

Section Three: 1998 Financial Reports

1998 Allocated Summary Sheet

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

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

Accounts Receivable Balances as of 31 December 1998

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

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

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

UNIFIED BUDGET PROGRESS

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

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

1999 NAWS, Inc. First Six Month Budget

INCOME

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

EXPENSE
Cost of Goods

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

Operating Income	\$2,055,868	
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Operational Expenses

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

Variable Project Expenses

Communications Task Force	\$9,000	
Subtotal	\$958,897	

Human Resources

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

**Narcotics Anonymous
World Services**

Financial Data

December 1998

This material is being provided as additional resource information.

**World Service Conference
Income Statement**

December 1998

INCOME STATEMENT

NA WORLD SERVICES - CONFERENCE

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

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

INCOME STATEMENT

NA WORLD SERVICES - CONFERENCE

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

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

INCOME STATEMENT

NA WORLD SERVICES - CONFERENCE

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

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

INCOME STATEMENT

FOR THE 7 PERIODS ENDED DECEMBER 31, 1998

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

ASSETS

CURRENT ASSETS

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

TOTAL CURRENT ASSETS

263,509.20

TOTAL ASSETS

\$263,509.20

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

WSO Accounts Payable	\$ (5.00)	
WSO Literature Payments	6,121.61	
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TOTAL CURRENT LIABILITIES		6,116.61
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TOTAL LIABILITIES		6,116.61

RETAINED INCOME

Retained Income - Prior Years	136,458.02	
RETAINED EARNINGS-CURRENT YEAR	120,934.57	
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TOTAL RETAINED INCOME		257,392.59
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TOTAL LIABILITIES AND FUND BALANCE		<u><u>\$263,509.20</u></u>

Chatsworth
Budget to Actual Comparison
December 1998

1998 COMPARISON TO PRIOR YEAR ACTUAL AND ADOPTED BUDGET

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

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

1998 COMPARISON TO PRIOR YEAR ACTUAL AND ADOPTED BUDGET

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

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

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

WSO - CHATSWORTH NET PROFIT/(LOSS)	\$197,798	\$124,472	\$482,399	\$357,927	288%
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ASSETS

CURRENT ASSETS

CASH ON HAND	\$1,092.11	
GENERAL ACCOUNT	24,261.67	
BANK OF AMERICA - CHECKING	32,060.45	
CITIBANK - CHECKING	2,153.27	
WELLS FARGO - PAYROLL ACCOUNT	23,412.16	
CALIFORNIA FEDERAL BANK	67,653.01	
BANK OF AMERICA SAVINGS	10,680.91	
WELLS FARGO - SAVINGS ACCOUNT	7,571.79	
EMERGENCY FUND ACCOUNT	2,392.58	
ACCOUNTS RECEIVABLE	478,487.48	
ACCOUNTS RECEIVABLE WSC	123,395.63	
ACCOUNTS RECEIVABLE WCC	120,385.04	
WCC DEFERRED LABOR	90,370.98	
ALLOWANCE FOR DOUBTFUL ACCTS	(20,000.00)	
INVENTORY	350,674.81	
PREPAID INSURANCE	19,696.00	
PREPAID WORKERS COMP INSURANCE	8,559.00	
TOTAL CURRENT ASSETS		1,342,846.89

LONG TERM ASSETS

WSO-EUROPE ADVANCES	823,661.17	
WSO-EUROPE INVENTORY ADVANCES	236,462.44	
WSO-CANADA ADVANCES	(712,930.35)	
WSO-CANADA INVENTORY ADVANCES	289,353.28	
TOTAL LONG TERM ASSETS		636,546.54

FIXED ASSETS

COMPUTER EQUIPMENT	276,192.10	
DUPLICATING EQUIPMENT	4,952.25	
TYPESETTING EQUIPMENT	5,025.00	
OFFICE EQUIPMENT	63,741.70	
FURNITURE	44,951.90	
LEASEHOLD IMPROVEMENTS	472,033.54	
LESS: ACCUMULATED DEPRECIATION	(652,689.96)	
TOTAL FIXED ASSETS		214,206.53

OTHER ASSETS

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

ASSETS (Continued)

OTHER ASSETS (Continued)

LESS: ACCUMULATED AMORTIZATION

\$(93,971.91)

TOTAL OTHER ASSETS

141,409.47

TOTAL ASSETS

\$2,335,009.43

LIABILITIES AND FUND BALANCE

LIABILITIES

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

TOTAL LIABILITIES

525,677.19

TOTAL LIABILITIES

525,677.19

FUND BALANCE

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

TOTAL FUND BALANCE

1,809,332.24

TOTAL LIABILITIES AND FUND BALANCE

\$2,335,009.43

Canada
Budget to Actual Comparison
December 1998

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

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

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

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

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

DECEMBER 31, 1998

ASSETS

CURRENT ASSETS

GENERAL ACCOUNT	\$110,019.80
ACCOUNTS RECEIVABLE	39,347.85
INVENTORY	38,967.79

TOTAL CURRENT ASSETS	<u>188,335.44</u>
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FIXED ASSETS

