Name of organization: NARCONON INTERNATIONAL

Employer identification number: 95-2769582

Part I Contributors

(a) No.	(b) Name, address and ZIP code	(c) Aggregate contributions	(d) Type of contribution
1		$ 438,894.	Individual [X] Payroll [ ] Noncash [ ] (Complete Part II if a noncash contribution.)
2		$ 286,000.	Individual [X] Payroll [ ] Noncash [ ] (Complete Part II if a noncash contribution.)
3		$ 17,974.	Individual [X] Payroll [ ] Noncash [ ] (Complete Part II if a noncash contribution.)
4		$	Individual [ ] Payroll [ ] Noncash [ ] (Complete Part II if a noncash contribution.)
5		$	Individual [ ] Payroll [ ] Noncash [ ] (Complete Part II if a noncash contribution.)
6		$	Individual [ ] Payroll [ ] Noncash [ ] (Complete Part II if a noncash contribution.)

SCHEDULE A — IDENTIFICATION OF EXCESS CONTRIBUTIONS INCLUDED ON PART IV, LINE 26B — STATEMENT 16

*** NOT OPEN TO PUBLIC INSPECTION ***

CONTRIBUTOR'S NAME	TOTAL CONTRIBUTION	EXCESS CONTRIBUTION
	289,500.	221,666.
	107,556.	39,722.
TOTAL EXCESS CONTRIBUTIONS TO SCHEDULE A, LINE 26B		261,388.

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2000

Open to Public Inspection

A For the 2000 calendar year, OR tax year period beginning and ending

B Check if applicable: ☐ Change of address ☐ Change of name ☐ Initial return ☐ Final return ☐ Amended return (use also for state reporting)

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: NARCONON INTERNATIONAL

Number and street (or P.O. box if mail is not delivered to street address): 7060 HOLLYWOOD BLVD. Room/suite: 220

City or town, state or country, and ZIP: LOS ANGELES, CA 90028

D Employer identification number: 95-2769582

E Telephone number: 323-962-2404

F Check ▶ ☐ if application pending

G Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no.) ☐ 527 OR ☐ 4947(a)(1)

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 900-EZ).**

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) ▶

K Check here ▶ ☐ if the organization's gross receipts are normally not more than $25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

(H and I are not applicable to section 527 orgs.)

H(a) Is this a group return for affiliates? ☐ Yes [X] No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list.) N/A

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes [X] No

I Enter 4-digit group exemption no. (GEN) ▶

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ▶ ☐

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	989,269.	
	b	Indirect public support	1b	229,209.	
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (cash $ 986,386. noncash $ 232,092.)			1,218,478.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			3,070,071.
	3	Membership dues and assessments			
	4	Interest on savings and temporary cash investments			40,245.
	5	Dividends and interest from securities			
	6 a	Gross rents SEE STATEMENT 2	6a	1,560.	
	b	Less: rental expenses	6b		
	c	Net rental income or (loss) (subtract line 6b from line 6a)			1,560.
	7	Other investment income (describe ▶)			
	8 a	Gross amount from sale of assets other than inventory — (A) Securities / (B) Other	8a		
	b	Less: cost or other basis and sales expenses	8b		
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			
	9	Special events and activities (attach schedule)			
	a	Gross revenue (not including $ ____ of contributions reported on line 1a)	9a		
	b	Less: direct expenses other than fundraising expenses	9b		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)			
	10 a	Gross sales of inventory, less returns and allowances	10a	82,309.	
	b	Less: cost of goods sold	10b	46,838.	
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) STMT 3			35,471.
	11	Other revenue (from Part VII, line 103)			5,868.
	12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			4,371,693.
Expenses	13	Program services (from line 44, column (B))			4,186,354.
	14	Management and general (from line 44, column (C))			551,649.
	15	Fundraising (from line 44, column (D))			72,379.
	16	Payments to affiliates (attach schedule) SEE STATEMENT 4			211,901.
	17	**Total expenses** (add lines 16 and 44, column (A))			5,022,283.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			<650,590.>
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			2,010,331.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5			<219,034.>
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			1,140,707.

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FILMED DEC 14 '01

023001 12-19-00 LHA **For Paperwork Reduction Act Notice, see page 1 of the separate instructions.** Form 990 (2000)

10

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) cash $1089583. noncash $532,038.	22	1,621,621.	1,621,621.	STATEMENT 7	STATEMENT 8
23 Specific assistance to individuals (attach schedule)	23	16,216.	16,216.	STATEMENT 9	
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc.	25	161,714.	111,621.	33,152.	16,941.
26 Other salaries and wages	26	1,063,695.	815,550.	239,900.	8,245.
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	99,097.	71,993.	24,932.	2,172.
30 Professional fundraising fees	30				
31 Accounting fees	31	6,520.		6,520.	
32 Legal fees	32	96,530.	58,052.	38,387.	91.
33 Supplies	33	60,888.	38,076.	22,299.	513.
34 Telephone	34	155,693.	123,423.	29,919.	2,351.
35 Postage and shipping	35	111,220.	105,469.	5,504.	247.
36 Occupancy	36	369,091.	299,044.	66,655.	3,392.
37 Equipment rental and maintenance	37	39,732.	33,965.	5,725.	42.
38 Printing and publications	38	67,564.	64,343.	3,201.	20.
39 Travel	39	157,698.	119,514.	37,261.	923.
40 Conferences, conventions, and meetings	40				
41 Interest	41	8,002.	4,773.	3,228.	1.
42 Depreciation, depletion, etc. (attach schedule)	42	110,415.	86,833.	21,099.	2,483.
43 Other expenses (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e SEE STATEMENT 6	43e	664,686.	615,861.	13,867.	34,958.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	4,810,382.	4,186,354.	551,649.	72,379.

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ▶ ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs $ _____; (ii) the amount allocated to Program services $ _____; (iii) the amount allocated to Management and general $ _____; and (iv) the amount allocated to Fundraising $ _____.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? ▶ REHABILITATION AND PREVENTION OF SUBSTANCE ABUSE.

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts but optional for others.)
a DRUG REHABILITATION: SEE STATEMENT 17.	(Grants and allocations $ 1,446,978.)	3,540,927.
b DRUG EDUCATION: SEE STATEMENT 18.	(Grants and allocations $ 24,970.)	153,811.
c CRIMINON - CRIMINAL REHABILITATION: SEE STATEMENT 19.	(Grants and allocations $ 105,772.)	173,046.
d PUBLIC AWARENESS: SEE STATEMENT 20.	(Grants and allocations $ 16,650.)	318,570.
e Other program services (attach schedule)	(Grants and allocations $)	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶		4,186,354.

Part IV Balance Sheets

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*			(A) Beginning of year		(B) End of year
Assets					
45 Cash - non-interest-bearing			455,101.	45	50,942.
46 Savings and temporary cash investments			3,846,440.	46	501,589.
47 a Accounts receivable	47a				
b Less: allowance for doubtful accounts	47b			47c	
48 a Pledges receivable	48a				
b Less: allowance for doubtful accounts	48b			48c	
49 Grants receivable				49	
50 Receivables from officers, directors, trustees, and key employees				50	
51 a Other notes and loans receivable	51a	350.			
b Less: allowance for doubtful accounts	51b		1,250.	51c	350.
52 Inventories for sale or use			78,679.	52	45,992.
53 Prepaid expenses and deferred charges				53	
54 Investments - securities ▶ ☐ Cost ☐ FMV				54	
55 a Investments - land, buildings, and equipment: basis	55a				
b Less: accumulated depreciation	55b			55c	
56 Investments - other				56	
57 a Land, buildings, and equipment: basis	57a	2,459,803.			
b Less: accumulated depreciation STMT 10	57b	1,433,528.	1,562,470.	57c	1,026,275.
58 Other assets (describe ▶ SEE STATEMENT 11)			13,211.	58	700.
59 **Total assets** (add lines 45 through 58) (must equal line 74)			5,957,151.	59	1,625,848.
Liabilities					
60 Accounts payable and accrued expenses			54,118.	60	
61 Grants payable			3,625,000.	61	447,137.
62 Deferred revenue				62	
63 Loans from officers, directors, trustees, and key employees				63	
64 a Tax-exempt bond liabilities				64a	
b Mortgages and other notes payable			236,558.	64b	36,720.
65 Other liabilities (describe ▶ SEE STATEMENT 12)			31,144.	65	1,284.
66 **Total liabilities** (add lines 60 through 65)			3,946,820.	66	485,141.
Net Assets or Fund Balances					
Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 67 through 69 and lines 73 and 74.					
67 Unrestricted				67	
68 Temporarily restricted				68	
69 Permanently restricted				69	
Organizations that do not follow SFAS 117, check here ▶ [X] and complete lines 70 through 74.					
70 Capital stock, trust principal, or current funds			0.	70	0.
71 Paid-in or capital surplus, or land, building, and equipment fund			0.	71	0.
72 Retained earnings, endowment, accumulated income, or other funds			2,010,331.	72	1,140,707.
73 **Total net assets or fund balances** (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)			2,010,331.	73	1,140,707.
74 **Total liabilities and net assets / fund balances** (add lines 66 and 73)			5,957,151.	74	1,625,848.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

a Total revenue, gains, and other support per audited financial statements ▶	a	N/A
b Amounts included on line a but not on line 12, Form 990:		
(1) Net unrealized gains on investments $		
(2) Donated services and use of facilities $		
(3) Recoveries of prior year grants $		
(4) Other (specify): $		
Add amounts on lines (1) through (4) ▶	b	
c Line a minus line b ▶	c	
d Amounts included on line 12, Form 990 but not on line a:		
(1) Investment expenses not included on line 6b, Form 990 $		
(2) Other (specify): $		
Add amounts on lines (1) and (2) ▶	d	
e Total revenue per line 12, Form 990 (line c plus line d) ▶	e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a Total expenses and losses per audited financial statements ▶	a	N/A
b Amounts included on line a but not on line 17, Form 990:		
(1) Donated services and use of facilities $		
(2) Prior year adjustments reported on line 20, Form 990 $		
(3) Losses reported on line 20, Form 990 $		
(4) Other (specify): $		
Add amounts on lines (1) through (4) ▶	b	
c Line a minus line b ▶	c	
d Amounts included on line 17, Form 990 but not on line a:		
(1) Investment expenses not included on line 6b, Form 990 $		
(2) Other (specify): $		
Add amounts on lines (1) and (2) ▶	d	
e Total expenses per line 17, Form 990 (line c plus line d) ▶	e	

