

Form **990**
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)
The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2007
Open to Public Inspection

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

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

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

C Name of organization

NARCONON WESTERN UNITED STATES

Number and street (or P.O. box if mail is not delivered to street address)
6161 SANTA MONICA BLVD.

Room/suite
208

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

LOS ANGELES

CA 90038-4406

D Employer identification number

65-1238009

E Telephone number

323-871-8644

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? **N/A** ☐ 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: **N/A**

J Organization type

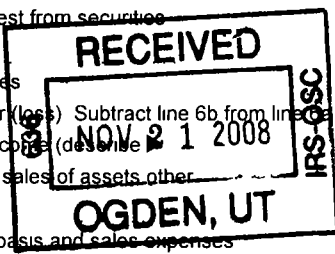
(check only one) ☒ 501(c) (**3**) (insert no.) ☐ 4947(a)(1) or ☐ 527

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

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 690,436**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b		16,000	
	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 \$ 16,000 noncash \$)	1e		16,000	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		669,154	
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4		1,397	
	5 Dividends and interest from securities	5			
	6a Gross rents	6a			
	b Less rental expenses	6b			
c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe in Part VII)	7				
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	b Less cost or other basis and sales expenses	8a			
	c Gain or (loss) (attach schedule)	8b			
	d Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ of contributions reported on line 1b)	9a			
	b Less direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
	10a Gross sales of inventory, less returns and allowances	10a			
	b Less cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
	11 Other revenue (from Part VII, line 103)	11		3,885	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		690,436		
Expenses	13 Program services (from line 44, column (B))	13		820,346	
	14 Management and general (from line 44, column (C))	14		105,850	
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17		926,196	
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		-235,760	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		276,186	
	20 Other changes in net assets or fund balances (attach explanation)	20			
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		40,426	



617-14

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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 \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (attach schedule) STMT 1 (cash \$ 368,622 non-cash \$ _____) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	22b	368,622	368,622		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A SEE STATEMENT 2	25a	48,876	39,971	8,905	
b Compensation of former officers, directors, key employees, etc. listed in Part V-B SEE STATEMENT 3	25b	6,750	5,400	1,350	
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	170,008	134,471	35,537	
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	20,775	16,560	4,215	
29 Payroll taxes	29	20,303	16,184	4,119	
30 Professional fundraising fees	30				
31 Accounting fees	31	7,503		7,503	
32 Legal fees	32	22,601	22,601		
33 Supplies	33	24,113	19,220	4,893	
34 Telephone	34	21,766	17,349	4,417	
35 Postage and shipping	35	136	109	27	
36 Occupancy	36	77,434	61,723	15,711	
37 Equipment rental and maintenance	37				
38 Printing and publications	38	417		417	
39 Travel	39	37,807	30,136	7,671	
40 Conferences, conventions, and meetings	40	22,165	22,165		
41 Interest	41	444	354	90	
42 Depreciation, depletion, etc. (attach schedule)	42	13,582	10,826	2,756	
43 Other expenses not covered above (itemize) a SEE STATEMENT 4 b c d e f g	43a 43b 43c 43d 43e 43f 43g	62,894 	54,655 	8,239 	
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	926,196	820,346	105,850	0

Joint Costs. Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

▶ ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose?

► **SEE STATEMENT 5**

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 6

(Grants and allocations \$ **368,622**)

If this amount includes foreign grants, check here ► ☒

745,418

b SEE STATEMENT 7

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

74,928

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)

820,346

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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	173,092	45	18,430
	46 Savings and temporary cash investments	77,836	46	5,433
	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) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule) SEE WORKSHEET	51a 20,000		
	b Less allowance for doubtful accounts	51b	51c	20,000
	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 59,900		
b Less accumulated depreciation (attach schedule) SEE STATEMENT 8	57b 34,323	30,176	57c 25,577	
58 Other assets, including program-related investments (describe ▶ SEE STATEMENT 9)		10,708	58 14,772	
59 Total assets (must equal line 74) Add lines 45 through 58		291,812	59 84,212	
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) SEE WORKSHEET		64b	35,000
	65 Other liabilities (describe ▶ SEE STATEMENT 10)		15,626	65 8,786
66 Total liabilities. Add lines 60 through 65		15,626	66 43,786	
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	276,186	72	40,426
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)		276,186	73 40,426	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		291,812	74 84,212	

