

Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No. 1545-0047

1997

This Form Is Open
to Public Inspection

A For the 1997 calendar year, OR tax year period beginning

, 1997, and ending

, 19

B Check if:

☐ Change of address☐ Initial return☐ Final return☐ Amended return (required also for State reporting)

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

C Name of organization

JNARCONON INTERNATIONAL

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

7060 HOLLYWOOD BLVD.

City, town, or post office, state, and ZIP+4

LOS ANGELES, CA 90028

D Employer identification number

95-2769582

E State registration number

D-0598820

F Check ☐ if exemption

application is pending

G Type of organization ☒ Exempt under 501(c) (3) (insert number) OR ☐ section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? ☐ Yes ☒ No

(b) If "Yes," enter the number of affiliates for which this

return is filed: ☐(c) Is this a separate return filed by an organization covered by a group ruling? ☒ Yes ☐ NoI If either box in H is checked "Yes," enter four-digit group exemption number (GEN) ☐ 2595J Accounting method: ☒ Cash ☐ Accrual☐ Other (specify) ☐K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	344,862.	
	b	Indirect public support	1b	379,399.	
	c	Government contributions (grants)	1c		
	d	Total (add lines 1a through 1c) (attach schedule of contributors)	STMT 1		
		(cash \$ 720,161. noncash \$ 4,100.)	1d	724,261.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	2,026,248.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4		
	5	Dividends and interest from securities	5	8,721.	
	6a	Gross rents	6a		
	6b	Less: rental expenses	6b		
6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe <input type="checkbox"/> L	7			
Expenses	8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
			8a		
	b	Less: cost or other basis and sales expenses	8b		
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		
	9	Special events and activities (attach schedule):			
	a	Gross revenue (not including \$ of contributions reported on line 1a)	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	60,991.	
	b	Less: cost of goods sold	10b	25,927.	
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	STMT 2		
10c		10c	35,064.		
11	Other revenue (from Part VII, line 103)	11	50,546.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	2,844,840.		
Net Assets	13	Program services (from line 44, column (B))	13	2,243,049.	
	14	Management and general (from line 44, column (C))	14	429,376.	
	15	Fundraising (from line 44, column (D))	15	45,517.	
	16	Payments to affiliates (attach schedule)	16	116,212.	
	17	Total expenses (add lines 13 and 14, column (A))	17	2,834,154.	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	10,686.	
	19	Net assets or fund balances at beginning of year (from line 75, column (A))	19	780,454.	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	791,140.	

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

Form 990 (1997)

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12-05-97

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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.

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
22 Grants and allocations (attach schedule) cash \$251,238 • noncash \$	251,238.	251,238.	STATEMENT 9	
23 Specific assistance to individuals (attach schedule)	20,680.	20,680.	STATEMENT 10	
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc.	133,182.	78,693.	39,997.	14,492.
26 Other salaries and wages	506,149.	412,521.	90,015.	3,613.
27 Pension plan contributions				
28 Other employee benefits	1,386.		1,386*	
29 Payroll taxes	63,857.	44,014.	17,625.	2,218.
30 Professional fundraising fees				
31 Accounting fees	9,614.		9,614.	
32 Legal fees	63,947.	56,366.	7,576.	5.
33 Supplies	- 22,759.	14,116.	7,682.	961.
34 Telephone	117,733.	84,984.	29,354.	3,395.
35 Postage and shipping	53,892.	48,490.	5,017.	385.
36 Occupancy	552,646.	464,943.	76,194.	11,509.
37 Equipment rental and maintenance	26,451.	20,319.	5,340.	792.
38 Printing and publications	27,870.	22,132.	4,826.	912.
39 Travel	62,264.	51,411.	10,141.	712.
40 Conferences, conventions, and meetings				
41 Interest	12,429.	8,699.	3,298.	432.
42 Depreciation, depletion, etc. (attach schedule)	113,451.	87,584.	22,350.	3,517.
43 Other expenses (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e SEE STATEMENT 4	43e	678,394.	576,859.	98,961.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	2,717,942.	2,243,049.	429,376.

