

October, 2006

Northern California Region of Narcotics Anonymous

Regional Service Office
Board of Directors



Annual Report

Fiscal Year 2005 -2006

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NCRSO Board of Directors
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INTRODUCTION

It is an expectation that California Public Benefit Non-Profit Corporations provide their membership with a complete Annual Report after the close of each fiscal year. To that end, the NCRSO has prepared this report for the fellowship of Northern California. This report will focus on the activities of the 2005-2006 fiscal year, and the plans for the 2006-2007 fiscal year.

Activity during 2005 - 2006 at the Office:

I. Financial

- A. Financial tracking was restructured to provide more accountability and transparency to the fellowship. To this end the RSC gave the RSO \$40,000 in a one time supplemental income.
- B. After a philosophical discussion, it was determined that the business model of the RSO could not self-sustain at the current level. The RSC began a \$1,000 a month supplemental income.
- C. Income was more than expenses by \$31,070.68
- D. Created reports to simplify the financial message, making it more available to the fellowship as a whole.

II. Sales

- A. The 2005-2006 fiscal year experienced a decrease in literature sales and an increase in gift sales. During the year, \$573,110.36 worth of literature and \$7,921.79 worth of gift items were sold.

III. Interim Change in BOD Personnel:

- A. Our member at large resigned for personal reasons.
- B. A new member was voted and appointed as member at large.

IV. Additions and Challenges.

- A. Our long term employee, Lynn Sloane, resigned to relocate to Texas with her family. The board was challenged with the task of replacing Lynn, the office manager. After a false start we were able to find a replacement who could meet our current needs.
- B. Due to the turnover in personnel, there were some issues with our accounting. The issues have been resolved.

Many positive accomplishments have been made this year:

- 1. NCRSO inventory.
- 2. Relationship with RSO, NCCNA and RSC improved along with communication.
- 3. Streamlined accounting software between NCCNA and RSO.
- 4. Became ADA compliant.
- 5. Implemented online registration with NCCNA.
- 6. Continued with redesign of website.
- 7. Developed, documented, and implemented a variety of policies and procedures. Making them readily available to the RSC.
- 8. Invested in the infrastructure of our region by purchasing new equipment.
- 9. Coordinated with PI to advertise the existence of the RSC and to develop a system for follow-up with potential customers.

Yours in service,
Frank Williams
President, NCRSO, Inc.

NCRSO BOARD OF DIRECTORS

Frank Williams

President

One-Year Direct Elect Seat

Term Expires 2007

Sue Lydick

Vice President

Two-Year Pool Seat

Term Expires 2008

Open Position

Treasurer

Open Position

Asst. Treasurer

Becky Runyan

Secretary

Two Year Pool Seat

Term Expires 2008

Toni Nestore

Insurance / Contract Negotiator

One-year Direct Elect

Term Expires 2007

Richard Mann

Office Operations / Personnel

Two-Year Pool Seat

Term Expires 2008

David Sylvester

Sales / Inventory

Two-Year Pool Seat

Term Expires 2007

Open Position

Member at Large

DISCOUNT STRUCTURE

Discount Structure

Sales Amount Range	Discount %
\$ 0.00 - \$ 100.00	0%
\$ 100.01 - \$ 500.00	7%
\$ 500.01 - \$ 5,000.00	10%
\$5,000.01 +	12%

Shipping Charges (based on sub-total before taxes)

Sales Amount Range	Charges
\$ 0.00 - \$ 25.00	\$6.00
\$ 25.01 - \$ 50.00	\$7.00
\$ 50.01 - \$150.00	9%
\$150.01 - \$500.00	8%
\$500.01 +	7%

Will Call handling fee = 7% of total up to \$150.00 and 6% of total over \$150.00.

CREDIT POLICY

1. The NCRSO extends credit to NA Area and Regional level service bodies as well as established businesses.
2. New clients must pre-pay the first three (3) orders.
3. After three pre-payment orders, eligible clients may be extended net 30 terms if we have the following information.
 - a. For businesses, a completed credit application must be on file with our office. This application will include all Federal Tax ID information.
 - b. For NA service bodies we must have acknowledgement of terms and conditions signed by the chairperson of the service body. In addition, contact information is required from both the person responsible for ordering, and the person responsible for paying for the orders. Required information includes: name, address, phone number, e-mail, and the end date of their service commitment.
4. In the event an account is over 30 days past due (*60 days from date of shipment*), the account will be placed on credit hold and a collection letter will be sent. For Northern California NA Area or Regional accounts, a second letter will be hand delivered to the appropriate RCM at the next RSC meeting. Five days after mailing the collection letter a phone call will be made to the person responsible for paying the bills.

