

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

2007

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning , and ending

- B Check if applicable
- Address change
- Name change
- Initial return
- Termination
- Amended return
- Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization

NARCONON EASTERN UNITED STATES

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

611 SOUTH FT. HARRISON AVENUE

Room/suite

228

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

CLEARWATER FL 33756

D Employer identification number
73-1690918

E Telephone number
727-723-1519

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 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

G Website: **N/A**

J Organization type

(check only one) 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

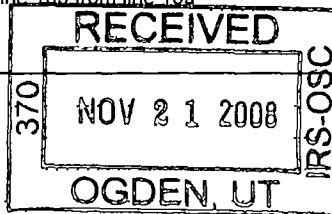
I Group Exemption Number **2595**

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 **318,178**

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	1a			
b	Direct public support (not included on line 1a)	1b			
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)			1e	0
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	318,072
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	106
5	Dividends and interest from securities			5	
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss) Subtract line 6b from line 6a			6c	
7	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			
c	Net income or (loss) from special events Subtract line 9b from line 9a			9c	
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a			10c	
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	318,178
Expenses	13 Program services (from line 44, column (B))			13	349,515
	14 Management and general (from line 44, column (C))			14	30,087
	15 Fundraising (from line 44, column (D))			15	
	16 Payments to affiliates (attach schedule)			16	
	17 Total expenses. Add lines 16 and 44, column (A)			17	379,602
Net Assets	18 Excess or (deficit) for the year Subtract line 17 from line 12			18	-61,424
	19 Net assets or fund balances at beginning of year (from line 73, column (A))			19	174,582
	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	113,158



SCANNED DEC 19 2008

10

Part III **Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and all 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"/>				
22b	Other grants and allocations (attach schedule) Stmt 1 (cash \$ 1,123 non-cash \$ 114,800) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	115,923	115,923		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A See Statement 2	84,200	75,780	8,420	
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B				
25c	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)				
26	Salaries and wages of employees not included on lines 25a, b, and c	49,778	44,800	4,978	
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27				
29	Payroll taxes	11,931	10,738	1,193	
30	Professional fundraising fees				
31	Accounting fees	1,819		1,819	
32	Legal fees	1,714		1,714	
33	Supplies	11,884	9,507	2,377	
34	Telephone	5,703	4,277	1,426	
35	Postage and shipping	546	546		
36	Occupancy	21,770	16,327	5,443	
37	Equipment rental and maintenance				
38	Printing and publications				
39	Travel	36,878	36,878		
40	Conferences, conventions, and meetings	3,353	3,353		
41	Interest				
42	Depreciation, depletion, etc (attach schedule)				
43a	Other expenses not covered above (itemize): See Statement 3	34,103	23,782	10,321	
43b					
43c					
43d					
43e					
43f					
43g					
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	379,602	341,911	37,691	0

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.)

1 See Statement 5

(Grants and allocations \$ 128,423) If this amount includes foreign grants, check here 341,911

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

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

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

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) ▶ 341,911

Part IV Balance Sheets (See 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
Assets	45 Cash—non-interest-bearing	161,850	45	115,855
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	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) See Worksheet	51a 4,173		
	b Less allowance for doubtful accounts	51b	15,989	51c 4,173
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges			53
	54a Investments—publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
	55a Investments—land, buildings, and equipment basis	55a		
	b Less accumulated depreciation (attach schedule)	55b		55c
	56 Investments—other (attach schedule)			56
	57a Land, buildings, and equipment basis	57a		
	b Less accumulated depreciation (attach schedule)	57b		57c
58 Other assets, including program-related investments (describe <input type="checkbox"/>)			58	
59 Total assets (must equal line 74) Add lines 45 through 58		177,839	59	120,028
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 <input type="checkbox"/> See Statement 6)		3,257	65
66 Total liabilities. Add lines 60 through 65		3,257	66	6,870
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	16,833	70	16,833
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	157,749	72	96,325
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)	174,582	73	113,158	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	177,839	74	120,028	

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	0
b	Amounts included on line a but not on Part I, line 12		b	
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	0
d	Amounts included on Part I, line 12, but not on line a :		d	
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	0

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	0
b	Amounts included on line a but not Part I, line 17		b	
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	0
d	Amounts included on Part I, line 17, but not on line a :		d	
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	0

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
YVONNE M. RODGERS 611 S. FT. HARRISON AVE CLEARWATER FL 33756	PRES/DIR. 0	45,600	0	0
DEBORAH LOWER 611 S. FT. HARRISON AVE CLEARWATER FL 33756	SEC/DIR. 0	8,869	0	0
DAVID RODGERS 611 S. FT. HARRISON AVE CLEARWATER FL 33756	TREAS/DIR. 0	39,200	0	0