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ☐ 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 AccomplishmentsWhat is the organization's primary exempt purpose? ☒**REHABILITATION AND PREVENTION OF SUBSTANCE ABUSE.**

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 5	
(Grants and allocations \$ 248,838.1	1,968,697.
b SEE STATEMENT 6	
(Grants and allocations \$)	33,089.
c SEE STATEMENT 7	
(Grants and allocations \$ 2,400.0	115,951.
d SEE STATEMENT 8	
(Grants and allocations \$)	125,312.
e Other program services (attach schedule)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	2,243,049.

Part IV Balance Sheets

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	162,779.	45	242,486.	
	46 Savings and temporary cash investments		46		
	47 a Accounts receivable	47a			
	b Less: allowance for doubtful accounts	47b		47c	
	48 a Pledges receivable	48a			
	b Less: allowance for doubtful accounts	48b		48c	
	49 Grants receivable		49		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51 a Other notes and loans receivable	51a			
	b Less: allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use	28,759.	52	31,387.	
	53 Prepaid expenses and deferred charges	16,535.	53	16,808.	
	54 Investments - securities (attach schedule)		54		
	55 a Investments - land, buildings, and equipment: basis	55a			
	b Less: accumulated depreciation (attach schedule)	55b		55c	
56 Investments - other		56			
57 a Land, buildings, and equipment: basis	57a	1,687,234.			
b Less: accumulated depreciation	STMT 11 57b	969,082.	796,910.	57c	718,152.
58 Other assets (describe ► SEE STATEMENT 12)		7,747.	58	14,145.	
59 Total assets (add lines 45 through 58) (must equal line 74)		1,012,730.	59	1,022,978.	
Liabilities	60 Accounts payable and accrued expenses	6,647.	60	5,173.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees	772.	63	4,000.	
	64 a Tax-exempt bond liabilities		64a		
	b Mortgages and other notes payable	224,062.	64b	221,728.	
65 Other liabilities (describe ► CLIENT FUNDS HELD)		795.	65	937.	
66 Total liabilities (add lines 60 through 65)		232,276.	66	231,838.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67 Unrestricted		67		
	68 Temporarily restricted		68		
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds	0.	70	0.	
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.	
	72 Retained earnings, endowment, accumulated income, or other funds	780,454.	72	791,140.	
	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)		780,454.	73	791,140.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		1,012,730.	74	1,022,978.

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.

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

Part I		Part II	
a Total revenue, gains, and other support per audited financial statements	a N/A	a Total expenses and losses per audited financial statements	a N/A
b Amounts included on line a but not on line 12, Form 990:		b Amounts included on line a but not on line 17, Form 990:	
(1) Net unrealized gains on investments \$		(1) Donated services and use of facilities ... \$	
(2) Donated services and use of facilities ... \$		(2) Prior year adjustments reported on line 20, Form 990 \$	
(3) Recoveries of prior year grants \$		(3) Losses reported on line 20, Form 990 ... \$	
(4) Other (specify): \$		(4) Other (specify): \$	
Add amounts on lines (1) through (4)	b	Add amounts on lines (1) through (4)	b
c Line a minus line b	c	c Line a minus line b	c
d Amounts included on line 12, Form 990 but not on line a :		d Amounts included on line 17, Form 990 but not on line a :	
(1) Investment expenses not included on line 6b, Form 990 ... \$		(1) Investment expenses not included on line 6b, Form 990 ... \$	
(2) Other (specify): \$		(2) Other (specify): \$	
Add amounts on lines (1) and (2)	d	Add amounts on lines (1) and (2)	d
e Total revenue per line 12, Form 990 (line c plus line d)	e	e Total expenses per line 17, Form 990 (line c plus line d)	e

Part V		List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated.)
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[illegible]

