

## REPORT FROM THE WORLD CONVENTION CORPORATION

This being the first year of having the World Convention accountable to the World Service Conference has worked out well. The year has not been problem free, but overall it has been a successful year.

The corporation board held two meetings prior to the World Service Conference last year. After adoption of the proposal consolidating the World Convention into a corporation, the ongoing management of the Convention became a relatively simple task.

The London Host Committee who had already been working with the World Convention Committee based on the approved guidelines, found transition into the corporation format a smooth matter. The London Host Committee who worked diligently to provide a successful convention made this interface constructive and pleasant.

Two meetings of the Corporation were held since the Conference last year. An Executive committee of the corporation was formed to manage and assume responsibility for the ongoing events of the convention. Through the use of conference calling, the Executive Committee has been able to stay not only on top of the ongoing events but reduce the cost that would be connected with having more frequent meetings of the Corporation.

The task forces of Directors were assigned to work as liaison to both World Convention Committees that were then in operation. They were London (WCNA-16) and New Orleans (WCNA-17). In conjunction, other directors were assigned to work on the bid processing for WCNA-18. The Division of labor among the directors has made it possible to effectively utilize the Directors rather than office personnel. This made it possible for either the Host Committees or the Bid Committees to receive a response to problems and/or questions almost as soon as they had arisen.

The Host Committee and their assigned directors has looked upon their relationship as a partnership for the purposes of being unified in fellowship. The division of authority created by the Corporation has evolved this relationship to a mutual decision making body. As each convention passes the relationship between the Host Committee and the Corporation will become clearly understood and defined. The present the relationship between the Directors and the Host Committees has not shown any strain. Both have been able to reach agreement on all items presented.

The World Service Office staff have provided logistical and administrative assistance for the Directors and the Host Committee when called upon. As the World Convention grows so do the technical advancements necessary to provide adequate coverage and processing capabilities. This has made it essential to utilize the Special Workers to teach and assist the Trusted Servants. Thus far this relationship has remained unstrained.

## BACKGROUND INFORMATION

The following is background information to aid you in understanding the current status of the Convention Corporation.

The Corporation was established on a provisional basis in October 1985. The Board of Directors immediately began working with the London Host Committee. There were five major areas of concern that affected the situation at the time and they were:

1. Available funds - The lack of funds available to WCCNA and the London Host Committee.
2. Deposits - The need for considerable amounts of money to pay for Wembley Conference Center expenses in advance of the opening date.
3. Ground Handler - The complication of having to use several hotels for housing participants, forced utilization of a booking agency in London to manage the hotel room blocks in each hotel.
4. Travel Agent - The necessity of using air transportation for the majority of the usual attendees and the considerable distance involved, indicated the desirability of using a consolidated travel management approach.
5. Accounting - The management of funds of the London Host Committee and the Corporation with respect to the need for year end financial report to the conference.

Available funds - Preliminary discussion with the WCNA-15 Committee revealed, in November 1985, that the bulk of funds to be given to WCNA-16 would not be available until after the WCNA-15 tax exemption matters were resolved. It was expected that resolution could take up to a year.

The first action was to obtain from the World Service Office Board of Directors the option for the Convention Corporation to borrow funds from the World Service Office accounts to satisfy the needs of the convention if funds could not be obtained or generated within the Convention Corporation when they were needed. The World Service Office Board consented to loan funds if necessary.

This involved a two-phase plan which consisted of engaging in limited amounts of fund raising to secure necessary funds for the operational needs of the Host Committee, facility deposits, and the corporation expenses. The plan transpired as follows: Limited amounts of merchandise would be obtained and offered for sale as commemorative items that would also serve as a reminder to attend the Convention. Three items were produced: T-Shirts, coffee cups and jackets. The T-shirts and coffee cups were marketed through regional convention committees. Letters were sent to convention committees whose events were scheduled prior to July 1986. Several conventions volunteered to sell these items along with or after they had sold their own merchandise items.