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NARCONON WESTERN UNITED STATES

65-1238009

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Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.) **N/A****a** Total revenue, gains, and other support per audited financial statements**b** Amounts included on line **a** but not on Part I, line 12

- 1** Net unrealized gains on investments
- 2** Donated services and use of facilities
- 3** Recoveries of prior year grants
- 4** Other (specify)

Add lines **b1** through **b4****c** Subtract line **b** from line **a****d** Amounts included on Part I, line 12, but not on line **a**:

- 1** Investment expenses not included on Part I, line 6b
- 2** Other (specify)

Add lines **d1** and **d2****e** Total revenue (Part I, line 12) Add lines **c** and **d****Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return N/A****a** Total expenses and losses per audited financial statements**b** Amounts included on line **a** but not Part I, line 17

- 1** Donated services and use of facilities
- 2** Prior year adjustments reported on Part I, line 20
- 3** Losses reported on Part I, line 20
- 4** Other (specify)

Add lines **b1** through **b4****c** Subtract line **b** from line **a****d** Amounts included on Part I, line 17, but not on line **a**:

- 1** Investment expenses not included on Part I, line 6b
- 2** Other (specify)

Add lines **d1** and **d2****e** Total expenses (Part I, line 17) Add lines **c** and **d****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
LURIA K DION	LOS ANGELES	CEO/PRES			
6161 SANTA MONICA BLVD #208	CA 90038	10	8,700	0	0
MICHAEL KOBRIN	LOS ANGELES	VP/DIRECTOR			
6161 SANTA MONICA BLVD #208	CA 90038	10	25,426	0	0
DAVID WORTHINGTON	LOS ANGELES	CFO/TREAS			
6161 SANTA MONICA BLVD #208	CA 90038	10	14,750	0	0
JOHN HUSTON	LOS ANGELES	DIRECTOR			
6161 SANTA MONICA BLVD #208	CA 90038	1	0	0	0
JOSHUA PENN	LOS ANGELES	DIRECTOR			
6161 SANTA MONICA B	CA 90038	1	0	0	0
NICHOLAS KENT	LOS ANGELES	CEO/PRES			
6161 SANTA MONICA BLVD #208	CA 90038	10	6,750	0	0
JON STEARMAN	LOS ANGELES	DIRECTOR			
6161 SANTA MONICA BLVD #208	CA 90038	1	0	0	0

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

Yes	No
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75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings **3**

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)

75b		X
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c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization."

75c	X
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If "Yes," attach a statement that includes the information described in the instructions

SEE STATEMENT 11

d Does the organization have a written conflict of interest policy?

75d	X	
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Part V-B **Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits**

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

[illegible]

Part VI	Other Information (See the instructions.)
----------------	--

Yes	No
-----	----

76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change

76	X
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77 Were any changes made in the organizing or governing documents but not reported to the IRS?

77		X
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If "Yes," attach a conformed copy of the changes

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

78a	X
-----	---

b If "Yes," has it filed a tax return on **Form 990-T** for this year?

N/A

78b		
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79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement

79		X
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80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?

80a	X
-----	---

b If "Yes," enter the name of the organization ►

NARCONON SOUTHERN CALIFORNIA

and check whether it is ☒ exempt or ☐ nonexempt

81a Enter direct and indirect political expenditures (See line 81 instructions)

81a

0

b Did the organization file **Form 1120-POL** for this year?

81b	X
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Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82b	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.)		
	N/A		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		
	N/A		
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
	N/A		
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	N/A		
85c	Dues, assessments, and similar amounts from members		
	N/A		
85d	Section 162(e) lobbying and political expenditures		
	N/A		
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	N/A		
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	N/A		
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
86a	501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12		
	N/A		
86b	Gross receipts, included on line 12, for public use of club facilities		
	N/A		
87a	501(c)(12) orgs. Enter a Gross income from members or shareholders		
	N/A		
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	N/A		
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX.		X
88b	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.		X
89a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0 , section 4912 0 , section 4955 0 .		
89b	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.		X
89c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.	0	
89d	Enter Amount of tax on line 89c, above, reimbursed by the organization.	0	
89e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89g	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?		
	N/A		
90a	List the states with which a copy of this return is filed CA .		
90b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions.)	10	
91a	The books are in care of JESSICA LOWE 6161 SANTA MONICA BLVD #208 Located at LOS ANGELES, CA	Telephone no 323-871-8644 ZIP + 4 90038-4406	
91b	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.		X
	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)

