



WORLD SERVICE OFFICE, INC.  
NARCOTICS ANONYMOUS

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

April 27, 1987

TO: The Fellowship

FROM: Robert Stone,  
World Service Office

SUBJECT: 1987 Annual Report  
World Service Conference

This is a report of the activities and operation of the World Service Office during 1986. It was a year of unparalleled growth throughout the Fellowship and at the World Service Office as well. Where statistics or facts are available to reflect the growth, they are included. Such statistics are impressive because of their dramatic increase and also because of the real significance that such statistics represent. Narcotics Anonymous is now able to carry the message of recovery to the still-suffering addict in larger numbers than anyone could have dreamed of a few years ago.

We began 1986 with approximately 6,000 meetings in our *World Directory* information list. During the year we started deleting hospitals and institutional meetings from the regular meeting list information base. By the end of 1986, the number of meetings in the H&I records was approximately 900. The number of meetings we now show in the *World Directory* is 8,373. This represents another year of tremendous sustained growth in the number of meetings and the number of addicts finding recovery in Narcotics Anonymous.

Growth in the World Service Office to accommodate the needs of the Fellowship has been proportionate. We began 1986 with 26 employees. We ended 1986 with 33 employees. The operation of the World Service Office in 1985 was accomplished with a gross income of \$1,445,307.00. During 1986, gross income rose to \$2,140,429.00. Almost \$700,000 additional dollars were received by the World Service Office in literature orders.

This continued growth in the Fellowship as a whole and in the World Service Office is not accomplished without a number of problems. In this report we will discuss some of the problems, some of the solutions we applied to the problems, and some areas where problems exist and solutions have not yet been found.

In making an assessment of the World Service Office operations there are three major factors that can easily be determined. First, there is a direct relationship between the activities and effectiveness of the World Service Office and the continued growth in the Fellowship. This relationship is most apparent in the tracking of literature sales to area committees, regional committees and purchasers outside the Fellowship. This increase in sales reflects N.A.'s growth in subsequent increases in meeting registrations.

The second easily identifiable relationship of the World Service Office to the growth of the Fellowship is in responses to inquiries about Narcotics Anonymous and requests for Starter Kits. We have discovered that for every ten Starter Kits sent, approximately four meetings are started. For every ten informational responses sent, three meetings are eventually started.

The third, and perhaps most dramatic impact of the relationship of the World Service Office to the growth of the Fellowship, is in the general distribution of literature outside of the Fellowship. More than 95 percent of our literature sales outside of the Fellowship are to treatment programs or to other customers who make N.A. literature available to treatment programs. The quantity of literature sold to non-N.A. purchasers is 48 percent of all literature sold. Most of these users distribute the literature to individuals who are participating in recovery programs at various facilities. Many of these patients regularly attend N.A. and count themselves as members.

In a brief check of the relationship of non-N.A. purchasers to N.A. meeting locations, we have discovered that almost all non-N.A. purchasers of sizable quantities host N.A. meetings in their facilities. This is a significant fact and the growth in the number of such facilities purchasing literature and hosting N.A. meetings has increased during 1986.

In general, the World Service Office has functioned reasonably well. There are several areas, however, where improvements in our capacity and in our performance are important. Such weaknesses and areas of improvement will be noted. Some improvements require either more manpower or improved diligence on our part, whereas other improvements require assistance from boards or committees or the Fellowship at large.

This report specifically covers activities of the calendar/fiscal year 1986. Generally it utilizes statistics generated from the activities of 1986. A few statistics generated since January 1, 1987 are included in this report in order to facilitate clarity in the following tables.

## **WORLD SERVICE OFFICE BOARD OF DIRECTORS**

The Board of Directors has been very active during this past year. The Board had meetings following the World Service Conference in April, additional meetings in June, August, November, January and March. The meetings were normally eight to ten hours a day and generally involved materials averaging 100 pages in length. The Board received most of this material in advance of the meetings in order to provide opportunity for them to be properly prepared. During the year the office converted from a hand accounting system to a computerized accounting system. Although there was in most of 1986 a lengthy delay between the closing date of each month's report and the availability of each report, the reports were mailed when available to the Board of Directors for their review. The computerization of the financial information for the office has produced mixed blessings. The hand accounting system, although less accurate and meaningful to accountants was, to a certain degree, more useful and understandable to key staff and Board members.

There was continued turnover in membership of the Board of Directors. During the last four years, the Board has lost two or three members due to resignations for a variety of reasons each year. These vacancies have been filled by the Board from the pool created by the Fellowship at each World Service Conference.

The Board members have been very active both in supervision of the World Service Office, and through involvement with World Service Conference committees. Examples of this relationship were members of the Board who attended the July and October workshop meetings of the Conference to listen and participate when requested. This has provided opportunity for Board members to have a clearer understanding of the needs and activities of Conference committees. This knowledge and familiarization contributed to many WSO decisions producing results beneficial to the needs of the Conference committees.

The Board utilized committees to complete some of its tasks. The most active Board committee was the Personnel Committee. The Personnel Committee had four meetings during the year and established a revised comprehensive personnel policy. The Committee revised a policy that had previously been adopted in 1983 as an interim policy. The Board Personnel Committee also was directly involved in supervision and decision making on important personnel matters.

As provided for in the by-laws of the WSO, the following report on the membership of the Board is provided so that the Conference can fill those vacancies the Conference elects directly and can select additional members for the pool of potential directors.

One-Year Terms of Office Expiring in June, 1987:

These Directors' terms of office expire at the annual meeting of the WSO Board to be held in June, 1987. The Conference may re-elect them or replace them for one-year terms or select them for the pool from which they may be selected to serve for a three-year term:

Jamie Scott-Hopkins

Mac McDonald

George Hollahan (resigned in July 1986 - replaced by  
Jim Simons from the pool list in September, 1986.)

Three-Year Terms of Office Expiring in June, 1987:

These Directors' terms of office expire at the annual meeting of the WSO Board to be held in June, 1987. These positions will be filled from the pool of potential Board members at the annual WSO Board meeting in June, 1987.

Stu Tooredman

Robert Kassem (A letter of resignation was received  
from Bob reporting his resignation due to health  
reasons, effective April 1, 1987. This position is  
currently vacant.)

Martin Chess

Changes in the by-laws in 1982, 1984, and 1985, which were part of the overall transition to direct WSO control, left us with an imbalance in the number of Directors serving certain terms. There were four Directors with terms originally scheduled to expire in June, 1987. Three of them were to be filled for three years and one was to be filled for two years only to even out the schedule of directors' terms. In May, 1986 one of those four terms was vacated by the resignation of Chuck Lehman because of his election as Vice-Chairperson of the Conference. The Board took this opportunity to even out the terms of office by selecting his replacement from the pool and assigning that position to a three-year term. This completed the transition of Directors' terms so as to comply with the by-laws. In order to avoid confusion that position is now shown with the group of directors whose terms expire at the same time in 1989.

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#### Expiring Three-Year Terms of Office in 1988:

These Directors' terms of office expire at the annual meeting of the WSO Board to be held in June, 1988. These positions will be filled from the pool of potential Board members at the annual WSO Board meeting in June, 1988.

Kevin Fahy

Steve Bice

Robert Richart

#### Expiring Three-Year Terms of Office in 1989

These Directors' terms of office expire at the annual meeting of the WSO Board to be held in June, 1989. These positions will be filled from the pool of potential Board members at the annual WSO Board meeting in June 1989.

Willie Lubka (currently vacant--resigned in January 1987)

Jim Wymore

Chuck Lehman (resigned effective May 2, 1986 and was replaced by Donna Markus from the pool list in June, 1986.)

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### **1986 FINANCIAL REPORT**

The pages following this section are the financial report from the accounting firm used by the WSO. Their report is completed by an examination of the records and reports generated by WSO staff during the year. In January all of the financial records are turned over to the firm and this report is based on those records.

Because their report is prepared according to the practices common in the accounting business it normally leaves many of us wondering what it really means. Also, accounting firms use practices that use the information differently than we, as individuals who don't understand their practices, might use it. This means some comments are essential in order to provide clarification of the report.

Their report coincides closely with the financial data generated by the staff using the accounting software of our computers. Because this was the first year our accounting was done by computer it is a great relief to have reached comparatively identical figures. This also provides considerable confidence that the WSO staff is properly and accurately recording our financial activities.

In the Revenue Section, the figure identified as Returns and Allowances are the discounts applied to various purchasers where appropriate. The discounts are made according to the literature sales policy and include discounts to literature committees, N.A. offices and some commercial buyers.

In the Expenses Section, there are several items that deserve comment. The 1986 report includes a new item. This represents the costs associated with the utilization of a van for essential driving done by the staff. A van is used in order to deliver or pick up mail or bulky items. The number of drivers is limited and the vehicle is kept locked in the building at night.

Bad Debts: This represents the dollar value of our financial loss due to customers who wrote bad checks which were not subsequently made good or who may have ordered material on a commercial invoice which was subsequently not paid. The reduction in the amount of loss is the result of two factors: (1) most of our customers abide by the Twelve Steps and Traditions and fulfill payment obligations as a consequent of working a program, even if they are in financial trouble; (2) we have improved our accounts receivable and returned check

monitoring. The percentage of loss (\$1,746 divided by \$2,140,429) is .0008157, or about eight one hundreds of one percent. *There is probably not one business enterprise with a better loss ratio.*

A note of caution, however, on the bad debt issue. This varies from year to year and a good year can sometimes be followed by a bad one. We will continue to be vigilant but we cannot guarantee such a good report each year.

Contract Labor includes the services provided to us for a wide variety of work. This includes items such as editing, outside typesetting, custodial service, video tape duplicating, writing, computer consulting, custom computer programming, artists, translators and other specialists. The largest single expense was for the Xerox contract discussed in subsequent notes.

Cost of Merchandise reflected only a moderate increase. This is a reflection of a lower investment in inventory during the year. We started the year with a high inventory level (compared to the year before) and only increased the '86 year-end level by \$32,081. The additional cost of merchandise is affected by increases in costs of printing or other merchandise, inventory level adjustments (beginning of year to end of year) and new items in the inventory that may require a heavy investment.

Another factor that kept the cost of merchandise lower is the accounting practice of showing our contract with the Xerox Corporation for a large photocopy machine in the Contract Labor category. The contract provides for a full-time employee in our building to operate the equipment. Unfortunately, accounting practices do not separate the part of the Xerox payment that would be allocated to the photocopies made on the machine. Over 3 million images were made on the machine as part of the contract. This includes such items as the *Newsline*, *N.A. Way*, copies of Conference minutes and reports and Fellowship Reports. At the rate provided in the contract of \$.029 per image, the amount that could be allocated to Cost of Merchandise would be in the area of \$87,000.00.

The Insurance category reflects all forms of insurance; auto, employer's share of medical, liability and property. As the value of our inventory and equipment increases (these alone were \$138,448) the cost of insurance increases. The basic cost of property and liability insurance is based on two factors: the value of all assets and our gross income. As these climb, so will the insurance costs.

Maintenance and Repairs includes both facilities and equipment. The computer equipment and other items of equipment obtained in 1983 and 1984 will begin to show up with maintenance needs. As the equipment ages, this category will be reflected with higher expenditures. Service agreements for this equipment also fall into this category.

The Postage and Shipping expense category reflects unreimbursed expenses for shipping and postage. For example, our payments to United Parcel Service last year totaled approximately \$90,000.00. But the applied accounting practice combined the actual income from literature sales and our Postage and Shipping expenditures leaving us with a net expense of approximately \$40,000.00. Other items that add to this entry are postage for the *N.A. Way* magazine, *Newsline* and other such mass mailings. Although a magazine subscription is intended to provide income sufficient to cover shipping costs, because it is not described separately in the accounting process, the shipping amount of each subscription is not allocated against the shipping entry.

Salaries went up as an expense in large measure due to the increase in the staffing level. We had a 25% increase in the number of regular full-time employees.

The Travel item includes air fare, hotel costs and other travel related expenses. This reflects an increase in the number of activities involving WSO

expense (workshops) and an increase in the number of staff or Board members attending WSC meetings. Also included in this are some unreimbursed WSC travel related expenditures.

WSC Expense reflects unreimbursed expense for WSC activity. The significant change in this from the previous year is a reflection of better accounting procedures used internally for the recording of WSC advances and repayments.

A significant item for interested accountants is the end of year Fund Balance increase of \$195,200. For a normal business this would be reason for great joy. Since we are not really concerned with trying to increase our net worth, this figure simply is a measure of our continued growth. In a simple mathematical formula, we can equate Fund Balance as follows:  $\text{Assets} - \text{Liability} = \text{Fund Balance}$ .

On the second page of the report comments need to be made about the following items:

The figure shown as Cash in Savings includes an item reflected also in the Current Liabilities section near the end of the page. The Employee Savings Deductions amount of \$6,344 needs to be deducted from the Cash in Savings to arrive at the correct figure for the current prudent reserve for the WSO. That figure would be \$98,352. The increase from \$34,603 to \$98,352 represents a return to prudent reserve of approximately \$60,000 during this year. During the year earned interest, totaling \$3,819 was added. We have added a little more to prudent reserve since January 1, 1987, but not enough.

The Accounts Receivable entry should have been much higher when compared to the previous year. What this means is that we improved our accounts receivable management system in 1986. This made it possible to effectively reduce some of the accounts receivable backlog we started with at the beginning of the year and ended the year with a fairly minimal level. The Board of Directors reviews the monthly report on accounts receivable and discusses many individual accounts to monitor staff management of this matter.

When studying the Inventory entry, see other comments in relevant sections. The small increase of \$32,081 is fairly interesting considering that there was an overall increase in sales during 1986 of \$695,122. In part, this is a reflection of better inventory management. A factor that impacts this entry each year is the status of ordering and receipt of different printings of the Basic Text. If, for example, we had just received a shipment of the text, that alone would have raised our inventory by some \$35,000. As it turned out we had received such a shipment at the end of 1985 so the inventory value was fairly high in last year's report. At the end of 1986 we were fairly low in text inventory but we received a shipment in early 1987.

The Office Equipment category reflects a significant increase due to an investment for an expanded computer system. This is fully explained in another section.

The Other Assets entry of Deposits is the amount of money deposited with the owner of one of the buildings when the lease was first signed. This represented six months advance payment of the lease cost for that year. This money will be returned to us when we move or may be utilized to offset rent for the closing months of our occupancy.

The Employee Savings Deductions entry in Current Liabilities represents an experiment initiated in early 1986 but discontinued in January 1987. In an effort to encourage our employees to initiate savings plans for their personal benefit, we tried a voluntary payroll deduction plan. The deductions were placed in an account under the umbrella of the WSO but only employee savings were put into the account. Although this causes no difficulty with the overall management of

WSO finances, having such an account under the umbrella of the WSO accounting process added a minor amount of confusion. The account was closed, the funds due each saver were distributed, and this entry will not appear in next year's report. Some employees are continuing their savings plans in their personal accounts, so a part of the experiment was successful.

Following the report from our accountants is a comparison of 1985 to 1986 assets along with liabilities and fund balance. This additional report is included in order to show the distribution of the increased assets. The fund balance grew by \$195,200 in 1986 over what it had been in 1985.

The comparison shows the increases in both current assets and fixed assets. The largest increases are in cash on hand and savings (reserve) in the Asset category. In the Fixed Assets category the large increase is reflected in equipment, both leased (office equipment) and purchased items (furniture and equipment).



BROWN & HECOX  
CERTIFIED PUBLIC ACCOUNTANTS

April 15, 1987

JON S. HECOX, C.P.A.  
DONITA HORN, C.P.A.  
NANCY WHEELER, C.P.A.

