



the REACTer

Official Publication of REACT International, Inc. (Radio Emergency Associated Communications Teams)

May/June, 1997
Price \$2.50



46 Indiana REACT members attend first convention held in Southwestern Indiana.

REACT International, Inc.
P.O. Box 998
Wichita, KS 67201

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In This Issue...

Surprising Information
Revealed in Test of New FRS
Radios

Field Director Nomination
Statements

Synopsis of the Winter 1997
Minutes of the Board of
Directors

REACT International
Independent Auditor's Report

First for Indiana State REACT Council

Submitted by Vanderburgh County REACT #C296

The 1996 Indiana State Council Convention was a total success, with 46 Indiana REACT members in attendance.

For the first time in 17 conventions, this was the first one held in Southwestern Indiana. Vanderburgh County REACT, Inc., hosted the Indiana State Council Convention, on November 8th through 10th, 1996 at the Executive Inn in Evansville, Indiana.

With the support of the Evansville Convention Bureau, local businesses came forward with donations to make this convention a real success.

Excellent accommodations were provided by the Executive Inn and the banquet buffet was excellent. Awards were presented after the banquet for a job well done.

Friday members enjoyed a

tour of Whirlpool and Saturday brought a fun night cruise donated by Casina Aztar.

A workshop was presented by EMA directed by Sherman Greer, followed by speakers from the Evansville Police Department, and the Vanderburgh County Sheriff Department.

Team #C296 enjoyed having everyone in Evansville - where the river and good times roll.

35th Anniversary Patches



Unity REACT Inc., Team #2947 is offering a patch representing 35 years of REACT.

The cost of the patch is \$2.95 each. We will pay for shipping to your team or to a designated addressee. If you are interested in purchasing the patches, mail a check, money order or cashiers check in U.S. Funds as well as the number of patches needed to:

**35th Anniversary Patch
c/o Allen Jackson
O.S. 628 Cedar Ave.
Elmhurst, IL 60126**

New REACT Teams Chartered

- | | |
|-------|---|
| #4974 | Washington County REACT
Salem, Indiana (Washington County)
February 20, 1997 |
| #4975 | Metropolitan REACT
Emergency Communications
New York City, NY
(New York County)
February 21, 1997 |
| #4976 | REACT Pender County
Rocky Point, North Carolina
(Pender County)
March 6, 1997 |
| #4977 | Benton County REACT
Urbana, Iowa (Benton County)
March 24, 1997 |
| #4978 | REACT Pirates Way
Enid, Oklahoma (Garfield County)
March 31, 1997 |
| #4979 | Willowdale REACT
Willowdale, Ontario
April 1, 1997 |

Table of Contents

First for Indiana State REACT Council... 2
 New REACT Teams Chartered..... 2
 On the Road to Toronto...
 Clearing Canadian Customs..... 3
 Publicizing REACT..... 4
 Surprising information revealed in
 test of new FRS radios..... 5
 Field Director Nominations..... 6
 Donations Deserve Recognition..... 9
 GMRS...Rx.....10
 Life Membership Corner.....12
 Calendar of Events.....12
 Synopsis of the Winter 1997 Minutes
 of the Board of Directors..... 18
 Independent Auditor's Report..... 19

Advertisers

Communication Specialists, Inc..... 9
 Firestik Antenna Company..... 11
 Recording for the Blind..... 12
 Popular Communications..... 17
 Adventures in Marketing..... 18
 Police Calls Plus..... 23
 K40 Electronics..... 24



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On the road to Toronto...

Clearing Canadian Customs

Remember, REACT '97 is in a neighboring nation. We visited Canada for REACT '86 and Customs Canada was very obliging. This time around should be just as great.

The world has changed a lot since 1986, however, and not for the better. Consequently, Customs officials on both sides of the Canada - US border are somewhat stricter today.

To make your entry into Canada easier, here are some reminders that will help. Firearms are not allowed into Canada. Drugs should be in their original prescription containers, which identify them and give dosage directions. Fruit, fresh veggies and plants are a no-no for agricultural reasons. Tobacco and alcohol are limited. Vehicle insurance is required. Check with your agent. Proof of U.S. citizenship is required by birth

certificate or passport. Radar detectors cannot enter Canada (even if not in use). Pets require proof of vaccination. Ask your veterinarian. Radios and cellular phones are no problem. Carry any U.S. licenses for the equipment with you.

RVers may find Customs officers a little more lenient concerning fruit, etc. (see above) but there are no guarantees. These tips cover the main areas in brief. Contact any Canadian Embassy or Consulate for more information. You can also write Customs Canada, Ottawa, ON or Tourism Canada, Ottawa, ON for help with your travel plans.

Be pleasant and cooperative with the Customs officer. You will likely be on your way in short order. Have a safe trip and a wonderful time in Toronto at REACT '97.

GMRS in Canada

We need your help. There is no GMRS in Canada. Those are business frequencies there. Please use only 462.600 while in Canada. Please use it with all the efficiency and professionalism for which REACT is renowned. Thanks.

REACT International eligible for the 1997 Combined Federal Campaign

Again, REACT International is listed on the Combined Federal Campaign under donor number 1324.



Publicizing REACT

by the Public Relations Committee

People of Orange?

Does your REACT Team exploit the valuable safety and recognition advantages of orange? Here's another source of orange uniform shirts to contact: S&H Uniform Corp., 200 William Street, Port Chester, NY 10573, telephone (914) 937-6800; fax (914) 937-0741. Check the S&H catalog for other orange items your Team may find useful too.

Thanks to "Pete" Kreer for selecting orange as a REACT color, and to Dr. Hall Duncan for encouraging Teams to capitalize on orange's safety and PR pluses.

Pay a Visit

When you travel, do you make a point of visiting REACT Teams along the way? Check the "REACT Team Contact Directory" for info on Teams along your route.

Enjoy the fellowship of local REACTers. Swap ideas on PR and a host of other interests your Teams share.

Call ahead. Perhaps your visit will fall on a Team meeting night. We can learn much from one another. You, your Team and your hosts can all benefit. Make your travels pay REACT dividends.

Need Loot?

Most REACT Teams can use extra money to help with pet projects. One source for fund raiser products is: Fundamentals, 5201 Creek Road, Cincinnati, OH 45242-3933, or (888) 528-2580.

Has your Team a company it likes and other Teams should contact? Drop us a note with the details. We'll tip everyone in a future column.

A Friend Indeed

Do yourself a favor. Carry a "REACT Team Contact Directory" when you travel. The Contact Directory can be ordered through REACT International. Please check the most current price list for costs.

It can be worth its weight in gold if you run into difficulties of one kind or another. A CB, GMRS or phone call to a nearby Team can bring help in many forms. Information on a reputable service station or a recommended doctor can put your mind at ease. Just having someone to talk with when "Murphy's Law" kicks in can make all the difference.

REACTers who've helped total strangers for years are experienced and resourceful. We can sure be invaluable to one another. Do let us know if you help a fellow REACTer, or are helped by one, far from home. Be sure to tell your Team's PRO, too.

Copy-Cat It

Are you one of your Team's photographers? Check your newspaper for tips to help you get better shots. Look at their tricks. Watch for these:

Get in tight. Place people 4' to 6' from the camera, no more. They are important. Show them off.

Get action. Have them doing something-talking on a radio, showing someone how a radio works, discussing plans with an event organizers, participant, police, etc.

Get it clean. Keep the background plain. Beware of signs, poles, etc., that will spoil a good shot.

Get uniforms. Select REACTers, Salvation Army, Red Cross, fire, police in uniform. Uniforms help your photo tell its story. They look good. They are priceless PR.

"A picture is worth a thousand words." Sometimes. Good photos tell their own stories. They require very little explanation.

Check some of your photos. How can you make them tell their story better? Make your film count.

Is your radio on?

**Monitor...
Monitor...
Monitor!!!**

Surprising information revealed in test of new FRS radios

By Bob Leef
Crest REACT #4252, California

Always on the cutting edge of developments, Crest REACT is among the first to examine and report on the new Family Radio Service handheld models that are beginning to appear.