This was partially successful. All of the T-shirts were sold but only about half of the coffee cups were sold. We still have coffee cups stored in the WSO shipping building. The jackets were sold through the WCCNA at the WSO address through the mail. There is a limited quantity of these still available in the WSO shipping building.

After this phase of the plan had been made operational arrangements were made with WCNA-15 to absorb their corporation. This included both the assets and liabilities of WCNA-15. This would then negate the need for further Tax Exempt considerations. This was accomplished and all funds and records were transferred to the WCCNA accounts.

This made the second phase of the previously projected fund raising efforts unnecessary. They were abandoned and no additional merchandise items were



produced in advance of the Convention. We would like to eventually sell all of the merchandise items so many interested members should contact the WSO.

The availability of funds problem was in this way resolved. This also solved the problem of deposits for Wembly Center. All of the payments were made according to the contract time table.

The problem generated by using Wembly Center is one that needs some emphasis. In the previous experience of world conventions, the events were held in hotels and little if any advance payments were required by the hotel in order to secure the space needed. Because none of the hotels in London could accommodate such an event it immediately and automatically changed the financial picture of the convention. Whereas the space in hotels was usually written off by the hotel because of the large number of sleeping rooms used there was no real expense for the meetings space. By having to use a commercial convention center type facility, there was no way to offset the cost. This meant that the Convention would start off about \$30,000 in the hole. Only through increased attendance or higher prices could the London convention break even. This was not probable and did not occur.

The Ground Handler, situation worked reasonably well. We made every effort to fully explain the situation and relationships throughout the Fellowship. Evidently this was successful, few problems were encountered when our members arrived at the convention. The Ground Handler accepted reservations from members directly and from travel agents all over the world. Some of our members used the travel agency that will be discussed in the following paragraphs.

Soon after WCNA-15 was over, members began discussing the travel considerations necessary to get to London. This was, at first very exciting, as many of us would be visiting London for the first time. Members from all over began suggesting that travel packages be arranged and that airplanes be chartered so we could all go together. The WCCNA Board received a number of requests from members to be sanctioned by WCCNA to arrange charters. Several travel agencies sought recognition as the approved agency for this event. By late November WCCNA had received flyers from two separate places about travel packages that had been put together for N.A. members. Both flyers implied endorsement from WCCNA or N.A. as a whole. It was considered necessary to put an end to this head long movement to these and possibly other competing travel flyers using the N.A. name.

There were essentially two options: attempt to deny any and all efforts to organize travel related services within the Fellowship or consolidate such efforts through one provider. After considerable discussion there appeared only one solution; to utilize one provider and thereby pre-empt other efforts. With this in mind an effort was made to develop some criteria that would be useful in comparing different companies. A proposal was drafted that described the travel needs throughout the Fellowship, and our requirements for company reliability. Copies of the proposal were sent to about fifteen different companies, including the two who had already distributed flyers around the Fellowship.

Ten companies responded. All of the material provided to us was examined by the Board and it was eventually decided to recommend that the Fellowship use the services of one of the companies. The travel company had to work directly with the room allotments.

The routine difficulties of having two customs, currency and business hours were experienced. Nothing was evident during the ensuing months to suggest there were any difficulties with either company.

About one month after the Convention was over there evolved a difficulty in completion of business matters with the travel company. After several more months a law firm representing the booking company sent us a letter suggesting that the travel company had defaulted on the final payment due for rooms that

had been arranged through the travel company. Their letter suggested that because the convention was sponsored by N.A. that WCCNA should make up for the defaulted payment.

We turned the matter over to our attorney for investigation. There has been some communication between our attorney and theirs but no resolution of the matter has ensued. The travel company has simply gone out of business. They defaulted on a large number of checks that were sent to their creditors during what appears to be July, August and September. The owners of the travel company have not been found. Our attorney has reported to us that there is no clear evidence as of today that WCCNA is in a legal position that would obligate us to pay for the loss.

There are a number of uncertain legal matters involved with this situation. Some of these matters must be clarified before any action is taken. Our attorney has advised that we take no action or discuss the matter in such ways that such action could be used against our interests. We will continue to advise the Fellowship on the status of this matter as it progresses or diminishes.