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 N/A ▶ 92

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a LICENSE FEES					642,654
b ADMINISTRATIVE ASSISTANCE					26,500
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	1,397	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b REFERRAL COMMISSIONS			1	3,885	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		5,282	669,154
105 Total (add line 104, columns (B), (D), and (E))					674,436

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	LICENSE FEES FOR MANAGEMENT OF DRUG REHAB ACTIVITIES.
93B	ADMINISTRATIVE ASSISTANCE TO NARCONON REHAB CENTERS.

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

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

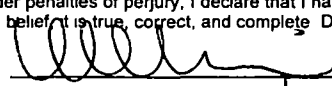
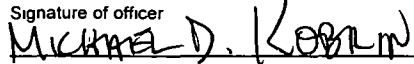
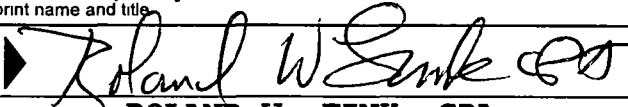
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

Yes	No

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

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

Yes	No

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  Type or print name and title		Date 11/17/2009	
Paid Preparer's Use Only	Preparer's signature 	Date 11/17/08	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen Instr X)
	Firm's name (or yours if self-employed), address, and ZIP + 4 ROLAND W. FINK, CPA 2441 HONOLULU AVE., SUITE 120 MONTROSE, CA 91020-1847			EIN Phone no 818-249-4577

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 WESTERN UNITED STATES

Employer identification number

65-1238009

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
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)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
3a Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		
c Did the organization make a distribution to a donor, donor advisor, or related person?		
d Enter the total number of donor advised funds owned at the end of the tax year	► _____	
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	► _____	
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	► 0	
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year	► 0	

**SEE PART V-A, FORM 990
SEE STATEMENT 12**

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.)		50,000			50,000
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	506,920	436,107			943,027
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
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. STMT 13	3,358	4,110			7,468
23 Total of lines 15 through 22	510,278	490,217			1,000,495
24 Line 23 minus line 17	3,358	54,110			57,468
25 Enter 1% of line 23	5,103	4,902			

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a	0
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		26b	
c Total support for section 509(a)(1) test. Enter line 24, column (e)		26c	
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____		26d	
e Public support (line 26c minus line 26d total)		26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	%

27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person."				
Do not file this list with your return. Enter the sum of such amounts for each year					
(2006)	0	(2005)	0	(2004)	0
(2003)					0
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2006)	0	(2005)	0	(2004)	0
(2003)					0
c Add: Amounts from column (e) for lines 15 _____ 50,000 16 _____ 17 943,027 20 _____ 21 _____					
d Add: Line 27a total _____ and line 27b total _____					
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)		27f	1,000,495		
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))		27g	99.2536		%
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
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31		
32 Does the organization maintain the following			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33 Does the organization discriminate by race in any way with respect to			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**Check ☐ **a** if the organization belongs to an affiliated group Check ☐ **b** if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table-			
If the amount on line 40 is-			
Not over \$500,000			
Over \$500,000 but not over \$1,000,000			
Over \$1,000,000 but not over \$1,500,000			
Over \$1,500,000 but not over \$17,000,000			
Over \$17,000,000			
The lobbying nontaxable amount is-			
20% of the amount on line 40			
\$100,000 plus 15% of the excess over \$500,000			
\$175,000 plus 10% of the excess over \$1,000,000			
\$225,000 plus 5% of the excess over \$1,500,000			
\$1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

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

See the instructions for lines 45 through 50 on page 13 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

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

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

Yes	No	Amount
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	0
	<input checked="" type="checkbox"/>	0
	<input checked="" type="checkbox"/>	0
	<input checked="" type="checkbox"/>	0
	<input checked="" type="checkbox"/>	0
	<input checked="" type="checkbox"/>	0
		0

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

Forms 990 / 990-PF	Other Notes and Loans Receivable	2007
For calendar year 2007, or tax year beginning		, and ending
Name NARCONON WESTERN UNITED STATES		Employer Identification Number 65-1238009

