

Return of Organization Exempt From Income Tax

2007

Open to Public Inspection

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

Department of the Treasury
Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning JANUARY 01, 2007, and ending DECEMBER 31, 20 07

- 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 SOUTH TEXAS INC

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1214 DIXIELAND RD **6**

City or town, state or country, and ZIP + 4
HALINGEN, TEXAS 8552

D Employer identification number
75 3152568

E Telephone number
(956) 423-2853

F Accounting method: Cash Accrual
 Other (specify) ▶

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

- H and I are not applicable to section 527 organizations.**
- H(a)** Is this a group return for affiliates? Yes No
- H(b)** If "Yes," enter number of affiliates ▶
- H(c)** Are all affiliates included? Yes No (if "No," 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: ▶ www.lifewithoutdrugs.org

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 ▶

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 ▶

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

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1 Contributions, gifts, 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		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		476,590.18
3	Membership dues and assessments	3		0.00
4	Interest on savings and temporary cash investments	4		0.00
5	Dividends and interest from securities	5		0.00
6a	Gross rents	6a	0.00	
b	Less: rental expenses	6b	0.00	
c	Net rental income or (loss). Subtract line 6b from line 6a	6c		0.00
7	Other investment income (describe ▶)	7		0.00
8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	8d
		0.00	0.00	
		8a	8b	
		0.00	0.00	
b	Less: cost or other basis and sales expenses	8b	0.00	
c	Gain or (loss) (attach schedule)	8c	0.00	
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d		0.00
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
a	Gross revenue (not including \$ _____ 0.00 of contributions reported on line 1b)	9a	0.00	
b	Less: direct expenses other than fundraising expenses	9b	0.00	
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c		0.00
10a	Gross sales of inventory, less returns and allowances	10a	0.00	
b	Less: cost of goods sold	10b	0.00	
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		0.00
11	Other revenue (from Part VII, line 103)	11		0.00
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		476,590.18
Expenses	13 Program services (from line 44, column (B))	13		469,862.18
	14 Management and general (from line 44, column (C))	14		0.00
	15 Fundraising (from line 44, column (D))	15		0.00
	16 Payments to affiliates (attach schedule)	16		0.00
	17 Total expenses. Add lines 13 and 14, column (A)	17		469,862.18
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		6,728.00
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		81,536.00
	20 Other changes in net assets or fund balances (attach explanation)	20		0.00
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		88,264.00

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See 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 \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	0.00	0.00		
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	0.00	0.00		
23	Specific assistance to individuals (attach schedule)	0.00	0.00		
24	Benefits paid to or for members (attach schedule)	0.00	0.00		
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A	0.00	0.00	0.00	0.00
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.00	0.00	0.00	0.00
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)	0.00	0.00	0.00	0.00
26	Salaries and wages of employees not included on lines 25a, b, and c	70,525.22	70,525.22	0.00	0.00
27	Pension plan contributions not included on lines 25a, b, and c	0.00	0.00	0.00	0.00
28	Employee benefits not included on lines 25a - 27	0.00	0.00	0.00	0.00
29	Payroll taxes	5,395.21	5,395.21	0.00	0.00
30	Professional fundraising fees	0.00	0.00	0.00	0.00
31	Accounting fees	2,084.75	2,084.75	0.00	0.00
32	Legal fees	0.00	0.00	0.00	0.00
33	Supplies	40,072.93	40,072.93	0.00	0.00
34	Telephone	5,237.84	5,237.84	0.00	0.00
35	Postage and shipping	953.42	953.42	0.00	0.00
36	Occupancy	13,042.50	13,042.50	0.00	0.00
37	Equipment rental and maintenance	32,341.02	32,341.02	0.00	0.00
38	Printing and publications	795.95	795.95	0.00	0.00
39	Travel	2,433.60	2,433.60	0.00	0.00
40	Conferences, conventions, and meetings	13,490.38	13,490.38	0.00	0.00
41	Interest	17,675.11	17,675.11	0.00	0.00
42	Depreciation, depletion, etc. (attach schedule)	7,033.00	7,033.00	0.00	0.00
43	Other expenses not covered above (itemize):				
a	SEE ATTACHMENT	258,781.25	258,781.25	0.00	0.00
b					
c					
d					
e					
f					
g					
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	469,862.18	469,862.18	0.00	0.00