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
LAURIE ZURN 7065 HOLLYWOOD BLVD. LOS ANGELES, CA 90028	VOTING MEMBER AS NEEDED	0.	0.	0.
DR. MEGAN SHIELDS 7060 HOLLYWOOD BLVD, SUITE 800 LOS ANGELES, CA 90028	DIRECTOR AS NEEDED	0.	0.	0.
CLARK CARR (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 800 LOS ANGELES, CA 90028	PRESIDENT/DIRECTOR AS NEEDED	36,571.	0.	0.
JEANNE TRAHANT (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 800 LOS ANGELES, CA 90028	TREASURER AS NEEDED	28,545.	0.	0.
PHIL HART (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 800 LOS ANGELES, CA 90028	TRUSTEE/VOTING MEMBER AS NEEDED	46,776.	0.	0.
GARY W. SMITH (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 800 LOS ANGELES, CA 90028	KEY EMPLOYEE AS NEEDED	16,760.	0.	0.
BARBRO ANDERSSON-CHALMERS(SEE STMT 1) 7060 HOLLYWOOD BLVD, SUITE 800 LOS ANGELES, CA 90028	SECRETARY AS NEEDED	33,062.	0.	0.
JOANNE TAKANO IRWIN 7060 HOLLYWOOD BLVD, SUITE 200 LOS ANGELES, CA 90028	VOTING MEMBER AS NEEDED	0.	0.	0.
ROBERT B. ADAMS 7060 HOLLYWOOD BLVD, SUITE 800 LOS ANGELES, CA 90028	DIRECTOR AS NEEDED	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? If "Yes," attach schedule. ▶ ☐ Yes ☒ No

023031 12 19 00

Part VI Other Information		N/A	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		77		X
78 a Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?		78a		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	78b		
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement.	SEE STATEMENT 13	79	X	
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		80a		X
b If "Yes," enter the name of the organization ▶ _____ and check whether it is ☐ exempt OR ☐ nonexempt.				
81 a Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a 0.			
b Did the organization file Form 1120-POL for this year?		81b		X
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		82a		X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)	82b N/A			
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?		83a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		83b	X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		84a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b		
85 *501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members?	N/A	85a		
b Did the organization make only in-house lobbying expenditures of $2,000 or less?	N/A	85b		
If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.				
c Dues, assessments, and similar amounts from members	85c N/A			
d Section 162(e) lobbying and political expenditures	85d N/A			
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A			
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A			
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	N/A	85g		
h If section 6033(e)(1)(A) dues notice were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	85h		
86 *501(c)(7) organizations.* Enter: a Initiation fees and capital contributions included on line 12	86a N/A			
b Gross receipts, included on line 12, for public use of club facilities	86b N/A			
87 *501(c)(12) organizations.* Enter: a Gross income from members or shareholders	87a N/A			
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b N/A			
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		88		X
89 a *501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.				
b *501(c)(3) and 501(c)(4) organizations.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	▶ 0.			
d Enter: Amount of tax on line 89c, above, reimbursed by the organization	▶ 0.			
90 a List the states with which a copy of this return is filed ▶ CALIFORNIA				
b Number of employees employed in the pay period that includes March 12, 2000	90b 42			

91 The books are in care of ▶ BARBRO ANDERSSON-CHALMERS Telephone no. ▶ (323) 962-2404

Located at ▶ 7060 HOLLYWOOD BLVD, SUITE 220, L.A., CA ZIP code ▶ 90028

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* Form 1041- Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (A) Business code	(B) Amount	Excluded by section 512, 513 or 514 (C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a DRUG REHABILITATION					2,496,140.
b DRUG REHAB. TRAINING					12,529.
c TRADEMARK LICENSING FEE					551,383.
d COMMISSIONS-DRUG REHAB					10,019.
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	40,245.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	1,560.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					35,471.
103 Other revenue:					
a COMMISSIONS					5,868.
b RENT REFUND					117,295.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		41,805.	3,228,705.
105 Total (add line 104, columns (B), (D), and (E)) ▶					3,270,510.

Note: *Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.*

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
	SEE STATEMENT 14

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
N/A	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: *If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).*

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge (Important: See General Instruction W.)

Please Sign Here ▶ Signature of officer — Date 11/15/01 ▶ Type or print name and title: BARBRO CHALMERS, SECRETARY

Paid Preparer's Use Only				
Preparer's signature ▶ Barbara C. Kogan	Date 11/15/01	Check if self-employed ▶ ☐	Preparer's SSN or PTIN	
Firm's name (or yours if self-employed) and address and ZIP code ▶ NSBN LLP, 9454 WILSHIRE BLVD., 4TH FLOOR, BEVERLY HILLS, CA 90212-2907			EIN ▶ 95-2399533	
			Phone no. ▶ (310)273-2501	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.

OMB No. 1545-0047

2000

Name of the organization: NARCONON INTERNATIONAL

Employer identification number: 95 2769582

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over $50,000 ▶	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
ALEXANDER S. MACNABB 10600 SUNLITE ROAD, OAKTON, VA 22124	LEGAL	67,425.
GENE ROSS 617 VIA LIDO SOUD, NEWPORT BEACH, CA 92663	LANDLORD	112,970.
Total number of others receiving over $50,000 for professional services ▶ 0		

LHA For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ.

023101
12-09-00

Part III Statements About Activities

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?	1		X
	If "Yes," enter the total expenses paid or incurred in connection with the lobbying activites ▶ $ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V, FORM 990	2d	X	
e	Transfer of any part of its income or assets?	2e		X
	If the answer to any question is "Yes," attach a detailed statement explaining the transactions.			
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?	3		X
4 a	Do you have a section 403(b) annuity plan for your employees?	4a		X
b	Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.) SEE STATEMENT 15			

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 5.)

7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ _____

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 ☐ An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

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Part IV-A **Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: *You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.*

Calendar year (or fiscal year beginning in) ▶	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28.)	863,489.	1,396,628.	724,261.	381,830.	3,366,208.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	4,372,618.	2,581,757.	2,087,239.	2,277,559.	11,319,173.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,286.	9,361.	8,721.	6,118.	25,486.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	5,237,393.	3,987,746.	2,820,221.	2,665,507.	14,710,867.
24 Line 23 minus line 17	864,775.	1,405,989.	732,982.	387,948.	3,391,694.
25 Enter 1% of line 23	52,374.	39,877.	28,202.	26,655.	

26 **Organizations described on lines 10 or 11:** **a** Enter 2% of amount in column (e), line 24 ▶ **26a** 67,834.

b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts SEE STATEMENT 16 ▶ **26b** 261,388.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** 3,391,694.

d Add: Amounts from column (e) for lines: 18 25,486. 19 _____ 22 _____ 26b 261,388. ▶ **26d** 286,874.

e Public support (line 26c minus line 26d total) ▶ **26e** 3,104,820.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** 91.5419%

27 **Organizations described on line 12:** **a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year:
(1999) N/A (1998) (1997) (1996)

b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year: N/A
(1999) (1998) (1997) (1996)

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶ **27c** N/A

d Add: Line 27a total _____ and line 27b total _____ ▶ **27d** N/A

e Public support (line 27c total minus line 27d total) ▶ **27e** N/A

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ **27f** N/A

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** N/A %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12, that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 5 of the instructions.)

NONE

Part V **Private School Questionnaire**
(To be completed ONLY by schools that checked the box on line 6 in Part IV) N/A

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			
32	Does the organization maintain the following:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:			
a	Students' rights or privileges?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities

(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check here ▶ ☐ If the organization belongs to an affiliated group.

Check here ▶ ☐ If you checked "a" above and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is - / **The lobbying nontaxable amount is -**			
Not over $500,000 — 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000	41		
Over $1,500,000 but not over $17,000,000 — $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 — $1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		
Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720.*			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 9 of the instructions.)