NOTE: If either the ASC, or one of its 'subcommittees' account is 30 days past due*, all ASC related accounts from that Area will be placed on credit hold until payment is received.

*This includes non payment of insurance related fees.

5. All existing accounts must be updated in accordance with item (3) of this document by January 1, 2006.
6. NA service bodies must update contact information within 30 days of the election of new trusted servants (*page 2*). Accounts on credit hold due to nonpayment will remain so until payment is received and contact information is updated.

NCRSO Budget for 2006-2007

Approved June, 2006

		FY 03-04	FY 04-05	FY 05-06	06-07 Budget
Ordinary Income/Expense					
Income					
110 · Sales					
	112 · Gift Income	3,349.08	4,375.02	7,921.79	7500.00
	Credit Card Sale	7,813.93			
	Sales Other	370.27			
113 · Freight/outgoing					
	Will call handling fee		794.72	4,996.79	5000.00
	113 · Freight/outgoing - Other	25,175.92	25,483.74	31,214.42	35000.00
	Total 113 · Freight/outgoing	25,175.92	26,278.46	36,211.21	40000.00
	114 · Literature	564,149.62	584,220.61	560,053.92	610000.00
	115 · PO Discounts	112,280.25	130,820.95	157,339.79	164700.00
	Total 110 · Sales	713,139.07	745,695.04	761,526.71	822200.00
120 · Equipment Rentals					
	121 · Cash Register Rental	350.00	900.00	375.00	
	122 · Easel Rental		33.00	78.00	
	123 · Safe Rental		100.00	50.00	
	124 · Bill Counter Rental		50.00	25.00	
	120 · Equipment Rentals - Other			0.00	600.00
	Total 120 · Equipment Rentals	350.00	1,083.00	528.00	600.00
130 · Facility Rent					
	WSLD	500.00			
	6,175.00	6,000.00	10,057.66	12000.00	
140 · Insurance Income					
	141 · Insurance Certificate	720.00	1,855.00	1,185.00	1200.00
	142 · Insurance Reimbursement	7,031.00	10,339.00	8,864.00	9300.00
	Total 140 · Insurance Income	7,751.00	12,194.00	10,049.00	10500.00
150 · Interest					
	293.29	284.02	416.22	420.00	
160 · Inventory Adjustment					
			1,595.42	0.00	
170 · Phonelines					
	7,192.34	9,892.24	10,490.36	12000.00	
180 · Miscellaneous Income					
	41,505.91				
	183 · Rebates		450.00	2.00	
	184 · Convention-booth start up fund			600.00	1000.00
	185 Bad Check Reimbursements	-528.11	346.00		
	186 Bad Check Bank Charge Reimb.	7.00	12.00		
	180 · Miscellaneous Income - Other	-4.58	6,765.12	96.28	0.00
	Total 180 · Miscellaneous Income	40,980.22	7,573.12	698.28	1000.00
190 · NCRSC					
	191 · RSC 1-time supplemental income			40,000.00	
	192 · RSC Supplemental Income (mthly)			11,000.00	
	193 · Rep Hotel Room Reimbursement			217.94	
	Total 190 · NCRSC	0.00	0.00	51,217.94	
200 · NCCNA					
	201 · NCCNA Sales Tax Received		5,849.27	5,488.75	5500.00
	202 · NCCNA Convention Income	-5,893.25	68,972.57	78,929.33	0.00
	203 · BOD Room Reimbursement			653.82	250.00
	200 · NCCNA - Other			544.85	0.00
	Total 200 · NCCNA	-5,893.25	74,821.84	85,616.75	5750.00
Total Income		770,487.67	857,543.26	932,196.34	864470.00

