

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

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

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

OMB No 1545-0047

2003Open to Public
Inspection**A** For the 2003 calendar year, or tax year beginning

and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print type. See Specific Instructions.	C Name of organization NARCONON INTERNATIONAL		D Employer identification number 95-2769582
		Number and street (or P O box if mail is not delivered to street address)		E Telephone number
		7060 HOLLYWOOD BLVD.		323-962-2404
		City or town, state or country, and ZIP + 4 LOS ANGELES, CA 90028-6015		F Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶

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

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

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

H(c) Are all affiliates included? **N/A** ☐ Yes ☐ No (If "No," attach a list)H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

M Check ☐ if the organization is **not** required to attach Sch B (Form 990, 990-EZ, or 990-PF)**G** Website: ▶ **WWW.NARCONON.ORG****J** Organization type (check only one) ▶ ☒ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

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.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶**2354012.****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	46265.		
	b Indirect public support	1b	88679.		
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 133034. noncash \$ 1910.)			1d	134944.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	2099474.
	3 Membership dues and assessments			3	
	4 Interest on savings and temporary cash investments			4	396.
	5 Dividends and interest from securities			5	
	6 a Gross rents SEE STATEMENT 2	6a	12260.		
	b Less rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)			6c	12260.
7 Other investment income (describe ▶)			7		
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
		8a	1500.		
	b Less cost or other basis and sales expenses	8b	2505.		
	c Gain or (loss) (attach schedule)	8c	-1005.		
	d Net gain or (loss) (combine line 8c, columns (A) and (B))		STMT 3	8d	-1005.
	9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ 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)			9c	
	10 a Gross sales of inventory, less returns and allowances	10a	101914.		
	b Less cost of goods sold	10b	69781.		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		STMT 4	10c	32133.
11 Other revenue (from Part VII, line 103)			11	3524.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	2281726.	
Expenses	13 Program services (from line 44, column (B))			13	1324314.
	14 Management and general (from line 44, column (C))			14	207546.
	15 Fundraising (from line 44, column (D))			15	79974.
	16 Payments to affiliates (attach schedule) SEE STATEMENT 5			16	631511.
	17 Total expenses (add lines 16 and 44, column (A))			17	2243345.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)			18	38381.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	1042751.
	20 Other changes in net assets or fund balances (attach explanation)			20	0.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	1081132.

323001
12-17-03

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

Form 990 (2003)

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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

Page 2

Do not include amounts reported on line 6a, 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 \$ 41023. noncash \$	41023.	41023.	STATEMENT 7		
23	Specific assistance to individuals (attach schedule)					
24	Benefits paid to or for members (attach schedule)					
25	Compensation of officers, directors, etc	215428.	156635.	40641.	18152.	
26	Other salaries and wages	542648.	443798.	70955.	27895.	
27	Pension plan contributions					
28	Other employee benefits					
29	Payroll taxes	64734.	51756.	9012.	3966.	
30	Professional fundraising fees					
31	Accounting fees	4837.		4837.		
32	Legal fees	85832.	67884.	12708.	5240.	
33	Supplies	29241.	17951.	10206.	1084.	
34	Telephone	42843.	33935.	6307.	2601.	
35	Postage and shipping	59286.	55437.	2623.	1226.	
36	Occupancy	182301.	144401.	26834.	11066.	
37	Equipment rental and maintenance	3472.	2739.	537.	196.	
38	Printing and publications	80472.	76512.	3776.	184.	
39	Travel	77614.	75735.	1343.	536.	
40	Conferences, conventions, and meetings					
41	Interest	16.		16.		
42	Depreciation, depletion, etc (attach schedule)	45703.	36202.	6727.	2774.	
43	Other expenses not covered above (itemize)					
a		43a				
b		43b				
c		43c				
d		43d				
e	SEE STATEMENT 6	43e	136384.	120306.	11024.	5054.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	1611834.	1324314.	207546.	79974.

Joint Costs. Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

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 AccomplishmentsWhat 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 13.		
	(Grants and allocations \$ 41023.)		585389.
b	DRUG EDUCATION:		
	SEE STATEMENT 14		
	(Grants and allocations \$ 0.)		260282.
c	PUBLIC AWARENESS:		
	SEE STATEMENT 15		
	(Grants and allocations \$ 0.)		478643.
d			
	(Grants and allocations \$)		
e	Other program services (attach schedule)	(Grants and allocations \$)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)		1324314.

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	95858.	45	121818.
	46 Savings and temporary cash investments	100504.	46	139759.
	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	STATEMENT 8	50	5000.
	51 a Other notes and loans receivable	51a 16845.		
	b Less allowance for doubtful accounts	51b	51c	16845.
	52 Inventories for sale or use	75921.	52	72461.
	53 Prepaid expenses and deferred charges		53	
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> 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 1028860.			
b Less accumulated depreciation	STMT 9 57b 301033.	769751.	57c	727827.
58 Other assets (describe SEE STATEMENT 10)	555.	58	1166.	
59 Total assets (add lines 45 through 58) (must equal line 74)	1048039.	59	1084876.	
Liabilities	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	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		64b	
	65 Other liabilities (describe SEE STATEMENT 11)	5288.	65	3744.
66 Total liabilities (add lines 60 through 65)	5288.	66	3744.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 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	1042751.	72	1081132.
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1042751.	73	1081132.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	1048039.	74	1084876.