N/A

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	**(a)** 2000	**(b)** 1999	**(c)** 1998	**(d)** 1997	**(e)** Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (add lines c through h)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received: N/A

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule: N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

023151 12-09-00

Schedule B
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for line 1d of Form 990 or line 1 of Form 990-EZ (see instructions)

OMB No 1545-0047

2000

Name of organization
NARCONON INTERNATIONAL

Employer identification number
95-2769582

Organization type (check one)-Section: [X] 501(c)(3) ◀ (enter number) [ ] 527 or [ ] 4947(a)(1) nonexempt charitable trust

A Section 501(c)(7), (8), or (10) organizations-
Check this box if the organization had **no** charitable contributors who contributed more than $1,000 during the year. (But see **General rule** below.) ▶ [ ]
Enter here the total gifts received during the year for a religious, charitable, etc., purpose ▶ $

Note: This form is generally not open to public inspection except for section 527 organizations.

General Instructions

Purpose of Form

Schedule B (Form 990 or 990-EZ) is used by organizations required to file **Form 990**, Return of Organization Exempt From Income Tax, or **Form 990-EZ**, Short Form Return of Organization Exempt From Income tax, to provide the information regarding their contributors that is required for line 1d of Form 990 (or line 1 of Form 990-EZ).

Attach the Schedule B (Form 990 or 990-EZ) to Form 990 or 990-EZ. Attach Schedule B after Schedule A (Form 990 or 990-EZ), Organization Exempt Under Section 501(c)(3), if that return is required for the organization.

Who Must File Schedule B (Form 990 or 990-EZ)

All organizations must file Schedule B (Form 990 or 990-EZ) unless they certify that they do not meet the filing requirements of Schedule B (Form 990 or 9090-EZ) by checking the box in item L of the heading of their Form 990 or Form 990-EZ.

See the instructions for item L in the Instructions for Form 990 and Form 990-EZ.

Caution: *Schedule B (Form 990 or 990-EZ) is not a substitute for the list of "contributors" required for Part IV-A, Support Schedule, of Schedule A (Form 990 or 990-EZ).*

Public Inspection

Schedule B (Form 990 or 990-EZ) is:
- Open to public inspection for a section 527 political organization.
- Generally not open to public inspection for the other organizations that must file this form.

If a non-section 527 organization files a copy of Form 990, or Form 990-EZ, and attachments with any state, it should not include its Schedule B (Form 990 or 990-EZ) in the attachments for the state unless a schedule of contributors is specifically required by the state. States that do not require the information might make the schedule available for public inspection along with the rest of the Form 990 or Form 990-EZ.

See the Instructions for Form 990 and Form 990-EZ for phone help and the public inspection rules for those forms and their attachments, which include Schedule B (Form 990 or 990-EZ).

Contributors Required To Be Listed On Part I

"*Contributor*" includes individuals, fiduciaries, partnerships, corporations, associations, trusts, and exempt organizations.

General rule. Unless the organization is covered by one of the special rules below, it must list on Part I every contributor who during the year, gave the organization directly or indirectly, money, securities, or any other type of property totaling $5,000 or more for the year. Also complete Part II for a noncash contribution. In determining the $5,000 amount, total all of the contributor's gifts of $1,000 or more for the year.

Section 501(c)(3) organizations. For an organization described in section 501(c)(3) that meets the 33 1/3% support test of the Regulations under sections 509(a)(1)/170(b)(1)(A)(vi) (whether or not the organization is otherwise described in section 170(b)(1)(A))-

List in Part I only those contributors whose contribution of $5,000 or more is greater than 2% of the amount reported on line 1d of Form 990 (or line 1 of Form 990-EZ) (Regulations section 1.6033-2(a)(2)(iii)(a)).

Example. A section 501(c)(3) organization, of the type described above, reported $700,000 in total contributions, gifts, grants, and similar amounts received on line 1d of its Form 990. The organization is only required to list in Parts I and II of its Schedule B (Form 990 or 990-EZ) each person who contributed more than the greater of $5,000 or $14,000 (2% of $700,000). Thus, a contributor who gave a total of $11,000 would not be reported in Parts I and II for this section 501(c)(3) organization. Even though the $11,000 contribution to the organization exceeded $5,000, it did not exceed $14,000.

Section 501(c)(7), (8), or (10) organizations. For *noncharitable* contributions to one of these organizations, list in Part I contributors who gave $5,000 or more as described in the **General rule** discussed above.

If a section 501(c)(7), (8), or (10) organization received contributions or bequests for use exclusively for religious, charitable, etc., purposes (sections 170(c)(4), 2055(a)(3), or 2522(a)(3))-

List in Part I each contributor whose contributions total more than $1,000 during the year that were for a religious, charitable, etc., purpose. To determine the $1,000, aggregate all of a contributor's gifts for the year (regardless of amount). For a noncash contribution, complete Part II.

All section 501(c)(7), (8), or (10) organizations that received **any** charitable contributions and listed **any** charitable contributors on Part I must also complete Part III.

If section 501(c)(7), (8), or (10) organization received charitable gifts, but is not required to list **any** charitable contributors on Part I, check the box on line **A** at the top of Schedule B (Form 990 or 990-EZ) and enter the amount of charitable contributions received in the space provided. The organization need not complete and attach Part III.

Specific Instructions

Note: *You may duplicate Parts I, II, and III if more copies are needed. Number each page of each Part.*

Part I. In column **(a)**, identify the first contributor listed as no. 1 and the second contributor as no. 2, etc. Number consecutively. Show the contributor's name, address, aggregate contributions for the year; and the type of contribution (e.g., whether an individual, payroll, or noncash contribution). Report payroll contributions by listing the employer's name, address, and total amount given (unless an employee gave enough to be listed individually).

Part II. In column **(a)**, show the number that corresponds to the contributor's number in Part I. Describe the noncash contribution fully. Report on property with readily determinable market value (i.e., market quotations for securities) by listing its fair market value (FMV). For marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices (or the average between the bona fide bid and asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When market value cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution that is subject to an outstanding debt, subtract the debt from the property's fair market value.

Part III. Section 501(c)(7), (8), or (10) organizations that received contributions or bequests for use exclusively for religious, charitable, etc., purposes, must complete Parts I through III for those persons whose gifts totaled more than $1,000 during the year. Show also, in the heading of Part III, total gifts that were $1,000 or less and were for a religious, charitable, etc., purpose. *Complete this information only on the first Part III page.*

If an amount is set aside for a religious, charitable, etc., purpose, show in column **(d)** how the amount is held (e.g., whether it is mingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column **(e)** and explain the relationship between the two organizations.

023451 12-19-00

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Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	COMPUTER/OFFICE EQUIPMENT	92	SL	5.00	19	4,716.			4,716.	4,716.		0.
2	COMPUTER/OFFICE EQUIPMENT	93	SL	5.00	19	6,881.			6,881.	6,881.		0.
3	(D)COMPUTER/OFFICE EQUIPMENT	94	SL	5.00	19	7,093.			7,093.	7,093.		0.
4	COMPUTER/OFFICE EQUIPMENT	95	SL	5.00	19	7,125.			7,125.	6,413.		712.
5	FURNITURE & EQUIPMENT	86	SL	5.00	19	24,787.			24,787.	24,787.		0.
6	FURNITURE & EQUIPMENT	87	SL	5.00	19	4,121.			4,121.	4,121.		0.
7	FURNITURE & EQUIPMENT	88	SL	5.00	19	1,903.			1,903.	1,903.		0.
8	FURNITURE & EQUIPMENT	89	SL	5.00	19	26,604.			26,604.	26,604.		0.
9	FURNITURE & EQUIPMENT	90	SL	5.00	19	164,861.			164,861.	164,861.		0.
10	FURNITURE & EQUIPMENT	90	SL	7.00	19	273,612.			273,612.	273,612.		0.
11	FURNITURE & EQUIPMENT	91	SL	5.00	19	3,168.			3,168.	3,168.		0.
13	FURNITURE & EQUIPMENT	94	SL	5.00	19	1,916.			1,916.	1,916.		0.
14	FURNITURE & EQUIPMENT	94	SL	7.00	19	1,891.			1,891.	1,486.		270.
15	FURNITURE & EQUIPMENT	95	SL	7.00	19	3,726.			3,726.	2,400.		532.
16	LEASEHOLD IMPROVEMENTS	88	SL	25.00	19	14,214.			14,214.	6,540.		569.
17	LEASEHOLD IMPROVEMENTS	89	SL	24.00	19	210,445.			210,445.	92,071.		8,769.
18	LEASEHOLD IMPROVEMENTS	90	SL	23.00	19	616,945.			616,945.	254,826.		26,824.
19	LEASEHOLD IMPROVEMENTS	91	SL	22.00	19	104,591.			104,591.	40,410.		4,754.