The miniature two-ways are currently being made by Motorola, Midland, Maxon, Radio Shack, Cobra and Alinco. Operating on simplex with seven frequencies at 462.xxxx MHz and seven at 467.xxxx MHz, they are limited to 1/2-watt or less EPR - usable only for a mile or so (in theory). However, the alarming news is how some of these units interfere with repeaters far beyond their planned range. Details later.

The good news: lack of required licensing, uncluttered frequencies (at least for now), and a starting price of about \$200.00 per pair (if you shop carefully). These facts, and their physical size of about 8" to the top of the antenna, will be attractive to some users.

Our test radios were a pair of Radio Shack 21-1808 (FRS-108) and a pair of Midland 75-510 HTs. Both models had all fourteen frequencies. The Radio Shack units did not have CTCSS.

Audio quality of both brands was acceptable, but speaker output could be a problem in a situation with any moderate level of noise. Advertisements mention that one suggested use is in a shopping mall...we wonder if the caller will be heard in that environment.

Our maximum distance tests showed: open area, 1.5 miles; car-to-car, 2/3 mile; inside buildings,

less than .5 mile. Other observations - the Midland's battery door fastener is flimsy, and may break easily, although the radio itself appears sturdy. The Radio Shack unit lacks a belt clip, but is less than 5" tall when its folding antenna is down, making it a true pocket model.

But good news may be overshadowed by the bad. Tests showed an alarming problem in the Midland using CTCSS. When the Midland FRS HT was keyed-up on a frequency adjacent to a GMRS repeater input - using a tone known to be in the repeater - that repeater was activated. Although voice wasn't passed every time, the interference takes the form of repeater keying. To the repeater listener, it sounds like the dreaded kerchunking which we all hate to hear. This is a serious condition - especially when the one repeater was activated at SEVEN MILES from the site, and another at OVER THIRTEEN MILES from its site. I am sure we could have gone even farther away, but we ran out of time. During his test, another reviewer talked over 100 MILES from a mountain. Does this give you an idea of the reality of potential interference? We wonder what it would take to get the FCC to look into this.

We hope people STAY OFF channels 8 through 14. If these channels are in fact used in this and other brands of FRS radios with CTCSS, there could be a lot of unintentional interference to our communications and to many other licensed users. Perhaps the worst part is that FRS people will prob-

ably never know they have interfered because they don't listen to any repeater output frequency. Also - on the models we tested - their reception was selective enough not to pick up adjacent repeater output by bleed over.

If you buy, we strongly urge you to use only channels 1 through 7, so as to not risk interfering with repeaters. Please advise all FRS users that you come into contact with, to use channels 1 through 7, and explain why.

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Notice on special accident insurance

A renewal rider for the above captioned policy effective 5/1/97 to extend coverage to 5/1/98 at the same rates and benefits as expiring has been issued.

Please be advised that in order to renew coverage for the 5/1/98 to 5/1/99 policy year, eligibility must be on a mandatory basis. The rate per participant will be adjusted according to a competitive level, to be determined at anniversary.

Marjorie O'Connor
William K. O'Connor & Co.



James E. Bear
Suburban REACT #3410
Lancaster, Pennsylvania

OCCUPATION:
U.S. Government
Kellogg Company (Retired)

PERSONAL DATA:
Age 62, married: 3 sons, 1 daughter

EDUCATION:
Associate Degree - B.A.

REACT HISTORY:
Joined REACT in 1962. Currently a member of Suburban REACT #3410, previously with Lancaster County REACT #C130. Served as President, Vice President, Secretary and participated on numerous committees. Founded and was President for 8 terms of the Pennsylvania Emergency Communications Council, Inc., dba PA Council of REACT Teams, Inc. International offices held include Field Director, CEO/President (twice) and Treasurer.

NOMINEE STATEMENT:
I have served three terms as your representative on the Board of Directors. During that time I was privileged to serve as your Field Director, President and Treasurer. While serving as President I am proud to say that I instituted the ONLY reduction of your REACT International dues. I have also, as your Treasurer, been able to reduce spending and to ensure the financial stability of your organization with sound financial investments.

(Nomination statement continued on page 8)



Lee W. Besing
Bexar County REACT #4950
San Antonio, Texas

OCCUPATION:
Computer Consultant

PERSONAL DATA:
Age 42, divorced; 1 daughter, 1 son

EDUCATION:
College Graduate

REACT HISTORY:
Joined REACT in 1974. Currently a member of Bexar County REACT #4950, previously with San Antonio REACT #3622. Served team offices of Secretary, President, and Chairman. Served as Executive Vice President and Secretary to the Texas State REACT Council. International offices held include a member of the Public Relations Committee and a member and Chairman of the Computer Services Committee.

NOMINEE STATEMENT:
REACT needs to elect directors who will use all the means of communications available to them, to communicate regularly with the membership. I am available via telephone, fax, e-mail or normal mail, and all of my contact information is publicly available. We cannot continue to stick our heads in the sand and ignore the world around us. We need to turn the trend of decreasing membership around, and that takes the efforts of all of the members, not just the board. For a communications organization, we seem

(Nomination statement continued on page 8)



Michael Chuvén
Daytona Beach REACT, Inc., #2194
Daytona, Florida

OCCUPATION:
'B' Class Wastewater Operator

PERSONAL DATA:
Age 34, single

EDUCATION:
A.A. Degree

REACT HISTORY:
Joined REACT in 1978. Served on team as Treasurer, Vice President, President and Sergeant-At-Arms. Served on the Florida Council of REACT Teams, Inc., as Sergeant-At-Arms, Secretary and President. International offices served include a member of the GMRS Committee, and as a member of the Job Description Committee.

NOMINEE STATEMENT:
Another sad milestone, for the volunteer corps of America today as REACT International, Inc., closed its doors for good. This headline as unthinkable as it may be, could become a reality if things continue as usual.

Two of our biggest problems is Finance and Public Relations. Both problems fall directly on the shoulders of the International Board of Directors. A successful management team would and can reach these goals. Unfortunately many times in a volunteer organization, the directors are elected not by ability but by popularity or name recognition. For REACT to

(Nomination statement continued on page 9)



Ron Faulkner
Stratford REACT, Inc., #4853
Woodstock, Ontario

OCCUPATION:
Courier Service Owner

PERSONAL DATA:
Age 42, married, 1 daughter, 1 son

EDUCATION:
College

REACT HISTORY:
Joined REACT in 1979. Currently a member of Stratford REACT, Inc. #4853, previously a member of Woodstock District REACT, Inc. #2341. Served team offices of Secretary and Operations Manager. Serving as 1997 Convention Chairperson for REACT Council. Served as a member of the Communications Committee for REACT International.

NOMINEE STATEMENT:
If elected to the International Board of Directors, I feel that I can offer a view from Teams, and REACT members from outside of the United States.

I have eighteen years as a REACT member. I also served fifteen years as a member (10 years as an officer) of St. John Ambulance (the worlds oldest volunteer organization), during which time I received several different levels of training in leadership skills.

Along with my wife Linda we own and operate a courier business that operates Ontario wide with the occasional jaunt into the United States.

I have a firm belief in REACT as an organization

(Nomination statement continued on page 9)

(Bear nomination statement continued from page 6)

If our organization is to continue, we must keep the members we now have, find new members and maintain a financial status that reduces spending, ensures that our investments give us the greatest return and find ways to obtain new sources of revenue without raising dues. My plan was to reduce dues for three consecutive years, however, circumstances beyond my control derailed that initiative, but I haven't forgotten that pledge, and will continue to look for avenues to permit those reductions.

We need to continue to strive for establishment of a separate Life Member Endowment Fund (LEMF) within the REACT investment accounts so new Life Member dues will be isolated and credited to the LEMF, ensure a proper accounting of Life Members till being served, determined actual yearly costs to serve these members, and pay REACT International the Life Member fair share of servicing costs each year from the interest and dividend payments without disrupting the main investment securities.

We need to investigate and develop proposals to national associations and industry organizations to provide members with additional membership benefits without jeopardizing our IRS non-profit tax exempt status. I would encourage solicitation of ideas and suggestions from Councils and Teams as to how International can better serve their needs for recruiting, project planning, supplies and administrative services within our financial restraints. We need to solicit your ideas as to how to further development and expansion of services to the public and nationwide disaster and emergency planning organizations, e.g., FEMA, NWS, DOT, Red Cross, Salvation Army and others.