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	0	0.	0.
MICHAEL LAUNITZ (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 220 LOS ANGELES, CA 90028	SECRETARY	45	35206.	0.
CLARK CARR (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 220 LOS ANGELES, CA 90028	PRESIDENT/DIRECTOR	45	36435.	0.
PETER VAN AUKEN (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 220 LOS ANGELES, CA 90028	TREASURER	45	24325.	0.
PHIL HART (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 220 LOS ANGELES, CA 90028	TRUSTEE/VOTING MEMBER	45	40327.	0.
KAREN SEAGAL 7065 HOLLYWOOD BLVD. LOS ANGELES, CA 90028	DIRECTOR	0	0.	0.
PATRICIA SCHWARTZ 622 E VILLA ST SUITE 201 PASADENA, CA 91101	DIRECTOR	0	0.	0.
ANGELA GARCIA (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 220 LOS ANGELES, CA 90028	DEP EXEC DIR/KEY EMPLOYEE	45	36985.	0.
JEANNE TRAHANT (SEE STATEMENT 1) 7060 HOLLYWOOD BLVD, SUITE 220 LOS ANGELES, CA 90028	TREASURER	45	42150.	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

Yes	No
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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?	77		X
	If "Yes," attach a conformed copy of the changes			
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?	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year?	79		X
	If "Yes," attach a statement			
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 <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81 a	Enter direct or indirect political expenditures. See line 81 instructions	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 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		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	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 on line 85f?			N/A
h	If section 6033(e)(1)(A) dues notices were sent, do the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?			N/A
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?	88		X
	If "Yes," complete Part IX			
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			
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	90a		
b	Number of employees employed in the pay period that includes March 12, 2003	90b		36
91	The books are in care of MICHAEL LAUNITZ			
	Telephone no (323) 962-2404			

Located at ► 7060 HOLLYWOOD BLVD, SUITE 220, L.A., CA

ZIP +4 ► 90028-6015

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 (See page 33 of the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a DRUG REHAB. TRAINING					5507.
b TRADEMARK LICENSING FEE					2049443.
c COMMISSIONS-DRUG REHAB					6755.
d LECTURES & SEMINARS					8369.
e CONSULTING FEES					29400.
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	396.	
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	12260.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					-1005.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					32133.
103 Other revenue					
a COMMISSIONS					3524.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		12656.	2134126.
105 Total (add line 104, columns (B), (D), and (E))					2146782.

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 page 34 of the 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)
	SEE STATEMENT 12

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions)

(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
NONE	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the 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.		15 Nov 2004		PETER VAN AUKEN - TREASURER	
	Signature of officer		Date	Type or print name and title		
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN		
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN		Phone no		

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-(See separate instructions.)

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

OMB No 1545-0047

2003

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 page 1 of 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 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 page 2 of 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	0	

Part III Statements About Activities (See page 2 of the instructions)

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 the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

1 X

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 substantial contributors, 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? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions) **SEE STATEMENT 13**

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

- 3 a** Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)

3a X

b Do you have a section 403(b) annuity plan for your employees?

3b X

- 4** Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4 X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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)
- 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 6 of 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	320022.	247631.	1218478.	863489.	2649620.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1607721.	1214514.	3152380.	4372618.	10347233.
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	10389.	13418.	41805.	1286.	66898.
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.	8636.	2018.	SEE STATEMENT 14 123163.		133817.
23 Total of lines 15 through 22	1946768.	1477581.	4535826.	5237393.	13197568.
24 Line 23 minus line 17	339047.	263067.	1383446.	864775.	2850335.
25 Enter 1% of line 23	19468.	14776.	45358.	52374.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 57007.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 729207.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 2850335.
d Add: Amounts from column (e) for lines 18 <u>66898.</u> 19 <u> </u> 22 <u>133817.</u> 26b <u>729207.</u>					26d 929922.
e Public support (line 26c minus line 26d total)					26e 1920413.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 67.3750%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2002) (2001) (2000) (1999)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records 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.) Do not file this list with your return. 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 (2002) (2001) (2000) (1999)					
c Add: Amounts from column (e) for lines 15 <u> </u> 16 <u> </u> 17 <u> </u> 20 <u> </u> 21 <u> </u>					27c N/A
d Add: Line 27a total <u> </u> and line 27b total <u> </u>					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 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

NONE

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	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)		
<hr/>		
<hr/>		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
<hr/>		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
<hr/>		
<hr/>		
34 a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? 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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

N/A

(To be completed **ONLY** by an eligible organization that filed Form 5768)Check ☒ **a** ☐ if the organization belongs to an affiliated groupCheck ☐ **b** ☐ if you checked "a" 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

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

41**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 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(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) (See page 12 of the instructions)

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

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h)
- 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)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0.

