

Return of Organization Exempt From Income Tax

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

2000

Department of the Treasury Internal Revenue Service

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

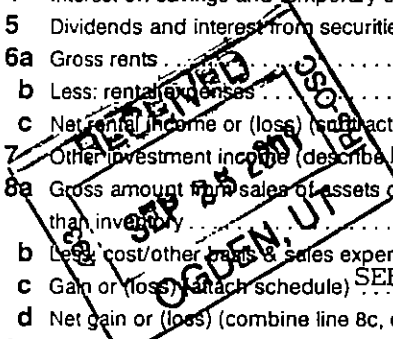
Open to Public Inspection

Header section A-F: For the 2000 calendar year, or tax year period beginning 2000, and ending 20. B: Check if applicable: Change of addr., Change of name, Initial return, Final return, Amended return. C: Name of organization, number and street, city, town, state, and ZIP code: NARCONON OF NORTHERN CALIFORNIA, 262 GAFFEY ROAD, WATSONVILLE, CA 95076. D: Employer identification number: 77-0275827. E: Telephone number: (800) 556-8885. F: Check if application pending.

Section G: Organization type (check only one) [X] 501(c)(3) (insert no.) [] 527 or [] 4947(a)(1). Note: H and I are not applicable to sec. 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. H(d) Is this a separate return filed by an organization covered by a group ruling? [X] Yes [] No. I Enter 4-digit group exemption no. (GEN) 2595. L Check this box if organization is not required to attach Schedule B (Form 990 or 990-EZ) [X].

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions.)

Table with 21 rows and 4 columns. Rows 1-12 are Revenue (1: Contributions, gifts, grants, and similar amounts received; 2: Program service revenue; 3: Membership dues; 4: Interest on savings; 5: Dividends; 6a: Gross rents; 6b: Less: rental expenses; 6c: Net rental income; 7: Other investment income; 8a: Gross amount from sales of assets other than inventory; 8b: Less: cost/other basis & sales expenses; 8c: Gain or (loss); 8d: Net gain or (loss); 9: Special events and activities; 10a: Gross sales of inventory; 10b: Less: cost of goods sold; 10c: Gross profit or (loss); 11: Other revenue; 12: Total revenue). Rows 13-17 are Expenses (13: Program services; 14: Management and general; 15: Fundraising; 16: Payments to affiliates; 17: Total expenses). Rows 18-21 are Net Assets (18: Excess or (deficit) for the year; 19: Net assets at beginning of year; 20: Other changes; 21: Net assets at end of year). Values are provided for many cells, e.g., 27,748, 1,262,196, 157, 26,974, 20,493, 6,481, 1,295,819, 1,137,221, 57,422, 1,194,643, 101,176, 53,135, 20,088, 174,399.



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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. (See Specific Instructions.)

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include: 22 Grants and allocations, 23 Specific assistance to individuals, 24 Benefits paid to or for members, 25 Compensation of officers, directors, etc., 26 Other salaries and wages, 27 Pension plan contributions, 28 Other employee benefits, 29 Payroll taxes, 30 Professional fundraising fees, 31 Accounting fees, 32 Legal fees, 33 Supplies, 34 Telephone, 35 Postage and shipping, 36 Occupancy, 37 Equipment rental and maintenance, 38 Printing and publications, 39 Travel, 40 Conferences, conventions, and meetings, 41 Interest, 42 Depreciation, depletion, etc. (attach schedule), 43 Other expenses (itemize): a See Attached, b, c, d, e, 44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? [] Yes [X] No
If "Yes," enter (i) 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 (See Specific Instructions.)

Table with 2 columns: Description of program service accomplishments, Program Service Expenses (Required for 501(c)(3) & (4) orgs., & 4947(a)(1) trusts; but optional for others.). Row a: DRUG REHABILITATION SERVICES WERE PROVIDED TO INDIVIDUALS FOR A TOTAL OF 36120 HOURS OF DRUG REHAB AND LIFE SKILLS DRUG FREE LECTURES WERE DELIVERED TO 10,500 STUDENTS AT PUBLIC SCHOOLS (Grants and allocations \$) 1,137,221. Row b: (Grants and allocations \$) Row c: (Grants and allocations \$) Row d: (Grants and allocations \$) Row e: Other program services (attach schedule) (Grants and allocations \$) Row f: Total of Program Service Expenses (should equal line 44, column (B), Program services) 1,137,221.

