

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
2006
Open to Public Inspection

A For the 2006 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
Instruc-
tions.

C Name of organization

FRIENDS OF NARCONON INTL.

Number and street (or P.O. box if mail is not delivered to street address)

622 EAST VILLA STREET

Room/suite

201

City or town, state or country, and ZIP + 4

PASADENA

CA 91101-1120

D Employer identification number

95-4536141

E Telephone number

626-449-3082

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).

G Website: ▶ **FRIENDSOFNARCONON.ORG**

J Organization type

(check only) ▶ ☒ 501(c) (**3**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

H and are not applicable to section 527 organizations I

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

H(b) If "Yes," enter number of affiliates ▶ ☐ Yes ☐ No

H(c) Are all affiliates included? ☐ Yes ☐ No

(If "No," attach a list. See instructions.)

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)

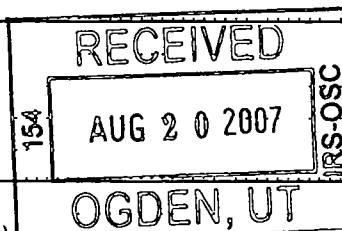
L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **779,323**

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

1	Contributions, gifts, grants, and similar amounts received.				
a	Contributions to donor advised funds				
b	Direct public support (not included on line 1a)				
c	Indirect public support (not included on line 1a)				
d	Government contributions (grants) (not included on line 1a)				
e	Total (add lines 1a through 1d) (cash \$ 178,546 noncash \$ 543,800)			1e	722,346
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	6,090
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	
5	Dividends and interest from securities			5	
6a	Gross rents				
b	Less: rental expenses				
c	Net rental income or (loss). Subtract line 6b from line 6a			6c	
	Other investment income (describe ▶)			7	
8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
b	Less: cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c		8d	
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b		9c	
c	Net income or (loss) from special events. Subtract line 9b from line 9a				
10a	Gross sales of inventory, less returns and allowances	10a	50,887		
b	Less: cost of goods sold	10b	16,114		
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a		STMT 1	10c	34,773
11	Other revenue (from Part VII, line 103)			11	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	763,209
13	Program services (from line 44, column (B))			13	81,032
14	Management and general (from line 44, column (C))			14	67,827
15	Fundraising (from line 44, column (D))			15	63,392
16	Payments to affiliates (attach schedule)			16	
17	Total expenses. Add lines 16 and 44, column (A)			17	212,251
18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	550,958
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	9,781
20	Other changes in net assets or fund balances (attach explanation)			20	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21	560,739

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.
DAA

Form 990 (2006)



Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See 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
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) SEE STATEMENT 2	25a	73,725	18,431	33,176	22,118
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	26,702	10,681	3,471	12,550
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28				
29 Payroll taxes	29	9,836	3,738	2,852	3,246
30 Professional fundraising fees	30				
31 Accounting fees	31	13,319		13,319	
32 Legal fees	32	255		255	
33 Supplies	33	1,999	899	880	220
34 Telephone	34	3,914	1,027	350	2,537
35 Postage and shipping	35	18,280	16,067	385	1,828
36 Occupancy	36				
37 Equipment rental and maintenance	37				
38 Printing and publications	38	7,477	5,956	656	865
39 Travel	39	4,547	2,526	382	1,639
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	284	284		
43 Other expenses not covered above (itemize):					
a SEE STATEMENT 3	43a	51,913	21,423	12,101	18,389
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	212,251	81,032	67,827	63,392

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 the instructions.)

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.

What is the organization's primary exempt purpose?

► **SEE STATEMENT 4**

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 SEE STATEMENT 5

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

81,032

b

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►

81,032

Form **990** (2006)

Part IV Balance Sheets (See the instructions.)

		(A) Beginning of year		(B) End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				
Assets	45 Cash-non-interest-bearing	12,911	45	22,299
	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	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)		50b	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use	1,502	52	1,293
	53 Prepaid expenses and deferred charges		53	
	54a Investments—publicly-traded securities		54a	
	b Investments—other securities (attach schedule)		54b	
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	3,309			
b Less: accumulated depreciation (attach schedule) SEE STATEMENT 6	3,167	426	57c	142
58 Other assets, including program-related investments (describe ► SEE STATEMENT 7)	2,030	58	540,080	
59 Total assets (must equal line 74). Add lines 45 through 58	16,869	59	563,814	
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 (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ► SEE STATEMENT 8)	7,088	65	3,075
66 Total liabilities. Add lines 60 through 65	7,088	66	3,075	
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		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	9,781	72	560,739
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21))	9,781	73	560,739
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	16,869	74	563,814	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.) **N/A**