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

Exempt Organizations (See page 12 of the instructions)

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

N/A

[illegible]

▶ ☐ Yes ☒ No

N/A

[illegible]

2003 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

990

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	COMPUTER/OFFICE EQUIPMENT	92	SL	5.00	16	4716.			4716.	4716.		0.
2	COMPUTER/OFFICE EQUIPMENT	93	SL	5.00	16	6881.			6881.	6881.		0.
3	COMPUTER/OFFICE EQUIPMENT	95	SL	5.00	16	7125.			7125.	7125.		0.
4	FURNITURE & EQUIPMENT	86	SL	5.00	16	24787.			24787.	24787.		0.
5	FURNITURE & EQUIPMENT	87	SL	5.00	16	4121.			4121.	4121.		0.
6	FURNITURE & EQUIPMENT	88	SL	5.00	16	1903.			1903.	1903.		0.
7	FURNITURE & EQUIPMENT	94	SL	5.00	16	1916.			1916.	1916.		0.
8	FURNITURE & EQUIPMENT	92	SL	5.00	16	2200.			2200.	2200.		0.
9	COMPUTER EQUIPMENT	0630	96SL	5.00	16	3864.			3864.	3864.		0.
10	COMPUTERS FURNITURE AND	0701	97SL	5.00	16	3683.			3683.	3683.		0.
11	EQUIPMENT	0701	97SL	5.00	16	6751.			6751.	6751.		0.
12	MEDITERRANEO BUILDING	0701	98SL	25.00	16	800055.			800055.	144009.		32002.
13	LEASEHOLD IMPROVEMENTS	0701	98SL	5.00	16	6087.			6087.	5478.		609.
14	COMPUTERS	0701	98SL	5.00	16	5170.			5170.	4653.		517.
15	FURNISHINGS	0701	98SL	5.00	16	5351.			5351.	4815.		536.
16	FURNITURE & EQUIPMENT	0701	99SL	5.00	16	714.			714.	500.		143.
17	BUILDING IMPROVEMENTS	0701	99SL	25.00	16	99982.			99982.	13997.		3999.
18	(D)COMPUTERS	0701	99SL	5.00	16	1252.			1252.	876.		250.

328102
05-01-03

(D) - Asset disposed

* ITC, Section 179, Salvage, HR 3090, Commercial Revitalization Deduction

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
19	FURNITURE & EQUIPMENT	070100SL		5.00	16	2855.			2855.	1428.		571.
20	COMPUTER	070100SL		5.00	16	9015.			9015.	4508.		1803.
21	FURNITURE & EQUIPMENT	89SL		5.00	16	524.			524.	524.		0.
22	FURNITURE & EQUIPMENT	90SL		5.00	16	1858.			1858.	1858.		0.
23	FURNITURE & EQUIPMENT	93SL		5.00	16	3220.			3220.	3220.		0.
24	FURNITURE & EQUIPMENT	070101SL		5.00	16	270.			270.	81.		54.
25	COMPUTER	070101SL		5.00	16	3385.			3385.	1016.		677.
26	SOFTWARE	070101SL		3.00	16	216.			216.	108.		72.
27	COMPUTER	070102SL		5.00	16	8405.			8405.	841.		1681.
28	FURNITURE & EQUIPMENT	070102SL		5.00	16	5378.			5378.	538.		1076.
29 (D)	MOTOR VEHICLES	070102SL		5.00	16	2975.			2975.	298.		298.
30	SOFTWARE	070102SL		3.00	16	2144.			2144.	357.		715.
31	LEASEHOLD IMPROVEMENTS	070103SL		5.00	16	617.			617.			62.
32	COMPUTER	070103SL		5.00	16	2178.			2178.			218.
33	FURNITURE & EQUIPMENT	070103SL		5.00	16	1548.			1548.			155.
34	MOTOR VEHICLES	070103SL		5.00	16	885.			885.			89.
35	SOFTWARE	070103SL		3.00	16	1056.			1056.			176.
* TOTAL 990 PAGE 2						1033087.		0.	1033087.	257052.	0.	45703.
DEPR												

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
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KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
DRUG REHABILITATION CENTER, SPAIN	1	12260.
TOTAL TO FORM 990, PART I, LINE 6A		12260.

FORM 990. GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 3

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
MOTOR VEHICLES	07/09/99	12/31/03	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	1500.	2975.	0.	596.	-879.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
COMPUTERS	06/30/02	06/30/03	DONATED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	1252.	0.	1126.	-126.
TO FM 990, PART I, LN 8	1500.	4227.	0.	1722.	-1005.

FORM 990.	INCOME AND COST OF GOODS SOLD	STATEMENT	4
	INCLUDED ON PART I, LINE 10		

INCOME

1. GROSS RECEIPTS	101914	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		101914
		<hr/>
4. COST OF GOODS SOLD (LINE 13)	69781	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		32133
		<hr/> <hr/>

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	75921	
7. MERCHANDISE PURCHASED	66321	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		142242
		<hr/>
12. INVENTORY AT END OF YEAR	72461	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). .		69781
		<hr/> <hr/>

FORM 990	PAYMENTS TO AFFILIATES	STATEMENT	5
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AFFILIATE'S NAME	AFFILIATE'S ADDRESS
ABLE INTERNATIONAL	LOS ANGELES
PURPOSE OF PAYMENT	AMOUNT
LICENSING FEES	631511.
TOTAL TO FORM 990, PART I, LINE 16	631511.

FORM 990	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
COMMISSIONS	1355.	772.	0.	583.
LICENSES & FEES	712.	687.	25.	
PROMOTION	72746.	68792.	2800.	1154.
BANK CHARGES	5509.	4242.	942.	325.
STAFF TRAINING	46001.	35798.	7224.	2979.
TRAINING MATERIALS	220.	174.	33.	13.
EXCHANGE DIFFERENCES	0.			
ROYALTIES	9841.	9841.		
TOTAL TO FM 990, LN 43	136384.	120306.	11024.	5054.