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. ☐ Yes ☒ No

Part VI Other Information

Yes No

76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78 a	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		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement;	79		X
80 a	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 SEE STATEMENT 14 and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81 a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a	0.	
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	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?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85	501(c)(4), (5), or (6) organizations. - a Were substantially all dues nondeductible by members?	85a		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		
	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.			
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g		
h	If section 6033(e)(1)(A) dues notice were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
86	501(c)(7) organizations. - Enter:			
a	Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) organizations. - Enter: a Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX	88		X
89 a	501(c)(3) organizations. - Enter: Amount of tax imposed during the year under: section 4911 0.; section 4912 0.; section 4955 0.			
b	501(c)(3) and 501(c)(4) organizations. - Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d	Enter: Amount of tax in 89c, above, reimbursed by the organization			0.
90 a	List the states with which a copy of this return is filed CALIFORNIA			
b	Number of employees employed in the pay period that includes March 12, 1997	90b	47	
91	The books are in care of CLARK CARR, PRESIDENT Telephone no > (323) 962-2404			
	Located at 7060 HOLLYWOOD BLVD. SUITE 220 L. A. CA. ZIP+4 90028			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041. - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92		N/A

Part VII Analysis of Income-Producing Activities

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) Exclu- sion code	(D) Amount	
93 Program service revenue:					
(a) DRUG REHABILITATION					1,779,328.
(b) DRUG REHAB. TRAINING					16,554.
(c) TRADEMARK LICENSE FEES					230,366.
(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					
96 Dividends and interest from securities			14	8,721-	~
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					35,06T.
103 Other revenue:					
a MISC. INC.			01	50,546.	0.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		59,267.	2,061,312.
105 TOTAL (add line 104, columns (B), (D), and (E))					2,120,579.

Note: (Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.)

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes

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	PAYMENTS RECEIVED FOR DRUG REHABILITATION & EDUCATION SERVICES.
93B	TRAINING & EDUCATION ON DRUG REHABILITATION & DETOXIFICATION DELIVERY.
93C	TRADEMARK LICENSE FEES PAID BY NARCONON CENTERS FOR USE OF DRUG EDUCATION & REHABILITATION TECHNOLOGY.
102	SALE OF BOOKS REGARDING DRUG ABUSE AND OTHER MATERIALS PROMOTING DRUG FREE LIFESTYLES.

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
N/A	%			
	%			
	%			
	%			

I am preparing this return on behalf of the organization, and to the best of my knowledge and belief, it is true, and all information of which preparer has any knowledge.

1/16/98

BARBRO CHALMERS, SECRETARY

Date

Type or print name and title

SCHEDULE A
(Form 990)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under 501(c)(3)

(Except Private Foundation), and Section 501(e), 501(f), 501(k), 501(n) or Section 4947(a)(1)
Nonexempt Charitable Trust

Supplementary Information

► **Must be completed by the above organizations and attached to their Form 990 (or Form 990EZ).**

OMB No. 1545-0047

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1991

Name of the organization

NARCONON INTERNATIONAL

Employer identification number

95-2769582

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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
ALEXANDER S.MACNABB 10600 SUNLIT ROAD OAKTON, VIRGINIA	LEGAL	54,530.
Total number of others receiving over \$50,000 for professional services	0	

LHA For Paperwork Reduction Act Notice, see page 1 of the Instructions to Form 990 (or Form 990-EZ).

Schedule A (Form 990) 1997

Part III Statement About Activities

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? 1

If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities. \$

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 of its 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:

a Sale, exchange, or leasing of property? 2a

b Lending of money or other extension of credit? 2b

c Furnishing of goods, services, or facilities? 2c

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? 2d SEE PART V, FORM 990

e Transfer of any part of its income or assets? 2e

If the answer to any question is "Yes," attach a detailed statement explaining the transactions.

- 3 Does the organization make grants for scholarships, fellowships, student loans, etc.? 3

- 4 Attach a statement explaining how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions.)