Another difficulty also concerned the travel company. A member contacted the Office concerning his inability to recover a refund for unused portions of his payment for accommodations and travel. A number of discussions ensued with the member and between members of the Board. The member contented that the Corporation was responsible. After being unable to contact the travel company he decided to sue the WCCNA if the Corporation did not provide reimbursement.

The cost of defending against a law suit for six hundred dollars is not cost effective, even if the Corporation won. In the mean time the controversy within the Fellowship over the matter would be needless and destructive. The possible public controversy would have created an unacceptable Traditions problem. With the member unable to otherwise resolve the matter he was a victim of a company. The matter of liability is intriguing but unresolved and secondary. Faced with a nuisance law suit under these circumstances, the Board decided that prudence dictated resolving the matter with reimbursement.

Several lessons have been learned as a result of these two situations. No guarantee is available that every business we conduct business with will remain in business. This lesson about hind sight makes every decision we make that has a negative result easy to question.

Concerning the matter of accounting, there is better news to report. Soon after the records and funds were received from the WCNA-15 Committee, the records were turned over to our accountants for the preparation of a report. That report was published in the NEWSLINE in August 1986. The London Host committee retained the services of an accounting firm in London to assist them in the proper recording of financial information. The records generated by the Host Committee were received by WCCNA after the Convention. Those records were turned over to our accountants. The compilation report of WCNA-16 is attached.

Additionally a consolidated report covering the 1986 calendar/fiscal year is also included. WCCNA will continue to have reports prepared in this manner. A final report will be prepared covering expenses related to each years convention and separate information will be prepared that covers the consolidated financial activities of WCCNA.

## 1986/87 PROJECTS

At the request of the Conference last year the Corporation undertook to study and possibly change the Conference approved Convention Guidelines. This



was accomplished. A detailed report on that was included in the Conference Agenda Report which accompanied the changes proposed as a result of the study.

The Corporation feels that the effort to review and make additional changes in the Convention Guidelines is necessary. Accordingly, unless the Conference otherwise instructs, the Convention corporation will continue to solicit input for changes and additional information that would improve this reference handbook. We will hold an input workshop at the first Conference workshop in July and a committee work session at the October meeting.

## WORLD CONVENTION 17

At the Conference last year New Orleans was selected as the site for the World Convention in 1987. Members from Louisiana were at the Conference and immediately we began to talk with them about starting to work together. Names and addresses were obtained and the first meetings were soon arranged. A task force of the Board was assigned to work with the New Orleans Host committee. Visits with the Host Committee were arranged, when possible, to coincide with regularly scheduled meetings of the Host Committee.

During the following months an amiable working relationship was developed. By working together the Host Committee and the Board have paved the way for a successful Convention this year. The Host Committee is to be complimented for their diligence and dedication to serving N.A.

There have only been three items that have caused any concern so far as this Convention is concerned: uncertainty of how many will attend, some questionable tactics of the hotel after a contract was signed and concern for liability (i.e. recent problems experience at other conventions).

The uncertainty of not knowing how many members plan to attend put the planners at a disadvantage. Because of the drop off in attendance as a result of the last Convention being in London, the Hotels and Hospitality Committee was unsure how many sleeping rooms to reserve. This was more fully explained in a recent NEWSLINE article which accompanied the first mailing of the Convention Flyer. The article also encouraged members to make reservations early because only a relatively small number of room were booked.

This is the schedule of rooms reserved at the Convention Rate:

Thursday	September 3 - 500 rooms
Friday	September 4 - 1,000 rooms
Saturday	September 5 - 1,000 rooms
Sunday	September 6 - 150 rooms

Because of the direct approach utilized in the NEWSLINE article a majority of these rooms have already been reserved. Additional rooms will certainly be available in this hotel and another major hotel across the street, but the Convention cannot guarantee the same room rate once the booking allocation has been reached.