FORM 990	CASH GRANTS AND ALLOCATIONS	STATEMENT	7
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CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
DRUG REHABILITATION	ASSOCIATION NARCONON BRAZIL	SAO BERNARDO DO CAMPO (SP), BRAZIL 0973	N/A	1299.
DRUG REHABILITATION	NARCONON ALASKA	ALASKA	N/A	750.
DRUG REHABILITATION	NARCONON ARGENTINA	BUENOS AIRES, ARGENTINA	N/A	4725.
DRUG REHABILITATION	NARCONON ARROWHEAD	EUFALA, OK	N/A	825.

DRUG REHABILITATION	NARCONON SOUTHERN CA	NEWPORT BEACH, CA	N/A	5000.
DRUG REHABILITATION	NARCONON GHANA	GHANA	N/A	1014.
DRUG REHABILITATION	NARCONON NORTHERN CA	WATSONVILLE, CA	N/A	15000.
DRUG REHABILITATION	NARCONON INDIA	INDIA	N/A	3660.
DRUG REHABILITATION	NARCONON IDAHO	IDAHO	N/A	2900.
DRUG REHABILITATION	NARCONON EUROPE	COPENHAGEN, DENMARK	N/A	1500.
PROMOTION OF SOCIAL BETTERMENT	ASSOC FOR BETTER LIVING & EDUC INT	LOS ANGELES, CA	N/A	4350.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				41023.

FORM 990 RECEIVABLES DUE FROM OFFICERS, DIRECTORS, TRUSTEES STATEMENT 8
AND OTHER KEY EMPLOYEES - REPORTED SEPARATELY

BORROWER'S NAME AND TITLE			ORIGINAL LOAN AMOUNT
JEANNIE TRAHANT, TREASURER			4000.
DATE OF NOTE	MATURITY DATE	TERMS OF REPAYMENT	INTEREST RATE
12/24/03	12/31/04	12 MONTHS	.00%
SECURITY PROVIDED BY BORROWER		PURPOSE OF LOAN	
NONE		PERSONAL LOAN	
DESCRIPTION OF CONSIDERATION			FMV OF CONSIDERATION
NONE			0.
			BALANCE DUE
			4000.

BORROWER'S NAME AND TITLE			ORIGINAL LOAN AMOUNT
ANGELA GARCIA, DEP EXEC DIR			1000.
DATE OF NOTE	MATURITY DATE	TERMS OF REPAYMENT	INTEREST RATE
11/28/03	12/31/04	12 MONTHS	.00%
SECURITY PROVIDED BY BORROWER		PURPOSE OF LOAN	
NONE		PERSONAL LOAN	
DESCRIPTION OF CONSIDERATION			FMV OF CONSIDERATION
NONE			0.
			BALANCE DUE
			1000.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 50, COLUMN B	5000.
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FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 9

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER/OFFICE EQUIPMENT	4716.	4716.	0.
COMPUTER/OFFICE EQUIPMENT	6881.	6881.	0.
COMPUTER/OFFICE EQUIPMENT	7125.	7125.	0.
FURNITURE & EQUIPMENT	24787.	24787.	0.
FURNITURE & EQUIPMENT	4121.	4121.	0.
FURNITURE & EQUIPMENT	1903.	1903.	0.
FURNITURE & EQUIPMENT	1916.	1916.	0.
FURNITURE & EQUIPMENT	2200.	2200.	0.
COMPUTER EQUIPMENT	3864.	3864.	0.
COMPUTERS	3683.	3683.	0.
FURNITURE AND EQUIPMENT	6751.	6751.	0.
MEDITERRANEO BUILDING	800055.	176011.	624044.
LEASEHOLD IMPROVEMENTS	6087.	6087.	0.
COMPUTERS	5170.	5170.	0.
FURNISHINGS	5351.	5351.	0.
FURNITURE & EQUIPMENT	714.	643.	71.
BUILDING IMPROVEMENTS	99982.	17996.	81986.
FURNITURE & EQUIPMENT	2855.	1999.	856.
COMPUTER	9015.	6311.	2704.
FURNITURE & EQUIPMENT	524.	524.	0.
FURNITURE & EQUIPMENT	1858.	1858.	0.
FURNITURE & EQUIPMENT	3220.	3220.	0.
FURNITURE & EQUIPMENT	270.	135.	135.
COMPUTER	3385.	1693.	1692.
SOFTWARE	216.	180.	36.
COMPUTER	8405.	2522.	5883.
FURNITURE & EQUIPMENT	5378.	1614.	3764.
SOFTWARE	2144.	1072.	1072.
LEASEHOLD IMPROVEMENTS	617.	62.	555.
COMPUTER	2178.	218.	1960.
FURNITURE & EQUIPMENT	1548.	155.	1393.
MOTOR VEHICLES	885.	89.	796.
SOFTWARE	1056.	176.	880.
TOTAL TO FORM 990, PART IV, LN 57	1028860.	301033.	727827.

FORM 990	OTHER ASSETS	STATEMENT 10
DESCRIPTION		AMOUNT
PREPAID TAX		695.
DEPOSITS		471.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		1166.