NCRSO Budget for 2006-2007

Approved June, 2006

		FY 03-04	FY 04-05	FY 05-06
				06-07 Budget
Cost of Goods Sold				
	5000 · Cost of Goods Sold	562,373.31	622,438.88	616,506.69
	Total COGS	562,373.31	622,438.88	616,506.69
Gross Profit				
		208,114.36	235,104.38	315,689.65
Expense				
	300 · Bank Expenses			
	301 · Bank Charges (w/ credit card fees)	2,812.61	1,931.16	2,714.70
	302 · BankCard	171.38		25.00
	303 · Finance Charge		33.04	84.77
	304 · Late Fees		54.00	133.96
	305 · Misc.			141.86
	300 · Bank Expenses - Other			0.00
	Total 300 · Bank Expenses	2,983.99	2,018.20	3,100.29
	310 · Accounting Services	6,757.02	4,420.25	5,109.83
	320 · Area Phonelines	6,804.19	9,303.38	11,838.65
	330 · Convention Expense			
	331 · Convention Hotel Room - Other		0.00	653.83
	332 · Raffle Item		0.00	270.00
	333 · Other	1,860.25	3,593.46	
	333.1 · Booth Start up Fund		0.00	600.00
	Total 333 · Other	1,860.25	3,593.46	600.00
	334 · NCCNA Merchandise Sales Tax	4,926.32	0.00	10,671.05
	330 · Convention Expense - Other		0.00	0.00
	Total 330 · Convention Expense	6,786.57	3,593.46	12,194.88
	340 · Directors Expense			
	341 · Mileage	2,249.15	2,657.90	5,433.15
	342 · Parking		147.00	261.50
	343 · Rooms (Convention)	2,494.35	2,298.57	3,596.01
	344 · Misc.	2,121.65	659.28	1,114.09
	Total 340 · Directors Expense	6,865.15	5,762.75	10,404.75
	350 · Employment Expenses			
	351 · Health Insurance	7,092.00	8,316.00	9,348.50
	352 · Payroll Services	937.50	988.00	923.50
	353 · Salary	33,536.15	39,818.45	37,701.58
	354 · Taxes	14,574.02	14,373.72	9,622.11
	355 · Travel Reimbursement	68.00	222.20	161.60
	356 · Employee Bonus	0.00	0.00	800.00
	Total 350 · Employment Expenses	56,207.67	63,718.37	65,370.40
	360 · Insurance			
	361 · Executive Risk	1,528.00	1,528.00	2,411.00
	362 · General Liability	6,780.68	6,556.13	8,864.00
	364 · Workers Compensation		1,259.00	1,481.00
	Insurance Other (Not used now)	6,092.00	820.00	
	Total 360 · Insurance	14,400.68	10,163.13	12,756.00
	370 · Handling Costs			
	371 · Incoming Freight	5,547.17	7,921.73	7,786.73
	372 · Outgoing Freight	15,215.45	17,434.44	21,563.14
	373 · Packaging Supplies	876.66	1,288.05	1,384.28
	Total 370 · Handling Costs	21,639.28	26,644.22	30,734.15

NCRSO Budget for 2006-2007

Approved June, 2006

	FY 03-04	FY 04-05	FY 05-06	06-07 Budget
380 · Inventory Adjustment Expense	-3,057.70	-2,987.86	-257.00	0.00
400 · Office Expenses				
401 · Alarm	237.91	452.28	466.53	500.00
402 · Building Repairs	80.00	305.00	0.00	100.00
403 · Cleaning Services	800.00	840.00	1,030.00	1500.00
404 · Computer Repairs	958.11	742.50	870.71	900.00
405 · DSL Service		1,065.82	1,107.41	1200.00
406 · Equipment Purchases	5,049.01	410.78	1,622.26	4000.00
407 · Equipment Repairs		80.00	0.00	500.00
408 · Garbage	1,023.12	806.46	1,142.82	2000.00
409 · Gas & Electric	4,243.23	4,702.59	5,109.69	6500.00
410 · General Supplies				
410.2 · Miscellaneous Supplies			466.43	
410.3 · Sales Tax Due			3,144.01	
410 · General Supplies - Other	975.79	1,846.71	614.49	
Total 410 · General Supplies	975.79	1,846.71	4,224.93	4000.00
411 · Internet			928.83	215.40
411.1 - Web Hosting				650.00
412 · Maintenance - Other	292.52	197.00	357.00	400.00
413 · Office Phone	4,190.64	3,617.46	2,728.51	3000.00
414 · Office Rent	21,553.00	22,683.85	23,164.93	24570.00
415 · Pest Control	540.00	415.00	680.00	700.00
416 · Software			811.65	1000.00
417 · Stamps	451.40	520.10	336.95	450.00
418 · State Filing Fee	55.00	115.42	83.94	125.00
419 · Unbudgeted Expenses	331.90		2,416.00	0.00
420 · Water	270.20	286.90	548.21	600.00
400 · Office Expenses - Other	781.24		60.00	0.00
Total 400 · Office Expenses	41,833.07	39,087.87	47,930.20	52910.40
450 · Copy Machine Costs				
451 · Copy Machine Rental				
451.1 · Late Fee			87.00	
451 · Copy Machine Rental - Other	3,742.12	3,576.40	2,644.65	
Total 451 · Copy Machine Rental	3,742.12	3,576.40	3,845.77	2500.00
452 · Copy Paper	161.20	207.72	167.99	200.00
453 · Ink Supplies	92.18	344.59	30.13	0.00
454 · Copy Machine Maintenance			916.00	1000.00
Total 450 · Copy Machine Costs	3,995.50	4,128.71	3,845.77	3700.00
460 · RSC Donation	7,258.55	88,972.57	78,929.33	0.00
470 · Web Site	83.87	769.45	790.95	
471 · Web site development				5000.00
472 · Web site maintenance				2000.00
480 · Literature Expenses	37,818.41	177.00	-60.00	0.00
490 · Unbudgeted Expenses	6,294.00	384.33	300.00	0.00
500 · Sales Tax Expense		520.46	1,390.77	0.00
510 · Misc Fees and Charges			160.00	200.00
520 · Advertising	71.77		80.00	150.00
Total Expense	216,742.02	256,676.29	284,618.97	222480.40
Net Income	-8,627.66	-21,571.91	31,070.68	-8010.40