The uncertainty over the responsibility of the Convention to make absolute provision for every attendee to pay the low rate is still a matter of doubt. The Board and the Host Committee do not believe the Convention should commit itself to a large room allocation so early because of the financial loss that may result if the rooms are not used by members. This matter will receive additional scrutiny in the future. The primary complication of this issue was the low turnout at London and the inexact science of calculating the effect of that on the New Orleans Convention this year.

The second item of concern has been questionable actions on the part of the Hotel after the contract had been signed. They booked another event that is scheduled to end on Thursday. They have attempted to restrict our access to essential space and meeting rooms so as not to conflict with the other event. We believe we have resolved the matter in our favor, but it highlights the necessity of constant vigilance to the details of convention planning.

The third item reflects the concern raised by the behavior of some of our members at recent conventions around the Fellowship. Several regional committees have had to make high financial settlements for damage to the hotel property. Most conventions have reported some problems generating from negative interaction between some of our members and hotel staff or other hotel guests.

While some of these types of problems can be expected, such incidents need to be avoided. Failure to minimize such events may make future conventions impossible to hold because the N.A. reputation may precede us.

### WORLD CONVENTION 18

In accordance with the schedule contained in the Convention Guidelines the Corporation offered notice in the NEWSLINE about the October deadline for the submission of bids for hosting the 1988 Convention. Only two bids were received. Directors were assigned to work with each bid to assure that all essential information was provided and that if either bid was selected that there was sufficient work done upon which a convention can be based.

Both of the bid committees worked closely with the WCCNA and sufficient information was provided. The basics of the bids were relatively similar. Both bids were therefore announced as acceptable in the Conference Agenda Report. Both statements of need were included in the Agenda Report. The Conference will select one site or the other at this meeting.

WCCNA is ready to begin work with either site. A letter has been sent requesting an early meeting with the successful bid committee so a smooth working relationship can be developed.

### WORLD CONVENTION 19

Anyone interested in submission of a bid for WCNA-19 to be held in 1989 should review the convention Guidelines, after this Conference, and be prepared to submit their bid according to the October schedule. WCCNA is available to and interested in assisting committees that are considering proposing bids for the 1989 convention.

### WORLD CONVENTION CORPORATION BOARD MEMBERSHIP

The membership composition of the Corporation Board of Directors is described in the motion adopted last year creating the Convention Corporation. Basically the composition and mixture of the Board has worked out well. The Board is large enough to have a good cross-section of experience yet small enough to be practical and economical. Participation on the Board from all of the members has been good.

The practice adopted of having only two or three meetings a year has kept expense for meetings at a minimum. At the same time the practice of using conference telephone calls to discuss matters on a regular basis has worked well. Assignment of Board members as liaison to bid efforts or task forces to work with



individual host committees has provided excellent results. Overall the Corporation is run very well.

Provision is made for the direct election of two members by the Conference. This will be accomplished in the election procedure. Both positions are for one year terms.

## FINANCIAL REPORT

The last pages of this report are about the financial activities. Included is information on all aspects of the Convention Corporation responsibilities. It includes relevant information from each of the separate world conventions discussed previously, administrative costs for the corporation and a combined report. As this report covers the 1986 fiscal year activity since December 31, 1986 is not included.

The Report was prepared based one set of accounting books for the Corporation and separate accounting books for each world convention. The Corporation maintains an accounting system for all funds handled through the Corporations checking accounts. The Host Committee of each convention maintains their accounting records separately. A combined report is therefore prepared to consolidate all of the information into one report. This is done in accordance with the IRS and State reporting requirements of the Corporation.

The Supplemental Information Report (page 15) prepared by the Accountant was not completed in time for the Accountant to complete a combined report. Consequently the combined report enclosed is the report from the computer records of the Corporation.

To simplify the report to an understandable form, the first table is a graph showing Revenue and Expenses for all activities for 1986. This table, page 9 clearly reflects that the bulk of excess revenue was generated by WCNA-15. Much of this was used to meet the requirements of WCNA-16 which lost money. The WCNA-17 financial situation as of the close of the year was about even. Activity for WCNA-17 this year has begun to show a reasonable revenue pattern.

