

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code**

MBS-545-X56

Exemption status of  
approved: This application  
will be open for public  
inspection

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

**Part I Identification of Applicant**

1a Full name of organization (as shown in organizing document) Church of Scientology Flag Service Organization, Inc.		2 Employer identification number (If none, see instructions.) 59 2143308
1b c/o Name (if applicable)	3 Name and telephone number of person to be contacted if additional information is needed Thomas C. Spring (202) 588-8488	
1c Address (number, street, and room or suite no.) 210 South Fort Harrison Ave.	4 Month the annual accounting period ends December 31	
1d City or town, state, and ZIP code Clearwater, Florida 34616	5 Date incorporated or formed May 19, 1981	
6 Activity codes (See instructions.) 001 I I		7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)
8 Old the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If 'Yes,' attach an explanation. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
9 Has the organization filed Federal income tax returns or exempt organization information returns? If 'Yes,' state the form numbers, years filed, and Internal Revenue office where filed. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

10 Check the box for your type of organization. BE SURE TO ATTACH A COMPLETE COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a **E2 Corporation**— Attach a copy of your Articles of Incorporation, (including amendments and restatements) showing approval by the appropriate State official; also include a copy of your bylaws. Exhibits A, B and C.
- b **D Trust**— Attach a copy of your Trust Indenture or Agreement, including all appropriate signatures and dates.
- c **G Association**— Attach a copy of your Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of your bylaws.

if you are a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐

I declare under penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have submitted this application, including the accompanying schedule and attachments, and to the best of my knowledge it is true, correct, and complete.

Please sign here: *Marsha Spring* (Signature) *Secretary* (Title or authority of signer) 8/18/93 (Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Complete the Procedural Checklist (page 7 of the Instructions) prior to filing.

**Part II****Activities and Operational Information**

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely list, but or repeat the information in the annual report. Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose, (b) when the activity was or will be conducted; and (c) where and by whom the activity will be conducted.

See Pages 2A - 2F

- 2 What are or will be the organization's sources of financial support? List in order of source.  
 Contributions from parishioners for religious services.  
 Sales of religious books and materials and E-meters.  
 Investment income.

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copy of solicitations for financial support.

See Pages 2F - 2H attached.

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## **Part II, Question 1 - Description of Activities**

Church of Scientology Flag Service Organization, Inc. ("CSFSO") was incorporated as a Florida nonprofit religious corporation on May 19, 1981 for the purpose of practicing and propagating the Scientology religion and providing a religious retreat for the ministry of the highest levels of Scientology religious services. CSFSO is the largest church of Scientology in the world. Because it ministers Scientology religious services that are available nowhere else in the world, CSFSO fulfills a unique role in the international Scientology ecclesiastical hierarchy.

CSFSO's activities are described fully below. Detailed information concerning the organizational structure, religious activities and financial affairs of the Scientology ecclesiastical hierarchy and related organizations is contained in the administrative record of the exemption determination proceeding for Church of Scientology International ("CSI"), the Mother Church of the Scientology religion.

### The Scientology Religion

Scientology is a religion based upon the research, writings and recorded lectures of its founder, L. Ron Hubbard, which collectively constitute the Scripture of the religion. The Scientology Scriptures are the sole source of all the doctrines, tenets, sacraments, rituals and policies of the Scientology faith. They encompass more than 500,000 pages of writings, nearly 3,000 taped lectures and over 100 films.

The basic tenet of the Scientology religion is that man is an immortal spirit who is basically good and ethical who has lived through countless previous lifetimes and who will live again and again. Although he has a mind and a body, he is himself a spiritual being. The ultimate goal of Scientology is "a civilization without insanity, without criminals and without war, **where** the able can prosper and honest beings can have rights, and where Man is free to rise to greater heights."

The principal religious practices in Scientology are "auditing" and "training," which consist of a gradient scale of religious services addressing the spirit. The purpose of auditing is to unburden man of past painful experiences and to orient him as a spiritual being. Auditing results in an increase in spiritual awareness and ability. Ultimately the person achieves certainty of himself as a spirit and freedom from unwanted burdens. At this point he also is certain of

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## **part II, Question 1 - Description of Activities**

immortality. "Training" also increases spiritual awareness and ability for the individual and enables a person to utilize the religious technologies of Scientology to improve conditions with himself or herself and others.

Scientology is an exact faith, and a fundamental doctrine of the religion is that its religious services must be orthodox. It holds that spiritual salvation can be attained if, and only if, the path to salvation outlined in the Scripture's religious technology is followed without deviation.

### The Scientology Religious Hierarchy

Churches of Scientology that minister religious services to the public are arranged in a hierarchy that reflects the gradient nature of the spiritual levels of Scientology.

At the base of the religious hierarchy of Scientology are independent ministers and missions of Scientology which minister auditing to the spiritual level of Clear and lower-level and introductory training services. Class V churches of Scientology also minister all auditing levels that are ministered by missions, plus the Clear Certainty Rundown, which verifies whether or not the state of Clear has been achieved. Class V churches also train and ordain ministers and provide religious training to the level of Class V auditor. Saint Hill churches minister all of the levels of the churches below them as well as religious training to the level of Class VII auditor. Advanced Organizations minister the auditing levels of the churches below them as well as the confidential advanced auditing levels up to the spiritual level of New OT V, and religious training to the level of Class VIII auditor. The Church of Scientology Flag Service Organization ministers auditing to the spiritual level of New OT VII and the highest levels of religious training, Class XII auditor. The highest level of auditing, New OT VIII, is ministered only by the Church of Scientology Flag Ship Service Org aboard **the** M.V. Freewinds.

### The Church's Activities

CSFSO is the largest single church of Scientology in the world and has approximately **750** staff members. It is a religious retreat for Scientologists from every nationality, providing the highest levels of Scientology religious services (other than New OT VIII, which is ministered only by Church of Scientology Flag Ship Service Organization).

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## **Part II, Question 1 - Description of Activities**

CSFSO carries out a unique ministry and fulfills a singular role in the Scientology religious hierarchy as the only church of Scientology that ministers religious training to the highest level, Class XII, and the only church that ministers the auditing levels of New OT VI and New OT VII as well as other special auditing services.

In addition to these high-level services available only at CSFSO, CSFSO also ministers all of the Scientology auditing and religious training levels ministered by churches below CSFSO in the religious hierarchy. What sets CSFSO apart with respect to these services is that it provides parishioners with a distraction-free, wholly supportive environment so they can make the most possible spiritual advancement without interference from the turbulence of the secular world. Because of the environment provided and the high level of expertise of CSFSO's staff, Scientologists come from all over the world to CSFSO for all levels of Scientology services.

CSFSO ministers religious services in three buildings located near each other in downtown Clearwater: the former Fort Harrison Hotel, which contains both accommodations for parishioners as well as specially-designed auditing rooms and areas for the direct ministration of auditing; the former Sandcastle hotel, which contains specially-designed rooms for ministering the most advanced auditing levels; and another large rented building used for the ministry of religious training. Church of Scientology Religious Trust ("CSRT"), a reserves trust for the Scientology religion, (see response to Part II, Question 5), is in the process of constructing another building in the same area which CSFSO will lease, to provide more facilities for CSFSO's ministry.