FORM 990, PART IV, LINE 51A - ADDITIONAL INFORMATION

Name of borrower	Relationship to disqualified person
(1) SECOND CHANCE PROGRAM	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 20,000	8/10/07		AS AVAILABLE	0.000
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1) \$20,000 CASH		20,000	
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals		20,000	

Forms
990 / 990-PF**Mortgages and Other Notes Payable****2007**

For calendar year 2007, or tax year beginning

, and ending

Name

Employer Identification Number

NARCONON WESTERN UNITED STATES**65-1238009****FORM 990, PART IV, LINE 64B - ADDITIONAL INFORMATION**

Name of lender	Relationship to disqualified person
(1) NARCONON INTERNATIONAL	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 50,000	10/04/07	12/31/07	DUE IN FULL 12/31/07	5.000
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) NONE	ASSISTANCE TO NARCONON CENTERS
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1) CASH OF \$50,000		35,000
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals		35,000

Federal Statements

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

Name Address	Date of Gift	Description of Property	Relationship to Org	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
NARCONON SOUTHERN CALIFORNIA 1810 W OCEAN FRONT NEWPORT BEACH CA 92663		LICENSEE	\$	83,647 \$	DRUG REHABILITATION	\$		
NARCONON NORTHERN CALIFORNIA 262 GAFFEY RD WATSONVILLE CA 95076		LICENSEE		2,500	DRUG REHABILITATION			
NARCONON HAWAII PO BOX 75943 KAPOLEI HI 96707		LICENSEE		73,000	DRUG REHABILITATION			
NARCONON GEORGIA NORCROSS GA					DRUG REHABILITATION	500		
NARCONON INTERNATIONAL 4652 HOLLYWOOD BLVD LOS ANGELES CA 90027		LICENSOR			DRUG REHABILITATION	100,000		
NARCONON ARGENTINA DEL BARCI CENTENERA 984 PROVINCIA DE BUENOS AI AR					DRUG REHABILITATION	2,000		

Federal Statements

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

Name Address	Date of Gift	Description of Property	Relationship to Org	Class of Activity	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
CRIMINON INTERNATIONAL				DRUG REHABILITATION					
431 N BRAND BLVD, STE 305					\$ 7,000	\$			
GLENDAL CA 91203									
CRIMINON PORTUGAL				DRUG REHABILITATION					
APARTADO 400 63					1,444				
LISBON CODEX PO 1514801									
NARCONON ALMATY				DRUG REHABILITATION					
MICRORAYON, TAUGUL 1					6,299				
ALMATY KZ 480042									
NARCONON BRAZIL ASSOCIAZION				DRUG REHABILITATION					
ESTRADA DA RIBEIRADA S/N					4,859				
CAMANDICAIA (MG) CXP 45 BR 37650-000									
NARCONON BUENOS AIRES				DRUG REHABILITATION					
DEL BARCO CENTENERA 984					3,396				
PROVINCIA DE BUENOS AI AR									
NARCONON COLOMBIA				DRUG REHABILITATION					
FINCA ALEJANDRIA					4,500				

Federal Statements

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

Name Address	Date of Gift	Description of Property	Relationship to Org	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
CUNDINAMARCA CO			\$		\$			
NARCONON HASTINGS					DRUG REHABILITATION			
CAPLE DE FERNE				17,200				
ST LEONARDS-ON-THE-SEA UK TN38 OLN								
NARCONON JOHANNESBURG				5,550	DRUG REHABILITATION			
PO BOX 75943								
GARDENVIEW SF 20147								
NARCONON KHARKOV					DRUG REHABILITATION			
KOMINTERNA ST 14				3,859				
POSELOK VYSOTSKY UZ 62459								
NARCONON LIBERTAD					DRUG REHABILITATION			
AV. CHAPULTEPEC 444				2,769				
COLONIA ROMA, CP MX 11290								
NARCONON MACEDONIA					DRUG REHABILITATION			
BALKAN BOULEVAR JANA 23 4/6				1,775				
SKOPJE MK 1000								
NARCONON MEXICO					DRUG REHABILITATION			
				5,325				