4730 WOODMAN AVENUE, SUITE 400  
SHERMAN OAKS, CALIFORNIA 91423  
(818) 783-3022  
(213) 873-1269

Board of Directors  
World Service Office, Inc.  
16155 Wyandotte Street  
Van Nuys, California 91406

Ladies and Gentlemen:

We have compiled the accompanying balance sheet of World Service Office, Inc., A California Nonprofit Public Benefit Corporation, as of December 31, 1986 and 1985 and the related statement of revenue and expenses and changes in fund balances for the period then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

WORLD SERVICE OFFICE, INC.  
BALANCE SHEET  
DECEMBER 31, 1986 AND 1985

ASSETS

	<u>1986</u>	<u>1985</u>
<u>CURRENT ASSETS</u>		
CASH ON HAND AND IN CHECKING	\$ 47,998	\$ 20,531
CASH IN SAVINGS	104,696	34,603
ACCOUNTS RECEIVABLE - CUSTOMERS	87,812	78,237
ACCOUNTS RECEIVABLE - OTHER	9,056	12,603
INVENTORY	181,899	149,818
PREPAID INSURANCE	<u>3,600</u>	<u>3,600</u>
TOTAL	\$435,061	\$299,392
 <u>FIXED ASSETS</u>		
OFFICE EQUIPMENT	\$144,188	\$ 63,562
FURNITURE & EQUIPMENT	145,652	119,911
LEASEHOLD IMPROVEMENTS	29,955	17,195
LESS: ACCUMULATED DEPRECIATION	( <u>97,475</u> )	( <u>46,290</u> )
TOTAL	\$222,320	\$154,378
 <u>OTHER ASSETS</u>		
DEPOSITS	\$ <u>13,500</u>	\$ <u>13,500</u>
TOTAL ASSETS	\$670,881 =====	\$467,270 =====

LIABILITIES AND FUND BALANCE

<u>CURRENT LIABILITIES</u>		
EMPLOYEE SAVINGS DEDUCTIONS	\$ 6,344	\$ 200
PAYROLL AND SALES TAX PAYABLE	5,242	7,563
DUE TO WCCNA	<u>4,588</u>	<u>-0-</u>
TOTAL	\$ 16,174	\$ 7,763
 <u>FUND BALANCE</u>	 \$654,707	 \$459,507
TOTAL LIABILITIES AND FUND BALANCE	\$670,881 =====	\$467,270 =====

SEE ACCOUNTANT'S COMPILATION REPORT

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

	<u>1986</u>	<u>1985</u>
REVENUE:		
LITERATURE SALES	\$2,580,431	\$1,649,983
LESS RETURNS AND ALLOWANCES	( 468,551)	( 213,875)
INTEREST	3,819	7,467
MISCELLANEOUS	<u>24,730</u>	<u>1,732</u>
TOTAL REVENUE	\$2,140,429	\$1,445,307
EXPENSES:		
ACCOUNTING & LEGAL	\$ 9,436	\$ 6,485
AUTO LEASE	1,440	-0-
BAD DEBTS	1,746	3,201
BANK SERVICE CHARGES	747	296
CONTRACT LABOR	155,736	49,214
COST OF MERCHANDISE	658,577	550,545
DEPRECIATION	51,185	28,227
INSURANCE	57,929	12,918
MAINTENANCE & REPAIRS	26,816	9,783
MISCELLANEOUS	1,350	4,337
OFFICE EXPENSE	102,390	47,439
PAYROLL TAXES	76,403	33,358
POSTAGE & SHIPPING	39,943	7,247
RENT	69,891	60,132
SALARIES	554,861	367,015
TELEPHONE	27,320	27,733
TRAVEL	101,307	83,325
UTILITIES	7,617	3,957
WORLD SERVICE CONFERENCE	<u>535</u>	<u>28,404</u>
TOTAL EXPENSES	\$1,945,229	\$1,323,616
EXCESS REVENUE OVER EXPENDITURES	\$ <u>195,200</u>	\$ <u>121,691</u>
FUND BALANCE, BEGINNING OF YEAR	\$ <u>459,507</u>	\$ <u>337,816</u>
FUND BALANCE, END OF YEAR	\$ 654,707 =====	\$ 459,507 =====

SEE ACCOUNTANT'S COMPILATION REPORT

WORLD SERVICE OFFICE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1986

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

THE SIGNIFICANT POLICIES ARE SUMMARIZED BELOW FOR THE CONVENIENCE OF THE FINANCIAL STATEMENT READERS.

THE ORGANIZATION FOLLOWS THE PRACTICE OF CAPITALIZING EXPENDITURES FOR PROPERTY AND EQUIPMENT IN EXCESS OF \$75. DEPRECIATION IS PROVIDED OVER THE ESTIMATED USEFUL LIFE OF THE ASSETS.

INVENTORY IS STATED AT LOWER OF COST OR MARKET VALUE, USING THE FIRST-IN, FIRST-OUT METHOD.

NOTE 2 - TAX EXEMPT STATUS

WORLD SERVICE OFFICE, INC. IS A NONPROFIT ORGANIZATION WHICH DISTRIBUTES LITERATURE WORLDWIDE FOR NARCOTICS ANONYMOUS. IT IS EXEMPT FROM INCOME TAXES, AND THERE ARE ACCORDINGLY NO SUCH PROVISIONS IN THE FINANCIAL STATEMENTS.

NOTE 3 - LEASES

THE ORGANIZATION LEASES ITS ADMINISTRATIVE OFFICE AND WAREHOUSES UNDER THE FOLLOWING TERMS:

PROPERTY LEASED	TERM OF LEASE	MONTHLY RENT
ADMINISTRATIVE OFFICE AND WAREHOUSE	NOVEMBER 1, 1986 TO OCTOBER 31, 1988, SUBJECT TO ANNUAL COST OF LIVING ADJUSTMENT, OPTION TO EXTEND LEASE FOR TWO ADDITIONAL YEARS.	\$2,989
WAREHOUSE	AUGUST 16, 1985 TO OCTOBER 31, 1988 \$2,700 UNTIL NOVEMBER 1, 1986; \$2,835 UNTIL OCTOBER 1, 1987; \$2,977 UNTIL OCTOBER 31, 1988. TWO ONE YEAR OPTIONS TO EXTEND LEASE; MONTHLY RENT OF FIRST OPTION, \$3,125; MONTHLY RENT OF SECOND OPTION, \$3,280.	\$2,700

SEE ACCOUNTANT'S COMPILATION REPORT



WORLD SERVICE OFFICE, INC.  
BALANCE SHEET COMPARISON  
DECEMBER 31, 1986 AND 1985

ASSETS  
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CURRENT ASSETS	1986	1985	COMPARISON
CASH ON HAND AND IN CHECKING	47,998.00	20,531.00	27,467.00
CASH IN SAVINGS	104,696.00	34,603.00	70,093.00
ACCOUNTS RECEIVABLE - CUSTOMER	87,812.00	78,237.00	9,575.00
ACCOUNTS RECEIVABLE - OTHER	9,056.00	12,603.00	(3,547.00)
INVENTORY	181,899.00	149,818.00	32,081.00
PREPAID INSURANCE	3,600.00	3,600.00	0.00
TOTAL	\$435,061.00	\$299,392.00	\$135,669.00

FIXED ASSETS  
-----

OFFICE EQUIPMENT	144,188.00	63,562.00	80,626.00
FURNITURE & EQUIPMENT	145,652.00	119,911.00	25,741.00
LEASEHOLD IMPROVEMENTS	29,955.00	17,195.00	12,760.00
LESS: ACCUMULATED DEPRECIATION	(97,475.00)	(46,290.00)	(51,185.00)
TOTAL	\$222,320.00	\$154,378.00	\$67,942.00

OTHER ASSETS  
-----

DEPOSITS	13,500.00	13,500.00	0.00
TOTAL ASSETS	\$670,881.00	\$467,270.00	\$203,611.00

LIABILITIES AND FUND BALANCE  
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CURRENT LIABILITIES  
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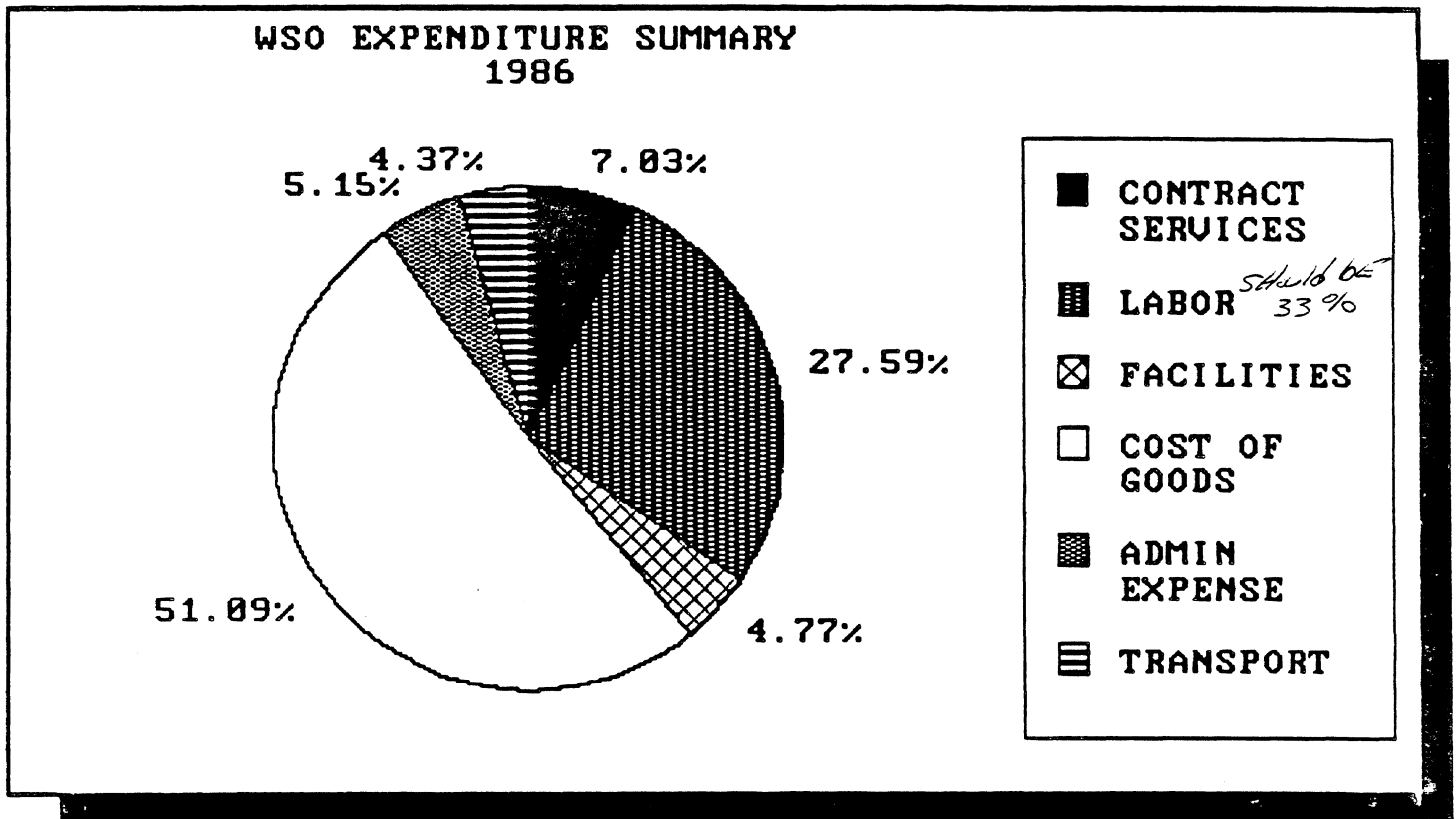
EMPLOYEE SAVINGS DEDUCTIONS	6,344.00	200.00	6,144.00
PAYROLL AND SALES TAX PAYABLE	5,242.00	7,563.00	(2,321.00)
DUE TO WCCNA	4,588.00	0.00	4,588.00
TOTAL	\$16,174.00	\$7,763.00	\$8,411.00

FUND BALANCE	\$654,707.00	\$459,507.00	\$195,200.00
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TOTAL LIABILITIES AND FUND BALANCE	\$670,881.00	\$467,270.00	\$203,611.00
	=====	=====	=====

On this page and the two following pages are charts that reflect, in graphic form, the financial information contained in the accountants' report. These charts may be helpful in understanding the relationship of the various elements of the Expenditure Summary, Asset Distribution and status of the Prudent Reserve.

CHART ONE



WSO EXPENDITURE SUMMARY

Chart One above shows in graphic form the expenditures of the WSO during 1986. This chart was compiled using the information available in the accountants' report, but grouping expenditures by general purpose.

CHART TWO

**WSO ASSET DISTRIBUTION  
1986**

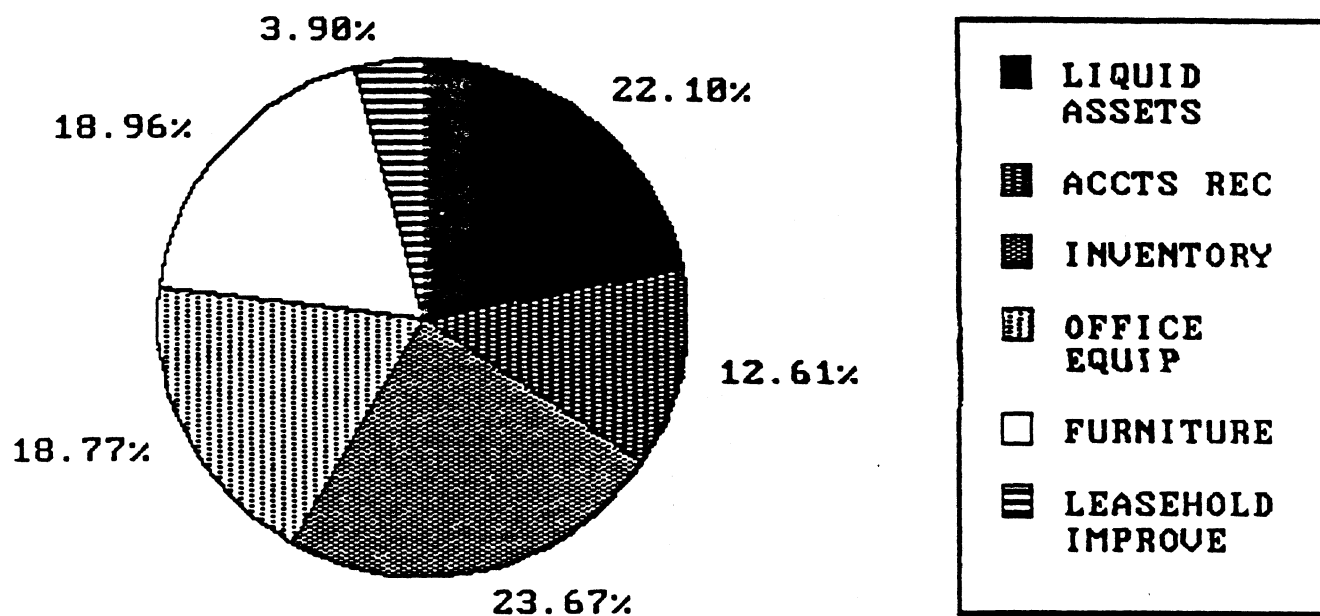


Chart Two above shows in graphic form the distribution of assets of the WSO at the end of 1986. This chart was compiled by using information in the Accountants' report.

Chart Three below reflects the status of the Prudent Reserve since the ending report for 1983. Only in 1985 was it necessary for WSO to use funds from the reserve.

