience on the matter or, when necessary, by developing an individual response. Sometimes the request or inquiry requires us to consult with a particular world service board or committee prior to responding, but usually a response is sent out relatively shortly after receiving it, with a copy sent to the appropriate trusted servant(s). The following describes in some detail the range of queries we received this past year.

The **WSO Public Information Department** responds to requests from local P.I. and phoneline subcommittees for service information. Specific P.I. service inquiries this year have included requests for: results of the N.A. member survey; WSC P.I. Committee participation in local learning days; guidance in cooperating with the media at conventions; complimentary literature when a local P.I. subcommittee cannot afford to purchase what is needed; guidance in doing P.I. presentations; and advice on policy-type questions ("court cards," subcommittee guidelines, clean-time requirements, anonymity breaks).

In addition to information services provided to the fellowship, the WSO Public Information Department responds to inquiries from medical professionals, the legal community, educators, the media, and a variety of other interested parties. Inquiries usually consist of requests for statistical information about number of meetings and members, general information about what N.A. is, and local N.A. meeting and contact information. We send N.A. literature and general information paks in response to most inquiries.

We sometimes follow inquiries up further by coordinating contact between the inquirer and either the local P.I. subcommittees or the WSC P.I. Committee.

For instance, if a media representative contacts the World Service Office, that representative may be referred to a local P.I. subcommittee. WSO staff tracks all correspondence related to that referral, maintains a media log, and files copies of resulting newspaper articles or broadcast interviews.

In addition to cooperating with professionals and other agencies, the WSO spends some time fielding phone calls and answering correspondence from people who request assistance that is outside the scope of what Narcotics Anonymous does. For instance, we receive requests for recommendations and referrals to treatment centers, urinalysis, offers of government grants, requests to participate in lobbying activities, and occasional requests from folks who mistakenly believe we are a drug enforcement agency. The World Service Office responds to all of these requests with clarification of N.A.'s primary purpose and the boundaries within which we operate.

One of the primary responsibilities of the **WSO Trustee Support Department** is to respond to phone inquiries about the traditions. This has required lots of questions of the trustees, attending their meetings, reading past correspondence, studying the present board's interpretations of the traditions through attendance at the combined meetings of the trustees and the WSB Traditions Ad Hoc Committee, and a thorough reading of transcripts of meetings. Understanding how the World Service Board usually responds to such questions and providing an adequate response to those members who call requires a fairly large portion of the Trustee Support Department's time.

Letters to the **WSO Groups Services Department** cover just about any topic you can imagine. Anything that does not relate specifically to one of the WSC boards or committees is given to Group Services. In addition to letters, much of the Group Services staff time is spent on the phone answering questions. Many times, we recommend taking issues and questions back to the area or region for discussion and resolution. It is not up to the WSO Group Services Department to solve every fellowship problem or give direction, only to provide information.

The WSO Group Services Department handles an average of two hundred letters and requests for material each month. This is a slight decrease from last year's average of 250 to 300 pieces per month. This can be looked at either in a positive or negative light. The reduction in correspondence could indicate that area services have developed to the point where new groups are becoming involved right away in their nearest ASC, and so do not need to ask the World Service Office for support. On the other hand, the reduction might mean that there is less interest in starting new meetings or receiving information about our fellowship. The Group Services Department prefers to take the positive view, and believes that N.A. groups are now getting better support and direction than ever from experienced members of their own N.A. communities.

As we've said, the Group Services Department handles correspondence and phone calls on a variety of subjects. We have listed them so that you may get a better understanding of what this department does. The following categories are a sample of the types of subjects we handle:

1. Requests for starter kits, conference-approved handbooks, and workbooks. Assemble and mail all group starter packets and information packets, including information about how to obtain N.A. conference-approved literature.
2. Breaking or compromising of the traditions, and requests for suggestions to assist in resolution.
3. Babysitting during meetings, and how this fits in with the traditions.
4. Open and closed N.A. meetings, and whether children can attend closed meetings.
5. How to register new groups and receive a group code number.
6. How to chair a meeting, and what kind of format to use.
7. Fundraising events, and whether it is acceptable to hold them.
8. Whether the Lord's Prayer is acceptable for use in meetings--and, if not, what other prayers or readings can be used.
9. Discussion of A.A. and the Big Book during N.A. meetings, including questions on our relationship to A.A.
10. Accepting money from outside enterprises.
11. Questions from parole officers, medical professionals, and family members about Narcotics Anonymous.
12. Requests for publications, catalogues, and order forms available through the office.
13. Questions about *The Group Booklet*.
14. "Fund flow" and how it works.
15. Requests for information pamphlets in different languages.
16. Requests for contact information and helpline numbers around the world.
17. Requests for area, regional, and subregional guidelines, including requests for various subcommittee guidelines.
18. Our Basic Text and how it applies to us.
19. How to get people more involved in service at all levels.
20. Questions about the *Temporary Working Guide to our Service Structure* and how it applies in certain situations.
21. How agencies, treatment centers, or churches can start meetings while keeping within the Twelve Traditions.
22. Requests for letters of encouragement to members who are going through rough experiences in recovery.
23. The relationship of N.A. to Nar-Anon and Families Anonymous.
24. Anonymity and anonymity breaks.
25. Clubhouses and the traditions.
26. Answer Spanish speaking phone calls regarding assistance in recovery or group needs.
27. Requests for information from family or loved one of someone who has a drug problem.
28. Questions about N.A. history.
29. Tax exemption and tax I.D. number information.
30. Requests for the mailing list to contact world and regional trusted servants, including subcommittee contacts.

Developing N.A. communities have many of the same kinds of questions handled by the Group Services Department. These questions are referred to the **WSO International Department**. Questions received this past year include:

1. Questions from members
 - a. Once elected, what are my responsibilities? I do not know what to do. (Panama)
 - b. What is meant by clean time from the WSO's point of view? (Venezuela)
 - c. What is the best method for delivery of literature without waiting six months for the material? (South Africa)
 - d. Can WSO help with my smoking/drinking habits and family problems and marriage? (South Africa)
 - e. Requests for meeting information, literature, key tags, medallions, audio-visual aids, international contacts and meetings, general information on drug abuse. (All-except Germany, U.K., Canada, and Ireland)
 - f. Do you have any new literature projects or anything we can become involved with? (Hong Kong)
 - g. Members have trouble handling money. Treasurer asks if we have any suggestions to build confidence in this area? (Trinidad)
 - h. Do you have any scientific information on drugs? (Spain)
 - i. How do you form an area committee? (Trinidad)
 - j. Is it okay to be affiliated with a treatment center? (Unknown source)
 - k. What do you do if someone comes to a meeting loaded? How do you handle a chronic relapser? (Grenada)
 - l. I am doing the Fifth Step and I am scared. Any suggestions? (Mexico)
 - m. I am the appointed representative of an N.A. group. What am I supposed to do besides follow the steps? (Panama)
 - n. Member mentions that a doctor friend wants to know whether to prescribe medication to addict patients? (Germany)
 - o. Requested by-laws and *Guide to Service* in Italian. (Italy)
 - p. Requested speaker tapes in Spanish. (Spain)
 - q. Request for input and guidelines re. which activities are suitable for raising funds for N.A. (India)
 - r. What can be done about funds collected in N.A. name rather than donations? (India)
- s. Do you have a list of Institutions who train counselors? (India)
2. Questions from treatment centers, organizations, foundations
 - a. We have started a meeting and would like a Group Starter Kit. (South Africa)
 - b. I would like permission to reproduce I.P. #7 "Am I an Addict?" (Ghana)
 - c. Requests from universities and students for information about N.A., Group Starter Kits, Basic Text. (Nigeria)
 - d. Request for information on drug abuse for educational purposes in elementary and high schools. (Nigeria)
 - e. Foundation wants information on Twelve Steps and Twelve Traditions because of rampant use of drugs. (Philippines)
 - f. Counsellor with Anti-Narcotics Association requests information on starting a group, success rate, literature. (Singapore)
 - g. From a mission, a request for information on recovery from addiction for addicts who are living with HIV infection and AIDS. (Australia)
 - h. Doctors request information on drug abuse prevention, counselling, and rehabilitation. (India)
3. Questions from families
 - a. General information about drug addiction.
 - b. Request for addresses of organizations and institutions that can be visited to get an idea on how to open a drug-alcohol rehabilitation and vocational center. (Nigeria)
 - c. A 28-year old son has been on drugs for seven years and needs help desperately. (USSR)
4. Questions re. translations
 - a. Requests for guidelines as they are about to start translating. (Belgium and The Netherlands)
 - b. Questions on publications regarding royalties and what authorization is required. (Hungary)
 - c. An organization called OBOR asked for permission to translate/adapt the Basic Text in the languages of Pakistan, Indonesia, and Thailand. (From Connecticut, U.S.A.)

5. Questions re. N.A. structure

- a. How do you get a group going by following the structure and traditions? How do you keep from becoming discouraged when there are only two members in the group? (South Africa)
- b. Requests for information on Twelve Traditions, advertising, and permission to print pamphlets and White Booklet. (South Africa)
- c. Want guidance re. distribution of literature they received.
- d. A new area requests help in the form of guidelines for an area; ideas both pro and con about regional affiliation. (Bahamas and Bermuda)
- e. They have doubts and difficulties in understanding the difference between a suggestion and a rule. Want clarification. (Puerto Rico)
- f. If you know a lot of groups are operating independently of one another, how can you get the groups into a more wholesome organization-- i.e., more affiliation with WSO, unity, etc. Any guidelines or suggestions? (Trinidad)
- g. Advice on how to deal with conflicts that arise with NA/AA, Big vs. Basic and alcoholic/addict without causing unrest or disunity. (The Netherlands)
- h. Would you like to start a service structure in our country? (India was one example)

The WSO Hospitals and Institutions Department responded to 1708 pieces of correspondence this past year from addicts as well as professionals in treatment and correctional institutions. In addition to correspondence, we received numerous phone calls asking many of the same questions we received by mail. The types of questions and requests for assistance we received are as follows:

1. Addicts in correctional or treatment facilities:

- a. Requests for literature
- b. Requests for outside support
- c. Penpal and/or sponsor contact
- d. How to establish and run a meeting if no outside support
- f. How to find meetings once released
- g. Request for *Reaching Out*
- h. Please help me

2. Professionals working in the corrections or treatment field:

- a. Request for literature
- b. Request for outside support
- c. What is N.A. and what is H&I?
- d. Meeting information
- e. How to establish and run an N.A. meeting without outside support
- f. Literature to establish a library
- g. Personal contact/sponsor for individuals
- h. N.A.'s success rate (statistical information)

3. H&I subcommittees or subcommittee members:

- a. How can we get better support?
- b. Request for literature to augment subcommittee budget
- c. Information on learning days
- d. Support for learning days
- e. Status of current WSC H&I Committee projects
- f. Requests for additional copies of *Reaching Out*
- g. How to register area/regional H&I subcommittee
- h. History of H&I
- i. What are the correct priorities for H&I subcommittees?
- k. How do we approach a facility when it abuses our traditions?
- l. Why does it state in the H&I handbook, "men with men, women with women?"

WORLD SERVICE CONFERENCE COORDINATING SERVICES

The World Service Office began providing administrative and support services to world service committees and boards in 1984. As demands on the conference grew, we expanded our support to include assistance in almost every area of responsibility. In the early years, the relationship between the office and the conference was often tenuous at best, and at times created a great deal of concern. But as we matured in our understanding of one another and the different roles we play, the conflicts diminished.

The WSO Fellowship Services Division provides a number of services related to general conference operations, assisting the WSC Administrative Committee and the Joint Administrative Committee. For in-

stance, we are responsible to coordinate the compilation and production of each issue of the *Fellowship Report*. To do this, drafts of reports from each individual board or committee must be prepared and sent for review to board or committee chairpersons. Once these are complete, a draft of the complete *Fellowship Report* is sent to the chairpersons of the WSO Board of Directors, the World Service Board of Trustees, and the World Service Conference for final comments. Often, there is more revision at this stage. Each issue takes about two weeks to prepare, from initial drafts to final copy. The same kind of work is done on the annual *Conference Agenda Report*.

The Fellowship Services Divisions is responsible to coordinate logistical arrangements and staffing for the conference's twice-yearly "quarterly" workshops. This task involves a lot of communication. First, World Service Conference committee and board chairs need to develop their agenda and determine what they will need for their meetings and forums. The WSC Administrative Committee then plans the event and sets the agenda. The World Service Office secures a facility, space is allocated, travel arrangements are made, and conference participants are notified. There are always some unexpected problems along the way, and modifications must be made during the process. All of this communication is facilitated by World Service Office staff.

The WSO provides administrative support for the annual meeting of the World Service Conference. The work involved is much the same as for "quarterly" planning, with some added twists. The event is longer and planning is more extensive, including arrangements for equipment, supplies, and food. All World Service Office staff have assignments during conference week, some at the meeting itself and others at WSO facilities.

We assist the treasurer of the World Service Conference in preparing and administering the conference budget. While much of the assistance required for this assignment is provided by the WSO Accounting Department in the Support Services Division, there is a significant amount of communication which must be coordinated by the Fellowship Services Division. Preparation of reports to the Joint

Administrative Committee, the WSC Administrative Committee, and other conference participants involves research, phone calls, revisions, editing, and much more. Preparation of budgets or spending proposals also requires a great deal of interaction with world service board and committee leadership. All of the communication, and the assembly of final information, is coordinated by the World Service Conference treasurer, with assistance from the World Service Office.

In addition to providing support for general conference operations, the WSO Fellowship Services Division also provides coordinating and support staff support for each world service board, committee, and ad hoc committee, including:

World Service Board of Trustees

WSB Internal Affairs Committee

WSB External Affairs Committee

WSB Literature Review Committee

WSB Ad Hoc Committee, Twelve Traditions

WSC Policy Committee

WSC Literature Committee

Ad Hoc Committee, Twelve Steps

Review Panel, Dally Meditation Book

WSC Public Information Committee

WSC Hospitals and Institutions Committee

WSC Ad Hoc Committee on N.A. Service

WSC Ad Hoc Committee on Isolated

Groups/Meetings

Board and committee members utilize the WSO and its staff as a central point for coordination of their projects. The tasks involved in world service committee and board support are varied and extensive. First, we assist with correspondence and clerical duties. Typing, filing, photocopying, distribution, and logging for all world service board and committee correspondence and reports are handled by our division's departments. Incoming correspondence is forwarded directly to board or committee chairpersons, along with draft responses when appropriate. When the letters are complete, we mail them to all designated individuals.

Communications registers are kept for most boards and committees. These registers can be quite detailed, containing lists, by day, of all correspondence received along with action taken on these letters.

Records of correspondence and input files are organized so that information is readily available to members of each committee or board.

Departments in the Fellowship Services Division are responsible for maintaining the minutes of their corresponding boards and committees. Meeting minutes are mailed not only to all members of each committee, but to all conference participants. Additionally, in many departments, there are regular monthly mailings to the World Service Board of Trustees, the WSO Board of Directors, the WSO Administrative Committee, conference participants, and the fellowship at large.

Fellowship Services departments assist in the preparation that must take place prior to each board or committee meeting. After reviewing the minutes from the most recent meeting, a draft agenda is compiled, which is then reviewed and revised by the board or committee chair. After the agenda is approved, supporting material for each agenda item is compiled and mailed to each board or committee member for review prior to the meeting.

Some of the work of the conference boards and committees is conducted by conference call. These calls are held between regularly scheduled meetings to clarify issues or discuss matters of urgency. They are arranged and scheduled by the WSO Fellowship Services department coordinators. If needed, minutes of these calls are taken by the coordinators.

Most department coordinators have regular meetings with the chairpersons of their corresponding boards or committees to discuss a wide variety of topics: monthly budget updates, draft correspondence replies, phoned-in service questions, draft minutes, and reports and articles being prepared. Short synopses of these meetings are usually kept on record so that all the members of each board or committee can be updated on issues that are being discussed.

Our coordinators often help prepare various reports coming from their corresponding boards and committees. First, an outline or initial draft is prepared, either by the coordinator or the board or committee chairperson. Then the report is assembled, formatted, and edited for clarity and punctuation. Any

problems with the second draft--such as lack of research, excess verbiage, possible reader impressions of certain phrases or passages--are discussed. The report is given a last review. Finally, it is copied and distributed.

Department coordinators are responsible for much of the administrative work related to their corresponding boards and committees, including budget-related paperwork. Board and committee budgets are drafted for the chairpersons' review, and budget expenses are tracked through the course of the year. All requests for disbursements and all expense reports for each board and committee are processed through the various departments of the Fellowship Services Division.

Department coordinators also assist in scheduling and other arrangements for board and committee travel, especially important for trips outside the United States. This includes researching past contacts with any N.A. members in a given country, whether any world service personnel has traveled there in the past, and reasons or requests for a visit by members of the local N.A. community. Coordinators gather whatever information might be needed for these trips, such as supporting documentation, articles, or translation policies, along with contact and meeting information for the countries to be visited.

All of these duties are performed by all those departments in the WSO Fellowship Services Division which work with corresponding conference boards or committees. These departments include:

- Assistant division director's office
- WSO Trustee Support Department
- WSO Literature Department
- WSO Public Information Department
- WSO Hospitals and Institutions Department
- WSO Special Projects Department

The **assistant division director** is responsible for overall coordination of most of the Fellowship Service Division's conference-related activities. He assesses conference actions in order to determine work assignments for the various department coordinators, implements administrative decisions related to world service projects, helps coordinators develop work-

plans for accomplishing board and committee tasks, and assigns staff to each Fellowship Services department according to work priorities. In addition, the assistant division director provides direct administrative support for the WSC Administrative Committee, the Joint Administrative Committee, and the WSC Policy Committee.

The **WSO Trustee Support Department** has been very busy this year. The trustee committee system has increased World Service Board activity. As a result, this WSO department has had a great deal more work to do than last year.

The **WSO Literature Department** provides a tremendous volume of administrative support services to the WSC Literature Committee. For instance, this year, the committee made over 174 area and regional literature committee assignments. Many of those assignments required three interim reports as well as the final work from these committees. All of these reports had to be logged in, copied, and mailed to each member of the WSC Literature Committee. This is just one small example of the total administrative job performed by our Literature Department. The WSO Literature Department staff also works closely with the WSO Support Services Division on production of any literature item. This includes initial formatting, copy editing, and proofing.

The **WSO Public Information Department** coordinated the various projects undertaken by the WSC P.I. Committee this year. The past year has produced the results of the N.A. member survey, an informal poll which appears in an approval-form pamphlet, *N.A.—A Resource in Your Community*. Office staff worked closely with the WSC P.I. Committee in developing this pamphlet, utilizing the knowledge they had gleaned from contact with the professional community. In developing P.I. service tools, office staff must collate and organize fellowship input received during the review and approval phases. The P.I. Department also coordinated production of such items as the helpline poster, and made the logistical arrangements for adding closed and open captions to N.A.'s video PSAs.

WSO Hospitals and Institutions Department staff assisted and coordinated the WSC H&I Committee's

projects, including assistance with two learning days presented during WSC quarterly meetings. Staff support was given the committee in completing its work on a subscription plan for the *Reaching Out* newsletter. Regular communications with the California Department of Corrections and the American Correctional Association, initiated on the committee's behalf the previous year, were continued. We also assisted in arranging learning day travel for committee members. In June 1990, a change was made in coordinating staff. Several changes in support staff also occurred during the year, which at times caused a breakdown in services to the WSC H&I Committee and area and regional H&I subcommittees.

The WSO H&I Department coordinator, with one additional staff member, assisted the WSC Ad Hoc Committee on Isolated Groups/Meetings in completing its assigned task prior to the 1991 World Service Conference. This included the mailing of a questionnaire to all registered areas and regions.

As mentioned earlier, the **WSO Special Projects Department** was created to fulfill two primary purposes. First, Special Projects staff provide administrative and editorial support for the three ad hoc committees working on the major writing projects--the steps and traditions portions of *It Works, How and Why*, and *A Guide to Service in Narcotics Anonymous*. Second, Special Projects staff provide writing and editing services to other departments of the World Service Office, including the editing of various fellowship periodicals. In addition to the above-mentioned responsibilities, the staff of this department assisted in the development of various corporate correspondence, as well as a number of articles written on behalf of various conference committees and boards.

The department was initially composed of five WSO staff members. The loss of one of our three writer-editors, and the WSO's inability to hire a replacement due to lack of funds, greatly hampered the department, and additional WSO staff members were requested to help out with the work assigned. In some cases, support from this department to various projects was reduced due to a lack of adequate skilled staff.

NON-CONFERENCE SERVICES

Each department in the WSO Fellowship Services Division has some direct contact with the general public and the fellowship. However, some of the WSO departments and services are more specifically geared to providing information about N.A. and coordinating work with local subcommittees and members. Generally speaking, these departments have no direct interaction with a specific world service board or committee.

The clearest example of such a department is the **WSO Group Services Department**. This department has been subject to more staff changes in the last year than any other, with three coordinators serving successively: Freddie Aquino, now coordinator of the H&I Department; Vandy Andersen, who recently moved back to Washington State; and Hollie Arnold, the current department coordinator.

Over this past year, in an effort to reduce costs while still providing necessary services, several minor changes have been instituted in the Group Services Department. In the past, anyone who sent in a request for information was automatically sent a group starter kit. This year, more attention has been paid to whether the request was just for information about our program or whether it was actually a request for a starter kit. As a result, there has been a decrease in the number of starter kits being mailed out in comparison with last year's figures. Last year, we sent out more than 2100 kits; this year, 1350. At the same time, there has been an increase in the amount of general information packets being mailed out. The general info kit is a smaller, less expensive mailer. This has significantly decreased the cost of mailing for this department, without any discernable decrease in the number of new group registrations being received.

The WSO Group Services Department receives minutes from many areas and regions. The minutes are reviewed by staff for any problems—or solutions to problems—that will assist us in answering the questions we receive from members and local service subcommittees. We encourage ASCs and RSCs to continue sending us their minutes.

We also would like to request updated service committee guidelines and subcommittee guidelines. The guidelines we presently have in our files for copying to members, areas, or regions need to be updated so that we can send out the most up-to-date information available.

