

Form **990**

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

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

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

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

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

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

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

**D** Employer identification number  
**95-4853440**

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

**F** Accounting method:  Cash  
 Accrual  Other (specify) \_\_\_\_\_

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

H and I are not applicable to section 527 organizations

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

**H(b)** If "Yes," enter number of affiliates **N/A**

**H(c)** Are all affiliates included?  Yes  No  
(If "No," attach a list. See instructions.)

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

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

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

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

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

**K** Check here  if the organization 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.

**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **170,765**

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

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Contributions to donor advised funds	<b>1a</b>			
	<b>b</b> Direct public support (not included on line 1a)	<b>1b</b>		<b>99,303</b>	
	<b>c</b> Indirect public support (not included on line 1a)	<b>1c</b>			
	<b>d</b> Government contributions (grants) (not included on line 1a)	<b>1d</b>			
	<b>e</b> Total (add lines 1a through 1d) (cash \$ <b>93,187</b> noncash \$ <b>6,116</b> )	<b>1e</b>			<b>99,303</b>
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>			<b>63,533</b>
	<b>3</b> Membership dues and assessments	<b>3</b>			
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>			<b>989</b>
	<b>5</b> Dividends and interest from securities	<b>5</b>			
	<b>6a</b> Gross rents	<b>6a</b>			
	<b>b</b> Less rental expenses	<b>6b</b>			
	<b>c</b> Net rental income or (loss). Subtract line 6b from line 6a	<b>6c</b>			
	<b>7</b> Other investment income (describe _____)	<b>7</b>			
	<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
<b>8a</b>					
<b>8b</b> Less cost or other basis and sales expenses					
<b>8c</b> Gain or (loss) (attach schedule)					
<b>d</b> Net gain or (loss). Combine line 8c, columns (A) and (B)	<b>8d</b>				
<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
<b>a</b> Gross revenue (not including \$ <b>7,905</b> of contributions reported on line 1b)	<b>9a</b>		<b>6,940</b>		
<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>		<b>11,257</b>		
<b>c</b> Net income or (loss) from special events. Subtract line 9b from line 9a	<b>9c</b>			<b>-4,317</b>	
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>				
	<b>b</b> Less cost of goods sold	<b>10b</b>			
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	<b>10c</b>			
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>				
<b>12</b> Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	<b>12</b>			<b>159,508</b>	
Expenses	<b>13</b> Program services (from line 2, column (B))	<b>13</b>		<b>117,618</b>	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>		<b>27,247</b>	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>		<b>5,323</b>	
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>			
	<b>17</b> Total expenses. Add lines 13 and 14, column (A)	<b>17</b>			<b>150,188</b>
Net Assets	<b>18</b> Excess or (deficit) for the year. Subtract line 17 from line 12	<b>18</b>		<b>9,320</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		<b>70,586</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	<b>20</b>			
	<b>21</b> Net assets or fund balances at end of year. Combine lines 18, 19, and 20	<b>21</b>			<b>79,906</b>