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04-27-01

(D) - Asset disposed

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Asset No	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of - Depreciation
20	LEASEHOLD IMPROVEMENTS	94	SL	19.00	19	9,922.			9,922.	2,872.		522.
21	(D)SAUNA	95	SL	7.00	19	8,190.			8,190.	5,265.		585.
23	FURNITURE & EQUIPMENT	92	SL	7.00	19	3,790.			3,790.	3,790.		0.
24	FURNITURE & EQUIPMENT	92	SL	5.00	19	2,200.			2,200.	2,200.		0.
25	FURNITURE & EQUIPMENT	93	SL	5.00	19	4,269.			4,269.	4,269.		0.
26	(D)LEASEHOLD IMPROVEMENT	06 30 96	SL	5.00	19	8,750.			8,750.	6,125.		875.
27	(D)FURNITURE & EQUIPMENT	06 30 96	SL	7.00	19	952.			952.	476.		68.
28	EQUIPMENT & FURNITURE	07 01 96	SL	7.00	19	594.			594.	297.		85.
30	COMPUTER EQUIPMENT	06 30 96	SL	5.00	19	3,864.			3,864.	2,705.		773.
31	COMPUTERS	07 01 97	SL	5.00	19	3,683.			3,683.	1,842.		737.
33	(D)COMPUTERS	07 01 97	SL	5.00	19	4,397.			4,397.	2,198.		440.
34	(D)COMPUTERS	07 01 97	SL	5.00	19	3,855.			3,855.	1,928.		386.
35	FURNITURE AND EQUIPMENT	07 01 97	SL	5.00	19	6,751.			6,751.	3,375.		1,350.
36	FURNITURE AND EQUIPMENT	07 01 97	SL	5.00	19	2,006.			2,006.	1,003.		401.
37	(D)FURNITURE AND EQUIPMENT	07 01 97	SL	7.00	19	1,874.			1,874.	670.		134.
38	LEASEHOLD IMPROVEMENTS	07 01 97	SL	16.00	19	4,101.			4,101.	629.		256.
39	(D)LEASEHOLD IMPROVEMENTS	07 01 97	SL	5.00	19	651.			651.	325.		65.
40	(D)NEWPORT COMPUTERS	07 01 98	SL	5.00	19	4,539.			4,539.	1,362.		454.

(D) - Asset disposed

FORM 990 PAGE 2 990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
41	MEDITERANNEO BUILDING	070198	SL	25.00	19	800,055.			800,055.	48,003.		32,002.
42	COMMUNITY CENTER FURNISHINGS	070198	SL	5.00	19	6,087.			6,087.	1,826.		1,217.
43	CRIMINON INT/NARCONON INT COMPUTERS	070198	SL	5.00	19	5,170.			5,170.	1,551.		1,034.
44	CHILOCCO FURNITURE	070198	SL	5.00	19	3,548.			3,548.	1,064.		710.
45	(D)CHILOCCO COMPUTERS	070198	SL	5.00	19	14,009.			14,009.	4,203.		1,401.
46	(D)CHILOCCO VEHICLES	070198	SL	3.00	19	1,200.			1,200.	600.		200.
48	COMMUNITY CENTER FURNISHINGS	070198	SL	5.00	19	5,351.			5,351.	1,605.		1,070.
50	INTERNATIONAL FURNITURE & EQUIPMENT	070199	SL	5.00	19	714.			714.	71.		143.
51	(D)CHILOCCO COMPUTERS	070199	SL	5.00	19	19,565.			19,565.	1,957.		1,957.
52	(D)CHILOCCO VEHICLES	070199	SL	5.00	19	29,690.			29,690.	2,969.		2,969.
53	(D)NEWPORT PLAN & TECHNICAL	070199	SL	7.00	19	880.			880.	63.		63.
54	INTERNATIONAL BUILDING IMPROVEMENTS	070199	SL	25.00	19	99,982.			99,982.	2,000.		3,999.
55	(D)CHILOCCO VEHICLES	070199	SL	3.00	19	7,450.			7,450.	1,242.		1,242.
56	INTERNATIONAL COMPUTERS	070199	SL	5.00	19	1,252.			1,252.	125.		250.
57	(D)NEWPORT COMPUTERS	070199	SL	5.00	19	2,048.			2,048.	205.		205.
58	(D)CHILOCCO FURNITURE & EQUIPMENT	070199	SL	5.00	19	18,272.			18,272.	1,827.		1,827.
59	(D)NEWPORT FURNITURE & EQUIPMENT	070199	SL	7.00	19	22,400.			22,400.	1,600.		1,600.
60	FURNITURE & EQUIPMENT	070191	SL	7.00	19	7,486.			7,486.	7,486.		0.

(D) - Asset disposed

FORM 990 PAGE 2 990

Asset No	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
61	(D)FURNITURE & EQUIPMENT (CHILOCCO)	010100	SL	5.00	19	3,314.			3,314.			331.
62	(D)COMPUTER (CHILOCCO)	010100	SL	5.00	19	18,478.			18,478.			1,848.
63	(D)VEHICLES (CHILOCCO)	010100	SL	3.00	19	19,000.			19,000.			3,167.
64	(D)FURNITURE & EQUIPMENT (NEWPORT)	040100	SL	7.00	19	6,356.			6,356.			227.
65	(D)COMPUTERS (NEWPORT)	040100	SL	5.00	19	559.			559.			28.
66	(D)VEHICLES (NEWPORT)	040100	SL	3.00	19	4,215.			4,215.			351.
67	(D)ALARM SYSTEM (NEWPORT)	040100	SL	7.00	19	592.			592.			21.
68	FURNITURE & EQUIPMENT	070100	SL	5.00	19	2,855.			2,855.			286.
69	COMPUTER	070100	SL	5.00	19	9,015.			9,015.			902.
70	(D)COMPUTER/OFFICE EQUIPMENT	95	SL	5.00	19	1,382.			1,382.	1,242.		138.
71	(D)FURNITURE & EQUIPMENT	94	SL	7.00	19	8,405.			8,405.	6,605.		600.
72	(D)FURNITURE & EQUIPMENT	95	SL	7.00	19	675.			675.	434.		48.
73	(D)COMPUTERS	97	SL	5.00	19	10,175.			10,175.	4,498.		1,018.
74	FURNITURE & EQUIPMENT INT	89	SL	5.00	19	524.			524.	524.		0.
75	FURNITURE & EQUIPMENT - INT	90	SL	5.00	19	1,858.			1,858.	1,858.		0.
76	FURNITURE & EQUIPMENT - INT	93	SL	5.00	19	3,220.			3,220.	3,220.		0.
	* TOTAL 990 PAGE 2 DEPR					2688769.		0.	2688769.	1061917.	0.	110,415.

028102
04-27-01

(D) - Asset disposed

FOOTNOTES STATEMENT 1

FORM 990, PART V LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES

OFFICERS, DIRECTORS AND TRUSTEES WHO ARE ALSO EMPLOYEES ARE COMPENSATED ONLY FOR THEIR DUTIES AS EMPLOYEES, NOT FOR THEIR DUTIES AS OFFICERS, DIRECTORS AND TRUSTEES.

FORM 990 RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
DRUG REHABILITATION CENTER, ITALY	1	1,560.
TOTAL TO FORM 990, PART I, LINE 6A		1,560.

FORM 990 | INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10 | STATEMENT 3

INCOME		
1. GROSS RECEIPTS	82,309	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		82,309
4. COST OF GOODS SOLD (LINE 13)	46,838	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		35,471
COST OF GOODS SOLD		
6. INVENTORY AT BEGINNING OF YEAR	78,679	
7. MERCHANDISE PURCHASED	14,151	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		92,830
12. INVENTORY AT END OF YEAR	45,992	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12)		46,838

FORM 990 PAYMENTS TO AFFILIATES STATEMENT 4

AFFILIATE'S NAME	AFFILIATE'S ADDRESS
ASSOCIATION FOR BETTER LIVING & EDUCATION INTERNATIONAL	7065 HOLLYWOOD BLVD., LOS ANGELES, CA 90028

PURPOSE OF PAYMENT	AMOUNT
TRADEMARK LICENSE FEES	211,901.
TOTAL TO FORM 990, PART I, LINE 16	211,901.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
BOOK/TAX DIFF ON LEASEHOLD IMPROVEMENT DEPR FROM CHANGE IN LIFE OF LEASE	<336,329.>
TOTAL TO FORM 990, PART I, LINE 20	<336,329.>

FORM 990 OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COMMISSIONS	77,442.	46,703.		30,739.
PROGRAM DELIVERY COSTS	368,517.	368,517.		
LICENSES, FEES AND DUES	1,157.	788.	368.	1.
PROMOTION	146,890.	143,373.	2,908.	609.
BANK CHARGES	26,457.	22,993.	52.	3,412.
STAFF TRAINING	36,571.	25,835.	10,539.	197.
TRAINING MATERIALS	7,652.	7,652.		
TOTAL TO FM 990, LN 43	664,686.	615,861.	13,867.	34,958.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 7

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
GENERAL SUPPORT	ABLE INTERNATIONAL	LOS ANGELES, CA	N/A	45,492.
CONTRIBUTION	CANADIAN PEE WEES LITTLE LEAGUE	CANADA	N/A	500.
CRIMINAL REHABILITATION	CRIMINON INTERNATIONAL	LOS ANGELES	N/A	82,008.
EDUCATION	C OF S FLAG SHIP SERVICE ORG	USA	N/A	500.
PUBLIC AWARENESS OF DRUG ABUSE	INT'L ASSOC. OF SCIENTOLOGISTS	ENGLAND	N/A	67,544.
DRUG REHABILITATION	NARCONON OF OKLAHOMA, INC	OKLAHOMA	N/A	798,602.
DRUG REHABILITATION	NARCONON BOLIVIA	BOLIVIA	N/A	11,352.
DRUG EDUCATION	NARCONON BOSTON	BOSTON	N/A	485.
DRUG REHABILITATION	NARCONON BRAZIL	BRAZIL	N/A	12,534.
DRUG REHABILITATION	NARCONON COLOMBIA	COLOMBIA	N/A	12,720.
DRUG EDUCATION	NARCONON DRUG ED & PREVENTION	LOS ANGELES	N/A	599.
DRUG EDUCATION	NARCONON ITALY	ITALY	N/A	2,455.
DRUG REHABILITATION	NARCONON NEWPORT	NEWPORT BEACH, CA	N/A	1,250.
DRUG EDUCATION	NARCONON SOUTH FLORIDA	FLORIDA	N/A	5,000.
DRUG REHABILITATION	NARCONON SOUTHERN CALIFORNIA	NEWPORT BEACH, CA	N/A	28,142.
YOUTH DRUG REHABILITATION	NARCONON UTAH	UTAH	N/A	3,000.