CSFSO's religious retreat setting is especially conducive to Scientology's advanced auditing levels, which are ministered by way of "solo auditing," whereby the parishioner audits him or herself. For parishioners on such levels their accommodations very often serve also as their auditing rooms, where they can solo audit without any distraction or disturbance.

The corporate entity CSFSO is comprised of the following four ecclesiastical bodies.

1. Flag Service Org. Flag Service Org ministers religious services to CSFSO's parishioners. This ecclesiastical body includes all of the auditors, case supervisors, course supervisors and other staff directly involved in ministering services, as well as executive and administrative staff that

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## **Part II, Question 1 - Description of Activities**

perform necessary support functions such as personnel, communications, ethics, treasury and finances, administration and dissemination. The highest ecclesiastical position in the Flag Service Org is its Captain, who, together with her deputies and other top executives form its executive council, the highest ecclesiastical body in the organization. Beneath the executive council is an advisory council, comprised of the heads of each of the Flag Service Org's divisions. These two bodies, subject to ecclesiastical management advice and direction from senior ecclesiastical organizations (which are described below), direct the day-to-day and week-to-week activities of the Flag Service Org.

2. Flag Crew Org. The Flag Crew Org performs direct support functions for Flag Service Org and other ecclesiastical bodies within CSFSO. The Flag Crew Org maintains the buildings and property of CSFSO; maintains and operates the accommodations and food facilities of CSFSO's religious retreat; and berths, feeds and otherwise communally supports CSFSO's staff. The Flag Crew Org has its own Captain, executive council and advisory council which direct its activities.

3. Flag Land Base. Flag Land Base is an ecclesiastical body within CSFSO that is senior to both the Flag Service Org and Flag Crew Org. Flag Land Base is comprised of a number of executive CSFSO staff personnel responsible for the overall direction and coordination of CSFSO as a whole. This body is headed by the Commanding Officer Flag Land Base, who is the highest ecclesiastical official in CSFSO's hierarchy. Whereas the Captains of the Flag Service Org and Flag Crew Org are primarily concerned with the activities of their respective ecclesiastical organizations, the Commanding Officer Flag Land Base and his staff consider CSFSO's activities as a whole.

4. Commodore's Messenger Org Clearwater ("CMO CW"). CMO CW oversees and ensures the implementation of programs that CSFSO receives from the Commodore's Messenger Org International, an ecclesiastical body within CSI. These programs can relate to all facets of CSFSO's activities from the conduct of religious services to the acquisition and renovation of buildings, and unusual or ongoing legal or financial matters.

The senior executives of CSFSO's ecclesiastical bodies make up a Coordination Council that regularly meets to coordinate activities of the organization as a whole.

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Part II, **Question 1** - Description of Activities

The Scientology Religious Marks and Advanced Technology

The churches and other organizations that comprise Scientology's ecclesiastical hierarchy recognize CSI as the authority on ecclesiastical matters by virtue of its status as the Mother Church. (See the FSO's Amended and Restated Articles of Incorporation, Article III, Exhibit B.)

CSI's ecclesiastical authority is further enhanced by a written covenant between it and Religious Technology Center with respect to the use of the Scientology religious marks by churches and other organizations within the ecclesiastical hierarchy. (Religious Technology Center is the owner of the religious marks associated with the Scientology religion.) Through the covenant, Religious Technology Center has given CSI the right and responsibility to permit the organizations of the religion of Scientology to use the marks. Without CSI's written authority to use the marks, and Religious Technology Center's approval, an organization cannot legally use the marks and thus cannot call itself a Scientology organization.

Pursuant to its authority, CSI granted CSFSO the right to use the Scientology religious marks by a written covenant. (Exhibit C.) CSFSO is not required to pay royalties for use of the marks.

CSFSO has entered into an ecclesiastical management agreement with CSI pursuant to which CSI provides CSFSO with ecclesiastical advice, programs and guidance, staff training and general coordination of activities with other Scientology organizations. (A copy of the agreement is attached as Exhibit D.) Scientology administrative policy requires that a management unit or organization be supported by the nearest church organization that ministers religious services to the public. As the largest church of Scientology ministering religious services CSFSO is considered to be the closest such church to CSI. For this reason, and in exchange for the services CSI provides to CSFSO, CSFSO supports CSI's program of activities each week by providing CSI the internal operating costs that CSI incurs.

CSFSO also has entered into agreements with CSI with respect to the orthodox exhibition of films relating to the practice of the Scientology faith (Exhibit E) and the care of confidential information parishioners disclose to it in the ministration of religious services (Exhibit F). CSFSO provides CSI eleven percent of the contributions it receives from parishioners for

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## **Part II, Question 1 - Description of Activities**

training services in exchange for the films. Religious Technology Center also owns the rights to the confidential advanced technology of the Scientology religion in the United States. Religious Technology Center has authorized FSO to use the levels of the advanced technology in accordance with strict Scriptural requirements by written covenant. CSFSO provides RTC six percent of the value of religious services it ministers with respect to the advanced technology. (Exhibit G).

### The Church's Staff Personnel

CSFSO is a "Sea Org" organization, which means its staff members belong to the Scientology religious order, the Sea Organization (or the "Sea Org"). To become members of the Sea Org, CSFSO's staff members must pledge the next billion years of their existence to the Scientology religion. As Sea Org members, CSFSO's staff live and work in a manner befitting their fundamental and total commitment to the Scientology faith.

They live communally in church-provided berthing and eat communally in a church-provided dining room. They are required to live on church premises, so they can live free of the distractions of the secular world and be ready to attend to their religious duties at any time during the day or night. As a general matter, each of CSFSO's staff members devotes 14 hours a day to his or her ecclesiastical duties and religious study. Staff are required to wear the official uniforms of the Sea Org, which CSFSO provides.

CSFSO's staff personnel are compensated for their ecclesiastical service with a nominal allowance (currently \$50.00 a week) and small bonuses for good performance of their assigned duties, room and board, medical and dental cost (as needed) and child care or school tuition for children. They also may receive commissions from sales of Scientology religious books of 15 percent of the sales price.

## **Part 11/ Question 3 - Fundraising Program**

CSFSO conducts dissemination campaigns to attract parishioners to CSFSO and to encourage CSFSO's existing parishioners to continue their spiritual advancement. CSFSO sends mailings to its parishioners of dissemination materials including its magazine, Source, which it publishes periodically. (A representative copy of Source is attached as Exhibit H.) CSFSO also has staff personnel who write directly to CSFSO's parishioners encouraging them to come to CSFSO for further



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Part 11/ Question 3 - Fundraising Program

religious services. (Representative copies of dissemination materials sent with such mailings are attached as Exhibit I.)

CSFSO also sends out tours, comprised of two to several CSFSO staff members, who travel to other churches of Scientology to inform their staff and parishioners about recent events at CSFSO and to encourage them to come to CSFSO for religious services. Each of the Flag Operation Liaison Offices and some large churches of Scientology have a staff member holding the position of Flag Service Consultant, who works very closely with CSFSO to assist parishioners in those churches to attend services at CSFSO.