Federal Statements

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

Name Address	Date of Gift	Description of Property	Relationship to Org	Class of Activity	Cash Contrib	NonCash Contrib	Book Value	BV Expl	FMV Expl
CARR. A GALINDO KM. 4.5 FRACC									
RANCHO LOS SALVADORES MX 76700									
NARCONON NEPAL									
PRATIGYA CENTER					26,850				
HATTIGUADA, KATHMANDU NP									
NARCONON SLOVAKIA									
ZAMOCKA 3					1,823				
HOLIC LO 90851									
NARCONON SOUTH MOSCOW									
SOLNECH NAYA ST					9,849				
POLDOLSK CITY, MOSCOW RS 115211									
NARCONON VICTORIA									
1-38 GREAT RYRIE ST									
RINGWOOD AS 3134									
TOTAL					\$ 368,622	\$ 0	\$ 0		

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

<u>Name</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
EXPENSES	\$	\$	\$
DAVID WORTHINGTON COMPENSATION	11,800	2,950	
LURIA K DION COMPENSATION	7,830	870	
MICHAEL KOBRIN COMPENSATION	20,341	5,085	
TOTAL	<u>\$ 39,971</u>	<u>\$ 8,905</u>	<u>\$ 0</u>

Statement 3 - Form 990, Part II, Line 25b - Compensation of Former Officers

<u>Name</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
EXPENSES	\$	\$	\$
NICHOLAS KENT COMPENSATION	5,400	1,350	
TOTAL	<u>\$ 5,400</u>	<u>\$ 1,350</u>	<u>\$ 0</u>

Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
EXPENSES	\$	\$	\$	\$
INSURANCE	2,919	2,326	593	
LICENSES, PERMITS & FEES	206		206	
REPAIRS & MAINTENANCE	4,430	3,531	899	
DISSEMINATION	22,727	22,727		
BANK CHARGES	210		210	
CONSULTING FEES	1,200	1,200		
STAFF TRAINING	31,202	24,871	6,331	
TOTAL	\$ 62,894	\$ 54,655	\$ 8,239	\$ 0

Statement 5 - Form 990, Part III - Organization's Primary Exempt Purpose**Description**

THE CORPORATION IS ORGANIZED TO OPERATE EXCLUSIVELY FOR CHARITABLE PURPOSES BY PROVIDING MANAGEMENT OF NARCONON DRUG REHABILITATION FACILITIES AND ACTIVITIES, AND TO DIRECT AND COORDINATE ACTIVITIES MAKING THE PUBLIC AWARE OF THE PROBLEMS ASSOCIATED WITH DRUG AND ALCOHOL ABUSE AND THE SOLUTIONS FOR THESE, IN THE WESTERN UNITED STATES AREA, THROUGH THE USE OF TECHNOLOGY RESEARCHED AND DEVELOPED BY L. RON HUBBARD.

Statement 6 - Form 990, Part III, Line a - Statement of Program Service Accomplishments**Description**

IN 2007, ITS THIRD FULL YEAR OF OPERATION, NARCONON WESTERN UNITED STATES ("WUS") CONTINUED ITS EXPANSION AT EXISTING CENTERS AND PREPARED SEVERAL NEW CENTERS FOR OPENING IN 2008.

THE TOTAL NUMBER OF STUDENTS SERVICED ON THE NARCONON REHABILITATION PROGRAM IN THE WUS AREA DURING 2007 WAS APPROXIMATELY 923.

THE NUMBER OF INDIVIDUALS GRADUATING THE NARCONON DRUG REHABILITATION PROGRAM AND ATTESTING TO BEING ABLE TO LIVE A "DRUG FREE LIFE" IN THE WUS AREA IN 2007 WAS 427.

IN 2007 THERE WERE 8 NARCONON CENTERS OPERATING IN THE WUS AREA.

SINCE THE END OF THE YEAR, TWO NEW CENTERS HAVE OPENED, WITH SEVERAL MORE PLANNED TO BE OPEN LATER IN 2008. THE ORGANIZATION EXPECTS THAT, BY THE END OF 2008, THE NUMBER OF BEDS AVAILABLE IN THE WUS AREA WILL HAVE DOUBLED OVER THOSE AVAILABLE IN 2006.