Part IV Balance Sheets (See Specific Instructions.)

		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
A S S E T S	45 Cash -- non-interest-bearing			31,110.	45	142,477.
	46 Savings and temporary cash investments				46	
	47a Accounts receivable	47a				
	b Less: allowance for doubtful accounts	47b			47c	
	48a Pledges receivable	48a				
	b Less: allowance for doubtful accounts	48b			48c	
	49 Grants receivable				49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less: allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use			8,209.	52	5,000.
	53 Prepaid expenses and deferred charges				53	
	54 Investments -- securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV				54	
	55a Investments -- land, buildings, and equipment: basis	55a				
	b Less: accumulated depreciation (attach schedule)	55b			55c	
56 Investments -- other (attach schedule)				56		
57a Land, buildings, and equipment: basis	57a	1,528,250.				
b Less: accumulated depreciation (attach schedule) SEE ATTCHED	57b	86,259.		1,463,689.	57c	1,441,991.
58 Other assets (describe <input type="checkbox"/> See Statement Attached)				130.	58	5,324.
59 Total assets (add lines 45 through 58) (must equal line 74)				1,503,138.	59	1,594,792.
L I A B I L I T I E S	60 Accounts payable and accrued expenses				60	
	61 Grants payable				61	
	62 Deferred revenue				62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
	64a Tax-exempt bond liabilities (attach schedule)				64a	
	b Mortgages and other notes payable (attach schedule)			1,418,025.	64b	1,411,201.
	65 Other liabilities (describe <input type="checkbox"/> See Statement Attached)			31,978.	65	9,192.
66 Total liabilities (add lines 60 through 65)				1,450,003.	66	1,420,393.
N E T A S S E T B A L A N C E S	Organizations that follow SFAS 117, check here. <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted			53,135.	67	174,399.
	68 Temporarily restricted				68	
	69 Permanently restricted				69	
	Organizations that do not follow SFAS 117, check here. <input type="checkbox"/> and complete lines 70 through 74.					
	70 Capital stock, trust principal, or current funds				70	
	71 Paid-in or capital surplus, or land, building, and equipment fund				71	
	72 Retained earnings, endowment, accumulated income, or other funds				72	
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)				53,135.	73	174,399.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)				1,503,138.	74	1,594,792.

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 (See Specific Instructions.)		Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a Total revenue, gains, and other support per audited financial statements ▶	a 1,295,819.	a Total expenses and losses per audited financial statements ▶	a 1,194,643
b Amounts included on line a but not on line 12, Form 990:		b Amounts included on line a but not on line 17, Form 990:	
(1) Net unrealized gains on investments . . \$ _____		(1) Donated services & use of facilities. . \$ _____	
(2) Donated services & use of facilities . \$ _____		(2) Prior year adjustments reported on line 20, Form 990 \$ _____	
(3) Recoveries of prior year grants \$ _____		(3) Losses reported on line 20, Form 990 \$ _____	
(4) Other (specify): _____ \$ _____		(4) Other (specify): _____ \$ _____	
Add amounts on lines (1) through (4) . . ▶	b	Add amounts on lines (1) through (4) . . ▶	b
c Line a minus line b ▶	c 1,295,819.	c Line a minus line b ▶	c 1,194,643.
d Amounts included on line 12, Form 990 but not on line a:		d Amounts included on line 17, Form 990 but not on line a:	
(1) Investment expenses not included on line 6b, Form 990 \$ _____		(1) Investment expenses not included on line 6b, Form 990 \$ _____	
(2) Other (specify): _____ \$ _____		(2) Other (specify): _____ \$ _____	
Add amounts on lines (1) and (2) ▶	d	Add amounts on lines (1) and (2) ▶	d
e Total revenue per line 12, Form 990 (line c plus line d) ▶	e 1,295,819.	e Total expenses per line 17, Form 990 (line c plus line d) ▶	e 1,194,643.