1983	\$52,923
1984	\$129,700
1985	\$34,603
	(spent from Reserve \$95,000)
1986	\$98,352

**YEAR-END PRUDENT RESERVE REPORT  
1983 - 1986**

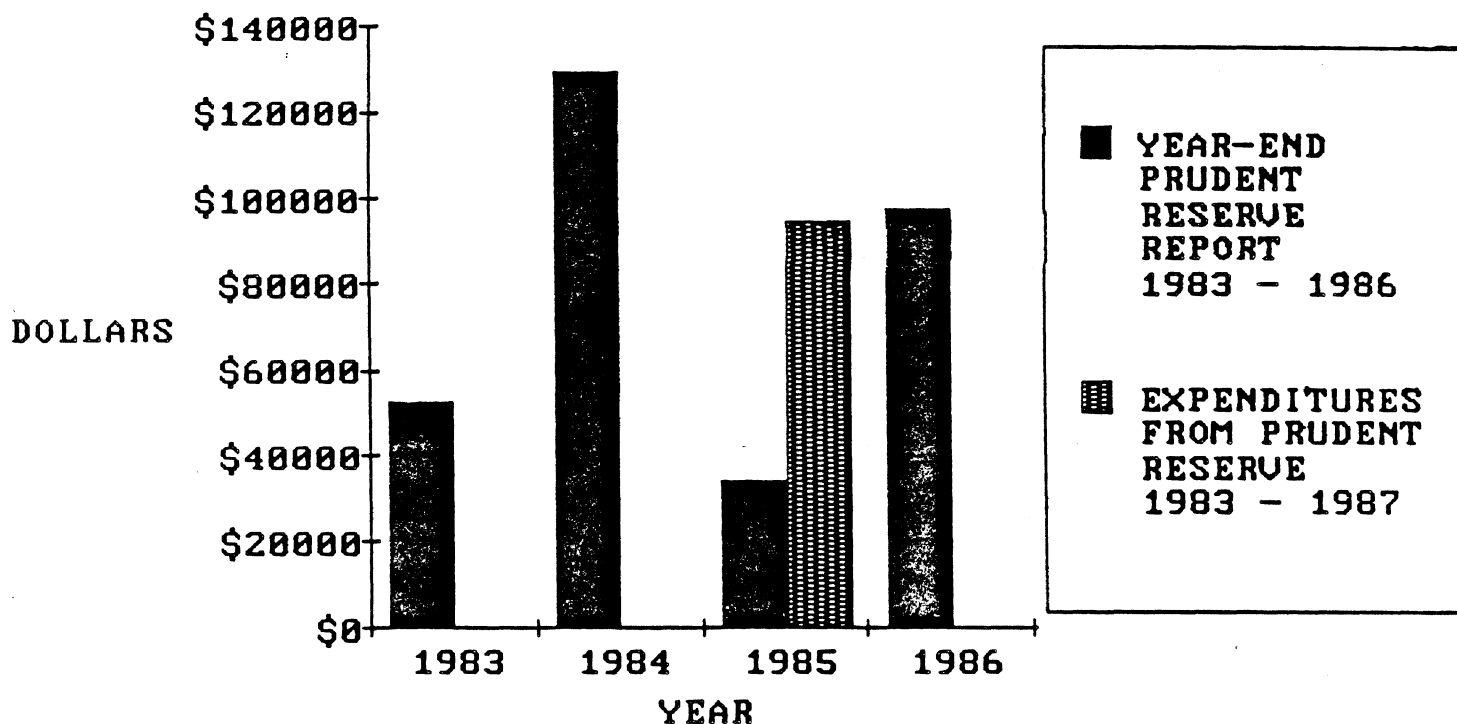


Chart Three provides easy reference to the financial operations of the WSO since 1983. Fortunately we had a sufficient prudent reserve during the one year when expenses exceeded income. During 1986 part of that was returned to prudent reserve.



TABLE ONE  
WORLD SERVICE OFFICE LITERATURE SALES 1986

*BEFORE DISCOUNTS*

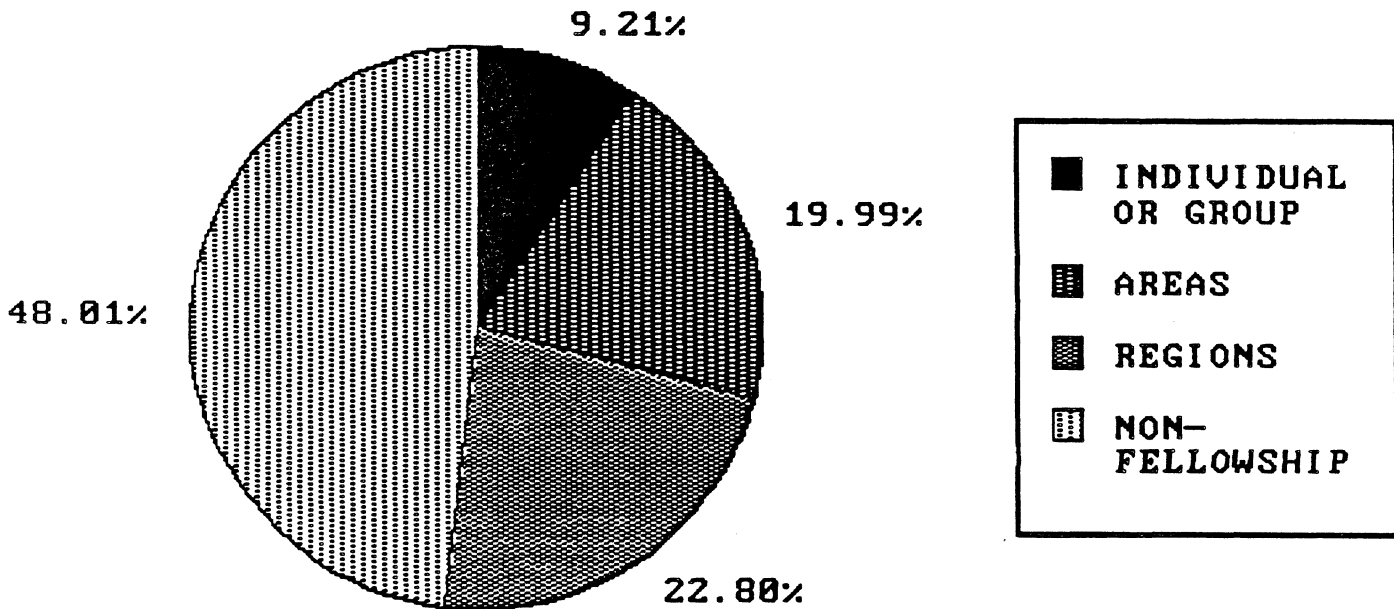
STATE	1985 TOTALS	INDIVIDUAL OR GROUP	AREA	REGION	NON- FELLOWSHIP	1986 TOTALS
ALABAMA	12,616	3,536	1,844	5,559	3,180	14,118
ALASKA	7,432	2,440	3,678	300	657	7,075
ARIZONA	12,824	2,024	17,709	18	2,925	22,675
ARKANSAS	4,309	2,179	537	0	333	3,049
CALIFORNIA	247,773	26,238	37,996	147,923	58,658	270,816
COLORADO	10,873	1,380	0	12,355	1,322	15,057
CONNECTICUT	15,733	3,899	13,403	4,398	2,606	24,306
DELAWARE	128	0	508	0	0	508
D.C.	20,601	4,206	9,981	1,257	830	16,273
FLORIDA	82,261	7,180	24,501	78,939	20,630	131,250
GEORGIA	29,629	4,289	17,007	2,595	13,452	37,344
HAWAII	4,879	1,189	2,109	2,096	866	6,260
IDAHO	4,220	1,651	1,729	0	852	4,232
ILLINOIS	48,921	4,545	33,703	11,925	27,214	77,388
INDIANA	17,680	1,406	9,604	1,000	7,840	19,851
IOWA	8,386	3,334	3,976	24	569	7,903
KANSAS	10,996	6,990	3,527	6	4,211	14,734
KENTUCKY	7,061	4,117	2,469	1,144	2,511	10,241
LOUISIANA	13,976	6,856	7,285	246	1,691	16,078
MAINE	2,423	2,055	2,106	0	183	4,344
MARYLAND	32,777	1,987	30,629	1,003	5,948	39,566
MASSACHUSETTS	40,810	17,681	22,019	8,959	8,154	56,812
MICHIGAN	46,380	6,475	32,817	19,661	11,881	70,834
MINNESOTA	25,759	4,780	6,737	182	6,581	18,280
HAZELDEN	238,461	0	0	0	724,307	724,307
COMPCARE	48,897	0	0	0	148,640	148,640
MISSISSIPPI	3,162	2,546	2,800	0	443	5,790
MISSOURI	28,484	10,301	7,939	1,107	9,253	28,601

TABLE ONE  
WORLD SERVICE OFFICE LITERATURE SALES 1986

STATE	1985 TOTALS	INDIVIDUAL OR GROUP	AREA	REGION	NON- FELLOWSHIP	1986 TOTALS
MONTANA	913	1,173	0	0	2,639	3,811
NEBRASKA	5,168	1,849	2,154	0	2,639	6,642
NEVADA	10,952	957	2,301	5,653	8,162	17,072
NEW HAMPSHIRE	7,576	4,488	0	1,580	1,457	7,525
NEW JERSEY	43,734	3,222	49,109	5,430	3,936	61,697
NEW MEXICO	4,552	4,325	830	0	2,808	7,963
NEW YORK	56,961	6,141	2,624	96,795	10,552	116,112
N CAROLINA	17,293	4,496	1,648	19,102	2,370	27,616
N DAKOTA	3,090	1,436	380	0	87	1,902
OHIO	30,728	4,813	20,339	2,331	5,542	33,025
OKLAHOMA	18,458	4,686	4,012	7,498	4,362	20,558
OREGON	32,795	6,617	22,000	2,751	13,521	44,890
PENNSYLVANIA	62,586	4,332	16,453	66,273	17,170	104,228
RHODE ISLAND	6,920	48	13,485	1,203	0	14,735
S CAROLINA	17,121	1,874	689	0	753	3,316
S DAKOTA	1,272	1,265	241	0	308	1,814
TENNESSEE	15,725	4,067	9,748	754	6,258	20,828
TEXAS	53,092	9,985	2,083	38,978	6,218	57,263
UTAH	4,881	853	1,513	365	302	3,032
VERMONT	1,579	3,103	0	0	156	3,259
VIRGINIA	18,623	8,109	16,316	43	6,450	30,918
WASHINGTON	41,326	10,287	21,072	196	6,652	38,206
W VIRGINIA	6,577	2,564	2,915	41	1,217	6,736
WISCONSIN	21,548	1,313	5,560	11,588	12,782	31,243
WYOMING	3,125	1,474	217	392	496	2,580
TOTAL U.S.	1,514,041	226,758	492,303	561,671	1,182,571	2,463,303

CHART FOUR

WSO LITERATURE SALES CHART  
1986



LITERATURE SALES CHART

Chart Four above shows the totals of sales reported on the last line of Table One. Because the figures from which this chart is made are computed from the Order Control Log, it must be kept in mind that this chart is a close reflection of sales, but is not based on computer accounting records.

TABLE TWO  
WORLD SERVICE OFFICE, INC.  
AVERAGE PURCHASE PER GROUP 1986

STATE	1985 TOTALS	1986 TOTALS	TOTAL FELLOWSHIP	TOTAL # OF MEETINGS	AVG PURCHASE PER GROUP
NEBRASKA	5,168	6,642	4,003	72	55.60
NEVADA	10,952	17,072	8,910	92	96.85
NEW HAMPSHIRE	7,576	7,525	6,069	29	209.26
NEW JERSEY	43,734	61,697	57,761	266	217.15
NEW MEXICO	4,552	7,963	5,155	76	67.82
NEW YORK	56,961	116,112	105,560	356	296.52
NORTH CAROLIN	17,293	27,616	25,246	172	146.78
NORTH DAKOTA	3,090	1,902	1,815	29	62.60
OHIO	30,728	33,025	27,483	220	124.92
OKLAHOMA	18,458	20,558	16,196	180	89.98
OREGON	32,795	44,890	31,369	227	138.19
PENNSYLVANIA	62,586	104,228	87,058	366	237.86
RHODE ISLAND	6,920	14,735	14,735	40	368.38
SOUTH CAROLIN	17,121	3,316	2,563	91	28.17
SOUTH DAKOTA	1,272	1,814	1,506	23	65.47
TENNESSEE	15,725	20,828	14,570	92	158.37
TEXAS	53,092	57,263	51,046	368	138.71
UTAH	4,881	3,032	2,730	37	73.80
VERMONT	1,579	3,259	3,103	21	147.78
VIRGINIA	18,623	30,918	24,468	175	139.82
WASHINGTON	41,326	38,206	31,554	248	127.23
WEST VIRGINIA	6,577	6,736	5,520	50	110.39
WISCONSIN	21,548	31,243	18,461	155	119.10
WYOMING	3,125	2,580	2,084	45	46.31
TOTAL U.S.	1,514,041	1,587,811	1,280,732	7,119	7,303.59



## LITERATURE SALES SUMMARY

### MEDALLIONS

The Office began selling medallions in September, 1985. We have sold a growing number, particularly the early year increments of recovery (one to five years). The table below provides an interesting way to keep track of the boom in membership that will carry along from the sudden growth during the last four years. We have had small, but consistent, sales of silver medallions. We have accommodated the orders, but we maintain only a limited number for each year. For the regular medallions, we maintain an inventory sufficient to meet our needs for a two or three month period.

Table Three below includes information on medallion sales since we started in 1985.

TABLE THREE

### MEDALLION SALES

	Sold in			Sold in	
	1985	1986		1985	1986
1 year	3,310	16,929	11 year	59	137
2 year	2,200	7,730	12 year	49	112
3 year	2,300	4,436	13 year	35	75
4 year	1,520	2,832	14 year	35	62
5 year	1,201	2,159	15 year	36	62
6 year	1,380	896	16 year	2	31
7 year	293	763	17 year	2	27
8 year	243	513	18 year	3	28
9 year	162	592	19 year	2	18
10 year	187	572	20 year	2	29

### KEYTAGS

The following paragraphs contain information recently printed in an article in the *Newsline*. This information is intended to keep the Fellowship advised of the desire of the office to improve the materials provided to the Fellowship without increasing the cost of such items.

Although we at the WSO do not usually think of the items we handle for the Fellowship in "commercial" terms, for the purpose of this discussion we will refer to key tags and chips in the commercial terminology as "products."

The WSO is not satisfied with the quality of these two products. Both the key tags and chips have the logo and clean time applied by a process called "hot stamp" application. The logo and clean time are made of a material known as "gold leaf."

Unfortunately the choice of "gold leaf" when applied by the "hot stamp" process is not very durable. It wears off fairly quickly. We have discussed this with our manufacturers and also with a number of other companies who produce other similar products. From time to time we have seriously considered switching to another product for the commemoration of clean time.

There are a great number of alternatives. The preference of all the options we've found so far would involve a new material and a process of imprinting the

logo and clean time message as raised lettering or impressed lettering. To utilize such processes would require discontinuing use of the "gold leaf." The logo and the message would remain the same. We can match the color of the new items to the colors currently in use. Unfortunately the machinery required to produce these products is different and would require new molds or dies. New molds and dies are expensive to prepare.

Unfortunately most other products are more expensive. Changing to one of these new products may raise the base cost to WSO and might increase the cost of the tags or chips throughout the Fellowship. We are continuing to study the options and when something better comes along that is economical we will discuss it in detail through the *Newsline*.

TABLE FOUR

KEY TAG SALES

	Sold in 1984	Sold in 1985	Sold in 1986
Welcome	60,000	112,600	182,500
30 day	54,000	70,850	113,500
60 day	44,000	38,500	78,000
90 day	44,000	51,350	89,500
6 months	22,600	30,600	51,500
9 months	20,000	26,850	41,500
1 year	20,000	21,350	34,000

CHIP SALES

	Sold in 1985	Sold in 1986
Welcome	8,400	65,064
30 day	5,600	31,874
60 day	4,468	23,668
90 day	4,100	22,894
Six month	2,462	16,590
Nine month	3,304	15,204
One year	2,263	12,847

PAMPHLET SALES

The information shown in Table Five does not include sales of non-English pamphlets.

TABLE FIVE

PAMPHLET SALES

	Sold in 1985	Sold in 1986
IP # 1	179,080	324,410
IP # 2	127,950	216,440
IP # 5		231,000
IP # 6	168,900	255,250
IP # 7	179,200	299,680
IP # 8	112,900	255,595
IP # 9	139,350	131,100
IP #11	132,850	200,674
IP #12	136,350	205,100
IP #13	152,050	160,853
IP #14	105,850	187,605
IP #16	173,900	251,310
IP #18		6,375
IP #19		165,005
IP #20		141,630
IP #21		6,600
IP #22		10,730

WHITE BOOK SALES

The Little White Booklet continues to be the most commonly used and purchased item. The number of White Booklets sold in any year is probably a good test of the number of individuals who consider themselves members of the N.A. Fellowship. The Booklet is also produced in German, French, Italian, Spanish and Japanese.

TABLE SIX

WHITE BOOK SALES

Sold in 1984	Sold in 1985	Sold in 1986
177,000	309,750	447,610

### BASIC TEXT SALES

Sales of the Basic Text were initiated on April 27, 1983. Since this is a convenient date to maintain our records by, (it usually falls during or near the Conference), we will continue to count the sales of the Basic Text on this anniversary date.

Copies sold from April 27, 1983 to April 26, 1984 = 36,741  
Copies sold from April 27, 1984 to April 26, 1985 = 85,644  
Copies sold from April 27, 1985 to April 26, 1986 = 133,526  
Copies sold from April 27, 1986 to April 26, 1987 = 215,352  
Copies sold to date..... 471,263

Table Seven shows sales by month and year.