NCRSO BOARD OF DIRECTORS BUSINESS PLAN

Fiscal Year: 2006 – 2007

Approved: September 2, 2006

Adoption of this plan by the NCRSO Board clearly establishes the desire of the Board to meet the following goals. These goals are ranked in order of priority and urgency. The Business Plan shall serve as the primary focus of the NCRSO Board of Directors for the next year following its adoption, or, until such time as these goals are adequately met or amended.

Goal #1 *“To increase the effectiveness of each NCRSO Board member.”*

- I. Continue and improve orientation for new NCRSO Board members.
- II. Continue to supply each Director with a copy of the California Nonprofit Corporation Handbook.
- III. Each Director, if appropriate, will create a timeline of duties and responsibilities that will be presented at the annual meeting.
- IV. Make time on the agenda of the monthly Board of Director’s meeting for ongoing review of the NCRSO timeline.
- V. Continue encouraging each Director to spend 1 day working at the NCRSO, to better understand the operations of the business.
- VI. Continue with a yearly spiritual inventory of the board of directors.

GOAL #2 *“To increase sales by 10%”*

- I. Addition of on-line sales.
- II. Coordinate with PI to continue to advertise at professional events.
- III. Create a contact database of current and potential customers.
- IV. Develop marketing strategy to current and potential customers.

GOAL #3 *“With the website working group, complete the redevelopment and redesign of the Northern California Regional website.”* <http://www.norcalna.org>

GOAL #4 *“To complete a ‘Treasurer’s Best Practices’ manual for the use of the Northern California Regional Fellowship.”*

GOAL #5 *“To generate more interest in Board participation and improve communication with the general fellowship.”*

- I. Ongoing verbal communication with the RSC through our liaison.
- II. Creation of flyers for distribution to the general fellowship.
- III. Make board members available to assist areas, when requested, with financial, insurance, and other board related issues.
- IV. Make board members available for presentations at events and area meetings as requested.