OFFICE EQUIPMENT	7,628.96
LESS: ACCUMULATED DEPRECIATION	(7,628.96)

TOTAL FIXED ASSETS	<u>.00</u>
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OTHER ASSETS

DEPOSITS	1,663.67
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TOTAL OTHER ASSETS	<u>1,663.67</u>
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TOTAL ASSETS	<u><u>\$189,999.11</u></u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

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

FUND BALANCE

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

Europe
Budget to Actual Comparison
December 1998

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

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

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

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

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

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

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

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

DECEMBER 31, 1998

ASSETS

CURRENT ASSETS

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

TOTAL CURRENT ASSETS

125,385.99

FIXED ASSETS

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

TOTAL FIXED ASSETS

26,442.16

TOTAL ASSETS

\$151,828.15

LIABILITIES AND FUND BALANCE

LIABILITIES

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

FUND BALANCE

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

**World Convention
Income Statement**

December 1998

INCOME STATEMENT

NA WORLD SERVICES - CONVENTION

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

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

INCOME STATEMENT

NA WORLD SERVICES - CONVENTION

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

	YEAR TO DATE	
	ACTUAL	PERCENT
OPERATIONAL COSTS	(Continued)	
ENTERTAINMENT:JAZZ BREAKFAST	\$6,824.40	.5 %
ENTERTAINMENT:TRAVEL	32,558.18	2.2
ENTERTAINMENT:COFFEE HOUSE	37,129.60	2.5
ENTERTAINMENT: THEME PARTY	30,820.10	2.1
ENTERTAINMENT:MISCELLANEOUS	7,007.50	.5
FOOD & BEVERAGE:SUPPORT COMM.	257.00	.0
FOOD & BEVERAGE:JAZZ BREAKFAST	49,000.00	3.3
JEWELRY:COG	145.20	.0
LITERATURE PURCHASES - WCNA27	881.18	.1
PRINTING: REGISTRATION	18,702.78	1.3
PRINTING: SIGNS	16,094.69	1.1
PRINTING: GENERAL	1,015.48	.1
PRINTING: PROGRAM	15,178.82	1.0
REGISTRATION REFUNDS	8,188.23	.6
REGISTRATION REFUNDS-MERCHAND	3,292.00	.2
REGISTRATION REFUNDS-COMEDY	2,234.00	.2
REGISTRATION REFUNDS-CONCERT	2,735.00	.2
REGISTRATION REFUNDS-JAZZ: WC2	1,726.00	.1
REGISTRATION REFUND:THEME PRTY	1,380.00	.1
REGISTRATION SUPPLIES	65,806.85	4.4
SHIPPING	53.34	.0
SHIPPING	3,887.99	.3
SHIPPING SUPPLIES	515.64	.0
TRANSPORTATION: RENTAL	1,737.85	.1
TRANSPORTATION-SHUTTLE: WC27	79,328.71	5.4
TRANSPORTATION-ADD NEEDS: WC27	5,515.00	.4
UNITY DAY: TELEPHONE HOOKUP	9,184.75	.6
TOTAL OPERATIONAL COSTS	1,378,307.18	93.1
GROSS PROFIT	101,721.49	6.9
ADMINISTRATIVE:		
GENERAL & ADMINISTRATIVE EXPEN		
ACCOUNTING & LEGAL	2,500.00	.2
BANK SERVICE CHARGES	281.39	.0
BANK SERVICE CHARGES	16,583.90	1.1
COMPUTER SUPPLIES	234.65	.0
COMPUTER SUPPLIES/SOFTWARE	2,585.40	.2
DUES & FEES	136.00	.0
MAINTENANCE & REPAIR	690.00	.0
MISCELLANEOUS EXPENSES	273.52	.0
OFFICE EXPENSE	302.91	.0
OFFICE EXPENSE	2,584.36	.2
OFFICE EXPENSE	11,399.50	.8
POSTAGE & SHIPPING	5,506.53	.4
POSTAGE & SHIPPING	8,290.26	.6
MEETING SPACE	320.00	.0
TELEPHONE	467.36	.0

INCOME STATEMENT

FOR THE 12 PERIODS ENDED DECEMBER 31, 1998

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

ASSETS

CURRENT ASSETS

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

TOTAL CURRENT ASSETS

40,887.30

FIXED ASSETS

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

TOTAL FIXED ASSETS

24,607.40

TOTAL ASSETS

\$65,494.70

LIABILITIES AND EQUITY

LIABILITIES

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

EQUITY

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