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

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1030-1-2008  
OGDEN, UT

**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
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22a</b>			
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22b</b>			
<b>23</b> Specific assistance to individuals (attach schedule)	<b>23</b>			
<b>24</b> Benefits paid to or for members (attach schedule)	<b>24</b>			
<b>25a</b> Compensation of current officers, directors, key employees, etc listed in Part V-A <b>SEE STATEMENT 1</b>	<b>25a</b>	79,909	63,928	11,986
<b>b</b> Compensation of former officers, directors, key employees, etc listed in Part V-B	<b>25b</b>			
<b>c</b> 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)	<b>25c</b>			
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	<b>26</b>			
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	<b>27</b>			
<b>28</b> Employee benefits not included on lines 25a - 27	<b>28</b>	2,381	1,905	357
<b>29</b> Payroll taxes	<b>29</b>	8,816	7,053	1,322
<b>30</b> Professional fundraising fees	<b>30</b>			
<b>31</b> Accounting fees	<b>31</b>	1,300		1,300
<b>32</b> Legal fees	<b>32</b>			
<b>33</b> Supplies	<b>33</b>	312	312	
<b>34</b> Telephone	<b>34</b>	4,341	3,473	651
<b>35</b> Postage and shipping	<b>35</b>	1,939	1,299	543
<b>36</b> Occupancy	<b>36</b>	4,620	3,696	693
<b>37</b> Equipment rental and maintenance	<b>37</b>	999	799	150
<b>38</b> Printing and publications	<b>38</b>			
<b>39</b> Travel	<b>39</b>	2,021	1,819	202
<b>40</b> Conferences, conventions, and meetings	<b>40</b>	700		700
<b>41</b> Interest	<b>41</b>			
<b>42</b> Depreciation, depletion, etc (attach schedule)	<b>42</b>	3,829	3,829	
<b>43</b> Other expenses not covered above (itemize) <b>a</b> <b>SEE STATEMENT 2</b>	<b>43a</b>	39,021	29,505	9,343
<b>b</b>	<b>43b</b>			
<b>c</b>	<b>43c</b>			
<b>d</b>	<b>43d</b>			
<b>e</b>	<b>43e</b>			
<b>f</b>	<b>43f</b>			
<b>g</b>	<b>43g</b>			
<b>44</b> Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	<b>44</b>	150,188	117,618	27,247

**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 EDUCATION**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

**a SEE STATEMENT 3**

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

**117,618**

**b**

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

**c**

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

**d**

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

**e Other program services (attach schedule)**

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

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

**117,618**

**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	40,533	45	40,654
	46 Savings and temporary cash investments	21,150	46	32,499
	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)	51a		
	b Less allowance for doubtful accounts	51b	51c	
	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	18,540	
b Less accumulated depreciation (attach schedule) <b>SEE STATEMENT 4</b>	57b	11,053	57c	
58 Other assets, including program-related investments (describe ▶ <b>SEE STATEMENT 5</b> )		914	58	788
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58		71,536	59	81,428
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 ▶ <b>SEE STATEMENT 6</b> )		950	65
66 <b>Total liabilities.</b> Add lines 60 through 65		950	66	1,522
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		70,586	72
73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		70,586	73	79,906
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73		71,536	74	81,428

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

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

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

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

**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
ANTHONY C. BYLSMA 746 1/2 VERDUGO GLENDALE CA 91206	PRESIDENT 40	48,702	1,643	0
SIGAL ADINI 746 1/2 VERDUGO GLENDALE CA 91206	SECT/TREAS 40	31,207	738	0
ANTHONY C. BYLSMA 746 1/2 VERDUGO GLENDALE CA 91206	DIRECTOR 0	0	0	0
PATTY O'NEILL SCHWARTZ P.O. BOX 291729 LOS ANGELES CA 90029	DIRECTOR 0	0	0	0
DAPHNA HERNANDEZ 611 VILLA STREET PASADENA CA 91101	DIRECTOR 0	0	0	0



**Part VI Other Information (continued)**

		Yes	No
<b>82a</b>	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?		<b>X</b>
<b>b</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)		
	<b>82b</b>		
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>X</b>	
<b>b</b>	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>X</b>	
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		
	<b>N/A</b>		
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	<b>N/A</b>		
<b>85a</b>	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?		
	<b>N/A</b>		
<b>b</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		
	<b>N/A</b>		
<b>c</b>	Dues, assessments, and similar amounts from members		
	<b>85c</b> <b>N/A</b>		
<b>d</b>	Section 162(e) lobbying and political expenditures		
	<b>85d</b> <b>N/A</b>		
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	<b>85e</b> <b>N/A</b>		
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	<b>85f</b> <b>N/A</b>		
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	<b>N/A</b>		
<b>h</b>	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?		
	<b>N/A</b>		
<b>86</b>	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12		
	<b>86a</b> <b>N/A</b>		
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities		
	<b>86b</b> <b>N/A</b>		
<b>87</b>	501(c)(12) orgs Enter a Gross income from members or shareholders		
	<b>87a</b> <b>N/A</b>		
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
	<b>87b</b> <b>N/A</b>		
<b>88a</b>	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		<b>X</b>
<b>b</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		<b>X</b>
<b>89a</b>	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <b>0</b> , section 4912 <b>0</b> , section 4955 <b>0</b>		
<b>b</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		<b>X</b>
<b>c</b>	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <b>0</b>		
<b>d</b>	Enter Amount of tax on line 89c, above, reimbursed by the organization <b>0</b>		
<b>e</b>	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		<b>X</b>
<b>f</b>	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		<b>X</b>
<b>g</b>	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?		
	<b>N/A</b>		
<b>90a</b>	List the states with which a copy of this return is filed <b>CA</b>		
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)		<b>2</b>
<b>91a</b>	The books are in care of <b>SIGAL ADINI</b> <b>4442 YORK BLVD. #18</b> Located at <b>LOS ANGELES, CA</b>	Telephone no <b>323-257-8009</b>	ZIP + 4 <b>90041-3356</b>
<b>b</b>	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
		<b>Yes</b>	<b>No</b>
	<b>91b</b>		<b>X</b>