Statement 7 - Form 990, Part III, Line b - Statement of Program Service Accomplishments**Description**

AS PART OF ITS ACTIVITIES, THE ORGANIZATION OVERSAW AND COORDINATED ACTIVITIES IN THE WESTERN UNITED STATES ("WUS") AREA TO ENLIGHTEN THE PUBLIC ABOUT THE PROBLEMS ASSOCIATED WITH DRUG AND ALCOHOL ABUSE, AND THE SOLUTIONS FOR PREVENTION OF THESE PROBLEMS AND THE REHABILITATION OF PERSONS WHOSE LIVES HAVE BEEN ADVERSELY AFFECTED BY DRUG AND ALCOHOL ABUSE.

IN THIS REGARD, THE ORGANIZATION'S REPRESENTATIVES PROVIDE PROMOTIONAL MATERIALS FOR THESE FREE SERVICES, NETWORK AND PARTICIPATE WITH OTHER DRUG AND ALCOHOL REHABILITATION CENTERS AND ORGANIZATIONS IN ALLIED EFFORTS TO INFORM THE BROAD PUBLIC OF THE DANGERS OF ABUSE AND HOW IT CAN BE PREVENTED, AND, WHERE NOT PREVENTED, CURED.

THE ORGANIZATION OVERSEES AND PARTICIPATES IN THE ACTIVITIES OF ALL NARCONON CENTERS AND GROUPS IN THE U.S. WEST OF THE MISSISSIPPI RIVER, AND WORKS WITH PRIVATE AND CIVIC GROUPS AND MEDIA TO INFORM, ENLIGHTEN AND TRAIN OTHERS ON THE TOPICS OF DRUG ABUSE, PREVENTION AND

Statement 7 - Form 990, Part III, Line b - Statement of Program Service Accomplishments
(continued)**Description****REHABILITATION.**

IN 2007 DRUG EDUCATION LECTURES AND VIDEOS REACHED MORE THAN 2000 CHILDREN AND ADULTS IN THE WESTERN UNITED STATES. BOOKLETS PROVIDING DRUG FACTS WERE HANDED OUT AT SCHOOLS, MEETINGS AND CIVIC EVENTS. THE ORGANIZATION DELIVERED SEVERAL "FIRST STEP" WORKSHOPS. ARTICLES ON DRUG ABUSE PREVENTION AND CURE WERE PROVIDED TO PRINT AND RADIO MEDIA IN MORE THAN 100 COMMUNITIES. APPROXIMATELY 50 COMMUNITY AND CIVIC EVENTS WERE ATTENDED WHERE THE ORGANIZATION PROMOTED DRUG ABUSE EDUCATION, PREVENTION AND REHABILITATION.

Federal Statements

FYE: 12/31/2007

Statement 8 - 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>
SEE ATTACHED SCHEDULE	\$ 50,917	\$ 20,741	\$ 59,900	\$ 34,323
TOTAL	<u>\$ 50,917</u>	<u>\$ 20,741</u>	<u>\$ 59,900</u>	<u>\$ 34,323</u>

Statement 9 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
SECURITY DEPOSITS	\$ 10,708	\$ 14,772
TOTAL	<u>\$ 10,708</u>	<u>\$ 14,772</u>

Statement 10 - Form 990, Part IV, Line 65 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
CREDIT CARDS PAYABLE	\$ 3,369	\$ 1,876
PAYROLL LIABILITIES	2,216	6,910
CAPITALIZED LEASE OBLIGATION	7,975	0
OTHER	2,066	0
TOTAL	<u>\$ 15,626</u>	<u>\$ 8,786</u>

Federal Statements

Statement 11 - Form 990, Part V-A, Line 75c - Compensation from Related Organizations

Payee Name	Organization EIN	Relationship	Related Organization Name1	Related Organization Name2	Compensation	Benefits	Expenses	Compensation Description
LURIA K DION	33-0911677	JOINT PGMS/EMPLOYEES	NARCONON SOUTHERN CALIFORNIA					N/A
MICHAEL KOBRIN	33-0911677	JOINT PGMS/EMPLOYEES	NARCONON SOUTHERN CALIFORNIA					N/A
DAVID WORTHINGTON	33-0911677	JOINT PGMS/EMPLOYEES	NARCONON SOUTHERN CALIFORNIA					N/A
NICHOLAS KENT	33-0911677	JOINT PGMS/EMPLOYEES	NARCONON SOUTHERN CALIFORNIA					N/A

**Statement 12 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of
Exp****Description**

SEE PART V-A, FORM 990, FOR OFFICER'S COMPENSATION.
RUSSELL KOBRIN, ESTABLISHMENT OFFICER, IS THE SON OF MICHAEL KOBRIN,
VICE PRESIDENT, AND RECEIVED COMPENSATION OF \$9,994 IN 2007. JESSICA
LOWE, TREASURY SUPERVISOR, IS THE DAUGHTER-IN-LAW OF MICHAEL KOBRIN AND
RECEIVED COMPENSATION OF \$17,794 IN 2007.