Part IV Reason for Non-Private Foundation Status (See instructions.)

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, page 4.)

- 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 supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions on page 4.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions on page 4.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12 above.) 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) 1996	(b) 1995	(c) 1994	(d) 1993	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	381,830.	363,178.	657,777.	783,655.	2,186,440.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	2,277,559.	2,092,445.	2,409,782.	1,637,641.	8,417,427.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	6,118.	5,648.	3,760.	3,007.	18,533.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	2,665,507.	2,461,271.	3,071,319.	2,424,303.	10,622,400.
24 Line 23 minus line 17	387,948.	368,826.	661,537.	786,662.	2,204,973.
25 Enter 1% of line 23	26,655.	24,613.	30,713.	24,243.	
26 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a 44,099.				
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1993 through 1996 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts SEE STATEMENT 15	26b 305,901.				
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c 2,204,973.				
d Add: Amounts from column (e) for lines: 18 18,533. 22 305,901.	26d 324,434.				
e Public support (line 26c minus line 26d total)	26e 1,880,539.				
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f 85.2863%				
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from each "disqualified person." Enter the sum of such amounts for each year. N/A	(1996) (1995) (1994) (1993)				
b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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 11, as well as individuals.) 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: N/A	(1996) (1995) (1994) (1993)				
c Add: Amounts from column (e) for lines: 15 16 17 20 21	27c N/A				
d Add: Line 27a total and line 27b total	27d N/A				
e Public support (line 27c, total minus line 27d total)	27e N/A				
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)	27f \$ N/A				
g Public support percentage (line 27e (numerator) divided by line 27f, (denominator))	27g N/A %				
h Investment income percentage (line 18 column (e) (numerator) divided by line 27f (denominator))	27h N/A %				

28 Unusual Grants: For an organization described in line 10, 11, or 12, that received any unusual grants during 1993 through 1996, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions.)

NONE

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

Part VI-A Lobbying Expenditures by Electing Public Charities(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check here ☐ **a** If the organization belongs to an affiliated group.Check here ☐ **b** If you checked "a" above 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

		N/A													
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 -														
<table border="0"> <tr> <td>If the amount on line 40 is -</td> <td>The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>		If the amount on line 40 is -	The lobbying nontaxable amount is -	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	41	
If the amount on line 40 is -	The lobbying nontaxable amount is -														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
42	Grassroots nontaxable amount (enter 25% of line 41)	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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

N/A

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

	Yes	No	Amount
a Volunteers			
b Paid staff or management (include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h)			0.

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

" NARCONON INTERNATIONAL

95-2769582

GARY SMITH ' 1000 WEST JUDO RD NEWKIRK, OK 74647	KEY EMPLOYEE 45	15,278.	0.	0.
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BARBRO A. CHALMERS 7060 HOLLYWOOD BLVD, STE- 220 LOS ANGELES, CALIF. 90028	SECRETARY 40 +	16,519.	0.	0.
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JOANNE TAKANO IRWIN 7060 HOLLYWOOD BLVD. SUITE 200 LOS ANGELES, CALIF. 90028	TRUSTEE AS NEEDED	0.	0.	0.
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SCOTT TREGURTHA 7060 HOLLYWOOD BLVD. STE 220 LOS ANGELES, CALIF. 90028	TRUSTEE AS NEEDED	0.	0.	0.
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TOTALS INCLUDED ON FORM 990, PART V

133,182.	0.	0.
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FORM 990	IDENTIFICATION OF RELATED ORGANIZATIONS PART VI, LINE 80B	STATEMENT 14
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NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
ASSOCIATION FOR BETTER LIVING & EDUCATION	X	
APPLIED SCHOLASTICS INTERNATIONAL	X	
THE WAY TO HAPPINESS FOUNDATION	X	

SCHEDULE A	IDENTIFICATION OF EXCESS CONTRIBUTIONS INCLUDED ON PART IV, LINE 26B	STATEMENT 15
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*** NOT OPEN TO PUBLIC INSPECTION ***

CONTRIBUTOR'S NAME	TOTAL CONTRIBUTION	EXCESS CONTRIBUTION
	350,000.	305,901.
TOTAL EXCESS CONTRIBUTIONS TO SCHEDULE A, LINE 26B		305,901.