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

(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 comp.	(E) Expense account and other allowances
ANDY MOORE 8699 EMPIRE GRADE, SAN	EXEC DIR. 60.	39,610.	0.	0.
CHUCK KOCH 18327 CHRISTEPH DR. MO	DIRECTOR AS NEEDED	0.	0.	0.
RICH PRESCOTT 1475 CRYSTAL DRIVE, NI	DIRECTOR AS NEEDED	0.	0.	0.
JERRY NEMIER 2789 TAFT AVE, SANTA C	DIRCTOR AS NEEDED	0.	0.	0.
MARC TORRES 18889 W. CAVENDASH DRI	DIRCTOR AS NEEDED	0.	0.	0.
DAVID PULIAFICO 1630 TENNANT AVE, MORG	DIRECTOR AS NEEDED	0.	0.	0.
STEVE RYMAN 4833 SHAFTER AVE, OAKL	DIRECTOR AS NEEDED	0.	0.	0.
PEGGY ROVENSKI 1373 YOSEMITE WAY, HAY	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? ▶ Yes No
If "Yes," attach schedule -- see Specific Instructions.

Part VII Analysis of Income-Producing Activities (See Specific Instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a DRUG REHABILITATI					1,262,196.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from govt. agencies					
94 Membership dues & assessments					
95 Interest on savings and temporary cash investments			14	157.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					-763.
101 Net income or (loss) from special events					
102 Gross profit/(loss) from sales of inventory					6,481.
103 Other revenue: a N/A					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				157.	1,267,914.
105 Total (add line 104, columns (B), (D), and (E))					1,268,071.

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 (See Specific Instructions.)

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).
93A	REVENUE FROM DRUG REHABILITATION SERVICES. THESE SERVICES ARE THE PRIMARY REASON FOR EXEMPTION.
102	REVENUE FROM SALES OF DRUG REHABILITATION & LIFE SKILLS MATERIALS AS PART OF NARCONON'S SERVICES.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions.)

- (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).

Please Sign Here 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.)

Chuck Koch Signature of officer *9/20/2001* Date **CHUCK KOCH** Type or print name and title *CHAIRMAN OF THE BOARD*

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: 09/18/2001 Check if self-employed: Preparer's SSN or PTIN: P00217398

Firm's name (or yours if self-employed) and address, & ZIP code: DAVID PULIAFICO, INC.
1630 TENNANT AVE
MORGAN HILL, CA 95037

EIN: 77-0301943 Phone no.: (408) 778-1345

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No. 1545-0047

2000

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions.)

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

Name of the organization
NARCONON OF NORTHERN CALIFORNIA

Employer identification number
77-0275827

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See the 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 empl. benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See the 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
NONE		

Total number of others receiving over \$50,000 for professional services ▶

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? If "Yes," enter total expenses paid or incurred in connection with the lobbying activities ► \$ _____ 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.		X
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? SEE. STM 1	X	
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	X	
e	Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
4a	Do you have a section 403(b) annuity plan for your employees?		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 the instructions.)		

Part IV Reason for Non-Private Foundation Status (See 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 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 the instructions.)

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.)	60,960.	14,588.	35,928.	22,645.	134,121.
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	775,764.	591,032.	532,850.	293,450.	2,193,096.
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	4,318.	176.			4,494.
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	841,042.	605,796.	568,778.	316,095.	2,331,711.
24 Line 23 minus line 17	65,278.	14,764.	35,928.	22,645.	138,615.
25 Enter 1% of line 23	8,410.	6,058.	5,688.	3,161.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 2,772.
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					26b 49,136.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 138,615.
d Add: Amounts from column (e) for lines: 18 4,494. 19 22 26b 49,136.					26d 53,630.
e Public support (line 26c minus line 26d total)					26e 84,985.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 61.3101 %
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) _____ (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: (1999) _____ (1998) _____ (1997) _____ (1996) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c _____
d Add: Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
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 _____ %
h Investment Income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %
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 the instructions.)					N/A

Part V Private School Questionnaire (See the instructions.)

(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?		
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?		
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?		
	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.) _____ _____		
34a	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 (See the instructions.) N/A
(To be completed ONLY by an eligible organization that filed Form 5768)

Check here a if the organization belongs to an affiliated group.
Check here b if you checked "a" above and "limited control" provisions apply.

Table with columns: (a) Affiliated group totals, (b) To be completed for ALL electing organizations. Rows include: 36 Total lobbying expenditures to influence public opinion, 37 Total lobbying expenditures to influence a legislative body, 38 Total lobbying expenditures, 39 Other exempt purpose expenditures, 40 Total exempt purpose expenditures, 41 Lobbying nontaxable amount, 42 Grassroots nontaxable amount, 43 Subtract line 42 from line 38, 44 Subtract line 41 from line 38.