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? ► DRUG REHABILITATION & EDUCATION SERVICES	Program Service Expenses <small>(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)</small>
<p>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.)</p> <p>a DRUG REHABILITATION & EDUCATION SERVICES 32 CLIENTS WERE SERVED DURING THE PROGRAM YEAR.</p> <p>..... </p> <p>(Grants and allocations \$ <u>0.00</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	\$469,862.18
<p>b</p> <p>..... </p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>c</p> <p>..... </p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>d</p> <p>..... </p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►</p>	\$469,862.18

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)		(B)
		Beginning of year		End of year
Assets	45 Cash—non-interest-bearing	81,536.00	45	88,264.00
	46 Savings and temporary cash investments	0.00	46	0.00
	47a Accounts receivable	47a 0.00		
	b Less: allowance for doubtful accounts	47b 0.00	0.00	47c 0.00
	48a Pledges receivable	48a 0.00		
	b Less: allowance for doubtful accounts	48b 0.00	0.00	48c 0.00
	49 Grants receivable	0.00	49	0.00
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)	0.00	50a	0.00
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	0.00	50b	0.00
	51a Other notes and loans receivable (attach schedule)	51a 0.00		
	b Less: allowance for doubtful accounts	51b 0.00	0.00	51c 0.00
	52 Inventories for sale or use	0.00	52	0.00
	53 Prepaid expenses and deferred charges	0.00	53	0.00
	54a Investments—publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0.00	54a 0.00
	b Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	0.00	54b 0.00
	55a Investments—land, buildings, and equipment: basis	55a 533,510.00		
	b Less: accumulated depreciation (attach schedule)	55b 9,985.00	0.00	55c 523,525.00
	56 Investments—other (attach schedule)	0.00	56	0.00
57a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation (attach schedule)	57b		57c	
58 Other assets, including program-related investments (describe ►)	0.00	58	0.00	
59 Total assets (must equal line 74). Add lines 45 through 58	81,536.00	59	611,789.00	
Liabilities	60 Accounts payable and accrued expenses	0.00	60	51,005.89
	61 Grants payable	0.00	61	0.00
	62 Deferred revenue	0.00	62	0.00
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0.00	63	0.00
	64a Tax-exempt bond liabilities (attach schedule)	0.00	64a	0.00
	b Mortgages and other notes payable (attach schedule)	0.00	64b	560,783.11
	65 Other liabilities (describe ►)	0.00	65	
66 Total liabilities. Add lines 60 through 65	81,536.00	66	611,789.00	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds	0.00	70	0.00
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.00	71	523,525.00
	72 Retained earnings, endowment, accumulated income, or other funds	0.00	72	0.00
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)	81,537.00	73	88,264.00	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	81,537.00	74	611,789.00	

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

a	Total revenue, gains, and other support per audited financial statements		a	476,590.18
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	476,590.18

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements		a	469,862.18
b	Amounts included on line a but not on 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	469,862.18