A "Guide to the WSO" was developed this year, and is available on request from the office. It is now included in every starter kit we mail out. It gives a brief overview of the departments here at the office so that members will be able to ask for the appropriate department when they call or write.

Probably the most important Group Services project currently underway is the group registration drive. A letter was mailed to all known ASCs and RSCs in mid-January 1991 asking for correct contact information for their service committees. At the end of February, we sent a letter containing group registration update forms to all registered ASCs. It is our hope that most N.A. groups will register with the World Service Office. This registration drive is being undertaken for a variety of reasons, not the least of which is to provide an accurate accounting of the number of groups in our fellowship that can be used by public information subcommittees in their presentations about Narcotics Anonymous. Over the past few years, we have only been able to "guesstimate" our actual number of meetings. This has not been completely satisfactory, but has been the best we've been capable of with the information at hand. We hope to correct this through the group registration drive.

The **Loner Group** continues to provide support and encouragement to physically and geographically isolated N.A. members. This year, the Loner Group has over 1100 members, approximately 195 of whom are themselves loners. The balance are Loner Group "sponsors," members with regular access to N.A. meetings who've made a commitment to write and share their recovery with isolated members. Letters are received daily from members requesting to be placed on the Loner Group mailing list. *Meeting by Mail*, the Loner Group newsletter, is a vital part of the group's life. The newsletter publishes member's letters and addresses, anniversary announcements, and other items of interest.

The WSO Public Information Department does as much work with area and regional P.I. and phonline subcommittees, the fellowship at large, and the general public as with the WSC Public Information Committee, if not more. In addition to coordinating the work of its corresponding committee, the Public Information Department maintains a database listing of local P.I. and phonline trusted servants. Currently, more than 1000 individual names and addresses are included in this database. The WSO receives approximately thirty-five new registrations each month, which are followed up with a package of information created specifically for P.I. subcommittees.

When members involved in P.I. or phonline service request information, whether by mail or telephone, Public Information Department staff now have a series of service bulletins they can provide. These service bulletins, developed over the past year, address a variety of issues: starting a P.I. subcommittee, developing subcommittee guidelines and operating procedures, and various P.I. responsibilities. WSO staff compiled input and experience from dozens of area and regional P.I. subcommittees into clear and understandable language, published in an easy-to-read format. These bulletins replace obsolete resource material formerly on our inventory. The office mails approximately forty of these service bulletins each month, and is currently organizing fellowship

experience and input to create additional material.

The P.I. Department reviews minutes from approximately fifty area or regional P.I. and phonline subcommittees each month. These are an invaluable source of information and experience from the fellowship, and help department staff answer questions from local trusted servants.

The Public Information Department maintains additional files on a variety of topics related to P.I. or phonline service. When staff is aware of a need for information about a particular topic, and no written material exists, an effort is made to seek out the experience of local P.I. and phonline subcommittees, and the WSC P.I. Committee leadership is informed of the need. For instance, the last decade has brought a host of new technologies related to phonline. WSO staff is currently requesting and compiling information on voice mail, Wide Area Telephone Service lines, and electronic paging systems. It is hoped that this effort will result in a service bulletin outlining various N.A. phonline options.

For the past several years, the WSO Public Information Department has compiled the *P.I. News*, a quarterly newsletter, drawing ideas and input from various sources. Although primarily a vehicle by which the WSC P.I. Committee reports its own activities to the fellowship, this newsletter also consists of announcements from the Public Information Department of new P.I. service tools, upcoming learning days, and professional conferences in which N.A. will participate, and essays from local subcommittees on topics of current interest.

As discussed earlier in this report, the Public Information Department has regular contact with media representatives and professionals interested in Narcotics Anonymous. All media contacts and stories from the past two years have been recorded in a database that will be used in a newsletter to professionals, currently under development. This newsletter has been discussed conceptually by the WSC P.I. Committee for the past two years, and the committee has conveyed to us a clear idea of what kinds of information should be included in such a newsletter. A prototype of this publication has been developed by office staff per the direction of the WSC P.I. Commit-

Public information bulletins and sample kits:

- * Your public information subcommittee-- getting it going, and keeping it going
- * Public relations and the traditions
- * N.A. public information-- an *N.A. Way Magazine* feature article
- * Sample area and regional P.I. guidelines
- * Public information contingency plans-- samples and experience
- * Sample phonline and meeting list fliers
- * Experience with billboards and busbench signs

For bulletins and sample kits, write:
 WSO Public Information Department
 P.O. Box 9999
 Van Nuys, CA 91409
 U.S.A.

tee, and is now being distributed to the committee working group assigned to review it.

Since 1986, the Public Information Department has been responsible for coordinating participation in non-N.A. events. During the last year, we have become increasingly selective in choosing which non-N.A. events to take part in. This year, we were asked to attend 112 national or international conferences, either as exhibitors or presenters; we took part in only sixteen. Although we still attend the most significant events, we have declined participation in many events we had previously taken part in, especially those hosted by organizations with only a marginal interest in addiction and recovery.

As participation requests are received, they are screened by Public Information Department staff. Some requests are received from organizations that have little to do with either addiction, treatment, or recovery. However, when we receive notice of events hosted by organizations which provide services to addicts, or by societies of treatment industry administrators, those notices are sent either to the nearest regional P.I. subcommittee or to the leadership of the WSC Public Information Committee for review. For events requiring participation by the WSC P.I. Committee, we have to check to see whether any committee members will be available to attend. We also have to consider how much participation will cost (registration fees, transportation, literature distribution), and measure that cost against the event's relative importance.

Normally, participation in non-N.A. events is contingent on the interest and resources of the nearest regional P.I. subcommittees. This is because, while some events (presentations only) involve just the WSC P.I. Committee, most events also require attendance by local members who will staff the booths, answer questions, and provide information about local N.A. services. Without regional participation, there is little benefit in taking part in such events.

WSO Hospitals and Institutions Department. There are currently five hundred registered regional and area H&I subcommittees, twenty-one more than last year's report showed. While these subcommittees do the bulk of H&I work in their respective re-

gions and areas, the WSO Hospitals and Institutions Department continues to receive an increasing amount of correspondence from addicts in an institutional setting. In addition to the literature supplied by the WSC H&I Committee, the WSO also provided \$1,400.00 worth of literature in 1990 to institutional groups and members.

The WSO H&I Department also collates input, prints, and mails over ten thousand copies of the WSC H&I newsletter, *Reaching Out*. With the creation of a *Reaching Out* subscription plan, the H&I Department will become responsible to handle anything associated with the subscriptions.

WSO INTERNATIONAL SERVICES

Before we can talk about the international work of the WSO Fellowship Services Division, we need to understand what Narcotics Anonymous is like outside North America. On this and following pages, you'll find sidebars showing the numbers of weekly meetings being held in various places around the world. Figures shown are from data compiled on September 28, 1990, and are only approximate.

The growth of the international fellowship began some years ago. As reported at the World Service Conference in 1986, at that time there were approximately 540 meetings existing in thirty-four countries;

Meetings in EUROPE	
Austria	2
Belgium	7
Denmark	3
Finland	4
France	23
Germany	63
Greece	4
Ireland	31
Italy	34
The Netherlands	3
Norway	6
Portugal	18
Spain	21
Sweden	31
Switzerland	11
United Kingdom	226
USSR	3
TOTAL	490

most of those countries had fewer than half a dozen weekly meetings each. At that same conference we reported a total of 6,000 meetings in the United States. Using our best estimates for the beginning of 1991, the fellowship in America has almost tripled in size to approximately 16,000 meetings, while the fellowship outside the United States has quadrupled to over 2,100 meetings. N.A. recovery has now found its way into a total of sixty-four countries as well as the U.S. territories of Puerto Rico, the Virgin Islands, and Guam.

We expect that, in the next two years, there will be a significant increase in the number of meetings being held outside the United States. Mexico, Central America, and South America all have the potential to double and even triple in size. Europe is projected to grow at a more moderate pace, but will almost certainly double in size. The Caribbean is gaining strength. Africa is awakening. And we cannot even begin to assess the possibilities for N.A. growth in the South Pacific, the Middle East, and India.

If we step back and look at American N.A. over the last ten years and evaluate the problems that community has experienced, even without the barriers of

Meetings in SPANISH AMERICA

Argentina	3
Bolivia	7
Colombia	86
Costa Rica	5
Ecuador	8
El Salvador	2
Guatemala	9
Honduras	1
Mexico	50
Panama	15
Peru	28
Puerto Rico (U.S.)	40
Uruguay	1
Venezuela	1
TOTAL	256

Meetings in BRAZIL 69

language, standard of living, culture, and customs to impede growth, we can begin to see the larger picture. Each of the countries we establish ourselves in will face many of the same problems the fellowship in the U.S. faced, and more. Many of these problems can be dealt with adequately through the efforts of the local membership, but not all. The overall success of N.A. outside the U.S. depends on two factors: the courage and resourcefulness of our international members, and the commitment of both the World Service Conference and, specifically, the fellowship in the United States to provide continued financial and emotional support.

Personal contact is an important part of connecting the members in these countries to N.A. as a whole. As controversial as travel has been in the last few years, it has been necessary. The value is not always seen right away, but it affords us a comprehensive experience that cannot be obtained otherwise. Our travels this past year have taken us to N.A. communities in Colombia, India, Egypt, Europe, Israel, Singapore, Australia, and New Zealand. Prior to each trip, the leadership of each of the three world service arms was consulted. Everyone involved discussed the need as well as the expense of these trips.

Background information on file (including any communication, minutes, and personal contact that we have) only gives us a limited perspective on the actual situation in each of these N.A. communities.

Meetings In ASIA

Hong Kong	1
Japan	31
Singapore	1
South Korea	3
TOTAL	36

Meetings in AFRICA

Kenya	1
South Africa	6
TOTAL	7

Meetings In the MIDDLE EAST

Bahrain	1
Egypt	2
Israel	23
TOTAL	26

Meetings on the INDIAN SUBCONTINENT

Bangladesh	2
India	53
TOTAL	55

Meetings in CANADA

Alberta	89
British Columbia	117
Manitoba	15
New Brunswick	31
Newfoundland	3
Nova Scotia	33
Ontario	212
Prince Edward Island	7
Quebec	207
Saskatchewan	29
Yukon	3
TOTAL	746

We usually find out much more upon our arrival. Oftentimes, interpersonal relationships provide a great deal of insight into local problems. As most of you are aware, N.A. experiences its share of the "guru syndrome," and the effects of this phenomenon are amplified in many isolated N.A. communities. Mainstream cultural and religious influences effect the growth of the N.A. community. Ethnic background, social status, and gender effect the way individuals--and individual addicts--are treated in some countries. In many places, social mores prohibit or restrict N.A. from reaching women addicts, the poor, or the dark-skinned members of those societies. Only by visiting these N.A. communities and talking with their members can we learn about the things we need to know before we can effectively serve them.

Another crucial way in which world services--and the World Service Office--have provided much-needed support to developing N.A. communities has been our strong commitment to make N.A. literature available at a reduced price or free of charge to those countries who otherwise would not be able to afford it. While sitting in an N.A. meeting in North America, it may not be easy to understand that conditions exist in other countries and cultures that prevent our principles of self-support and anonymity from being fully realized. These are not conditions that N.A. can change or negotiate; these are conditions we must learn to live with, as we have learned to live with the restrictions associated with N.A. groups in American correctional facilities.

Our members in developing countries are not looking for a handout, by any means. In fact, they

strive very hard to achieve the ideals of our traditions, including our tradition of self-support. By providing free or reduced-price literature to developing N.A. communities, world services gives them the breathing room they need to concentrate on strengthening their recovery, their groups, and their local services. Given time, some of these developing communities will succeed in becoming fully self-supporting, but many others will not.

Direct gifts and price reductions for N.A. literature are two ways to get books and pamphlets to developing N.A. communities. The European Service Office and literature publication license agreements are two additional methods we have used to try and make our literature less costly to produce and distribute outside North America. However, these latter means have not proven to be all we hoped when we first started using them.

A few years back, we developed provisional publication license agreements with four N.A. communities. The license agreements initiated in 1987 with N.A. communities in the United Kingdom, Germany, Ireland, and Australia provided those communities with literature at cost from the World Service Office, and permitted the production of I.P.s in those countries. The Basic Text was never produced by any of the licensees. Some of the particular provisions of those agreements were implemented at various

Meetings in the SOUTH PACIFIC

Australia	236
Guam (U.S.)	3
Malaysia	1
New Zealand	83
Philippines	10
TOTAL	332

Meetings in the CARIBBEAN

Antilles (The Netherlands)	4
Bahamas	28
Barbados	3
Bermuda	4
Jamaica	7
Santa Lucia	3
Trinidad	18
Virgin Islands (U.S.)	15
TOTAL	82

times, but none of those agreements were ever ratified in full. The royalties called for under the agreements were never paid to the World Service Office.

Even after revision to the original agreements, primarily to the section dealing with the fixed percentage of royalty payments due the World Service Office, several problems remained. Most notable of these problems was the fact that the vast majority of N.A. members in those countries had no knowledge of the licensing arrangements that had been made on their behalf, and thus did not have sufficient understanding of the need for their N.A. community's full support of their own publication and distribution program. Other problems included a lack of committed manpower, small markets, and difficulties with getting the proper legal registrations in the countries of operation. Meanwhile, we provided these N.A. communities with literature at our cost—and, in some cases, below our cost. The difference between our price to them and their selling price to members, rather than

being applied to their WSO literature debt, became their national service operating revenue. In the United Kingdom, that debt rose as high as \$17,709.00. As those debts continued to mount, the WSO Board of Directors became increasingly concerned about the license agreements.

In December 1989, all four publication license agreements expired. At that time, the WSO board instructed staff to discuss some alternatives to the license agreements with the service office boards in those countries. After several visits and some difficult negotiations, the WSO Board of Directors agreed to initiate sales agreements with the Irish, Australian, and British N.A. communities, rather than outright publication license agreements. The license agreement with the Germanspeaking Region was continued, pending publication of the German-language Basic Text. Additionally, the board decided to write off the debt that had accrued during the life of the U.K. license agreement. The board set new prices for literature sold to the U.K. Service Office and Australia's Fellowship Service Office, prices that were generally consistent with those charged medium-sized fellowship purchasers in the United States. The Dublin office would be charged at cost for literature delivered to them. The price schedule quoted in all four agreements will be jointly reviewed annually. We hope these arrangements will prove both practical and helpful in distributing reasonably-priced N.A. literature to the fellowship in Europe and the South Pacific.

TRANSLATIONS

Basic Text

Arabic *in progress*
 French
 German *in progress*
 Hebrew *in progress*
 Portuguese (B&C) *in progress*
 Spanish *in progress*

White Booklet

Dutch/Flemish *in progress*
 French
 German
 Portuguese (Continental)
 Russian *in progress*
 Spanish

Group Booklet

Dutch/Flemish *in progress*
 German *in progress*
 Portuguese (Continental) *in progress*
 Russian *in progress*

Who, What, How, and Why (I.P. #1)

Dutch/Flemish *in progress*
 French
 German
 Hindi *in progress*
 Mandarin *in progress*
 Portuguese (Continental)
 Spanish

TRANSLATIONS

Printing, selling, and distributing N.A. literature is one thing; translation is something else. Translation of N.A. material into languages other than English is one of the more sensitive activities coordinated by the World Service Office. This year we have made a concerted effort to expand our efforts, improve our quality, and clarify our policies. As of this year, N.A. literature has been translated, or is being translated, into Arabic, Dutch/Flemish, French, German, Hebrew, Hindi, Italian, Japanese, Lithuanian, Malaysian, Mandarin, Polish, Portuguese (both Brazilian and Continental), Russian, Spanish (standard), and Swedish. Additionally, correspondence and reports to and from world services are routinely translated.

Tables listing published work and work in progress appear in the sidebars on the previous page, this page, and following pages. Some of this year's developments in the field of translations include:

Spanish. Translation work on the Basic Text is in progress. A review draft is expected by April 1991 and will be sent out for input to a review panel of members in the following Spanish-speaking countries: the United States, Mexico, Spain, Colombia, Ecuador, Peru, and Panama. Fourteen I.P.s, plus I.P. No. 10, are now in print. I.P. Nos. 21, 22, 23, and 24 are in print for all Spanish-speaking communities, and are currently being considered by the Spanish Translation Advisory Committee for use in the United States. Work on a revised White Booklet is in progress as well. Some initial work has been done on translations of the *Treasurers' Handbook*. One region has produced a Spanish-language draft item, "Regional Operating Guidelines for Phone-lines/Helplines," that Spanish-speaking communities might find useful; the Spanish Translation Advisory Committee is reviewing it. A Spanish Tape Review Committee, composed of thirteen members, has been established to evaluate Spanish-language speaker tapes and tapes of step-study meetings. Work has begun on reviewing the first three tapes.

Hebrew. The Israeli Translation Committee has begun work with a translator in Tel Aviv to produce a Basic Text translation draft. The recent war has slowed local work, and has hampered communications between the WSO and the translation committee. The fellowship in Israel has been very patient throughout the sometimes lengthy and difficult discussions about terminology and the actual organization of the translation process. Now that work has begun, they are anxiously looking forward to the completion of a Hebrew Basic Text as soon as possible.

Russian. Drafts of three items in Russian have been produced and sent to the registered groups in Kiev, Leningrad, and Moscow for review and input: I.P. No. 7 (*Am I an Addict?*), the White Booklet, and the Group Booklet. Draft translations have also been sent for information purposes to some physicians in the Soviet Union who have expressed interest in recovery concepts. Even though Russian is the official

language of the Soviet Union, a number of Soviet republics have their own languages and cultures. For instance, some translation work has been done in Lithuanian, a language quite different from Russian.

Hindi. Members in India are very excited about the completion of a Hindi draft translation of I.P. No. 1. The process was quite tedious, as the elaborate Hindi letters were produced on a typewriter with carbon paper. There are three dominant languages in India--Hindi, Marathi and Tamili--which are as different from each other as German is from English. The evaluation of the translation quality is in progress, in accordance with the translation policy.

Brazilian Portuguese. Some concerns in Brazil regarding *toxicomanos* versus *adictos* and *adicao* are being discussed and resolved. Input from world service members and the experience of the fellowship in Portugal has been requested and provided.

TRANSLATIONS

The Group (I.P. #2)

French *in progress*

German *in progress*

Japanese

Portuguese (Continental)

Spanish

Another Look (I.P. #5)

French

Portuguese (Continental)

Spanish

Recovery and Relapse (I.P. #6)

French

German

Portuguese (Brazilian and Continental)

Spanish

Am I an Addict? (I.P. #7)

Dutch/Flemish *in progress*

French *in progress*

Portuguese (Brazilian and Continental)

Russian *in progress*

Spanish

Just for Today (I.P. #8)

French

German

Portuguese (Brazilian and Continental)

Spanish

Swedish

Italian. The Italian N.A. community is small and scattered over various cities with very marginal inter-city communication. Some discussion has started, however, to form a translation committee that may result in a more coordinated effort to produce translations. Some decisions will have to be made about the continued distribution of numerous old, if not outdated, Italian translations of I.P.s. Communication difficulties have been an ongoing problem, especially in the translation process. The fact that Italian members generally don't speak English has been an obstacle. Fortunately, there seems to be one member at this time who speaks not only Italian and English, but German as well, and who is very interested in becoming involved in Italian translations.

Mandarin. On his trip to Singapore, Garth P., a trustee, came across a translation--possibly done in Malaysia--of I.P. Nos. 1, 13, and 16 into Mandarin, a Chinese language. The translations seem to be handwritten, a labor of love. We will have to investi-

gate whether this material is being used by any groups, and what the quality and the source of the translation is.

Miscellaneous. There have been no further developments in translation work for the following languages during the past year: Arabic, Japanese, Lithuanian, Malaysian, and Polish.

Translation work is different than anything most N.A. trusted servants in the United States ever run into. To get a better handle on what we mean when we talk about translation work, we're going to take a moment to describe a little of what's involved.

The WSO Translations Department works with translation committees formed in each country where translated literature will be used. These relationships can be difficult at times. Some translation committees have difficulty forming, for a variety of reasons: the size of the N.A. communities, the average lengths of recovery, the lack of local service structures, and other local factors. Once those committees are formed, our Translations Department must begin building relationships with their members. In developing these relationships, the WSO is often faced with distrust, sometimes left over from prior contacts with world services, sometimes due to a distrust of Americans in general. Once a basic relationship is established, we begin discussions of the translation policy, how to begin work, and what to work on.

In working with local committees, we often spend a great deal of time on the translation of key words in our literature, words like "addiction," "recovery," and the name "Narcotics Anonymous." Some of these words can be very difficult to translate. For instance, in some languages, the word used for "narcotics" is extremely similar to the word used for "junkie." In these languages, direct translations of our name can be misread as "Junkies Anonymous." These are the kinds of problems we deal with in developing basic N.A. translation glossaries.

The actual translation process requires intense effort. Translating a language is nowhere near as easy as reading a language. Translation is detail-oriented work, and very time-consuming. At times, the pace slows to a crawl, progressing virtually letter-by-letter.

TRANSLATIONS

Living the Program (I.P. #9)

French
German
Portuguese (Brazilian and Continental)
Spanish

Working Step Four in N.A. (I.P. #10)

German *in progress*
Portuguese (Continental)
Spanish

Sponsorship (I.P. #11)

French
German
Japanese
Portuguese (Brazilian and Continental)
Spanish

The Triangle of Self-Obsession (I.P. #12)

French
German
Portuguese (Brazilian and Continental)
Spanish
Swedish

Youth and Recovery (I.P. #13)

French
German
Mandarin *in progress*
Portuguese (B&C) *in progress*
Spanish

Once the work is in full swing, there is much sending back and forth of printed materials, in various stages of completion, between the United States and other countries. We have encountered a myriad of problems in this area. Mail coming into the U.S. postal system arrives fairly quickly, but mail going from the States into other postal systems can be very unreliable. If we don't address outgoing mail in the native lettering, delivery takes even more time--the destination-country's postal service has to translate the address. Customs can hold deliveries up for days.