FORM 990	OTHER LIABILITIES	STATEMENT 11
DESCRIPTION		AMOUNT
DEPOSITS		1035.
SALES TAX PAYABLE		2556.
PAYROLL TAXES PAYABLE		153.
CONTRA OWING		0.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		3744.

FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT 12
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LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	TRAINING & EDUCATION ON DRUG REHABILITATION & DETOXIFICATION DELIVERY.
93B	PAYMENTS RECEIVED FOR LICENSING FEES FROM USE OF DRUG REHAB PROGRAM
93C	COMMISSIONS RECEIVED ON STUDENTS IN DRUG REHAB PGMS
93D	PAYMENTS RECEIVED FOR DRUG REHAB & EDUCATION TRAINING SEMINARS
93E	PAYMENTS RECEIVED FOR CONSULTATION ON DRUG REHAB & EDUCATION
102	SALE OF BOOKS REGARDING DRUG ABUSE AND OTHER MATERIALS PROMOTING DRUG FREE LIFESTYLES.
103B	FUNDRAISING COMMISSIONS RECEIVED FROM OTHER EXEMPT ORGANIZATIONS.

SCHEDULE A	STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC, .	STATEMENT 13
	PART III, LINE 2	

THERE WAS A LOAN FROM THE ORGANIZATION TO A CORPORATE OFFICER, AND ANOTHER TO A KEY EMPLOYEE. SEE 990 STATEMENT 7.

SCHEDULE A	OTHER INCOME			STATEMENT 14
DESCRIPTION	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
COMMISSIONS	8636.	2018.	5868.	0.
RENT REFUND	0.	0.	117295.	0.
TOTAL TO SCHEDULE A, LINE 22	8636.	2018.	123163.	0.

2003 FORM 990, PART III
FEDERAL ID # 95-2769582
NARCONON INTERNATIONAL
STATEMENT #10

DESCRIPTION OF PROGRAM SERVICE ONE:
(DRUG REHABILITATION)

NARCONON INTERNATIONAL CONTINUED TO EXPERIENCE UNPRECEDENTED EXPANSION THIS YEAR THROUGH ITS EXISTING DRUG REHABILITATION GROUPS, EXPANDING INTO NEW AREAS AND COUNTRIES, AND ENLIGHTENING PEOPLE ABOUT THE NARCONON PROGRAM.

IN 2003, THE NUMBER OF STUDENTS ON THE NARCONON PROGRAM AROUND THE WORLD EACH WEEK, INCREASED FROM AN AVERAGE OF APPROXIMATELY 720 IN 2002 TO 820 IN 2003. THE NUMBER OF PEOPLE GRADUATING THE NARCONON DRUG REHABILITATION PROGRAM AS NOW HAVING A "DRUG-FREE LIFE" INTERNATIONALLY WAS MORE THAN 1,375 IN 2003, BRINGING THE INTERNATIONAL TOTAL TO NEARLY 13,000 TO DATE.

NEW DRUG REHABILITATION CENTERS WERE OPENED IN SOUTH AFRICA, PAKISTAN, HUNGARY, ARGENTINA AND IN THE U.S.A.: IN CALIFORNIA, MICHIGAN AND IDAHO. SEVERAL OF THESE NEW CENTERS WERE OPENED WITH ASSISTANCE FROM NARCONON INTERNATIONAL THROUGH GRANTS AND TRAINING. THESE NEW CENTERS JOIN THE ALREADY ESTABLISHED NARCONON CENTERS AND GROUPS IN 36 COUNTRIES IN ACTIVELY PROVIDING L. RON HUBBARD'S DRUG REHABILITATION SERVICES TO THE BROAD PUBLIC.

NARCONON INTERNATIONAL SENT A TEAM TO THE PHILIPPINES TO DELIVER THE *NARCONON FIRST STEP WORKSHOP* (A DRUG-FREE WITHDRAWAL PROGRAM) TO PROFESSIONALS FROM OTHER DRUG REHABILITATION CENTERS FROM ALL OVER THE PHILIPPINES. THE NARCONON TEAM AND THE 36 TRAINEES THEN WENT TO THE LARGEST GOVERNMENT-FUNDED REHABILITATION FACILITY WHICH HAS 3,000 DRUG ADDICTS, AND GAVE SOME 400 ADDICTS HELP TO RELIEVE THE EFFECTS OF DRUGS AND DRUG WITHDRAWAL AND SHOWED THEM HOW TO HELP EACH OTHER. A LARGE NUMBER OF THE 300 "STREET CHILDREN" FROM THE FACILITY WHO ARE, IN THE MAIN, ADDICTED TO GLUE, WERE ALSO SHOWN HOW TO HELP EACH OTHER AND WERE ALSO GIVEN A DRUG EDUCATION LECTURE.

THE TEAM THEN WENT TO QUEZON CITY JAIL WHICH HOUSES 2,800 PRISONERS AND AGAIN SHOWED THE INMATES HOW TO HELP EACH OTHER USING SPECIFIC TECHNIQUES AND GAVE THEM A DRUG EDUCATION LECTURE.

EXISTING REHABILITATION CENTERS CONTINUED TO EXPAND. NARCONON STANDARD, JUST OUTSIDE OF MOSCOW, PURCHASED A NEW FACILITY WHICH WILL ENABLE THEM TO SERVICE TWICE THEIR CURRENT CAPACITY. NARCONON SOUTHERN CALIFORNIA OPENED A NEW CENTER IN SAN DIEGO.