**Balance Sheet:** This reports the closing financial condition of the Corporation including all Host Committee finances. The Corporation ended the year with \$49,034.76 in cash or receivables. A closing inventory which included unsold jackets and coffee mugs rounds out the assets of WCCNA.

**Income Statement:** The income shown on page 1 reflects funds initially deposited directly into the Corporations accounts. This included funds destined for WCNA-16: banquet, newcomer, miscellaneous, pre-registrations and shipping. Other items: mugs, jackets and T-shirts were Corporation income sources. Income sent to London or paid while at London appears on page 15 in the Accountants report.

**Administrative Expenses:** This reflect the costs associated with management of the Corporation including the cost of the merchandise sold.

**WCNA-15 Expense:** There were some closing expenses related to WCNA-15 including a \$6,500 payment for literature that had been advanced by WSO.

**WCNA-16 Expense.** These expenditures were made from WCCNA accounts chargeable to WCNA-16 or were expenditures made after the funds from WCNA-16 had been turned over to WCCNA following the Convention. The largest item was the transfer of funds from WCCNA to WCNA-16 for advance payments on the facilities used.

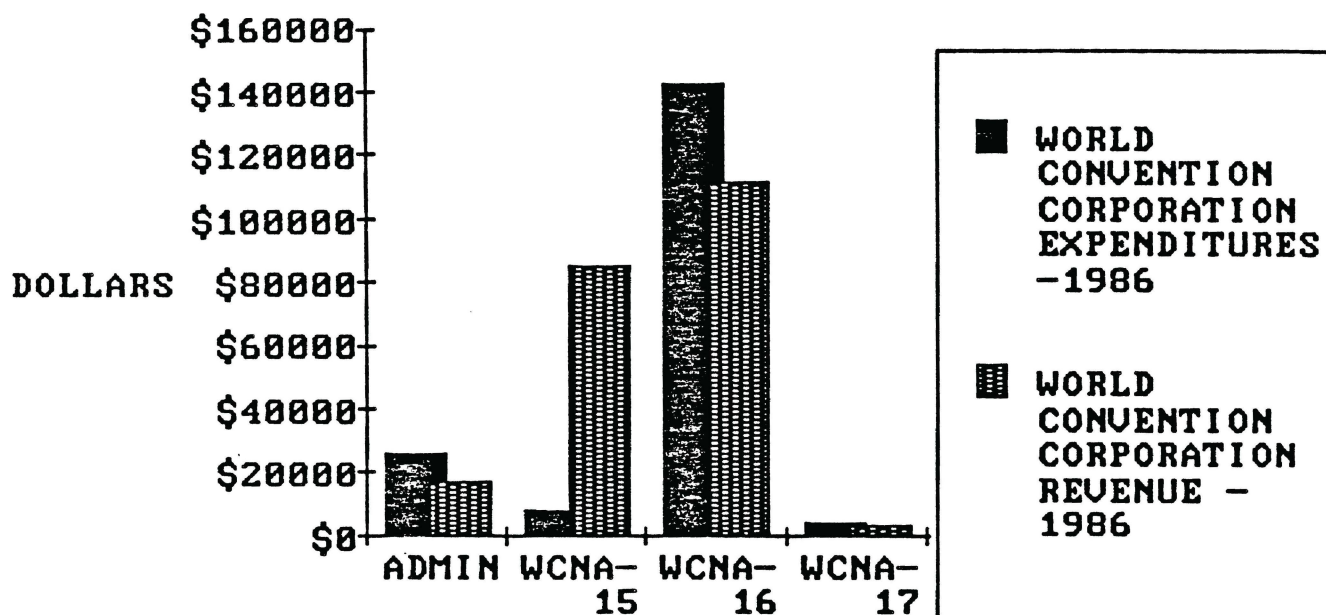
WCNA-17 Expense. There was limited activity for WCNA-17 prior to the end of the year. The largest item shown is a transfer of funds from WCCNA to the Host Committee of WCNA-17.

The Statement of Revenue and Expenses - WCNA-16 reflects the Accountants review of the records that were generated by the Host Committee of their financial activities.