Finally, there is the cost factor. Collaboration between the WSO Translations Department and local translations committees can be very expensive, especially for the local volunteers. Telephone calls and facsimile transmissions placed to the United States from other countries are almost twice as expensive as those placed from America. Shipping costs for small batches of nearly-completed materials requiring "okays" from translation committees have run as high

as \$56.00. Return costs can be more than twice that; for example, a package that costs \$5.00 to deliver from the U.S. to Mexico will cost the equivalent of \$12.00 to send back. Add to these direct cost increases the differences in the cost of living between the United States and a great many other countries. As you can see, local translation committee volunteers often pay a very, very high monetary price to make the N.A. recovery message available in their countries, even with the World Service Office picking up the actual translation costs.

Once the actual translation work is completed, publishing production begins. In designing publications for use in other countries, one must take cultural idiosyncrasies into account. In some countries, for instance, white signifies mourning; in others, a black border can mean the same thing. Once design work and typesetting is completed, final mock-ups are sent to the translation committee; if approved, the translated piece is sent to the printers, stocked on our shelves, and made available for use by N.A. members. From start to finish, it's a complex, expensive, time-consuming, sometimes frustrating process. Nonetheless, translated literature is indispensable, and we are grateful to play a part in helping to place it on N.A. meeting tables around the world.

EUROPEAN SERVICE OFFICE

The establishment of the European Branch Office began in late 1988. The WSO Board of Directors selected a manager for that operation who moved to London, but who simply did not work out. After rethinking the needs of the operation, we hired a coordinator-level staff member to get the project off the ground. Elizabeth Guest was hired in August 1989, and immediately went to work. In November 1989, the WSO board adopted a 1990 work plan for the branch office, which has since been extended to include the 1991 work year.

Due to a previous agreement with the U.K. Service Office, it was understood that the European Service Office would not directly service the fellowship in the United Kingdom but would aim its efforts at the Continent. The two areas of the work plan to be initiated first were literature distribution and group services. We wanted to let the fellowship in Europe know that

TRANSLATIONS

One Addict's Experience (I.P. #14)

French
German
Portuguese (Continental)
Spanish

For the Newcomer (I.P. #16)

French
German
Japanese
Mandarin *in progress*
Portuguese (Brazilian) *in progress*
Portuguese (Continental)
Spanish

Self Acceptance (I.P. #19)

French
Portuguese (Continental)
Spanish

The Loner--Staying Clean in Isolation (I.P. #21)

Portuguese (Continental) *in progress*
Spanish

Welcome to Narcotics Anonymous (I.P. #22)

French
German
Portuguese (Brazilian) *in progress*
Portuguese (Continental)
Spanish

the ESO was there to serve them through communication and distribution of materials. Since opening for business, we have made great headway in establishing our reputation with European N.A. members as a reliable source of services.

The European Service Office is actually managed from Van Nuys. There is a great deal of information-transfer that must regularly take place. Of course, modern technology has helped tremendously, and we are adequately linked together.

In many ways, the ESO functions as a duplicate of the office here. In the normal course of the week, Lizzie will fill orders and keep the inventory straight, send out starter and information kits, answer inquiries from the fellowship and the general public, speak with professionals, and respond to questions about every area of N.A. service. Then there are requests to have her visit the different countries and attend at least one non-N.A. P.I. event during the year.

The European Service Office has encountered some unique challenges. Many different languages are spoken in Europe, and each country has its own currency system. Pricing our literature to account for currency fluctuations has proven difficult. We've had problems in maintaining a consistent stock of translated inventory. Communication also presents us with a major problem. Fortunately, in most of the European countries, the fellowship has members who speak some English, a real luxury for us.

At last summer's European Service Conference, attendees selected several members from around Europe to form a European Study Group. The European Service Office has assisted in coordinating the group's activities. If the finances hold out and ESO continues in its present form, we hope that the European Study Group or a group like it will eventually become an advisory board to the ESO. However, it should be clearly noted that the group does not currently fulfill such a function, nor has any specific proposal yet been placed to assign them that function. The European Study Group was formed solely to develop service structure alternatives for consideration by the fellowship in Europe.

European Service Office finances are detailed in the financial report in this package. Put simply, we're

losing money, and England is a comparatively expensive place to do business. It is certain that the ESO will not become self-supporting for some time yet. Based on our present financial outlook, we do not know how long we can continue to hold its doors open.

There is a great need for the kinds of services offered by the European Service Office. The fellowship in Europe is growing, and with that growth will come problems. Today, the average European treatment professional sees recovery from addiction in much the same terms as American professionals did in the late Sixties and early Seventies—they are still searching for a "cure." Resistance to N.A. and its premises is quite formidable. Our plan for the ESO this year is to make some inroads into the professional and institutional community in Europe. It is our hope that, by familiarizing them with N.A. now, our future members there will be met with an open door, not a closed one, when they arrive to start groups and meetings.

N.A. WAY MAGAZINE

Production of the N.A. Fellowship's monthly international journal, *The N.A. Way Magazine*, is a serious responsibility, monitored by an interwoven system of checks and balances. Because the World Service Conference cannot vote on every issue of the magazine, it uses several levels of accountability and a purposeful array of interacting processes in the compilation, production, and distribution of each monthly issue. The primary article-selection team is the N.A. Way Review Panel. The eight panel members consider whether a submitted manuscript is appropriate for publication and indicate how an article could be shortened or edited for clarity. Once the manuscripts have been selected and preliminary edits completed, they are scheduled for publication.

Each issue usually has six departments. The "Meeting in Print" section takes up most of the first half of the average thirty-six-page issue. The "Home Group" cartoon usually separates this section from the monthly news and "Feature" sections. Bits of news and announcements of general interest not reported elsewhere in the magazine are included in a monthly catch-all kind of column called "The Broad

Perspective." Letters and short articles are included in "From our Readers" or "Viewpoint." "Comin' Up" is a fellowship events calendar appearing on the last two or three pages of the magazine.

As the final hours of opportunity for including material in a given issue approach, deadline tension mounts. The managing editor likens this to "standing in front of a train till the last possible moment," because revisions are impractical after a certain point, though it is desirable to keep as many options as possible open right up to that point. If the decision to cease accepting input is made too soon, the range of news and recovery stories available for publication in a given issue is diminished. Considering that it takes about three weeks to go from the printer's shop to the reader's mailbox, the deadline often seems a hard taskmaster. But if an issue is made up too late, delivery is delayed and folks start calling up.

For each issue, the editor devises a preliminary layout and delivers it, as word-processing text-files, to the WSO typesetter. The typesetter uses a specially-designed package of formatting commands to convert the text-files into symbols that can be interpreted by his equipment. The typesetter spends roughly three days per month on several stages of layout and graphic arts work for *The N.A. Way*. His operation includes an interfacing of several component tools. His Compugraphic typesetting system makes use of a software package for displaying pages in columns and variable-sized "windows." A wide range of type sizes and styles can be intermingled, magnified, or reduced as desired.

The editor and typesetter must work together to mark off the boundaries of articles and graphics in a way that keeps as much of the work as possible, yet conforms to the necessities of space and balance. A word here about the "final cuts" of articles to fit the space requirements of the magazine. Respect for the intent of the author is brought to bear in this endeavor. At no time is an *N.A. Way* author paraphrased without permission. Thoughtful deletions, not re-phrasing, are the rule.

Once each monthly layout is typeset, the editor drafts a few paragraphs of description for each standard illustration and for the cover. This starts hap-

pening about six weeks before the cover date of the issue concerned. The artists are encouraged to make counter-suggestions, and are sometimes simply given the text and space requirements and asked to come up with a concept. Most of the abstract designs in the magazine are left to the creativity of the artists, though they may have to deal with a statement like "give us some self-absorbed triangles two and one-half inches deep."

Standard paid subscriptions have run between seven and nine thousand during the last couple of years, with another two thousand or so copies per month provided to bulk subscribers or RSO distributors. We usually process expiration, commencement, renewal, or change of address orders for about 1,000 subscribers each month. Many of these folks give us a call to see how we're doing with their changes. About three years ago, the updating of mailing labels and subscription records was contracted out to what is called a "fulfillment house." The fulfillment house uses magazine staff reports to update a computer database which is tapped monthly to generate mailing labels that, hopefully, are pretty close to the reality of new subscriptions, address changes, etc. Naturally extending from the mailing-label printing and billing tasks are the actual magazine mailing requirements. Again, a small contractor is engaged for much of this work.

A \$13,000 decrease in subscription revenue during the first quarter of 1990, as compared with receipts during the same period of 1989, was mostly recouped by the end of the year. Labor costs were about \$10,000 less in 1990 than during the previous year. The bottom line is, the magazine finished the year in the red by about \$2,400. Income during the last quarter of 1990 was about \$2,000 more than during the same quarter of 1989. The December 1990 issue was mailed to 8,675 paying customers as compared to the December 1989 issue, which was provided to 7,586 paying subscribers.

PERSONAL REFLECTIONS

Of all the issues we've dealt with this year, two are of paramount importance: N.A. literature, and N.A. unity. In closing the report from the WSO Fellowship Services Division, I'd like to leave you with some thoughts on both.

Most of us are not comfortable dealing with money issues but, in our currently straitened circumstances, we must. N.A. services cost money. The World Service Office lost a quarter-million dollars last year, and may lose more in 1991. Approval of a low-cost text may further reduce Basic Text sales, even if measures are taken to minimize the impact. Various means of enhancing WSO revenues are currently being discussed, but they are just short-term solutions to our financial problems. The only long-term solution is the development of a major new book.

One of the more interesting phone calls we received this year came from a young member in Northern California. She wanted to know if N.A. developed and published its own recovery literature. She was given an emphatic yes. Then she asked why we had no stepbook. We got to talking about the different drafts that had been developed since 1982, and the work currently underway. Finally, in frustration, she said, "I don't understand how the WSO can just hold all that information on our steps in their files and not make it available to our fellowship and the addict who still suffers!" To tell you the truth, I don't understand that, either.

The blue-covered 1985 review form of the stepbook and the white-covered 1986 approval form both had their strengths and their weaknesses, but neither was approved. When the present steps ad hoc committee began this year's work, they had to start all over from scratch to write an N.A. Twelve Step book. Given that and the nature of the literature process itself, they can't make any promises about when their work will be completed. We could wait three, maybe four more years for a stepbook that, while being of acceptable quality, will probably not be anything vastly superior to either the blue or white books.

It is not my purpose to undermine the process or unfairly prejudice anyone by raising this discussion. My motivation is simple: Our members want and

need a broader explanation of our Twelve Steps, and our services need additional revenue to continue their efforts. What if we took what we have developed so far on the steps (about forty chapters' worth of material, all told), use the twelve best, and put it into a book? The full resources of the WSC Literature Committee could then be devoted to the daily meditation book. In January 1992, both books could be sent out to the fellowship for approval at that year's World Service Conference. We approved the Basic Text out of need, even with its imperfections. We now have equal need for a stepbook and a daily book.

We are in trouble. We need to look carefully at our future, especially the next two to five years of our future. Our own goals, whether in a group, region, or committee, cannot take priority over the common goals of the fellowship as a whole. Each of us must assume our responsibility for the continued operation of N.A. everywhere. Personal likes and dislikes, prestige, and autonomy must be sacrificed to achieve unity. Putting the current work on the stepbook aside, combining materials from previous drafts into an approval-form stepbook, moving full steam ahead on a daily meditation book—these are extraordinary measures. But if we conscientiously assess our needs and consider our fellowship's purpose, I think we might agree that such extraordinary measures ought to be taken.

Next, on N.A. unity. The past decade was one of tremendous growth and success for our fellowship. Our success of the Eighties brought Narcotics Anonymous into the mainstream. To a major degree, we overcame the shut doors, suspicions, and contempt that previously had prevented us from achieving anything more than sporadic gains. What made the Eighties possible for us was the spirit and efforts invested by our members, insuring that a door would be open for the rest of us when our desire to get clean overcame our need for drugs.

There was no book in 1980; whatever literature you had was shared. We didn't have the luxury of arguing "high-class problems," either. Many of us had to overcome our own selfish biases and prejudices because we so desperately needed each other. We were there to get clean, and that was serious enough.

What we had, worked: the ability to look into one another's eyes and understand the pain of puttin' down and trying to stay clean for one minute, one hour, one day. We spent long hours packed in cars, driving hundreds of miles to carry the message and just support each other. This something called Narcotics Anonymous was a very precious thing indeed, and so simple.

As the past decade came to a close, we could certainly point out a number of successes. We had approved a Basic Text, and from the income of its sales our World Service Office had begun functioning. The number of N.A. groups and members had increased tenfold. Narcotics Anonymous had found its way into sixty-four countries, and had begun translating its literature into other languages than English. In increasing numbers, treatment centers and correctional institutions had asked that we show up to share our recovery with clients and inmates, the demand growing so great that it outstripped our resources. Finally, area and regional committees had grown and prospered, adding new levels of bureaucracy to the N.A. service structure and shooting *Robert's Rules of Order, Newly Revised*, to the top of N.A.'s best seller list.

The question of the Nineties is, has success spoiled N.A., or are we simply lacking maturity? Here we are, and it appears high time for a little introspection. Our biggest problem as a fellowship seems to be sitting down and talking to one another. Instead, we create a new group, or a new area, or a new region, or possibly a new conference. Why? Because we just can't seem to agree on anything anymore, and it's easier to create something new than to resolve our differences or just agree to disagree. A resentment and a coffeepot--is this the legacy we wish to leave our future members?

No one is to blame--not the World Service Office, not us, not them. We all share equally in the responsibility. If we need more responsive services, then let's work together to build them. Let's quit harping on the differences in our various philosophies, and start looking for what we agree on. There's a damned good chance that we are not too far apart in what we believe, but everybody has to make some concessions--not just them, and not just us.

FELLOWSHIP SERVICES DIVISION STAFF

Administration

George Hollahan, Division Director
Cindy Sarnecky, Departmental Assistant
Carl Prescott, Departmental Assistant (P.I.)

Steve Sigman, Assistant Division Director
Donna Russ, Departmental Assistant

Dee Joyce Price, Receptionist

European Service Office

Lizzie Guest, Coordinator

International Services

Dottie Radatz, Departmental Supervisor

Trustee Support and Group Services

Hollie Arnold, Coordinator
Jane McCrary, Departmental Assistant (Trustees)
Doris Roman, Department Assistant (Group Services)

Literature and Translations

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

Hospitals & Institutions

Freddie Aquino, Coordinator
Deb Moody, Departmental Assistant

Special Projects

Steve Lantos, Coordinator
Nancy Germond, Staff
Lee Manchester, Staff
Marilyn Scott, Departmental Assistant

N.A. Way

Andy Mann, Managing Editor
Cindy Meyers, Departmental Assistant

Although our problems today seem a bit complex when compared to those of just ten years ago, our solutions can be quite simple. If we do not want to end up in pieces, then we need to find the time to talk openly and honestly. We need to assess where we have been, make some decisions about how we should continue, and look to our future.

In closing, I'd like to remind you that the World Service Office is in many ways a microcosm of the fellowship as a whole. During the last eight years, we grew from a storefront distribution office to a viable international service center. Most of the problems we experienced in that period had to do with our proper role in relating to the fellowship and its trusted servants. "Who's in charge here?" was a question that was repeatedly asked. Those relationships are maturing and, today, that question does not come up so frequently. This is not because one or the other sides has won out; this is simply because we have all realized that we need one another and can no longer afford to be paralyzed by our differences.

Today, our world service boards and committees work side by side with the special workers of the World Service Office to contribute to the effectiveness of the N.A. service structure. Things do not always go as smoothly as we would like, but we all have a strong mutual commitment to serving the needs of the fellowship, a commitment that allows us to work with one another rather than against one another. Our Twelve Traditions unite us as instruments of those we serve: the groups of Narcotics Anonymous.

*George Hollahan, Division Director
WSO Fellowship Services Division*

Section Three:
WSO Support Services Division

WSO SUPPORT SERVICES DIVISION

The Support Services Division of the World Service Office handles the business and practical functions associated with the production, sales, and distribution of Narcotics Anonymous literature. It has nine departments: shipping and receiving, reproduction services, tape production and mailing, order entry and customer service, data services, typesetting and production, travel, personnel, and accounting.

Shipping and Receiving. The WSO Shipping & Receiving Department continues to be a very important component of the World Service Office. The staff members who make up this division have reasonably long terms in their respective positions, and have proven to be an efficient team. The WSO Shipping Department is still the primary distributor of N.A. literature shipped throughout the world, except for Canada, which is now served by the Canadian Service Office (CSO), and those countries served by the European Service Office.

The department is responsible for overseeing all vendor purchases and maintaining an adequate stock of all materials distributed by the WSO. These materials include all printed matter, keytags, chips, medallions, audio and video tapes, cards, posters, etc. The Shipping Department is also responsible for purchasing and distributing all office, shipping, and building supplies required to maintain our operation. Overall inventory levels were lowered to an absolute minimum during the past year. This demanded that stock levels be monitored very closely to insure that customer orders could be filled in a timely manner.

During the past year, the Shipping Department has continued to search for better rates from freight carriers. In many cases, we have been successful. However, both the U.S. Postal Service and United Parcel Service raised their rates last year, making it even more difficult to keep our shipping costs down. We will continue to search for the best, most inexpensive methods to meet our customers' shipping needs.

In last year's report, there was discussion of producing a better quality chip to replace the foil-stamped type currently sold. This project is near completion, and we look forward to beginning pro-

duction of the new raised-print type chips sometime in mid-1991. This change will allow the office to minimize the costs associated with chip production while producing a higher-quality item. We are also looking at the possibility of producing and selling a sixteen-pocket wire literature rack by mid-1991.

Reproduction Services. The World Service Office uses a Xerox 9900 copy machine for the majority of its larger in-house jobs and for the production of some inventory items. Prior to 1990, the office had a service agreement with the Xerox Corporation that included the assignment of a Xerox employee on our premises at an approximate annual expense of \$96,000. We decided in late 1989 that this method of addressing our ever-increasing needs for large-scale reproduction was not the most efficient use of our resources. We then decided to become responsible for the reproduction operation ourselves. We leased a machine and, by ordering our supplies in bulk and hiring our own employee, we were able to reduce our annual expense for this operation by 16%.

The machine we currently lease has some limitations that we have been able to work around so far. However, as our needs for more sophisticated reproduction facilities have increased, we have had to look at the possibility of upgrading our equipment. The office's present financial condition has made this consideration that much more difficult. It is possible that the increased cost for a machine that better suits our needs can be offset somewhat by enabling the office to complete in house many of the jobs that we currently send out-of-house, jobs that exceed the technical capabilities of our existing equipment. We will continue to examine the feasibility of leasing more sophisticated equipment.

The reproduction-equipment lease cost during 1990 was \$42,012.96. The total number of single- or double-sided copies produced in 1990 was 2,593,619. We anticipate only a slight increase in volume this year. At 0.56 cents per copy, the total per-copy expense for 1990 was \$15,152.45.

Tape Production and Mailroom. This department currently has one employee who is responsible to produce our entire inventory of speaker tapes as well

as the tapes under consideration by the Tape Review Committee. This employee also processes all outgoing WSO mail, and assists with the handling of any large world service mailings.

Customer Service and Order Entry. This department currently has two employees responsible to receive, process, and follow-up on all WSO and CSO literature orders. Canadian orders are entered into our computer system, then are faxed daily to the

ADMINISTRATION & SUPPORT SERVICES DIVISION STAFF

Administration

Anthony Edmondson, Division Director
Angie Gejeian, Executive Secretary

Bob Stewart, Assistant Division Director
Nancy Good, Executive Secretary

Shipping and Receiving

Carlos Martinez, Warehouse Supervisor
Vince Alcala, Warehouseman

Accounting

Lois Gonzales, Finance Manager
Patricia Diaz, Departmental Assistant

Personnel

Hazel McClara, Personnel Manager

Travel

Jeff Gershoff, Departmental Assistant

Data Services

Lori Dunnell, Data Services Supervisor
Sylvia Velasquez, Clerical Assistant

Typesetting and Production

David Mizrahi, Production Assistant

Customer Service, Order Entry

Vida Morrow, Manager
Linda Galloway, Order Entry Operator

Audio Tapes, Mailroom

Chris Fiendel, Departmental Assistant

Reproduction Services

Esperanza Gatton, Reproduction Assistant

Canadian Service Office for shipment. All invoicing to credit customers is done by this department as well. The department supervisor has the primary responsibility for routine customer service. This department originally was allocated three positions; however, to help reduce our overall labor expense last year, we elected to not fill all of those positions.

Data Services. This department has two employees with primary responsibility for the routine receipt, entry, and maintenance of all World Service Office database information. Currently, the department maintains some 70,000 individual database records. The Data Services Department is also responsible for the development of new software applications, as well as any modifications to existing applications within the database structure. The manager of this department helps maintain the WSO computer networks, a job which includes network security, directory and file maintenance, and other related tasks.

The Data Services Department is responsible for maintaining the information used in the *International Meeting Directory*. One of the major problems that always exists with this type of function is keeping all of the information as up-to-date as possible. We have worked hard over the last year to eliminate some of the problems associated with this task. Duplicate records and other input errors have been reduced, and we try not to publish out-of-date information. We will strive to continue to improve our information management capabilities.

The Data Services Department was originally structured for an additional employee. We have elected not to fill the personnel vacancy in this department for the time being.

Typesetting and Production. This department currently has one employee responsible for all routine WSO typesetting and layout work, including work for *The N.A. Way Magazine*. This employee is also used in the layout and production of printed materials for the World Convention Corporation.

Two years ago, we solicited applications for a production coordinator. That position was never filled. It was the feeling of the WSO Board of Directors and the office management staff that other personnel needs at the office took priority over this position.

We do intend to fill this position at some point; however, we do not reasonably expect that to occur until sometime in 1992. For the foreseeable future, the managing editor of *The N.A. Way Magazine* will have routine supervisory responsibility for this department.

Travel. This department currently has one employee responsible for travel arrangements for approximately seventy world service employees and volunteers. This employee also makes initial arrangements for world services meeting sites.

Over the years, we have had our difficulties with travel. This has been due primarily to the somewhat casual handling of travel years ago, and to the lack of an automated travel procurement process. A year ago, we acquired a computer package which tied us directly into the airline databases. Our travel employee now has the ability to thoroughly research fares, saving us substantial sums on travel this year.