Depreciation and Amortization Detail FORM 990 PAGE 2

990

Asset Number	Description of property							
	Date placed in service	Method/IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	COMPUTER/OFFICE EQUIPMENT							
	m	I	i92SL	5.00	19	4,716.	4,246.	470.
2	COMPUTER/OFFICE EQUIPMENT							
		i	,93SL	5.00	19	6,881.	4,816.	1,376.
3	COMPUTER/OFFICE EQUIPMENT							
			,94SL	5.00	19	7,093.	3,547.	1,419.
4	COMPUTER/OFFICE EQUIPMENT							
		i	i ,95SL	5.00	19	9,007.	2,702.	1,801.
5	FURNITURE & EQUIPMENT							
		I	,86SL	5.00	19	24,787.	24,787.	0.
6	FURNITURE & EQUIPMENT							
		i	,87SL	5.00	19	4,121.	4,121.	0.
7	FURNITURE & EQUIPMENT							
		I	,88SL	5.00	19	1,903.	1,903.	0.
8	FURNITURE & EQUIPMENT							
		i	,89SL	5.00	19	27,128.	27,128.	0.
9	FURNITURE & EQUIPMENT							
		:	,90SL	5.00	19	166,719.	166,719.	0.
10	FURNITURE & EQUIPMENT							
		II	i ,90SL	7.00	19	273,612.	254,067.	19,545.
11	FURNITURE & EQUIPMENT							
		III	i 91SL	5.00	19	3,168.	3,168.	0.
12	FURNITURE & EQUIPMENT							
		II	i ,91SL	17.00	19	100,375.	78,865.	14,339.
13	FURNITURE & EQUIPMENT							
		II	i i94SL	5.00	19	1,916.	958.	383.
14	FURNITURE & EQUIPMENT							
		WM	i 94SL	7.00	19	10,296.	3,677.	1,471.
15	FURNITURE & EQUIPMENT							
		II	i 95SL	7.00	19	3,901.	835.	557.
16	(LEASEHOLD IMPROVEMENTS							
		II	i ,88SL	25.00	19	14,214.	5,829.	-427.
17	LEASEHOLD IMPROVEMENTS							
			i 89SL	24.00	19	210,445.	64,187.	10,346.
18	LEASEHOLD IMPROVEMENTS							
		m	i 90SL	23.00	19	616,945.	160,407.	40,771.
19	LEASEHOLD IMPROVEMENTS							
		II	i i91SL	22.00	19	104,591.	23,012.	7,890.
20	LEASEHOLD IMPROVEMENTS							
		m	I 94SL	19.00	19	9,922.	992.	836.
21	SAUNA							
		III	i ,95SL	7.00	19	8,190.	1,755.	1,170.
22	VEHICLE							
		HI	i ,94SL	5.00	19	14,147.	i 7,073.	2,829.
23	FURNITURE & EQUIPMENT							
		II	i 92SL	7.00	19	3,790.	i 2,435.	541.
24	FURNITURE & EQUIPMENT							
		II	i 92SL	5.00	19	2,200.	1,650.	440.
25	FURNITURE & EQUIPMENT							
		m	i ,93SL	5.00	19	7,489.	5,243.	1,498.
26	LEASEHOLD IMPROVEMENT							
		II	06,30,96SL	5.00	19	8,750.	875.	1,750.
27	FURNITURE & EQUIPMENT							
		I	!06,30,96SL	7.00	19	952.	68.	136.