As CSFSO offers the higher level religious services, eventually all Scientologists become parishioners of the CSFSO once they have attained the spiritual advances of the lower levels of auditing and training. Therefore, in addition to its fundraising activities with respect to its own existing and future parishioners, CSFSO also contributes to broadscale dissemination and public relations campaigns that benefit all Scientology organizations and the religion as a whole. These campaigns proselytize the religion to the general public and result in new people coming in to other Scientology churches at all levels of the hierarchy. Eventually, sometimes even years later, many of these individuals become parishioners of CSFSO.

In addition to the above, CSFSO organizes and works closely with Scientologists who do not serve on the staff of a church who either proselytize to the public or assist existing Scientologists in continuing their spiritual advancement. These Scientologists, called "Field Staff Members," play an important part in the dissemination and proselytization of the religion through word of mouth and direct contact. Since the successful efforts of Field Staff Members result in contributions of fixed donations to CSFSO as well as the spiritual advancement of its parishioners, CSFSO pays Field Staff Members a commission when the Scientologists they have been working with begin services at CSFSO. CSFSO staff personnel who serve as registrars and are responsible for CSFSO's fundraising, may, under certain circumstances, receive a very small commission (1/8 to 1/4 percent) of funds they raise.

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**Part II, Question 3 - Fundraising Program**

CSFSO also engages in fundraising to support projects that benefit the community, the broad general public or that assist the expansion of Scientology into new areas. For example, CSFSO has helped raise funds to support missionary activities to introduce Scientology in Russia. CSFSO has raised funds to purchase sets of books on Scientology by L. Ron Hubbard to be donated to public libraries throughout the United States. CSFSO has also raised funds which have been donated to The Way To Happiness Foundation, to use in distributing copies of The Way To Happiness, a book containing a non-religious moral code authored by L. Ron Hubbard, to the public.

**Part II** Activities and Operational Information (Continued)**4** Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual Compensation

See Pages 3A - 33 attached.

See Page 3B.

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? . . . . .

☐ Yes☒ No

if "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body 'disqualified persons' with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with 'disqualified persons'? (See the specific instructions for line 40.) . . . . .

☐ Yes☒ No

if "Yes," explain.

5 Does the organization control or is it controlled by any other organization? . . . . .

☒ Yes☐ No

Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? . . . . .

☒ Yes☐ No

if either of these questions is answered 'Yes,' explain.

See Pages 3B - 3C attached.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than 501(c)(3) organizations): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? . . . . .

☐ Yes☒ No

if 'Yes,' explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? . . . . .

☐ Yes☒ No

if 'Yes,' explain and identify the other organization, include details concerning accountability or attach copies of reports if any have been submitted.

See page 3C.

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**Part II, Question 4 - Officers, Directors and Trustees**

Trustees:

Pilar Jason  
210 S. Ft Harrison  
Clearwater, Florida 33516

Barbara Newton  
210 S. Ft Harrison  
Clearwater, Florida 33516

Craig Wilson  
6331 Hollywood Blvd.  
Los Angeles, CA 90028

Directors:

Mary Story  
210 S. Ft Harrison  
Clearwater, Florida 33516

Janet Herring  
210 S. Ft Harrison  
Clearwater, Florida 33516

Barbara Meador  
210 S. Ft Harrison  
Clearwater, Florida 33516

Debbie Cook  
210 S. Ft Harrison  
Clearwater, Florida 33516

Officers:

Mary Voegeding - President  
210 S. Ft Harrison  
Clearwater, Florida 33516

Mary Story - Vice President  
210 S. Ft Harrison  
Clearwater, Florida 33516

Marsha Lovering - Secretary  
210 S. Ft Harrison  
Clearwater, Florida 33516

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**Part II, Question 4 - Officers, Directors and Trustees**

Virginia Leeson - Assistant Secretary  
210 S. Ft Harrison  
Clearwater, Florida 33516

Barbara Meador - Treasurer  
210 S. Ft Harrison  
Clearwater, Florida 33516

CSFSO's officers, directors and trustees are not compensated for their service in those capacities. Except for Craig Wilson, each of these individuals also serves in staff positions for CSFSO and are compensated for their work as staff members. These amounts are reflected in the response to Part IV, Line 17.

**Part II, Question 5 - Relationship with Other Organizations**

CSFSO's relationship with CSI and Religious Technology Center with respect to ecclesiastical governance and covenants respecting use of the religious marks and the ministry of the Scientology advanced technology are described in the response to Part II, Question 1. CSFSO's relationship with CSI, RTC and other churches of Scientology and their related organizations is discussed in more detail in CSI's administrative record.

CSFSO has a wholly owned for-profit subsidiary, FSO Oklahoma Investments Corporation ("FSO OIC"), that CSFSO established in 1983 for the purpose of investing in oil and gas properties and real estate. FSO OIC has sold all of its investments other than two undeveloped parcels of real estate in Hawaii, which it currently is offering for sale. Other than this remaining real estate, FSO OIC has no other assets and is otherwise dormant.

CSFSO **has a** special relationship with two trusts that administer advance donations its parishioners contribute for religious services they plan to receive at CSFSO. One, Trust for Scientologists, is a non-U.S. trust that holds unused advance donations **for** religious services contributed by CSFSO's non-U.S. parishioners, subject to the parishioners' instructions. The other is United States Parishioners Trust, a U.S. trust that holds unused advance donations for religious services contributed by parishioners of two U.S. churches, Church of Scientology Western United States and CSFSO, subject to the parishioners' instructions. Once CSI's exemption is recognized these trusts will dissolve and distribute their assets to appropriate tax exempt organizations recognized under Section 501(c)(3) in accordance with the dissolution clauses of their respective trust instruments.

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**Part 11/ Question 5 - Relationship With Other Organizations**

CSFSO also has a special relationship with Church of Scientology Religious Trust ("CSRT<sup>M</sup>), a domestic trust which is the principal Scientology entity for reserve needs of United States churches. CSRT is recognized by the Service as exempt under section 501(c)(3). CSRT has made substantial loans to CSFSO over the years for the purpose of supporting CSFSO's operating needs and religious program and for renovations of CSFSO's buildings. The balance of all loans outstanding as of December 31, 1992 is reflected in the financial information submitted in response to Part IV. As described in the response to Part II, Question 1, CSRT is also raising funds to construct a new building which will be leased to CSFSO to expand its facilities used for its ministry of religious services.

One of CSFSO's directors, Janet Herring, is also a trustee of CSRT.

**Part II, Question 7 - Financial Accountability**

While CSFSO is responsible for and manages its own finances, it recognizes the ecclesiastical authority of CSI with respect to financial matters that affect the religion. Consequently, CSFSO presents proposals to CSI's Reserves Committee for its approval for expenditure from its reserves accounts. CSFSO also provides CSI weekly reports. A representative copy of such financial reports is included in CSI's administrative record.