Although we have had much success in resolving some of the routine problems associated with travel, there is more we can do. Until last year, we did not take advantage of some of the money-saving provisions available. One example is the use of standard meeting air travel contracts with certain airlines. By encouraging conference servants and office employees to maximize their use of these airlines, we earn free tickets that are used for travel to world service meetings. Although the total number of tickets is small, it is a savings nevertheless. Another plus has been our ability to assist travelers with their use of frequent flyer programs. Whenever possible, we have made a concentrated effort to have all travelers consolidate their travel on a single carrier so as to earn free tickets, which are used to fulfill other service or employment responsibilities.

The volume of travel-related work that we do has increased dramatically over the last two years, as evidenced in our financial statements. As a result, we have considered the possibility of sending our travel employee to travel agent's school to become licensed, allowing the WSO to issue its own tickets. By doing so, we could save the travel agent's commission, plowing that savings back into our travel budget. We are currently looking into the licensing requirements to see if we qualify.

Personnel. The World Service Office currently has one employee who handles all routine personnel matters. This employee runs the weekly payroll, acts as the administrator of the WSO's health insurance package, prepares all of the required state and federal tax reports, reviews and routes all of the bills that come into the office for payment, and performs a host of other related duties.

This employee also processes World Service Conference donations and disbursement orders. The employee compiles a report of WSC expenditures each month and forwards that report to the conference treasurer for review and reimbursement. We expect that in the coming months some changes will be made in the way this responsibility is administered.

Over the years the World Service Office has been requested to provide information about the salary structure of the office. As a result, we have included in this report a list of our job classifications, the number of employees in each employment category, and the salary range for each position. The provision of this information does not violate the office's legal responsibility as an employer to protect the privacy of its employees.

We have included the World Service Office table of organization in the charts and tables section of this report. The organizational table graphically depicts how WSO salaries are disbursed. We have adjusted the salary expense projected in our annual budget, also presented in this report, because we do not expect to fill a number of vacant positions this year and will not incur the salary expense for an executive director until the fourth month of the year.

Accounting. This department receives, processes, tracks, reconciles, and reports all fiscal activity of the World Service Office and its ancillary operations (the European Service Office, the Canadian Service Office, and the World Convention Corporation). Additionally, for accounting and reporting purposes, this department integrates World Service Conference fiscal activity into the World Service Office accounting schedule. The department currently has two employees. The staff of this department is responsible to routinely verify that, through the entire range of

expenses incurred, the financial management policy of the office is being adhered to, and is required to report any discrepancies to the director of the Support Services Division.

In January 1990, we installed a new accounting system and have been working the expected "kinks" out ever since. The new system has required the modification of the chart of accounts as well as some changes in the processing of literature orders.

World Service Office financial activity is reviewed each month by a certified public accountant to insure that our financial management procedures are not in conflict with generally accepted accounting procedures. Since the World Service Office does not currently have a CPA on staff, the WSO Board of Directors thought this was a prudent measure.

If the unified budget proposal is adopted for trial

implementation at this year's conference, the WSO Accounting Department will obviously be very busy over the coming year. However, we have already begun general discussions about what would need to be done to implement this plan. In many ways, it would actually simplify the processes that we currently use to separate office and conference finances.

N.A. TRADEMARKS, SERVICE MARKS, AND THE "COVENANT NOT TO SUE" AGREEMENT

The Support Services Division director routinely administers the contracts, leases, insurance policies, consultation agreements, and sales agreements entered into by World Service Office, Inc. Although the executive director deals specifically with the registration of the fellowship's intellectual property and the primary negotiations of agreements, the Support

WSO JOB CLASSIFICATIONS and SALARY RANGES

The following job classifications exist at the WSO. The numbers in parentheses following each classification indicate the number of employees in those positions:

Executive Director (1)	Administrator IV	\$60,000-75,000
Assistant Executive Director (0)	Administrator III	40,000-55,000
Division Director (2)	Administrator II	30,000-47,500
Assistant Division Director (2)	Administrator I	25,500-40,000
Managing Editor (1)	Manager III	23,000-35,000
Comptroller (0)	Manager II	25,000-35,000
Finance Manager (1)	Manager I	22,000-31,000
Departmental Assistant III (2)	Department IV	22,500-31,000
Project Coordinator II (2)	Manager III	25,000-35,000
Project Coordinator I (3)	Manager II	21,000-31,000
Writer (1)	Manager I	20,000-31,000
Department Supervisor (3)	Manager I	18,500-29,000
Executive Secretary II (1)	Clerical VII	18,000-28,500
Warehouseman II (1)	Shipping II	17,500-28,000
Departmental Assistant II (7)	Department III	17,000-27,000
Executive Secretary I (2)	Clerical V	16,500-25,000
Production Assistant II (1)	Department II	17,500-24,500
Departmental Assistant I (2)	Department I	15,500-19,750
Production Assistant I (0)	Department I	15,500-19,750
Secretary (1)	Clerical IV	15,000-20,000
Clerical Assistant II (1)	Clerical III	14,500-19,000
Warehouseman I (1)	Shipping I	13,500-18,500
Clerical Assistant (3)	Clerical II	13,500-17,500
Clerk/Typist (3)	Clerical I	12,000-16,000

Services Division director administers them.

One of the matters that confronted us during the year was the issue of what to do with the many vendors who use the registered trademarks and service marks of the Fellowship of Narcotics Anonymous in their products. The registered marks include the name *Narcotics Anonymous*, the stylized initials "N.A.," and the circled diamond. Our initial thought was to have our lawyers encourage each individual vendor to cease their use of our trademarks. However, this course would have given us a series of tough legal battles. This is because, so far, we as a fellowship have not taken sufficient precaution in using and protecting our trademarks and service marks.

Over the years, when groups, areas, or regions have asked about using the Narcotics Anonymous name or one of the registered N.A. symbols, our response has been that these service entities have always had implicit permission to use these properties. This implicit permission was then given to a vendor to produce one item or another over the years. That response by the WSO has not reflected any specific decisions made by the fellowship on the subject, but has simply been our own response to questions about this issue at previous WSO meetings. We have not been able to find any specific action of the conference which addresses this issue.

Our groups, areas, and regions have contracted with vendors to produce posters, T-shirts, mugs, and other items displaying our name and logos. Because we did so without specifically restricting the vendors' use of the marks to production of the items we'd asked them to make for us, we have ended up in a position where many vendors can assert that we have given them permission to use the fellowship's trademarks and service marks whenever they like for whatever purposes they choose. We have found that, in some cases, these people have been actively using this property for years, thereby making it legally difficult to prohibit their use. Thankfully, this problem has arisen only in regard to our trademarks and service marks, and has not effected our literature or other items in the WSO inventory.

Quite honestly, we did not have a complete understanding ourselves of the significance of this issue until we became engaged in the Creative Arts lawsuit, spoken of already in the report from the WSO Board of Directors. In the course of that suit, we became aware that we should have been requiring all requests for use of N.A.'s trademarks and service marks to be in writing. By doing so, we could establish that we had taken the necessary steps to protect the fellowship's intellectual properties when dealing with outside vendors. The day may come when we will request that the conference adopt a motion to that effect. We currently impose that requirement for use of all our copyrighted literary property. Additionally, when asked in recent months, we have suggested that N.A. service committees or boards commissioning the creation of items using the fellowship name or logos insure that they retain the rights of ownership for all the artwork or drawings used in the process.

After going through the Creative Arts lawsuit, it became clear to us that unless we intended to stay in court for the next few years, some mechanism needed to be developed to deal with this situation. That mechanism is called the "covenant not to sue." This covenant is basically an agreement between us and the vendors who are using our property. The agreement allows vendors to continue selling items displaying our name or logos, provided the vendors abide by a written set of conditions. One of the conditions of this agreement requires the vendor to acknowledge the fellowship's rights of ownership of the trademarks and service marks. In this way, we will be able to protect the fellowship's rights without engaging in an endless series of extended legal battles.

In fairness, we must acknowledge that most of the vendors we have had contact with have been very open and willing to enter into this type of arrangement; in fact, virtually all of them have stated that this type of agreement is what they have wanted. Most of them have expressed their desire to work in cooperation with N.A., not in opposition to us. Over the last year, we have accumulated a file containing the names of vendors who have requested permission to use the fellowship's trademarks and service marks. Upon conclusion of the Creative Arts matter, we in-

tend to enter into covenant-not-to-sue agreements with all of them, as long as they are willing to adhere to our conditions. Those that are not will be approached in an appropriate manner.

TRAVEL REPORT

Each year at the WSO, we are asked questions about World Service Office travel. As a result, we began to track expenditures related to specific travel activities. In this report, we have included a partial breakdown of the trips taken during the year, giving better perspective on the trips that have generated the most questions. We will continue to refine our accounting practices so that we can routinely break out the figures for specific trips over the next year.

The figures below show information for trips that we specifically tracked during 1990. Where practical, we have identified the individuals who traveled, the purpose of the trip, and in some cases what was accomplished. This section will break out trips related to WSO business, World Convention Corporation business, international development, fellowship interaction, translations, and public information.

WSO business travel

Travel item: WSO Board of Directors meetings

Participants: WSO directors

Expense: \$35,008.32

The figure above represents the expenses for travel, lodging, and meals for meetings of the World Service Office Board of Directors during the 1990 year. The expenses were slightly higher than what we expected because of an extra board meeting held to deal with the replacement of our executive director.

PARTIAL TRAVEL EXPENSE SUMMARY:

WSO business.....	\$49,953.69
International development	30,756.08
WSC meeting participation.....	19,416.83
Translations	14,795.26
World Convention.....	8,523.00
Public information	3,894.50
Fellowship interaction	1,695.56
Total	\$129,034.92

During the year, the WSO instituted an interim policy of bringing RSRs and regional chairpersons from different regions to sit in on the meetings of the board on a rotating basis. After the June meeting, it was decided that it seemed more effective to discuss the possibility of moving one or two of the regular meetings to another city so that more members would have the opportunity to witness a meeting of the board. The board does intend to have at least one of their 1991 meetings outside of California.

Travel item: travel to board meeting

Expense: \$1,295.56

During the process of attempting to resolve the Basic Text matter, the WSO incurred the expense of bringing one of the principals out the October meeting of the WSO board. We also incurred the travel expenses of a member who is an attorney and of his assistant in that resolution attempt. The expense for these individuals was \$1,244.00, of which the WSO was reimbursed \$374.00 by one of the individuals.

Travel item: European Service Office employee visit

Expense: \$909.00

The primary ESO employee was brought from London to the January 1991 meeting of the WSO Board of Directors to report on ESO operations and take part in discussions of the ESO budget. The office intends to repeat this practice each year. The figure above represents that trip's air travel expense. The lodging for this trip will show in next year's report, as it was not paid until January 1991.

Travel item: additional meeting space

Expense: \$233.00

On rare occasions, it is necessary to procure additional meeting space to accommodate the needs of the WSO Board of Directors.

Travel item: WSO business-related

Participant: Bob Stone

Expense: \$1,312.33

This was a trip that was taken when we were in the process of establishing the Canadian Service Office in Toronto and were looking into using printers in Canada. Additionally, since we always attempt to combine multiple purposes into trips taken, a one-day stopover in Minnesota to visit Hazelden was incorporated into this trip.

Travel item: employee relocation expenses

Participants: staff

Expense: \$7,680.96

These were expenses incurred either to interview potential employees, or to actually relocate new employees.

Travel item: Canadian Service Office set-up

Participant: Bob Stewart

Expense: \$1,282.00

This expense was incurred in sending Bob Stewart, the Support Services assistant division director, to Toronto, Canada, for five days to establish the operation of the Canadian Service Office.

Travel item: Chicago service office workshop

Participants: Bob Stewart, Stuart Tooredman, Anthony Edmondson, Steve Sigman

Expense: \$2,232.52

The WSO scheduled a meeting with the board leadership and staff of the various local service offices in the U.S. to discuss matters relating to the distribution of literature, the WSO sales policy, problems with U.S. service offices, and a host of other issues relating to literature distribution in the United States. The figure above reflects the total WSO expense for that trip.

WCC travel

Travel item: WCC coordination

Participants: Anthony Edmondson, Donna Markus

Expense: \$5,580.00

The World Service Office always seeks to combine as many different functions into international trips as possible so as to maximize the benefits resulting from our travel expenditures. In this regard, we try to take care of matters relating to literature distribution in a particular country if we have scheduled a visit. Last year, while traveling to Sydney, Australia, on a trip related to coordination of the 21st World Convention, we took the opportunity to visit New Zealand to discuss their literature distribution needs. In Sydney, we scheduled meetings with the representatives of Australia's Fellowship Service Office to discuss our literature sales agreement and Australia's literature distribution needs. On trips of this type, it is customary to have a member of the World Service Board of Trustees accompany the staff. The member of the

WSB who took this trip was selected because she was also a member of the WCC board and had previous WSO board experience. The trip duration was eight days.

Travel item: WCC-related travel

Participants: Anthony Edmondson, Stuart Tooredman, Bob Stone

Expense: \$2,943.00

The staff of the World Service Office has a direct responsibility to the World Convention Corporation for administrative coordination. The WSO often incurs travel expenses in fulfilling that responsibility. The World Convention Corporation does reimburse the WSO for some of this travel; however, a portion of it is considered a normal part of the WSO's responsibilities and reimbursement is not sought. During the last year, we participated in an office and convention workshop held in Phoenix, Arizona. During the Phoenix sessions, representatives of the WSO and WCC gave presentations on local office and convention management.

International development travel

Travel item: Egypt, ESO trip

Participant: George Hoolahan, Lizzie Guest

Expense: \$3,807.75

During the year, it is sometimes necessary for the World Service Office to send members of its administrative staff on trips outside the U.S. to address matters relating to literature translation and distribution or other matters where the WSO will have some direct responsibility to provide services to an N.A. community. The Egypt trip was taken to negotiate the translation of the Basic Text into Arabic. The trip gave members of the Cairo N.A. community an opportunity to talk directly with someone from world services about their development needs. Additionally, staff gave a presentation at the U.S. Embassy to local government officials and medical professionals.

Normally, a member of the World Service Board of Trustees would have accompanied the staff member on this trip. However, as part of the itinerary was to meet the person involved in the translation again in London, the member of the WSB met the staff member at the ESO. N.A. members who spoke Arabic were also present at the meeting in London to

discuss a review and approval process for the translation. While on this trip, the staff member who has primary responsibility for the ESO was also able to spend some time with our employee there.

Travel item: India trip

Participant: Anthony Edmondson

Expense: \$5,439.00

This is another case where multiple purposes were combined into a single trip. The figure above includes the cost of the continuation travel.

The primary reason for the trip was to finally be able to respond to numerous requests by Bombay members to have someone come over to discuss a variety of issues, ranging from literature availability to general service questions. The World Service Office had been receiving frequent requests from members in Bombay for nearly two years before the trip was planned. A trustee accompanied the staff member on the India segment of this trip, which lasted nine days. To allow Bombay N.A. the means to grow and develop, the WSO made a commitment to provide literature to the Bombay ASC for two years at no cost. After that time, we will reevaluate our arrangement. Additionally, while in Bombay, the team visited the U.S. Embassy business library to gather information about the possibility of producing literature in India.

While in India, the travel team was able to make initial contacts with a couple of treatment professionals in Calcutta. However, it was unfortunate that our trip to Calcutta occurred at the end of the week. At that time, we were not aware of any N.A. meetings occurring on the days we were there with the exception of the ones that were connected to the treatment facilities we were visiting; all the regular N.A. meetings in Calcutta were being held early in the week. This made it apparent that any future trips to Calcutta should be made in the beginning of the week, the better to facilitate contact with local N.A. members.

During the India trip, the travel team was supposed to meet with an N.A. member from one of the southern provinces. However, due to an airline engineers strike during our visit, he was unable to join us in Calcutta. Future trips would need to include a visit to the southern provinces.

After leaving India, the staff member proceeded to London to do some follow-up work on the ESO computer system as well as spend approximately four days with the ESO employee. While in London, he also took care of some matters relating to ESO financial management.

The staff member then proceeded to Toronto, Canada to examine the potential site for the Canadian Service Office and to conduct negotiations for the 22nd World Convention with the facilities in Toronto. While there, he was able to visit the bank we use in Canada to finalize some account details. This segment of the trip lasted three days.

Travel item: Europe trip

Participants: Bob Stone, Stuart Tooredman, Chuck Lehman

Expense: \$11,799.00

The primary reason for this trip was to go to several countries in Europe to address literature sales agreements. The travel team first went to London to work out the details of a sales agreement with the United Kingdom Service Office and to visit the employee at the ESO. The team then continued to Barcelona, Spain to assist local members in addressing some legal matters regarding their status as an organization. The team then went to Frankfurt, West Germany to work out the details of a literature sales agreement with the Germanspeaking Region. Two members of the team then continued on to Stockholm, Sweden to have discussions with the members about translations issues and development needs. While in Stockholm, the team met with an attorney who was acting on our behalf to register the fellowship's trademarks and service marks in Sweden.

One member of the team then met another member of the WSO staff in Toronto to assist with the inspection of the site for the Canadian Service Office and to participate in discussions about WCNA-22. He then departed Canada to meet with a Spanish-speaking American N.A. member who had extensive business experience in South America. This member accompanied him to Medellin, Colombia for a fellowship meeting.

Travel item: Colombia trip

Participant: Jorge H.

Expense: \$894.00

This was the expense for the member who agreed to assist us with the trip to Colombia.

Travel item: European Conference and Convention

Participants: Hollie Arnold, Lizzie Guest, George Hollahan, Jamie Scott-Hopkins, Oliver Stanley

Expense: \$7,933.33

Each year, the office sends representatives to the European Conference and Convention (formerly known as the European Service Conference), which in 1990 was held in Lisbon, Portugal. Hollie was joined by a member of the WSB; those two continued on to Israel, where they met with N.A. members to discuss the Hebrew Basic Text translation and N.A. service issues. George returned to London to spend time at the ESO.

Travel item: Colombia follow-up trip

Participants: George Hollahan, Jorge H.

Expense: \$2,483.00

This was the expense for a follow-up trip to Colombia to help resolve certain matters that had not been entirely cleared up on the first visit. These matters included some literature translation and production problems and other service development issues. Again, the staff member was accompanied by a member who assisted with these discussions.

Public information travel

Travel item: Grenada trip

Participant: Hollie Arnold

Expense: \$2,451.50

During the year, WSO sends members of the coordinating staff to participate in presentations at large addiction-related conferences. In this case, a member of the staff was teamed with a member of the WSC P.I. Committee.

Travel item: Seattle workshop

Participant: Vandy Andersen

Expense: \$375.00

A member of the coordinating staff was sent to make a presentation at a multiregional P.I. workshop.

Travel item: Salt Lake City workshop

Participant: Cari Prescott

Expense: \$315.00

This is the expense for a member of the staff to join a member of the WSC P.I. Committee in conducting a multiregional workshop in Salt Lake City, Utah.

WSC meeting participation

Travel item: Joint Administrative Committee meeting

Participant: Bob McDonough

Expense: \$523.00

It was only necessary for one member of the WSO board to travel to this meeting. All of the other participants were local.

Travel item: Second Albuquerque meeting

Participants: Bob Stone, Anthony Edmondson, Steve Sigman, Stu Tooredman, Bill Winterfeld, Bob McDonough, Jamie Scott-Hopkins, Oliver Stanley, Don Davis, Mary VanEvery, Hollie Arnold, Vandy Andersen, Steve Lantos, Lee Manchester, Ann Rider, and George Krzyminski

Expense: \$7,930.22

This was the expense for the participation of the coordinating and management staff of the office and the WSO Board of Directors for the meeting of the WSC Ad Hoc Committee on N.A. Service to review *A Guide to Service*.

Travel item: July quarterly

Participants: George Hollahan, Steve Sigman, Steve Lantos, Stuart Tooredman, Hollie Arnold, Mary VanEvery, Andy Mann, Vandy Andersen, Julie Kirkpatrick, Cari Prescott, Freddie Aquino, Lori Dunnell, Ann Rider, Bill Winterfeld, and Randy Jones

Expense: \$9,120.93

This was the expense for travel and lodging for the staff and directors who were sent to the WSC Quarterly Workshop in Arlington, Virginia.

Travel item: October quarterly

Expense: \$937.00

This is the total expense to the WSO for the quarterly workshop which was held in Los Angeles.

Travel item: World Service Board meetings
Participants: Bob McDonough, Bill Winterfeld
Expense: \$839.68

This was the total expense for the WSO board vice chairpersons' travel to trustee meetings.

Travel item: WSC Ad Hoc Committee on Isolated Groups meeting

Participant: Freddie Aquino
Expense: \$66.00

This was a lodging expense for a member of the coordinating staff who participated in a meeting of this committee. Since the employee lived more than fifty miles away from where the meeting was being held, the lodging expense was allowed.

Fellowship interaction

Travel item: *Conference Agenda Report* workshops
Participant: George Hollahan
Expense: \$675.00

This was the expense to have a member of the administrative staff participate in a conference agenda workshop.

Travel item: Basic Text issue
Participant: Bob McDonough
Expense: \$1,020.56

At the request of the Michigan Region, a member of the WSO board was sent to represent the WSO at a regional meeting.

Translations

Travel item: Spanish I.P.s and White Booklet
Participant: Sylvia Komet
Expense: \$2,380.54

This was the expense to bring a member from Spain to the WSO to work on the translations of the I.P.s and the White Booklet into Castilian Spanish.

Travel item: Hebrew Basic Text translation
Participants: Stuart Tooredman, Jack Bernstein
Expense: \$1,168.00

This was the travel expense incurred to send a team to resolve matters with a physician in Miami, Florida who was purportedly engaged in translating our material into Hebrew.

Travel item: Spanish Basic Text translation
Expense: \$11,246.72

This is the total expense incurred by the WSO during the year for the work on the translation of the Basic Text into Spanish. There were meetings held in Miami, Florida, New York City, Houston, Texas, and Los Angeles.

INTRO TO BUDGET, AUDIT REPORT, AND TABLES AND CHARTS

The next section of the report contains two parts. The first presents all of the specific financial information for the 1990 year, including the 1991 WSO budget, the 1990 audit report, and relevant notes. The second part contains a few charts and tables, providing a graphic representation of select WSO financial data. In prior years, the office has included a vast array of tables and charts, most of which have not been included in this year's report. Our goal is to provide a useful report without overwhelming the reader with numbers.