TABLE SEVEN

### BASIC TEXT SALES

	Sold in 1984	Sold in 1985	Sold in 1986
April	359	568	3,320
May	4,500	10,677	17,342
June	4,862	6,196	19,397
July	5,022	13,937	24,820
August	6,950	7,120	7,346
September	3,835	10,798	31,738
October	6,837	13,908	19,367
November	5,612	8,345	8,096
December	6,023	12,472	10,983
January	10,048	8,768	26,746
February	6,842	12,560	6,786
March	14,222	18,786	14,751
April	11,002	8,680	24,112
TOTAL	85,664	133,526	215,352

There are a number of other items that could be included in this report about changes in sales each year. However, these constitute the major items of interest and large sales.

.....

### ORGANIZATION AND MANPOWER

A major reorganization of the WSO occurred during the past year. In addition to changing organizational responsibilities within the staff there was a strengthening of management. The key element was the selection of an Administrative Assistant to supervise the project coordinator staff.

In prior years all project coordinators reported directly to the Executive Director. The project coordinator staff members are assigned to provide services to the Fellowship at large, to service boards and committees of the Fellowship, and to the general public. Some of these responsibilities are described in other sections. The vast number of separate projects being worked on simultaneously made it impossible for the Executive Director to manage effectively along with all the other responsibilities.

The Administrative Assistant for Services was selected to oversee this important and expansive area of work. The person selected has intimate knowledge of the Fellowship at all levels, especially the World Service Committees that WSO staff work directly with. A result of this additional management has been an improvement in the services provided by WSO to the Fellowship and Conference committees.

One additional project coordinator position was created and filled during this period. An additional coordinator was hired to work in the field of public information. This position was filled in February, 1987.

The largest increase in staff level was in the clerical field. We increased the clerical staff from nine positions to thirteen. This increase has made it possible to have one secretarial/clerical position for each coordinator. The Literature Coordinator has three secretarial/clerical positions because of the work involved in WSO literature production. Two of the positions are typesetting and associated work which is more directly related to the WSO responsibility for production than to service to the WSC Literature Committee.

The reorganization allowed us to more clearly establish an accounting department. This important management function received considerable investment in time, energy, and funds during the year. This was started by the allocation of a full-time accounting supervisor position. Major projects undertaken were the computerization of all accounting, accounts receivable, payroll and general financial records systems. Additionally, a computerization of the order processing system was undertaken along with inventory management. In the coming year we will complete computerization of the accounts payable function.

The shipping function maintained the same number of positions, except that two temporary positions were made permanent. As a trade off, with this change, we have decreased the utilization of part-time help in shipping and eliminated all temporary workers in this area. Vast improvements have been made in the efficiency and accuracy of shipping responsibilities. Reorganization affected shipping operations by separating the responsibilities for accounting and computer equipment management which had been exercised by the person managing the shipping department.

We continued our facilities management contract with the Xerox Corporation. Under this contract Xerox places a large photocopier machine in our office (shipping building), provide and keep on their payroll a full-time operator, and provide the paper. This is a fixed monthly fee lease agreement. We do not use this for the general production of literature. Only relatively small runs of literature items are completed on this machine. We use this machine for the many projects that are done each month requiring multiple copies such as *N.A. Way* Magazine, Fellowship Reports and *Newsline*.

Table Eight shows the differences in staffing between 1985/86 and 1986/87. The last column on the right reflects where additional staff are needed and may be assigned if the WSO staff level increases during the coming year. Part-time and temporary positions are not shown. The conversion of two temporary positions to two regular positions this year eliminated our utilization of temporary workers. We continue to use some part-time workers for overflow work.

TABLE EIGHT

STAFF ASSIGNMENTS

	1985/86	1986/87	1987/88
ADMINISTRATION	4	5	6
PROJECT COORDINATORS	5	6	7
SECRETARIAL/CLERICAL	9	12	15
ACCOUNTING	1	2	3
SHIPPING	6	6	7
FACILITIES CONTRACT	1	1	1
TOTALS	26	33	39

New positions are usually created long after a pressing need for the position has been established. Usually we expect our employees to simply work harder to keep up with the increasing workload. Only when we cannot even marginally accomplish tasks with existing manpower do we add new positions.

New positions are generally created through planning as part of the budget adopted at the beginning of each year. In the budget process, a forecast of income is generated along with a forecast of anticipated spending levels for all areas of expense. In this manner employment levels can be determined according to need and the availability of sufficient funds to pay for the position on an ongoing basis. Because of the constant increase in the need for clerical, secretarial and shipping positions, we will experience continued growth in these categories, whereas few new management or supervisory positions will be created.

It is anticipated that one additional project coordinator position will be created during the 1987/88 year. This position will be related to the needs of the international membership and probably translations. Currently these duties are being handled as additional work responsibilities of employees assigned other primary duties. Consideration has also been given to dividing the duties assigned to the Group Services Coordinator because of the wide range of work in this field and the increasing work load. Because the availability of funds is the final determining factor, no precise planning for either need can be forecast until funds are available.

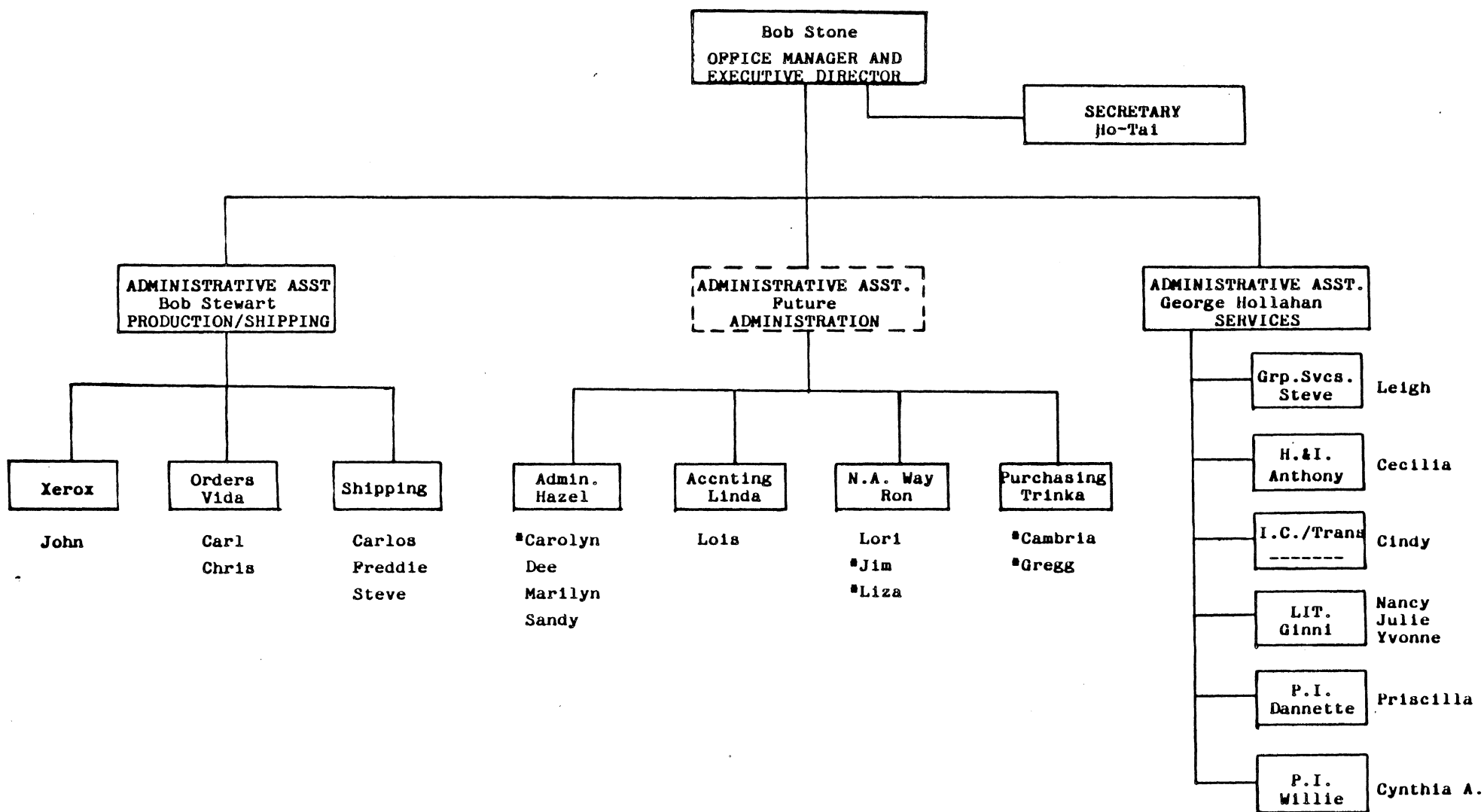
In Chart Five following this section, an additional Administrative Assistance position is shown. Consideration for authorizing this position may be undertaken as part of the 1988 budget year. It is shown currently so as to clarify the organizational responsibilities of the departments in that section. The supervisors of those sections report directly to the Executive Director.

At the Conference last year there was some discussion concerning the possibility of having WSO begin to directly operate its own printing facility. The suggestion was also advanced that this facility, if created, would likely be near or possibly east of the Mississippi River. A preliminary study of the feasibility of this idea was initiated during the year. A list of equipment and facility needs was generated and effort is currently underway to identify actual costs for these items. This matter will receive continued study this year and a report will be submitted to the WSO Board as part of the 1988 fiscal year planning process.

Occasionally a member, area or region suggests to us that consideration should be given to having the WSO open branch offices in other places in the world in order to provide world services where there is a direct need. While this has, from time to time, been discussed by the WSO Board, little action has taken place. The WSO Board is now and will continue to be responsive to such

suggestions and demonstrations of need. The WSO does not desire to become involved in duplication of effort that is being done or can be done by area and regional service boards or committees.

During the year a comprehensive review was completed of the WSO Personnel Policy. The prior policy was hurriedly adopted in 1983 during the first 90 days of transition to the current management. Experience gained from continued full-time employment revealed a need to update the policy. A Board Committee was appointed and studied the existing policy and determined where additional policy was needed. The resultant policy has been widely distributed to committees throughout the Fellowship where they are studying or completing efforts to open area or regional service offices.



\*Part Time or Temporary Employees

Revised 3-87



## FACILITIES

The Office has outgrown the space available in the existing buildings. The space required by the expansion in staff and their equipment has reached the limit of the space available. Temporary additional space is being sought at the same time as a long range solution is being considered.

At least three, and possibly as many as six, employees will be added by this time next year. This cannot be accomplished until additional space is available. Additionally, the maximum utilization of our current space necessitated the elimination of conference room space necessitated (although it was always somewhat limited). The only solution is additional space.

We are investigating several alternative sites near our existing facilities available for lease. These facilities would permit us to consolidate all our staff into one building, have room for growth in staff, and adequate conference room space. Consideration has also been given to moving the office to other communities nearby. It is anticipated that these decisions will all be made in the near future. An actual moving date is hard to forecast as definite lease agreements have not been fully discussed nor has the final location been determined.

There is an alternative to continuing to lease property. For example, the size and lease costs for our existing facilities are:

16155 Wyandotte St.	4,500 square feet	\$3,200 per month
16129 Wyandotte St.,	4,500 square feet	<u>\$2,900</u> per month
TOTAL COST		\$6,100 per month
		<u>X12</u>
		\$73,200 per year

The lease expenditure in a ten-year period, not even considering normal rent increases, would be in excess of \$732,000.

The sale value of each of the existing buildings is approximately \$425,000 for a total of about \$850,000. If we were to purchase vacant land and have a new building constructed at our expense, the total cost for the identical amount of space would be about \$600,000.

As part of any discussion about facilities costs, it must be kept in mind that additional space will be necessary to accommodate future growth. Accordingly, our space costs would rise. However, if we were buying the space we used, it can clearly be seen that even at the current expenditure rate for leased space, in about ten years the expense would end. At that time the only costs would be for property tax, insurance and maintenance. The costs for each would be relatively small, especially the property tax. California property tax law provides for a lower property tax rate for buildings or property owned and used by tax exempt organizations. The lower tax rate does not apply to property that is leased by tax exempt organizations.

During each of the discussions on building options, someone has almost always interjected the idea of purchasing a building rather than continuing to lease. The Board is very sensitive to the concerns we all share about money, property and prestige and the impact these demons have for us. Nevertheless, there is overwhelming support within the Board for deciding to purchase a building rather than continuing to lease. The staff has been assigned to pursue alternatives to accomplish this and report back to the Board for possible action later in the year.

PURCHASE OF Building

## EQUIPMENT

As discussed in other sections of this report the office undertook a major expansion of our computer system. This expansion took place after a thorough study of our needs, existing equipment, future needs, alternative equipment capabilities and cost factors. The study included assistance from consultants, various computer company representatives, staff, Board members and other members of the Fellowship whose professions involve computer equipment sales, utilization and maintenance.

The conclusion was to utilize an expansion of the existing equipment base we had already purchased. We were using a local network system based on a single IBM computer known as an "AT." The most economical solution was to upgrade the system with additional computer software and add another "AT" unit for additional processing and data storage.

By using this approach we avoided the following: buying a completely new system, changing the word processing software in use, retraining our operators to use new word processing software, converting existing files to a new word processing program, and experiencing "down time" while a change over to another system was accomplished.

We were able to accomplish the following: obtaining additional equipment when funds were available to pay for it, without complicating the typesetting process or our accounting system. Both the typesetting equipment and accounting systems use software written in languages that are compatible to the word processing program we use. This affords us maximum efficiency in processing work we need to accomplish by computer.

The system is capable of further expansion at relatively minimum cost. Our primary cost is for each work station. The storage and processing units will be capable of efficiently handling more than 70 separate work stations. It is not likely that we will need to reach that number of work stations. But we will continue to increase the number of work stations as the need arises and as funds are available to cover the expenditure.

A separate system has been created to handle the accounting and shipping needs. This system is also capable of further expansion at relatively minimum cost per unit. It is very likely that we will not need to change our accounting software program for a number of years.

It is possible to accomplish a telephone ordering system using this software package because it permits direct data entry access. This issue was presented in an article in the November/December issue of the *Newsline*. The Board had discussed this concept for several years at different meetings. A decision was eventually reached to try out the system. The article in the *Newsline* announced that a year-long trial was going to be initiated. However, we encountered a problem with this project. This is further discussed in the Current Projects section of this report.

PHONE ORDERS - CREDIT CARD

## CURRENT PROJECTS

There are six major projects that the WSO is involved with that may be of interest to the Fellowship. As usual they are discussed in the *Newsline* and/or Fellowship Reports, so as action is proposed or taken there is Fellowship wide knowledge of the matter.

**WORLD DIRECTORY:** The World Directory has been discussed in several articles in the *Newsline* and the Fellowship Report. The essential facts are that it

is impossible to keep current; it costs more money to keep track of the information, assemble and print the Directory than we make from sales--and we receive more complaints on this than anything else.

The largest part of the problem is that we do not get accurate and timely information. Many members who have relevant responsibilities in a group do provide the information on changes in their meetings. But a substantial number do not provide such information. This makes the whole project a hit and miss proposition based on the lucky or unlucky circumstance of what the group's trusted servant does when the meeting makes a change.

Even if we get the information, and it is published correctly, any change is not reflected until the following year. An addict trying to find a meeting based on an old Directory is not served well if the meeting has moved or changed meeting nights.

The proposal put forth in the November/December *Newsline* remains the best long range alternative. Rather than printing a directory of each meeting, a directory would be published that would permit a member to find the nearest N.A. meeting by using the telephone. A directory listing of all the phone numbers for N.A. offices, helplines, and contact persons would permit addicts to call and ask the location of the nearest meeting, or obtain a local meeting directory.

We believe this is a cost efficient method of making meetings available to everyone who wants to attend them. However, to make this process a success it would depend on the local phone lines being properly managed. In effect this would shift the burden of responsibility from the WSO to the area or regional committee operating the phone line. It would be desirable to keep the group registration process intact primarily to put each group on the *Newsline* mail list.

The WSO has received only a few letters from members, groups and areas. We do appreciate each response but we have not had sufficient input from which to make a decision.

**WSO CATALOG:** We began discussing a catalog and a new order form in 1985. Work was begun in earnest in early 1986 and a draft was available in August. The project has been long and slow (it was never a high priority item) but we are at the completion stage. Copies of the first catalog are available on Tuesday. Only a limited number of these have been printed so we are hopeful that they will be given to the members responsible for ordering literature by your groups, areas and regions. The look nice and make great souvenirs, but they are needed for the purpose they were developed: tools for ordering literature or other items.

We would welcome input and suggestions on how to improve the catalog in future printings. We have already decided on some improvements, for example, enlarging the photographs.