**Part II** Activities and Operational Information (Continued)

- 8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken, if "None," indicate 'N/A.'

See page 4A.

- 9a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☐ Yes ☒ No
- b Is the organization a party to any leases? ☒ Yes ☐ No
- if either of these questions is answered 'Yes,' attach a copy of the contracts and explain the relationship between the applicant and the other parties.

See pages 4A and 4B.

- 10 Is the organization a membership organization? ☐ Yes ☒ No
- If "Yes," complete the following:
- a Describe the organization's membership requirements, and attach a schedule of membership fees and dues.

- b Describe your present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.

- c What benefits do (or will) your members receive in exchange for their payment of dues?

- 11a If the organization provides benefits, services or products, are the recipients required, or will they be required, to pay for them? ☐ N/A ☒ Yes ☐ No
- if "Yes," explain how the charges are determined, and attach a copy of your current fee schedule.

See Page 4B attached.

- b Does or will the organization limit its benefits, services or products to specific individuals or classes of individuals? ☐ N/A ☒ Yes ☐ No
- if "Yes," explain how the recipients or beneficiaries are or will be selected.

Benefits are limited to all Scientologists.

- 12 Does or will the organization attempt to influence legislation? ☐ Yes ☒ No
- if "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds which it devotes or plans to devote to this activity.

- 13 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☒ No
- If "Yes," explain fully.

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**Part II, Question 8 - Assets Used In Performance of Exempt Function**

Real estate and buildings, furniture and office equipment, computer equipment, automobiles, and an inventory of religious books, tapes and materials and E-meters, and rights to the use of the Scientology religious marks and advanced technology.

**Part II, Question 9b - Leases**

CSFSO leases one of the buildings it uses for ministering religious services from Coachman Downtown Center Associates. The only relationship CSFSO has with this entity is as lessor/lessee. (A copy of this lease and its amendments is attached as Exhibit J.)

CSFSO leases an office in one of its buildings to the Church of Scientology Freewinds Relay Office ("CSFRO"), which has served as a liaison between churches of Scientology and individual Scientologists and the M.V. Freewinds. Other than their relationship as Scientology religious entities, CSFSO and CSFRO function only as lessor/lessee. (A copy of this lease is attached as Exhibit K.) CSFRO will be dissolved shortly in connection with a reorganization of the organizations that support operation of the Freewinds.

RTC rents office space from CSFSO on an oral lease for RTC staff personnel who inspect and verify the orthodox ministration of the advanced technology. The monthly rental is \$850.00.

CSFSO has an oral lease for an office in one of its buildings with the Clearwater Membership Tour, an organization that solicits new members and donations for the Scientology membership organization, International Association of Scientologists ("IAS").

CSFSO has an oral lease with Scientology Missions International ("SMI") for its SMI Expansion Office with is located in an office on CSFSO's premises. The SMI Expansion Office has the function of opening Scientology missions in new countries. It is located at CSFSO so its staff can easily contact Scientologists who come to CSFSO from all parts of the world to interest them in becoming missionaries for the religion.

The relationship among CSFSO and organizations making up the Scientology ecclesiastical hierarchy are set forth in detail in the administrative record of CSI's exemption determination proceeding.



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## **Part II, Questions 9b - Leases**

CSFSO also leases warehouse space in Clearwater from third-parties who have no relationship with CSFSO other than that of lessor/lessee.

## **Part II, Questions 11a, Determination of Charges**

The amounts of contributions required for CSFSO's religious services and the religious books and materials that CSFSO sells are established by the Mother Church, CSI.

CSI's policy for setting contribution rates include the following criteria: all amounts are set to enable churches of Scientology to provide the services, Scriptures and other materials of the religion to more and more members of the general public so that everyone eventually can achieve spiritual salvation. CSI accomplishes this policy by requiring all pricing proposals to undergo extensive review by the executives of the ecclesiastical hierarchy who are involved in the production, dissemination or delivery of the publication, service or material involved. This extensive review is ecclesiastically mandated to ensure each proposal meets the following three criteria.

First, the fixed donation amount must be affordable to a broad segment of the general public. Second, the amount must enable the Church to recover the costs of production or delivery of the materials. Third, the donation amount must be sufficient to enable the Church to remain operational so it can continue performing its religious functions, replenish stocks if necessary, and expand so it can provide for or minister to an ever growing congregation.

While CSI employed different methods to implement this policy over the years, the basic principles and review procedures have remained unchanged.

CSFSO **sets** rates for lodging and meals that are roughly commensurate **to** rates charged for comparable lodging and meals by local establishments.

**Part III** Technical Requirement\*

- 1 Art you filing Form 1023 within 15 months from the end of the month in which you were established or formed? ☐ Yes ☒ No  
if you answer "Yes" do not answer questions 2 through 6.

- 2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- E (a) is a church, interchurch organization, local unit of a church, a convention or association of churches, or an integrated auxiliary of a church;  
C (b) is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or.  
G (c) is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

- 3 If you do not meet any of the exceptions in question 2, do you wish to request relief from the 15-month filing requirement? N/A  
☐ Yes ☒ No

- 4 If you answer "Yes" to question 3, please give your reasons for not filing this application within 15 months from the end of the month in which your organization was created or formed. (See the Instructions before completing this item.)

N/A

- 5 If you answer "No" to both questions 1 and 3 and do not meet any of the exceptions in question 2, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed? N/A  
☐ Yes ☒ No

- 6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(3) status for the period beginning with the date you were formed and ending with the date your Form 1023 application was received (the effective date of your section 501(c)(3) status), check here ☒ G and attach a completed page 1 of Form 1024 to this application. N/A

**Part III** Technical Requirements (Continued)

7 Is the organization a private foundation?

**G Yes** (Answer question 8.)

**L3 No** (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, do you claim to be a private operating foundation?

• **Yes** (Complete Schedule E)

**C No**

M/A

After answering this question, go to Part IV.

9 If you answer "No" to question 7, indicate the public charity classification you are requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

(a) <input checked="" type="checkbox"/> As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A).	Sections 509(aXD and 170(bXIXAXi)
--	--------------------------------------

(b) <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B).	Sections 509(aXD and 170(bXIXAXii)
--	---------------------------------------

(c) <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (MUST COMPLETE SCHEDULE C).	Sections 509(aXD and 170(bXIXAXiii)
--	--

(d) <input type="checkbox"/> As a governmental unit described in section 170(cXI).	Sections 509(aXI) and 170(bXIXAXv)
--	---------------------------------------

(e) <input type="checkbox"/> As being operated solely for the benefit of, or in connection with, one or more of the organizations described in (a) through (d), (g), (h), or (i) (MUST COMPLETE SCHEDULE D).	Section 509(aX3)
---	------------------

(f) <input type="checkbox"/> As being organized and operated exclusively for testing for public safety.	Section 509(aX4)
---	------------------

(g) <input type="checkbox"/> As being operated for the benefit of a college or university that is owned or operated by a governmental unit.	Sections 509(aXD and 170(bXIXAXiv)
---	---------------------------------------

(h) <input type="checkbox"/> As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.	Sections 509(aXD and 170(bXIXAXvi)
---	---------------------------------------

(i) • As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).	Section 509(aX2)
---	------------------

(j) <input type="checkbox"/> We are a publicly supported organization but are not sure whether we meet the public support test of block (h) or block (i). We would like the Internal Revenue Service to decide the proper classification.	Sections 509(aXD and 170(bXIXAXvi) or Section 509(aX2)
---	---

If you checked one of the boxes (a) through (f) in question 9, go to question 14.