CRIMINAL REHABILITATION	REENCUENTRO CON LA MEXICO VIDA	N/A	17,400.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22			1089583.

FORM 990 NONCASH GRANTS AND ALLOCATIONS STATEMENT 8

CLASS OF ACTIVITY	DONEE'S NAME	DONEE'S ADDRESS
CRIMINAL REHABILITATION	CRIMINON INTERNATIONAL	LOS ANGELES

RELATIONSHIP OF DONEE	DESCRIPTION OF PROPERTY	DATE OF GIFT
N/A	VARIOUS ASSETS	VARIOUS

METHOD USED TO DETERMINE BOOK VALUE

COST

METHOD USED TO DETERMINE FAIR MARKET VALUE	BOOK VALUE	AMOUNT GIVEN
COST	3,364.	3,364.

CLASS OF ACTIVITY	DONEE'S NAME	DONEE'S ADDRESS
DRUG REHABILITATION	NARCONON OF OKLAHOMA, INC	OKLAHOMA

RELATIONSHIP OF DONEE	DESCRIPTION OF PROPERTY	DATE OF GIFT
N/A	VARIOUS ASSETS	VARIOUS

METHOD USED TO DETERMINE BOOK VALUE

COST

METHOD USED TO DETERMINE FAIR MARKET VALUE	BOOK VALUE	AMOUNT GIVEN
COST	9,943.	9,943.

CLASS OF ACTIVITY	DONEE'S NAME	DONEE'S ADDRESS
DRUG REHABILITATION	NARCONON SOUTHERN CALIFORNIA	NEWPORT BEACH, CA

RELATIONSHIP OF DONEE	DESCRIPTION OF PROPERTY	DATE OF GIFT
N/A	VARIOUS ASSETS	VARIOUS

METHOD USED TO DETERMINE BOOK VALUE

COST

METHOD USED TO DETERMINE FAIR MARKET VALUE	BOOK VALUE	AMOUNT GIVEN
COST	518,731.	518,731.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22 532,038.

FORM 990 SPECIFIC ASSISTANCE TO INDIVIDUALS STATEMENT 9

DESCRIPTION	AMOUNT
CASH ASSISTANCE TO STUDENTS ON DRUG REHABILITATION TRAINING PROGRAM	16,216.
TOTAL TO FORM 990, PART II, LINE 23	16,216.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER/OFFICE EQUIPMENT	4,716.	4,716.	0.
COMPUTER/OFFICE EQUIPMENT	6,881.	6,881.	0.
COMPUTER/OFFICE EQUIPMENT	7,125.	7,125.	0.
FURNITURE & EQUIPMENT	24,787.	24,787.	0.
FURNITURE & EQUIPMENT	4,121.	4,121.	0.
FURNITURE & EQUIPMENT	1,903.	1,903.	0.
FURNITURE & EQUIPMENT	26,604.	26,604.	0.
FURNITURE & EQUIPMENT	164,861.	164,861.	0.
FURNITURE & EQUIPMENT	273,612.	273,612.	0.
FURNITURE & EQUIPMENT	3,168.	3,168.	0.
FURNITURE & EQUIPMENT	1,916.	1,916.	0.
FURNITURE & EQUIPMENT	1,891.	1,756.	135.
FURNITURE & EQUIPMENT	3,726.	2,932.	794.
LEASEHOLD IMPROVEMENTS	14,214.	7,109.	7,105.
LEASEHOLD IMPROVEMENTS	210,445.	100,840.	109,605.
LEASEHOLD IMPROVEMENTS	616,945.	281,650.	335,295.
LEASEHOLD IMPROVEMENTS	104,591.	45,164.	59,427.
LEASEHOLD IMPROVEMENTS	9,922.	3,394.	6,528.
FURNITURE & EQUIPMENT	3,790.	3,790.	0.
FURNITURE & EQUIPMENT	2,200.	2,200.	0.
FURNITURE & EQUIPMENT	4,269.	4,269.	0.
EQUIPMENT & FURNITURE	594.	382.	212.
COMPUTER EQUIPMENT	3,864.	3,478.	386.
COMPUTERS	3,683.	2,579.	1,104.
FURNITURE AND EQUIPMENT	6,751.	4,725.	2,026.
FURNITURE AND EQUIPMENT	2,006.	1,404.	602.
LEASEHOLD IMPROVEMENTS	4,101.	885.	3,216.
MEDITERANNEO BUILDING	800,055.	80,005.	720,050.
COMMUNITY CENTER FURNISHINGS	6,087.	3,043.	3,044.
CRIMINON INT/NARCONON INT COMPUTERS	5,170.	2,585.	2,585.
CHILOCCO FURNITURE	3,548.	1,774.	1,774.
COMMUNITY CENTER FURNISHINGS	5,351.	2,675.	2,676.
INTERNATIONAL FURNITURE & EQUIPMENT	714.	214.	500.

INTERNATIONAL BUILDING IMPROVEMENTS	99,982.	5,999.	93,983.
INTERNATIONAL COMPUTERS	1,252.	375.	877.
FURNITURE & EQUIPMENT	7,486.	7,486.	0.
FURNITURE & EQUIPMENT	2,855.	286.	2,569.
COMPUTER	9,015.	902.	8,113.
FURNITURE & EQUIPMENT - INT	524.	524.	0.
FURNITURE & EQUIPMENT - INT	1,858.	1,858.	0.
FURNITURE & EQUIPMENT - INT	3,220.	3,220.	0.
TOTAL TO FORM 990, PART IV, LN 57	2,459,803.	1,097,197.	1,362,606.

SEE BOOK/TAX DIFFERENCE, STATEMENT 5

FORM 990 OTHER ASSETS STATEMENT 11

DESCRIPTION	AMOUNT
DEPOSITS	0.
PREPAID TAX	700.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	700.

FORM 990 OTHER LIABILITIES STATEMENT 12

DESCRIPTION	AMOUNT
CLIENT FUNDS HELD	1,035.
SALES TAX PAYABLE	125.
PAYROLL TAXES PAYABLE	124.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	1,284.

FORM 990 STATEMENT CONCERNING LIQUIDATION, TERMINATION, ETC. - PART VI, LINE 79 STATEMENT 13

EXPLANATION

SEE STATEMENT 2 1

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 14

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	PAYMENTS RECEIVED FOR DRUG REHABILITATION.
93B	TRAINING & EDUCATION ON DRUG REHABILITATION & DETOXIFICATION DELIVERY.
93C	PAYMENTS RECEIVED FOR LICENSING FEES.
102	SALE OF BOOKS REGARDING DRUG ABUSE AND OTHER MATERIALS PROMOTING DRUG FREE LIFESTYLES.
103A	COMMISSIONS RECEIVED FOR FIELD STAFF AUDITING.
103B	RENT REFUND RECEIVED DUE TO CHANGE IN LEASE AGREEMENT.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS PART III, LINE 4 STATEMENT 15

THE RECIPIENTS OF NARCONON INTERNATIONAL'S GRANTS WERE QUALIFIED EXEMPT ORGANIZATIONS. PROJECTS ARE DETERMINED TO BE QUALIFIED ON AN INDIVIDUAL BASIS. THE ORGANIZATION ENSURES THAT EACH SO QUALIFIES AT ALL TIMES.

2000 FORM 990, PART III
FEDERAL ID # 95-2769582
NARCONON INTERNATIONAL
STATEMENT # 17

DESCRIPTION OF PROGRAM SERVICE ONE
(DRUG DETOXIFICATION AND REHABILITATION):

ONE OF THE PURPOSES OF NARCONON INTERNATIONAL IS TO ESTABLISH NARCONON CENTERS THROUGHOUT THE WORLD AND TO ASSIST THEM TO PROVIDE DRUG REHABILITATION SERVICES TO THE BROAD PUBLIC UTILIZING THE TECHNIQUES DEVELOPED BY HUMANITARIAN, L. RON HUBBARD.

DURING 2000, NARCONON INTERNATIONAL ESTABLISHED THREE NEW DRUG REHABILITATION CENTERS IN THE UNITED STATES AND OTHER COUNTRIES. IT PROVIDED ASSISTANCE ON DRUG REHABILITATION SERVICES TO ALL OF ITS 37 NARCONON CENTERS AROUND THE WORLD: AN AVERAGE OF MORE THAN 250 LIFE SKILLS COURSES AND OTHER DRUG REHABILITATION SERVICES WERE COMPLETED BY PUBLIC IN THESE CENTERS EVERY WEEK. MORE THAN 775 PEOPLE WERE FREED FROM THE AFFLICTION OF DRUGS THROUGH COMPLETION OF THE APPROXIMATELY 3-5 MONTH NARCONON PROGRAM.