**TRANSLATIONS:** The translation process has been sprinkled with exciting success and frustrations. It would be ideal if translations were done by members who have excellent knowledge of grammar in both languages.

When the existing translation policy was proposed by the WSO to the Conference two years ago we were not yet engaged in translation efforts with members conversant in other languages. We are now working with members in translations into seven different languages. We have become quite adaptable and now suit the translation process to the needs of those we work with in each language.

The policy proposed two years ago centered on having the WSO carry the primary responsibility with assistance from the Trustees as decision makers when differences of opinion arose between WSO and members of a language group on a specific translation issue. This has not proved to be practical. The reality of the current situation is that the Trustee members assigned are rarely consulted. We are not happy with this situation and we want to have the circumstance change.

In recent discussions with the Chairperson of the WSC Literature Committee, the WSO staff suggested that WSO would prefer to have the WSC Literature Committee become directly involved in the translation process. A number of relevant ideas along this line were discussed and we are hopeful that the Literature Committee will consider this at its July meeting. The WSO does not feel comfortable having found ourselves with almost exclusive duty on translation matters.

**PRINTING AGREEMENTS OUTSIDE THE U.S.:** As discussed at last year's Conference, the office embarked on a project to develop license agreements to permit printing of literature in some countries after an appropriate agreement was developed. We have reported on this in recent Fellowship Reports.

The process has gone slowly but progress has been made. Draft agreements were submitted to the offices in the United Kingdom and Australia. The draft agreement was also discussed with representatives in Germany and Ireland. The draft agreement is currently being translated into German to facilitate further discussions.

The basis of the draft agreements is predicated on several assumptions made by the WSO that should be known throughout the Fellowship. In order to facilitate that knowledge those assumptions are presented in the following section.

Regardless of how or why N.A. evolved first in English and in America its origin here has resulted in several advantages: English is becoming a more commonly used international language and the American N.A. membership is generally more affluent than in most other places. This second factor has been presented in prior discussions from the WSO related to translations and the distribution of literature outside of the U.S.

From the last three years of experience we have evolved an assumption that the U.S. and Canadian membership will find it necessary to carry the financial burden for operating both the World Service Conference and the World Service Office. Even though many, if not most, N.A. members in America are unemployed, deep in debt, in trouble with the law and frequently physically ill, when they stop using and first come to N.A., their ability to make a financial come back is greater than in most other places. Unemployment among American members with less than six months is very high. Unemployment among those with a year or more is considerably less. Continued unemployment during longer periods of continuous clean time is relatively slight unless factors of health or incarceration are also present.

The standard of living of recovering addicts in America, despite its relatively modest level when compared to the rest of American society, is substantially higher than most addicts in other countries. Disposable income of American addicts is generally higher than in other places.

Another factor is the sheer size of the American membership. Ninety percent of the Fellowship is in the U.S. There are over 7,638 meetings in the U.S. while there are only 735 outside. If you include the 278 Canadian meetings with the American count the percentage increases to 94.5% The meeting count list included with this report provides further clarification.

With all of these members, even if the contribution of the average American addict is relatively little, it adds up to a considerable amount. The bottom line therefore is that a great number of years will pass before the non-U.S. portion of the Fellowship will be able to contribute substantial amounts of money to the support of the Conference or the WSO. Even the current reversal in the relative value of the U.S. dollar on the international money market has little short term affect and will have no long term affect unless there is a depression in America.

With this in mind the assumption is that the U.S. membership must accept the responsibility for the financial needs of the Conference and the World Service Office.

If this assumption is acceptable, then arrangements that facilitate growth of the Fellowship in other places can be done at the economic level reasonable to the members in that country. It is with this assumption in mind that the agreements for printing in other countries have proceeded. The key elements in the agreements pertain to a royalty payment to be made to the WSO for every item they produce and sell and an interim agreement provision that permits WSO to sell literature to these other offices at the approximate same cost as they will experience when the literature is produced by them.

The royalty payment is essentially to be used to help defray the cost of helping the growth of the Fellowship everywhere else in the world. Unfortunately the expenses involved with getting these agreements in place uses more money than will be generated by the royalty payments for several years. Additionally, the size of these younger N.A. communities means that it will be a fair number of years before the royalties amount to any large sum of money.

The small royalty to be paid to world services means that more money generated in each country can be used directly to help carry the message better in their own country. This, in the long run, will increase the literature sales level and eventually promote a rise in the total royalty sent to world services.

Even though agreements have not been completed we have continued to operate on the basis that agreement will eventually be completed. With this in mind we have further created a method by which these offices can obtain literature from WSO at a minimum rate, close to what they will experience when they produce it themselves. The mechanism is provided for in an Interim Agreement which is an addendum to the draft agreement. In this manner the cost adjusted sales of literature is being provided to N.A. communities in the United Kingdom, Australia and recently to Germany and soon to Ireland.

**WSO PRINTING FACILITY:** The WSO is continuing to study this matter. The final decision to proceed past the study to fruition will depend on the cost factors that will be discussed in the study. You will be kept informed of the progress of the study and copies of the study will be included in a future Fellowship Report. Before action is taken by the WSO to lease property or obtain equipment for such a facility the WSO will seek input on the study and/or on the proposal considered by the Board to approve such a facility.

**TAPING APPROVED LITERATURE:** During the past several years the idea of having the Basic Text and other approved literature available on cassette tapes has been discussed. The WSO undertook to have this done by volunteers under the supervision of the WSO. Unfortunately not enough determination was given to this project. We were concerned about quality rather than speed and discouraged others who wanted to record the Text in other places. This policy has created a few unfortunate disagreements.

We finally discovered what we believe to be the best course of action on this matter. We were put in touch with the New York office of the American Foundation for the Blind, an organization that, among other things, uses professional readers to put onto cassette a large number of books each year. We contracted with them to have our approved literature done by them. They have completed the Basic Text, White Book, *Group Starter Kit* and approved pamphlets.

The tapes were recently completed and received. Sets of these tapes can now be obtained through our shipping department. A special order form is available which can be used to order these tapes, new speaker tapes now available, literature racks, and newly approved literature that is adopted at this Conference meeting.

## GROUP SERVICES

**STARTER KITS:** Each request for a starter kit is considered a potential meeting and the individual is sent a package of literature, including I.P. No.18, a copy of the *N.A. Way Magazine*, the *Newsline*, a Group Registration Form and WSO order forms. A letter is sent to the requesting individual providing the name and address of the trusted servants and service committees in their geographical area for resources. Throughout the year the World Service Office has sent an average of 75 starter packages per month in response to these requests.

**FELLOWSHIP REQUESTS:** The number of letters and phone calls from around the Fellowship seeking advice on one matter or another has increased steadily. The variety of such requests is quite large and so is the volume. Each written request receives a response. The subjects of such correspondence include questions about service committees, questions about N.A. groups, questions about new N.A. meetings, how to resolve conflicts and disputes, where to get input and information about Traditions, input for the Board of Trustees, how to find service committees and other meetings, etc. The amount of this correspondence continues to grow rapidly. Over the past year it has consistently averaged 135 letters per month. In addition to the letter of response, we usually send some type of enclosure and these have numbered about 185 enclosures per month. These enclosures range from individual pieces of Conference- approved literature or service committee handbooks to copies of the *Newsline*, Fellowship Report, *World Directory* pages, service committee guidelines, etc.

In addition to written correspondence, the Group Services Department receives anywhere from six to fifteen phone calls per day which require some type of response from the project coordinator. The nature of these phone calls varies considerably from week to week and is unpredictable.

The WSO receives minutes from service committees all over the Fellowship. We receive 40 to 50 sets of minutes each month and these are read and circulated throughout each department. In reading these minutes, each department looks for input and experience in many situations which can be compiled as resource material for other service committees now and in the future.

**SERVICE OFFICES AND CORPORATIONS:** At the present time there are a total of 26 offices of one type or another in the Fellowship. Seven of these are outside of the United States and 19 are within the U.S. Of these 19, 10 function on behalf of the regional committee and 9 function on behalf of an area committee. Roughly half (9) have incorporated or are working towards incorporation and providing several functions of a stable service office. The remaining ones are primarily functioning as a mailing address or point of contact only.

There is growing interest in service offices within the Fellowship and the WSO office has begun to hold workshops to facilitate more comprehensive sharing of experience with regard to these endeavors. The first workshop was held in June, 1986 in Detroit, Michigan and the second one was held in March, 1987 in Atlanta, Georgia. The participants included those who already have offices or corporations as well as those who are planning for them or are interested in investigating them. So far these workshops have proven beneficial to the participants and to the WSO in many respects. We have been able to collect some actual experience within the Fellowship and are working towards blending this

with the information we have accumulated from our own experience and from the continuing investigation of the legal and business aspects of service offices in Narcotics Anonymous. At the present time we plan to hold more of these workshops in the future according to the need and interest within the Fellowship.

**BOARD OF TRUSTEES ASSISTANCE:** The Group Services Department assists the Board of Trustees in their continuing work throughout the year. These services include collecting input for the Board of Trustees, working with the Board in answering correspondence directed to them, and serving as general secretary to the Board. The Group Services Coordinator serves as the staff assistant in all of these functions and in providing minutes for the Board of Trustees meetings.

**SERVICE COMMITTEE WORKSHOPS:** Another area of need which has arisen over the past year within the Fellowship is that of forming new service committees as the Fellowship grows. In response to this need the Group Services Department has compiled some resource material which has been utilized in a workshop setting to explore the formation and functioning of new service committees where there had been none before. The first of these workshops was held in Albuquerque, New Mexico in November, 1986 and hosted about 35 participants from New Mexico and the surrounding regions. This workshop provided a forum for exchange of questions and experience relating to working together in the service committee setting. Additionally it proved to be very helpful in establishing communication links with some new geographical areas within the Fellowship. This proved to be much more efficient and helpful than correspondence in response to individual requests for information. Developing material for future workshops and coordinating these workshops is an area of service which we will pursue and investigate further over the coming year.

**WORLD DIRECTORY AND GROUP REGISTRATION:** This never ending task continues to be a constant source of frustration. As detailed last year in this report and also occasionally in the *Newsline*, this entire project is being studied and we are collecting input as to its value. There are many problems associated with providing this service to the Fellowship and we are looking for a way to assess it overall. In the meantime we are continuing to handle this as best we can and following the policy which has been in effect since 1983: An acknowledgment is sent upon the receipt of each group registration form. A copy of both the acknowledgment and the group registration are sent to the RSR and/or the RSR-alternate or the regional service committee. The contact person for every new group is added to the *Newsline* mailing list and the meeting is entered into our *World Directory* listings.

We are attempting to publish the *World Directory* in March of each year including our most current and accurate information for each of the three volumes. The 1987 edition of the Eastern Volume will be printed soon and available for sale to the Fellowship. The Western and Non-U.S. volumes of the 1987 *World Directory* are currently being proofed and readied for printing. Again we have noted a substantial overall increase in the number of registered meetings during the past year. The total number of registered N.A. meetings is shown in two tables on the following pages. The increase is even more substantial since the 1986 figure (6,500) contained about 800 or more H&I meetings. (These H&I meetings have since been deleted from the *World Directory* and will be published in a separate directory in the future).

**GROUP SERVICES SUMMARY:** The Group Services Department is involved in providing rapid and accurate responses to many areas of need within the Fellowship and the general public. The ability to respond to these needs has grown with the increase in demand. As this department accumulates more input and experience from the Fellowship at large, the information provided will undoubtedly become even more helpful. It is important to note that none of the services provided by the Group Services Department produce income to the WSO. Consequently all the manpower and equipment assigned to this component operates entirely on the margin of income developed from literature sales over the actual cost of production.



**TABLE NINE**  
**WORLD DIRECTORY MEETING COUNT**

**UNITED STATES**

**APRIL 20TH, 1987**

(This does not include H&I meetings)

**EASTERN STATES**

Alabama .....	94
Connecticut.....	84
Delaware.....	24
Florida .....	434
Georgia .....	137
Illinois.....	249
Indiana.....	133
Kentucky .....	81
Maine.....	57
Maryland.....	262
Massachusetts.....	232
Michigan .....	261
Mississippi.....	57
New Hampshire.....	29
New Jersey.....	261
New York.....	360
North Carolina.....	173
Ohio.....	225
Pennsylvania.....	371
Rhode Island.....	40
South Carolina.....	100
Tennessee.....	107
Vermont.....	21
Virginia.....	172
Washington D.C.....	88
West Virginia.....	51
Wisconsin .....	166

**TOTAL (EAST).....4196**

**WESTERN STATES**

Alaska .....	51
Arizona.....	106
Arkansas.....	41
California .....	950
Colorado .....	124
Hawaii .....	46
Idaho .....	43
Iowa.....	92
Kansas.....	175
Louisiana .....	106
Minnesota .....	92
Missouri .....	137
Montana.....	29
Nebraska .....	58
Nevada.....	91
New Mexico.....	76
North Dakota.....	30
Oklahoma.....	188
Oregon .....	240
South Dakota.....	24
Texas .....	372
Utah.....	37
Washington .....	289
Wyoming.....	45

**TOTAL (WEST).....3442**

**TOTAL MEETINGS IN THE UNITED STATES - 7638**

**TABLE TEN**  
**INTERNATIONAL MEETING COUNT**

APRIL 1987

AUSTRIA.....1	IRELAND.....27
AUSTRALIA ..... 91	ISRAEL .....5
BAHAMAS..... 22	ITALY ..... 13
BAHRAIN.....1	JAPAN ..... 10
BERMUDA .....2	KOREA .....4
BRAZIL.....2	NEW ZEALAND.....31
CANADA.....278	MEXICO ..... 1
ALBERTA.....26	NORWAY .....2
BRITISH COLUMBIA.....62	PANAMA .....4
MANITOBA.....13	PERU ..... 3
NEW BRUNSWICK.....8	PORTUGAL .....2
NOVA SCOTIA .....32	PHILIPPINES.....1
ONTARIO.....63	PUERTO RICO .....2
PRINCE EDWARD ISLE.....2	SCOTLAND..... 10
QUEBEC .....51	SOUTH AFRICA ..... 4
SASKATCHEWAN.....21	SWEDEN..... 2
COLOMBIA ..... 13	SPAIN .....5
EL SALVADOR .....2	SWITZERLAND.....2
ENGLAND.....126	URUGUAY ..... 1
FRANCE.....5	VIRGIN ISLANDS.....2
GUATEMALA .....1	WALES ..... 6
GERMANY..... 35	WEST INDIES.....6
HOLLAND.....1	
HONDURAS .....1	
ICELAND.....1	
INDIA..... 10	
	TOTAL
	INT'L MEETINGS ..... 735

## INTERNATIONAL

**LITERATURE REQUESTS:** The office receives an increasing amount of requests for literature from new and emerging N.A. groups outside of the United States. A lot of these N.A. groups cannot afford literature, and may never be able to afford much literature. India, for instance, continues to write and inform us of their new groups, however, they cannot afford to buy literature and they frequently ask us if we can provide it. The office responds to these requests for assistance with literature and letters of encouragement.

**INTERNATIONAL CONTACTS:** The office keeps on file an updated list of international contacts. This list is used for addicts who live in other countries who write to the office seeking help and N.A. information. It is also used for N.A. members who might be traveling to another country where there might be only one or two N.A. meetings, they can then have an N.A. member to contact. This list is used for N.A. members only. As each N.A. community continues to grow, we encourage the members to update this list for us as often as possible. Then when we receive a letter asking for help, we will be able to be of better service.

**GENERAL INFORMATION:** Letters are received daily from all over the world. All letters are responded to individually. Letters vary with requests such as literature (mentioned above), service structure information, personal experiences, professionals writing for N.A. information to pass on to addicts, etc.

**WSC INTERNATIONAL COMMITTEE ASSISTANCE:** The International Department at the office assists the WSC International Committee by sending out reports, keeping the International Committee informed on new developments, recording and mailing minutes from all committee meetings, and other clerical assistance.

## LONER GROUP

The Loner Group has been going strong now for over two years. We have made changes here and there to allow for the overwhelming growth. At present there are approximately 250 N.A. members involved in the Loner Group all over the world, and approximately 55 loner members.

The Loner Group has helped many geographically isolated N.A. members, as well as those handicapped, and those serving in the armed forces to work and understanding the N.A. Program. It has helped these members to receive N.A. support where there is often very little or none.