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?		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?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85a	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?	N/A	
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	
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
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 \blacktriangleright 0, section 4912 \blacktriangleright 0, section 4955 \blacktriangleright 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		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		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	X
90a	List the states with which a copy of this return is filed \blacktriangleright FL		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	90b	4
91a	The books are in care of \blacktriangleright YVONNE M. RODGERS 611 SOUTH FT. HARRISON AVE, SUITE 228 Located at \blacktriangleright CLEARWATER FL	Telephone no	\blacktriangleright 727-723-1519
		ZIP + 4	\blacktriangleright 33756-5301
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 \blacktriangleright See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91c	Yes	No
		X

If "Yes," enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 |

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a LICENSE FEES					318,072
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	106	
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					
101 Net income or (loss) from special events					
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		106	318,072
105 Total (add line 104, columns (B), (D), and (E))					318,178

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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)
93a	The organization receives license fees from Narconon drug rehabilitation and education organizations.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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 the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

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 N/A

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer	
				Yes	No
a	NONE				
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 N/A

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer	
				Yes	No
a	NONE				
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? 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: *Deborah Lower* Date: 11/14/08

Type or print name and title: **DEBORAH LOWER, FINANCE DIRECTOR**

Paid Preparer's Use Only

Preparer's signature: *George E. Clark* Date: _____ Check if self: Preparer's SSN or PTIN (See Gen Instr X): _____

Firm's name (or yours if self-employed), address, and ZIP + 4: **George E. Clark, CP
400 Embassy Row NE
Atlanta, GA 30328**

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

2007

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 EASTERN UNITED STATES

Employer identification number

73-1690918

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 benefit plans & deferred comp	(e) Expense account and 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 ▶		

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

	Yes	No
<p>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)</p> <p>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</p>		X
<p>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)</p>		
<p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V-A, Form 990</p>	X	
<p>e Transfer of any part of its income or assets?</p>		X
<p>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)</p>		X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>		X
<p>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</p>		X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>		X
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>		X
<p>b Did the organization make any taxable distributions under section 4966?</p>		
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>		
<p>d Enter the total number of donor advised funds owned at the end of the tax year ► _____</p>		
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____</p>		
<p>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 ► _____</p>		0
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____</p>		0

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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)			742		742
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,069,980	739,137	502,444	152,679	2,464,240
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	94				94
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	1,070,074	739,137	503,186	152,679	2,465,076
24 Line 23 minus line 17	94		742		836
25 Enter 1% of line 23	10,701	7,391	5,032	1,527	

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

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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ 26b

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

d Add Amounts from column (e) for lines 18 _____ 19 _____ ▶ 26d
 22 _____ 26b _____

e Public support (line 26c minus line 26d total) ▶ 26e

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

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

(2006) 0 (2005) 0 (2004) 0 (2003) 0

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

(2006) 0 (2005) 0 (2004) 0 (2003) 0

c Add Amounts from column (e) for lines 15 742 16 _____ ▶ 27c 2465076
 17 2464240 20 94 21 _____ ▶ 27d 0

d Add Line 27a total _____ and line 27b total _____ ▶ 27e 2465076

e Public support (line 27c total minus line 27d total) ▶ 27g 100%

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ 27f 2465076

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g 100%

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h 0.000038%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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? 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 11 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
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table-		
If the amount on line 40 is-		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is-		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000		
\$225,000 plus 5% of the excess over \$1,500,000		
\$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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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 14 of the instructions) **N/A**

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- 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

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

Other Notes and Loans Receivable

Forms
990 / 990-PF

2007

For calendar year 2007, or tax year beginning , and ending

Name NARCONON EASTERN UNITED STATES	Employer Identification Number 73-1690918
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Form 990, Part IV, Line 51a - Additional Information

Name of borrower	Relationship to disqualified person
(1) NARCONON OF GEORGIA	NONE
(2) NARCONON OF NEW ENGLAND	NONE
(3) JOHN WALSER	NONE
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 12,729	12/31/05		WRITTEN OFF IN 2007	0.000
(2) 3,260	11/15/06		WRITTEN OFF IN 2007	0.000
(3) 9,750	5/29/07		TO BE REPAID IN 2008	0.000
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) NONE	ACCRUAL OF MANAGEMENT FEES
(2) NONE	ADVANCE FOR PAYMENT OF TAXES
(3) NONE	LOAN
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1) ACCRUAL OF FEES	12,729		
(2) CHECK PAYING TAXES	3,260		
(3) LOAN		4,173	
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	15,989	4,173	