We need to expand and improve the current By-Laws to make them more democratic and responsive to the general memberships' desires, including establishing regionally elected Field Directors responsible to Councils and Teams in those specific areas, while keeping a geographical balance of representation. Additionally we need to ensure straight forward communications to all Councils and Teams of Board actions, decisions, and policies, with full discussion of the reasons for same printed in the REACTer to stop the rumors before they start, and tell both sides of the discussions. I have attempted to "open" the system by an appropriate motion at the convention to "open" all Board meetings which passed, unfortunately, only five to six members ever attended. I have protected your financial interests with sound investments paying dividends to the organization never before achieved with minimal transactions fees, made

unpopular budget cuts, mainly no director reimbursements for portions of 97 and all of 97 saving us about \$17,000 including the recent winter meeting. I have worked cooperatively with the president to save printing costs to insure six issues as long as adequate funds are available, redesigned the K-40 program in cooperation with the Committee to acquire greater participation, and worked with the Secretary to co-purchase our current financial accounting package and recent upgrades, all at no cost to the organization.

With your vote I can assure you that I will continue to keep an eye on spending, your investments and keep the conversation dialogue open. My nomination comes to you with the support of nomination forms from 4 Councils and 32 Teams.

Community involvements include President of the Souther PA Amateur Radio Club, Inc., Lancaster County Radio Officer, Lancaster County Emergency Management RACES Director, Eastern Pennsylvania Emergency Coordinator for ARRL.

(Besing nomination statement continued from page 6)

to avoid communicating with each other, but within the REACT e-mail network, there has been more communications in the past two years than ever before. REACT needs to use any method of communications to get the message through, whether it be via CB radio, Amateur, GMRS, "two tin cans and a string" or a "computer with a modem".

In 1995, I helped establish the web site for REACT International, and began communicating regularly among REACT members via e-mail. I have spent hundreds of man hours developing and maintaining that site and helping other teams and councils get their web sites up. I have been an active part of accomplishing this increase in communications, and I feel good about it. We have received dozens of inquires about REACT from non-REACT or former REACT persons, as a result of publicity on the Internet. I wrote a 96 page guide to help other teams start new teams in their area, called "14 Steps to Starting a REACT Team", and it is available from the web site for download and printing.

If elected, I will strive to use any means of communications, especially e-mail, to communicate both directions with the membership of REACT. I feel the minutes should be available promptly via e-mail to the membership, not hidden away and summaries distributed at a much later date. There has been too much secrecy in the past, some required, but too

many decisions being announced without any explanations of why they were reached.

I hold a 4 year BS Degree from the University of Evansville in Business Administration, Major in Accounting, Minor in Computer Science. See my web page <http://puterman.stic.net> for more details if you have Internet web browser access. In the fall of 1995, I started my own computer consulting business, now known as "The 'Puter Man'". I can proudly say that, although I am not one of Texas's most recent millionaires, and don't always have the latest radio gear to play with, I do know how to get the job done within available funds and within a budget. I know what the term "customer service" means, cause that has been the reason I am succeeding at what I'm now doing.

I have been an active member of REACT since 1974. I have been, and am still, a state officer, area council officer, and team officer. I have held most positions and duties within a team. I do not plan to resign my other offices held, unless the duties of field director prove to interfere too much and cause me to neglect those other duties. I will continue to be an active team member, working events and monitoring the radios.

I am licensed for both amateur radio (N5NTG) and GMRS (KAE-2449), and my CB is always turned to Channel 9 for emergency calls, 24 hours a day.

I prefer to make decisions based upon FACT, not emotion and innuendo. I appreciate the work done in the past by the present and past board

members, but we need to keep moving forward to improve the organization and help REACT to grow stronger.

If you consider my points valid, if you think I can get the job done, please ask your team members to vote for me as field director.

(Chuyen nomination statement continued from page 7)

survive, the practice needs to be altered.

I will bring leadership and commitment to the ideals of the organization. To the financial end I would work on securing grants to help expend on volunteer communications in time of disasters. To the public relations side I will work on creating a program with the truckers of America. This in conjunction with the different state D.O.T. will get REACT in the public's eye on the interstates.

I am a team player and by electing me to the Board of Directors all of our teams will win.

(Faulkner nomination statement continued from page 7)

and in the principles that REACT was founded for, I also believe in the Board of Directors being 100% accountable to and open with the INTERNATIONAL MEMBERSHIP of REACT.

Donations Deserve Recognition

Pacific Northwest REACT Council representing the Washington, Oregon and Idaho REACT Teams donated \$500.00 to be expressly earmarked for the 1997 VOAD dues for REACT International, Inc.

The Council challenges all other Councils to the task of continued funding of this membership.

- DIP switch programmable
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- All 32 EIA tones from 67.0 - 203.5hz included
- May be ordered with custom tones



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GMRS...Rx

*By Bill Simpson
GMRS Committee Chairperson*

Does "Line A" run near Toto's home, or is it someplace in the general vicinity of Gilligan's Island? Most of us look at the notation on the FCC Form 574, and simply run on past, with nary a backward glance. BUT, if you plan on attending the 1997 Convention, you miiiggghhhttt want to pay attention for the next few minutes. Maybe we won't tell you anything you don't already know, but, we just might save you a potential headache, or even some significant dollars, if you are really backed up to the wall.

Most of us, in the lower 48, are able to license and use the GMRS transceivers without a second thought. We essentially have a CB radio (Part 95, remember, which does not require a license, such as that which many of us (old-timers) had many years ago, but which operates in the 462.xxx band. No big padilla, right? We use the radio as we want, paying attention to the rules the local club has specified as 'important'! We really don't want to worry ourselves with stuff that doesn't concern us.

YooHoo...oh GMRS type REACT membeeerrr...it's time to pay attention! "Line A" is a kinda buffer zone between the contiguous 48 states and the Canadian provinces, which does NOT recognize the GMRS frequencies as being available for public use. In fact, many of the frequencies, and especially 462.675 Mhz, are in use by the Canadian authorities as

official frequencies. Unauthorized use of these frequencies would result in rather significant penalties to the person or persons in violation. Years ago, when the convention was in Calgary we could not use the GMRS frequencies at all, but moved to some strange frequency. For the 1997 Convention, we have received authorization to use the 462.600 Mhz frequency, but NOT 462.675 Mhz.

The instructions for the completion of Form 574 no longer contain references to "Line A", except for one paragraph which reads:

"Certain stations, because of their geographical location, would best be protected by provisions of additional information. Specifically, this includes any proposed station which is located in the region north of Line 'A' as defined in Section 1.955 of the Commission's Rules, or in the State of Alaska, east of Line 'C'."

These stations normally would be allowed to operate, but could be forced to reduce power, and/or to use a directional antenna to avoid interference with other stations.

For most of us, that's not a cause for concern. We simply reprogram the HTs and mobiles to accept the frequencies we need. In some cases, we take our 'big M' type transceiver, plug the computer to it, and magically repro-

gram. Many GMRS users are still using the crystal controlled models, such as the four channel Maxon, and will need to recrystal for the convention, unless, of course 600 is in the radio. The point is, while making preparations for the convention, remember the radios.

One other consideration is to drop by a local US Customs office and register all communications equipment which you plan to take across the border. While you are there, take along the camera equipment and register that as well. There's no charge for the service, and you establish beyond a doubt that the equipment was purchased and in the United States prior to the entry into Canada. Normally there is simply no problem while traveling across the borders, but the potential exists for some officious type individual to demand to see the sales receipt for some high dollar item, and then to request that you pay the duty if there is no proof of purchase available. In some cases, the dollar amounts could be rather high. The new free trade agreements MAY have changed the policies somewhat, but why take the chance? None of us relish the idea of standing at a crossing point, arguing about the purchase of a radio or camera. There's not enough time to see everything in any case.

Enjoy the Convention, and all the side trips!

STATES HAVING COUNTIES NORTH OF LINE "A"

Idaho (3 counties)
 Indiana (3 counties)
 Michigan (63 counties)
 Minnesota (14 counties)
 Montana (19 counties)
 New Hampshire (3 counties)
 New York (30 counties)
 North Dakota (19 counties)
 Ohio (24 counties)
 Pennsylvania (3 counties)
 Vermont (12 counties)
 Washington (19 counties)
 Wisconsin (7 counties)

A complete listing, by county, is available with the instruments for the completion of Form 574.