The Loner Group has a publication, the *Meeting by Mail*. Included in this publication are excerpts of letters from loners and non-loners, editor's notes, topic discussions, and other articles of interest.

We receive letters every day at the office from members who have just learned about the Loner Group asking to be put on the mail list so they can help carry the N.A. message.

## PUBLIC INFORMATION

WSO support for the WSC PI Committee and services are divided between needs within the Fellowship and needs resulting from those not in the Fellowship. Each area of concern has a Coordinator. For the simplicity of this report they are identified as Internal PI and External PI.

**INTERNAL:** As mentioned earlier in this report, the Public Information Department at WSO has recently expanded to include two P.I. Coordinators. The new position was created to carry the load of inquiries about N.A. arising from outside the Fellowship, primarily media contacts. That position and job duties are now handled by Willie Lubka and will be described separately. The previous position will continue with Danette Creel as the P.I. coordinator responsible for providing service primarily to the WSC P.I. Committee and N.A. members requiring information about P.I. service work in general.

Those responsibilities require that the P.I. Coordinator handling internal P.I. keep in constant communication with the officers and other members of the WSC P.I. Committee. Any WSO participation in projects of the committee are coordinated by Danette. That coordination includes receipt and forwarding of input to appropriate members, minor editing and compilation of works in progress, scheduling of meetings, special workshops, conference calls, etc. as directed by the officers of the committee, and also being available to participate in any other way which the committee may desire.

Inasmuch as this close relationship results in intimate knowledge of P.I. service work and subcommittees throughout the Fellowship, this P.I. coordinator receives and responds to most of the questions that N.A. members have about P.I. That includes ongoing activities of the WSC P.I. Committee, questions about new projects, scheduling of regional P.I. workshops and the day to day questions about carrying out P.I. service within cities, towns and states around the world. The majority of requests for information about N.A.'s P.I. service work originating from members is forwarded to this department.

The officers of the committee are kept aware of all activities of the WSO coordinator, however, only those particular calls or letters which have not previously been addressed by the committee's discussions or written materials, are passed to committee members for their direct response. In addition, many times a committee officer or other member will offer additional response or support to a member's request for support in a P.I. situation.

The internal P.I. coordinator responds to approximately 25 written items of correspondence each week and anywhere from 5 to 15 phone calls per day. Many of the phone calls result in follow up letters. Most of our written responses include at least two different items of written material relating to P.I. service work. Although we always suggest that P.I. subcommittees purchase material for themselves, there are occasions when complimentary items are provided. Those occasions are usually when the caller is isolated from any neighboring service structure and is attempting to provide some limited amount of P.I. to the community.

A standard enclosure with written responses is a copy of the *P.I. News*, our quarterly public information newsletter. This newsletter has been published and distributed five times during the past year and a half to all individuals on the P.I. contact list. There has been slight interest from members outside of P.I. in receiving copies of the newsletter. Due to budgetary constraints, it is not possible to provide free copies of it to members other than P.I. and phonline subcommittee chairpersons and vice-chairpersons. This publication is a project of the WSC P.I. Committee and accumulation and compilation of input has been designated as one

of the P.I. Coordinator's responsibilities. Final editing, printing and production is carried out by other departments at the WSO. The cost continues to increase as do the number of names on the P.I. contact list. This year's WSC P.I. budget reflects some of that increase. Some of the cost is absorbed by the WSO.

Our groups services department receives minutes from many area and regional service committees, and sometimes P.I. subcommittees, which are circulated to each coordinator at the WSO. By reading reports from the P.I. subcommittees included in minutes, our P.I. contact list is kept reasonably up-to-date.

One last item that is important to mention is the ongoing activity commonly referred to as non-N.A. events. These events are the annual or semi-annual conferences of professional organizations which provide some type of service to or contact with addicts. Over the past two years, N.A.'s participation in these events has continued to increase. We believe that our participation has resulted in increased awareness in various segments of the professional world at a greater speed than might otherwise have been expected. Some of the events of the last year and some upcoming ones are the American Psychiatric Association, the Impaired Nurses Symposium, the AMA's Symposium on the Impaired Health Professional, the National Association of Drug and Alcohol Counselors, the National Conference on Addictions, National Association of Student Assistance Programs, the Association of Labor Management Consultants on Alcoholism and Addictions, and the Congress on Employee Assistance Programs. Our participation in these events is a joint venture of the WSC P.I. Committee, the WSO and regional P.I. subcommittees. The efforts of our Fellowship in implementing improved communications systems within our service structure have allowed us to utilize the people power (as well as financial support) from regional P.I. subcommittees. This support will continue to increase. The financial responsibility of the WSO for these events is equal to 1/2 of registration fees, (which vary from \$250.00 to \$600.00), 1/3 of literature give-aways and the incidental cost of shipping and furniture rental for the exhibit.

**EXTERNAL:** The new P.I. coordinator has been involved in a number of projects. He currently is assigned to coordinate communications between the office and sources outside the Fellowship. These include answering numerous telephone calls and letters from the news media, various individuals and agencies, organizations, and companies. An increasing number of these requests come from outside the United States, including some from places which have no N.A. meetings. Frequent inquiries from publishers and other information resources regarding Narcotics Anonymous which the World Service Office receives are followed up by this worker. This process of communication is frequently very complex, due to the diversity and individual nature of each specific inquiry. Careful individual attention is given to every one.

In some cases, we receive requests for information on specific chemicals, professional treatment programs, political or legal issues, and others, which we are unable to provide. In responding to these requests we generally send an informational package which includes some N.A. Conference-approved literature and a letter which describes Narcotics Anonymous. The number of informational packages sent in response to these requests has consistently averaged about 40 per month. Maintaining regular contact with the W.S.C. P.I. Committee allows for the committee to keep in touch with all activities of the coordinator and to obtain direction when needed.

Serving as a communications and information link between the World Service Conference P.I. Committee and regional and area P.I. committees is a work area shared by both P.I. coordinators. Many types of P.I. activities are taking place in the Fellowship, from new P.I. committees being formed, to radio and T.V.

interviews and community meetings being conducted. The P.I. coordinators help provide and facilitate the sharing of information among committees and members involved in P.I. work throughout the Fellowship.

Numerous inquiries come to the World Service Office from people who originally heard of N.A. through a non-N.A. source. These non-N.A. sources do us a great deal of good by making people aware of N.A. In many cases, however, the accuracy of the information people have is of weak quality or they have very incomplete knowledge about N.A. A lot of the office's P.I. work involves filling in the gaps in people's knowledge about N.A., and helping them understand what we are, and who we are for. We are finding that an ever-increasing number of people have heard of Narcotics Anonymous, and are referring addicts to Narcotics Anonymous. It is important to promptly and competently answer inquiries from the media and from others outside of N.A., because it leads to addicts being informed of the N.A. Program coming in contact with recovering addicts in N.A., and obtaining N.A. literature.

**GENERAL PUBLIC INFORMATION:** The office continues to receive an increasing number of letters and phone calls from new members, families, schools, etc., requesting general information on Narcotics Anonymous. Frequently we receive requests for information on drug abuse, specific chemicals, or where to refer friends or relatives who may have a drug problem. Many of these requests are for information which we are unable to provide for a variety of reasons. In responding to these requests we generally send an information package which includes some N.A. Conference- approved literature and an order form as well as an encouraging letter which briefly describes the purpose and function of Narcotics Anonymous, and also supports the requesting individual in seeking help. The number of information packages sent in response to these types of requests has consistently averaged 40 per month.

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## HOSPITALS AND INSTITUTIONS SERVICES

The WSO H&I Project Coordinator has the responsibility for the administration of the WSC H&I Special Fund. There are two types of requests that are received by the coordinator: Requests from service committees for assistance; and requests from addicts in institutional settings. When a request from a service committee is received, the chair or vice-chair is usually consulted and then the literature is sent out. Whenever the request is in excess of \$200.00 the entire committee must agree to the disbursement.

Requests from individual addicts are processed by the coordinator as they are received. We send out Starter Kit Booklets and an introductory package of literature to new H&I meetings when requested.

The H&I Coordinator is in the process of compiling a worldwide H&I meeting directory. This project should be completed by the end of this calendar year. The directory will be available to H&I service committees upon request.

The WSC H&I newsletter *Reaching Out*, has reached a distribution level of 6,072 copies per issue. There is a continuing increase in the requests for the newsletter both from service committees and from addicts in institutional settings. It is anticipated that the distribution level will reach 7000 by the end of the Conference year.

## LITERATURE AND TRANSLATIONS

**LITERATURE:** The WSO Literature Coordinator works with the WSC Literature Committee in developing new literature items, collecting input on various projects, facilitating communication with area and regional literature committees and generally serves as secretary to the committee. This involves keeping up-to-date an extensive mail list which comprises all of the registered area and regional literature committees all over the world, the Literature Committee pool, and the various ad-hoc committees and subcommittees of the World Literature Committee.

A wide variety of correspondence is also handled by this department. Approximately 74 letters are received per month from individuals, groups, and various literature committees. Newsletters are received from almost every region in the United States, literature committee minutes are received, and input on several different projects is received. In addition, we frequently receive letters requesting information about the status or availability of various literature items, the permissibility of using certain items in N.A. groups and for other purposes, and generally seeking direction. Each letter generates an individual response. The Literature Department utilizes a variety of form letters which comprise standard responses for routine business. Approximately 51 form letters are sent out per month. An example is the form letter which is sent to members and committees who submit input on a given project. The letter informs them that their input was received and turned over to the World Literature Committee, and thanks the committee for their support. Non-form letters provide information from the committee on a variety of topics. Letters which require information which has not been previously discussed or considered by the committee are frequently forwarded on to the Committee Chairperson for a response.

**TRANSLATIONS:** The Literature Coordinator is also responsible for the translation of N.A. literature into approximately seven languages. This process involves either receiving draft translations from members or arranging for them to be done by a professional translation company. A Fellowship review process is then implemented wherein the draft translations are sent to members and committees in the appropriate countries for a period of review and comment. This process is similar to the one used by the World Literature Committee for draft literature items. Members and committees around the world review the temporary translations and make notes on how they can be improved. Generally the comments provide information on specific terminology used in a given country, and local interpretation and practice of the N.A. Program. The comments are then reviewed by the WSO staff and a final version is reached after which production begins.

Discussion elsewhere in this report pointed out that the office has not been totally satisfied with this process. There has really been no provision, up to this time, for a world level committee to evaluate the input. A parallel has been drawn with the review process used by the World Literature Committee and it seems reasonable to conclude that the WLC could possibly include the evaluation of translation input in their duties. This discussion becomes more meaningful when we consider that personal experiences and original materials are now being solicited and received from N.A. members and committees in non-U.S. countries. We have, for some time now, considered the desirability of including in the translated white booklet, stories from members in the countries where the translations will be used. This will of course also have bearing on the Basic Text when it is translated into other languages. At present we have no established



procedure for the evaluation or approval of these personal stories. We suggest that using the World Literature Committee for this purpose would be one logical way of solving this problem.

**PRODUCTION:** This is perhaps the busiest part of the Literature and Translations Department. Almost every publication produced by the World Service Office goes through this department for some phase of production. Editing and proofreading are done on newsletters, reports and literature items, including the *Newsline*, Fellowship Report, *Reaching Out*, *Meeting by Mail*, *P.I. News* and those items produced by the World Literature Committee. In addition, typesetting and preparation of mechanicals is done for all English and foreign literature items, including those printed in other countries, as well as the new WSO catalog, supplemental order forms, and various printed non-literature items, such as wallet cards and posters. Our staff has demonstrated a tremendous flexibility and adaptability with the ever-increasing workload. The ongoing improvement and professional appearance of the publications produced by the office is a reflection of that dedication and willingness.

### CONFERENCES SERVICES

The experience gained during the last three years by having special workers of the office involved in the activities of Conference Committees has been very successful and beneficial to the Fellowship as a whole. However successful this relationship has been, it has not been accomplished without some problems. During each of the past three years, one or more of the committees faced severe internal problems. The response of WSO staff to the problems within committees has varied from time to time-based on the individuals involved and the circumstances surrounding the problems themselves. Now that we have had several years of experience, it is an opportune time to review the serious difficulty WSO staff face when involved with a committee in crisis.

With the office acting as the central point for communications being sent to Committees, it has put the office in a situation where the appropriate staff person knows, on a daily basis, nearly everything that is going on with the committee. In most situations, this has been matched by continual communications by phone between staff and the principal members of the committee. This sharing of information has generally been sufficient to permit the key members of the committee and staff to have equal knowledge of current problems, activities, plans and assignments of responsibility by the chairperson.

This ideal relationship has not always worked however. From time to time there have been communication failures and differences of opinion. These have occurred with both staff and key members of committees. Through supervision by the office manager, other key employees, and Board members, most of any possible negativism that might result from the staff is minimized. We are always concerned with doing our best to have our staff provide positive participation and be entirely responsive to the desires and instructions of the chair or vice chair and task force leaders of the committees.

Generally speaking, the members of committees have reciprocated with positive input, hard work and participation. This sharing relationship has existed most committees; there are, however, exceptions.

It is the exceptions to this corroboration that are of concern to the office and must be of concern to the Conference. The Conference elects a chairperson and vice-chairperson to have responsibility for managing committees, frequently without having had opportunity to observe or have knowledge of the individual



member's managerial skills, leadership skills and other characteristics that affect their capacity to do the job. Several situations have arisen where this has led to disastrous results in a committee and for the Fellowship. For example, when the International Committee was first formed, the chairperson of the committee performed reasonably well for a short period of time then failed entirely. For a period there was no communication within the committee or with the WSC officers. The situation continued to deteriorate and the chairperson of the committee resigned. At that particular time the WSO staff did not have a full time project coordinator assigned to the International Committee and relatively little energy was invested in working with this committee. Consequently, little was done until after the following World Service Conference and a new chairperson was elected to that committee.

If that same situation would have occurred in 1986, the World Service Office would have responded differently. In 1986 we had full or part-time special workers assigned to assist each of the Conference Committees. If a committee chairperson had followed the same pattern as the original chairperson of the International Committee, then the office would have been placed in the situation of following one of two courses of action.

Option A would have been to do only what we were asked to do by the chairperson or vice-chairperson of the committee or by the chairperson or vice-chairperson of the Conference. In taking this approach, it is entirely possible that the work of the committee would have deteriorated or ceased entirely. If this course of action were followed, the Fellowship would begin to discover the inadequacies of the chairperson and begin to see the committee was in serious trouble.

Option B would be to have the WSO staff assume a larger working relationship in the affairs of the committee and the work that was presented to the committee on a week by week basis. In this circumstance, the Fellowship would not be able to determine as clearly that the committee was not functioning properly and that changes should be made in the leadership of the committee.

There are advantages and disadvantages to each of these two options. If the office does not take a more active role in the affairs of the committee, the immediate damage is to the activities the committee and the addicts who are most directly affected by the failure of that committee. Also, the work of the committee is delayed or just not done at all. The advantages to the staff not becoming more involved is that the problems of the committee and failures in leadership become more readily apparent and change is likely to occur more quickly in the leadership of the committee. Unfortunately the circumstances surrounding such situations do not make it clear at the time which of the two courses is the most appropriate to follow.

This is the circumstance that the World Service Office staff and World Service Conference leadership have been faced with during 1986 in milder forms than illustrated above during the first year of the International Committee. The office is uncertain as to which course of action is appropriate for us to follow when these types of circumstances arise.

The office has encouraged the WSC Administrative Committee to evolve a set of guidelines that give the Administrative Committee greater latitude and responsibility to handle such matters at an earlier stage. In this way the office is not placed in a dilemma and the addict who still suffers is not forced to suffer more because of failures in the committee system.

Another problem that exists in the relationship between special workers and committees relates more to the personalities and temperaments of the specific individuals involved. The office has attempted to recruit as special workers members who have considerable clean time and who demonstrate the special

qualities which are brought to a person by successfully working the steps over a period of years. We also attempt to select individuals whose personalities are conducive to working with committees and to working with individuals under any type of circumstance. This does not always mean that our special workers have no personal feelings or have no personal faults or failures. We attempt, however, to remain consistent and positive in our approach as we serve the committees in the work that they are responsible for.

It is not always possible however to have special workers matched with committee chairpersons or vice-chairperson or other key members of committees whose temperaments, attitudes and personalities work well together. When a circumstance arrives where personality differences occur, the office finds itself in a difficult situation. It is relatively easy for the office staff to become targets of criticism for how the office responds or handles certain circumstances even when such circumstances are not entirely under the control of the office. In the developing relationships between special workers and Conference Committees, we face this potential alienation between some committee members and office workers.