**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 | N/A

**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 <b>SALE OF ANTI DRUG LITERATURE</b>					<b>35</b>
b <b>SCHOOL DRUG PROGRAM FEES</b>					<b>6,175</b>
c <b>REFERRAL FEES</b>					<b>57,323</b>
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			<b>14</b>	<b>989</b>	
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			<b>1</b>	<b>-4,317</b>	
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))		<b>0</b>		<b>-3,328</b>	<b>63,533</b>
105 Total (add line 104, columns (B), (D), and (E))					<b>60,205</b>

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	<b>ANTIDRUG LITERATURE HELPED IN DRUG EDUCATION EFFORTS.</b>
93B	<b>DRUG PROGRAMS IN SCHOOLS HELPED TO EDUCATE STUDENTS ABOUT</b>
93B	<b>THE HARMFUL EFFECTS OF DRUGS.</b>
93C	<b>REFERRAL SERVICES PROVIDED TO DRUG REHAB CENTERS.</b>

**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
<b>N/A</b>	%			
	%			
	%			
	%			

**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?  Yes  No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

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

**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). **N/A**

**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 ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**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 ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**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: *Sigal Adoni* Date: 7/28/08

Type or print name and title: SIGAL ADONI, Treasurer

**Paid Preparer's Use Only**

Preparer's signature: *Peggy Howard* Date: 7/23/08 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: PEGGY HOWARD, E.A., INC.  
2841 ALTURA AVE  
LA CRESCENTA, CA 91214-3457

EIN:                      Phone no: 818-248-2191

**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 DRUG PREVENTION & EDUCATION, INC.**

Employer identification number

**95-4853440**

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl 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 ▶

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

Schedule A (Form 990 or 990-EZ) 2007

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

	Yes	No
<p><b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>          N/A          </u> (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>	<b>1</b>	<b>X</b>
<p><b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )</p>		
<p><b>a</b> Sale, exchange, or leasing of property?</p>	<b>2a</b>	<b>X</b>
<p><b>b</b> Lending of money or other extension of credit?</p>	<b>2b</b>	<b>X</b>
<p><b>c</b> Furnishing of goods, services, or facilities?</p>	<b>2c</b>	<b>X</b>
<p><b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V-A, FORM 990</b></p>	<b>2d</b>	<b>X</b>
<p><b>e</b> Transfer of any part of its income or assets?</p>	<b>2e</b>	<b>X</b>
<p><b>3a</b> 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>	<b>3a</b>	<b>X</b>
<p><b>b</b> Did the organization have a section 403(b) annuity plan for its employees?</p>	<b>3b</b>	<b>X</b>
<p><b>c</b> 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>	<b>3c</b>	<b>X</b>
<p><b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	<b>3d</b>	<b>X</b>
<p><b>4a</b> Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g</p>	<b>4a</b>	<b>X</b>
<p><b>b</b> Did the organization make any taxable distributions under section 4966?</p>	<b>4b</b>	
<p><b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person?</p>	<b>4c</b>	
<p><b>d</b> Enter the total number of donor advised funds owned at the end of the tax year ► _____</p>		
<p><b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____</p>		
<p><b>f</b> 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>		<b>0</b>
<p><b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____</p>		<b>0</b>

