

Form **990**

**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)

OMB No 1545-0047

**2004**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2004 calendar year, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

**B** Check if applicable:  Address change,  Name change,  Initial return,  Final return,  Amended return,  Application pending

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

**C** Name of organization: **NARCONON DRUG PREVENTION & EDUCATION, INC.**

Number and street (or P O box if mail is not delivered to street address): **4442 YORK BLVD.** Room/suite: **18**

City or town, state or country, and ZIP + 4: **LOS ANGELES CA 90041-3356**

**D** Employer identification no. **95-4853440**

**E** Telephone number **323-257-8009**

**F** Accounting method:  Cash,  Accrual,  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?  Yes  No (If "No," att a list See instr) **N/A**

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number **▶ 2595**

**M** Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**G** Website: **▶ WWW.DRUG-PREVENTION.ORG**

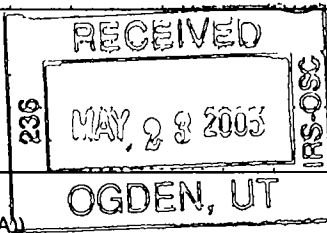
**J** Organization type (check only one)  501(c) ( **3** ) < (insert no)  4947(a)(1) or  527

**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 **▶ 115,827**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)**

<b>1</b>	Contributions, gifts, grants, and similar amounts received:				
<b>a</b>	Direct public support	1a	87,201		
<b>b</b>	Indirect public support	1b			
<b>c</b>	Government contributions (grants)	1c			
<b>d</b>	Total (add lines 1a through 1c) (cash \$ <u>85,091</u> noncash \$ <u>2,110</u> )	1d		87,201	
<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	2		19,449	
<b>3</b>	Membership dues and assessments	3			
<b>4</b>	Interest on savings and temporary cash investments	4			
<b>5</b>	Dividends and interest from securities	5			
<b>6a</b>	Gross rents	6a			
<b>b</b>	Less: rental expenses	6b			
<b>c</b>	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
<b>7</b>	Other investment income (describe _____)	7			
<b>8a</b>	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
<b>b</b>	Less: cost or other basis and sales expenses	8a	3,804		
<b>c</b>	Gain or (loss) (attach schedule)	8b	1,157		
<b>d</b>	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	2,647		
<b>d</b>		8d		2,647	
<b>9</b>	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
<b>a</b>	Gross revenue (not including \$ <u>8,555</u> of contributions reported on line 1a)	9a	5,373		
<b>b</b>	Less: direct expenses other than fundraising expenses	9b	6,737		
<b>c</b>	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		-1,364	
<b>10a</b>	Gross sales of inventory, less returns and allowances	10a			
<b>b</b>	Less: cost of goods sold	10b			
<b>c</b>	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
<b>11</b>	Other revenue (from Part VII, line 103)	11			
<b>12</b>	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		107,933	
<b>13</b>	Program services (from line 44, column (B))	13		71,457	
<b>14</b>	Management and general (from line 44, column (C))	14		28,564	
<b>15</b>	Fundraising (from line 44, column (D))	15		2,015	
<b>16</b>	Payments to affiliates (attach schedule)	16			
<b>17</b>	Total expenses (add lines 16 and 44, column (A))	17		102,036	
<b>18</b>	Excess or (deficit) for the year (subtract line 17 from line 12)	18		5,897	
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	19		53,376	
<b>20</b>	Other changes in net assets or fund balances (attach explanation)	20			
<b>21</b>	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		59,273	



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**Part II Statement of**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations

**Functional Expenses**

and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____)	22				
23	Specific assistance to individuals	23				
24	Benefits paid to or for members	24				
25	Compensation of officers, directors, etc.	25	50,435	32,784	1,008	
26	Other salaries and wages	26				
27	Pension plan contributions	27				
28	Other employee benefits	28				
29	Payroll taxes	29	4,432	2,880	89	
30	Professional fundraising fees	30				
31	Accounting fees	31	1,883	1,883		
32	Legal fees	32				
33	Supplies	33				
34	Telephone	34	3,519	1,759	352	
35	Postage and shipping	35	3,904	3,006	898	
36	Occupancy	36	3,900	1,950	390	
37	Equipment rental and maintenance	37	985	590	99	
38	Printing and publications	38				
39	Travel	39	748	598	150	
40	Conferences, conventions, and meetings	40	75		75	
41	Interest	41				
42	Depreciation, depletion, etc. (attach schedule)	42	2,263	2,263		
43	Other expenses not covered above (itemize): a	43a				
	b <b>SEE STATEMENT</b>	43b	29,892	25,627	77	
	c	43c				
	d	43d				
	e	43e				
44	<b>Total functional expenses</b> (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	102,036	71,457	28,564	2,015

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 Accomplishments** (See page 25 of the instructions.)