DURING THE FIRST HALF OF 2000, NARCONON INTERNATIONAL ITSELF OPERATED TWO DRUG REHABILITATION CENTERS, ONE IN LOS ANGELES AND ONE IN OKLAHOMA. DUE TO THE UNPRECEDENTED DEMAND FOR ITS DRUG DETOXIFICATION AND REHABILITATION SERVICES, NARCONON ESTABLISHED BOTH OF THESE CENTERS AS SEPARATE CORPORATIONS SO THAT THEY COULD BETTER MEET THAT DEMAND.

IN ALL, NARCONON INTERNATIONAL PROVIDED ASSISTANCE WITH REGARD TO DRUG REHABILITATION AND DRUG PREVENTION SERVICES TO OVER 100 GROUPS AND CENTERS IN 30 COUNTRIES.

	GRANTS	EXPENSES
To Form 990, Part III, line a	**1,446,978**	**3,540,927**

2000 FORM 990, PART III
FEDERAL ID # 95-2769582
NARCONON INTERNATIONAL
STATEMENT # 18

DESCRIPTION OF PROGRAM SERVICE TWO
(DRUG EDUCATION):

NARCONON INTERNATIONAL PROVIDED ASSISTANCE TO NARCONON GROUPS AND CENTERS TO BETTER SERVICE THEIR COMMUNITIES WITH DRUG EDUCATION LECTURES, HELPING TO IMPROVE PUBLIC KNOWLEDGE CONCERNING THE IMPORTANT TRUTHS ABOUT DRUGS.

IN THE YEAR 2000, NARCONON INTERNATIONAL ESTABLISHED 10 NEW NARCONON DRUG EDUCATION ACTIVITIES AROUND THE WORLD, INCLUDING COUNTRIES SUCH AS BRAZIL, AFRICA, HUNGARY, ITALY, CANADA, SPAIN, RUSSIA, MEXICO, INDONESIA, UK AND AUSTRALIA AS WELL AS THE USA. THIS MAKES A TOTAL OF 48 DRUG PREVENTION AND EDUCATION PROGRAMS WORLDWIDE.

NARCONON DRUG PREVENTION LECTURES WERE GIVEN TO OVER 253,790 SCHOOL CHILDREN, TEACHERS AND PARENTS WORLDWIDE. THE SUCCESSFUL VIDEO "TRUTH ABOUT DRUGS" WAS SHOWN EXTENSIVELY BOTH IN THE UNITED STATES AND INTERNATIONALLY. AN ADDITIONAL VIDEO WAS PRODUCED REGARDING THE HARMFUL EFFECTS OF MARIJUANA AND HAS BEEN BROADLY SHOWN TO YOUTHS IN THE UNITED STATES.

OVER 100,000 COPIES OF THE POPULAR BOOK "HOW DRUGS AFFECT THE MIND" WERE REPRINTED AND DISTRIBUTED IN ITALY.

NARCONON ITALY PUBLISHED OVER 1000 COPIES OF TWO NEW BOOKLETS ABOUT DRUGS: "THE BOOK ABOUT DRUGS" AND THE ITALIAN EDITION OF THE BOOK "NARCONON - AN OVERVIEW OF RESULTS". THESE WERE DISTRIBUTED TO JUDGES, MEMBERS OF PARLIAMENT, MEDIA, MILITARY AND SCHOOL TEACHERS.

	GRANTS	EXPENSES
To Form 990, Part III, line b	**24,970**	**153,811**

2000 FORM 990, PART III
FEDERAL ID # 95-2769582
NARCONON INTERNATIONAL
STATEMENT # 19

DESCRIPTION OF PROGRAM SERVICE THREE
(CRIMINON - CRIMINAL REHABILITATION (January - May 2000)):

DURING THE FIRST FIVE MONTHS OF 2000, NARCONON INTERNATIONAL'S CRIMINAL REHABILITATION DIVISION, CALLED CRIMINON INTERNATIONAL, OPERATED WITHIN NARCONON INTERNATIONAL WITH THE PURPOSE OF REDUCING CRIMINAL RECIDIVISM BY PROVIDING EDUCATIONAL TOOLS AND LIFE SKILLS TO OFFENDERS SO THAT THEY MAY REJOIN SOCIETY AS RESPONSIBLE AND CONTRIBUTING MEMBERS.

THE MAIN ELEMENT OF THE CRIMINON PROGRAM IS "THE WAY TO HAPPINESS" CORRESPONDENCE COURSE, WHICH IS BASED ON A BOOKLET OF THE SAME NAME. THE BOOKLET CONTAINS A 21- PRECEPT COMMON SENSE MORAL CODE, WHICH IS EMBRACED AND FOLLOWED BY INMATES OF ALL RACES AND CREEDS. THIS COURSE RESULTS IN THE INMATE REGAINING HIS SELF-RESPECT.

IN ADDITION TO "THE WAY TO HAPPINESS" COURSE, CRIMINON DELIVERED A WIDE RANGE OF EDUCATIONAL AND LIFE SKILLS COURSES THAT ADDRESS VARIOUS ASPECTS OF LIFE WHERE THE OFFENDER MAY BE HAVING DIFFICULTY AND THE COURSES GIVE HIM THE TOOLS TO HANDLE THOSE PROBLEMS. THESE COURSES INCLUDE SUCH TOPICS AS COMMUNICATION SKILLS, DRUG EDUCATION, PARENTING, AND HANDLING NEGATIVE INFLUENCES IN LIFE.

IN THE FIRST FIVE MONTHS OF 2,000, CRIMINON REACHED INMATES IN OVER 1,200 PRISONS. CRIMINON STARTED 2,215 INMATES ON THE CRIMINAL REHABILITATION PROGRAM AND 883 INMATES SUCCESSFULLY COMPLETED COURSES AS OF THE END OF THE YEAR.

ON JUNE 1, 2000 CRIMINON INTERNATIONAL WAS INCORPORATED AS A SEPARATE NON-PROFIT CORPORATION, AT WHICH TIME IT TOOK OVER THE ACTIVITIES PREVIOUSLY CONDUCTED BY THE CRIMINAL REHABILITATION DIVISION OF NARCONON INTERNATIONAL

	GRANTS	EXPENSES
To Form 990, Part III, line c	**105,772**	**173,046**

2000 FORM 990, PART III
FEDERAL ID # 95-2769582
NARCONON INTERNATIONAL
STATEMENT # 20

DESCRIPTION OF PROGRAM SERVICE FOUR
(PUBLIC AWARENESS):

IN AMERICA AND OTHER PARTS OF THE WORLD, NARCONON INTERNATIONAL AND ITS LICENSED GROUPS CONTINUED THEIR DRUG PREVENTION CAMPAIGNS THROUGH DIRECT LECTURES, TELEVISION, RADIO, PRINT MEDIA, THE INTERNET AND BROAD PUBLIC MAILINGS. THE PURPOSE WAS TO REACH AS MANY INDIVIDUALS AS POSSIBLE TO RAISE THEIR AWARENESS OF THE DRUG AND ALCOHOL PROBLEMS AND THE NEED FOR EFFECTIVE PROGRAMS OF PREVENTION AND REHABILITATION.

DOZENS OF INTERNET WEB SITES WERE ESTABLISHED IN THE UNITED STATES, CANADA, VENEZUELA, MEXICO AND SWEDEN TO PROVIDE INFORMATION AND EDUCATION ON DRUGS, THEIR EFFECTS AND THE SOLUTIONS PROVIDED THROUGH THE NARCONON PROGRAM. SOME OF NARCONON'S MOST POPULAR SITES INCLUDE:

www.stopaddiction.com
www.addiction2.com
www.cocaineaddiction.com
www.ecstacyaddiction.com
www.heroinaddiction.com
www.marijuanaddiction.com
www.methamphetamineaddiction.com
www.narconon-books.com
www.narcononcenter.com
www.narconon-drug-education.com
www.addictionCA.com

NARCONON INTERNATIONAL AND ITS LICENSED GROUPS AND CENTERS DISTRIBUTED AN AVERAGE OF 750,000 PROMOTIONAL FLIERS, NEWSLETTERS AND MAGAZINES EVERY WEEK TO THE GENERAL PUBLIC INFORMING THEM OF THE SOLUTIONS TO DRUG ABUSE AND THE

NARCONON PROGRAM. AS PART OF THIS CAMPAIGN, NARCONON INTERNATIONAL DISTRIBUTED THREE NEWSLETTERS TO OVER 45,000 PEOPLE INTERNATIONALLY DURING THE YEAR.

THERE WERE OVER 10,000 COPIES OF THE POPULAR BOOKLET "HOW DRUGS AFFECT THE MIND" REPRINTED AND DISTRIBUTED IN THE LOS ANGELES AREA ALONE.

OVER 500 RADIO INTERVIEWS WERE BROADCAST IN THE UNITED STATES BY THE PRESIDENT OF NARCONON INTERNATIONAL AND OTHER NARCONON SPOKESPERSONS. THEY SPOKE OF THE DEVASTATION OF DRUGS AND HOW ONE CAN LIVE A DRUG-FREE LIFE. OVER 245,000 RADIO BROADCASTS REACHED OVER 900 MILLION LISTENERS IN THE UNITED STATES AND INTERNATIONALLY.