a	Total revenue, gains, and other support per audited financial statements		a	
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return **N/A**

a	Total expenses and losses per audited financial statements		a	
b	Amounts included on line a but not Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address		(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
PATTY SCHWARTZ	LOS ANGELES	EXEC. DIRECT			
2015 NORWALK AVE.	CA 90041-2725	15	2,860	0	0
DONNA MILLER	SYLMAR, CA	DEPUTY EXDIR			
13205 LA TIERRA WAY	CA 91342	40	47,527	0	0
ROBERT HERNANDEZ	PASADENA	PRESIDENT			
622 E. VILLA ST. #201	CA 91101-1120	10	0	0	0
DAPHNA HERNANDEZ	PASADENA	TREASURER			
622 E. VILLA ST. #201	CA 91101-1120	1	0	0	0
PATTY SCHWARTZ	LOS ANGELES	SECRETARY			
2015 NORWALK AVE.	CA 90041-2725	1	0	0	0
JED WOLFE	LOS ANGELES	DIR OF DELIV			
3941 VESELICH AVE.	CA 90039	40	23,338	0	0

Part V-A **Current Officers, Directors, Trustees, and Key Employees (continued)**


75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X	
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization "	75c		X
d	Does the organization have a written conflict of interest policy?	75d		X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

[illegible]

Part VI Other Information (See the instructions.)

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? b If "Yes," has it filed a tax return on Form 990-T for this year?	78a 78b	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	<input checked="" type="checkbox"/>
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? b If "Yes," enter the name of the organization 	80a	<input checked="" type="checkbox"/>
<div style="text-align: right;"> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt </div> 81a Enter direct and indirect political expenditures. (See line 81 instructions.)	81a	<input type="checkbox"/> <input type="checkbox"/> <div style="text-align: right;">0</div>
b Did the organization file Form 1120-POL for this year?	81b	<input checked="" type="checkbox"/>

Part VI Other Information (continued)

		Yes	No
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	
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?	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? 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	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?	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?	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
88a	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	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89a	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) 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	89c	0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	89d	0
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	N/A
90a	List the states with which a copy of this return is filed ▶ CA		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90b	4
91a	The books are in care of ▶ DAPHNA HERNANDEZ 622 E VILLA ST #201 Located at ▶ PASADENA, CA	Telephone no ▶ 626-449-3082 ZIP + 4 ▶ 91101-1120	
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X

	Yes	No
91c		X

N/A

[illegible]

102	BOOKS AND TAPES ARE DRUG EDUCATION RELATED.
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	Yes	X	No
	Yes	X	No

DAA

Form 990 (2006)

FRIENDS OF NARCONON INTL.

95-4536141

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Part XI

Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

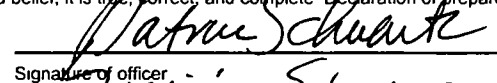
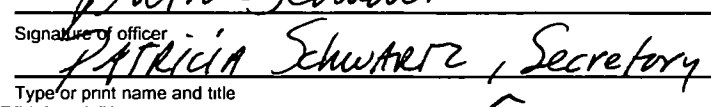
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	N/A

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		Date 8/15/07	
Paid Preparer's Use Only	 Type or print name and title		Date 8/14/07	
	Firm's name (or yours if self-employed), address, and ZIP + 4 GREENBERG AND JACKSON CPAS 2441 HONOLULU AVENUE SUITE 120 MONTROSE, CA 91020-1864		Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Instr X) 95-3387333
		EIN 95-3387333		Phone no 818-249-3230

Form 990 (2006)

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 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2006Department 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

FRIENDS OF NARCONON INTL.

Employer identification number

95-4536141

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 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) Comp	(d) Contrib to empl ben plans & deferred comp	(e) Expense account & other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

Part II-A 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 ▶		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶		

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

Schedule A (Form 990 or 990-EZ) 2006

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)

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?