Should alienation appear in the working relationship, it has a devastating impact on the positive spiritual working relationship that needs to exist. The result can be disunity and doubt, eventually deteriorating the committee/staff relationship. The Fellowship is not properly served by a poor working relationship. The office is concerned about this issue. We are hopeful that the Conference will be both understanding and willing to work through such differences of opinion or differences in personalities so that the integrity of the working relationship is not damaged.

One of the possible solutions to assuring the Conference section process is improved is to use a nominating committee. A nominating committee could be used to sort through trusted servants in each region at the regional level to seek candidates for each position. Such a search would permit a more thorough knowledge of a persons skills and ability. The nominations could be published in the Agenda Report in order to provide time to know of and possibly meet nominees. At a minimum it would avoid the circumstance of the Conference accepting nominations one night and voting on the people the following day. Although this still provides no guarantee it may improve the selection process for Conference leadership.

#### WSO FINANCIAL ASSISTANCE TO THE CONFERENCE

The WSO provided more services to the Conference in 1986 than it did in 1985. This expansion has been gradual and accomplished with the knowledge of the appropriate boards and committees. Several areas of work require specific comment.

The first area is in financial assistance. During the past year the Treasurer has begun to assemble a comprehensive financial policy for the Conference. Most of the policies in the draft have been followed for several years, but they were never clearly written and distributed for all those involved in the handling of funds (mostly expending funds) so that they were fully aware of the practices or procedures. These have been written and we are using the draft policies already.

The Conference, like any activity that collects and expends funds, requires considerable amounts of communications concerning most individual expenditures. The communications, mostly phone calls, are necessary in order to determine that the expenditures are within the budget, that funds are still available in that budget category, that funds are available, and then to accomplish the disbursement of the funds for the purchase.

The number of individual expenditures continues to grow each year, along with an increase in the number of individuals involved with accomplishing those expenditures. Most expenditures require two or more phone calls.

On the other side of this financial picture is the receipt, acknowledgement, and processing of the contributions received by the Conference. The number of individual donations received last year was 224. The effort involved in handling just the accounting part takes a considerable amount of time.

Between the worker hours involved with the accounting and the expending of the Conference funds, it is almost a full-time job. Over the past three years a comfortable sharing of the labor has evolved. The Conference Treasurer, a volunteer, has the overall management and decision making responsibility. The bulk of the practical duties are assigned to various WSO staff members. This arrangement has worked reasonably well, although there are problems from time to time.

The Treasurer keeps the check book and issues checks when appropriate. The Treasurer reconciles the account each month and makes periodic reports to the Fellowship in the Fellowship Report. The WSC Treasurer, Chairperson and Vice-Chairperson have periodic discussions on finances so that everyone is aware of how much money is available, how much has been committed, what bills are expected, and how much money may be expected from different regions.

As contributions are received at the WSO for the Conference they are recorded and deposited into the WSC account. Copies of each deposit record are sent to the Treasurer. A thank you letter is sent to the contributor.

On the expenditure side, the Treasurer receives some requests for reimbursement or for expenditures directly from Conference participants. But the bulk of the expenditures are made through WSO staff in the course of their daily workings with Conference participants. There are some general guidelines established and a variety of informal procedures have evolved from work among the committees and boards.

Requests for expenditures or discussions leading to requests for expenditures are matched with the approved Conference budget. If funds are allocated for the purpose suggested, then further consultation may proceed leading to expending funds. If funds are allocated in the budget, then the chairperson of the board or committee generally makes the decision to expend the funds. In most situations such discussions also involve the WSC Chairperson and/or Vice-Chairperson. In this manner the decision to authorize expenditures involves several people who have knowledge of the current status of WSC finances.

Expenditures arranged between a Conference participant and the Treasurer are usually paid by the Treasurer directly. Expenditures that are handled through the WSO are not immediately paid by the Treasurer. Expenditures handled through the WSO are paid from the operational accounts of the WSO. All of the receipts or other associated documentation is kept by a WSO employee and at the end of the month a consolidated bill is prepared. This consolidated bill is sent to the WSC Treasurer, including a summary and originals of all bills or receipts.

The Treasurer examines the billing information and ultimately sends a check to the WSO as reimbursement. This system has several advantages for the Conference. The large number of hours involved in arranging for the expenditures and record keeping do not become a burden for the Treasurer. Additionally it provides for checks and balances in the system of handling WSC funds. A final significant benefit is that by using the operational funds of the WSO for advance payment, expenditures can be made when they are needed, even if the WSC treasury would at that time have been deficient. The flow of funds into the WSC treasury does not always match the need for expenditures. This system makes it

possible for the needs of the Conference to be met even if the income is slower than the rate of expenditure.

Care has been exerted on a constant basis to avoid having a situation arise where the Conference finds itself unable to reimburse the WSO. To accomplish this, some WSC expenditure requests have been delayed or denied. This has been particularly true in recent months. The affect of this has been that the Administrative Committee, working in conjunction with the requesting committee, has had to set priorities for the use of the funds available.

An important matter that looms on the horizon at this time is what happens when the Conference does not have funds to reimburse the WSO. Should the Conference be required to repay the WSO, if sufficient funds do not come in as contributions? So far this has not become a problem because within a month or so, the level of contributions has been sufficient to reimburse the WSO. But this may not always be the case. This matter should be discussed by the Conference and some conclusion reached.

The principal expenditures handled in this manner by the WSO for the Conference are related to transportation or lodging and printing projects of committees. Both are discussed in the following sections.

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## TRANSPORTATION SERVICES

In 1986 the WSO continued and expanded its transportation services to the Conference. A member of the staff has the responsibility of handling all of the transportation needs for the office. It has become generally convenient for those Conference participants who travel for the Conference to use this employee to arrange for their travel and lodging also. Among the benefits of this arrangement are that the individual does not therefore have to advance their own funds for such purposes and better control can be exercised to minimize excessive costs.

The office made hotel arrangements for each of the major Conference meetings during the year. These included the workshop meetings in Minneapolis and Charlotte in addition to other committee meetings of the Select Committee, Literature Committee, Board of Trustees and the Administrative Committee.

Although the amount of time involved changes from month to month and even day to day, an average amount of time would be in the range of two and a half hours a day for one employee. This includes exchanging phone calls with the person traveling and travel agencies, hotels or others involved with the meetings.

Table Eleven reports the number of persons for whom travel arrangements were made during each month. The relevant information for the WSO is included for your information.

TABLE ELEVEN

<u>MONTH</u>	<u>WSO</u>	<u>WSC</u>
Jan	22	14
Feb	21	27
Mar	11	9
Apr	10	11
May	25	26
Jun	11	21
Jul	7	12

Aug	6	20
Sept	20	23
Oct	12	21
Nov	0	14
Dec	4	26

The internal procedure used for processing travel requests is that the request for travel must be signed by the appropriate project coordinator or Bob Stone. This is done after consultation with the appropriate Conference Committee Chairperson and WSC Officer. The arrangements are normally made at least 30 days prior to travel. There are always some limitations on the most inexpensive fare so it is necessary to make sure that all dates are firm before ordering tickets. The order is placed for the tickets and the date of delivery is noted, and then a request for repayment is added to the billing to be sent to the WSC Treasurer.

The tickets are made available to the user by a convenient and agreeable system: either picked up at the airport, mailed to the user in advance, or the funds are sent to the user by mail and the ticket paid for at the users location. Every effort is made to take advantage of the lowest possible air fares and accommodations. Hotel arrangements are made for those who travel out of town.

Detailed records are kept of expenses for the travel and all meetings of committees. An important part of this process is conducting research for upcoming meetings. Effort is exerted to find cities and facilities that offer convenience to our meeting needs and minimize the travel and hotel costs. Experience over the past two years has revealed through proper management and following proper policies we can minimize the costs to the Fellowship and avoid wasting money.

### DISPOSABLE INCOME

This term borrowed from the world of economics describes the amount of income that a person or business has that is not essential for primary needs. As this term might be applied to the WSO, the disposable income is the amount of money that is available after overhead and those expenses are paid that are related to literature sales and the services described for the WSO in the *Temporary Working Guide to the Service Structure*.

The WSO does generate disposable income. There are two factors that cause this: the growing size of the Fellowship and the price policy adopted in 1983. If the Fellowship had not grown as fast or as large as it has, the WSO would have very little disposable income and be much smaller than it is. If the price policy adopted in 1983 had not been adopted and then continued, the disposable income would be lower or nonexistent. However, the Fellowship has grown at about 100 percent every 18 months since 1980. This additional growth in sales has resulted from three principal factors.

The first factor has been the growth in meetings (and therefore members) that resulted from the tireless efforts of members who carry the message. The success of these efforts on a one-to-one basis, and in the personal example members provide, has been the primary factor in showing the world and other addicts that N.A. does work.

The second factor has been the efficiency of N.A. Despite the fact that N.A. is not really organized like a business would organize it, N.A. does work. That is, it carries the message to members, members organize groups that provide a strong framework for recovery and service committees to assist them. This success is then passed on to new members who duplicate the process.

The third factor has been the proper functioning of the WSO literature distribution system. Although there are problems at times, the N.A. literature

distribution system has been successful to the point that both Fellowship and non-Fellowship customers can depend on getting what they need when they want it.

These factors made it possible for the new "treatment industry" to utilize N.A. as the message, resource and receptacle for hundreds of thousands of addicts they have processed. Enlightened treatment centers incorporate N.A. literature into their programs, use N.A. members as staff and use N.A. meetings as part of their treatment methodology as well as after care. The bottom line is that through this unintended relationship N.A. has the opportunity to carry the message to hundreds of thousands of addicts. Lives are saved.

This explosion of members and treatment centers has increased WSO sales. The financial tables in previous sections describe the growth in figures that are very real. The increased sales have made it possible for the WSO to better perform the duties described for the office in the *Temporary Working Guide* and expand the services it provides to the Fellowship.

As all of this took place during the past few years there were a number of philosophical and practical questions that arose at WSO Board meetings pertaining to the future of the WSO and the generation of disposable income. Some of these matters have been discussed, in part, in articles, letters and reports during the past three years. However, there has not been one single, extensive presentation of those issues available to the Fellowship at large.

Within the WSO Board there has been an increasing desire to present this complex matter to the Fellowship rather than having the WSO wrestle with the issues alone. It had been perceived, however, that the WSO should become a stable working force first so that the Fellowship would have a strong reference point to work from. The office has been rapidly approaching this condition.

The motion submitted by the Georgia Region is directly related to these discussions held by the WSO Board. Although there was no specific time table previously established by the Board, there was a growing consensus that the WSO was going to present these same matters, in a different form perhaps, to the Fellowship for consideration. The Georgia Region motion provides a good opportunity for this to occur. The original draft of the motion would not have provided as good an opportunity for lengthy Fellowship discussion. The WSO is grateful for the willingness of the Georgia Region to modify their motion at the request of the WSO.

The WSO requested that the motion be modified in order that the matters (price policy and the use of disposable income) could be fully analyzed and given to the Fellowship. In this way a full understanding of the alternatives to the existing price policy and the use of disposable income could be known and understood by the Fellowship. Accordingly the WSO encourages that the motion from Georgia on studying the impacts of a possible 25% price reduction be adopted.

Even though the WSO added more staff, obtained more equipment, and began providing additional services, this has always been done within the constraints of the available income. Every effort has been made to be frugal and get the most out of the funds expended. There is a need for additional expansion of the WSO staff. Even if the basic services currently provided are not expanded, there are some projects and responsibilities that are not done adequately because of limited staff. As each year passes, we will need an increase in staff in some proportion to the continued growth in the demand for services or in proportion to the size of the Fellowship.

In spite of the ability of the WSO to have expanded more than it has from the available disposable income, the Board elected to begin to pass some of the disposable income back to the Fellowship. This was done in order to strengthen area and regional committees and to improve the literature distribution system

within the Fellowship. The WSO also utilized part of the disposable income on projects of WSC committees at their request. At one time or another in the past year, each of the WSC Committees requested and received financial assistance from the WSO.

The WSO has, despite these other uses of disposable income, accumulated a small prudent reserve. It is important to increase the size of that reserve and a program is in effect to save \$1,000.00 per week for the reserve. The original thinking of the WSO was to have a three month reserve. This does not now seem possible and a smaller level of reserve is anticipated. If we can accumulate a one month reserve we will probably have to be happy with that. With that in mind, and saving \$1,000 per week, the WSO would reach a one month reserve (at the 1986 spending level) in three years. By saving \$52,000 this year it would make the reserve large enough to meet expenditures for about two weeks.

Fortunately we have not had either a series of bad years or bad experiences to draw upon which convincingly forces us to accumulate a larger reserve. Chart Three shows that we have had to use money from the reserve. Conservative business practices would suggest a need for stronger determination to build the prudent reserve. It can be assumed by Board actions that we have relaxed the determination to build a several month reserve. This is practical because of the faith by WSO that if some catastrophe befell the WSO, the Fellowship at large would come to the aid of the Office. This is not a license to practice bad judgment, but faith in the Fellowship as the ultimate resource if disaster occurs. With this concept as the basis of disaster management it has been possible to go ahead and begin to utilize the disposable income in other ways.

There are basically three options: (1) pass disposable income on to the Fellowship through lower prices (2) pass disposable income on to the Fellowship through discounts in prices to service boards and committees (3) increase the services provided by WSO. In different ways the WSO has done all three. The WSO believes each of these can be applied in moderation to the full benefit of the Fellowship.

The following statements summarize the consensus within the Board about the price of literature and other items: The price of literature or other items sold by the WSO should not increase without significant justification; that despite the annual increase in the cost of living by inflation, prices should remain the same; that over a long number of years, through this policy, the price of literature decreases in terms of the 1983 price policy level. (What may seem like an expensive book in 1983-- \$8.00--will be an inexpensive book in 1993.) The Board further believes this policy should be applied to all items sold.

In this manner the price policy should be able to generate more than sufficient funds for normal WSO operation. It has. This also provided the circumstances for prices of new items to be moderate but also not subject to increase. Consequently the ratio of cost to price for new items has been lower than for items in the inventory in 1985. In this way the WSO has in part fulfilled the intent of the first option.

The WSO began action to follow the second option in 1985. This was provided in the first utilization of the price policy. This policy began to offer discounts within the Fellowship for certain levels of purchases. During the past two years that policy has been expanded and changed to include more Fellowship committees under a wider variety of circumstances. That policy will continue to be modified in ways that help strengthen area and regional literature distribution efforts and offices.

The WSO will also continue to use some of the disposable income to increase and improve services provided by the WSO. The level and purpose of those services will be discussed as the need may arise and also in the study resulting from the approval of the Georgia motion.

## AUDIO TAPES

The WSO finally, during 1986, managed to find an efficient and proper way to handle the matter of including speaker tapes in the inventory for the World Service Office. This substantially improved a project which was suffering from poor management on our part, unclear or impractical procedures, and a lack of participation by volunteer members.

After the Conference, the office assigned responsibility for the audio tape process to a highly motivated and dedicated employee. A clear plan was outlined which centered around using conference telephone calls for each task force as they reviewed groups of tapes. Immediately changes became apparent in what had been a slow going process. Three separate task forces worked on tapes that had been received from the Fellowship. Over the next seven months 67 individual tapes were reviewed. Of these 67 tapes, 27 were recommended by a first review committee level to be included in the inventory. The second review level has only worked on 9 tapes and approved seven of them. They have not acted on the remaining 16 tapes. Of the seven approved tapes, 6 tapes have been prepared and are available for sale. Following the procedures currently in use, it is possible for the audio tape review process to review and take action on a rather considerable number of tapes during each year if we increase the number of participants. The WSO hopes than can be accomplished at WSC '87.

This tape review process has revealed a number of policy questions that are just beginning to be fully understood. The Tape Review members will be addressing these questions during the coming year and prepare a report for the Conference. The questions include such issues as: How many tapes should be included in the WSO inventory? How many from any one individual? Should the tapes be approved for limited periods of time or for permanent use? There are many more such unresolved matters. As the committee participants evolve a clearer understanding of these various issues they will be presented to the Fellowship for information during the year.

## THE TAPE REVIEW COMMITTEE

At the Conference meeting in 1986, the Conference adopted a tape review procedure to elect at least 15 members for one-year terms to the Audio Tape Advisory Panel. When nominations were made a larger number of individuals were nominated. In order to take advantage of all possible volunteers, the office asked that all those nominated be elected to serve; and the Conference consented to this action. All of those consequently elected were added to the process. At this World Service Conference, the office is seeking to have those active participants re-elected to the audio tape process and to have additional members added to increase the number of participants.