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
JUAN D VILLARREAL, DDS 1214 DIXIELAND RD STE 4, HARLINGEN, TX 785520	CHAIRMAN/PRESIDENT	0.00	0.00	0.00
VIVIAN A TEAGARDEN, DDS 1214 DIXIELAND RD STE 4, HARLINGEN, TX 785520	TREASURER	0.00	0.00	0.00
JOSE F LOPEZ, MD 1106 W SAN HOUSTON, PHARR, TX 78577	VICE-PRESIDENT	0.00	0.00	0.00
NENECIO E LOPEZ, JR 1314 E HARRISON, HARLINGEN, TX 78550	SECRETARY	0.00	0.00	0.00
RODOLFO MEDRANO 2413 E HIGHWAY 83, WESLACO, TX 78596	DIRECTOR	0.00	0.00	0.00
DENISE R BLANCHARD 1805 RUBEN TORRES STE B-7, BROWNSVILLE, TX 78536	DIRECTOR	0.00	0.00	0.00
ELIDA ZERRUCHE 1601 S 77 SUNSHINE STRIP STE A, HARLINGEN, TX 78550	DIRECTOR	0.00	0.00	0.00
JOSEPH SAUCEDA 300 SUNSER DR, HARLINGEN, TX 78552	EXECUTIVE DIRECTOR	2,266.64	0.00	0.00
CARLA MEJIA 1214 DIXIELAND RD STE 4, HARLINGEN, TX 785520	SR DIRECTOR PRODUCTIONS	1,376.75	0.00	0.00

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?		<input checked="" type="checkbox"/>
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?	<input checked="" type="checkbox"/>	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	<input checked="" type="checkbox"/>	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b		
85a	501(c)(4), (5), or (6). 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		
d	Section 162(e) lobbying and political expenditures		
	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f		
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		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
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.		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶; section 4912 ▶; section 4955 ▶		
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		<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		<input checked="" type="checkbox"/>
	89e		
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		<input checked="" type="checkbox"/>
	89f		
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		
90a	List the states with which a copy of this return is filed ▶ TEXAS		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)		
	90b		
91a	The books are in care of ▶ JOSEPH SAUCEDA Telephone no. ▶ (956) 423-2853 Located at ▶ 1214 DIXIELAND RD STE 4, HARLINGEN, TX ZIP + 4 ▶ 78552		
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)?		
	91b		
	If "Yes," enter the name of the foreign country ▶		<input checked="" type="checkbox"/>
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
 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 PROGRAM SERVICES	0.00	0.00	0.00	0.00	476,590.18
b	0.00	0.00	0.00	0.00	0.00
c	0.00	0.00	0.00	0.00	0.00
d	0.00	0.00	0.00	0.00	0.00
e	0.00	0.00	0.00	0.00	0.00
f Medicare/Medicaid payments	0.00	0.00	0.00	0.00	0.00
g Fees and contracts from government agencies	0.00	0.00	0.00	0.00	0.00
94 Membership dues and assessments	0.00	0.00	0.00	0.00	0.00
95 Interest on savings and temporary cash investments	0.00	0.00	0.00	0.00	0.00
96 Dividends and interest from securities	0.00	0.00	0.00	0.00	0.00
97 Net rental income or (loss) from real estate:					
a debt-financed property	0.00	0.00	0.00	0.00	0.00
b not debt-financed property	0.00	0.00	0.00	0.00	0.00
98 Net rental income or (loss) from personal property	0.00	0.00	0.00	0.00	0.00
99 Other investment income	0.00	0.00	0.00	0.00	0.00
100 Gain or (loss) from sales of assets other than inventory	0.00	0.00	0.00	0.00	0.00
101 Net income or (loss) from special events	0.00	0.00	0.00	0.00	0.00
102 Gross profit or (loss) from sales of inventory	0.00	0.00	0.00	0.00	0.00
103 Other revenue: a	0.00	0.00	0.00	0.00	0.00
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.00		0.00	476,590.18
105 Total (add line 104, columns (B), (D), and (E))					476,590.18

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).
N/A	

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

- (a) Did the organization, during the year, receive any funds, directly or indirectly, from a disqualified person?
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, for a disqualified person?
- 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.

Yes	No
	✓

	(A) Name, address, of each controlled entity	(B) Employer Identification 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
	✓

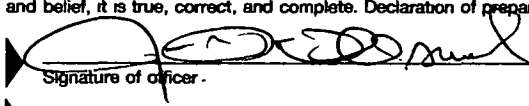
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

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
	✓

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: 1 May 15, 00

Type or print name and title

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN		Phone no. (956) 245-7471

JOSE L. SAENZ
1294 MAYFIELD RD, HARLINGEN, TX 8552

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	Employer identification number
--------------------------	--------------------------------

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

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
NEW APPERANCE COMPANY PO BOX 1330 PHARR TEXAS 78577	CONSTRUCTION COST	101,265.00
Total number of others receiving over \$50,000 for professional services ▶		1

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 ▶		0

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

Yes No

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.)