*Anthony Edmondson, Director
 WSO Support Services Division*

Section Four:
Financial Reports

CHART ONE--INCOME VS. EXPENSE

This chart graphically depicts World Service Office, Inc. expense and income levels for the previous five-year period. We have routinely produced this chart to give the fellowship an idea of the rate of change in our income and expense, and will continue to provide this chart in future years.

In his oral report to the 1989 World Service Conference, the WSO executive director used a similar handwritten chart to make the point that, based upon the lack of new inventory items, the office's expenses would exceed its income at some point in the near future. As evidenced by the chart, that point was reached in 1990.

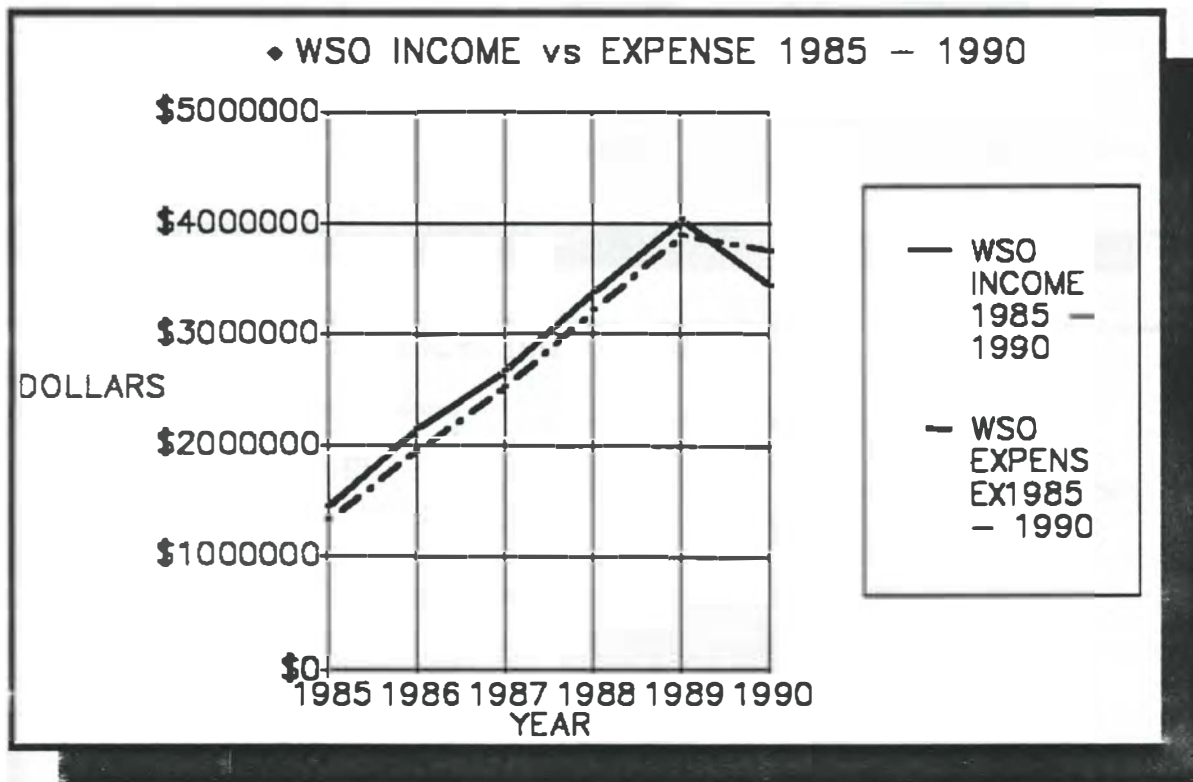
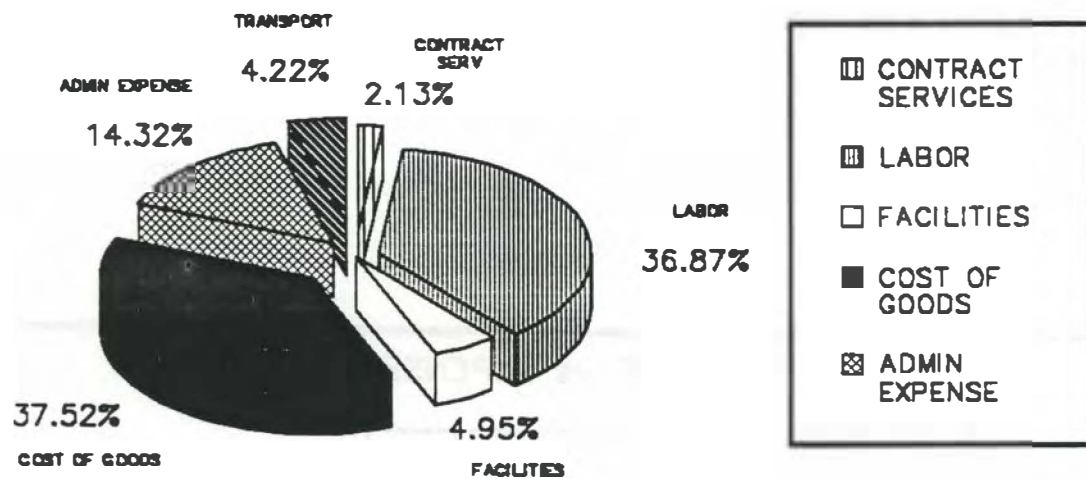


CHART TWO—EXPENDITURE SUMMARY

This chart graphically depicts World Service Office, Inc. percentage breakdown of expenditure categories for 1990. The percentages shown represent the totals for all operations (WSO, CSO, ESO).

WSO EXPENDITURE DISTRIBUTION 1990



WSO EXPENDITURE SUMMARY 1989

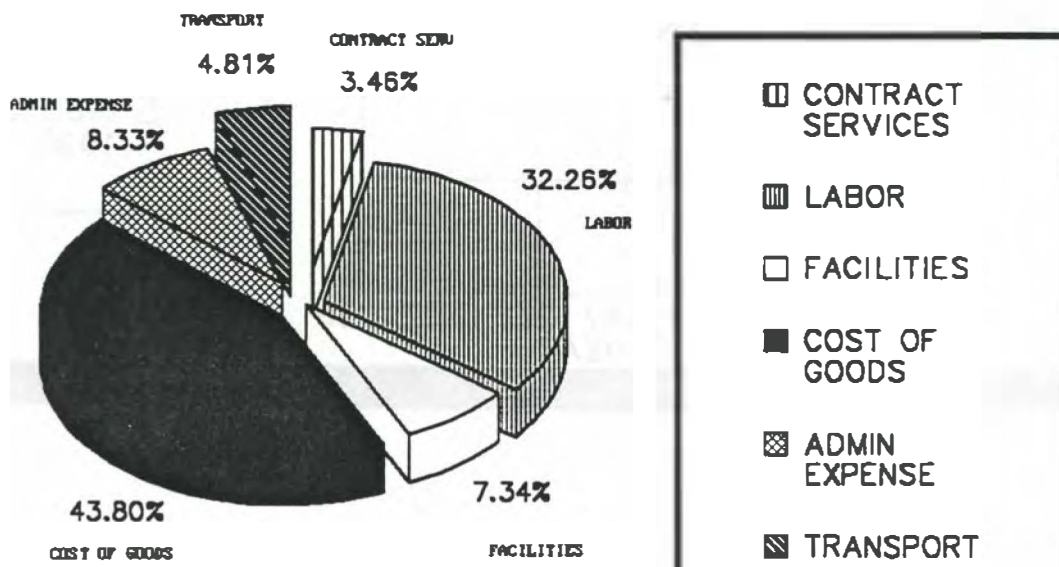


CHART THREE—LITERATURE SALES BY CATEGORY

This chart shows the income received from each customer category by World Service Office, Inc. in 1990. For the fifth straight year, the amount of literature sold to non-fellowship customers decreased. The percentage of sales to non-fellowship customers 48.01% in 1986, 45.47% in 1987, 41.99% in 1988, 38.47% in 1989, and 33.87% in 1990.

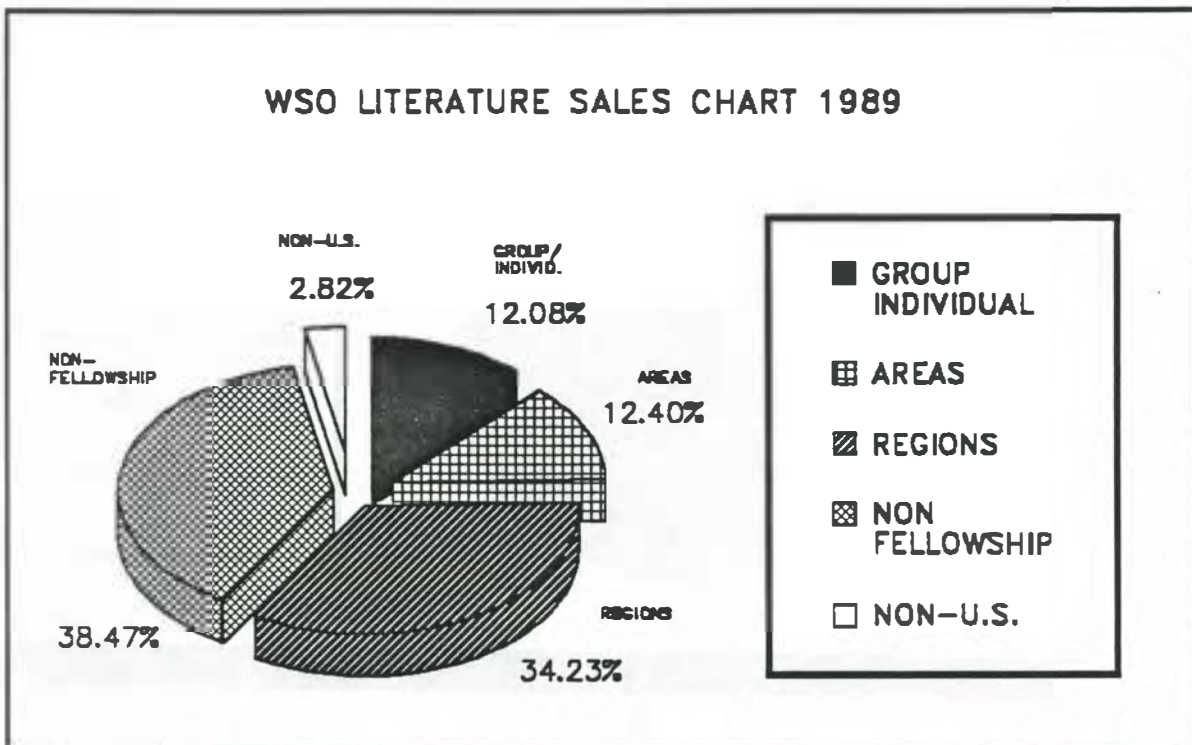
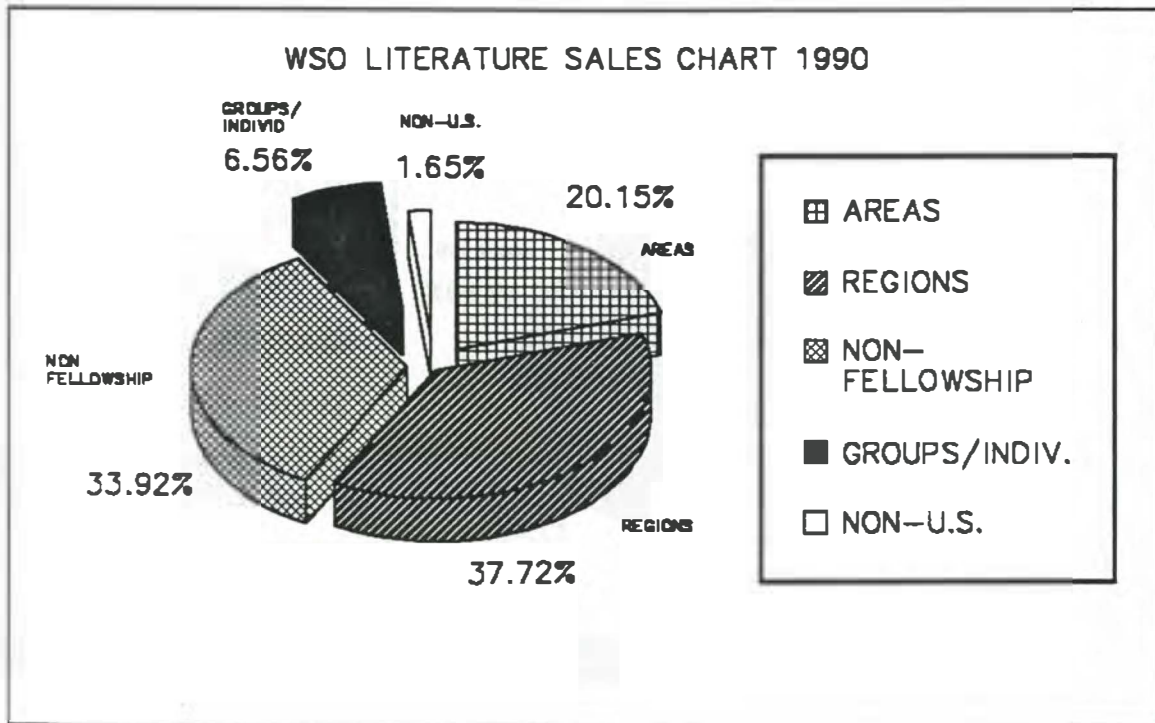
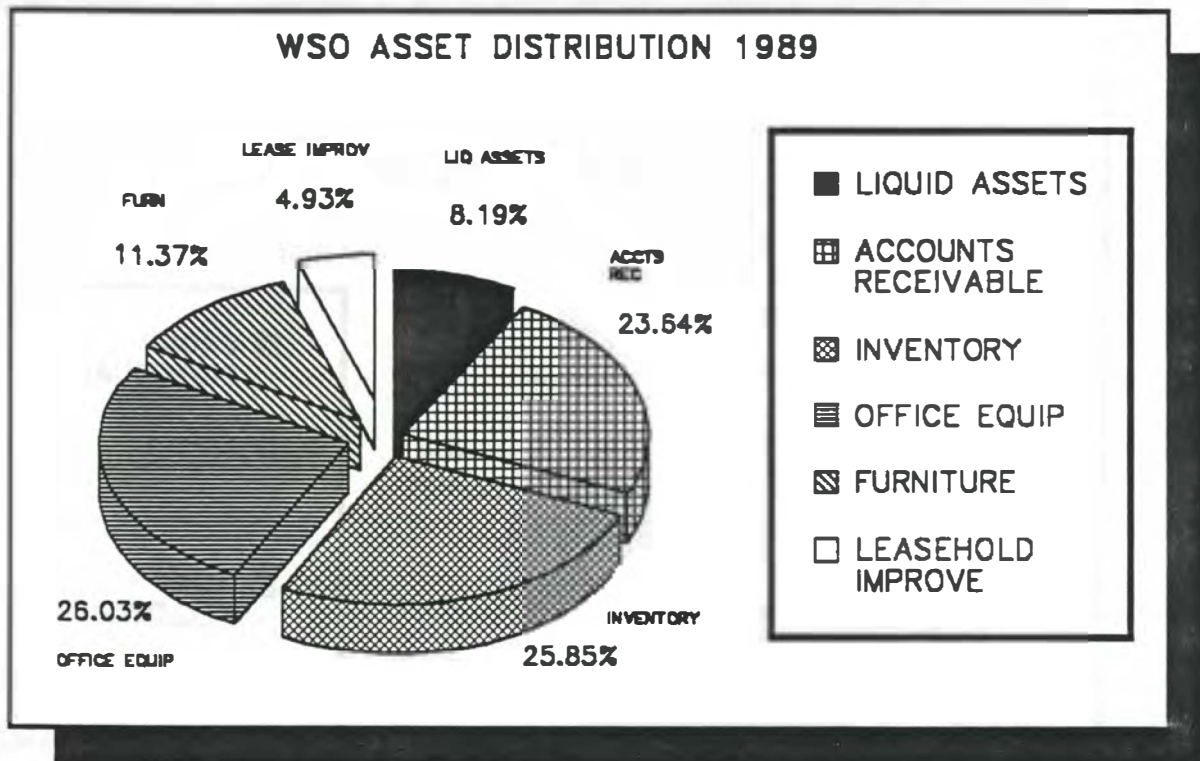
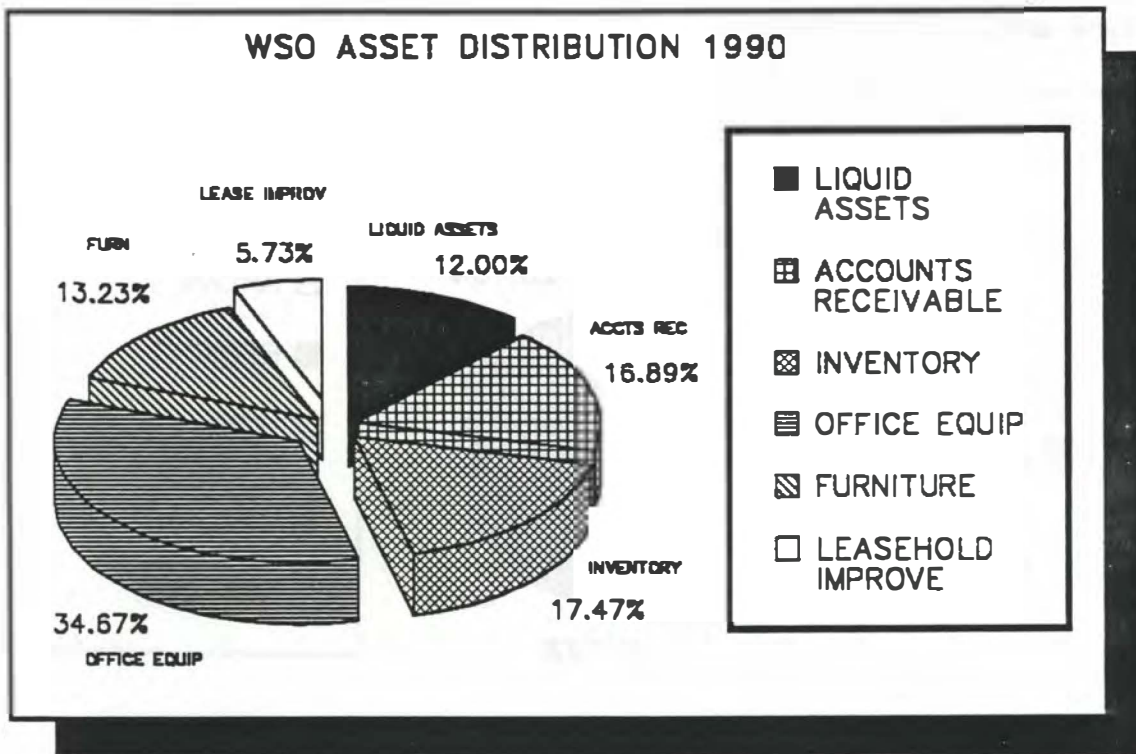


CHART FOUR—ASSET DISTRIBUTION

This chart graphically depicts the percentage breakdown of the asset distribution of all World Service Office, Inc. operations in 1990.



WORLD SERVICE OFFICE 1990 AUDIT REPORT

For the third consecutive year, the World Service Office commissioned a review audit of the financial records. The review audit is intended to examine the reliability of the accounting records and practices of the WSO so as to provide an overview of the office's financial condition as of December 31st, 1990.

This year, we requested that the format of the report be changed. This report shows data not only for World Service Office, Inc., but for the Van Nuys office, the European Service Office, and the Canadian Service Office. The report is divided into the following sections:

Page 62 is the combined operations balance sheet, where all of the assets and liabilities of all of the offices operations are combined to provided a comprehensive view of our asset position.

Page 63 is a balance sheet for the Van Nuys operation (as distinct from the London and Toronto branch offices).

Page 64 is a balance sheet for the European Service Office in London.

Page 65 is a balance sheet for the Canadian Service Office, located in Mississauga, Ontario, outside Toronto.

Page 66 is statement of revenues and expenses for the combined WSO operations.

Page 67 is a statement of revenues and expenses for the Van Nuys operation.

Page 68 is the same report for the European Service Office.

Page 69 is the same report for the Canadian Service Office in Ontario.

Page 70 is a statement of changes in fund balances for all operations. It reflects the changes in the significant asset and liability categories.

Pages 71 and 72 are notes from the accountant about specific items in the audit that needed emphasis.

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

Consolidated balance sheet

1. There was a significant increase in the level of cash in the checking accounts. This was due primar-

ily to the balance in the checking account in Canada. Since opening the Canadian Service Office in July, all of the revenue deposited in the CSO account has been left there to facilitate the branch's operation. The previous year's figure would not have included this balance.

2. There was a \$10,193.00 reduction in the balance of the savings accounts.

3. One of the most dramatic indications of the poor financial condition of the office was the 1990 accounts receivable balance. The difference between 1989 and 1990 was \$91,456.00. The sales peaked at the end of the year as more and more of our customers were unable to meet the normal payment requirements.

The office has always maintained a belief that it is important to assist our customers in difficult times. The ones who seemed to experience the most difficulty were our fellowship customers, and since one of our primary purposes is to make literature readily available to the fellowship, we did everything we could to afford our fellowship customers some flexibility.

4. Another significant reduction was the balance in employee exchange. This is the category for salary advances to employees that were still outstanding at the end of the year. The office worked hard last year reduce this balance.

5. Another major reduction was the closing level of inventory. Inventory was down \$158,403.00. In 1989, we made the decision to increase the floor level of all our inventory items. This decision allowed us to reduce our cost of merchandise in 1990, when we brought the floor-stock levels back down.

6. Our prepaid expenses were higher because we bought the paper for the eighth printing of the Basic Text in December.

7. We paid off our van lease in 1990, thereby adding to our fixed assets. Although the van is worth more than what is reflected on this report, we had to show it at the actual amount of the buyout.