**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	
<b>Total</b>					

- 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.)	98,292	92,304	87,201	135,178	412,975
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	30,993	20,269	28,626	10,562	90,450
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	714	436		47	1,197
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	129,999	113,009	115,827	145,787	504,622
24 Line 23 minus line 17	99,006	92,740	87,201	135,225	414,172
25 Enter 1% of line 23	1,300	1,130	1,158	1,458	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	▶	26a	8,283
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	189,354
c Total support for section 509(a)(1) test. Enter line 24, column (e)	▶	26c	414,172
d Add Amounts from column (e) for lines 18 <u>1,197</u> 19 _____ 22 _____ 26b <u>189,354</u>	▶	26d	190,551
e Public support (line 26c minus line 26d total)	▶	26e	223,621
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	▶	26f	53.9923%

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)	(2005)	(2004)	(2003)	N/A
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year	(2006)	(2005)	(2004)	(2003)	N/A
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____	▶	27c	_____		
d Add Line 27a total _____ and line 27b total _____	▶	27d	_____		
e Public support (line 27c total minus line 27d total)	▶	27e	_____		
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ 27f _____	▶	27f	_____		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	▶	27g	_____ %		
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	▶	27h	_____ %		

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 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
<b>29</b> 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?			
<b>30</b> 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?			
<b>31</b> 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 )			
<b>32</b> Does the organization maintain the following			
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?	<b>32a</b>		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	<b>32b</b>		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	<b>32c</b>		
<b>d</b> 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 )	<b>32d</b>		
<b>33</b> Does the organization discriminate by race in any way with respect to			
<b>a</b> Students' rights or privileges?	<b>33a</b>		
<b>b</b> Admissions policies?	<b>33b</b>		
<b>c</b> Employment of faculty or administrative staff?	<b>33c</b>		
<b>d</b> Scholarships or other financial assistance?	<b>33d</b>		
<b>e</b> Educational policies?	<b>33e</b>		
<b>f</b> Use of facilities?	<b>33f</b>		
<b>g</b> Athletic programs?	<b>33g</b>		
<b>h</b> Other extracurricular activities?  If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )	<b>33h</b>		
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency?	<b>34a</b>		
<b>b</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	<b>34b</b>		
<b>35</b> 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	<b>35</b>		

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

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

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below

See the instructions for lines 45 through 50 on page 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
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 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

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines c through h.)

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

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



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

**Depreciation and Amortization**  
 (Including Information on Listed Property)

OMB No 1545-0172

**2007**

Attachment Sequence No **67**

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

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

Business or activity to which this form relates

**INDIRECT DEPRECIATION**

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

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

1	Maximum amount See 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 instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 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	3,630
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		2,377	5.0	MQ	S/L	199
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs		S/L	
h	Residential rental property			27 5 yrs	MM	S/L	
				27 5 yrs	MM	S/L	
i	Nonresidential real property			39 yrs	MM	S/L	
					MM	S/L	

**Section C-Assets Placed in Service During 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	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations-see instr	22	3,829
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2007)