The Revenue and Expense Comparison provides a complete comparison of Revenue and Expense for all activities.



**WORLD CONVENTION CORPORATION  
REVENUE OVER EXPENSES 1986**



## B A L A N C E   S H E E T

WORLD CONVENTION CORP  
DECEMBER 31, 1986

## ASSETS

VALLEY STATE CHECKING	6,835.86
LINCOLN SAVINGS	41,807.22
ACCOUNTS RECEIVABLE	600.00
INVENTORY	3,447.55

TOTAL ASSETS	52,690.63
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## LIABILITIES

SALES TAX PAYABLE	5.56
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TOTAL LIABILITIES	5.56
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## FUND BALANCE

FUND BALANCE	3,650.31
CURRENT EARNINGS	49,034.76

TOTAL FUND BALANCE	52,685.07
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TOTAL LIABILITIES & FUND BALANCE	52,690.63
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## I N C O M E   S T A T E M E N T

WORLD CONVENTION CORP  
DECEMBER 31, 1986

Page 1

INCOME	YEAR-TO-DATE
BANQUET	6,825.00
INTEREST	1,807.22
JACKETS	6,453.75
NEWCOMER	410.00
MISCELLANEOUS	2,237.17
MUGS	3,291.00
PRE-REGISTRATIONS	13,736.36
SHIPPING	265.46
T-SHIRTS	6,478.00
WCNA-15	86,346.74
WCNA-16	28,192.13
 TOTAL INCOME	 156,042.83

ADMINISTRATIVE EXPENSES	
ACCOUNTING & LEGAL	7,121.70
BAD DEBTS	43.50
BANK SERVICE CHARGES	257.30
COST OF MERCHANDISE	11,519.17
DUES & FEES	410.00
INSURANCE	1,446.75
OFFICE EXPENSE	347.80
POSTAGE & SHIPPING	89.00
PRINTING	170.50
REFUNDS & ALLOWANCES	2,824.80
TELEPHONE	395.00
TRAVEL	2,202.70
 Total Administrative Expenses	 26,828.22

## I N C O M E   S T A T E M E N T

WORLD CONVENTION CORP  
DECEMBER 31, 1986

Page 2

WCNA-15 EXPENSES	YEAR-TO-DATE
EQUIPMENT RENTAL	499.12
LITERATURE PURCHASES	6,500.00
MAINTENANCE & REPAIR	335.00
MISCELLANEOUS	750.00
TRAVEL	476.00
Total WCNA-15 Expenses	8,560.12
 WCNA-16 EXPENSES	
FUND TRANSFERS	44,365.00
MISCELLANEOUS	394.97
OFFICE EXPENSE	55.00
POSTAGE & SHIPPING	98.86
PRINTING	2,631.35
REFUNDS & ALLOWANCES	296.00
REGISTRATION REFUNDS	1,017.12
TELEPHONE	918.07
TRAVEL	15,581.00
Total WCNA-16 Expenses	65,357.37
 WCNA-17 EXPENSES	
FUND TRANSFERS	5,000.00
PRINTING	72.36
TRAVEL	1,190.00
Total WCNA-17	6,262.36
 TOTAL EXPENDITURES	107,008.07
 NET PROFIT/LOSS	49,034.76



WORLD CONVENTION FOR NARCOTICS ANONYMOUS  
STATEMENT OF REVENUE AND EXPENSES - WCNA-16 (LONDON)  
FOR THE YEAR ENDED DECEMBER 31, 1986

## REVENUE:

REGISTRATION	\$ 29,272
MERCHANDISING	22,373
FUND RAISING	4,951
BANQUET	2,216
NEWCOMER	660
MISCELLANEOUS	<u>1,218</u>
	60,690

## FUND RAISING EXPENSES:

EXECUTIVE COMMITTEE	5,946
ARTS AND GRAPHICS	2,581
REGISTRATION	2,140
MERCHANDISING	16,623
FUND RAISING	1,159
HOTEL EXPENSES - CONVENTION	42,192
PROGRAMMING	4,613
TRAVEL	1,772
PUBLIC INFORMATION	<u>556</u>