8. We increased the value of this asset by \$60,216.00 in 1990. The primary increase was for computer equipment. We made a decision in 1989 to begin a two-year program of equipment replacement. In the first phase, we replaced the local area network file-servers at an approximate cost of \$12,000.00 each. The old equipment had reached its appreciable life and was beginning to experience frequent failures.

9. As one example of our attempts to minimize expenditures, we only spent \$315.00 for furniture in 1990. We were able to accommodate most of our furniture needs with furniture we already had.

10. This asset category increased by \$2,301.00 as a result of paying deposits for the facility in Canada.

11. One of the effects of an extremely slow December was that we had to carry many invoices over into the next fiscal period. The level of this liability increased \$112,079.00.

12. Our Capital Bank credit line increased by \$12,500.00 in 1990. We usually attempt to reduce the level of this liability before the close of each year. It was not possible to do so in 1990.

CSO balance sheet

13. As previously stated, the balance in the Canadian account was responsible for the increase in the balance in the checking accounts.

14. Since most of the business that we currently do in Canada is on a cash basis, the level of accounts receivables is not expected to be significant for some time.

15. This credit represents checks written to the World Convention Corporation at WCNA-20 which were deposited in the Canadian account to avoid currency conversion charges. This amount will be paid to WCC during the upcoming year.

16. This is the deposit for the facility in Ontario.

Consolidated statement of revenues and expenses

17. Overall sales for all operations were down by \$655,614.00 in 1990.

18. Since the level of sales were down, it is reasonable to expect that the level of returns and allowances (discounts) would be down as well.

19. Interest Income was down in 1990 because we did not have as much money on deposit during the year.

20. This category was up dramatically this year. The primary reasons were the Creative Arts lawsuit, from which we will recoup some of our expenses, and the Basic Text issue, for which we expect no cash return.

21. Of this figure, \$17,709.00 was a single debt for the United Kingdom Service Office that the office agreed to write off. This amount represents the total previous literature purchases for the years 1986-1988. The UKSO has been paying for literature purchased since January 1, 1989. We currently have a standing sales agreement with the UKSO that has been in effect since July 1990.

22. This figure is higher than the previous year, primarily due to the addition of severance pay to the previous executive director, as well as the initial payments to the executive search agency.

23. Free publications is a new expense category that we created to show the expense of the publications that we produce that do not generate revenue. The publications in question are the *Newsline* and the Loner Group newsletter, *Meeting by Mail*.

24. This figure represents the total paid by WSO for all insurance. This figure includes \$123,525.00 for the health insurance plan, \$24,235.00 for general insurance, and \$13,007.00 for workmens compensation. This figure also includes general insurance payments made by the ESO and the CSO, which are detailed on their respective income statements.

25. Office expense was down primarily due to our efforts to minimize spending in 1990. Only goods that were absolutely necessary were acquired last year.

26. Postage and shipping were up primarily due to the increased mailing activity associated with the Basic Text issue. We sent an enormous amount of material out to the general membership in an attempt to provide specific information about WSO operations

to those members who had questions. Additionally, in an attempt to insure that accurate information was available fellowshipwide, we increased the distribution of information that is usually only sent to conference participants.

27. The office's public information expenses increased in 1990 as a result of responding to more requests for assistance from local P.I. subcommittees.

28. In keeping with our continuing efforts to minimize expense, we dramatically reduced the level of computer supplies purchased in 1990. We were able to accomplish this by finding alternate sources for our supplies and by using reconditioned supplies.

29. The telephone expense was up again, primarily due to the activity associated with the Basic Text issue and the opening of the Canadian Service Office.

30. Although some of the other expense categories were up from the previous year, we were able to affect a reduction in travel expenses.

ESO statement of revenues and expenses

31. This figure only reflects the activity which had been reported up to the end of 1990. Since we have had no automated equipment for processing ESO sales, it has taken a long time for us to get the specific sales information. We have been continuously working to improve our processes relative to this operation, and expect that we will not experience the same problem in 1991.

32. This figure reflects the amount of loss/gain we incurred in 1990 as a result of fluctuations in the currency exchange rate.

33. This figure was produced by taking the value of all the inventory advanced by WSO to ESO and offsetting that amount against the inventory entry in the asset statement.

34. Rent and leases is our principal expense for the ESO. The lease rates in London have caused us some concern, particularly since the currency exchange rate has fluctuated greatly in 1990. At the beginning of 1990, the same expense would have been approximately 27% less, based on the exchange rate at that time. We are currently examining the possibility of relocating the ESO to either a smaller space in the same facility or moving to an entirely new facility altogether. It may be most prudent to move into a smaller space at this time and wait to relocate the ESO somewhere else in Europe where the exchange rate is slightly more stable against the U.S. dollar.

35. This travel expense is not only for the primary employee who attended the planning meetings of the European Conference and Convention, as well as public Information event in West Germany, but also includes the expense of some director travel by those directors who reside in Europe and whose tickets were procured by the ESO.

CSO statement of revenues and expenses

36. These figures reflect the six months operation of the literature distribution facility in Canada. Because this operation was established solely as a literature depot, the expenses associated with its operation are much smaller than those for a full-service office.

STEPHEN L. FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT

4881 LANKERSHIM BOULEVARD • NORTH HOLLYWOOD, CALIFORNIA 91601-4526 • (818) 760-0888

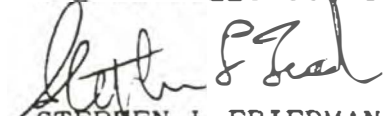
FEBRUARY 20, 1991

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

I HAVE AUDITED THE ACCOMPANYING COMBINED BALANCE SHEETS OF WORLD SERVICE OFFICE, INC., (A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION) AS OF DECEMBER 31, 1990, AND THE RELATED STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCE FOR THE YEAR THEN ENDED. THESE FINANCIAL STATEMENTS ARE THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT. MY RESPONSIBILITY IS TO EXPRESS AN OPINION ON THESE FINANCIAL STATEMENTS BASED ON MY AUDIT.

I CONDUCTED MY AUDIT IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS. THOSE STANDARDS REQUIRE THAT I PLAN AND PERFORM THE AUDIT TO OBTAIN REASONABLE ASSURANCE ABOUT WHETHER THE FINANCIAL STATEMENTS ARE FREE OF MATERIAL MISSTATEMENT. AN AUDIT INCLUDES EXAMINING, ON A TEST BASIS, EVIDENCE SUPPORTING THE AMOUNTS AND DISCLOSURES IN THE FINANCIAL STATEMENTS. AN AUDIT ALSO INCLUDES ASSESSING THE ACCOUNTING PRINCIPLES USED AS SIGNIFICANT ESTIMATES MADE BY MANAGEMENT, AS WELL AS EVALUATING THE OVERALL FINANCIAL STATEMENT PRESENTATION. I BELIEVE THAT MY AUDIT PROVIDES A REASONABLE BASIS FOR MY OPINION. IN MY OPINION, THE FINANCIAL STATEMENTS REFERRED TO ABOVE PRESENT FAIRLY, IN ALL MATERIAL RESPECTS, THE FINANCIAL POSITION OF WORLD SERVICE OFFICE, INC., AS OF DECEMBER 31, 1989 AND DECEMBER 31, 1990 AND THE RESULTS OF THEIR OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR THEN ENDED IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

RESPECTFULLY SUBMITTED,



STEPHEN L. FRIEDMAN
CERTIFIED PUBLIC ACCOUNTANT

SLF/RT

4881 LANKERSHIM BOULEVARD • NORTH HOLLYWOOD, CALIFORNIA 91601-4526 • (818) 760-0888

MARCH 14, 1991

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

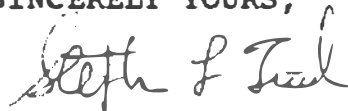
LADIES AND GENTLEMEN:

AFTER COMPLETING THE AUDIT FOR THE YEAR ENDING DECEMBER 31, 1990, I REALIZED HOW WELL THE OPERATIONS WERE BEING WATCHED OVER BY THE INDIVIDUALS WHO I CONTACTED.

I THINK THE AREAS TO WATCH OVER ARE THE INVENTORY PRICING, AND SOME OF THE INFORMATION IN THE COMPUTER PROGRAM. THE PRICING OF INVENTORY CHANGES FROM TIME TO TIME AND IT SHOULD BE UPDATED AT LEAST QUARTERLY. PURCHASES CLEARING IN THE GENERAL LEDGER IS DIFFICULT TO UNDERSTAND. DURING THE YEAR IT NEVER SEEMED IN BALANCE.

EVERYTHING ELSE IS PROPERLY WATCHED BY THE VARIOUS ACCOUNTING AND MANAGEMENT PERSONNEL. (PROBABLY BETTER THAN MOST "FOR PROFIT" CORPORATIONS.)

SINCERELY YOURS,



STEPHEN L. FRIEDMAN

SLF/RT

WORLD SERVICE OFFICE, INC.

BALANCE SHEET

DECEMBER 31, 1990 AND 1989

ASSETS

	<u>1990</u>	<u>1989</u>	
<u>CURRENT ASSETS</u>			
CASH ON HAND AND IN CHECKING	\$ 91,534	\$ 47,542	①
CASH IN SAVINGS	71,574	81,767	②
ACCOUNTS RECEIVABLE - CUSTOMERS	195,905	287,361	③
ACCOUNTS RECEIVABLE - OTHER (WSC-WCCNA)	33,653	67,154	
EMPLOYEE EXCHANGE	300	1,466	④
INVENTORY	237,508	395,911	⑤
PREPAID EXPENSES	63,203	12,167	⑥
	-----	-----	
TOTAL CURRENT ASSETS	693,677	893,368	
	-----	-----	
<u>FIXED ASSETS, AT COST</u>			
AUTOMOBILE	2,500	---	⑦
OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)	471,203	410,987	⑧
FURNITURE AND EQUIPMENT	179,827	179,512	⑨
LEASEHOLD IMPROVEMENTS	77,928	77,853	
LESS: ACCUMULATED DEPRECIATION	(456,468)	(351,424)	
	-----	-----	
NET BOOK VALUE OF ASSETS	274,990	316,928	
	-----	-----	
<u>OTHER ASSETS</u>			
DEPOSITS - RENT	19,522	17,221	⑩
	-----	-----	
TOTAL ASSETS	\$ 988,189	\$ 1,227,517	
	=====	=====	

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>			
ACCOUNTS PAYABLE	\$ 183,022	70,943	⑪
SALES TAX PAYABLE	1,143	896	
CREDIT LINE PAYABLE	62,550	50,050	⑫
	-----	-----	
TOTAL CURRENT LIABILITIES	246,715	121,889	
	-----	-----	
<u>FUND BALANCE</u>	741,474	1,105,628	
	-----	-----	
TOTAL LIABILITIES AND FUND BALANCE	\$ 988,189	\$ 1,227,517	
	=====	=====	

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC. - VAN NUYS

BALANCE SHEET

DECEMBER 31, 1990

ASSETSCURRENT ASSETS

CASH ON HAND AND IN CHECKING ACCOUNTS	\$ 28,002
CASH IN SAVINGS	71,574
ACCOUNTS RECEIVABLE - CUSTOMERS	192,488
ACCOUNTS RECEIVABLE - OTHER (WSC-WCCNA)	33,788
EMPLOYEE EXCHANGE	300
INVENTORY	193,402
PREPAID EXPENSES	63,203

TOTAL CURRENT ASSETS	582,757
----------------------	---------

FIXED ASSETS, AT COST

AUTOMOBILE	2,500
OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)	461,582
FURNITURE AND EQUIPMENT	179,827
LEASEHOLD IMPROVEMENTS	77,291
LESS: ACCUMULATED DEPRECIATION	(455,260)

NET BOOK VALUE OF ASSETS	265,940
--------------------------	---------

OTHER ASSETS

DEPOSITS - RENT	13,325
-----------------	--------

TOTAL ASSETS	\$ 862,022
--------------	------------

LIABILITIES AND FUND BALANCECURRENT LIABILITIES

ACCOUNTS PAYABLE	180,055
SALES TAX PAYABLE	1,143
CREDIT LINE PAYABLE	62,550

TOTAL CURRENT LIABILITIES	243,748
---------------------------	---------

FUND BALANCE

618,274

TOTAL LIABILITIES AND FUND BALANCE	\$ 862,022
------------------------------------	------------

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC. - EUROPE

BALANCE SHEET

DECEMBER 31, 1990

ASSETSCURRENT ASSETS

CASH ON HAND AND IN CHECKING ACCOUNTS	\$ 14,652
ACCOUNTS RECEIVABLE - CUSTOMERS	3,147
INVENTORY	20,174

TOTAL CURRENT ASSETS	37,973

FIXED ASSETS, AT COST

OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)	2,682
LEASEHOLD IMPROVEMENTS	637
LESS: ACCUMULATED DEPRECIATION	(712)

NET BOOK VALUE OF ASSETS	2,607

OTHER ASSETS

DEPOSITS - RENT	4,415

TOTAL ASSETS	\$ 44,995
	=====

LIABILITIES AND FUND BALANCECURRENT LIABILITIES

ACCOUNTS PAYABLE	2,967
------------------	-------

FUND BALANCE

	42,028

TOTAL LIABILITIES AND FUND BALANCE	\$ 44,995
	=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC. - CANADIAN

BALANCE SHEET

DECEMBER 31, 1990

ASSETSCURRENT ASSETS

CASH ON HAND AND IN CHECKING ACCOUNTS	\$	48,880	(13)
ACCOUNTS RECEIVABLE - CUSTOMERS		270	(14)
ACCOUNTS RECEIVABLE - OTHER (WSC-WCCNA)		(135)	(15)
INVENTORY		23,932	

TOTAL CURRENT ASSETS		72,947	

FIXED ASSETS, AT COST

OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)		6,939	
LESS: ACCUMULATED DEPRECIATION		(496)	

NET BOOK VALUE OF ASSETS		6,443	

OTHER ASSETS

DEPOSITS - RENT		1,782	(16)

TOTAL ASSETS	\$	81,172	
		=====	

LIABILITIES AND FUND BALANCE

<u>FUND BALANCE</u>		81,172	

TOTAL FUND BALANCE	\$	81,172	
		=====	

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

	<u>1990</u>	<u>1989</u>	
<u>REVENUES</u>			
LITERATURE SALES	\$ 4,338,999	\$ 4,994,613	(17)
LESS: RETURNS AND ALLOWANCES	(969,724)	(1,132,286)	(18)
INTEREST	5,516	11,216	(19)
MISCELLANEOUS	103,461	160,216	
	-----	-----	
TOTAL REVENUE	3,478,252	4,033,759	
<u>COST OF MERCHANDISE</u>	(1,453,967)	(1,676,900)	
	-----	-----	
GROSS PROFIT	2,024,285	2,356,859	
	-----	-----	
<u>EXPENSES</u>			
ACCOUNTING AND LEGAL	115,697	67,585	(20)
AUTOMOBILE LEASE	3,909	7,375	
BAD DEBTS	18,426	1,961	(21)
BANK SERVICE CHARGES	1,232	589	
CONTRACT LABOR AND CONSULTING	82,416	44,749	(22)
DEPRECIATION	105,016	98,948	
FREE PUBLICATIONS	26,933	---	(23)
INSURANCE	162,337	146,598	(24)
INTEREST EXPENSE	4,683	4,393	
MAINTENANCE, REPAIRS AND SERVICE CONTRACTS	55,550	52,736	
MISCELLANEOUS	2,884	6,350	
OFFICE EXPENSE	81,935	89,774	(25)
PAYROLL TAXES	97,249	86,528	
POSTAGE AND SHIPPING	101,531	83,725	(26)
PUBLIC INFORMATION	4,374	2,636	(27)
RENT AND LEASES	191,771	181,163	
SALARIES	1,055,671	1,050,809	
SUPPLIES	10,420	21,169	(28)
TELEPHONE	70,015	59,336	(29)
TRANSLATIONS	13,493	9,451	
TRAVEL	163,563	176,880	(30)
UTILITIES	19,344	18,127	
	-----	-----	
TOTAL EXPENSES	2,388,439	2,210,882	
<u>EXCESS REVENUE OVER EXPENSES</u>	(364,154)	145,977	
<u>FUND BALANCE, BEGINNING OF YEAR</u>	1,105,628	959,651	
	-----	-----	
<u>FUND BALANCE, END OF YEAR</u>	\$ 741,474	\$ 1,105,628	
	=====	=====	

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES - VAN NUYS
FOR THE YEAR ENDED DECEMBER 31, 1990

REVENUES

LITERATURE SALES	\$ 4,289,537
LESS: RETURNS AND ALLOWANCES	(966,705)
INTEREST	5,516
MISCELLANEOUS	104,856

TOTAL REVENUE	3,433,204

COST OF MERCHANDISE

(1,420,699)

GROSS PROFIT

2,012,505

EXPENSES

ACCOUNTING AND LEGAL	113,330
AUTOMOBILE LEASE	3,909
BAD DEBTS	18,426
BANK SERVICE CHARGES	613
CONTRACT LABOR AND CONSULTING	82,077
DEPRECIATION	104,045
FREE PUBLICATIONS	26,933
INSURANCE	161,125
INTEREST EXPENSE	4,683
MAINTENANCE, REPAIRS AND SERVICE CONTRACTS	54,449
MISCELLANEOUS	2,327
OFFICE EXPENSE	75,475
PAYROLL TAXES	84,463
POSTAGE AND SHIPPING	96,120
PUBLIC INFORMATION	4,374
RENT AND LEASES	157,121
SALARIES	1,033,650
SUPPLIES	10,420
TELEPHONE	63,183
TRANSLATIONS	13,493
TRAVEL	149,630
UTILITIES	18,895

TOTAL EXPENSES

2,278,741

EXCESS (EXPENSES OVER REVENUES)\$ (266,236)
=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES - EUROPE
FOR THE YEAR ENDED DECEMBER 31, 1990

REVENUES

LITERATURE SALES	\$ 7,226	(31)
MISCELLANEOUS - CONVERSION LOSS	(1,395)	(32)

TOTAL REVENUE	5,831	

COST OF MERCHANDISE

	(355)	(33)

GROSS PROFIT

	5,476	

EXPENSES

ACCOUNTING AND LEGAL	615	
BANK SERVICE CHARGES	556	
DEPRECIATION	475	
INSURANCE	382	
MAINTENANCE, REPAIRS AND SERVICE CONTRACTS	1,101	
OFFICE EXPENSE	5,804	
PAYROLL TAXES	12,785	
POSTAGE AND SHIPPING	4,751	
RENT AND LEASES	29,338	(34)
SALARIES	21,395	
TELEPHONE	5,110	
TRAVEL	13,407	(35)

TOTAL EXPENSES	95,719	

EXCESS (EXPENSES) OVER REVENUE

	\$ (90,243)	
	=====	

WORLD SERVICE OFFICE, INC.
STATEMENT OF REVENUES AND EXPENSES - CANADIAN
FOR THE YEAR ENDED DECEMBER 31, 1990

REVENUES

LITERATURE SALES	\$ 42,236
LESS: RETURNS AND ALLOWANCES	(3,018)

TOTAL REVENUE	39,218
---------------	--------

<u>COST OF MERCHANDISE</u>	(32,913)
----------------------------	----------

<u>GROSS PROFIT</u>	6,305
---------------------	-------

EXPENSES

ACCOUNTING AND LEGAL	1,752
BANK SERVICE CHARGES	63
CONTRACT LABOR AND CONSULTING	339
DEPRECIATION	496
INSURANCE	830
MISCELLANEOUS	557
OFFICE EXPENSE	648
POSTAGE AND SHIPPING	651
RENT AND LEASES	5,312
SALARIES	626
TELEPHONE	1,722
TRAVEL	526
UTILITIES	449

TOTAL EXPENSES	13,971
----------------	--------

<u>EXCESS (EXPENSES) OVER REVENUE</u>	\$ (7,666)
---------------------------------------	------------

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEARS ENDED DECEMBER 31, 1990 AND 1989

	<u>1990</u>	<u>1989</u>
CASH WAS PROVIDED BY:		
EXCESS OF REVENUES OVER EXPENSE	\$ (364,154)	\$ 145,977
DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	124,957	(45,725)
DECREASE (INCREASE) IN EMPLOYEE EXCHANGE	1,166	(771)
DECREASE (INCREASE) IN INVENTORY	158,403	(154,755)
(INCREASE) IN PREPAID EXPENSES	(51,036)	(2,217)
DECREASE (INCREASE) IN FIXED ASSETS		
(NET OF ACCUMULATED DEPRECIATION)	41,938	(38,585)
(INCREASE) IN DEPOSITS	(2,301)	(3,896)
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	112,079	(76,975)
INCREASE (DECREASE) IN SALES TAX PAYABLE	247	(609)
INCREASE IN CREDIT LINE PAYABLE	12,500	50,050
	-----	-----
INCREASE (DECREASE) IN CASH	33,799	(127,506)
CASH IN BANKS AND ON HAND		
DECEMBER 31, 1989, 1988	129,309	256,815
	-----	-----
CASH IN BANKS AND ON HAND		
DECEMBER 31, 1990, 1989	\$ 163,108	\$ 129,309
	=====	=====
CASH ON HAND AND IN CHECKING ACCOUNTS	\$ 91,534	\$ 47,542
CASH IN SAVINGS	71,574	81,767
	-----	-----
	\$ 163,108	\$ 129,309
	=====	=====

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1990

NOTE 1 - ACCOUNTS RECEIVABLE ARE WRITTEN OFF DIRECTLY AS THEY BECOME UNCOLLECTIBLE. RECEIVABLES WRITTEN OFF ARE INCLUDED IN BAD DEBT. ACCOUNTS RECEIVABLE - OTHER OF \$18,261 IS FROM A EUROPEAN AND AUSTRALIAN OFFICE WHICH IS OVER THREE YEARS OLD AND MAY NOT BE RECOVERED. INVENTORY IS VALUED AT COST.

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

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

NOTE 4 - THE COMPANY HAS A LINE OF CREDIT FROM CAPITAL BANK FOR \$100,000. INTEREST WILL BE PAID AT 11.25% PER ANNUM AT DECEMBER 31, 1990.