THE PRESIDENT OF NARCONON INTERNATIONAL ADDRESSED 250 DELEGATES FROM 29 DIFFERENT COUNTRIES AT THE "HOPE 2000 INTERNATIONAL CONFERENCE ON HIV AND SUBSTANCE ABUSE PREVENTION AND CONTROL" ON THE SUBJECT OF "THE PSYCOTHERAPEUTIC AND HEALTH POTENTIALS OF THE NARCONON DRUG-FREE SOCIAL EDUCATION REHABILITATION MODEL - INCLUDING A PROTOCOL OF REDUCTION OF PERSISTENT RESIDUAL DRUG TOXINS".

IN ADDITION, IN THE YEAR 2000, AT THE INVITATION OF THE "RUSSIA WITHOUT DRUGS FOUNDATION", NARCONON STAFF PARTICIPATED IN A MARATHON RUN FROM PARIS TO MOSCOW AS PART OF THE WORLD PEACE AND ANTI-DRUG INTER-CULTURAL SUPER MARATHON PROMOTING OUR MUTUAL HUMANITARIAN OBJECTIVES.

	GRANTS	**EXPENSES**
To Form 990, Part III, line d	**16,650**	**318,570**

2000 Form 990, Part VI, line 79.
Federal ID # 95-2769582
Narconon International
Report of Substantial Contraction
Statement #21

During the first half of 2000, Narconon International itself operated two drug rehabilitation centers, one in Los Angeles, California and one in Newkirk, Oklahoma, as well as a criminal rehabilitation division called Criminon which provided life skills and educational programs to inmates. Due to the unprecedented demand for its drug and criminal rehabilitation services, Narconon International established three new separate corporations so that they could better meet that demand. These new corporations and the dates of the transfers to them are:

Narconon of Oklahoma, Inc.	30-Jun-00
Narconon Southern California	30-Jun-00
Criminon International	31-May-00

The bank accounts, other assets and liabilities which had been used by these branches when they were part of the Narconon International corporation were transferred to the three new corporations respectively, to enable the centers and programs to continue providing these services to their communities. Narconon International also granted full rights to the ficticious business names connected with the activities to the new corporations.

The following transfers were completed:

Narconon of Oklahoma, Inc.	Cash:	798,601.87
HC 67, Box 5	Other assets:	125,383.78
Canadian, OK 74425	Liabilities:	-197,130.69
	Total:	726,854.96
Narconon Southern California	Cash:	36,607.54
1810 W. Oceanfront	Other assets:	43,942.36
Newport Beach, CA 92663	Liabilities:	-8,063.61
	Total:	72,486.29
Criminon International	Cash:	82,008.40
11712 Moorpark #102	Other assets:	3,364.07
Studio City, CA 91604	Liabilities:	
	Total:	85,372.47
Total transferred:		884,713.72

2000 Form 990, Part VI, Line 79
Federal ID # 95-2769582
Narconon International
Year ended December 31, 2000
Statement # 21

Substantial contraction - transfer of net assets to branches which split off into separate corporations.

Old branch name	Total	Chilocco	Criminon	Newport Beach
New corporation	Fair Market	NN of Okla	Criminon Intl	NN of S Cal
Date of Distribution	Value	6/30/2000	5/31/2000	6/30/2000
Cash in bank accounts	906,752.46	796,601.87	82,008.40	28,142.19
Cash Float	10,465.35	2,000.00		8,465.35
Cash subtotal	917,217.81	798,601.87	82,008.40	36,607.54
Inventory	8,609.17	8,609.17		
Leasehold Improvements, net	2,010.33			2,010.33
Computer, net	53,541.31	45,347.48	1,542.07	6,651.76
Furniture, net	44,850.90	17,600.14		27,250.76
Plant & Tech Equip, net	4,165.76			4,165.76
Motor Vehicle , net	46,815.74	42,951.99		3,863.75
Deposits	12,697.00	10,875.00	1,822.00	
Other assets subtotal	172,690.21	125,383.78	3,364.07	43,942.36
Client Funds Held	(12,416.08)	(12,416.08)		
Sales Tax Payable	(2,402.95)	(2,402.95)		
Payroll Tax Payable	(4,997.46)	(4,997.46)		
Contracts Payable	(33,388.32)	(26,312.20)		(7,076.12)
Loan Payable - ABLE	(987.49)			(987.49)
Loan Payable - App Sch	(139,750.60)	(139,750.60)		
Loan Payable - TWTH	(11,251.40)	(11,251.40)		
Liabilities subtotal	(205,194.30)	(197,130.69)	-	(8,063.61)
Total net assets transferred	884,713.72	726,854.96	85,372.47	72,486.29
Total net assets @ 1/1/00	2,010,329.46			
Percentage of Net Assets transferred	44%			

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property) 990

▶ See separate instructions. ▶ Attach this form to your return.

OMB No 1545-0172

2000

Attachment Sequence No 67

Name(s) shown on return	Business or activity to which this form relates	Identifying number
NARCONON INTERNATIONAL	FORM 990 PAGE 2	95-2769582

Part I **Election To Expense Certain Tangible Property (Section 179)** **Note:** If you have any "listed property," complete Part V before you complete Part I.)

1	Maximum dollar limitation. If an enterprise zone business, see instructions	1	20,000.
2	Total cost of section 179 property placed in service. See instructions	2	
3	Threshold cost of section 179 property before reduction in limitation	3	$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1999	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.*

Part II **MACRS Depreciation For Assets Placed in Service Only During Your 2000 Tax Year (Do not include listed property.)**

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions ▶ ☐

Section B - General Depreciation System (GDS) (See instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions.)

16 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III **Other Depreciation (Do not include listed property.)** (See instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	110,415.

Part IV **Summary** (See instructions.)

20	Listed property. Enter amount from line 26	20	
21	**Total.** Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	110,415.
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

LHA **For Paperwork Reduction Act Notice, see the separate instructions.**

Form **4562** (2000)

016251
11-20-00

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* **only** *23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See instructions for limits for passenger automobiles.*)

23a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 23b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
25 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		

26 Add amounts in column (h). Enter the total here and on line 20, page 1 26

27 Add amounts in column (i). Enter the total here and on line 7, page 1 27

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use?		
Note: *If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.*		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 2000 tax year:					

41 Amortization of costs that began before 2000 41

42 **Total.** Add amounts in column (f). See instructions for where to report 42

018252
10-21-00

- CURRENT YEAR FEDERAL - NARCONON INTERNATIONAL

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	COMPUTER/OFFICE EQUIPMENT	92	SL	5.00	19	4,716.			4,716.	4,716.		0.
2	COMPUTER/OFFICE EQUIPMENT	93	SL	5.00	19	6,881.			6,881.	6,881.		0.
3	(D)COMPUTER/OFFICE EQUIPMENT	94	SL	5.00	19	7,093.			7,093.	7,093.		0.
4	COMPUTER/OFFICE EQUIPMENT	95	SL	5.00	19	7,125.			7,125.	6,413.		712.
5	FURNITURE & EQUIPMENT	86	SL	5.00	19	24,787.			24,787.	24,787.		0.
6	FURNITURE & EQUIPMENT	87	SL	5.00	19	4,121.			4,121.	4,121.		0.
7	FURNITURE & EQUIPMENT	88	SL	5.00	19	1,903.			1,903.	1,903.		0.
8	FURNITURE & EQUIPMENT	89	SL	5.00	19	26,604.			26,604.	26,604.		0.
9	FURNITURE & EQUIPMENT	90	SL	5.00	19	164,861.			164,861.	164,861.		0.
10	FURNITURE & EQUIPMENT	90	SL	7.00	19	273,612.			273,612.	273,612.		0.
11	FURNITURE & EQUIPMENT	91	SL	5.00	19	3,168.			3,168.	3,168.		0.
13	FURNITURE & EQUIPMENT	94	SL	5.00	19	1,916.			1,916.	1,916.		0.
14	FURNITURE & EQUIPMENT	94	SL	7.00	19	1,891.			1,891.	1,486.		270.
15	FURNITURE & EQUIPMENT	95	SL	7.00	19	3,726.			3,726.	2,400.		532.
16	LEASEHOLD IMPROVEMENTS	88	SL	25.00	19	14,214.			14,214.	6,540.		569.
17	LEASEHOLD IMPROVEMENTS	89	SL	24.00	19	210,445.			210,445.	92,071.		8,769.
18	LEASEHOLD IMPROVEMENTS	90	SL	23.00	19	616,945.			616,945.	254,826.		26,824.
19	LEASEHOLD IMPROVEMENTS	91	SL	22.00	19	104,591.			104,591.	40,410.		4,754.