Federal Statements

Statement 1 - Form 990, Part II, Line 22b - Other Grants and Allocations

Name Address	Relationship to Org	Class of Activity	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
Date of Gift	Description of Property						
YOUTH FOR A DRUG FREE FL 100 W. COLUMBIA STR ORLANDO FL 32806	NONE		\$ 623	DONATION	\$		
COMMUNITY LEARNING CENTER 1611 N. FT HARRISON CLEARWATER FL 33755	NONE			DONATION 500			
CRIMINON PRETORIA PO BOX 510 PRETORIA SF	NONE REFERENCE MATERIAL			DRUG REHABILITATION 4,000			
NARCONON ASTORE VIA NECROPOLI 22 NOVILARA PRESARIO IT	NONE REFERENCE MATERIAL			DRUG REHABILITATION 1,227			
NARCONON CAPETOWN 3 PAROW ROAD MAITLAND SF	NONE REFERENCE MATERIAL			DRUG REHABILITATION 5,163			
NARCONON COLOMBIA FINCA ALEJANDRO	NONE REFERENCE MATERIAL			DRUG REHABILITATION 7,990			

Federal Statements

Statement 1 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Relationship to Org	Class of Activity	Date of		Book Value	BV Expl	FMV Expl
			Gift	Property			
CUNDINAMARCA CO							
NARCONON COSENZA	NONE	DRUG REHABILITATION					
VIA PIEMIONTE 12	REFERENCE MATERIAL	2,749					
RENDE IT							
NARCONON DEUTSCHWEIS	NONE	DRUG REHABILITATION					
WEHNTALERSTRASSE 586	REFERENCE MATERIAL	2,000					
ZURICH SZ							
NARCONON DIMITROVGRAD	NONE	DRUG REHABILITATION					
PEREULOK LUGOVOJ 1	REFERENCE MATERIAL	8,925					
DIMITROVGRAD CITY RS							
NARCONON EU	NONE	DRUG REHABILITATION					
NORREGARD 26	REFERENCE MATERIAL	4,000					
COPENHAGEN DA							
NARCONON FINLAND	NONE	DRUG REHABILITATION					
KESARIN TIE 2A	REFERENCE MATERIAL	1,775					
PORNAINEN FI							
NARCONON GABBIANO	NONE	DRUG REHABILITATION					
	REFERENCE MATERIAL	9,374					

Federal Statements

Statement 1 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Relationship to Org	Class of Activity	Date of Gift	Description of Property	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
VIA SENTINELLA TORRE DELL'ORSO IT NARCONON GREAT LAKES 1621 VILLA STREET RACINE WI 53403				NONE REFERENCE MATERIAL	\$	\$	\$		
NARCONON HAWAII 1130 NORTH NIMITZ HWY HONOLULU HI 96817				NONE REFERENCE MATERIAL		DRUG REHABILITATION 1,775			
NARCONON JOHANNESBURG PO BOX 75943 GARDENVIEW RS				NONE REFERENCE MATERIAL		DRUG REHABILITATIONQ 4,000			
NARCONON KAZAKHSTAN 1 MAY STREET 23 PAVOLDAR CITY KZ				NONE REFERENCE MATERIAL		DRUG REHABILITATION 13,142			
NARCONON KIEV AMOSOVA 4 KIEV UP				NONE REFERENCE MATERIAL		DRUG REHABILITATION 221			

Federal Statements

Statement 1 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Relationship to Org	Class of Activity	Date of Gift	Description of Property	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
NARCONON LOS MALINOS VILLA MARISOLEA GUADARRANA SP	NONE REFERENCE MATERIAL \$	DRUG REHABILITATION				\$ 5,325 \$			
NARCONON MEDITERRANEO MALAGA KM 14.5 SEVILLA SP	NONE REFERENCE MATERIAL	DRUG REHABILITATION				5,325			
NARCONON MELBOURNE 1025 WOODS POINT ROAD EAST WARBURTON AS	NONE REFERENCE MATERIAL	DRUG REHABILITATION				7,225			
NARCONON NEW LIFE CENTER PO BOX 84 DARLING SF	NONE REFERENCE MATERIAL	DRUG RAHABILITATION				2,000			
NARCONON PERTH LOT 6, 885 MANDURAH ROAD PORT KENNEDY AS	NONE REFERENCE MATERIAL	DRUG REHABILITATION				2,944			
NARCONON RACINE 1621 VILLA STREET	NONE REFERENCE MATERIAL	DRUG REHABILITATION				1,775			