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.)

Table with columns: (a) 2000, (b) 1999, (c) 1998, (d) 1997, (e) Total. Rows include: 45 Lobbying nontaxable amount, 46 Lobbying ceiling amount (150% of line 45(e)), 47 Total lobbying expenditures, 48 Grassroots nontaxable amount, 49 Grassroots ceiling amount (150% of line 48(e)), 50 Grassroots lobbying expenditures.

Part VI-B Lobbying Activity by Nonelecting Public Charities (For reporting only by organizations that did not complete Part VI-A) (See the instructions.)

Table with columns: Yes, No, Amount. Rows include: a Volunteers, b Paid staff or management, c Media advertisements, d Mailings to members, legislators, or the public, e Publications, or published or broadcast statements, f Grants to other organizations for lobbying purposes, g Direct contact with legislators, their staffs, government officials, or a legislative body, h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means, i Total lobbying expenditures (add lines c through h).

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 (See the instructions.)

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?

Table with columns for categories (i) through (vi) and sub-sections a, b, c, and a Yes/No column. Rows include Cash, Other assets, Sales or exchanges of assets, Purchases of assets, Rental of facilities, Reimbursement arrangements, Loans or loan guarantees, and Performance of services.

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:

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, & sharing arrangements.

52a 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

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Form 990 - Exempt Organization Tax Return
 Line 42 - Depreciation, Depletion, Etc.

Description	(A) Total	(B) Program Services	(C) Mgmt. & General	(D) Fund-raising
DEPRECIATION	48,921.	48,921.	0.	0.
TOTAL	48,921.	48,921.	0.	0.

Form 990 - Exempt Organization Tax Return
 Line 43 - Other Expenses

Description	(A) Total	(B) Program Services	(C) Mgmt. & General	(D) Fund-raising
TRADEMARK FEES	95,005.	95,005.	0.	0.
PROGRAM FOOD EXPENSE	70,734.	70,734.	0.	0.
PROGRAM MEDICAL EXPENS	28,183.	28,183.	0.	0.
PROGRAM VITAMINS	6,464.	6,464.	0.	0.
FSM COMMISSIONS	27,584.	27,584.	0.	0.
CONTRIBUTIONS	3,800.	0.	3,800.	0.
INSURANCE	12,936.	11,644.	1,292.	0.
TAXES & LICENSE	1,073.	1,073.	0.	0.
DESEMINATION	42,036.	42,036.	0.	0.
UTILITIES	18,188.	18,188.	0.	0.
REPAIRS & MAINTENANCE	13,458.	13,458.	0.	0.
OFFICE EXPENSE	6,371.	0.	6,371.	0.
STAFF TRAINING	23,903.	23,903.	0.	0.
CLEANING & LAUNDRY	737.	0.	737.	0.
PROFESSIONAL FEES	38,859.	38,859.	0.	0.
BANK DISCOUNT	13,194.	13,194.	0.	0.
MATERIALS	5,457.	5,457.	0.	0.
TOTAL	407,982.	395,782.	12,200.	0.

Form 990 - Part IV - Balance Sheets
Line 58 - Other Assets

Description	Amount
WORKERS COMPENSATION INS.	1,615.
PERSONAL PROPERTY	2,009.
SECURITY DEPOSIT	1,700.
TOTAL	5,324.

Form 990 - Part IV - Balance Sheets
Line 64b - Mortgages and Other Notes Payable

Description	Amount
MORTGAGE	1,411,201.
TOTAL	1,411,201.

Form 990 - Part IV - Balance Sheets
Line 65 - Other Liabilities

Description	Amount
SALES TAX PAYABLE	531.
CURRENT PORTION-LONG TERM DEBT	8,661.
TOTAL	9,192.

Supplemental Schedules
Company: NARCONON OF NORTHERN CALIFORNIA

2000
EIN: 77-0275827

Form 4562 Asset Listing.