ATTENTION, ATTENTION!!!

The FCC, has finally released a Memorandum Opinion and Order, addressing issues for which the Commission had received petitions for clarification. FCC Docket 92-235, contains language and directive which WILL directly affect the General Mobile Radio Service. One of the major points of this directive concerns "narrowbanding" portions of the radio spectrum, and specifically names the 150-174 Mhz and 421-512 Mhz bands.

Essentially, the narrowbanding plan will force the manufacturers to develop new equipment, which will allow, by the year 2005, only 6.25 KHz frequency spacing. This is a somewhat radical deviation from the present 25 KHz spacing, and will undoubtedly increase the price of new equipment. Exist-

ing equipment will be allowed to continue operation, although the FCC feels that urban pressure will drive the existing wideband radios off the market, and force the users to update the existing equipment.

This order will directly affect the GMRS, which currently operates with 25 KHz spacing, by forcing the purchase of more modern equipment, including repeaters, and transceivers, within the next ten years, approximately. There are no specific dates given in the R&O, other than cut-off dates for the manufacturers for applications for type-acceptance of equipment. As of February 14, manufacturers may not submit applications for type-acceptance unless the equipment is capable of 12.5 KHz spacing. By 2005, this equipment must be capable of spacing of

6.25 KHz or less.

Support will continue for the existing wide-band equipment, as long as any changes do NOT constitute a redesign of existing equipment. The allowable eight plus seven frequencies could be in jeopardy in the potential reallocation of the spectrum, with only half of the channels being allocated to the Service, and possibly being required to share the frequencies with the newly formed Family Radio Service! Note that it is pure speculation, but the issue has been raised by at least one technician. Additionally, the radio frequencies involved, both VHF and UHF could be placed at auction by the Commission, which could eliminate the smaller "mom-n-pop radio shop" from having access to the frequencies which we use!

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Life Membership Corner

**By Richard T. Gamble, LM #226
Life Member Committee Chair**

Well, once again we are at the time of year that we vote for the Board of Directors and have to try to get people that will try to work for REACT and the members at large. Well, I have just been working on this article venting some frustrations at some of the wisdom I see on our e-mail group and the so called intelligence I have seen and I find that I was starting to repeat things I said last time I wrote this column.

I guess what I am really saying now is that I feel that as a Life Member we should support our Board of Directors during their tenure as an elected Field Director

no matter what we think of them personally. They are the elected representation even though less than 1/3 of all Teams seem to vote for the Directors each year.

Please! Everyone see too it that your Team investigates the History of each Candidate running for the Field Director positions this year and vote for the two (2) that you feel will do the best jobs for REACT as a whole not just for some little segment of our organization. Get your Team to vote and properly complete their ballot and submit it by at least July 1, 1997, to give it plenty of time to reach the Convention and be counted.

Then after the election SUPPORT your Board and quit belittling them. If your Team does not agree with something put it down in black and white and send it to each Board member and request an answer back as to their actions.

New Life Members

Susan Ebin
Life Member #521
Roanoke Area REACT #4896
Roanoke, Virginia

James Jensen
Life Member #522
High Plains REACT #4919
Casselton, North Dakota

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is available on
audio cassette tape
for the blind.**

**Certain conditions
and costs are involved.**

**For further details
please contact:**

**Kathleen Coyne
Recording
for the Blind, Inc.
404 W. 30th Street
Austin, TX 78705
(512) 477-9390**

Calendar of Events

May 16-18, 1997 - California's 7th Annual Western Regional Roundup, Laughlin/Bullhead City. For further details please contact a California REACT Council or team representative.

May 17-18, 1997 - Florida Council of REACT Teams, Inc., meeting hosted by Orlando Metro REACT Team #4778. For further details please call 1-800-519-5917 or contact a council representative or E-mail John Knot at orlandoreact@juno.com.

June 28, 1997 - Wisconsin Council of REACT Teams meeting hosted by Fond du Lac REACT. For further details please contact a council representative.

July 14-18, 1997 - REACT International Convention, Toronto, Ontario. Further details in past issues of the REACTer, registration form in this issue.

August 3, 1997 - Ohio REACT Council meeting. For further details contact John Leist at (614) 474-3786.

August 15-17, 1997 - REACT Camp-out hosted by the Wisconsin Council of REACT Teams in New Lisbon. For further details please contact a council or team representative.



**1997 REACT® International Convention
Toronto Ontario
JULY 14 TO 18 1997**

Send to: 1997 REACT Intl. Convention
PO BOX 215 WOODSTOCK, ON N4S-7W8 PHONE (519)539-6922

SECTION 1. NAME/ADDRESS

CONVENTION FILE #: _____

PLEASE PRINT OR TYPE. ONE PERSON PER FORM PLEASE. PLEASE COMPLETE AS MUCH OF THIS FORM AS POSSIBLE

NAME _____
 ADDRESS _____
 CITY _____ STATE/PROVINCE _____ COUNTRY _____
 POSTAL/ZIP CODE _____ PHONE (____) _____ - _____

IN CASE OF AN EMERGENCY CONTACT NAME _____ PHONE (____) _____

LIFE MEMBER # _____ COUNCIL AFFILIATION _____
 TEAM CHARTER # _____ TEAM NAME _____

FOR SAKE OF COORDINATION, NUMBER OF PERSONS IN PARTY _____

SECTION 2. CONVENTION REGISTRATION (U.S Funds)

PAYMENT PLAN AVAILABLE

CONVENTION REGISTRATION IS \$60.00 {\$95.00 IF OFF SITE} PER PERSON \$ _____

AFTER MAY 1, 1997 REGISTRATION IS \$75.00 {\$110.00 IF OFF SITE} PER PERSON

	NUMBER	US funds	
ADDITIONAL CONVENTION PICTURES	_____	@ \$12.00	\$ _____
AMATEUR RADIO BREAKFAST	_____	@ \$15.00	\$ _____
AMATEUR PICTURES	_____	@ \$12.00	\$ _____
CONVENTION SHIRTS			
S M L XL XXL XXXL	_____	@ \$20.00	\$ _____
LIFE MEMBER DINNER	_____	@ \$25.00	\$ _____
LIFE MEMBER PICTURES	_____	@ \$12.00	\$ _____
ADDITIONAL BANQUET TICKETS	_____	@ \$30.00	\$ _____
AWARDS LUNCH	_____	@ \$20.00	\$ _____

TOTAL AMOUNT ENCLOSED (including registration) \$ _____

DIETARY REQUESTS OR REQUIRMENTS Vegetarian _____ Diabetic _____ Other _____
 Medical Disabilities/Restrictions _____

SECTION 3. TRAVEL INFORMATION

I/we will arrive by: Terminal (Airline) 1 ___ 2 ___ 3 ___

AIRLINE _____ Flight # _____ Date _____ Time _____ AM/PM

BUS # _____ Date _____ Time _____ AM/PM Location _____

PERSONAL VEHICLE _____ Arrival Date _____ Time _____ AM/PM

TRAIN # _____ Date _____ Time _____ AM/PM Location _____

I/we will use a rental car at Convention _____ Please provide transportation from Terminal _____

I/we will depart: By type of Transportation _____

Date _____ Time _____ AM/PM From Location _____

NAME: _____

PHONE: (____) _____

TEAM # _____

COUNCIL _____

SECTION 4. CONVENTION COMMUNICATIONS

Service: AMATEUR CB GMRS
Frequencies: _____ 9 & 22 462.600 {141.3} *
FCC Call Signs: _____ (Simplex)
Unit designators: _____ * 462.675 not to be used
No other GMRS freq. can be used

SECTION 5. ADDITIONAL INFORMATION

Prior International Conventions you have attended:

1976 ___ 1977 ___ 1978 ___ 1979 ___ 1980 ___ 1981 ___ 1982 ___
1983 ___ 1984 ___ 1985 ___ 1986 ___ 1987 ___ 1988 ___ 1989 ___
1990 ___ 1991 ___ 1992 ___ 1993 ___ 1994 ___ 1995 ___ 1996 ___

SECTION 6. HOTEL INFORMATION

Toronto

International Plaza
Hotel & Conference Center
655 Dixon Road, Toronto, Ontario, Canada M9W-1J4
(416) 244-1711 FAX (416) 244-8031
Toll Free (800) 668-3656

CANADIAN Funds

Room Rates: 1-2 persons: \$75 Single/Double After June 15 1997
3-4 persons: \$95 Triple/Quad Regular Rates may apply

Rates ONE week before - ONE week after Convention

SECTION 7. TOUR

Niagara Falls _____ @ \$ 30.00 Total _____

SECTION 8. OTHER

Child care services will be provided please list # and ages of any children that are coming with you _____

(POSSIBLE CHARGES MAY APPLY)

Any questions you may have for the 1997 Convention Committee ?