If you checked box (g) in question 9, go to questions 11 and 12.

If you checked box (h), (i), or (j), go to question 10.

**Part III** Technical Requirement\* (Continued)

10 If you checked box (h), (i), or (j) in question 9, have you completed a tax year of at least 8 months?

☐ **Yes**—indicate whether you are requesting:

☐ A definitive ruling (Answer questions 11 through 14.)

N/A

☐ In advance ruling (Answer questions 11 and 14 and attach 2 Forms 872-E completed and signed.)

☐ **No**—You must request an advance ruling by completing and signing 2 Form 872-C and attaching them to your application.

11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

N/A

12 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ☐ and:

a Enter 2% of line 8, column (o) of Part IV-A \_\_\_\_\_

N/A

b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported organization") whose total gifts, grants, contributions, etc., were more than the amount you entered on line 12a above.

13 If you are requesting a definitive ruling under section 509(a)(2), check here ☐ and: N/A

a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each 'disqualified person.'

b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, 'payer' includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)

	Yes	No	If "Yes," complete Schedule:
Is the organization a church? . . . . .	X		A *
Is the organization, or any part of it, a school? . . . . .		X	B
Is the organization, or any part of it, a hospital or medical research organization? . . . . .		X	C
Is the organization a section 509(a)(3) supporting organization? . . . . .		X	D
Is the organization an operating foundation? . . . . .		X	E
Is the organization, or any part of it, a home for the aged or handicapped? . . . . .		X	F
Is the organization, or any part of it, a child care organization? . . . . .		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.? . . . .		X	H
Has the organization taken over, or will it take over, the facilities of a 'for profit' institution? . . . . .		X	I

\* See detailed information in the administrative record of CSI's determination proceeding for information responsive to this Schedule A.

**Part IV Financial Data** CHURCH OF SCIENTOLOGY FLAG SERVICE ORGANIZATION, INC.

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 3 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. - Statement of Revenue and Expenses**

	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From JAN to DICT92	(b) 1991	(c) 1990	(d) 1989	
1 Gifts, grants, and contributions received (not including unusual grants-see instructions) . . . . .	54825964	50932622	56483885	55042052	217284523
2 Membership fees received . . . . .					
3 Gross investment income (see instructions for definition) . . . . .	105867	141654	299532	244874	791927
4 Net income from organization's unrelated business activities not included on line 3 . . . . .					
5 Tax revenues levied for and either paid to or spent on behalf of the organization . . . . .					
6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge) . . . . .					
7 Other income (not including gain or loss from sale of capital assets) (attach schedule) . . . . .	-227100	7286	274316	-69504	-15002
8 Total (add lines 1 through 7) . . . . .	54704731	51081562	57057733	55217422	218061448
9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513 . . . . .	19744871	19777050	20226309	27389771	87138001
10 Total (add lines 8 and 9) . . . . .	74449602	70858612	77284042	82607193	305199449
11 Gain or loss from sale of capital assets (attach schedule) . . . . .	-81537	-829513	-215638	-207583	-1334271
12 Unusual grants . . . . .					
13 Total revenue (add lines 10 through 12) . . . . .	74368065	70029099	77068404	82399610	303865178
14 Fundraising expenses . . . . .	7674178	6391818	7171450	9287706	
15 Contribution, gifts, fraas. aa) siafirs amount* paif (Mac* ittaWal . . . . .	24384762	17247193	9659548	18355069	
16 Disbursements to or for benefit of members (attach schedule) . . . . .					
17 Compensation of officers, directors, and trustees (attach schedule) . . . . .	31878	26948	21097	20222	
18 Other salaries and wages . . . . .	1182448	1243129	1080561	1419766	
19 Interest . . . . .	3498710	4120638	4144797	4348547	
20 Occupancy (rent, utilities, etc.) . . . . .	2310523	2231508	1878157	1900106	
21 Depreciation and depletion . . . . .	2961372	2691919	2266579	1785296	
22 Other (attach schedule) . . . . .	33920246	34861667	35469711	45172394	
23 Total expenses (add lines 14 through 22) . . . . .	75964117	68814820	61691900	82289106	
24 Excess of revenue over expenses (line 13 minus line 23) . . . . .	-1596052	1214279	15376504	110504	

## Part IV Financial Data (Continued)

B. - Balance Sheet (at the end of the period shown)		Cirmt tax yr date 12/31/92
<b>Assets</b>		
1 Cash .....	1	3456587
2 Accounts receivable, net .....	2	
3 Inventories .....	3	7492333
4 Bonds and notes receivable (attach schedule) .....	4	1951912
5 Corporate stocks (attach schedule) .....	5	1426322
6 Mortgage loans (attach schedule) .....	6	
7 Other investments (attach schedule) .....	7	16075
8 Depreciable and depletable assets (attach schedule) .....	8	28617769
9 Land .....	3	2780389
10 Other assets (attach schedule) .....	10	2224654
11 Total assets (add lines 1 through 10) .....	11	47966041
<b>Liabilities</b>		
12 Accounts payable .....	12	2088801
13 Contributions, gifts, grants, etc., payable .....	13	
14 Mortgages and notes payable (attach schedule) .....	14	34453412
15 Other liabilities (attach schedule) .....	15	5576119
16 Total liabilities (add lines 12 through 15) .....	16	42118332
<b>Fund Balances or Net Assets</b>		
17 Total fund balances or net assets .....	17	5847709
18 Total liabilities and fund balances or net assets (add line 16 and line 17) .....	18	47966041
If there has been any substantial change in any aspect of your financial activities since the end of the period shown above, check the box and attach a detailed explanation .....		