Federal Statements

Statement 1 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Relationship to Org	Class of Activity	Date of Gift	Description of Property	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
RACINE WI 53403					\$	\$	\$		
NARCONON RETIRO	NONE	DRUG REHABILITATION		REFERENCE MATERIAL		5,325			
URBANIZATION LES LOMAS									
SEVILLA SP									
NARCONON TAIWAN	NONE	DRUG REHABILITATION		REFERENCE MATERIAL		227			
3 DONG-HAI SECOND STREET									
CI-ANN TOWNSHIP TW									
NARCONON TIBLISI	NONE	DRUG REHABILITATION		REFERENCE MATERIAL		1,173			
SABATURLINSKAYA ST 40-40									
TIBLISI GG									
NARCONON TROIS-RIVIERES	NONE	DRUG REHABILITATION		REFERENCE MATERIAL		2,941			
7535 BOULEVARD PARENT									
TROIS-RIVIERES CA									
NARCONON VICTORIA	NONE	DRUG REHABILITATION		REFERENCE MATERIAL		1,775			
1-38 GREAT RYRIE STREET									
RINGWOOD AS									
NN EU DRUG EDUCATION OFFICE	NONE	DRUG REHABILITATION		REFERENCE MATERIAL		1,226			

Federal Statements

Statement 1 - Form 990, Part II, Line 22b - Other Grants and Allocations (continued)

Name Address	Relationship to Org	Class of Activity	Date of Gift	Description of Property	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
VAFFLEWAGAN 8					\$	\$	\$		
SKONDAL SW									
NN EUR. DRUG EDUCATION OFFICE	NONE	DRUG REHABILITATION							
VAFFLEWAGAN 8	REFERENCE MATERIAL	7,648							
SKONDAL SW									
Total					\$ 1,123	\$ 114,800	\$ 0		

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

Name	Program Services	Management & General	Fundraising
Expenses	\$	\$	\$
DAVID ROGERS Compensation	35,280	3,920	
YVONNE RODGERS Compensation	40,500	4,500	
Total	\$ 75,780	\$ 8,420	\$ 0

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NARCONONEUS NARCONON EASTERN UNITED STATES
Federal Statements
 73-1690918
 FYE. 12/31/2007

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

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
Expenses	\$	\$	\$	\$
BAD DEBTS	15,989	15,989		
PUBLIC RELATIONS	3,739		3,739	
STAFF TRAINING FEES	565	565		
COMMISSIONS	15	15		
REPAIRS	963	963		
BANK FEES	332		332	
REFERENCE MATERIALS	12,500	6,250	6,250	
Total	\$ 34,103	\$ 23,782	\$ 10,321	\$ 0

Federal Statements

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

Description

THE PRIMARY EXEMPT PURPOSES ARE MANAGEMENT OF NARCONON CENTERS IN THE EASTERN UNITED STATES UNDER DIRECTION FROM THE NARCONON INTERNATIONAL ORGANIZATION; EXPANSION OF EXISTING NARCONON CENTERS AND ESTABLISHMENT OF NEW NARCONON CENTERS; PROVIDE MANAGEMENT TRAINING TO LICENSEES WHO WISH TO ESTABLISH CENTERS; MONITOR AND MAINTAIN QUALITY DELIVERY OF NARCONON SERVICES THROUGH FACILITY INSPECTIONS; PROMOTE AND PROVIDE DRUG PREVENTION EDUCATION TO THE PUBLIC DIRECTLY THROUGH SEMINARS TO SCHOOL CHILDREN.

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

Description

NARCONON EAST U.S. ASSISTS IN THE MANAGEMENT OF 7 EXISTING NARCONON CENTERS AND 5 NEW FORMING NARCONON GROUPS CURRENTLY STARTING UP IN THE EASTERN UNITED STATES UNDER DIRECTION FROM THE NARCONON INTERNATIONAL ORGANIZATION.

Federal Statements

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
PAYROLL TAXES PAYABLE	\$ 3,257	\$ 6,870
Total	\$ 3,257	\$ 6,870

Federal Statements

Statement 7 - Form 990, Part V-A, Line 75b - Related Party Information

<u>Related Party One</u>	<u>Related Party Two</u>	<u>Relationship</u>
YVONNE RODGERS		SPOUSE OF DAVID RODGERS
DAVID RODGERS		SPOUSE OF YVONNE RODGERS