#	Description	T	Acq. Date	Pct. Used	Inv Cr.	Cost Basis	Depr Method	Conv	Est Life	Prior Depr.	Sec 179	2000 Depr
1	LEASEHOLD IMPROVEMENTS	N	01/01/95	100%	N	263	MACRS SL	HY	5	237	0	26
2	FURNITURE & EQUIPMENT	N	01/01/95	100%	N	1,027	MACRS SL	HY	5	924	0	103
3	FURNITURE & EQUIPMENT	N	01/01/95	100%	N	1,845	MACRS SL	HY	5	1,661	0	184
4	KIRBY VACUUM CLEANER	N	01/01/96	100%	N	1,700	MACRS SL	HY	5	1,360	0	340
5	AB AND BACK MACHINE	N	11/29/96	100%	N	108	MACRS SL	HY	5	76	0	22
6	FAX PHONE	N	02/01/96	100%	N	272	MACRS SL	HY	5	216	0	54
7	BED & FRAME	N	03/03/97	100%	N	127	MACRS SL	HY	7	45	0	18
8	BED & FRAMES	N	03/05/97	100%	N	154	MACRS SL	HY	7	54	0	22
9	2 BEDS & FRAMES	N	04/29/97	100%	N	268	MACRS SL	HY	7	95	0	38
10	STAIR STEPPERS	N	04/27/96	100%	N	200	MACRS SL	HY	5	140	0	40
11	CHAIR	N	05/30/97	100%	N	173	MACRS SL	HY	7	62	0	25
12	STAIR STEPPERS	N	05/20/96	100%	N	400	MACRS SL	HY	5	280	0	80
13	TILE FOR KITCHEN	N	06/12/97	100%	N	141	MACRS SL	HY	5	70	0	28
14	DIVING BOARD FOR POOL	N	06/27/97	100%	N	352	MACRS SL	HY	5	175	0	70
15	MATERIALS FOR NEW COURSE	N	06/28/97	100%	N	1,622	MACRS SL	HY	5	810	0	324
16	FRAMES FOR BEDS	N	06/30/97	100%	N	108	MACRS SL	HY	7	38	0	15
17	BEDS	N	06/30/97	100%	N	167	MACRS SL	HY	7	60	0	24
18	FURNITURE NEW COURSE	N	07/10/97	100%	N	683	MACRS SL	HY	7	244	0	98
19	BUILDING COURSE ROOM	N	07/07/97	100%	N	500	MACRS SL	HY	5	250	0	100
20	CARPET FOR NEW COURSEROOM	N	07/07/97	100%	N	495	MACRS SL	HY	5	247	0	99
21	PART & LABOR BUILDING COU	N	07/07/97	100%	N	4,409	MACRS SL	HY	5	2,205	0	882
22	LIGHTS FOR COURSE	N	07/01/97	100%	N	128	MACRS SL	HY	5	60	0	26
23	SAFE	N	06/24/97	100%	N	175	MACRS SL	HY	5	72	0	35
24	IBM COMPUPTER	N	02/21/98	100%	N	1,941	MACRS SL	HY	5	712	0	388
25	LASERJET PRINTER	N	02/18/98	100%	N	452	MACRS SL	HY	5	165	0	90
26	DESKJET PRINTER	N	02/16/98	100%	N	325	MACRS SL	HY	5	119	0	65
27	MEMORY UPGRADES	N	02/16/98	100%	N	173	MACRS SL	HY	5	64	0	35
28	MODEM	N	04/12/99	100%	N	108	MACRS SL	MQ	5	28	0	22
29	ZIP DRIVE	N	04/30/98	100%	N	162	MACRS SL	HY	5	54	0	32
30	15" MONITOR	N	05/23/98	100%	N	205	MACRS SL	HY	5	65	0	41
31	2-PB 601	N	05/23/98	100%	N	1,732	MACRS SL	HY	5	548	0	346
32	PAPERPORT	N	05/23/98	100%	N	216	MACRS SL	HY	5	68	0	43
33	HP DESKJET	N	05/23/98	100%	N	216	MACRS SL	HY	5	68	0	43
34	COMPUTER SPEAKERS	N	05/23/98	100%	N	39	MACRS SL	HY	5	13	0	8
35	EXTENTED WARRANTY	N	05/23/98	100%	N	150	MACRS SL	HY	5	47	0	30
36	SEAR SISHWASHER	N	04/21/98	100%	N	690	MACRS SL	HY	5	230	0	138
37	SANUA HEATER	N	11/13/98	100%	N	688	MACRS SL	HY	5	149	0	138
38	TELEPHONE	N	10/26/98	100%	N	480	MACRS SL	HY	5	112	0	96
39	PAPER FOLDER	N	04/03/98	100%	N	540	MACRS SL	HY	5	189	0	108
40	USED IBM COMPUTER	N	12/10/98	100%	N	800	MACRS SL	HY	5	182	0	160
41	USED JEMINI COMPUTER	N	01/10/98	100%	N	800	MACRS SL	HY	5	427	0	160
42	OFFICE FURNITURE	N	01/28/98	100%	N	3,500	MACRS SL	HY	7	958	0	500
43	TRUCK	N	10/19/98	100%	N	1,300	MACRS SL	HY	5S	332	0	130
44	BUILDING FACILITIES	R	12/30/98	100%	N	847,388	MACRS SL	MM	39	21,728	0	21,728
45	LAND FACILITIES	R	12/30/98	100%	N	577,752	MACRS SL	MM	39	0	0	14,814
46	SAUNA	N	02/28/99	100%	N	4,524	MACRS SL	MQ	7	566	0	646
47	DRIVEWAY	N	10/15/99	100%	N	19,300	MACRS SL	MQ	15	161	0	1,287
48	PHONE LINES	N	09/05/99	100%	N	3,292	MACRS SL	MQ	7	176	0	470
49	HARDWOOD FLOOR	N	11/02/99	100%	N	579	MACRS SL	MQ	15	5	0	39
50	SAUNA HEATER	N	02/28/99	100%	N	1,392	MACRS SL	MQ	7	174	0	199
51	OFFICE FURNITURE	N	06/02/99	100%	N	2,639	MACRS SL	MQ	7	236	0	377
52	3 COMPUTERS	N	08/02/99	100%	N	3,075	MACRS SL	MQ	7	165	0	439
53	PAPER FOLDER	N	03/11/99	100%	N	714	MACRS SL	MQ	7	89	0	102
54	98 FORD ARROWSTAR	N	08/14/99	100%	N	12,000	MACRS SL	MQ	7	589	0	1,714
55	COPIER DONATED	N	01/27/00	100%	N	2,000	MACRS SL	HY	5	0	0	200
56	TOYOTA TRUCK	N	07/01/00	100%	N	4,000	MACRS SL	HY	5	0	0	400
57	CAPRICE	N	04/28/00	100%	N	3,710	MACRS SL	HY	5	0	0	371
58	LAPTOP	N	09/19/00	100%	N	1,080	MACRS SL	HY	5	0	0	108
59	CABINET	N	11/02/00	100%	N	502	MACRS SL	HY	5	0	0	50
60	FREEZER	N	09/22/00	100%	N	620	MACRS SL	HY	5	0	0	62
61	SEPTIC TANK	N	04/05/00	100%	N	4,500	MACRS SL	HY	15	0	0	150