THE EXECUTIVE DIRECTOR OF NARCONON HYDERABAD, PAKISTAN, WAS TRAINED AND BEGAN DELIVERY OF DRUG EDUCATION AND THE *NARCONON FIRST STEP* DRUG-FREE WITHDRAWAL PROGRAM.

NARCONON JOHANNESBURG CONDUCTED A SERIES OF *NARCONON FIRST STEP* DRUG-FREE WITHDRAWAL WORKSHOPS TO SEVERAL OF THE CITY'S POLICE OFFICERS.

	Grants	Expenses
To Form 990, Part III, line A	41,023	585,389

2003 FORM 990, PART III
FEDERAL ID # 95-2769582
NARCONON INTERNATIONAL
STATEMENT #11

DESCRIPTION OF PROGRAM SERVICE TWO:
(DRUG EDUCATION)

IN 2003, DRUG EDUCATION LECTURES, BASED ON THE WORKS OF L. RON HUBBARD, WERE DELIVERED TO OVER 420,000 PEOPLE FROM ALL OVER THE WORLD. THESE INCLUDED STUDENTS, TEACHERS, PARENTS, SCHOOL OFFICIALS, COMMUNITY MEMBERS AND THE GOVERNMENT SECTOR.

NARCONON DRUG EDUCATION IN LOS ANGELES EDUCATED MORE THAN 40,000 CHILDREN ABOUT DRUGS; IN RUSSIA, DRUG EDUCATION WAS DELIVERED TO OVER 173,000 PEOPLE; NARCONON GHANA EXPANDED ITS DELIVERY OF DRUG EDUCATION TO 20,700 PEOPLE; IN SWEDEN, NARCONON DRUG EDUCATION WAS DELIVERED TO 28,000 PEOPLE, INCLUDING EMPLOYEES OF CORPORATIONS; AND IN THE UK, MORE THAN 13,400 PEOPLE RECEIVED DRUG EDUCATION LECTURES.

IN JULY 2003, A TEAM OF DRUG EDUCATION SPECIALISTS FROM NARCONON INTERNATIONAL WENT TO THE PHILIPPINES AND DELIVERED DRUG EDUCATION WORKSHOPS TO SEVERAL GROUPS, INCLUDING THE DRUG ENFORCEMENT AGENCY. TWENTY-TWO OF THE WORKSHOP ATTENDEES THEN DELIVERED DRUG EDUCATION LECTURES IN A LOCAL SCHOOL - IN 19 CLASSROOMS SIMULTANEOUSLY, TO A TOTAL OF 1,040 STUDENTS. THE RESULT WAS THAT MANY CHILDREN STATED THAT THEY WOULD NO LONGER USE DRUGS.

IN AUGUST 2003, AT THE INVITATION OF THE WORLD HEALTH ORGANIZATION, THE PRESIDENT OF NARCONON INTERNATIONAL TRAVELED TO SHANGHAI, CHINA. HE TRAINED 53 TEACHERS AND SCHOOL ADMINISTRATORS ON GIVING DRUG EDUCATION LECTURES. THIS WAS FOLLOWED BY A DRUG EDUCATION LECTURE TO 40 STUDENTS IN 10TH GRADE AS WELL AS THEIR TEACHERS. HE VISITED THE ONLY PRIVATE REHAB CENTER IN SHANGHAI AND DEMONSTRATED TECHNIQUES USED IN THE NARCONON PROGRAM. THIS RESULTED IN THE SHANGHAI CENTER EXPRESSING INTEREST IN ADOPTING THE FULL NARCONON PROGRAM. HE ALSO MET WITH THE EXECUTIVES OF THE SHANGHAI JIN'AN HOSPITAL, TRAINING THEM ON HOW TO TRAIN STAFF ON THE *NARCONON NEW LIFE DETOXIFICATION PROGRAM*

(CONSISTING OF A REGIMEN OF EXERCISE, NUTRITION AND SAUNA). THEY NOW WISH TO COLLABORATE ON DOING THE FIRST PILOT OF THIS DETOXIFICATION PROGRAM IN CHINA.

NARCONON GEORGIA COLLABORATED WITH A LOCAL COMMUNITY GROUP TO DELIVER DRUG EDUCATION LECTURES OVER A NINE-WEEK PERIOD FOR CHILDREN IN ATLANTA.

NEW NARCONON DRUG EDUCATION ACTIVITIES WERE ALSO ESTABLISHED IN AUSTRIA, GERMANY, HUNGARY, CZECH REPUBLIC, GREECE, PAKISTAN, AUSTRALIA AND IN THE U.S.A.: IN MICHIGAN, CALIFORNIA, WASHINGTON STATE AND MISSOURI.

TO SUPPLEMENT THE ONGOING DELIVERY OF DRUG EDUCATION BY NARCONON GROUPS, THE DRUG EDUCATION BOOKLET, *10 THINGS YOUR FRIENDS MAY NOT KNOW ABOUT DRUGS*, WAS TRANSLATED INTO DANISH. HUNDREDS OF THOUSANDS OF THESE BOOKLETS IN SEVERAL LANGUAGES CONTINUE TO BE DISTRIBUTED AROUND THE WORLD. THE CALIFORNIA-BASED GROUP, FRIENDS OF NARCONON, PRODUCER OF THE DRUG EDUCATION VIDEO, *MARIJUANA - THE MYTH*, CONTINUED TO BRING THIS VIDEO INTO CLASSROOMS. IN JUST ONE WEEK THIS YEAR, 21,441 STUDENTS WERE EDUCATED WITH THE VIDEO. THE NUMBER OF STUDENTS WHO HAVE VIEWED *MARIJUANA - THE MYTH* NOW TOTALS NEARLY 500,000.