What is the organization's primary exempt purpose?

**▶ DRUG EDUCATION**

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) & (4) orgs., & 4947(a)(1) trusts; but optional for others.)

a	<b>SEE STATEMENT</b>	(Grants and allocations \$ _____)	71,457
b		(Grants and allocations \$ _____)	
c		(Grants and allocations \$ _____)	
d		(Grants and allocations \$ _____)	
e	Other program services (attach schedule)	(Grants and allocations \$ _____)	
f	<b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)		<b>71,457</b>

**Part IV Balance Sheets** (See page 25 of the 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	49,235	45	52,660
	46 Savings and temporary cash investments		46	
	47a Accounts receivable			
	b Less: allowance for doubtful accounts		47c	
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		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)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments-securities <span style="float: right;"><input type="checkbox"/> Cost <input type="checkbox"/> FMV</span>		54	
	55a Investments-land, buildings, and equipment: basis			
	b Less: accumulated depreciation (attach schedule)		55c	
	56 Investments-other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	10,116		
	b Less: accumulated depreciation (attach schedule) <b>SEE STATEMENT 4</b>	4,375	57c	5,741
	58 Other assets (describe <b>SEE STATEMENT 5</b> )	1,154	58	1,522
	<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74)	<b>54,107</b>	<b>59</b>	<b>59,923</b>
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)		64b	
	65 Other liabilities (describe <b>SEE STATEMENT 6</b> )	731	65	650
	<b>66 Total liabilities</b> (add lines 60 through 65)	<b>731</b>	<b>66</b>	<b>650</b>
N F e u n d  A s s e t s  o e r s	<b>Organizations that follow SFAS 117, check here</b> <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	
	<b>Organizations that do not follow SFAS 117, check here</b> <input checked="" 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	53,376	72	59,273
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	<b>53,376</b>	<b>73</b>	<b>59,273</b>
	<b>74 Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	<b>54,107</b>	<b>74</b>	<b>59,923</b>

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.

<b>Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)</b>		<b>Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return</b>	
<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>a</b> Total revenue, gains, and other support per audited financial statements ▶	<b>a</b>	<b>a</b> Total expenses and losses per audited financial statements ▶	<b>a</b>
<b>b</b> Amounts included on line a but not on line 12, Form 990:		<b>b</b> Amounts included on line a but not on line 17, Form 990:	
<b>(1)</b> Net unrealized gains on investments \$		<b>(1)</b> Donated services and use of facilities \$	
<b>(2)</b> Donated services and use of facilities \$		<b>(2)</b> Prior year adjustments reported on line 20, Form 990 \$	
<b>(3)</b> Recoveries of prior year grants \$		<b>(3)</b> Losses reported on line 20, Form 990 \$	
<b>(4)</b> Other (specify):		<b>(4)</b> Other (specify):	
\$		\$	
Add amounts on lines (1) through (4) ▶	<b>b</b>	Add amounts on lines (1) through (4) ▶	<b>b</b>
<b>c</b> Line a minus line b ▶	<b>c</b>	<b>c</b> Line a minus line b ▶	<b>c</b>
<b>d</b> Amounts included on line 12, Form 990 but not on line a:		<b>d</b> Amounts included on line 17, Form 990 but not on line a:	
<b>(1)</b> Investment expenses not included on line 6b, Form 990 \$		<b>(1)</b> Investment expenses not included on line 6b, Form 990 \$	
<b>(2)</b> Other (specify):		<b>(2)</b> Other (specify):	
\$		\$	
Add amounts on lines (1) and (2) ▶	<b>d</b>	Add amounts on lines (1) and (2) ▶	<b>d</b>
<b>e</b> Total revenue per line 12, Form 990 (line c plus line d) ▶	<b>e</b>	<b>e</b> Total expenses per line 17, Form 990 (line c plus line d) ▶	<b>e</b>

**Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions )**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contrib to employee benefit plans & deferred compensation	(E) Expense account and other allowances
ANTHONY C. BYLSMA 746 1/2 VERDUGO GLENDALE CA 91206	PRESIDENT 40+	25,261	0	0
SIGAL ADINI 746 1/2 VERDUGO GLENDALE CA 91206	SECT/TREAS 40+	25,174	0	0
ANTHONY C. BYLSMA 746 1/2 VERDUGO GLENDALE CA 91206	DIRECTOR 2	0	0	0
PATTY O'NEILL SCHWARTZ P.O. BOX 291729 LOS ANGELES CA 90029	DIRECTOR 0	0	0	0
DAPHNA HERNANDEZ 611 VILLA STREET PASADENA CA 91101	DIRECTOR 0	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 page 28 of the instructions.