Supplemental Schedules
 Company: NARCONON OF NORTHERN CALIFORNIA

2000
 EIN: 77-0275827

Form 4562 Asset Listing.

Asset # Description	T	Acq. Date	Pct. Used	Inv Cr.	Cost Basis	Depr Method	Conv	Est Life	Prior Depr.	Sec 179	2000 Depr
62 TRANLR	N	06/19/00	100%	N	900	MACRS SL	HY	7	0	0	64
63 PAVING	N	10/17/00	100%	N	5,200	MACRS SL	HY	15	0	0	173
64 ROOFING	N	10/25/00	100%	N	603	MACRS SL	HY	15	0	0	20
65 MISC. FURNITURE	N	07/01/00	100%	N	3,946	MACRS SL	HY	7	0	0	282
Prior Year Totals									37,800	0	
Current Year Totals										0	48,921
					1,529,550						

S Sold Asset	ITEM 43 TRUCK				1,300.						
LINE 55A FORM 990	NET ASSEST END OF YEAR				1,528,250.						
	PRIOR DEPRECITAION				37,800						
LINE 42 FORM 990	2000 DEPRECIATION				48,921						
	TOTAL DEPRECIATION				86721						
	LESS TRUCK SOLD DEPR.				-462						
LINE 55B FORM 990	ACCUMULATED DEPRE.				86,259.						