	Grants	Expenses
To Form 990, Part III, line B		260,782

2003 FORM 990, PART III
FEDERAL ID # 95-2769582
NARCONON INTERNATIONAL
STATEMENT #12

DESCRIPTION OF PROGRAM SERVICE THREE:
(PUBLIC AWARENESS)

THIS YEAR, NARCONON INTERNATIONAL AND ITS LICENSED GROUPS AND CENTERS REACHED OUT THROUGH NUMEROUS ACTIVITIES TO FURTHER MAKE KNOWN THE NARCONON DRUG REHABILITATION AND DRUG EDUCATION PROGRAMS AND SERVICES.

THE ALARMING INCREASE OF DRUG ABUSE AND DRUG-RELATED CRIME WORLDWIDE WAS ADDRESSED BY A BROAD SERIES OF CONFERENCES, SEMINARS AND MEDIA CAMPAIGNS. THESE WERE CONDUCTED BY NARCONON INTERNATIONAL AND MANY NARCONON CENTERS WITH THE PURPOSE OF RAISING PUBLIC AWARENESS ON THE DEVASTATION CAUSED BY DRUGS AND ALCOHOL AND TO PROVIDE SOLUTIONS THROUGH THE PROVEN RESULTS OF THE NARCONON DRUG REHABILITATION AND EDUCATION PROGRAMS.

THE PRESIDENT OF NARCONON INTERNATIONAL TRAVELED WIDELY, ATTENDING A VARIETY OF EVENTS, GIVING WORKSHOPS, DEMONSTRATIONS AND SPEAKING AT CONFERENCES. IN A TWO-WEEK VISIT TO THE PHILIPPINES, HE DELIVERED A WORKSHOP ON DRUG EDUCATION TO PHILIPPINES DRUG ENFORCEMENT AGENCY PERSONNEL, MANY OF WHOM ARE THE AGENTS WHO CARRY OUT RAIDS.

IN OCTOBER, 2003, TWENTY-ONE FILIPINO PRISION OFFICIALS VISITED LOS ANGELES AND FURTHER BRIEFED ON THE NARCONON DRUG REHABILITATION PROGRAM AND TOURED THE NARCONON NEWPORT BEACH FACILITY.

IN VIENNA, PRESIDENT NARCONON INTERNATIONAL BRIEFED SIX OFFICIALS AT THE UNITED NATIONS OFFICE ON DRUGS AND CRIME AND THE SUCCESSFUL RESULTS OF THE NARCONON DRUG REHABILITATION AND EDUCATION PROGRAMS. AS A RESULT, THESE OFFICIALS HAVE

ASKED FOR CONTINUING COMMUNICATION WITH NARCONON INTERNATIONAL WITH THE VIEW TO IMPLEMENTING THE PROGRAMS.

IN 2002, THE PRESIDENT OF NARCONON INTERNATIONAL VISITED JORDAN. THIS YEAR, TWO OFFICIALS FROM THE PUBLIC SECURITIES DIRECTORATE OF JORDAN, ANTI-NARCOTICS DEPARTMENT, VISITED THE UNITED STATES TO LEARN MORE ABOUT THE NARCONON PROGRAM. THEY TOURED NARCONON NEWPORT BEACH AND NARCONON ARROWHEAD, WITH THE VIEW TO IMPLEMENT THE NARCONON PROGRAM IN THE DRUG REHABILITATION SECTION OF THEIR DEPARTMENT.

THE PRESIDENT OF NARCONON INTERNATIONAL WAS INVITED TO APPEAR ON A BOSTON TELEVISION PROGRAM VIEWED IN 2.5 MILLION HOMES. HE SPOKE ABOUT THE SUCCESS OF THE NARCONON PROGRAM IN GETTING PEOPLE OFF DRUGS.

IN PHILADELPHIA, HE SPOKE TO A CONFERENCE OF OVER 30 POLICE AND CITY OFFICIALS AND MET WITH THE PHILADELPHIA DEPUTY ATTORNEY GENERAL WHO HAS THE RESPONSIBILITY FOR DRUG DEMAND REDUCTION.

IN WASHINGTON DC, HE SPOKE AT TWO PANELS DURING THE JUVENILE DRUG COURT JUDGES CONFERENCE AT THE INVITATION OF THE PRESIDENT OF BOTH THE ADULT AND JUVENILE DRUG COURT PROFESSIONALS ASSOCIATION. HE SPOKE TO ABOUT 90 PROFESSIONALS ON THE SUBJECT OF COMPELLING INVOLVEMENT OF PARENTS IN JUVENILE DRUG COURT; AND TO ANOTHER 40 PROFESSIONALS ON INVOLVING THE FAITH COMMUNITY.

