

ANNUAL REPORT

DIGEST EDITION

APRIL 1992

Greetings from the board and staff of your World Service Office. To make our report accessible to more NA members, we've prepared a "digest" version as a supplement to the *WSO Newslines*. Please feel free to copy and distribute this digest as widely as you would like. If you wish to have a copy of the complete annual report, or if you have any questions about your World Service Office, just write us. On behalf of the WSO Board of Directors, thank you for allowing us to be of service.

*Bob McDonough, Chairperson
WSO Board of Directors*

We were able to continue operating only by stretching out payments to our suppliers.

The box in the lower left hand corner of this page shows a summary of our income and expenses for the year. Though we sold almost \$4.3 million worth of literature, 23% of that was eaten up by discounts, with costs of merchandise taking another 32%. Of almost \$2.2 million in expenses, a study attributes 82% to fellowship services rendered by the WSO: staff support for conference committees, the trustees; literature development, fellowship communications, new groups, and the like.

Price increase

Last year was not an easy one for the WSO board and staff. The shortage of funds forced us to take steps to cut our expenses and increase our income. Even after we'd taken such steps, our income still didn't cover our expenses. Late in 1991, the WSO Board of Directors was faced with the choice of either closing down portions of your World Service Office or raising our retail prices across the board for the first time ever. After much consideration, the WSO board decided to raise prices by 10%, effective February 1, 1992. Given the added revenues from the price increase and the hope that additional new products will be available for sale this summer, we now have confidence that World Service Office, Inc. will be operating in the black by the third quarter of 1992, provided we keep a tight belt.

Sales policy

In light of our financial condition, the WSO board gave special attention to our sales policies last year. The discounts we allow certain customers for purchasing large quantities of literature and the special sales agreements we've made with some NA communities outside the USA have had their effect on our income. At this year's WSO meeting, we will discuss the possibility of changing our sales policies. In the months following the conference, we will be seeking as much input on the sales policy as we can get. Any changes to be made will be finalized at the November 1992 meeting of the WSO Board of Directors.

KEY BOARD ACTIONS

New executive director, new administrative approach

In April 1991, after ten months without an executive director, the WSO board hired Joe Gossett for that position. The years of executive experience in other nonprofit organizations that Joe brought with him have served us well, helping us distinguish more clearly between *policy*, which trusted servants must develop, and the *administration* of policy by our special workers. This understanding resulted in a much more productive relationship between WSO staff and the conference boards and committees they work with.

Summary of financial status

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

WSO 1991 SALES INCOME, EXPENSES

Gross sales	\$4,290,597	
Less discounts	<992,022>	
Less cost of sales	<1,357,185>	
Net sales		\$1,941,390
Less total expenses	<2,196,527>	
Net income <loss>		\$<255,137>

Figures shown are in US dollars and reflect combined WSO-Van Nuys, Canada, and Europe income statements for 1991.

IN THIS ISSUE:

Key board actions.....	1
Departmental reports.....	2
Care to comment? Write to the WSO Board of Directors, Box 9999, Van Nuys CA 91409 USA.	