SEE STATEMENT 10

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

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

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

- 4a** Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c

d Enter the total number of donor advised funds owned at the end of the tax year ► _____

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ► _____

0

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____

0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
- ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total ►					

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	144,275	111,908	168,403	83,777	508,363
16 Membership fees received					0
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	33,674	30,035	32,051	36,610	132,370
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975			1	11	12
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	177,949	141,943	200,455	120,398	640,745
24 Line 23 minus line 17	144,275	111,908	168,404	83,788	508,375
25 Enter 1% of line 23	1,779	1,419	2,005	1,204	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					10,168
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					63,271
c Total support for section 509(a)(1) test: Enter line 24, column (e)					508,375
d Add: Amounts from column (e) for lines 18 <u>12</u> 19 <u> </u> 22 <u> </u> 26b <u>63,271</u>					63,283
e Public support (line 26c minus line 26d total)					445,092
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					87.5519%
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:	(2005)	(2004)	(2003)	(2002)	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 11b, 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:	(2005)	(2004)	(2003)	(2002)	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))					%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 9 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?	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain (If you need more space, attach a separate statement)	31		
32 Does the organization maintain the following			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)			
33 Does the organization discriminate by race in any way with respect to.			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement)			
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended? 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 10 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		(a) Affiliated group totals	(b) To be completed for all electing organizations												
(The term "expenditures" means amounts paid or incurred.)															
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-															
<table style="width:100%; border: none;"> <tr> <td style="width:50%;">If the amount on line 40 is-</td> <td style="width:50%;">The lobbying nontaxable amount is-</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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			
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														
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 13 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 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
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

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

a Transfers from the reporting organization to a noncharitable exempt organization of:

(i) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

	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

[illegible]

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule

[illegible]

95-4536141

Federal Statements

FYE: 12/31/2006

Form 990 - General FootnoteDescription

PART IV, LINE 65 ATTACHED SCHEDULE FOR PRIVATE LOAN:

LENDER'S NAME - MURRAY GOULD

ORIGINAL LOAN AMOUNT - \$2,150

BALANCE DUE 12/31/06 - \$1,001

ORIGINATION DATE OF LOAN - 1998

MATURITY DATE - 12/31/07

TERMS - BALANCE DUE AT MATURITY

INTEREST RATE - 0%

PURPOSE OF LOAN - START UP FUNDS FOR FUNDRAISING CAMPAIGN AND
ESTABLISHMENT OF PHONE ROOM FOR SOLICITATION OF DONATIONS.

Form **4562**
Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2006Attachment
Sequence No **67**

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

Name(s) shown on return

FRIENDS OF NARCONON INTL.

Identifying number

95-4536141

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 the instructions for a higher limit for certain businesses	1	108,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	430,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	
6			
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter 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 2005 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 2007 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.) (See instructions.)**

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

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 2006	17	284
18	If you are electing 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 2006 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 2006 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	284
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** (2006)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

Federal Statements**Statement 1 - Form 990, Line 10c - Sales of Inventory**

<u>Description</u>	<u>Gross Sales</u>	<u>COGS</u>	<u>Gross Profit</u>
SALES - DRUG ED BOOKS/TAPES	\$ 50,887	\$ 16,114	\$ 34,773
TOTAL	\$ 50,887	\$ 16,114	\$ 34,773

Federal Statements

95-4536141

FYE: 12/31/2006

Statement 2 - Form 990, Part II, Line 25a - Compensation of Current Officers

Name	Program Services	Management & General	Fundraising
EXPENSES	\$	\$	
DONNA MILLER - DEPUTY ED COMPENSATION	11,882	21,387	14,258
JED WOLFE - DIR OF DELIVERY COMPENSATION	5,834	10,502	7,002
PATTY SCHWARTZ - EXEC DIR COMPENSATION	715	1,287	858
TOTAL	<u>\$ 18,431</u>	<u>\$ 33,176</u>	<u>\$ 22,118</u>

95-4536141

Federal Statements

FYE: 12/31/2006

Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Mgt & General</u>	<u>Fund- Raising</u>
	\$	\$	\$	\$
EXPENSES				
COMISSIONS	9,269			9,269
UTILITIES	1,812		1,812	
CLEANING & LAUNDRY	900		900	
OFFICE & ADMINISTRATIVE	4,700	1,413	3,175	112
DISSEMINATION	3,258			3,258
BANK CHARGES	5,238		5,238	
LICENSES & FEES	19,223	19,223		
INSURANCE	589		589	
PROPERTY TAX	50		50	
REPAIRS & MAINTENANCE	337		337	
SALES TAX	787	787		
DONOR ACKNOWLEDGEMENTS	5,750			5,750
TOTAL	\$ <u>51,913</u>	\$ <u>21,423</u>	\$ <u>12,101</u>	\$ <u>18,389</u>

Statement 4 - Form 990, Part III - Organization's Primary Exempt Purpose

PREVENTION OF SUBSTANCE ABUSE THROUGH PUBLIC AWARENESS OF
THE HARMFUL EFFECT OF DRUGS AND ALCOHOL.