95-4853440

**Federal Asset Report**

FYE: 12/31/2007

**Form 990, Page 1**

Asset	Description	Date In Service	Cost	Bus Sec % 179Bonus	Basis for Depr	PerConv Meth	Prior	Current
<b>5-year GDS Property:</b>								
16	LAP TOP	5/25/07	1,403		1,403	5 MQ S/L	0	175
17	CAMCORDER	10/21/07	974		974	5 MQ S/L	0	24
			<u>2,377</u>		<u>2,377</u>		<u>0</u>	<u>199</u>
<b>Prior MACRS:</b>								
1	OFFICE EQUIPMENT	6/06/00	639		639	5 HY 200DB	639	0
2	COMPUTER EQUIPMENT	2/02/01	767		767	5 HY 200DB	767	0
3	COMPUTER EQUIPMENT	4/04/01	108		108	5 HY 200DB	108	0
4	COMPUTER EQUIPMENT	10/09/01	553		553	5 HY 200DB	553	0
5	TELEPHONE EQUIPMENT	12/01/01	300		300	5 HY 200DB	300	0
6	LAPTOP	10/14/02	1,294	X	906	5 MQ200DB	1,170	124
7	TELEPHONE	9/17/02	120	X	84	5 MQ200DB	111	9
9	DONATED OFFICE EQUIPMENT	2/13/02	575	X	402	7 HY 200DB	365	84
11	PRESENTATION EQUIPMENT	9/28/02	317	X	222	5 HY 200DB	294	23
12	DONATED OFFICE EQUIPMENT	11/20/04	795		795	7 HY 200DB	447	100
13	OFFICE EQUIPMENT	11/15/04	648		648	5 HY 200DB	461	75
15	VEHICLE	3/25/06	10,047		10,047	5 HY 200DB	2,009	3,215
			<u>16,163</u>		<u>15,471</u>		<u>7,224</u>	<u>3,630</u>
<b>Grand Totals</b>			18,540		17,848		7,224	3,829
<b>Less: Dispositions</b>			0		0		0	0
<b>Less: Start-up/Org Expensed</b>			0		0		0	0
<b>Net Grand Totals</b>			<u>18,540</u>		<u>17,848</u>		<u>7,224</u>	<u>3,829</u>



### Federal Statements

#### Statement 1 - Form 990, Part II, Line 25a - Compensation of Current Officers

<u>Name</u>	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>
EXPENSES	\$	\$	\$
DIRECTOR SALARY COMPENSATION	38,962	7,305	2,435
PROGRAM DIRECTOR COMPENSATION	24,966	4,681	1,560
TOTAL	<u>\$ 63,928</u>	<u>\$ 11,986</u>	<u>\$ 3,995</u>

**Federal Statements**

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

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
EXPENSES	\$	\$	\$	\$
AUTO EXPENSE	5,780	5,202	578	
BANK CHARGES	813		813	
BOOKLETS & VIDEO	13	13		
DISSEMINATION EXPENSES	8,219	8,219		
DONATIONS	400	400		
FEEES	70		70	
INSURANCE	1,098		1,098	
LICENSE FEES	9,776	9,776		
OFFICE SUPPLIES & ADMIN	2,160	1,728	324	108
WORKERS COMP INSURANCE	1,308	1,047	196	65
BOOKS & PUBLICATIONS	6,264		6,264	
REFERRRAL FEES	3,120	3,120		
TOTAL	<u>\$ 39,021</u>	<u>\$ 29,505</u>	<u>\$ 9,343</u>	<u>\$ 173</u>

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

GIVING DRUG ABUSE PREVENTION PRESENTATIONS AND SEMINARS TO SCHOOL AGE CHILDREN AND ADULTS IN SCHOOLS AND OTHER RELATED ENTITIES IN ORDER TO CURB DRUG ABUSE AMONG CHILDREN. IN THE YEAR 2007, 24,820 STUDENTS RECEIVED DRUG EDUCATION LECTURES GIVEN AT 166 SCHOOLS, YOUTH GROUPS, COMMUNITY CENTERS, ETC. ALSO GAVE INFORMATION ABOUT AND REFERRALS FOR DRUG ADDICTION TREATMENT SERVICES TO 2000 PEOPLE WHO CONTACTED ORGANIZATION BY PHONE OR EMAIL.

**Federal Statements**

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

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Depr</u>	<u>End of Year</u>	<u>Accum Depr</u>
	\$ 16,163	\$ 7,224	\$ 18,540	\$ 11,053
TOTAL	<u>\$ 16,163</u>	<u>\$ 7,224</u>	<u>\$ 18,540</u>	<u>\$ 11,053</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
REFUNDABLE DEPOSIT	\$ 914	\$ 788
TOTAL	<u>\$ 914</u>	<u>\$ 788</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
CREDIT CARD PAYABLE	\$ 832	\$ 1,402
PAYROLL TAXES PAYABLE	7	7
SALES TAX PAYABLE	1	3
HEALTH INSURANCE PAYABLE	110	110
TOTAL	<u>\$ 950</u>	<u>\$ 1,522</u>