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section A Line 7 Other Income

<u>Type of Income Source</u>	<u>Amount</u>
Insurance Claims	23,142
Miscellaneous Receipts from Scrap Sales	5,521
Unrealized Loss on Foreign Currencies held	(255,763)
	-----
	(\$ 227,100)
	=====

Schedule 1

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-91

Part IV Section A Line 7 Other Income

<u>Type of Income Source</u>	<u>Amount</u>
Income Tax Refund	726
Insurance Claims	81,972
Miscellaneous Receipts from Scrap Sales	1,856
Unrealized Loss on Foreign Currencies held	(77,268)
	-----
	\$ 7,286
	=====

Schedule 2



Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-90

Part IV Section A Line 7 Other Income

Type of Income Source

Amount

Insurance Claim	1,000
Miscellaneous Receipts from Scrap Sales	2,618
Unrealized Gain on Foreign Currencies held	270,698
	-----
	S 274,316
	=====

Schedule 3

Church of Scientology Flag Service Organization, Inc.,

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-89

Part IV Section A Line 7 Other Income

Type of Income Source

Amount

Unrealized Loss on Foreign Currencies held	(108,987)
Vending Machine Commissions	39,483
	-----
	(\$ 69,504)
	=====

Schedule 4

Church of Scientology Flag Service Organization, Inc,

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section A Line 11 Gain or Loss from Sale of Capital Assets

<u>Asset</u>	<u>To Whom Sold</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Sale Price</u>	<u>Gain(Loss)</u>
Flatbed Truck	Clenney L. Koffey	1,800	1,800	250	250
Realized Loss on Foreign Currency Conversion to US \$	Commercial Banks				(81,787)
					----- (S 81,537) =====

Schedule 5

## Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-91

Part IV Section A Line 11 Gain or Loss from Sale of Capital Assets

<u>Asset</u>	<u>To Whom Sold</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Sale Price</u>	<u>Gain(Loss)</u>
Disposal of Bus	N/A Scrapped	12,500	6,250		(6,250)
Disposal of Scaffolding	N/A Scrapped	5,126			(5,126)
Disposal of Water Damaged Furniture & Course Materials	N/A Scrapped	9,467			(9,467)
Disposal of Building Contents Gutted for Renovations	N/A Scrapped	192,338	69,242		(123,096)
Elks Land and Building	Church of Scientology Religious Trust	267,625	66,289	270,000	68,664
Disposition of Realty Deposit on Property	Grey Moss Inc.	348,365		161,625	(186,740)
Realized Gain on Foreign Currency Conversion to US \$	Commercial Banks				10,662
Yacht 'Diana'	San Donato Properties Corporation	60,759	32,341	23,000	(5,417)
Reduction of Investment in Subsidiary (FSO Oklahoma Investments Corporation) from its Loss on Sale of Oil Property	Pat Ross, Pangere Oil Corp.	722,743		150,000	(572,743)

-----  
(\$ 829,513)  
=====

Schedule 6

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## Church of Scientology Flag Service Organization, Inc.,

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-90

Part IV Section A Line 11 Gain or Loss from Sale of Capital Assets

<u>Asset</u>	<u>To Whom Sold</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Sale Price</u>	<u>Gain(Loss)</u>
Desk & Chair	Horst Dubiel			20	20
Desks & Chairs	Jefferson Academy			431	431
File Cabinets	Liquidation Enterprises			200	200
Disposal of Building Contents Gutted for Renovations	N/A Scrapped	200,000	28,000		(172,000)
Kitchenettes	Gulf Beach Motel			2,400	2,400
Gold Bullion	Kredietbank Luxembourg	334,664		333,012	(1,652)
Gold Bullion	Kredietbank Luxembourg	323,745		304,520	(19,225)
Liberty Shares	FSO Oklahoma Investments Corporation	2,400		659	(1,741)
Realized Loss on Foreign Currency Conversion to US \$	Commercial Banks				(24,071)
					----- (\$ 215,638) =====

Schedule 7

## Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-89

Part IV Section A Line 11 Gain or Loss from Sale of Capital Assets

<u>Asset</u>	<u>To Whom Sold</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Sale Price</u>	<u>Gain(Loss)</u>
Disposal of Bus	N/A Scrapped	3,018	1,509		(1,509)
Disposal of Bus	N/A Scrapped	2,200	1,833		(367)
Disposal of Car	N/A Scrapped	1,050	175		(875)
Motor Vehicle	Charles Boykin	664		510	(159)
Restaurant Equipment	One Stop Shoppe			75	75
Restaurant Equipment	AA Restaurant Equipment			1,100	1,100
Restaurant Equipment	Hercules Restaurant			600	600
Table	K.K. Demas			10	10
Televisions	Tower TV & Appliance			310	310
Televisions	Tom Flannery			300	300
Disposal of Building Contents Gutted for Renovations	N/A Scrapped	266,500	75,508		(190,992)
Gold Bullion	Kredietbank Luxembourg	415,501		365,699	(49,802)
Realized Gain on Foreign Currency Conversion to US \$	Commercial Banks				33,726
					----- (\$ 207,583) =====

Schedule 8

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section A Line 15 Contributions, Gifts, Grants, and Similar Amounts Paid

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
* Church of Scientology International	Religious Program	24,384,762
	Total	\$ 24,384,762

\* Contributions to CSI's religious program, including payments for ecclesiastical guidance and staff training.

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-91

Part IV Section A Line 15 Contributions, Gifts, Grants, and Similar Amounts Paid

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
* Church of Scientology International	Religious Program	17,247,193
		-----
Total		\$ 17,247,193
		=====

\* Contributions to CSI's religious program, including payments for ecclesiastical guidance and staff training.



Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-90

Part IV Section A Line 15 Contributions, Gifts, Grants, and Similar Amounts Paid

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
* Church of Scientology International	Religious Program	9,659,548
		-----
	Total	\$ 9,659,548
		=====

\* Contributions to CSI's religious program, including payments for ecclesiastical guidance and staff training.

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-89

Part IV Section A Line 15 Contributions, Gifts, Grants, and Similar Amounts Paid

<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
* Church of Scientology International	Religious Program	18,355,069
		-----
Total		\$ 18,355,069
		=====

\* Contributions to CSI's religious program, including payments for ecclesiastical guidance and staff training.

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section A Line 17 Compensation of Officers, Directors, and Trustees

<u>Name</u>	<u>Position</u>	<u>Time Devoted</u>	<u>Compensation</u>
William Lindstein	Trustee	As necessary	0
* Barbara Newton	Trustee	As necessary	1,578
* Richard Reiss	Trustee	<b>As necessary</b>	3,106
Sue Price	Trustee	<b>As necessary</b>	0
* Pilar Jason	Trustee	<b>As necessary</b>	2,629
* Janet Herring	Director	<b>As necessary</b>	2,162
* Deborah Cook	Director, <b>President</b>	<b>As necessary</b>	10,140
* Mary story	Director, Vice-President	<b>As necessary</b>	2,285
* <b>Barbara Meador</b>	Director, <b>Treasurer</b>	<b>As necessary</b>	2,187
* Arlene Klinksiek	<b>Director, Treasurer</b>	<b>As necessary</b>	1,789
* <b>Elizabeth Brier/Fortunat</b>	<b>President</b>	<b>As necessary</b>	1,589
* <b>Marsha Lovering</b>	<b>Secretary</b>	<b>As necessary</b>	2,035
* Catherine Probst	Assistant Secretary	<b>As necessary</b>	1,727
* Virginia Leason	Assistant Secretary	<b>As necessary</b>	651
			-----
			\$ 31,878
			=====

\* The compensation to these individuals was only for their service as staff of the organization, not their service as Officers, Directors or Trustees.