<b>Part VI Other Information (See page 28 of the instructions.)</b>		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	78b
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	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 <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	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
83a	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
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	84a
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	85a
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.	N/A	85b
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	85g
h	If section 6033(e)(1)(A) dues notices were sent, does 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	85h
86	501(c)(7) orgs. 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) orgs. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0 ; section 4912 <input type="checkbox"/> 0 , section 4955 <input type="checkbox"/> 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0		
90a	List the states with which a copy of this return is filed <input type="checkbox"/> CA		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	2
91	The books are in care of <input type="checkbox"/> SIGAL ADINI Located at <input type="checkbox"/> 4442 YORK BLVD #18 LOS ANGELES, CA		
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 <input type="checkbox"/> 92 <input type="checkbox"/> N/A		

Telephone no.  323-257-8009  
ZIP + 4  90041-3356

**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 sec 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 <b>SALE OF ANTI DRUG LITERATURE</b>					661
b <b>SCHOOL DRUG PROGRAM FEES</b>					10,550
c <b>REFERRAL FEES</b>					8,038
d <b>TRAINING</b>					200
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and 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					2,647
101 Net income or (loss) from special events			1	-1,364	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0		-1,364	22,096
105 Total (add line 104, columns (B), (D), and (E))					20,732

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 7

**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
N/A	%			
	%			
	%			
	%			

**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.

Signature of officer: *Sigal Adini* Date: 5/13/05

Type or print name and title: SIGAL ADINI, Treasurer

Paid Preparer's Use Only

Preparer's signature: *Peggy Howard* Date: 5/13/05

Check if self-employed:

Preparer's SSN or PTIN (See Gen Instr W): P00061505

Firm's name (or yours if self-employed): GREENBERG AND JACKSON CPAS

address, and ZIP + 4: 2441 HONOLULU AVENUE SUITE 120 MONTROSE, CA 91020-1864

EIN: \_\_\_\_\_

Phone no: 818-249-3230

**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

**2004**

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 DRUG PREVENTION &  
EDUCATION, INC.**

Employer identification number

**95-4853440**

**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 empl ben plans & deferred comp	(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 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 ▶		

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

Schedule A (Form 990 or 990-EZ) 2004

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

	Yes	No
<b>1</b> 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 ) 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.		<b>X</b>
<b>2</b> 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.)		
<b>a</b> Sale, exchange, or leasing of property?	<b>2a</b>	<b>X</b>
<b>b</b> Lending of money or other extension of credit?	<b>2b</b>	<b>X</b>
<b>c</b> Furnishing of goods, services, or facilities?	<b>2c</b>	<b>X</b>
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V, FORM 990</b>	<b>2d</b>	<b>X</b>
<b>e</b> Transfer of any part of its income or assets?	<b>2e</b>	<b>X</b>
<b>3a</b> 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 )	<b>3a</b>	<b>X</b>
<b>b</b> Do you have a section 403(b) annuity plan for your employees?	<b>3b</b>	<b>X</b>
<b>4a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	<b>4a</b>	<b>X</b>
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	<b>4b</b>	<b>X</b>

**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 5 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants See line 28 )	135,178	126,550	74,072	49,891	385,691
<b>16</b> Membership fees received					0
<b>17</b> 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	10,562	13,123			23,685
<b>18</b> 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	47	3			50
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
<b>21</b> 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					0
<b>22</b> Other income Attach a schedule Do not include gain or (loss) from sale of capital assets		200			200
<b>23</b> Total of lines 15 through 22	145,787	139,876	74,072	49,891	409,626
<b>24</b> Line 23 minus line 17	135,225	126,753	74,072	49,891	385,941
<b>25</b> Enter 1% of line 23	1,458	1,399	741	499	
<b>26 Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24					7,719
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					247,450
c Total support for section 509(a)(1) test. Enter line 24, column (e)					385,941
d Add: Amounts from column (e) for lines. 18 <u>50</u> 19 <u>                    </u> 22 <u>200</u> 26b <u>247,450</u>					247,700
e Public support (line 26c minus line 26d total)					138,241
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					35.8192%
<b>27 Organizations described on line 12:</b> 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	(2003)	(2002)	(2001)	(2000)	N/A
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	(2003)	(2002)	(2001)	(2000)	N/A
c Add: Amounts from column (e) for lines: 15 <u>                    </u> 16 <u>                    </u> 17 <u>                    </u> 20 <u>                    </u> 21 <u>                    </u>					27c
d Add: Line 27a total. <u>                    </u> and line 27b total <u>                    </u>					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27f
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 2000 through 2003, 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