NOTE 5 - THE COMPANY HAS LEASES FOR 16129 WYANDOTTE STREET AND 16155 WYANDOTTE STREET THAT EXPIRE OCTOBER 31, 1991. THERE IS A THREE YEAR LEASE COMMENCING DECEMBER 1, 1988, ON 16135 WYANDOTTE STREET, VAN NUYS, CALIFORNIA. AS OF DECEMBER 31, 1990 THE TOTAL LEASE PAYMENT IS \$11,434 PER MONTH. THERE IS ALSO A MONTH TO MONTH LEASE IN LONDON AT \$2208 PER MONTH. THERE IS A LEASE IN CANADA AT \$865 PER MONTH FOR THREE YEARS THAT COMMENCED JUNE 1, 1990 (WITH FUTURE INCREASES).

NOTE 6 - NOT INCLUDED IN THIS REPORT IS \$296,921 OF INCOME AND \$263,200 IN EXPENSES FROM WORLD SERVICE CONFERENCES, WHO IS AN AFFILIATED ENTITY. THE WORLD SERVICE OFFICE ACTS IN A CAPACITY TO PROCESS THE INCOME FOR, AND EXPEND FUNDS ON BEHALF OF, THE WORLD SERVICE CONFERENCE. WORLD SERVICE CONFERENCE REPAYS THE WORLD SERVICE OFFICE ON A MONTHLY BASIS, AFTER VERIFICATION OF EXPENSES BY THE TREASURER OF THE AFFILIATED ENTITY.

NOTE 7 - AS OF DECEMBER 31, 1990 THE COMPANY IS ENGAGED IN TWO LAWSUITS WHICH MAY RESULT IN THE INCURRING OF SIGNIFICANT LEGAL EXPENSES IN THE NEAR FUTURE.

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1990

NOTE 8 - THE FOLLOWING CONVERSION RATES WERE USED TO PREPARE THIS REPORT:

		<u>U.S. DOLLAR</u>
LONDON OFFICE	ONE BRITISH POUND	\$1.82
CANADIAN OFFICE	ONE CANADIAN DOLLAR	\$.83

SEE NOTES TO FINANCIAL STATEMENTS

WORLD SERVICE OFFICE 1991 REVISED BUDGET

This is the revised World Service Office budget for 1991. Changes discussed at the January and March meetings of the WSO Board of Directors have been factored in. Most of the narrative information is in its original form, as presented to the WSO board. It is formatted in such a way as to allow for side-by-side comparison between years. We have attached a section of narrative notes for the specific budget categories.

The analysis of this year's figures shows that sales were down by 15%—approximately \$603,802.58—from the previous year. Although sales were up slightly in some income areas, those increases were not sufficient to offset the downturn in other areas. As a result, the entire budget is based on a projection of minimal revenue growth in 1991. As a matter of fact, most of the projected general and administrative expenses have either been reduced or are shown at the same level as the previous year. It is our belief that this is absolutely necessary to meet the budget targets. Some of these reductions are dramatic, and will be explained in the narrative section.

We began to establish expenditure caps when we developed last year's budget, and have continued that practice this year. Last year's figures demonstrate this as an effective tool in maintaining responsible control of the budget.

This year's projected income figures are at last year's levels, with the exception of literature, handbooks, medallions, tags, chips, and silver medallions. These categories showed slightly more revenue in 1990 than was expected. We believe that income from these categories will increase at the same level in 1991.

Early in 1990, sales of the Basic Text flattened, as expected. What we did not expect was the decrease in sales that occurred later in the year. We expected that the decrease would be much more gradual and take a few years to bottom out. Basic Text sales were down approximately 18%—approximately \$502,393.00—in 1990. It is entirely possible that some of this decline was due to the controversy surrounding members and groups who were printing the text on their own; however, it does not seem reasonable

to attribute the entire decrease to that single cause. A more likely explanation is that a combination of factors have been at work. We have reached the point of market saturation discussed two years ago. We are seeing the result of having a text that doesn't change, on average, every thirteen months; the membership has had no need to purchase large quantities of any new version. We also have been affected, as have all enterprises, by a sluggish economy. These are the general factors we believe have contributed to the downturn in text sales; however, certain specific factors have also had significant impact.

First, the Hazelden Foundation did not increase its purchases from us in 1990, indicating Hazelden's adjustment for an expected reduction in sales. Second, the other major non-fellowship customers, Parkside and CompCare, either ceased purchasing from us or drastically reduced their purchase levels in 1990. We know that CompCare was absorbed by Parkside in the first quarter of 1990, which consolidated their purchasing. One would expect that this would have caused an increase in purchases by Parkside, and the elimination of purchases by CompCare. CompCare did in fact stop purchasing from us, but Parkside did not increase its purchases. We are not sure whether Parkside has merely reduced its use of the Basic Text or is purchasing it from Hazelden. Either way, the reality is that CompCare literature purchases have been eliminated, and no corresponding increase in sales of the Basic Text to another purchaser has compensated for that loss.

We are projecting a small increase in the 1991 level of Basic Text sales only because we expect to acquire additional non-fellowship customers who currently purchase literature from Hazelden or other sources. The question this poses is whether Hazelden will decrease their purchase amount correspondingly. We tend to think that they will not; however, the remote possibility exists.

This year's actual budget, approved by the WSO board, is shown in the column titled "1991 Projected" of the following section. These are the figures that we believe most accurately describe what 1991 should look like. We recognize that the projections

are not optimistic; however, we believe them to be the most realistic estimates available. We would normally never submit a budget to the board which was based on a deficit; however, we felt it important to show the board the expected cash in and cash out in as accurate a way as possible. The cited deficit can be accommodated with the existing cash reserve, if necessary. However, to use it would deplete our cash savings completely.

We have enclosed supplemental budgets for the WSO ancillary operations in this package. Supplemental Budget A is for the European Service Office, and Supplemental Budget B is for the Canadian Service Office. Each supplemental budget has a narrative section which describes the basis for the projections, as well as some language which generally describes each operation's activities during the previous year.

We have incorporated a Supplement C into this document, giving the reader a general view of the upcoming WSC committee and board projects which will affect the World Service Office staff and departments. There are no special provisions in the budget allowing any increased level of WSO support to accommodate any of these activities.

SPECIFIC BUDGET NOTES

The following notes relate to the numbers shown for the 1991 budget on succeeding pages.

1. Although Basic Text sales were down 18% in 1990, we are still projecting a 7% increase in sales for 1991. We expect this increase will result from the acquisition of additional non-fellowship customers. If the Spanish-language text is produced this year, there will be some additional increase to this income category.
2. The figure for handbooks reflects a 10% increase, which is consistent with the level of increase during 1990.
3. We currently are not projecting any revenue from the steps or traditions projects during the 1991 year.
4. Although the actual total for 1990 was down, we expect the 1991 income in this category to increase

by about 1% as a result of adding the new I.P., *For Those in Treatment*, to the inventory.

5. This income category increased over the last year, and we have projected the same level of increase in 1991.
6. We expect silver medallions to show the same 25% increase in 1991 that occurred in 1990. We may be able to further increase income in this category by adding a biplate medallion to our inventory.
7. White Booklets were one of the other items which were slightly up in 1990. As a result, we have projected an income figure which is based on the same percentage of increase.
8. If you reference the corresponding shipping entry in the cost of merchandise section, you will notice that we have dramatically reduced the level of loss related to shipping, from approximately \$55,000 to approximately \$22,000. We expect to continue on this trend in 1991. Additionally, we will not have the start-up shipping expense associated with opening the Canadian Service Office.
9. Our total discount expense is calculated as a percentage of gross sales of all items except those which are excluded from the discount schedule. Discount levels have remained at about 22% over the last several years. We project that this percentage will remain constant during 1991.
10. You will note a dramatic decrease in the projection for interest earned. This is a result of having to tap our savings accounts in 1990 to cover routine operational expenses, draining the cash reserve that had been accumulating interest. We do not anticipate being in a position to increase our savings balance during the coming year.

Cost of merchandise

11. This figure is based upon producing 325,000 copies of the Basic Text at approximately \$1.90 each. If the Spanish-language Basic Text goes into production, we will adjust the quantity of English-language texts to offset the Spanish volumes produced.
12. All of these items show percentage-increases in the cost of production that correspond to last year's

increases. The exceptions are the medallions, tags, and chips. By changing the vendor for the medallions and changing the design and vendor for the chips, we will save approximately \$27,000 this year.

13. There has been some confusion surrounding the exact cost of merchandise for the magazine for some time. *The N.A. Way* has been treated as a separate process when orders are processed and, as a result, the cost of merchandise figures used in prior years have not been accurate. In the future, the magazine will be treated as any other revenue source, allowing us to accurately analyze *N.A. Way* costs. We added \$4,000 to this category after the January WSO board meeting.

14. This figure represents the cost of the Xerox lease, which is already incorporated into other figures in this section of the budget. We separated this figure out only to show the reader how much of the total lease expense is dedicated to production. The remainder is attributed in the general and administrative expense sections of the budget.

General/administrative

15. We project that this expense item will be in the same range as the 1989 total.

16. In keeping with our attempt to reduce our level of expense in this area, you will notice that we dramatically reduced the amount of supplies we used in 1990. We also found some less expensive alternative products. We are projecting this expense at the same level as 1990.

17. This figure represents the balance of Bob Stone's severance pay, as well as an amount for normal contract labor.

18. Although we included depreciation expense in this projection, we did not include it in the total. Since this expense category does not represent cash out, but instead simply a decrease in value of our fixed assets, we thought it best to exclude it from the totals.

19. Our expense in this area increased significantly in 1990. We believe that it was primarily due to excessive use of the equipment covered by this cate-

gory. Because of this, we elected to project the 1991 expense at about the same level as 1989.

20. This figure represents a reduction from the 1990 projection. We expect to publish the *Newsline* four or five times this year, producing 20,000 copies of each issue, at a cost of \$3,000 for each printing. The balance in this category is for postage and outside mail services.

21. The projection for 1991 seems high until you take into account that a portion of the 1989 figure actually belonged to the 1990 year. The original figure in this category was approximately \$2,500 higher, representing a slight increase in coverage for earthquakes, loss of business, and assets. Since the last WSO board meeting, we have been able to affect a \$2,500 reduction in our annual premium.

22. This is one place where an imposed ceiling *must* be applied during the coming year, reducing our level of expense.

23. We reduced the projected expenditure in this category because we do not expect to have the same need to mail large quantities of information this year as last year.

24. This is the portion of the Xerox 9900 expense which was dedicated to non-production copying.

25. We decreased the amount in this category because some of the equipment that would be covered no longer has value. Because the coverage for those pieces of equipment would be more than the equipment is worth, we will no longer cover them. We have enough extra parts from workstations that we took down when employees left the office to cover a breakdown of one or two units, offsetting the lack of coverage of some of the older units.

26. We have established a ceiling in this category because we do not anticipate having the same level of use in the coming year. We have tried vigorously to reduce personal use of the phone, and intend to continue doing so. We have collected more than \$175.00 each month when phone bills have been circulated through the office and employees have taken responsibility for their personal calls.

27. Although currently we only translate correspondence which requires response, it still is imperative that we seek less expensive means of accomplishing these tasks.

28. This is probably the most significant ceiling included in the budget. It will be absolutely necessary to accomplish this target if we are to stay within the budget parameters. This may require a suspension of travel for follow-up to India and South America by the WSO in 1991. During the later part of 1990, we began to use directors for some of the travel that needed to be done. This practice helped to reduce our travel expense during that period. This probably is a good practice to continue. It may also be prudent to have the board consider eliminating one of its regular meetings, although with a new executive director coming aboard this may not be possible. By eliminating one WSO board meeting, the office could save approximately \$6,800.

29. You will note that the total expense for 1990 in this category was \$123.36. This is because, at the end of 1989, we purchased \$4,912.59 worth of supplies which lasted all the way through 1990. It will be necessary to purchase \$5,000 worth of supplies this year.

30. Although this is actually an asset acquisition, we are reflecting the projected expense here so the reader will be able to see it in context. We have talked in past years about a three-year plan for the replacement of computer equipment. We will not be in a position to implement the second phase of that plan. This figure only reflects what we believe we will have to spend to replace failed equipment during the year.

31. This category is also an asset improvement, and is shown here to keep all of the expenses in context. We plan to have some offices painted in the building at 16155 Wyandotte Street this year.

Personnel

32. This expense category is lowered in the projection because we do not expect to incur the same level of legal expenses in 1991. However, we expect to conduct a process audit in 1991, and it may be necessary at a later date to adjust this budget allocation to accommodate that expense.

This is the end of the specific WSO budget notes.

WORLD SERVICE OFFICE, INC.
REVISED COMBINED OPERATIONS BUDGET 1991
JANUARY 15, 1991

INCOME		1989 ACTUAL	1990 ACTUAL	1991 PROPOSED	5% INCREASE	
5000-00	BASIC TEXT	2,855,835.72	2,353,442.80	2,520,000.00	2,646,000.00	1
5010-00	BASIC TEXT-COM ED	90,242.96	23,660.00	23,660.00	24,843.00	
5020-00	BASIC TEXT-FRENCH	0.00	11.15	15.00	15.75	
5030-00	HANDBOOKS	52,462.22	58,789.80	65,256.68	68,519.51	2
5040-00	IT WORKS: STEPS	0.00	0.00	0.00	0.00	
5050-00	IT WORKS: TRADITIONS	0.00	136.00	0.00	0.00	3
5060-00	LITERATURE	824,014.40	679,112.12	686,612.12	720,942.73	4
5070-00	MEDALLIONS, TAGS & CHIPS	663,351.88	692,763.51	720,474.05	756,497.75	5
5080-00	MEDALLIONS: SILVER	11,552.00	15,350.00	19,187.50	20,146.88	6
5090-00	WHITE BOOKS	236,840.61	240,969.10	245,788.48	258,077.90	7
5100-00	NA WAY MAGAZINE	134,051.27	118,955.89	120,000.00	126,000.00	
5110-00	MISCELLANEOUS	136,810.81	105,141.74	110,422.32	115,943.44	
5120-00	SHIPPING	126,262.31	105,817.47	111,146.16	116,703.47	8
5130-00	CANADIAN CONVERSIONS	0.00	(11,046.05)	0.00	0.00	
5140-00	DISCOUNTS	(1,132,285.77)	(965,983.93)	(1,020,310.77)	(1,071,326.31)	9
9020-00	INTEREST EARNED	11,216.49	4,313.64	4,313.08	4,528.73	10
9040-00	MISCELLANEOUS	23,405.10	8,524.18	0.00	0.00	
TOTAL INCOME WSO		4,033,760.00	3,429,957.42	3,606,564.62	3,786,892.85	
TOTAL INCOME CSO				\$103,048.41	\$103,048.41	
TOTAL INCOME ESO				\$20,505.86	\$20,505.86	
TOTAL INCOME				\$3,730,118.89	\$3,910,447.12	

COST OF MERCHANDISE		1989	1990	1991	5%	
		ACTUAL	ACTUAL	PROPOSED	INCREASE	
6020-00	BASIC TEXT	828,409.20	572,010.95	617,500.00	648,375.00	11
6040-00	BASIC TEXT-COM ED	0.00	0.00	0.00	0.00	
6060-00	BASIC TEXT-FRENCH	0.00	0.00	0.00	0.00	
6080-00	HANDBOOKS	25,352.76	27,454.89	30,474.93	31,998.68	12
6100-00	IT WORKS: STEPS	0.00	0.00	0.00	0.00	
6120-00	IT WORKS: TRADITIONS	0.00	0.00	0.00	0.00	
6140-00	LITERATURE	164,792.99	173,267.67	173,267.67	181,931.05	12
6160-00	MEDALLIONS, TAGS & CHIPS	290,492.98	297,114.08	270,056.36	283,559.18	12
6180-00	MEDALLIONS: SILVER	5,928.42	7,914.45	9,893.06	10,387.71	12
6200-00	WHITE BOOKS	88,734.69	109,113.88	111,296.16	116,860.97	12
6220-00	NA WAY MAGAZINE	38,029.15	42,892.18	51,000.00	53,550.00	13
6240-00	MISCELLANEOUS	104,614.95	52,756.59	55,652.52	58,435.15	
6260-00	CONTRACT LABOR	40,256.97	932.50	1,119.00	1,174.95	
6280-00	COST OF GOODS	0.00	157.87	0.00	0.00	
6300-00	DISCOUNTS	0.00	80.38	0.00	0.00	
6320-00	REPRODUCTION LEASE	44,883.31	9,300.00	9,300.00	9,765.00	14
6340-00	REPRODUCTION SUPPLIES	0.00	6,020.42	6,100.00	6,405.00	
6360-00	SHIPPING	181,845.25	127,918.51	122,000.00	128,100.00	
6380-00	SHIPPING SUPPLIES	8,515.50	5,847.20	5,955.36	6,253.13	
6400-00	TRANSLATIONS (COG)	5,452.02	4,082.20	4,082.20	4,286.31	
						0.00
TOTAL WSO C.O.M.		1,827,308.19	1,436,863.77	1,467,697.26	1,541,082.12	
TOTAL ESO C.O.M.				6,504.86	6,504.86	
TOTAL CSO C.O.M.				57,712.23	57,712.23	
TOTAL C.O.M.				1,531,914.35	1,608,510.07	

GENERAL/ADMIN EXPENSES		1989 ACTUAL	1990 ACTUAL	1991 PROPOSED	NO INCREASE	
7020-00	AUTO EXPENSE	7,374.58	3,586.28	2,723.00	2,723.00	
7040-00	BAD DEBTS	1,960.89	18,425.64	1,960.00	1,960.00	15
7060-00	BANK SERVICE CHARGES	485.14	482.13	482.13	482.13	
7080-00	COMPUTER SUPPLIES	16,127.17	9,762.00	9,000.00	9,000.00	16
7090-00	CONTRACT LABOR	0.00	58,732.69	28,000.00	28,000.00	17
7100-00	COPYRIGHTS	190.00	100.00	100.00	100.00	
7120-00	DEPRECIATION	0.00	95,300.00	95,300.00	95,300.00	* 18
7140-00	DUES & FEES	2,017.50	2,908.75	2,908.75	2,908.75	
7160-00	EMPLOYEE TRAINING	4,142.73	2,220.93	2,000.00	2,000.00	
7180-00	EQUIPMENT LEASE	14,378.94	23,145.65	16,000.00	16,000.00	19
7200-00	EQUIPMENT REPAIR	5,059.01	1,454.21	1,454.21	1,454.21	
7210-00	FOREIGN CONVERSIONS	0.00	0.00	0.00	0.00	
7215-00	FREE PUBLICATIONS	0.00	22,855.55	18,000.00	18,000.00	20
7220-00	INSURANCE (GENERAL)	35,293.76	24,777.24	26,500.00	26,500.00	21
7240-00	INTEREST	4,392.87	4,184.10	4,184.10	4,184.10	
7260-00	MAINTENANCE & REPAIR	18,377.05	17,042.74	15,000.00	15,000.00	
7280-00	OFFICE EXPENSE	84,791.82	69,919.93	50,000.00	50,000.00	22
7300-00	POSTAGE	82,465.49	93,827.55	83,000.00	83,000.00	23
7320-00	PUBLIC INFORMATION	2,635.72	4,030.05	4,823.76	4,823.76	
7340-00	RENT	145,094.00	136,772.00	144,138.00	144,138.00	
6320-00	REPRODUCTION LEASE	0.00	43,233.00	48,233.00	43,233.00	24
7360-00	SERVICE CONTRACTS	29,300.28	35,574.22	30,000.00	30,000.00	25
7380-00	TELEPHONE	54,541.35	59,962.23	55,000.00	55,000.00	26
7400-00	TRANSLATIONS (LETTERS)	9,757.00	13,492.95	11,500.00	11,500.00	27
7420-00	TRAVEL	176,415.15	143,340.94	80,000.00	80,000.00	28
7440-00	TYPESETTING SUPPLIES	4,912.59	123.36	5,000.00	5,000.00	29
7460-00	UTILITIES	18,056.85	17,239.30	17,000.00	17,000.00	
2010-00	COMPUTER EQUIPMENT	46,564.37	46,789.13	3,500.00	3,500.00	** 30
2060-00	LEASEHOLD IMPROVEMENT	42,254.87	560.00	1,000.00	1,000.00	** 31
TOTAL WSO GEN/ADMIN		806,589.13	807,193.44	656,506.95	656,506.95	
TOTAL ESO GEN/ADMIN				51,166.44	51,166.44	
TOTAL CSO GEN/ADMIN				22,388.60	22,388.60	
TOTAL GEN/ADMIN				730,061.99	730,061.99	

PERSONNEL EXPENSES		1989 ACTUAL	1990 ACTUAL	1991 PROPOSED	NO INCREASE	
8020-00	ACCOUNTING & LEGAL	67,585.02	97,180.38	67,000.00	67,000.00	32
8040-00	CONSULTING	39,289.24	22,678.52	25,000.00	25,000.00	
8060-00	INSURANCE (HEALTH)	110,842.33	123,263.09	125,000.00	125,000.00	
8080-00	INSURANCE (W.C.)	0.00	13,007.28	13,541.43	13,541.43	
8100-00	PAYROLL TAXES	86,528.28	84,449.93	90,359.37	90,359.37	
8120-00	SALARIES	1,050,809.16	1,033,650.33	1,075,000.00	1,075,000.00	33
0000-00	CONTINGENCY		0.00	0.00	0.00	
TOTAL PERSONNEL WSO		1,355,054.03	1,374,229.53	1,395,900.80	1,395,900.80	
TOTAL PERSONNEL ESO				43,975.00	43,975.00	
TOTAL PERSONNEL CSO				6,700.00	6,700.00	
TOTAL PERSONNEL EXPENSE				1,446,575.80	1,446,575.80	
TOTAL WSO EXPENSE		3,988,951.35	3,618,286.74	3,520,105.01	3,593,489.87	
TOTAL ESO EXPENSE		0.00	0.00	101,896.36	101,896.36	
TOTAL CSO EXPENSE		0.00	0.00	94,529.46	94,529.46	
TOTAL BUDGET EXPENSE		3,988,951.35	3,618,286.74	3,716,530.83	3,789,915.69	
ESTIMATED TOTAL INCOME		4,033,760.00	3,429,957.42	3,730,118.89	3,910,447.12	
NET OPERATING PROFIT/(LOSS)		44,808.65	(188,329.32)	13,588.06	120,531.43	

* FIGURE NOT INCLUDED IN TOTAL

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

EUROPEAN SERVICE OFFICE SUPPLEMENTAL BUDGET A

This is the revised budget for the European Service Office for 1991. Before discussing specific topics, we need to be aware of several things in general. The mechanism of gathering detailed information from the ESO operation still needs some work in the coming year. That is the reason that in a couple of places there is no specific figure for entries in the comprehensive package.