Federal Statements

FYE: 12/31/2007

Statement 13 - Schedule A, Part IV-A, Line 22 - Other Income

<u>Description</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
REFERRAL COMMISSIONS	\$ <u>3,358</u>	\$ <u>4,110</u>	\$ <u></u>	\$ <u></u>
TOTAL	\$ <u>3,358</u>	\$ <u>4,110</u>	\$ <u>0</u>	\$ <u>0</u>

NNWUS NARCONON WESTERN UNITED STATES
 65-1238009
Fixed Assets and Depreciation - Form 990

NNWUS NARCONON WESTERN UNITED STATES
 65-1238009
Fixed Assets and Depreciation - Form 990

Asset	Date In Service	Property Description	*	Tax Cost	Tax-Meth Conv	Tax Period	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	
Group: Computer & Office Equip											
1	1/17/05	Telephone Equipment		20,582	S/L-MO	3 0	13,150	6,860	20,010	572	
2	10/24/05	2 Printers		595	S/L-MO	3 0	231	199	430	165	
3	11/15/05	Computer - Treasury		1,380	S/L-MO	3 0	537	460	997	383	
11	2/05/06	Computer Equip		863	S/L-MO	3 0	264	287	551	312	
12	3/25/06	Computer Equip		671	S/L-MO	3 0	168	223	391	280	
13	3/26/06	Computer Equip		936	S/L-MO	3 0	234	312	546	390	
14	4/19/06	Computer Equip		325	S/L-MO	3 0	72	109	181	144	
15	4/24/06	Computer Equip		348	S/L-MO	3 0	77	116	193	155	
16	10/19/06	Computer Equip		556	S/L-MO	3 0	31	185	216	340	
17	3/07/07	Computer Equip		563	S/L-MO	3 0	0	156	156	407	
18	5/19/07	Computer - SDE		1,792	S/L-MO	3 0	0	348	348	1,444	
19	5/29/07	Computer Equip		625	S/L-MO	3 0	0	122	122	503	
20	8/29/07	Computer - P & C Sup		1,441	S/L-MO	3 0	0	160	160	1,281	
Computer & Office Equip							14,764	9,537	24,301	6,376	
Group: Furniture & Fixtures											
4	1/11/05	Furniture		12,595	S/L-MO	7 0	3,599	1,799	5,398	7,197	
5	4/17/05	Furniture		4,138	S/L-MO	7 0	985	591	1,576	2,562	
6	8/15/05	Furniture		3,058	S/L-MO	7 0	619	437	1,056	2,002	
7	9/14/05	Furniture		2,868	S/L-MO	7 0	546	410	956	1,912	
8	2/14/06	Furniture		454	S/L-MO	7 0	59	65	124	330	
9	3/08/06	Furniture		271	S/L-MO	7 0	32	39	71	200	
10	4/06/06	Furniture		1,277	S/L-MO	7 0	137	182	319	958	
21	1/10/07	Refrigerator		1,941	S/L-MO	7 0	0	277	277	1,664	
22	1/10/07	Stove & Microwave Hood		1,030	S/L-MO	7 0	0	147	147	883	
23	2/07/07	Lamps		391	S/L-MO	7 0	0	51	51	340	
24	7/10/07	A/C Unit		540	S/L-MO	7 0	0	39	39	501	
25	11/20/07	Filing Cabinet - Treasury		660	S/L-MO	7 0	0	8	8	652	
Furniture & Fixtures							5,977	4,045	10,022	19,201	
Grand Total											25,577

Form **4562**
Department of the Treasury
Internal Revenue Service**Depreciation and Amortization**
(Including Information on Listed Property)

OMB No 1545-0172

2007Attachment
Sequence No **67**

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

Name(s) shown on return

NARCONON WESTERN UNITED STATES

Identifying number

65-1238009

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	13,582

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	0
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		

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	
			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	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr	22	13,582
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)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2