**Part V Private School Questionnaire (See page 7 of 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?  If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)	32d		
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?  If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h		
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? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b		
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 page 9 of the instructions.)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check  **a** if the organization belongs to an affiliated group. Check  **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
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	
<b>39</b> Other exempt purpose expenditures	<b>39</b>	
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table-		
<b>If the amount on line 40 is-</b> <b>The lobbying nontaxable amount is-</b>		
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	<b>41</b>	
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		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	<b>43</b>	
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	<b>44</b>	

**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				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> 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 page 11 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
	<b>X</b>	
	<b>X</b>	
	<b>X</b>	<b>0</b>
	<b>X</b>	<b>0</b>
	<b>X</b>	<b>0</b>
	<b>X</b>	<b>0</b>
	<b>X</b>	<b>0</b>
	<b>X</b>	<b>0</b>
	<b>X</b>	<b>0</b>
	<b>X</b>	<b>0</b>

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





# Depreciation and Amortization

OMB No 1545-0172

Form **4562**

(Including Information on Listed Property)

**2004**

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.      ▶ Attach to your tax return.

Attachment  
Sequence No **67**

Name(s) shown on return **NARCONON DRUG PREVENTION & EDUCATION, INC.**      Identifying number **95-4853440**

Business or activity to which this form relates

**INDIRECT DEPRECIATION**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	102,000
2 Total cost of section 179 property placed in service (see page 3 of the instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	410,000
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 page 3 of the instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
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 2003 Form 4562		10
11 Business income limitation. Enter the 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 2005. 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 prop (other than listed prop) placed in service during the tax year (see pg 3 of the instructions)	14	
15 Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See page 5 of the instructions.)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2004	17	1,219
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 2004 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		4,648	5.0	HY	200DB	930
c 7-year property		795	7.0	HY	200DB	114
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 2004 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 page 8 of the instructions)**

21 Listed property. Enter amount from line 28	21	
22 <b>Total.</b> 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	2,263
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	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2004)

**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 page 9 of the 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)	(b)	(c)	(d)	(e)		(f)	(g)	(h)	(i)		
Type of prop (list vehicles first)	Date placed in service	Business/investment use percentage	Cost or other basis	Basis for depreciation (business/investment use only)		Recovery period	Method/Convention	Depreciation deduction	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 (see page 8 of the instructions)									25		
26 Property used more than 50% in a qualified business use (see page 8 of the instructions):											
		%									
		%									
27 Property used 50% or less in a qualified business use (see page 8 of the instructions):											
		%					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)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6						
30 Total business/investment miles driven during the year (do not include commuting miles-See page 2 of the instructions)												
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 (see page 10 of the instructions)

	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 page 10 of the 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? (See page 10 of the instructions )		

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)	(b)	(c)	(d)	(e)	(f)
Description of costs	Date amortization begins	Amortizable amount	Code section	Amortization period or percentage	Amortization for this year
42 Amortization of costs that begins during your 2004 tax year (see page 11 of the instructions)					
43 Amortization of costs that began before your 2004 tax year				43	0
44 Total. Add amounts in column (f). See page 12 of the instructions for where to report				44	

**Federal Statements**

**Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other**

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
VEHICLE	PURCHASE		10/27/02	7/01/04	\$ 3,804	\$ 2,706	\$ 1,549	\$ 2,647
TOTAL					\$ 3,804	\$ 2,706	\$ 1,549	\$ 2,647



**Federal Statements****Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
EXPENSES				
BOOKLETS & VIDEO	316	316		
INSURANCE	1,011		1,011	
WORKERS COMP INSURANCE	1,768	1,150	583	35
FEEES	25		25	
UTILITIES	420	210	168	42
OFFICE SUPPLIES & ADMIN	1,788	894	894	
DISSEMINATION EXPENSES	7,206	7,206		
DELIVERY EXPENSES	891	891		
BANK CHARGES	22		22	
TRAINING	150		150	
DUES	50		50	
LICENSE FEES	9,818	9,818		
AUTO EXPENSE	6,320	5,056	1,264	
MEALS	107	86	21	
TOTAL	<u>\$ 29,892</u>	<u>\$ 25,627</u>	<u>\$ 4,188</u>	<u>\$ 77</u>

**Statement 3 - Form 990, Part III, Line a - Statement of Program Service Accomplishments**

GIVING DRUG INFORMATION AND SEMINARS TO SCHOOLS AND OTHER RELATED ENTITIES IN ORDER TO CURB DRUG ABUSE AMONG CHILDREN. IN THE YEAR 2004, 31,746 STUDENTS RECEIVED DRUG EDUCATION LECTURES GIVEN AT 183 SCHOOLS, YOUTH GROUPS, COMMUNITY CENTERS, ETC.