NCRSO Inc. Balance Sheet

ASSETS		6/30/2005	6/30/2006
Current Assets			
NCRSO General Checking Account – B of the W		\$40,688.96	\$59,724.12
NCRSO Payroll Account – Bank of the West		-\$11.00	-\$285.65
NCRSO CD #1 – Bank of the West		\$21,323.37	\$10,936.12
NCRSO CD #2 – Bank of the West			\$10,610.40
NCRSO Office Checking Account – B of the W		N/A	\$458.00
NCRSO Office Operations – Petty Cash		\$300.00	\$221.59
NCCNA Convention Account – Bank of the West			
NCCNA Convention Account #2 – B of the W		\$73,577.32	\$3,647.92
NCCNA Convention Account #2 – B of the W		\$7,482.22	\$2,980.81
NCCNA Money Market Account – B of the W		\$43,021.52	\$106,896.01
Total Checking/Saving		\$186,382.39	\$195,189.32
Other Current Assets			
Accounts Receivable		\$15,631.42	\$12,312.42
Undeposited Funds		-\$17,611.79	-\$17,611.79
NCRSO Inventory		\$80,883.87	\$46,490.35
Undeposited Fund		\$709.90	\$4,504.16
Total Other Current Assets		\$79,613.40	\$45,695.14
Total Current Assets		\$265,995.79	\$284,394.00
Fixed Assets			
Furniture and Equipment		\$34,062.01	\$34,062.01
Accumulated Depreciation		-\$31,677.67	-\$33,706.01
Total Fixed Assets		\$2,384.34	\$356.00
TOTAL ASSETS		\$268,380.13	\$284,750.00
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Federal Payroll Tax Payable		\$12,781.50	\$6,480.69
State Payroll Tax Payable		\$1,592.22	\$1,105.04
Sales Tax Payable		\$1,137.82	-\$1,990.28
Accounts Payable		\$34,384.69	-\$1,273.88
Total Current Liabilities		\$49,896.23	\$4,321.57
Equity			
Opening Balance Equity		\$137,970.99	\$152,229.79
Retained Earnings		\$28,421.97	\$13,585.69
Net Income		\$52,090.94	\$114,612.95
Total Equity		\$218,483.90	\$280,428.43
TOTAL LIABILITIES AND EQUITY		\$268,380.13	\$284,750.00

INSURANCE POLICIES AND CLAIMS

2005-2006

We have 3 insurance policies to serve the needs of fellowship and the NCRSO.

1. General Liability Package:

- This covers the inventory, office equipment and all merchandise stored at the RSO.
- This policy also covers General Liability* and Professional Liability.
- This policy covers meetings of NA for events with attendance of less than 900.
- Events over 900 needs to be submitted to the carrier through the agent.
- Likewise, any unity days should be submitted to the carrier through the agent.

2. Directors & Officers Liability Insurance:

This protects your elected members (directors/officers), (including their spouses) of the RSO in case of lawsuits.

3. Workers Compensation:

This covers our special workers at the RSO in case of injury

Current issues: Camping trips, hiking events, softball games.

The Northern California Region of Narcotics Anonymous had 4 claims filed this year. One claim was paid in the amount of \$1,259.40.

**NCCNA XXVIII
AVAILABLE TO USE ALL
APRIL 13 -16, 2006
San Jose, CA**

	Category	Budget	Actual
Income			
	Pre-Registration	\$ 10,000.00	\$ 11,940.00
	Online Pre-Registration	\$ 10,000.00	\$ 15,980.00
	Registration (Onsite)	\$ 55,000.00	\$ 64,940.00
	Merchandise	\$ 70,000.00	\$ 72,019.00
	Other	\$ 61,383.00	\$ 85,697.00
	Total	\$206,383.00	\$250,576.00
Expense			
	Arts & Graphics	\$ 15,000.00	\$ 9,150.43
	Entertainment	\$ 29,620.00	\$ 20,788.99
	Executive	\$ 49,650.00	\$ 45,003.65
	Host	\$ 26,050.00	\$ 18,526.51
	Merchandise	\$ 65,000.00	\$ 58,806.40
	Program	\$ 12,375.00	\$ 10,690.00
	Registration	\$ 5,750.00	\$ 4,067.75
	Total	\$203,445.00	\$167,033.73
Profit/Loss			
	Total Income	\$206,383.00	\$250,576.00
	Total Expenses	\$203,445.00	\$167,033.73
	Adjustment		
	Net	\$ 2,938.00	\$ 83,542.27

NCCNA XIX
No Matter What...
April 5-8, 2007
Santa Clara, CA

	Category	Budget
Income		
	Pre-Registration	\$ 7,500.00
	Online Pre-Registration	\$ 17,500.00
	Registration (Onsite)	\$ 66,000.00
	Merchandise	\$ 70,000.00
	Other	\$ 63,710.28
	Total	\$224,710.28
Expense		
	Arts & Graphics	\$ 16,848.00
	Entertainment	\$ 31,150.00
	Executive	\$ 61,025.00
	Host	\$ 17,450.00
	Merchandise	\$ 65,675.00
	Program	\$ 14,930.00
	Registration	\$ 6,600.00
	Total	\$213,678.00
Profit/Loss		
	Total Income	\$224,710.28
	Total Expenses	\$213,678.00
	Adjustment	
	Net	\$ 11,032.28