(D) - Asset disposed

- CURRENT YEAR FEDERAL - NARCONON INTERNATIONAL

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of - Depreciation
20	LEASEHOLD IMPROVEMENTS	94	SL	19.00	19	9,922.			9,922.	2,872.		522.
21	(D)SAUNA	95	SL	7.00	19	8,190.			8,190.	5,265.		585.
23	FURNITURE & EQUIPMENT	92	SL	7.00	19	3,790.			3,790.	3,790.		0.
24	FURNITURE & EQUIPMENT	92	SL	5.00	19	2,200.			2,200.	2,200.		0.
25	FURNITURE & EQUIPMENT	93	SL	5.00	19	4,269.			4,269.	4,269.		0.
26	(D)LEASEHOLD IMPROVEMENT	063096	SL	5.00	19	8,750.			8,750.	6,125.		875.
27	(D)FURNITURE & EQUIPMENT	063096	SL	7.00	19	952.			952.	476.		68.
28	EQUIPMENT & FURNITURE	070196	SL	7.00	19	594.			594.	297.		85.
30	COMPUTER EQUIPMENT	063096	SL	5.00	19	3,864.			3,864.	2,705.		773.
31	COMPUTERS	070197	SL	5.00	19	3,683.			3,683.	1,842.		737.
33	(D)COMPUTERS	070197	SL	5.00	19	4,397.			4,397.	2,198.		440.
34	(D)COMPUTERS	070197	SL	5.00	19	3,855.			3,855.	1,928.		386.
35	FURNITURE AND EQUIPMENT	070197	SL	5.00	19	6,751.			6,751.	3,375.		1,350.
36	FURNITURE AND EQUIPMENT	070197	SL	5.00	19	2,006.			2,006.	1,003.		401.
37	(D)FURNITURE AND EQUIPMENT	070197	SL	7.00	19	1,874.			1,874.	670.		134.
38	LEASEHOLD IMPROVEMENTS	070197	SL	16.00	19	4,101.			4,101.	629.		256.
39	(D)LEASEHOLD IMPROVEMENTS	070197	SL	5.00	19	651.			651.	325.		65.
40	(D)NEWPORT COMPUTERS	070198	SL	5.00	19	4,539.			4,539.	1,362.		454.

(D) - Asset disposed

- CURRENT YEAR FEDERAL - NARCONON INTERNATIONAL

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
41	MEDITERANNEO BUILDING	070198	SL	25.00	19	800,055.			800,055.	48,003.		32,002.
42	COMMUNITY CENTER FURNISHINGS	070198	SL	5.00	19	6,087.			6,087.	1,826.		1,217.
43	CRIMINON INT/NARCONON INT COMPUTERS	070198	SL	5.00	19	5,170.			5,170.	1,551.		1,034.
44	CHILOCCO FURNITURE	070198	SL	5.00	19	3,548.			3,548.	1,064.		710.
45	(D)CHILOCCO COMPUTERS	070198	SL	5.00	19	14,009.			14,009.	4,203.		1,401.
46	(D)CHILOCCO VEHICLES	070198	SL	3.00	19	1,200.			1,200.	600.		200.
48	COMMUNITY CENTER FURNISHINGS	070198	SL	5.00	19	5,351.			5,351.	1,605.		1,070.
50	INTERNATIONAL FURNITURE & EQUIPMENT	070199	SL	5.00	19	714.			714.	71.		143.
51	(D)CHILOCCO COMPUTERS	070199	SL	5.00	19	19,565.			19,565.	1,957.		1,957.
52	(D)CHILOCCO VEHICLES	070199	SL	5.00	19	29,690.			29,690.	2,969.		2,969.
53	(D)NEWPORT PLAN & TECHNICAL	070199	SL	7.00	19	880.			880.	63.		63.
54	INTERNATIONAL BUILDING IMPROVEMENTS	070199	SL	25.00	19	99,982.			99,982.	2,000.		3,999.
55	(D)CHILOCCO VEHICLES	070199	SL	3.00	19	7,450.			7,450.	1,242.		1,242.
56	INTERNATIONAL COMPUTERS	070199	SL	5.00	19	1,252.			1,252.	125.		250.
57	(D)NEWPORT COMPUTERS	070199	SL	5.00	19	2,048.			2,048.	205.		205.
58	(D)CHILOCCO FURNITURE & EQUIPMENT	070199	SL	5.00	19	18,272.			18,272.	1,827.		1,827.
59	(D)NEWPORT FURNITURE & EQUIPMENT	070199	SL	7.00	19	22,400.			22,400.	1,600.		1,600.
60	FURNITURE & EQUIPMENT	070191	SL	7.00	19	7,486.			7,486.	7,486.		0.

(D) - Asset disposed

- CURRENT YEAR FEDERAL - NARCONON INTERNATIONAL

Asset No	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis - ITC, 179, Salvage	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of - Depreciation
61	(D)FURNITURE & EQUIPMENT (CHILOCCO)	010100	SL	5.00	19	3,314.			3,314.			331.
62	(D)COMPUTER (CHILOCCO)	010100	SL	5.00	19	18,478.			18,478.			1,848.
63	(D)VEHICLES (CHILOCCO)	010100	SL	3.00	19	19,000.			19,000.			3,167.
64	(D)FURNITURE & EQUIPMENT (NEWPORT)	040100	SL	7.00	19	6,356.			6,356.			227.
65	(D)COMPUTERS (NEWPORT)	040100	SL	5.00	19	559.			559.			28.
66	(D)VEHICLES (NEWPORT)	040100	SL	3.00	19	4,215.			4,215.			351.
67	(D)ALARM SYSTEM (NEWPORT)	040100	SL	7.00	19	592.			592.			21.
68	FURNITURE & EQUIPMENT	070100	SL	5.00	19	2,855.			2,855.			286.
69	COMPUTER	070100	SL	5.00	19	9,015.			9,015.			902.
70	(D)COMPUTER/OFFICE EQUIPMENT	95	SL	5.00	19	1,382.			1,382.	1,242.		138.
71	(D)FURNITURE & EQUIPMENT	94	SL	7.00	19	8,405.			8,405.	6,605.		600.
72	(D)FURNITURE & EQUIPMENT	95	SL	7.00	19	675.			675.	434.		48.
73	(D)COMPUTERS	97	SL	5.00	19	10,175.			10,175.	4,498.		1,018.
74	FURNITURE & EQUIPMENT - INT	89	SL	5.00	19	524.			524.	524.		0.
75	FURNITURE & EQUIPMENT - INT	90	SL	5.00	19	1,858.			1,858.	1,858.		0.
76	FURNITURE & EQUIPMENT - INT	93	SL	5.00	19	3,220.			3,220.	3,220.		0.
	* TOTAL 990 PAGE 2 DEPR					2688769.		0.	2688769.	1061917.	0.	110,415.

028102
04-27-01

(D) - Asset disposed

Form **8868**
(December 2000)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ ☒
- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Note: *Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.*

Part I **Automatic 3-Month Extension of Time**—Only submit original (no copies needed)

Note: *Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only* . . . ▶ ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization NARCONON INTERNATIONAL	Employer identification number 95 2769582
	Number, street, and room or suite no. If a P.O. box, see instructions. 7060 HOLLYWOOD BLVD #220	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LOS ANGELES, CA 90028	

Check type of return to be filed (file a separate application for each return):

☒ Form 990
☐ Form 990-BL
☐ Form 990-EZ
☐ Form 990-PF
☐ Form 990-T (corporation)
☐ Form 990-T (sec. 401(a) or 408(a) trust)
☐ Form 990-T (trust other than above)
☐ Form 1041-A
☐ Form 4720
☐ Form 5227
☐ Form 6069
☐ Form 8870

- If the organization does **not** have an office or place of business in the United States, check this box . . . . . ▶ ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole** group, check this box ▶ ☐ . If it is for part of the group, check this box ▶ ☐ and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until August 15, 2001, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ ☒ calendar year 2000 or
▶ ☐ tax year beginning _____, 20__, and ending _____, 20__.

2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions . . . . . $

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit . . . . . $

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions . . . . . $

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ [signature] Title ▶ Secretary Date ▶ 2 May 01

For Paperwork Reduction Act Notice, see Instruction

Cat. No. 27916D Form **8868** (12-2000)

Client is Preparing

- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension,** complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.

Type or print. File by the extended due date for filing the return. See instructions.		
Name of Exempt Organization: NARCONON INTERNATIONAL		Employer identification number: 95-2769582
Number, street, and room or suite no. If a P.O. box, see instructions.: 7060 HOLLYWOOD BLVD., NO. 220		For IRS use only
City, town or post office, state, and ZIP code. For a foreign address, see instructions.: LOS ANGELES, CA 90028		

Check type of return to be filed (File a separate application for each return):

[X] Form 990 [ ] Form 990-EZ [ ] Form 990-T (sec. 401(a) or 408(a) trust) [ ] Form 1041-A [ ] Form 5227 [ ] Form 8870
[ ] Form 990-BL [ ] Form 990 PF [ ] Form 990-T (trust other than above) [ ] Form 4720 [ ] Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does **not** have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a **Group Return,** enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box ▶ [ ]. If it is for **part** of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until NOVEMBER 15, 2001.

5 For calendar year 2000, or other tax year beginning _____ and ending _____.

6 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO OBTAIN THE NECESSARY INFORMATION TO FILE A COMPLETE AND ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions $ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 $ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions $ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ Date ▶

Notice to Applicant - To Be Completed by the IRS

[ ] We **have** approved this application. Please attach this form to the organization's return.

[ ] We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwis required to be made on a timely return. Please attach this form to the organization's return.

[ ] We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.

[ ] We **cannot consider** this application because it was filed after the due date of the return for which an extension was requested.

[ ] Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	
Name	NANAS STERN BIERS NEINSTEIN AND CO. LLP
Number and street (include suite, room, or apt. no.) Or a P.O. box number	9454 WILSHIRE BLVD., 4TH FLOOR
City or town, province or state, and country (including postal or ZIP code)	BEVERLY HILLS, CA 90212-2907