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 2

INCOME

1. GROSS RECEIPTS	60,991	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		60,991
4. COST OF GOODS SOLD (LINE 15)	25,927	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		35,064

COST OF GOODS SOLD

8. INVENTORY AT BEGINNING OF YEAR	28,759	
9. MERCHANDISE PURCHASED	28,555	
10. COST OF LABOR		
11. MATERIALS AND SUPPLIES		
12. OTHER COSTS		
13. ADD LINES 8 THROUGH 12		57,314
14. INVENTORY AT END OF YEAR	31,387	
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14)		25,927

FORM 990	PAYMENTS TO AFFILIATES	STATEMENT	3
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AFFILIATE'S NAME

AFFILIATE'S ADDRESS

ASSOCIATION FOR BETTER LIVING &
EDUCATION INTERNATIONAL6331 HOLLYWOOD BLVD. #700, LOS
ANGELES, CA. 90028

PURPOSE OF PAYMENT

AMOUNT

TRADEMARK LICENSE FEES

116,212.

TOTAL TO FORM 990, PART I, LINE 16

116,212.

FORM 990	OTHER EXPENSES	STATEMENT	4
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
DISSEMINATION	134,766.	124,741.	7,452.	2,573.
STAFF TRAINING	10,827.	4,101.	6,726.	
COMMISSIONS	114,084.	99,007.	15,077.	
PROGRAM DELIVERY COSTS	334,216.	334,216.		
LICENSES, FEES AND DUES	1,047.	887.	159.	1.
COURSE MATERIALS	13,923.	13,907.	16.	
BANK CHARGES	18,724.		18,724.	
PENALTIES	307.		307.	
WAGE SETTLEMENT	50,000.		50,000.	
ROYALTIES	500.		500.	
TOTAL TO FM 990, LN 43	678,394.	576,859.	98,961.	2,574.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	5
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DESCRIPTION OF PROGRAM SERVICE ONEREHABILITATION

NARCONON OPERATES THREE RESIDENTIAL CENTERS LOCATED IN CALIFORNIA AND OKLAHOMA. A JUVENILE PROGRAM STARTED IN UTAH AND ANOTHER OUT-PATIENT FACILITY STARTED IN COLORADO. NARCONON PROVIDED DRUG REHABILITATION SERVICES TO THE PEOPLE IN THESE PROGRAMS AS WELL AS PROVIDING MANAGERIAL SERVICES TO THE 40 NARCONON CENTERS IN OVER 15 COUNTRIES.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A	248,838.	1,968,697.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	6
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DESCRIPTION OF PROGRAM SERVICE TWODRUG EDUCATION

NARCONON'S POPULAR DRUG PREVENTION PROGRAM WAS PROVIDED TO 46,238 SCHOOL CHILDREN, TEACHERS AND PARENTS IN THE U.S. ALONE. SALES OF THE VIDEO "THE TRUTH ABOUT DRUGS" CONTINUED TO DO WELL WITH AN EVER INCREASING INTEREST IN DRUG EDUCATION.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B		33,089.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	7
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DESCRIPTION OF PROGRAM SERVICE THREE

CRIMINON

NARCONON'S CRIMINAL REHABILITATION PROGRAM (CRIMINON) WORKS WITH PRISON INMATES THROUGH A SERIES OF EDUCATIONAL AND LIFE SKILLS COURSES. OVER 3000 INMATES IN PRISONS TOOK PART IN THESE CORRESPONDENCE COURSES WHICH WERE STAFFED BY MORE THAN 700 VOLUNTEERS. ALSO NEW ON-SITE PROGRAMS HAVE BEEN ESTABLISHED IN PRISONS AND JUVENILE HALLS IN THE U.S. AS WELL AS COMMUNITY CENTERS RUNNING CRIME PREVENTION PROGRAMS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE C	2,400.	115,951.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	8
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DESCRIPTION OF PROGRAM SERVICE FOUR

PUBLIC AWARENESS

NARCONON CONDUCTED A NATIONAL MEDIA CAMPAIGN TO RAISE PUBLIC AWARENESS ON SUBSTANCE ABUSE IN AMERICA THROUGH TELEVISION, RADIO, PRINTED MEDIA AND THE INTERNET. THROUGH THIS CAMPAIGN THE ORGANIZATION REACHED PARENTS, ADDICTS, AND OTHER INTERESTED INDIVIDUALS AND GROUPS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE D		125,312.