The ESO has not generated sufficient revenue from literature sales to offset the expense of its operation, and will not do so in 1991. This is no surprise, as the decision to open this office was based upon the assumption that we would lose money on its operation for several years. This accepted loss for the 1991 year is projected to be somewhere in the neighborhood of \$80,000. During times of brisk business, this would not be any problem and would not affect any of the other WSO operations. However, in difficult economic times, other WSO operations must be adjusted to accommodate the loss. Many of the adjustments already made to the WSO section of this budget have been implemented to accommodate projected losses at the ESO.

It is necessary to closely examine the ESO operation to determine if it is possible to reduce our level of expenditure. At its March 1991 meeting, the WSO board decided to eliminate a portion of the space being used in London, thereby reducing the ESO lease expense. We will be unable to initiate any new projects at the ESO, so as to not increase the projected level of expense.

It is necessary to take this opportunity to highlight some of the problems involved in running this operation. The fact that Pacific Standard Time runs eight hours behind Greenwich Mean Time makes routine contact difficult. We have a two-hour "communication window" each day. If we miss that window without having made other arrangements, we are forced to wait until the next day or contact the primary ESO employee at home late at night.

One of the other problems has been our ability to keep sufficient funds in London at any one time. For

the most part, the funding for this operation has been based on the JIT principle—meaning Just In Time—which, with the exception of two occasions, well describes how funds are transferred from Van Nuys to the ESO. The two times that were the exception were cases where a transfer was unduly delayed by the bank. This gave our staff on both sides of the world more than a few anxious moments. Although we would like to be in a position to establish a sufficient reserve in London, our projected funds availability for the coming year may not make that possible. We intend to continue placing \$8,000 each month in the Bank of America account, when possible, during the coming year. However, to create a sufficient reserve in London would require that we deposit an additional \$2,000 in the account each month.

One of the other problems has been not having a computerized accounting program in place at the London office. This has made it difficult to transfer specific sales information to the WSO, and has complicated fulfillment of orders, shipping, and managing inventory. We will install an automated accounting package at the ESO sometime this year. This should make London operations, including European customer billing, more manageable.

The following are notes for the ESO.

34. All of the income for the ESO is based on a projection of European sales from 1989.

General/administrative expense

35. This figure is an allowance for Lizzie to purchase passes for the London rapid transit system, accommodating business travel throughout the city.

36. Depreciation is reflected only to show the projected amount for the year, and is not included in the total.

37. We expect that the primary employee may need supplemental computer training during the coming year.

38. At this point, we do not know what the renewal price on the ESO computer equipment contracts will be. It is reasonable to expect that it will not exceed last year's allocation, which is what this figure is based on.

39. This figure represents the travel allowance for Lizzie during the coming year. At this point, we do not expect her to travel much.

Personnel

40. We anticipate having to incur a legal expense during the coming year to resolve the matter of our corporate status in England.

This is the end of the specific notes for the ESO.

SUPPLEMENTAL BUDGET A
EUROPEAN SERVICE OFFICE
REVISED

INCOME

		U.S. \$	POUNDS	
6100-00	BASIC TEXT	12,358.17	6,504.30	
6105-00	BASIC TEXT - FRENCH	500.00	263.16	
6110-00	HANDBOOKS	377.33	198.59	
6120-00	IT WORKS - STEPS	0.00	0.00	
6130-00	IT WORKS - TRADITIONS	0.00	0.00	
6140-00	LITERATURE	1,243.84	654.65	
6150-00	MEDALLIONS, TAGS, & CHIPS	5,336.15	2,808.50	
6160-00	MEDALLIONS, SILVER	0.00	0.00	
6170-00	WHITE BOOKS	0.00	0.00	
6180-00	NA WAY MAGAZINE	0.00	0.00	
6190-00	MISCELLANEOUS	1,174.62	618.22	
6200-00	SHIPPING	0.00	0.00	
6210-00	CONVERSIONS	0.00	0.00	
6220-00	DISCOUNTS & ALLOWANCES	0.00	0.00	
TOTAL		\$20,990.11	11,047.43	34

COST OF MERCHANDISE

		U.S. \$	POUNDS	
7100-00	BASIC TEXT	3,281.04	1,726.86	
7105-00	BASIC TEXT - FRENCH	0.00	0.00	
7110-00	HANDBOOKS	139.99	73.68	
7120-00	IT WORKS - STEPS	0.00	0.00	
7130-00	IT WORKS - TRADITIONS	0.00	0.00	
7140-00	LITERATURE	330.50	173.95	
7150-00	MEDALLIONS, TAGS, & CHIPS	2,109.00	1,110.00	
7160-00	MEDALLIONS, SILVER	83.75	44.08	
7170-00	WHITE BOOKS	0.00	0.00	
7180-00	NA WAY MAGAZINE	0.00	0.00	
7190-00	MISCELLANEOUS	560.58	295.04	
7200-00	COST OF GOODS	0.00	0.00	
7210-00	SHIPPING	0.00	0.00	
7215-00	SHIPPING SUPPLIES	0.00	0.00	
7220-00	INVENTORY ADJUSTMENT	0.00	0.00	
TOTAL		\$6,504.86	\$3,423.61	

GENERAL/ADMIN EXPENSE

		U.S. \$	POUNDS	
8100-00	AUTO	\$100.00	52.63	35
8120-00	BAD DEBTS	200.00	105.26	
8140-00	BANK SERVICE CHARGES	200.00	105.26	
8160-00	COMPUTER SUPPLIES	700.00	368.42	
8180-00	CONTRACT LABOR	250.00	131.58	
8200-00	COPYRIGHTS	0.00	0.00	
8220-00	DEPRECIATION	1,500.00	789.47	* 36
8230-00	EMPLOYEE TRAINING	500.00	263.16	37
8240-00	INSURANCE (GENERAL)	3,000.00	1,578.95	
8260-00	MAINTENANCE & REPAIR	500.00	263.16	
8280-00	OFFICE EXPENSE	3,000.00	1,578.95	
8300-00	POSTAGE	2,000.00	1,052.63	
8320-00	PUBLIC INFORMATION	2,000.00	1,052.63	
8340-00	RENT	28,966.44	15,245.49	
8360-00	SERVICE CONTRACTS	5,000.00	2,631.58	38
8380-00	STORAGE SPACE	2,000.00	1,052.63	
8400-00	TELEPHONE	3,000.00	1,578.95	
8420-00	TRANSLATIONS	0.00	0.00	
8440-00	TRAVEL	1,750.00	921.05	39
8460-00	UTILITIES	2,000.00	1,052.63	
TOTAL		\$51,416.44	\$27,061.28	

PERSONNEL EXPENSES

		U.S. \$	POUNDS	
9100-00	ACCOUNTING & LEGAL	2,000.00	1,052.63	40
9120-00	PERSONNEL EXPENSE	41,975.00	22,092.11	
TOTAL		\$43,975.00	23,144.74	

SUMMARY		U.S. \$	POUNDS
GENERAL ADMIN	51,416.44	INCOME	INCOME
COST OF MERCH.	6,504.86	\$20,990.11	11,047.43
PERSONNEL	43,975.00	EXPENSE	EXPENSE
TOTAL	\$101,896.30	\$101,896.30	\$58,629.63
		NET	NET
		(\$80,906.19)	(\$42,582.21)

* FIGURE NOT INCLUDED IN TOTAL

CANADIAN SERVICE OFFICE SUPPLEMENTAL BUDGET B

The establishment of the Canadian Office has gone better than we originally expected. We did not believe that the office would show a profit until it had been in operation for two full years. Provided that our 1991 income projections are realized, it appears that the office will generate a small profit during the coming year.

The revenue from Canadian literature sales has allowed us to maintain this operation without having to incur significant expense at the WSO. There are a couple of things that need to be given attention this year. The first is the legal status of our corporation in Canada. It will be necessary to complete a registration with Revenue Canada as an alien non-profit corporation. This is particularly crucial since the federal government began charging a Goods and Services Tax (GST) on January 1, 1991. This new tax requires that we pay a tax on all goods sold and services procured in Canada. Based upon the information we have received from Revenue Canada, it appears that we will be taxed in the 8% bracket. We have completed the registration for the GST, but have not done anything for all of the other legal requirements. Because we are waiting for Revenue Canada to notify us of exactly what things we will be taxed for, we are not able to project the total of the tax. However, even if we were to be assessed at the maximum for all sales, we would be charged approximately \$8,000 Canadian, a figure within the projected net for this operation.

Another item that needs to be addressed is the employee. The person who had been doing all of our shipping is no longer in a position to continue. He has recommended one of his sponsees, and we have

already given this person a try. He seems to be working out fine and, as a result, we intend to hire him. This will not increase the projected labor expense for this operation.

The following are the specific notes for the CSO.

41. The Income projection was derived by taking the last six months of 1990 Canadian sales, establishing the average sales per month, and multiplying that figure by twelve.

General/administrative expense

42. We did not include depreciation in the total.

43. We were about to change the signature cards for the Canadian account when we realized that we would need to wait. We could not remove Bob Stone's name from the Canadian account because the landlord for the office had required twelve post-dated checks for the lease. We intend to reissue the checks on the remainder of this year's lease, and only issue checks on a monthly basis when the lease comes up for renewal.

Personnel expense

44. We currently do not make any employer provisions (e.g. tax withholding, etc.) in connection with the part-time CSO employee. We will issue 1099s for the work performed in 1990. After completing our corporate registration, we do anticipate being registered as an employer and consequently having some additional expense in this category.

This is the end of the specific notes for the budget.

**SUPPLEMENTAL BUDGET B
CANADIAN SHIPPING OFFICE**

INCOME

6100-00	BASIC TEXT	26,169.00	
6105-00	BASIC TEXT - FRENCH	18,354.09	
6110-00	HANDBOOKS	3,149.67	
6120-00	IT WORKS:STEPS	0.00	
6130-00	IT WORKS:TRADITIONS	0.00	
6140-00	LITERATURE	11,196.69	
6150-00	MEDALLIONS, TAGS & CHIPS	24,833.70	
6160-00	MEDALLIONS, SILVER	2,475.00	
6170-00	WHITE BOOKS	10,102.20	
6180-00	NA WAY MAGAZINE	8,030.94	
6190-00	MISCELLANEOUS	3,422.64	
6200-00	SHIPPING	2,985.66	
6210-00	AMERICAN CONVERSIONS	0.00	
6220-00	DISCOUNTS & RETURNS	(7,671.18)	
TOTAL		\$103,048.41	41

COST OF MERCHANDISE

7100-00	BASIC TEXT	6,370.65	
7105-00	BASIC TEXT - FRENCH	8,302.29	
7110-00	HANDBOOKS	1,356.39	
7140-00	LITERATURE	3,422.07	
7150-00	MEDALLIONS, TAGS, CHIPS	11,020.02	
7160-00	MEDALLIONS, SILVER	1,278.15	
7170-00	WHITE BOOKS	4,621.26	
7180-00	NA WAY MAGAZINE	0.00	
7190-00	MISCELLANEOUS	2,004.84	
7200-00	COST OF GOODS	0.00	
7210-00	SHIPPING	15,450.00	
7215-00	SHIPPING SUPPLIES	3,886.56	
7220-00	INVENTORY ADJUSTMENT	0.00	
7240-00	GOODS & SERVICES TAX		

TOTAL**\$57,712.23****GENERAL ADMIN EXPENSES**

8100-00	AUTO EXPENSE	0.00
8120-00	BAD DEBTS	0.00
8140-00	BANK SERVICE CHARGES	90.48
8160-00	COMPUTER SUPPLIES	100.00
8180-00	CONTRACT LABOR	0.00
8200-00	COPYRIGHTS	0.00
8220-00	DEPRECIATION	0.00
8230-00	EQUIPMENT RENTAL	275.40
8240-00	INSURANCE (GENERAL)	1,200.00
8260-00	MAINTENANCE & REPAIR	500.00
8270-00	MISCELLANEOUS	0.00
8280-00	OFFICE EXPENSE	1,200.00
8300-00	POSTAGE	1,000.00
8320-00	PUBLIC INFORMATION	0.00
8340-00	RENT	12,512.04
8360-00	SERVICE CONTRACTS	500.00
8400-00	TELEPHONE	3,600.00
8420-00	TRANSLATIONS	0.00
8440-00	TRAVEL	760.68
8460-00	UTILITIES	400.00
2300-00	LEASEHOLD IMPROVEMENTS	250.00
TOTAL		\$22,388.60

* 42

43

PERSONNEL EXPENSES

8120-00	TEMPORARY HELP	4,680.00
8100-00	PAYROLL TAXES	920.00
8060-00	HEALTH INSURANCE	900.00
8080-00	WORKERS COMP INSURANCE	200.00
TOTAL		6,700.00

44

SUMMARY

		INCOME TOTAL
GENERAL ADMIN	\$22,388.60	\$103,048.41
PERSONNEL	6,700.00	
COST OF MERCH	57,712.23	NET
TOTAL	\$86,800.83	\$16,247.58

AE-G:\123\1991\ANCR.WK1

SUPPLEMENT C

This supplement describes upcoming activity associated with various WSC committees and boards as it relates to potential staff support and staff travel.

WSC Literature Committee

1. *WSCLC meeting.* Either February or March. Requires full-time attendance by coordinator, and part-time by primary support staff.
2. *In Times of Illness.* Our coordinator and a writer/editor will be needed to make this pamphlet ready for the production process (25 to 30 hours). Requires attendance by writer/editor at a WSCLC meeting for a review session (8 to 10 hours). This item needs quite a bit of work, and probably won't be ready in approval form before the April WSC.
3. *Regional and area literature subcommittee assignments.* Of forty-nine assignments, four are still available at this writing. With each assignment we send a letter and a double-spaced, line-numbered copy of the material being worked on. Each subcommittee is supposed to submit a verbal progress report, two written progress reports, and a final written report with copies of their work, recommendations, etc. The due date for all of these is set for October, but the WSCLC chairperson will probably extend it. Presently, filing, phone calls, and written correspondence are our primary tasks for these projects. We will need to have a tracking system as well as a filing system for all the returned work that will make sense and be easily accessible for any future WSCLC work on these items. Coordinator and one staff member needed for this project (60 hours).
4. *Daily book.* The WSCLC is satisfied with the process that has been developed and work that has been done this conference year. The committee will release all the material that has been completed so far (about 9%) prior to or at WSC'91. However, due to a shortage of editorial staff available to work on this project, it has been put on hold for the time being. Both the WSCLC chairperson and vice chairperson feel that some kind of continuation of the project can and should occur. That will require writing, copy and content editing, review panel conference calls, and written correspondence between members of

the WSCLC's daily book working group. At this year's pace, this job will need an editor/writer, two additional writers, and a coordinator for about 12 hours each week; if the pace is picked up, these staff members--the editor, especially--will have to spend substantially more time on the project. We do not have sufficient staff to support this project unless other conference literary projects are either completed or put on hold.

5. *Evaluation of existing approved literature.* The WSCLC Evaluation Committee has designed a new evaluation form. They will continue to discuss this form and its use for revising approved literature. Coordinator and two staff members needed for this task (about 30 hours).

6. *Large mailings.* Three or four times a year, the WSCLC has large, complicated mailings to conference participants and registered literature subcommittees. These mailings usually require two staff persons to compile and complete over the course of several days. Also, several times a year, the WSCLC chairperson sends similar mailings to the WSCLC. Coordinator and two staff members needed for these mailings (60 to 75 hours).

7. *Motion #19.* If this motion passes, there will be changes to the literature handbook, requiring new pre-production work to be done.

World Service Board of Trustees

1. *WSB meetings.* February, April, June, August, and October. Requires attendance by WSB coordinator, plus attendance by literature, P.I., H&I, and policy coordinators to assist with the board's committee meetings.
2. *February WSB meeting* in Harrisburg, Pennsylvania, to interact with the local/regional N.A. community for in-depth discussion and open forum. Requires attendance by the WSB coordinator and two other staff to meet with the existing WSB committees.
3. *Staff changes.* No significant change in staffing is anticipated at present.

4. *Regular monthly mailings* to the trustees, past trustees, WSC Administrative Committee members, and members of the WSO Board of Directors will continue. These mailings may necessitate the use of other WSO staff to assist with stuffing the envelopes and completing the mailing.

5. *Other mailings.* It can be expected that there will also be at least one other major mailing each month, possibly two during the time immediately preceding the WSB meetings. This will also necessitate the use of other staff to assist with completing the mailings.

6. *Editorial work.* There are several articles that the trustees have proposed writing. This will involve regular trustee staff time with no significant increase in hours.

WSO Group Services Department

1. *Staff changes.* No significant change in staffing is anticipated.

2. *Group registration.* The only major project that has been discussed is the initiation of a group registration. Since it is only in the discussion stages, the cost of this project or any increase in staff time cannot be determined, but will require coordination with the Data Services Department.

WSC Administrative Committee

1. *January Fellowship Report.* This extra issue will probably require about 24 total staff hours and be about 12 to 18 pages.

2. *Treasurers Handbook Revision.* Continuation of this will require about 1 to 2 weeks additional staff time, and a few hours consultation time for review by our attorney.

3. *Conference Digest Publication.* An unknown number of free copies will be distributed if this passes, costing about 17 cents each. Staff time will be an additional 3 days per issue for editing and compiling. Translation expenses could increase overall costs by \$3500 per issue.

4. *WSC Workshops.* Two workshops are anticipated this year, one in Tulsa and the other one possibly in the Northwest. The two division directors and the

Fellowship Services assistant division director may be required to attend.

5. *Temporary Working Guide to the Service Structure.* If any of the motions regarding WSC committee guidelines pass, the *TWGSS* should be reformatted and published before June. No significant increase in staff time is anticipated.

WSC Policy Committee

1. *Staff changes.* No significant change in staffing is anticipated. It is possible that some substantial project could be assigned to this committee, but that is not known at this time. If such occurs, then it may be necessary to provide additional staff support.

2. *Committee guidelines motion.* If the new guidelines pass, WSC funding for this committee will increase by \$16,000.

WSC Public Information Committee

1. *WSC 1991.* The committee will require at least one staff member to be available to them during conference week. The staff member will need to be present at their two meetings to record minutes, etc.

2. *WSC Workshops.* The committee will require one staff member to be available to them at WSC workshops. Although there are no plans at the present time to hold a learning day at one of the workshops, the possibility exists, thereby increasing the chance that additional staff support will be needed.

3. *N.A. film.* This is not expected to require additional staff this year unless the WSC strongly supports it.

4. *Newsletter to professionals.* Present staff will compile and produce this newsletter twice a year. Cost of each issue will be approximately \$60.00 copying charges and \$580.00 postage for each issue. We expect one issue to be published during 1991.

5. *Guide to Phoneline Service.* The WSC P.I. Committee plans to rewrite the current guide. However, this will not be ready until 1992 at the earliest. There is no expected increase in expenses for 1991.

6. *Questionnaire for Non-N.A. events.* Continuation of this will not require additional expense or staff time.

7. *Non-N.A. events.* Participation in these is expected to decrease. Committee is evaluating the value of our participation in these. In any case, staff time and expenses are not expected to increase.

8. *Multiregional learning days.* Traditionally, we have attended one or two of these per year. In most cases, the hosting region pays for lodging and sometimes travel. Our costs include salary, meals, ground transportation.

9. *Rural P.I.* Expenses for this project are difficult to estimate. They will depend on the response to a previously-mailed questionnaire. Copying, postage, and staff costs have been minimal so far.

WSC Steps Project

It is expected that we will maintain the same level of support for this project through the 1991 year. Currently this committee has meetings scheduled for January, February, March, May, July, August, and October, requiring the attendance of the coordinator and the primary writer. Additionally, there are three opportunities for the WSCLC to review the steps material. These meetings will require the attendance of the coordinator and the primary writer. All of the proposed meetings are in Van Nuys.

WSB Traditions Project

It is expected that this committee will meet approximately seven times during the year, requiring the attendance of the coordinator and the primary writer.

WSC Guide to Service Project

We expect that the committee will meet approximately seven times during the year, requiring the attendance of the primary writer and the coordinator.

WSC Outreach Committee

This would depend on the conference adopting the proposal for creation of a standing committee. If a standing committee is created, this committee will require full-time staff support.

1. Mailout to area/regional service committees to ask for input on isolated groups/meetings within their respective areas/regions. Additional staff time approximately 40 hours.

2. Once there is response, gathering, analyzing, and mailing results to committee members. Additional staff time approximately 120 hours.

3. Going through existing WSC Ad Hoc Committee on isolated Groups/Meetings files to extract and disseminate any information that would be helpful to the standing committee. Additional staff time approximately 40 hours.

4. Ongoing communication with isolated groups and meetings, areas, regions, committee members. Additional staff time approximately 693 hours for entire conference year.

WSC Hospitals and Institutions Committee

1. *Multiregional H&I learning days* are the number one priority with WSC H&I. No additional expense or staff.

2. *Reaching Out newsletter.* Will continue to produce on a quarterly basis. Additional staff would be utilized if the newsletter goes to subscription beginning with the July issue. Additional office expense with first issue on subscription basis, until subscription plan becomes familiar to fellowship and non-fellowship subscribers. Additional staff would be for mailing purposes and upkeep of mail list, approximately 16 hours per month.

3. *Handbook review.* An ad hoc committee has been created to review the current *Hospitals and Institutions Handbook*. Additional staff time for committee correspondence approximately 4 hours per month.

4. *External ad hoc committee* is working closely with the WSB External Affairs Committee. Additional staff time approximately 6 hours per month.

5. *Guidelines ad hoc committee.* Staff time would depend on adoption of changes suggested by this ad hoc to the WSC H&I Committee.

6. *WSC Workshops.* Staff time and expense would depend on number of meetings.