Of the members chosen at the '85 WSC there have been some who have been unable to continue as members of the committee. Some members have been dropped because they have failed to participate for an extended length of time, some for personal reasons, and some because they have failed to keep us advised of



their address. But overall, there has been good cooperation from the members. Nearly all of the members of each task force participate in each call. Since organizing into task forces, each group has had 7 conference calls and there were 2 calls with the Advisory Committee.

The members of our panel at this time would like to remain on the tape review committee.

Vangie Creque	Albuquerque, NM
Mike Hennessey	Dickinson, ND
Michael Christie	Dearborn, MI
Bob Grier	Huntington Beach, CA
Debbie Coddington	Pomona, CA
Bob Bergh	San Francisco, CA
Don Davis	Reno, NV
Ruben Farris	Chula Vista, CA
Anna Koehler	San Diego, CA
J.R. Friel	Philadelphia, PA
John Voelker	Denver, CO
Vince Daley	Baltimore, MD
Mike Bratonja	Milwaukee, WI
Tom Johnson	Ontario, CA
Carol Ivy	Newport News, VA
Jim Simons	Bozeman, MT
Steve Bice	Windsor, CA
Joseph Proctor	Memphis, TN
Jay Venner	Largo, FL
Robin Heaton	Aliquippa, PA
Jeff Thornton	Phoenix, AZ

## OFFICE WORKSHOPS

One of the important areas of work accomplished by the WSO during 1986 was to services provided concerning the formation of offices. This effort came as a result of a problem first uncovered in June, 1983.

The problem was that a single number was being used throughout the Fellowship as the "nonprofit tax exempt number" for Narcotics Anonymous. Unfortunately, there was no number that could appropriately be used for the general banking and administrative purposes throughout the Fellowship. A report was prepared and the Fellowship was advised to discontinue using that number and rely on an alternative method of handling banking which focused on having individual members use their personal social security number.

In the intervening years, the legal and technical matters pertaining to corporations in the Fellowship were widely discussed and evolved to an understanding which led to creating a number of offices. How these were accommodated within our spiritual Fellowship was of primary importance. It can best be described in this way.

There exists in Narcotics Anonymous a spiritual Fellowship which begins with the individual N.A. member and carries on through the group that a member participates in, area committees that groups may form, and regional committees that may be created as a service for the area committees. The World Service Conference is a service body created by the Fellowship at large and administered through voting participants which includes world service trusted servants and regional representatives.

This spiritual structure is as organized as the general membership of Narcotics Anonymous believes is appropriate and reasonable within the confines of our Traditions. The Ninth Tradition provides the basis for the spiritual Fellowship to create service boards or committees directly responsible to those they serve. The Fellowship elected to take advantage of this Tradition and created the World Service Office Board to be responsible to the Conference. The WSO was to be the legal entity to handle printing, publishing and service matters using good business practices, but abiding by the Twelve Steps and Traditions as well. This special board became, in 1977, a nonprofit corporation and obtained exemption from taxes.

Using the WSO relationship as a special board directly responsible to the Conference as the example has led other service boards to incorporate who are directly responsible to either regional or area service committees. During 1985 and 1986 the World Service Office provided direct assistance to regions and areas and special committees that had been created to investigate either the creation of offices and/or corporate service boards. As part of this process a number of meetings were held in different cities and regions across the Fellowship. This resulted in the accumulation of a rather considerable amount of information that is available to committees interested in considering this means of having a service board.

During the last two years 14 such service boards have been formed and became incorporated or are in the process of incorporation. Each of these service boards is, in the language of their by-laws and governing documents, directly responsible to the area or region from whom they have been given their authority to exist.

These service boards have generally been formed for the purpose of operating a service office which in all cases involves handling literature for the Fellowship and the general public in the area served by that committee. Generally these processes have gone slowly and have been well discussed within the appropriate area and regional committees.

To facilitate further understanding of these issues, how these service boards are organized, and how they can be operated successfully, the World Service Office held two workshops. One workshop was held in June, 1986 in Detroit, and a second was held in Atlanta in March of 1987. Both workshops were enormously successful and well attended events. A future workshop is planned for 1988. The 1988 workshop will be different in several respects in that a committee composed of participants from the different service boards or their corporations have been formed to organize the "curricula." In this way the participants representing the different service boards set the agenda and the choice of material for discussion. This will better meet the needs of the participants. The World Service Office staff will continue to be available to assist this workshop and the committee guiding it.

In several situations, committees have decided that their more paramount need for corporate structure was for purposes other than an office. In several, the issue was handling a convention or simply the technical liabilities of the spiritual Fellowship. The WSO staff have discouraged such actions which would result in the incorporation of an area or regional service committee. We have encouraged instead to preserve the spiritual Fellowship in a non-corporation circumstance.

One of the reasons for this is to avoid having governmental agencies, the IRS for example, wanting to look at the rest of the spiritual Fellowship for similar incorporation. We are also uncertain whether or not incorporating the spiritual Fellowship is within our Traditions. The WSO does not feel it is the responsibility of the WSO to make these kinds of decisions. And finally it has been felt that these answers should be evolved for the Fellowship as a whole rather than by action of one area or region. Such action by one area or region, we have suggested,

may in this way affect the rest of the entire Fellowship. In this way the resolution of these uncertain questions about incorporation and the spiritual Fellowship are First, Second and Fourth Tradition matters.

In summary, it is the opinion of the Office that the Tradition questions require more study and consideration by the Fellowship at large before such action should be taken by an individual region or area committee to incorporate this spiritual entity identified as an area committee or regional committee.

It is the hope of the WSO that this issue be assigned to a Conference Committee, such as the Policy Committee, or the Board of Trustees for study. We hope the matter will be discussed widely during the coming year and eventually lead to some action by the Fellowship as a whole.

## REGIONAL SERVICE OFFICE POLICIES

As discussed above, the last two years have seen the successful evolution of service offices in a great number of places in the Fellowship. The office has been involved in such office activities from the very beginning and will continue to be directly involved in at least two respects. First, providing information and administrative assistance and second, in practical matters related to financing these office activities.

The office will continue to have an important role in a part of financing these offices. This financial relationship is in the literature discount policy of the WSO. The policy in effect passes on to the offices and committees a discount which essentially reduces the disposable income of the office. At the same time WSO has encouraged the offices and committees to have price policies for the resale of literature, so that they are able to retain funds from the sale of literature and maintain a relatively consistent price for literature throughout the Fellowship.

Most of their price policies are different in some respects. Some have selected to price their resale at their cost, others raise the price to create additional revenue. These policies vary according to their own choices and whether they have elected to either expand the services that they provide or limit those services according to the needs and desires of the members they serve. Examples of this are the Florida regional literature sales operation which handles no additional major responsibilities for its region. This is in contrast to the operation of the San Diego regional literature sales effort which houses and assists in the management of a telephone hotline and makes meeting space available in its facility for other boards and committees.

Some of the boards and committees have found it desirable or necessary to have additional sources of revenue, finding that literature sales are not sufficient to provide income alone to meet the needs of the boards and committees. Compounding the difficulty in a uniform approach to the matters at hand are that some of these literature operations have decided that in order to provide the maximum services and efficiency they need to have part-time or full-time employees working in the offices. Additional complications to this are state and local sales tax and corporate tax matters which need to be addressed on a case by case basis.

Consequently, the complexity of all of these variables makes it impractical to have one set of guidelines that all offices would be bound to. This is particularly emphasized by a common understanding of the Fourth Tradition wherein each spiritual element creating an office, such as a region, should be autonomous in electing to make decisions as to the purpose and policies that its office follows. This has, in practice, made it impossible and undesirable for a

uniform set of guidelines that all offices would follow in literature pricing policies and activity provided to the spiritual Fellowship.

The WSO will continue to utilize the existing price policy program until such time as it becomes impractical or the World Service Conference advises the office to change the practice or the priorities for the use of funds generated in excess of the actual needs of the World Service Office.

## N.A. WAY MAGAZINE

Subscriptions to the *N.A. Way Magazine* have, during the past year, risen to a level where the magazine is paying for its production costs and most of the staff costs from subscriptions. This point was achieved during the end of summer, 1986 and as long as subscription rates continue at levels shown in Table Twelve below, it will be practical for the office to continue to produce the magazine without utilizing much of the funds from the general revenue of literature sales.

Last year a tremendously successful subscription effort was put on by several individual members of the Fellowship. Through their diligence and hard work, the number of subscriptions rose dramatically during the summer of 1986 and those figures shown in the table reflect their collective dedication.

The office has, during the last three years, been alternately optimistic and pessimistic about the financial security of subscription-supported publication of the magazine. At times we have indicated a pessimistic viewpoint and become inclined towards recommending discontinuing the magazine, and other times the subscription rates seem to be growing to the place where it would break even and thus encouraged us to be optimistic in our reports to the Fellowship.

Time has been a good teacher and we have become more accustomed to these fluctuations in subscriptions and fluctuations in our response. Accordingly, we can finally take a more long-range overview of the magazine finances and operation.

The magazine performs a valuable service to a fair number of members of the Fellowship. As long as the content of the magazine meets the needs of that proportion of the members and they acknowledge their satisfaction by continued subscriptions, then the magazine will be a successful project. In this regard, the office is gratified that the Fellowship has found the content to be acceptable and helpful to them in their personal recovery.

Since the beginning of the publication of the magazine there have been numerous discussions concerning expanding the content of the magazine. The office has included these discussions in various reports and articles printed in the magazine, the *Newsline* and Fellowship Reports. The current proposal from the office to change the content of the magazine is one of the many alternatives that have been discussed during the last three years.

The Fellowship does not have a wide range of vehicles that provide the opportunity for general discussions of philosophical issues affecting N.A. or N.A. services. The proposal before the Conference this year, if adopted, would allow an opportunity for a beginning in this Fellowship-wide discussion effort. If the Conference adopts the proposal, it will take considerable energies and cooperation from a large number of members in the Fellowship to formulate an effective system through which the proposal can be effectuated. The office has not, at this point, evolved a clear set of guidelines and policies that would be utilized immediately if the proposal is adopted. It will take some time to formulate practical guidelines and find a mechanism to have those guidelines effectively utilized before additional material would be added to the content of the magazine.

On related issues concerning content, the artwork included in the magazine has had a substantial increase in quality during the last year. The office has utilized the energies primarily of one artistic member of the Fellowship whose works have continued to improve the quality of the magazine and provide interesting insight to the articles presented.

In terms of production qualities, the magazine has generally continued to improve. With recent changes in type style and formatting, the magazine took a considerable leap forward in visible quality and aesthetics. This was possible as a result of changes in staffing that have permitted the magazine to be produced through our typesetting machine rather than printed through a laser jet printer directly from the computer. We expect to be able to continue this typeset quality of material during the coming year. This improvement in quality does not add cost to our production efforts. An important change recently made that is not an obvious change to the magazine has been the printing and publication schedule. Until March of this year, the magazine was finished in the edit stage at a time when it was immediately due to be printed followed immediately by mailing. We have finally arrived at the time when we have a production schedule which permits greater length of time and flexibility in the scheduling of these critical operations. Accordingly we have begun to change the method of printing. The method of printing we will be using now may effectively reduce the production cost by about 15%. This will make it possible for the magazine to be cost effective over a longer period of time than we would otherwise experience.

The process of reviewing and editing all the material submitted for publication has presented both successes and problems this past year. Several of the review panel members have done a magnificent job in reviewing the material under oftentimes very tight time constraints. The office wishes to express appreciation for the services of these unsung volunteers who assist in the production of the magazine in this important capacity. During the upcoming year the office hopes to be able to expand the number of individuals involved in this important process so as to minimize the inconvenience to all those involved, while at the same time offering the opportunity to be of service in this way to a larger number of members.

The editorial policy and philosophy of the magazine has undergone some scrutiny over the past year, and there have been some growing pains in that area.

As long as the Fellowship continues to submit enough material for our production schedule to stay a month or two ahead, as it is now, problems such as this can be avoided. Any piece which generates controversy among the panel members can be fully discussed via a conference call, and shelved as long as is necessary to work out the disagreements. In some cases, articles have been sent back to the original author with comments, resubmitted, and published at a much later date. This seems like a much healthier, more thoughtful process, and is an ideal well within reach for the coming year.

We encountered one controversy during the year on the publication of an article which appeared to some members of the Fellowship to represent politicking on the part of the WSO regarding a matter up before this Conference. Last summer we received an article by a member of N.A. who quite enthusiastically sung the praises of the approval text of *It Works: How and Why*. It was the only article received on that subject, and appeared to those involved in the editorial process to be a sharing of recovery experience by a member of N.A., and therefore appropriate for publication in the magazine.

The piece was processed through the appropriate editorial channels, and slated for publication in the October issue of the magazine. Just prior to the final production of that issue, this piece of literature came under sharp criticism at a WSC workshop in Charlotte, North Carolina. While this controversy did cause some

red flags to go up in our minds about our plans to publish this piece, we went ahead on the basis that the piece was more of a personal sharing of recovery than a persuasive statement on this book.

We now believe that was an error in judgment. We received several letters and phone calls which called that judgment into question, and printed one that seemed most comprehensive and representative of the criticisms we received. We learned to be much more careful not to place ourselves in the position of potentially influencing the Conference regarding matters on the April agenda. We apologize for this, and assure the Fellowship that at no time did we have any intention of influencing your decision on this matter.

N.A. Way finances can easily be understood from the following table. This reflects the primary costs associated with production during the year. The Significantly the magazine underwent a major increase in subscribers. This was directly attributed to a few members who embarked on personal efforts to get subscribers for the magazine. These members and all who are supporters can appreciate their success after reviewing these figures.

The increased income resulting from more subscribers brought the magazine closer to the break-even point and may if readership continues could possibly show a profit. The only production factor that is not included in the chart is the labor costs. In previous reports we have estimated the labor costs associated with each employee working on the magazine. We will soon be able to be more precise by using a cost accounting procedure associated with our time cards and computerized payroll. Until then however, estimates will have to do.

There are a large number of labor factors involved: the Editor, typists, paste-up, typesetting, art work, mail list management and mailing workers. Because each employee who performs one or more of these activities also does work unrelated to the magazine it has been fairly hard to precisely identify all labor costs. However by monitoring the labor involved by each staff member on one particular issue and multiplying by twelve gives a reasonable estimate. On this basis the cost for the labor factor is close to \$25,000.

We continued the practice of producing more copies than are used for subscribers. Those are sent to people all over the Fellowship as part of our mailing efforts with other materials. The costs for these extra issues is not considered a direct cost of the magazine for the table below.

The overall financial picture therefore of the magazine for 1986 is :

Labor cost	\$25,000
Printing	30,364
Envelopes	2,748
Postage	<u>3,825</u>
TOTAL	\$61,937
Income	<u>\$52,728</u>
Profit(Loss)	\$ 9,209

On the basis of this financial situation it is the opinion of the WSO that the magazine should be continued as a publication of the Fellowship.

**TABLE TWELVE**  
**N.A. WAY MAGAZINE EXPENSES**

<b>MONTH</b>	<b>TOTAL # OF SUBSCRIP</b>	<b>TOTAL # MAGAZINES PRINTED</b>	<b>POSTAGE</b>	<b>PRINTING &amp; BINDING INCL. IN COST PER MAGAZINES</b>	<b>COST PER ISSUE</b>
JAN	2,780	4,000	236	.71	1,973
FEB	2,910	4,000	247	.71	2,066
MAR	3,025	3,887	257	.71	2,147
APR	3,208	4,500	272	.71	2,277
MAY	3,473	3,980	295	.65	2,465
JUN	3,615	4,075	307	.65	2,349
JUL	3,922	4,200	333	.68	2,666
AUG	4,127	5,000	350	.53	2,187
SEP	4,346	5,000	369	.68	2,955
OCT	4,448	5,500	378	.68	3,024
NOV	4,588	5,500	389	.68	3,119
DEC	4,612	7,000	392	.68	3,136
<b>TOTAL</b>	<b>45,054</b>	<b>56,642</b>	<b>\$ 3,825</b>	<b>.67</b>	<b>\$ 30,364</b>

ENVELOPES      45,054 X .061 = \$ 2,748

DIRECT COSTS      \$ 36,937

INCOME FROM  
SUBSCRIPTIONS      \$ 52,728.87