FORM 990	CASH GRANTS AND ALLOCATIONS	STATEMENT	9
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CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
GENERAL SUPPORT	REENCUENTRO CON LA VIDA	ENSENADA, MEXICO	N/A	246,138.
GENERAL SUPPORT	CRIMINON FLORIDA	FLORIDA	N/A	1,800.
GENERAL SUPPORT	CRIMINON D.C.	WASHINGTON D.C.	N/A	600.
GENERAL SUPPORT	NARCONON SWEDEN	SWEDEN	N/A	2,000.
GENERAL SUPPORT	NARCONON PORTLAND	PORTLAND, OREGON	N/A	700.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				251,238.

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	10
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DESCRIPTION	AMOUNT
DRUG ABUSE & DETOXIFICATION COURSE MATERIALS AND OTHER SERVICES	17,888.
LIFE SKILLS & EDUCATION MATERIALS FOR INMATES AROUND THE UNITED STATES	2,792.
TOTAL TO FORM 990, PART II, LINE 23	20,680.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	11
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER/OFFICE EQUIPMENT	4,716.	4,716.	0.
COMPUTER/OFFICE EQUIPMENT	6,881.	6,192.	689.
COMPUTER/OFFICE EQUIPMENT	7,093.	4,966.	2,127.
COMPUTER/OFFICE EQUIPMENT	9,007.	4,503.	4,504.
FURNITURE & EQUIPMENT	24,787.	24,787.	0.
FURNITURE & EQUIPMENT	4,121.	4,121.	0.

FURNITURE &* EQUIPMENT	1,903.	1,903.	0.
FURNITURE & EQUIPMENT	27,128.	27,128.	0.
FURNITURE & EQUIPMENT	166,719.	166,719,	0.
FURNITURE & EQUIPMENT	273,612.	273,612.	0.
FURNITURE & EQUIPMENT	3,168,	3,168.	0,
FURNITURE & EQUIPMENT	100,375.	93,204,	7,171,
FURNITURE & EQUIPMENT	1,916,	1,341,	575,
FURNITURE & EQUIPMENT	10,296,	5,148.	5,148.
FURNITURE & EQUIPMENT	3,901.	1,392.	2,509.
LEASEHOLD IMPROVEMENTS	14,214.	5,402.	8,812.
LEASEHOLD IMPROVEMENTS	210,445.	74,533.	135,912.
LEASEHOLD IMPROVEMENTS	616,945.	201,178.	415,767.
LEASEHOLD IMPROVEMENTS	104,591.	30,902.	73,689,
LEASEHOLD IMPROVEMENTS	9,922.	1,828.	8,094.
SAUNA	8,190.	2,925.	5,265.
VEHICLE	14,147.	9,902.	4,245.
FURNITURE & EQUIPMENT	3,790.	2,976.	814.
FURNITURE & EQUIPMENT	2,200.	2,090.	110.
FURNITURE & EQUIPMENT	7,489.	6,741.	748.
LEASHOLD IMPROVEMENT	8,750,	2,625,	6,125.
FURNITURE & EQUIPMENT	952,	204.	748.
EQUIPMENT & FURNITURE	594.	127.	467,
AUTO	825.	413.	412.
COMPUTER EQUIPMENT	3,864.	1,159.	2,705.
COMPUTERS	3,683,	368,	3,315,
COMPUTERS	7,375.	738.	6,637.
COMPUTERS	4,397.	440.	3,957.
COMPUTERS	3,855.	386.	3,469,
FURNITURE AND EQUIPMENT	6,751.	675.	6,076,
FURNITURE AND EQUIPMENT	2,006,	201,	1,805.
FURNITURE AND EQUIPMENT	1,874.	187.	1,687.
LEASEHOLD IMPROVEMENTS	4,101.	117.	3,984,
LEASEHOLD IMPROVEMENTS	651.	65.	586,
TOTAL TO FORM 990, PART IV, LN 57	1,687,234.	969,082.	718,152.