NARCONON OF NORTHERN CALIFORNIA

77-0275827

STATEMENT 2

REF: Form 990 Part I line 10a, b &c

GROSS SALES OF BOOKS & PUBLICATIONS	26974
LESS COST OF BOOKS & PUBLICATIONS SOLD	<u>20493</u>
GROSS PROFIT FROM SALE OF INVENTORY	6481
	=====

NARCONON OF NORTHERN CALIFORNIA

77-0275827

STATEMENT 1

REF: SCH A (FORM 990) PART III 2a.

NARCONON OF NORTHERN CALIF PAID RENT OF \$24500 TO ANDY MOORE, EXECUTIVE DIRECTOR, FOR USE OF PROPERTY.

NARCONON OF NORTHERN CALIFORNIA

77-0275827

STATEMENT 3

REF: Form 990 Part I line 8 A, B , & C

SALE OF TRUCK	75
COST OF TRUCK	<u>-1300</u>
ACCUMULATED DEPRECIATION OF TRUCK	<u>462</u>
GAIN OR LOSS ON SALE OF TRUCK	-763
	=====

NARCONON OF NORTHERN CALIFORNIA

77-0275827

REF: FORM 990 PART 1 LINE 20 OTHER CHANGES IN NET ASSETS
OR FUND BALANCES EXPLANATION

RECENTLY, A CERTIFIED PUBLIC ACCOUNTING FIRM, HIRED
BY NARCONON OF NORTHERN CALIFORNIA, PREFORMED AN
AUDIT FOR YEARS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 2000.

THE CURRENT YEAR, 2000, FORM 990 USES ALL THE CERTIFIED
FINANCIAL STATEMENTS THE ACCOUNTANT PROVIDED.

THE CERTIFIED PUBLIC ACCOUNTANT FINANCIAL STATEMENT PRESENTATION
WAS DONE UNDER SFAS No. 117. THE ACCOUNTANT MADE ADJUSTMENTS
TO THE 1999 NET ASSETS AND FUND BALANCES THUS INCREASING
THE 1999 UNRESTRICTED FUNDS BY \$20088. ALL THE 1999 REVENUE WAS
THE SAME. THE CHANGE HAD TO DO WITH RECLASSIFYING
SOME ITEMS SUCH AS TO PREPAID PROPERTY TAXES, SECURITY DEPOSITS AND
CURRENT LIABILITIES.

Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (89)

▶ See separate instructions.

▶ Attach this form to your return.

2000
Attachment
Sequence No. **67**

Name(s) shown on return NARCONON OF NORTHERN CALIFORN	Business or activity to which this form relates FORM () LINE 42	Identifying number 77-0275827
---	--	---

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 the instructions.	1	\$20,000
2 Total cost of section 179 property placed in service. See the instructions.	2	27,061.
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 the instructions	5	20,000.
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. See the instructions.	10	
11 Business income limitation. Enter smaller of business income (not less than zero) or line 5 (see instructions)	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 the instructions

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only -- see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property		11,912.	5 yrs	HY	S/L	1,191.
c 7-year property		4,846.	7 yrs	HY	S/L	346.
d 10-year property						
e 15-year property		10,303.	15 yrs	HY	S/L	343.
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

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

16a 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 the instructions.)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	47,041.
18 Property subject to section 168(f)(1) election.	18	
19 ACRS and other depreciation	19	

Part IV. Summary (See the instructions.)

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions on line 12, lines 15 and 18 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	48,921.
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	

NOT OPEN TO PUBLIC INSPECTION

2000

NARCONON OF NORTHERN CALIFORNIA

77-0275827

REF: SCH A FORM 990 PART IV-A LINE 26B PAGE 3.

LIST SHOWING THE NAME OF AND AMOUNT CONTRIBUTED BY EACH
PERSON WHOSE TOTAL GILTS FOR 1996 THROUGH 1999 EXCEEDED
THE 2% AMOUNT SHOWN IN LINE 26A.

	TOTAL	2%	EXCESS
	AMOUNT		OVER 2%
1996	5000	2682	2318
1997	20000	2682	17318
1997	5200	2682	2518
1999	13300	2682	10618
1999	5000	2682	2318
1999	19500	2682	16818

TOTAL EXCESS AMOUNT 51908

NOT OPEN TO PUBLIC INSPECTION