K40/REACT INTERNATIONAL ACHIEVEMENT AWARD NOMINATION FORM



Submission Category is:

(Mark one only) Individual Team Council

Nominee's Name _____ Team # _____

Address _____

City _____ State _____ Zip Code _____

Day Phone Number () _____ Evening () _____

Team/Council Name _____

Individual Nomination: (See General Rules)

Nominee Monitored _____ Hours _____ CB _____ GMRS _____ Amateur _____ Marine _____ Other _____

Team Nomination: (See General Rules)

Team held _____ membership meetings, averaged _____ members attending per meeting out of total members registered (during quarter preceding this nomination).

Team Delegates attended _____ Council meetings out of _____ held Team HAS or HAS NOT a scheduled monitoring program for one or more of CB9 _____ CB _____ GMRS _____ Amateur _____ Marine _____ Other _____ (specify other).

Hours monitored for: CB9 _____ CB _____ GMRS _____ Amateur _____ Marine _____ Other _____ during reporting period. Total hours monitored _____ percent of efficiency to public services.

Team volunteered at _____
Public Service Events
Charitable Benefits
Disaster/Emergency Operations

Please attach itemized lists of events, including names, places, dates, man hours, number of members working and explanation of services provided by the Team. List everything the Team has participated in.

Please read the information on the back of this form before completing. Sign below as required as noted in the rules to certify the information submitted with this nomination form is true to the best of your knowledge.

Signature of officer or member #1 or #2 or Agency Reps., submitting nomination per rules stated on reverse hereof.

Signature of officers and member for Council submissions.

Send completed form to:

Don Perry
K40 Chairperson
4724 Avens Street NE
Salem, OR 97301

Include any/all required copies and documentation

All nominations become the property of REACT International, and will not be returned. Judges decisions are final.

GENERAL RULES

1. Members of the Board of Directors are not eligible for the K40/REACT International Achievement Awards while serving on the Board of Directors. Other special awards are available for these members.
2. Members of the Board of Directors and the general membership may submit directly to the committee their nominations in accordance with these guidelines, providing they have included corroborative evidence such as newsprint media copies or letters from agencies other than REACT.
3. Nominations with more than five (5) pages of supporting documentation must include one (1) original and six (6) photocopies when submitted. All copies should accompany this form and contain the nominee's name to identify them.
4. Nominations will be considered in the quarter in which it is received at the address listed on the form. Quarters for judging will be:

<u>QUARTER</u>	<u>DEADLINE FOR RECEIPT</u>
1st	April 15th
2nd	July 15th
3rd	October 15th
4th	January 15th

Naturally, if the closing date falls on a Sunday or holiday, nominations will be accepted through the next day of mail being delivered. Nominations received but judged not to be the winner will automatically be moved to the next quarter for judging with other nominations. This moving will occur for only three (3) additional quarters, at which time it will be removed from the judging status.

5. Failure to follow any of the requirements on this form for the specific category being nominated, will void the nomination. There are NO EXCEPTIONS.
6. In addition to monitoring, other activities to be considered when making this nomination may include civic endeavors, civic projects, uncommon accomplishments, and public safety assistance. Monitoring efficiency will be determined by number of calls divided by number of claimed hours monitored (1,200 calls divided by 15,000 hours equated to .08 efficiency, or value to the public).

INDIVIDUAL NOMINATION

1. List the accomplishments for which this individual is being nominated in date sequence, including month, day, and year.
2. Nomination form must be signed by either two (2) Team officers, or two (2) Team members in good standing of the nominees team, or a member of the REACT International Board.
3. List the nominees participation history in the Team for the previous six (6) months. If nominee's membership is less than six (6) months, submit from membership date.
4. An individual's nomination may be submitted in any quarter, but may only win ONCE during any award year.

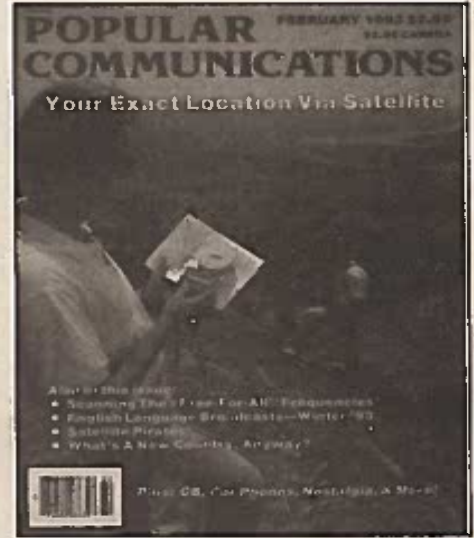
TEAM/COUNCIL NOMINATION

1. List the accomplishments for which this Team/Council is being nominated in date sequence, including month, day, and year.
2. Team nominations must be signed by two (2) Team officers, or two (2) Team members, or a member of the REACT International Board, with sufficient proof of accomplishment. Nominations would also be accepted if submitted by other local agencies such as Law Enforcement, Emergency Management, Red Cross, and individuals given outstanding assistance by any REACT member.
3. Council nominations must be signed by two (2) Council officers, and by one (1) Team officer, familiar with the Council's qualifications for nomination, or a member of the REACT International Board of Directors with validated documentation. Nominations would also be accepted if submitted by other local agencies as noted in paragraph two (2).
4. A Team's nomination may be submitted in any quarter, but may only win ONCE during any award year. Individual or Team nominations deemed not winners will be rotated in subsequent quarters as noted in Item 4 - General Rules.
5. A Council's nomination will only be awarded once per year and is only valid for the year submitted.

NOTE: All nominations will be forwarded directly to the Committee Chairperson with sufficient copies as noted.

The Committee's decision is final.

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Synopsis of the Winter 1997 Minutes of the Board of Directors of REACT International, Inc.

A regular meeting of the Board of Directors was held on February 20, 1997. In attendance was Christene White, Kenneth Green, and James Bear. Bonnie Zygmunt was absent due to a family illness. The following corporate actions were taken.

1. Awards and Recognition has a new form with requirements for submissions.
2. There are 268 active Life Members and 163 Unattached.
3. A new service has been established for the passing of information over the internet.
4. Work has begun on the possible

beginning of a Trucker of the Quarter Award.

5. Government Relations reported that several contacts are being established through the hard work of Al Hanger.

6. The attached Budget was adopted for 1997. [See page 21 of this issue].

7. The purchase of CD Rom Drive and Memory for updates needed for zip + 4 software.

8. A two line cordless phone headset for office to help Lynda.

9. Solicit Councils/Teams/Individuals for cash donations to offset the cost of these items.

10. Before anything is sent out on REACT International letterhead prior approval by the President is required.

11. The REACTer continues 6 times a year until absolutely financially it can not be afforded to produce it.

12. Until such time as funds are available Team Topics will not be produced.

13. Form type letters needs to be made and sent to various companies for donations.

14. We need to look into getting cutoff dates for submission to foundations.

15. An International director can't be afforded at the present.

16. At-Large director is needed and each director is to look into this matter.

17. Newly elected field directors will be sitting in on board meetings starting Monday after opening session, but without voting rights until change after closing session.

18. Several representatives were asked if they would serve as At-Large, 1 is considering it.

19. Team Bonding clause cut from insurance package.

20. Flags are needed. Want to look at double sided.

21. Check on magnetic signs from US Patch Co.

22. Upgrade Quick Books so inventory can be inputted. Quick Books donated by Jim Bear and Ken Green.

23. Continue with the current accounting of life membership dues.

24. Budget vs Actual will be easier with the implementation of the new Quick Books update.

25. When development of ideas on growth or projects are brought to the board, funding is the first priority to consider as regardless to the merits of the plan it maybe rejected based solely on the cost.