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-91

Part IV Section A Line 17 Compensation of Officers, Directors, and Trustees

<u>Name</u>	<u>Position</u>	<u>Time Devoted</u>	<u>Compensation</u>
Sue Price	Trustee	As necessary	0
* Pamela Hubbert	Trustee	As necessary	673
* Richard Reiss	Trustee	As necessary	2,395
* Pilar Jason	Trustee	As necessary	2,629
* Allen Hubbert	Director	As necessary	558
* Deborah Cook	Director	As necessary	2,185
* Janet Herring	Director	As necessary	2,488
* Mary Story	Director, Vice-President	As necessary	2,977
* Catherine Probst	Director, Secretary, Treasurer	As necessary	2,477
* Arlene Klinksiek	Director, Treasurer	As necessary	2,926
* Alycia Danilovich	President	As necessary	3,084
* Elizabeth Brier	President	As necessary	2,139
* Marsha Lovering	Secretary	As necessary	2,417
			-----
			\$ 26,948
			=====

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Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-90

Part IV Section A Line 17 Compensation of Officers, Directors, and Trustees

<u>Name</u>	<u>Position</u>	<u>Time Devoted</u>	<u>Compensation</u>
Sue Price	Trustee	As necessary	0
Janis Grady	Trustee	As necessary	0
* Thomas DeVocht	Trustee	As necessary	2,108
* Pamela Hubbert	Trustee	As necessary	1,620
* Richard Reiss	Trustee	As necessary	2,820
* Dee Dee Reichel	Trustee	As necessary	1,356
* Allen Hubbert	Director	As necessary	2,030
* Deborah Cook	Director	As necessary	1,898
* Ronald Norton	Director	As necessary	2,716
* Katrina Young	Director, Treasurer	As necessary	1,517
* Catherine Probst	Director, Secretary, Treasurer	As necessary	1,792
* Mary Story	Director, Secretary	As necessary	846
* Alycia Danilovich	President	As necessary	2,394
			-----
			\$ 21,097
			=====

\* The compensation to these individuals was only for their service as staff of the organization, not their service as Officers, Directors or Trustees.

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-89

Part IV Section A Line 17 Compensation of Officers, Directors, and Trustees

<u>Name</u>	<u>Position</u>	<u>Time Devoted</u>	<u>Compensation</u>
William Lindstein	Trustee	As necessary	0
* Thomas DeVocht	Trustee	As necessary	2,108
Janis Grady	Trustee	As necessary	0
* Dee Dee Reichel	Trustee	As necessary	2,325
* Ronald Norton	Director	As necessary	3,102
* Deborah Cook	Director, President	As necessary	2,297
* Mary Story	Director, Secretary	As necessary	2,168
* Katrina Young	Director, Treasurer	As necessary	2,089
* Alycia Danilovich	President	As necessary	3,604
* Marsha Lovering	Assistant Secretary	As necessary	2,529
			-----
			\$ 20,222
			=====

\* The compensation to these individuals was only for their service as staff of the organization, not their service as Officers, Directors or Trustees.

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section A Line 22 Other Expenses

<u>Other Expenses</u>	<u>Amount</u>
Audit & Accountancy Fees	17,610
Bank Charges & Credit Card Charges	724,610
Cleaning & Laundry	87,391
Dissemination	4,419,786
Equipment Rental	178,792
Film Licensing Fees	360,625
Food for Restaurants	1,442,007
Legal & Professional Fees	856,635
Licenses, Fees & Dues	8,985
Office & Administration	124,620
Postage & Shipping	2,592,623
Printing & Publications	2,832,247
Purchases for Resale	8,607,948
Religious Books & Materials Sales Commissions	739,928
Repairs & Maintenance	325,792
Restaurant & Hotel Supplies	124,090
RTC Advanced Technology Licensing Fees	2,833,768
Staff Enhancement Expenses and Materials	139,656
Staff Room & Board and Other Benefits	1,569,988
Telephone, Telex & Facsimile	1,186,683
Tours & FSC/FOLO Support	3,837,491
Travel & Transport	797,984
Workers Compensation Insurance	110,987
	-----
	\$ 33,920,246
	=====

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-91

Part IV Section A Line 22 Other Expenses

<u>Other Expenses</u>	<u>Amount</u>
Audit & Accountancy Fees	25,283
Bank Charges & Credit Card Charges	684,716
Cleaning & Laundry	108,512
Dissemination	4,095,580
Equipment Rental	392,947
Film Licensing Fees	1,186,207
Food for Restaurants	1,561,809
Legal & Professional Fees and Legal Settlement	1,181,512
Licenses, Fees & Dues	7,471
Office & Administration	159,044
Postage & Shipping	2,635,841
Printing & Publications	3,318,379
Purchases for Resale	8,791,639
Religious Books & Materials Sales Commissions	879,814
Repairs & Maintenance	311,729
Restaurant & Hotel Supplies	251,691
RTC Advanced Technology Licensing Fees	2,903,390
Staff Enhancement Expenses and Materials	122,031
Staff Room & Board and Other Benefits	1,375,544
Telephone, Telex & Facsimile	1,337,863
Tours & FSC/FOLO Support	2,665,806
Travel & Transport	858,919
Workers Compensation Insurance	5,940
	-----
	\$ 34,861,667
	=====



Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-90

Part IV Section A Line 22 Other Expenses

<u>Other Expenses</u>	<u>Amount</u>
Audit & Accountancy Fees	24,100
Bank Charges & Credit Card Charges	487,541
Cleaning & Laundry	226,582
Dissemination	7,631,314
Equipment Rental	379,091
Film Licensing Fees	519,716
Food for Restaurants	1,572,159
Legal & Professional Fees	773,977
Licenses, Fees & Dues	27,393
Office & Administration	199,739
Postage & Shipping	2,347,573
Printing & Publications	3,687,407
Property Tax	3,222
Purchases for Resale	6,780,498
Religious Books & Materials Sales Commissions	594,247
Repairs & Maintenance	527,602
Restaurant & Hotel Supplies	432,223
RTC Advanced Technology Licensing Fees	2,728,593
Staff Enhancement Expenses and Materials	152,291
Staff Room & Board and Other Benefits	1,109,403
Telephone, Telex & Facsimile	951,665
Tours & FSC/FOLO Support	3,147,363
Travel & Transport	779,524
Workers Compensation Insurance	386,488
	-----
	\$ 35,469,711
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Church of Scientology Flag Service Organization, Inc.,

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-89

Part IV Section A Line 22 Other Expenses

<u>Other Expenses</u>	<u>Amount</u>
Audit & Accountancy Fees	123,524
Bank Charges & Credit Card Charges	436,769
Cleaning & Laundry	282,968
Dissemination	8,079,476
Equipment Rental	341,670
Federal Corporate Income Tax	9,648
Film Licensing Fees	1,178,817
Food for Restaurants	2,218,600
Legal & Professional Fees	739,177
Licenses, Fees & Dues	27,069
Office & Administration	282,060
Postage & Shipping	3,209,374
Printing & Publications	3,841,365
Purchases for Resale	11,484,546
Religious Books & Materials Sales Commissions	928,067
Repairs & Maintenance	760,147
Restaurant & Hotel Supplies	154,243
RTC Advanced Technology Licensing Fees	2,928,051
Staff Enhancement Expenses and Materials	110,172
Staff Room & Board and Other Benefits	1,989,148
Telephone, Telex & Facsimile	2,036,305
Tours & FSC/FOLO Support	2,605,029
Travel & Transport	1,252,554
Workers Compensation Insurance	153,615
	-----
	<b>\$ 45,172,394</b>
	=====

## Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 4 Bonds and Notes Receivable

<u>Name of Borrower</u>	<u>Obligation</u>	<u>Rate of Return</u>	<u>Due Date</u>	<u>Amount</u>
Church of Scientology Butte County	Loan for Church Operating Expenses	13%	None	676
Church of Scientology Celebrity Centre International	Loan for Renovations of Church Premises	10%	None	203,932
Church of Scientology Mission of Adams Avenue	Loan for Church Operating Expenses	13%	None	145,673
Church of Scientology Mission of Berkeley	Loan for Church Operating Expenses	13%	None	2,048
Church of Scientology Mission of Claremont	Loan for Church Operating Expenses	13%	None	1,810
Church of Scientology Mission of Davis	Loan for Church Operating Expenses	13%	None	394,240
Church of Scientology Mission of Fresno	Loan for Church Operating Expenses	13%	None	6,115
Church of Scientology Mission of Long Beach	Loan for Church Operating Expenses	13%	None	29,716
Church of Scientology Mission of Los Gatos	Loan for Church Operating Expenses	13%	None	281
Church of Scientology Mission of Marin	Loan for Church Operating Expenses	13%	None	68
Church of Scientology Mission of Monterey (California)	Loan for Church Operating Expenses	13%	None	1,060
Church of Scientology Mission of Palo Alto	Loan for Church Operating Expenses	13%	None	5,548
Church of Scientology Mission of Sacramento	Loan for Church Operating Expenses	13%	None	53,174

Schedule 21-1

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 4 Bonds and Notes Receivable

<u>Name of Borrower</u>	<u>Obligation</u>	<u>Rate of Return</u>	<u>Due Date</u>	<u>Amount</u>
Church of Scientology Mission of Westwood	Loan for Church Operating Expenses	13%	None	3,531
Church of Scientology of Boston Inc.	Loan for Church Operating Expenses	10%	None	360,000
Church of Scientology of Florida, Inc.	Loan for Church Operating Expenses	10%	<b>None</b>	4,507
Church of Scientology of New York	Loan for Church Operating Expenses	10%	<b>None</b>	<b>582,519</b>
Church of Scientology Religious Education College, Inc. (UK)	Loan for Renovations of Church Premises	<b>Interest-free</b>	<b>None</b>	17,069
Scientology Kerk Amsterdam	Loan for Church Operating Expenses	10%	None	17,821
Scientology Kirche Bayern E.V. (Munich)	Loan for Church Operating Expenses	10%	<b>None</b>	122,124
			Total	\$ 1,951,912

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 5 Corporate Stocks

<u>Name of Corporation</u>	<u>Capital Structure</u>	<u>No. of Shares</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Fair Market Value</u>
FSO Oklahoma Investments Corporation	1750 shares common stock, voting, outstanding.	1,750	\$1	\$ 1,426,322	\$ 1,426,322
				----- \$ 1,426,322 =====	----- \$ 1,426,322 =====

Schedule 22

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 7 Other Investments

<u>Type of Investment</u>	<u>Description</u>	<u>Amount</u>
Precious Metals - Silver Medallions	708 Troy ounces	4,411
Precious Metals - Silver Bullion	2004.5 Fine ounces	11,664
		-----
		\$ 16,075
		=====

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 8 Depreciable and Depletable Assets

<u>Description of Asset</u>	<u>Cost</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Book Value</u>
Building Improvements	19,723,969	2,303,998	17,419,971
Buildings	11,286,355	4,193,047	7,093,308
Furniture & Equipment	11,285,532	7,335,040	3,950,492
Leasehold Improvements	482,865	343,768	139,097
Motor Vehicles	101,581	86,680	14,901
	-----	-----	-----
	\$ 42,880,302	\$ 14,262,533	\$ 28,617,769
	=====	=====	=====

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 10 Other Assets

<u>Other Assets</u>	<u>Amount</u>
Escrow Account balance from Construction Work	662
Hacienda Property Tax Reserve held by National Life Mortgage Company	782,682
Prepaid Interest on Bonds with United States Parishioners Trust	22,299
Prepaid Purchases of Religious Materials from Bridge Publications Inc.	985,533
Prepaid Purchases of Religious Materials from New Era Publications International ApS	137,595
Property Tax Bond - 1982 Taxes	7,500
Property Tax Bond - 1983 Taxes	10,000
Property Tax Bond - 1984 Taxes	10,000
Property Tax Bond - 1985 Taxes	10,000
Property Tax Bond - 1986 Taxes	10,000
Property Tax Bond - 1987 Taxes	10,000
Property Tax Bond - 1988 <b>Taxes</b>	10,000
Property Tax Bond - 1989 <b>Taxes</b>	10,000
Property Tax Bond - 1990 <b>Taxes</b>	10,000
Property Tax Bond - 1991 <b>Taxes</b>	10,000
Property Tax Bond for Injunction on sale of Church Property - 1988 Taxes	100
Utility Deposit with City of Clearwater for Auxiliary Building	940
Utility Deposit with City of Clearwater for Elks Building	3,610
Utility Deposit with City of Clearwater for Fort Harrison	40,965
Utility Deposit with City of Clearwater for Fort Harrison boiler gas	8,735

Schedule 25-1

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Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 10 Other Assets

<u>Other Assets</u>	<u>Amount</u>
Utility Deposit with City of Clearwater for Hacienda Gardens	25,970
Utility Deposit with City of Clearwater for Heart of Clearwater	8,045
Utility Deposit with City of Clearwater for Quality Inn	3,030
Utility Deposit with City of Clearwater for Sandcastle	19,175
Utility Deposit with City of Clearwater for warehouse	328
Utility Deposit with City of Clearwater for West Coast Building	4,505
Utility Deposit with Florida Power for all Buildings	81,780
Warehouse Rent Deposit	1,200
	-----
	\$ 2,224,654
	=====

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 14 Mortgages and Notes Payable

<u>Name of Lender</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Repayment Terms</u>	<u>Balance</u>	<u>Original Amount</u>
Church of Scientology of California	Church Operating expenses	Interest-free	None	451,026	451,026
Church of Scientology Religious Trust	Church Operating expenses	8%	20th of month/30 years	20,111,186	37,150,000
National Life Insurance of Vermont	Mortgage on Hacienda Gardens property	12 7/8 %	Monthly payments due 1st of the month	1,891,200	2,210,094
United States Parishioners Trust	Mortgage bond	13.5%	Due June 30, 2012	12,000,000	12,000,000
				----- \$ 34,453,412 =====	

Church of Scientology Flag Service Organization, Inc.

Federal I.D. Number 59-2143308

Form 1023

Period Ended: 31-Dec-92

Part IV Section B Line 15 Other Liabilities

Other Liabilities

Amount

Deferred Receipts (Accommodations)

5,576,119

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\$ 5,576,119  
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