THE PRESIDENT OF NARCONON INTERNATIONAL ALSO ATTENDED A SYMPOSIUM IN NEW YORK CITY REGARDING THE USE OF L. RON HUBBARD'S SAUNA DETOXIFICATION PROTOCOL TO REMOVE NOT JUST DRUGS, BUT ALL TOXIC CHEMICAL RESIDUALS FROM BODY TISSUES.

NARCONON STAFF ATTENDED THE 12TH NATIONAL LEADERSHIP FORUM HELD BY THE COMMUNITY ANTI-DRUG COALITIONS OF AMERICA IN WASHINGTON, DC. THE NARCONON BOOTH AT THE CONFERENCE WAS VISITED BY HUNDREDS OF PEOPLE WHO ARE WORKING TO END DRUG ABUSE IN THEIR COMMUNITIES. THEY WERE BRIEFED ON THE NARCONON SOLUTIONS AND MANY WERE GIVEN A COPY OF THE BOOKLET: *10 THINGS YOUR FRIENDS MAY NOT KNOW ABOUT DRUGS*.

IN EUROPE, THE PRESIDENT OF NARCONON EUROPE WORKED WITH THE EUROPEAN PARLIAMENT AND THE COUNCIL OF EUROPE RESULTING IN OBTAINING A COUNCIL OF EUROPE DECLARATION FOR THE DRUG-FREE FUTURE FOR THE CHILDREN OF EUROPE. THE DECLARATION WAS SIGNED BY 23 GOVERNMENT OFFICIALS, SO MAKING IT AN OFFICIAL DOCUMENT FILED WITH THE EUROPEAN COMMISSION.

THE PRESIDENT OF NARCONON EUROPE WENT TO HUNGARY TO PRESENT THE NARCONON DRUG REHABILITATION PROGRAM TO SEVERAL PROFESSIONALS AND WAS ALSO INTERVIEWED ON TV AND GENERATED NEWSPAPER ARTICLES ABOUT THE NARCONON PROGRAM.

CONFERENCES ON DRUGS AND NARCONON SOLUTIONS WERE HELD IN ITALY AND GREECE TO LIKE-MINDED PROFESSIONALS AND GROUPS.

REPRESENTATIVES OF NARCONON DENMARK APPEARED ON SEVERAL TV AND RADIO SHOWS AND MET WITH OFFICIALS CONCERNED WITH THE DRUG PROBLEMS. THEY TRANSLATED THE BOOKLET *10 THINGS YOUR FRIENDS MAY NOT KNOW ABOUT DRUGS* INTO DANISH AND BROADLY DISTRIBUTED IT.

IN MEXICO, A NARCONON INTERNATIONAL REPRESENTATIVE WAS INTERVIEWED TWICE ON "CANAL 22" NEWS PROGRAM ABOUT THE NARCONON DRUG PREVENTION PROGRAM. NARCONON MEXICO ATTENDED SEVERAL CONVENTIONS WHERE THEY DISSEMINATED INFORMATION ON THE NARCONON PROGRAM TO MANY THOUSANDS OF PEOPLE, INCLUDING TO 500 MAYORS AT THEIR ANNUAL MEETING.

IN COSTA RICA, NARCONON REPRESENTATIVES DID SEVERAL TV SHOWS REACHING MILLIONS OF PEOPLE.

IN PAKISTAN, THE NARCONON REPRESENTATIVE ORGANIZED A 400-PERSON MARCH THROUGH THE STREETS OF HYDERABAD AS PART OF THE "INTERNATIONAL DAY AGAINST DRUG ABUSE" AND DISPLAYING A NARCONON ANTI-DRUG BANNER.

	Grants	Expenses
To Form 990, Part III, line A		478,643

Form **4562**Department of the Treasury
Internal Revenue Service**Depreciation and Amortization** 990
(Including Information on Listed Property)

OMB No 1545-0172

2003Attachment
Sequence No **67**

▶ See separate instructions.

▶ Attach to your tax return.

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 Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See instructions for a higher limit for certain businesses	1	100000.
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	400000.
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 the amount from line 29	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 line 13 of your 2002 Form 4562	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 2004 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	45703.

Part III MACRS Depreciation (Do not include listed property.) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(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
19a 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 - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year			12 yrs.	S/L	
c 40-year	/		40 yrs.	MM	S/L

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	45703.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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 24a, 24b, 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)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** 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
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use.								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

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	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 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
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 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		
39 Do you treat all use of vehicles by employees as personal use?		
40 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?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do 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
42 Amortization of costs that begins during your 2003 tax year					
43 Amortization of costs that began before your 2003 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report					44

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return.

- 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 Suite 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).

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> 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 15th** 20**04** to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ☒ calendar year 20**03** 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 \$ _____

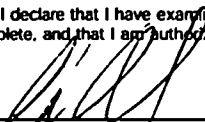
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

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 ►



Title ► **Treasurer**

Date ►

8/14/2004

For Paperwork Reduction Act Notice, see Instruction

Cat No 27916D

Form **8868** (12-2000)

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☐ **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 Suite 220	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Los Angeles, CA 90028-6015	

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

- ☒ 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**, 20**04**.
- 5 For calendar year **2003**, or other tax year beginning _____, 20____ and ending _____, 20____.
- 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 \$ _____

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 ▶ **Treasurer**Date ▶ **13 Aug 04****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 otherwise 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 a 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
	Number and street (include suite, room, or apt. no.) Or a P.O. box number
	City or town, province or state, and country (including postal or ZIP code)