26. Audit Certification may need to be clarified.

27. Continue the Mission Statement accepted during the 1996 Convention.

28. Drop all subscriptions including the NOVAD donation.

29. No draft minutes be sent to anyone outside of the board.

30. A synopsis of minutes be sent to all committee chairs and placed in the REACTer.

31. Post card be used to notify councils of affiliates.

32. Accept by-laws with changes noted.

Submitted by,
Kenneth Green, Secretary

REACTWEAR

- **Lined Jackets**
- **Unlined Jackets**
- **Summer Caps**
- **Winter Caps**
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Independent Auditor's Report

The Board of Directors
REACT International, Inc.:

We have audited the accompanying statements of financial position of REACT INTERNATIONAL, INC. as of December 31, 1996 and 1995, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of REACT INTERNATIONAL, INC. at December 31, 1996 and 1995, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principals.

Our audit was conducted for the purpose of forming an opinion

on the basic financial statements taken as a whole. The statement of activity - actual vs budget as shown below, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the

audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

February 10, 1997
Lee Cropp & Associates, CPA's, P.A.

REACT INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES - ACTUAL VS BUDGET
FOR THE YEAR ENDED DECEMBER 31, 1996

	Actual	Budget	Variance*
Revenue	\$ 107,524	\$ 106,972	\$ (552)
DUES	1,500	1,000	(410)
Team charters	2,441	2,400	(41)
Gross profit on sales	4,008	4,000	(8)
Contributions	474	600	126
Training income less expenses	46	150	104
REACTer subscriptions	694	500	(194)
Advertising income	9,875	1,117	(8,758)
Investment income	1,012	1,000	(12)
Miscellaneous income	4,231	4,000	(231)
Life members earned	(70)	-	70
Promotional income less expenses	-	-	-
Total revenue	<u>131,735</u>	<u>121,829</u>	<u>(9,906)</u>
Expenses:			
REACTer	20,600	18,400	(2,200)
Membership kits and materials	483	1,000	517
Team charters	-	150	150
Team topics	-	2,033	2,033
Membership advertising	-	1,200	1,200
Council reimbursements	1,020	1,500	480
Council incentive	65	250	185
Board of Directors expense	16,080	12,000	(4,080)
Convention expenses	-	140	140
Postage & freight	7,407	7,000	(407)
Telephone - long distance	1,590	1,400	(190)
Salaries	26,742	28,000	1,258
Rent and utilities	9,479	9,500	21
Audit and accounting	5,673	5,700	27
Legal	2,260	2,900	640
Office supplies	4,205	4,200	(5)
Insurance	1,640	370	(1,270)
Headquarters travel	201	400	199
Maintenance and repairs	111	2,000	1,889
Dues and subscriptions	782	500	(282)
Contract Labor	5,556	1,500	(4,056)
Payroll taxes	2,086	2,000	(86)
Depreciation	2,464	3,200	736
Board elections	-	330	330
Telephone	1,679	1,600	(79)
Team insurance	3,747	3,266	(481)
Corporate committee	75	-	(75)
Gobel award	-	12	32
Miscellaneous	1,509	2,000	491
Life membership materials	6	25	19
Advertising	44	-	(44)
Lease Expense	5,541	5,184	(357)
Total expenses	<u>121,045</u>	<u>117,780</u>	<u>(3,265)</u>
Change in net assets	\$ 10,690	\$ 14,049	\$ (6,641)

*NOTE: Revenue amounts in parentheses in the Variance column represent income in excess of budgeted revenues. Expense amounts in parentheses represent amounts actually spent in excess of amounts budgeted.

REACT INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995

REACT INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996	1995
OPERATING ACTIVITIES		
Change in net assets	\$ 10,690	\$ (8,941)
Adjustments to reconcile Change in net assets to cash provided by operating activities:		
Depreciation	2,464	3,139
Earned life membership dues	(4,231)	(4,119)
(Increase) decrease in:		
Receivables		122
Inventories	4,551	2,482
Prepaid expenses	205	10,130
(Decrease) increase in:		
Payables	627	(2,328)
Accrued expenses	(1,075)	242
Compensated absences	930	(1,649)
Deferred income	(12,594)	3,871
Unearned life memberships	2,200	2,995
REACT memorial payments	100	100
Net cash provided by operating activities	<u>3,867</u>	<u>6,044</u>
INVESTING ACTIVITIES		
Purchases of equipment		(5,030)
Purchases of investments	(7,321)	(4,008)
Net cash used in investing activities	<u>(7,321)</u>	<u>(9,038)</u>
FINANCING ACTIVITIES		
Net cash provided/used in financing activities		
Net (decrease) in cash and cash equivalents	(3,454)	(2,994)
Cash and cash equivalents as of beginning of year	14,966	17,960
Cash and cash equivalents as of end of year	<u>\$ 11,512</u>	<u>\$ 14,966</u>

See accompanying notes and accountants' report.

	Unrestricted 1996	Unrestricted 1995
REVENUES FROM MEMBERS:		
Dues	\$ 102,563	\$ 107,810
Team charters	1,500	1,060
Life membership (Note 1)	4,231	4,119
International dues	1,395	740
AMHate dues	1,266	3,510
Total revenues from members	<u>113,255</u>	<u>117,239</u>
OTHER REVENUE AND SUPPORT:		
REACTer advertising income	694	285
REACTer subscriptions	46	146
Gross profit on sale of REACT I.D. material (Note 7)	2,441	2,548
Training income less expenses	474	708
Contributions	4,008	5,731
Interest income	4,926	2,743
Dividend income	2,709	2,351
Realized gain on investments (Note 1)	1,349	2,338
Unrealized gain on investments (Note 1)	891	614
Miscellaneous income	1,012	1,055
Gain on sale of asset		325
Promotional income less expenses	(70)	-
Total other revenue and support	<u>18,480</u>	<u>18,844</u>
Total revenues	<u>131,735</u>	<u>136,083</u>
EXPENSES:		
Membership services and communications - direct membership benefits	24,816	33,862
Membership services and communications - indirect membership benefits	26,237	24,456
Total membership services and communications expenses	<u>51,053</u>	<u>58,318</u>
General and administrative expenses	62,272	86,706
Total expenses	<u>121,045</u>	<u>145,024</u>
Change in net assets	<u>10,690</u>	<u>(8,941)</u>
Net assets as of beginning of year	41,369	52,310
Net assets as of end of year	<u>\$ 54,059</u>	<u>\$ 43,369</u>

See accompanying notes and accountants' report.

REACT International, Inc.
Statements of Financial Position
December 31, 1996 and 1995

ASSETS

	1996	1995
CURRENT ASSETS:		
Cash (Note 1)	\$ 11,512	\$ 14,966
Investments (Note 1)	87,973	80,652
Inventory (Note 1)	12,849	17,400
Prepaid expenses	409	614
Total current assets	<u>112,743</u>	<u>113,632</u>
PROPERTY AND EQUIPMENT, (Note 1):		
Computer equipment	15,927	15,927
Furniture and equipment	6,468	6,468
Total	22,395	22,395
Less accumulated depreciation	(16,119)	(13,655)
Property and equipment, net	<u>6,276</u>	<u>8,740</u>
OTHER ASSETS:		
Security deposits	775	775
Total assets	<u>\$ 119,794</u>	<u>\$ 123,147</u>

LIABILITIES AND NET ASSETS

	1996	1995
CURRENT LIABILITIES:		
Accounts payable	\$ 2,138	\$ 1,511
Deferred income - dues (Note 1)	16,660	29,254
Accrued salaries	-	640
Accrued payroll taxes	539	974
Compensated absences (Note 6)	1,570	640
Total current liabilities	<u>20,907</u>	<u>33,019</u>
LONG-TERM LIABILITIES:		
REACT memorial payments	1,611	1,511
Life members donations	129	129
Unearned life membership dues (Note 1)	84,629	82,429
Earned life membership dues (Note 1)	(43,341)	(39,110)
Total long-term liabilities	<u>43,028</u>	<u>44,959</u>
Total liabilities	<u>63,935</u>	<u>77,978</u>
NET ASSETS:		
Unrestricted:		
Donated equity	1,800	1,800
Fund balance	54,059	43,369
Total net assets	<u>55,859</u>	<u>45,169</u>
Total liabilities and net assets	<u>\$ 119,794</u>	<u>\$ 123,147</u>