1 Yes No

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 Yes No

b Lending of money or other extension of credit

2b Yes No

c Furnishing of goods, services, or facilities?

2c Yes No

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d Yes No

e Transfer of any part of its income or assets?

2e Yes No

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 Yes No

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

3b Yes No

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 Yes No

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

3d Yes No

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

4a Yes No

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

4b Yes No

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

4c Yes No

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

N/A

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

N/A

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 ▶ _____

N/A

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

0.00

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 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 8 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 8 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	0.00	0.00	0.00	0.00	0.00
16 Membership fees received	0.00	0.00	0.00	0.00	0.00
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	278,673.00	0.00	0.00	0.00	278,673.00
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	0.00	0.00	0.00	0.00	0.00
19 Net income from unrelated business activities not included in line 18	0.00	0.00	0.00	0.00	0.00
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	0.00	0.00	0.00	0.00	0.00
23 Total of lines 15 through 22	278,673.00	0.00	0.00	0.00	278,673.00
24 Line 23 minus line 17	278,673.00	0.00	0.00	0.00	278,673.00
25 Enter 1% of line 23	2,786.3	0.00	0.00	0.00	0.00
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 0.00
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 0.00
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 0.00
d Add: Amounts from column (e) for lines:	18 0.00	19 0.00			
	22 0.00	26b 0.00			26d 0.00
e Public support (line 26c minus line 26d total)					26e 0.00
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 0.00 %
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) 0.00	(2005) 0.00	(2004) 0.00	(2003) 0.00	
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) 0.00	(2005) 0.00	(2004) 0.00	(2003) 0.00	
c Add: Amounts from column (e) for lines:	15 0.00	16 0.00			
	17 278,673.00	20 0.00	21 0.00		
d Add: Line 27a total	0.00	and line 27b total	0.00		
e Public support (line 27c total minus line 27d total)					27e 278,673.00
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f 278,673.00
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 0.00 %
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)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

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)	N/A	N/A
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
41	Lobbying nontaxable amount. Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)		
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.		
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 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					N/A
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					N/A

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.)

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:	Yes	No	Amount
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.)			

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

NARCONON SOUTH TEXAS INC.**75-3152568****OTHER EXPENSES****2007****FROM 990****LINE 43B**

APPRAISAL FEE	\$2,500.00
ADVERTISING & PROMOTIONS	\$9,063.20
COMMISSIONS	\$22,946.22
ROYALTIES FEES	\$11,447.79
OUTSIDE SERVICES	\$14,442.07
DONATIONS	\$323.00
CONSUMER SUPPLIES/ENTERTAINMENT	\$5,755.38
FACILITY SECURITY	\$773.44
INSPECTIONS	\$800.00
LANDSCAPING SERVICE	\$3,022.08
MORTGAGE	\$0.00
UTILITIES	\$16,627.84
EQUIPMENT	\$4,395.94
BOOKS & SUBSCRIPTIONS	\$1,888.70
VEHICLE FUEL	\$1,951.03
MEDICAL & LAB WORK	\$3,135.58
STUDENT ACCOUNTS	\$15,167.32
INSURANCE	\$13,545.73
PETTY CASH	\$600.00
MISC EXPENSES	\$1,656.10
REDUNDS	\$16,641.58
FSM'S	\$8,744.00
SALES TAXES	\$802.56
CONTRUCTION COST	\$101,265.00
DRAFTMAN FEES	\$1,286.69
TOTAL EXPENSES	<u>\$258,781.25</u>

Depreciation and Amortization
(Including Information on Listed Property)