FORM 990	OTHER ASSETS	STATEMENT 12
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DESCRIPTION	AMOUNT
DEPOSITS	13,745.
LOAN RECEIVABLE	400.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	14,145.

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 13

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SIMON HOGARTH 6331 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	TRUSTEE AS NEEDED	0.	0.	0.
LAURIE ZURN 6331 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	TRUSTEE AS NEEDED	0.	0.	0.
RENA WEINBERG 6331 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	TRUSTEE AS NEEDED	0.	0.	0.
JOHN DUFF 7060 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
KEVIN BURKE 206 S. BRAND BLVD. GLENDALE, CALIF. 91204	DIRECTOR AS NEEDED	0.	0.	0.
DR. MEGAN SHIELDS 5336 FOUNTAIN AVE. LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
CLARK CARR 7060 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	PRESIDENT 45	21,542.	0.	0.
EMMANUEL GASQUETON 6331 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	EXEC. VP 45	0.	0.	0.
JEANNE TRAHANT 7060 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	TREASURER 45	29,211.	0.	0.
PHIL HART 7060 HOLLYWOOD BLVD. LOS ANGELES, CALIF. 90028	DIRECTOR/KEY EMPLOYEE 45	38,681.	0.	0.
PATRICIA MORRIL 1108 E. CALIFORNIA AVE. GLENDALE, CA 91206	KEY EMPLOYEE 10	11,951.	0.	0.

J 4562Department of the Treasury
Internal Revenue Service**Depreciation and Amortization**
(Including Information on Listed Property) 990▶ **Attach this form to your return.**

OMB No. 1545-0172

1997Attachment
Sequence No. 67

Name(s) shown on return

Business or activity to which this form relates

Identifying number

NARCONON INTERNATIONAL

FORM 990 PAGE 2

05-2769582

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)

- 1 Maximum dollar limitation. If an enterprise zone business, see instructions **1** 18,000
- 2 Total cost of section 179 property placed in service **2**
- 3 Threshold cost of section 179 property before reduction in limitation **3** \$200,000
- 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 amount from line 27 **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 1996 **10**
- 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 **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 1998. Add lines 9 and 10, less line 12 **13**

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1997 Tax Year (Do Not Include Listed Property.)****Section A - General Asset Account Election**

- 14 If you are making the election under section 168(l)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions ☐

Section B - General Depreciation System (GDS) (See instructions.)

(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
15 a 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	/			MM	S/L	
	/			MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions.)

16 a Class life	(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
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property.) (See instructions.)

- 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1997 **17**
- 18 Property subject to section 168(f)(1) election **18**
- 19 ACRS and other depreciation **19** 113,451

Part IV Summary (See instructions.)

- 20 Listed property. Enter amount from line 26 **20**
- 21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions **21** 113,451
- 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs **22**

LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 4562 (1997)

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No 23b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
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24 Property used more than 50% in a qualified business use:

	:	:	%					
	:	:	%					
	:	:	%					
	:	:	%					

25 Property used 50% or less in a qualified business use:

	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		

26 Add amounts in column (h). Enter the total here and on line 20, page 1

26

27 Add amounts in column (i). Enter the total here and on line 7, page 1

27

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
28 Total business/investment miles driven during the year (DO NOT include commuting miles)						
29 Total commuting miles driven during the year						
30 Total other personal (noncommuting) miles driven						
31 Total miles driven during the year. Add lines 28 through 30						
	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?						
33 Was the vehicle used primarily by a more than 5% owner or related person?						
34 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1997 tax year:					
	:	:			
	:	:			
41 Amortization of costs that began before 1997				41	
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				42	