REACT International 1997 Budget

	1996 Budget	1996 Actual	1997 Budget
Dues	102,587.00	102,858.00	82,126.40
Team Charters	1,090.00	1,540.00	1,232.00
Life Member Contributions	4,000.00	4,000.00	4,060.00
Affiliate Dues	3,000.00	3,568.00	2,853.00
International Dues	1,375.00	1,395.00	1,116.00
Total Revenue From Members	112,052.00	113,159.00	81,387.40
REACTer Advertising	500.00	694.00	600.00
Subscriptions	150.00	46.00	50.00
Sale of REACT ID	2,400.00	2,769.00	2,600.00
Training Income Less Expense	600.00	474.00	500.00
Contributions(CFC)	4,000.00	4,009.00	4,000.00
Interest Income & Dividends			
Life Member Endowment Fund Interest			
REACT Investment Interest & Dividend	1,117.00	1,327.00	1,300.00
Miscellaneous Income	1,000.00	1,012.00	1,000.00
Gain on Sale of Asset	0.00	0.00	0.00
Team Assessment for Insurance	10,000.00	9,606.00	11,700.00
Promotional Kit Sale	0.00	76.00	0.00
Total Other Revenue & Support	19,787.00	20,812.00	21,750.00
Total Revenues	\$131,829.00	\$133,171.00	\$113,137.40
Membership Services Direct			
REACTer	18,400.00	19,594.00	18,000.00
Membership Kits	1,000.00	483.00	500.00
Team Charters	150.00	0.00	50.00
Life Member Materials	25.00	6.00	25.00
Team Topics	2,033.00	0.00	0.00
Membership Advertising	1,200.00	0.00	0.00
Affiliate Member Expense	0.00	0.00	0.00
Team Insurance	13,288.00	13,353.00	11,232.00
Total Membership Services Direct	36,074.00	33,436.00	29,807.00
Membership Services Indirect			
Reimbursement State Councils	1,500.00	1,020.00	0.00
Council Incentive	250.00	65.00	0.00
Board Expense	12,000.00	12,088.00	0.00
Convention Expense Staff	140.00	477.00	0.00
Awards	32.00	0.00	0.00
Postage & Freight	7,000.00	7,487.00	7,400.00
Telephone Long Distance	1,400.00	1,464.00	1,400.00
Board Elections	330.00	0.00	0.00
Total Membership Services Indirect	22,652.00	22,521.00	8,800.00
Total Membership Services	58,726.00	55,957.00	38,607.00
Administrative Costs			
Salaries - Office Staff	28,000.00	27,826.00	28,000.00
Rent and Utilities	9,500.00	9,479.00	9,500.00
Audit and Accounting	5,700.00	5,073.00	5,500.00
Bookkeeping	1,500.00	1,500.00	1,500.00
Legal Fees	2,900.00	2,260.00	2,300.00
Office Supplies and Expenses	4,200.00	4,205.00	3,000.00
Insurance - Office	370.00	265.00	770.00
HQ Staff Travel - Local	400.00	201.00	200.00
Maintenance and Repair	2,000.00	111.00	120.00
Dues and Subscriptions	500.00	782.00	0.00
Payroll Taxes	2,000.00	2,137.00	2,200.00
Depreciation Expense	3,200.00	2,484.00	2,500.00
Telephone REACT International Office	1,800.00	1,679.00	1,800.00
Miscellaneous Expense Office	2,000.00	1,513.00	1,000.00
Advertising	0.00	44.00	0.00
Copier Lease Expense	5,184.00	5,540.00	5,200.00
Write off Obsolete Inventory	0.00	0.00	0.00
Prior Year Inventory	0.00	0.00	0.00
Committee Expenses	0.00	75.00	100.00
Directors Phone, Postage, and Correspondence	0.00	3,401.00	1,000.00
Total General & Administrative Expense	89,054.00	89,158.00	83,990.00
Total All Expense	\$127,780.00	\$125,115.00	\$102,597.00
Profit or (Loss) of Revenues	\$4,049.00	\$8,056.00	\$10,540.40

**REACT INTERNATIONAL, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1996 AND 1995**

	Unrestricted 1996	Unrestricted 1995
EXPENSES:		
Membership services and communications		
direct membership benefits:		
REACTer	\$ 20,600	\$ 22,797
Membership kits and materials	481	-
Team charters	-	128
Life membership materials	-	33
Team Topics	6	3,050
Membership advertising	-	1,824
Affiliate expenses	-	191
Team insurance (Note 5)	1,747	5,862
	<u>24,834</u>	<u>33,865</u>
indirect membership benefits:		
Reimbursement of state councils	1,020	1,931
Council incentive	65	284
Board of Directors expense (Note 4)	16,080	13,486
Convention expenses	-	137
Corporate committee	75	-
Awards	-	32
Postage and freight	7,407	6,896
Telephone - long distance to team and members	1,590	1,361
Board elections	-	322
	<u>26,737</u>	<u>24,456</u>
Total membership services and communications expenses	51,571	58,321
General and administrative expenses:		
Contract labor	5,356	-
Salaries	26,742	45,150
Rent and utilities	9,479	9,101
Audit and accounting	5,673	5,624
Legal	2,260	2,894
Office supplies and expense	4,205	4,167
Insurance	1,640	368
Headquarters travel	201	391
Maintenance and repairs	111	1,852
Dues and subscriptions	55,867	69,547
Payroll taxes	782	723
Depreciation expense	2,086	3,568
Telephone	2,464	3,139
Miscellaneous expense	1,679	1,577
Advertising	1,509	2,123
Lease expense (Note 2)	44	125
Write off obsolete inventory (Note 3)	5,541	864
Prior year inventory (Note 3)	-	3,922
	<u>69,972</u>	<u>86,706</u>
Total general and administrative expenses	69,972	86,706
Total expenses	\$ 121,543	\$ 145,027

**Notice from the
Board of Directors...**

Effective immediately all checks issued by REACT International, Inc., to Teams, Councils and members must be cashed within 60 days of issuance.

All checks not cashed within that 60 day period will be null and void.

Christene White, CEO/President
REACT International, Inc.

REACT International, Inc.
Notes to Financial Statements
December 31, 1996 and 1995

1. Description of Operations and Summary of Significant Accounting Policies:

The Corporation is a nonprofit organization formed to develop and promote the use of the Citizens Radio Service and other personal radio services as an additional source of communication for emergencies, disasters, and other forms of aid to citizens. REACT is exempt from Federal income tax under Section 501(c)(3).

	Market Value at 12-31-95 or Cost	Market Value at 12-31-96	Unrealized Gain/(Loss)
Federal Home Loan Mtg Corp.	\$ 10,425	\$ 10,088	\$ (337)
U.S. Treasury Notes	7,512	7,260	(252)
400 shares Commercial Net Lease Realty	5,100	6,350	1,250
425 shares Commercial Net Lease Realty	6,060	6,747	687
General Electric Capital	15,399	15,025	(374)
RJR Nabisco	10,325	10,225	(100)
Paramount Communications	10,149	9,923	(226)
Occidental Petroleum	10,150	9,950	(200)
Mid-Atlantic Realty	4,901	5,344	443
	<u>\$ 80,021</u>	<u>\$ 80,912</u>	<u>\$ 891</u>

a) Cash consists of the following as of December 31:

	1996	1995
Checking	\$ 8,690	\$14,866
Savings	2,722	-0-
Petty Cash	100	100
	<u>\$11,512</u>	<u>\$14,966</u>

b) Investments

Investments are carried at market value. Investments consist of the following as of December 31:

	1996	1995
Stocks:		
400 shares Commercial Net Lease Realty	\$ 6,350	\$ 5,100
425 shares Commercial Net Lease Realty	6,747	-0-
475 shares Mid Atlantic Realty Trust	5,344	-0-
Corporate Bonds:		
General Electric Capital Corp. Note	15,025	15,398
RJR Nabisco Inc. Notes	10,225	10,325
Paramount Communications	9,923	10,149
Occidental Petroleum Corp.	9,950	10,150
U.S. Government and Federal Agency Bonds:		
U.S. Treasury Notes - Sar T 1999	7,260	7,512
Federal Home Loan Mtg Corp.	10,088	10,425
Cash:		
Money Funds	1,990	6,948
Mutual Funds:		
Vanguard - Money Market Reserves	4,350	4,030
Vanguard - Money Market Reserves	721	815
	<u>\$ 87,973</u>	<u>\$ 80,652</u>

The amount reported as realized gain on investments for 1996 consist of the following:

	Purchased	Sold	Gain
Simon Group, Inc.	\$ 4,864	\$ 6,213	\$ 1,349

The following details the amount reported as unrealized gain on investments at December 31, 1996.

c) Inventory

Inventory is valued at the lower of actual cost or market using the first-in, first-out basis of cost accumulation.

d) Property and Equipment

Property and equipment is recorded at cost with the exception that donated equipment is recorded at its estimated fair market value at the time of donation. Depreciation is provided over the estimated useful lives of the related assets, generally three to five years, and is calculated using the straight-line method.

e) Deferred Income - Dues

Income from dues is being recognized in the year in which it relates. Income received, which pertains to the subsequent year, is credited to the liability account Deferred Income - Dues.

f) Unearned/Earned Life Membership Dues

Since the inception of the life membership program, in 1980, \$84,629 has been received. The life membership dues are amortized over 20 years and allows an individual to be a member for his or her life without further dues. The amount amortized to date is \$43,341. The current amortization is \$4,231. There is no obligation on REACT INTERNATIONAL, INC. to refund this money upon termination of the organization.

REACT is investing the amount not amortized on life members, and will use the earnings to cover the costs associated with maintaining life members. The amount of \$41,288 (\$84,629-\$43,341) has been invested.

2) LEASE COMMITMENTS:

Lease agreement for office space

On April 1, 1996, the Corporation renewed the existing lease agreement with respect to its Wichita, Kansas office for an additional year. The term calls for the Company to pay monthly installments of \$580.

Lease agreement for copier

On August 29, 1996, the Corporation entered into a lease agreement with respect to its copier for 5 years. The terms call for the Company to pay monthly installments of \$432 starting in December 1995 and an initial security deposit of \$432 at inception.

3) INVENTORY:

Obsolete inventory write off

In February 1995, the Board decided to write off obsolete inventory.

Prior year inventory

The following amounts were paid to J.O. Pollack for inventory items sold in prior years. J.O. Pollack never billed REACT for the amounts until 1995.

1992	\$ 594
1993	\$ 336
1994	\$ 188
	\$1,118

4) BOARD OF DIRECTORS EXPENSES:

Board of Directors expenses include telephone conferences, expenses incurred in electing board members, travel and expenses for directors to attend Board of Directors meetings and the annual convention.

5) INSURANCE:

During 1996 and 1995, REACT did not collect enough team insurance fees to cover the insurance premium for the liability and bonding. REACT paid \$3,747 and \$5,849, respectively to cover the teams, and will not recover the amount from the teams.

1996 1995

Premium Paid by REACT
Collected from teams

\$ 13,353	\$ 23,959
<u>9,606</u>	<u>18,110</u>
\$ 3,747	\$ 5,849

6) COMPENSATED ABSENCES:

Employees accumulate vacation leave benefits at the rate of one week for the first year and two weeks thereafter. Accumulated earned vacation leave at December 31, 1996 and 1995, amounted to \$1,570 and \$640, respectively. The liability for compensated absences has been recorded as an accrued liability in accordance with FASB Statement 43.

7) GROSS PROFIT ON SALE

The following is the detail of gross profit on sale of REACT I.D. material:

	1996	1995
Sales	\$ 11,990	\$ 9,946
Cost of goods sold	<u>(9,549)</u>	<u>(7,398)</u>
Gross Profit	\$ 2,441	\$ 2,548

8) PROPERTY TAXES

The Sedgwick County Treasurer's Office has issued tax warrants for the payment of ad valorem personal property taxes for the years 1993, 1994, and 1995. The total liability assessed (including interest) was \$1,565.13 as of September 13, 1996.

It is the attorney's evaluation that REACT has a 50% chance of a favorable outcome on the appeal filed with the district court in Shawnee County, Kansas.

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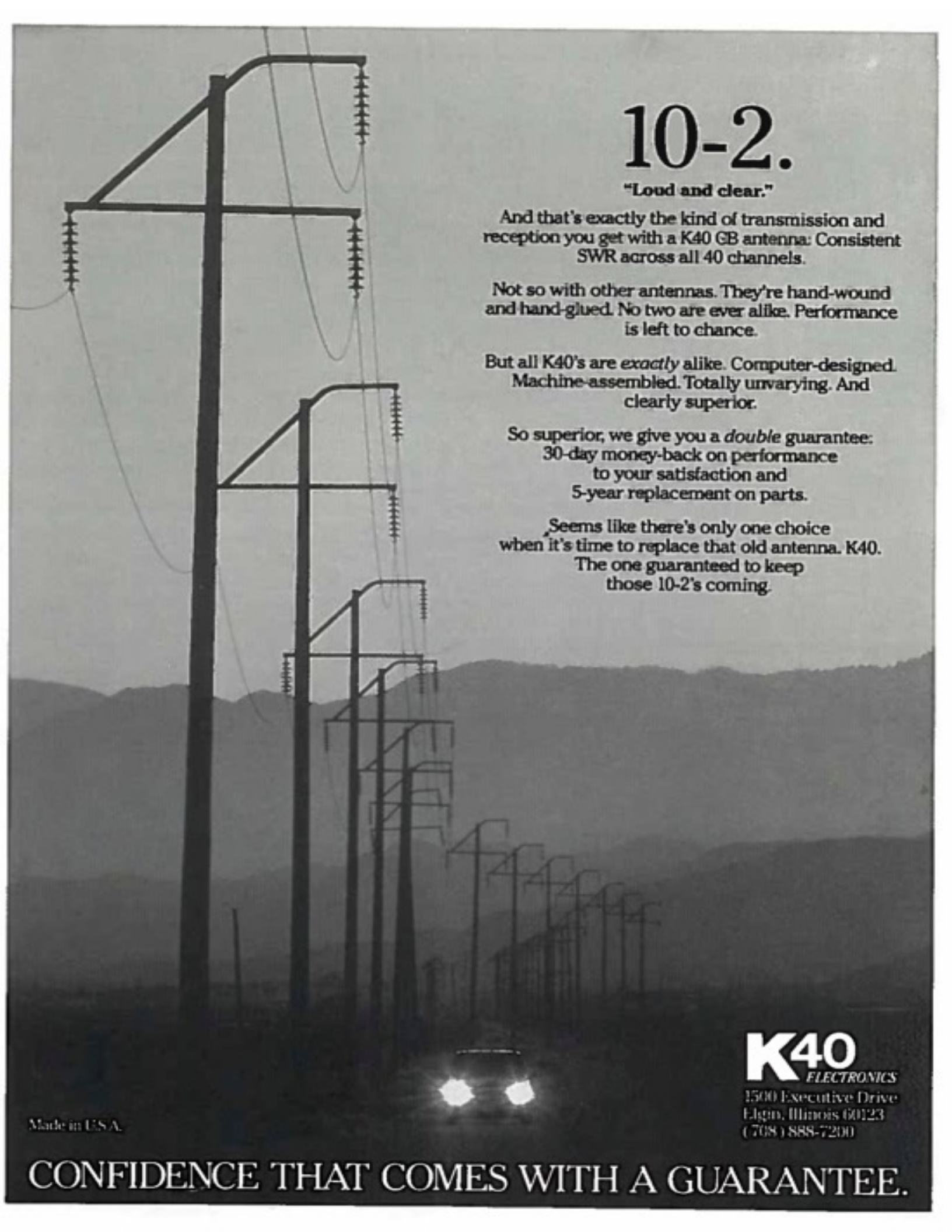
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