Statement 5 - Form 990, Part III, Line a - Statement of Program Service Accomplishments**Description**

THE ORGANIZATION'S NATIONWIDE CAMPAIGN FOR YOUTH CONTINUED TO EXPAND IN 2006. DRUG EDUCATION KITS, CONSISTING OF VIDEOS AND BOOKLETS FOR TEACHERS AND STUDENTS, WERE DISTRIBUTED TO 899 MIDDLE/HIGH SCHOOLS AND 254 ELEMENTARY SCHOOLS IN THE COUNTRY. THIS IS DOUBLE THE AMOUNT FOR 2005.

THE ORGANIZATION INTRODUCED ITS LATEST DRUG EDUCATION VIDEOS ENTITLED XTASY, THE REAL STORY PART I AND XTASY, THE REAL STORY PART II. THESE VIDEOS PROVIDE STUDENTS WITH REAL-LIFE DRAMA AND VITAL INFORMATION ON THE DRUG ECSTASY. THIS PRESENTATION WAS PREPARED IN RESPONSE TO THE GROWING ECSTASY EPIDEMIC AMONG TEENAGERS NATIONWIDE. XTASY, THE REAL STORY PART I WON THE PRESTIGIOUS AURORA AWARD FOR PLATINUM BEST OF SHOW EDUCATIONAL VIDEO FOR CHILDREN/YOUTH.

ELEMENTARY SCHOOLS RECEIVED DONATED KITS CONSISTING OF THE VIDEO THE TRUTH ABOUT DRUGS, WHAT IS IT?, 10 EDUCATIONAL BOOKLETS PER KIT CALLED "10 THINGS YOUR FRIENDS MAY NOT KNOW ABOUT DRUGS," AND THE VIDEO THE TRUTH ABOUT KIDS & DRUGS. THREE DIFFERENT KITS WERE MADE AVAILABLE TO SECONDARY SCHOOLS THIS YEAR EXPANDING THE PROGRAM. ONE KIT CONSISTED OF THE VIDEOS MARIJUANA, THE MYTH AND THE TRUTH ABOUT KIDS & DRUGS, AND THE EDUCATOR'S GUIDEBOOK FOR TEACHER'S USE TO PROVIDE MORE EDUCATIONAL MATERIALS AND ACTIVITIES IN FOLLOW UP TO THE VIDEO VIEWINGS. THE OTHER KITS MADE AVAILABLE TO HIGH SCHOOLS IN 2006 WERE: XTASY, THE REAL STORY PART I AND XTASY, THE REAL STORY PART II AND INCLUDED ONE "DRUG FACTS" BOOKLET PER KIT. IN 2006, 56 ELEMENTARY SCHOOLS REPORTED SHOWING THE TRUTH ABOUT DRUGS, WHAT IS IT? VIDEO, 763 SECONDARY SCHOOLS REPORTED SHOWING MARIJUANA, THE MYTH. 46 SECONDARY SCHOOLS REPORTED SHOWING XTASY, THE REAL STORY PART I AND 11 SECONDARY SCHOOLS REPORTED SHOWING XTASY, THE REAL STORY PART II.

FROM TEACHER REPORTS THERE WAS A TOTAL OF 127,874 ELEMENTARY AND SECONDARY STUDENTS VIEWING THE VIDEOS IN 2006. ALL KITS CONTAINED TEACHER AND STUDENT SURVEYS. 156 TEACHER SURVEYS AND 5,020 STUDENT SURVEYS WERE COMPLETED AND RETURNED TO FRIENDS OF NARCONON, GIVING VALUABLE INFORMATION ON THE EFFECTIVENESS OF THE VIDEO PRESENTATIONS. RESULTS CONTINUE TO SHOW THAT APPROXIMATELY 90% OF THE STUDENTS WHO VIEWED THE VIDEOS WILL USE THE INFORMATION TO HELP PREVENT OTHERS FROM USING DRUGS.