**Federal Statements**

**Statement 4 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
	\$ 7,379	\$ 3,661	\$ 10,116	\$ 4,375
TOTAL	\$ 7,379	\$ 3,661	\$ 10,116	\$ 4,375

**Statement 5 - Form 990, Part IV, Line 58 - Other Assets**

Description	Beginning of Year	End of Year
REFUNDABLE DEPOSIT	\$ 1,154	\$ 1,522
TOTAL	\$ 1,154	\$ 1,522

**Statement 6 - Form 990, Part IV, Line 65 - Other Liabilities**

Description	Beginning of Year	End of Year
CREDIT CARD PAYABLE	\$ 677	\$ 590
PAYROLL TAXES PAYABLE	7	7
SALES TAX PAYABLE	47	53
TOTAL	\$ 731	\$ 650

**Federal Statements****Statement 7 - Form 990, Part VIII - Relationship of Activities**

<u>Line No.</u>	<u>Description</u>
93A	ANTIDRUG LITERATURE HELPED IN DRUG EDUCATION EFFORTS.
93B	DRUG PROGRAMS IN SCHOOLS HELPED TO EDUCATE STUDENTS ABOUT
93B	THE HARMFUL EFFECTS OF DRUGS.
93C	REFERRAL SERVICES PROVIDED TO DRUG REHAB CENTERS.
93D	TRAINING PROVIDED TO DRUG EDUCATION PERSONNEL AT NARCONON
93D	OF NORTHERN CALIFORNIA

NARCONON DRUG PREVENTION &  
EDUCATION, INC.  
4442 YORK BLVD. 18  
LOS ANGELES, CA 90041-3356

**Electing out of the 50% Bonus Depreciation Allowance  
for All Eligible Depreciable Property**

The taxpayer elects out of the first-year 50 % bonus depreciation allowance under IRC Section 168(k) for all eligible asset classes of depreciable property acquired after May 5, 2003. This election applies to all qualified 50% bonus depreciation property placed in service during the tax year.

**Federal Asset Report**

**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Sec 168(k)	Basis for Depr	PerConv Meth	Prior	Current
<b>5-year GDS Property:</b>										
13	OFFICE EQUIPMENT	11/15/04	648				648	5 HY 200DB	0	130
14	VEHICLE	9/22/04	4,000				4,000	5 HY 200DB	0	800
			<u>4,648</u>				<u>4,648</u>		<u>0</u>	<u>930</u>
<b>7-year GDS Property:</b>										
12	DONATED OFFICE EQUIPMENT	11/20/04	795				795	7 HY 200DB	0	114
			<u>795</u>				<u>795</u>		<u>0</u>	<u>114</u>
<b>Prior MACRS:</b>										
1	OFFICE EQUIPMENT	6/06/00	639				639	5 HY 200DB	528	74
2	COMPUTER EQUIPMENT	2/02/01	767				767	5 HY 200DB	587	72
3	COMPUTER EQUIPMENT	4/04/01	108				108	5 HY 200DB	79	12
4	COMPUTER EQUIPMENT	10/09/01	553				553	5 HY 200DB	364	76
5	TELEPHONE EQUIPMENT	12/01/01	300				300	5 HY 200DB	197	41
6	LAPTOP	10/14/02	1,294			X	906	5 MQ200DB	556	295
7	TELEPHONE	9/17/02	120			X	84	5 MQ200DB	59	24
8	VEHICLE	10/27/02	2,706			X	1,894	5 MQ200DB	1,164	385
	Casualty/Theft. 7/01/04									
9	DONATED OFFICE EQUIPMENT	2/13/02	575			X	575	7 HY 200DB	0	164
11	PRESENTATION EQUIPMENT	9/28/02	317			X	222	5 HY 200DB	127	76
			<u>7,379</u>				<u>6,048</u>		<u>3,661</u>	<u>1,219</u>
	<b>Grand Totals</b>		12,822				11,491		3,661	2,263
	<b>Less: Dispositions</b>		<u>2,706</u>				<u>1,894</u>		<u>1,164</u>	<u>385</u>
	<b>Net Grand Totals</b>		<u>10,116</u>				<u>9,597</u>		<u>2,497</u>	<u>1,878</u>