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

Name(s) shown on return

NARCONON OF SOUTH TEXAS INC

Identifying number

75-3152868

Business or activity to which this form relates

FORM 990

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	\$125,000.
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	\$500,000.
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 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	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 2008 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) and cellulosic biomass ethanol plant 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 2007	17	6,071.
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 2007 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	
i Nonresidential real property	08/07	99,999.	39 yrs	MM	S/L	962.
				MM	S/L	

Section C – Assets Placed in Service During 2007 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 instructions	22	7,033.
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	

Form 4562

Depreciation and Amortization Report

2007

NARCONON OF SOUTH
Sch C - DRUG REHAB

Tax Year 2007
► Keep for your records

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/ Convention	Prior Depreciation	Current Depreciation
DEPRECIATION												
BUILDING		08/01/07	99,999	400,000	100.00			99,999	39.0	SL/MM		962
SUBTOTAL CURRENT YEAR			99,999	400,000		0	0	99,999			0	962
2 SUANAS		04/01/04	13,050		100.00	0		13,050	7.0	200DB/HY		1,631
BOOKSHELVES		10/01/04	447		100.00	0	0	447	7.0	200DB/HY	128	91
TELEVISION		10/01/04	385		100.00	0		385	7.0	200DB/HY		48
MINI FRIDGE		02/01/05	200		100.00	0		200	5.0	200DB/HY		38
FAX MACHINE		03/01/05	500		100.00	0		500	7.0	200DB/HY		87
8 DIVDERS		03/01/05	1,112		100.00	0		1,112	7.0	200DB/HY		195
DESK		08/01/05	1,255		100.00	0		1,255	7.0	200DB/HY	486	220
ROLLING CHAIRS		08/01/05	920		100.00	0		920	7.0	200DB/HY	356	161
WASHER & DRYER		01/01/06	150		100.00			150	7.0	200DB/HY	21	37
ENVELOPE FOLDER		01/01/06	150		100.00			150	7.0	200DB/HY	21	37
6 FILING CABINETS		02/01/06	959		100.00			959	7.0	200DB/HY	137	235
WEIGHT SCALE		03/01/06	200		100.00			200	7.0	200DB/HY	29	49
4 TREADMILLS		04/01/06	1,375		100.00			1,375	7.0	200DB/HY	196	337
3 DRY ERASE BORDS		04/01/06	165		100.00			165	7.0	200DB/HY	24	40
16 FOLDING CHAIRS		07/01/06	140		100.00			140	7.0	200DB/HY	20	34
PRINTER		07/01/06	637		100.00			637	5.0	200DB/HY	127	204
BLOOD PRESSURE TAKER(M)		07/01/06	100		100.00			100	7.0	200DB/HY	14	25
5 FOLDING TABLES		07/01/06	250		100.00			250	7.0	200DB/HY	36	61
VAN		08/01/06	8,750	0	100.00			8,750	5.0	SL/HY	875	1,750
BLOOD PRESUSURE CUFF MACHINE		08/01/06	30		100.00			30	7.0	200DB/HY	4	7
WATER COOLER		10/01/06	170		100.00			170	7.0	200DB/HY	24	42
2 REFRGERATORS		10/01/06	800		100.00			800	5.0	200DB/HY	160	256
2 ASSIST TABLES		11/01/06	570		100.00			570	7.0	200DB/HY	81	140
4 TACK BOARDS		11/01/06	96		100.00			96	7.0	200DB/HY	14	23
STOVE		11/01/06	500		100.00			500	5.0	200DB/HY	100	160
SECURITY SYSTEM		12/01/06	270		100.00			270	7.0	200DB/HY	39	66
LABEL MAKER		12/01/06	75		100.00			75	7.0	200DB/HY	11	18
PAPER SHREDDER		12/01/06	35		100.00			35	7.0	200DB/HY	5	9
MIRCOWAVE		12/01/06	220		100.00			220	5.0	200DB/HY	44	70
SUBTOTAL PRIOR YEAR			33,511	0		0	0	33,511			2,952	6,071
TOTALS			133,510	400,000		0	0	133,510			2,952	7,033

Code: S = Sold, A = Auto, L = Listed, H = Home Office