FRIENDS OF NARCONON CONTINUED ITS THREE WEBSITES PROVIDING ON-LINE DRUG EDUCATION AND DRUG REHABILITATION REFERRAL INFORMATION.

Federal Statements**Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
FURNITURE & FIXTURES	\$ 3,309	\$ 2,883	\$ 3,309	\$ 3,167
TOTAL	<u>\$ 3,309</u>	<u>\$ 2,883</u>	<u>\$ 3,309</u>	<u>\$ 3,167</u>

Statement 7 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
PREPAID TRAVEL EXPENSE	\$ 2,030	\$ 2,030
DONATED PRINTS		538,050
TOTAL	<u>\$ 2,030</u>	<u>\$ 540,080</u>

Statement 8 - Form 990, Part IV, Line 65 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
PRIVATE LOAN	\$ 1,268	\$ 1,001
SALES TAX PAYABLE	142	178
PAYROLL TAXES PAYABLE	5,678	1,896
TOTAL	<u>\$ 7,088</u>	<u>\$ 3,075</u>

Federal Statements

95-4536141

FYE: 12/31/2006

Statement 9 - Form 990, Part V-A, Line 75b - Related Party Information

Related Party One	Related Party Two	Relationship
ROBERT HERNANDEZ PRESIDENT	DAPHNA HERNANDEZ TREASURER	MARRIED TO DAPHNA
DAPHNA HERNANDEZ TREASURER	ROBERT HERNANDEZ PRESIDENT	MARRIED TO ROBERT

Federal Statements**Statement 10 - Schedule A, Part III, Line 2c - Furnishing of Goods, Services or Facilities****Description**

THE ORGANIZATION PURCHASES DRUG EDUCATION VIDEOS PRODUCED BY GOLDEN MILLENIUM PRODUCTIONS. ROBERT HERNANDEZ IS THE PRESIDENT OF FRIENDS OF NARCONON AND GOLDEN MILLENIUM PRODUCTIONS. THE PRODUCTS AND PRICES ARE AS FOLLOWS:

	VHS	DVD
VIDEO: ECTASY THE REAL STORY (I)	\$4.99	\$3.67
VIDEO: ECTASY THE REAL STORY (II)	\$4.99	\$3.67
VIDEO: TRUTH ABOUT DRUGS	\$4.99	\$3.67
VIDEO: MARIJUANA THE MYTH	\$4.99	\$3.67
VIDEO: THE TRUTH ABOUT KIDS & DRUGS	\$3.00	N/A

95-4536141

Federal Asset Report

FYE: 12/31/2006

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	Per Conv Meth	Prior	Current
Prior MACRS:										
1	FURNITURE & FIXTURES	7/01/00	841				841	7 HY 200DB	841	0
2	OFFICE EQUIPMENT	7/01/02	2,468				2,468	5 HY 200DB	2,042	284
			<u>3,309</u>				<u>3,309</u>		<u>2,883</u>	<u>284</u>
Grand Totals			3,309				3,309		2,883	284
Less: Dispositions			<u>0</u>				<u>0</u>		<u>0</u>	<u>0</u>
Net Grand Totals			<u>3,309</u>				<u>3,309</u>		<u>2,883</u>	<u>284</u>

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).
- 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).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization FRIENDS OF NARCONON, INTL.	Employer identification number 95 4536141	
	Number, street, and room or suite no. If a P.O. box, see instructions. 622 EAST VILLA STREET, SUITE 201		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PASADENA, CALIFORNIA 91101-1120		

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 |

- The books are in the care of ► **DAPHNA HERNANDEZ**

Telephone No. ► (**626**) **449-3082** FAX No. ► (**626**) **796-4302**

- 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 months for a section 501(c) corporation required to file Form 990-T) extension of time until **AUGUST 15**, 20**07**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☒ calendar year 20**06** 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.	3a	\$
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.	3b	\$
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.	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- 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. You 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	Employer identification number
	Number, street, and room or suite no. If a P.O. box, see instructions.	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

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

- | | | | |
|--------------------------------------|-------------------------------------------------------------------|--------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 5227 | |

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

- The books are in the care of _____
Telephone No. > (_____) _____ FAX No. > (_____) _____
- 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 _____, 20_____.
- 5 For calendar year _____, 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 _____

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.	8a \$
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.	8b \$
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.	8c \$

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 > *Robert Schwartz* Title > **EXECUTIVE DIRECTOR** Date > **5/05/2007**

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 extended 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)