TOTAL FUND RAISING	77,582
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## ADMINISTRATIVE EXPENSES:

ACCOUNTING AND LEGAL	242
TELEPHONE	<u>45</u>

TOTAL ADMINISTRATIVE EXPENSES	<u>287</u>
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TOTAL EXPENSES	<u>77,869</u>
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EXCESS (EXPENSES) OVER REVENUES	\$ (17,179)
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SEE ACCOUNTANT'S COMPILATION REPORT

WORLD CONVENTION CORPORATION OF NARCOTICS ANONYMOUS  
REVENUE AND EXPENSE COMPARISON - LONDON VS USA  
DECEMBER 31, 1986

Page 14

REVENUES	LONDON STATEMENT	NEW ORLEANS STATEMENT	CORPORATION STATEMENT	COMBINED STATEMENT
REGISTRATION	29,272	2,185	13,736	45,193
MERCHANDISING	22,373	0	0	22,373
BANQUET	2,216	0	6,825	9,041
T-SHIRTS	0	851	6,478	7,329
JACKETS	0	0	6,454	6,454
FUND RAISING	4,951	650	0	5,601
MUGS	0	0	3,291	3,291
NEWCOMER	660	0	410	1,070
MISCELLANEOUS	1,218	398	2,237	3,853
INTEREST	0	0	1,807	1,807
SHIPPING	0	0	265	265
WCNA-15	0	0	86,347	86,347
WCNA-16	0	0	28,192	28,192
WCNA-17	0	118	0	118
TRANSFERS	0	5,000	0	5,000
<b>TOTAL REVENUE</b>	<b>60,690</b>	<b>9,202</b>	<b>156,042</b>	<b>225,934</b>
<b>FUND RAISING EXPENSES</b>				
COST OF MERCHANDISE	0	0	11,519	11,519
MERCHANDISING	16,623	1,156	0	17,779
HOTELS AND HOSPITALITY AND TICKETS	42,192	28	0	42,220
EXECUTIVE COMMITTEE	5,946	264	0	6,210
ARTS AND GRAPHICS	2,581	58	0	2,639
FUND RAISING	1,159	0	0	1,159
REGISTRATION	2,140	35	0	2,175
PROGRAMMING	4,613	44	0	4,657
TRAVEL	1,772	0	0	1,772
REGISTRATION REFUNDS	0	0	0	0
PUBLIC INFORMATION	556	0	0	556
MISCELLANEOUS	0	558	0	558
ENTERTAINMENT	0	1,020	0	1,020
<b>FUND RAISING EXPENSES</b>	<b>77,582</b>	<b>3,163</b>	<b>11,519</b>	<b>92,264</b>
<b>ADMINISTRATIVE EXPENSE</b>				
ACCCOUNTING & LEGAL	242	0	7,122	7,364
BAD DEBTS	0	0	44	44
BANK CHARGES	0	10	257	267
DUES AND FEES	0	0	410	410
EQUIPMENT RENTAL	0	0	0	0
INSURANCE	0	0	1,447	1,447
OFFICE EXPENSE	0	0	348	348
POSTAGE AND SHIPPING	0	0	89	89
PRINTING	0	0	171	171
REFUNDS AND ALLOWANCE	0	0	2,825	2,825
TELEPHONE	45	0	395	440
TRAVEL	0	0	2,203	2,203
WCNA-15	0	0	8,560	8,560
WCNA-16	0	0	65,357	65,357
WCNA-17	0	0	6,262	6,262
<b>ADMINISTRATIVE EXPENSE</b>	<b>287</b>	<b>10</b>	<b>95,490</b>	<b>95,787</b>
<b>TOTAL EXPENSE</b>	<b>77,869</b>	<b>3,173</b>	<b>107,009</b>	<b>188,051</b>
<b>(EXPENSE) OVER REVENUES (17,179)</b>		<b>6,029</b>	<b>49,033</b>	<b>37,883</b>