

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.

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)

C Name of organization
THE WAY TO HAPPINESS FOUNDATION

D Employer identification number
95-3937092

E State registration number
CT-58060

F Check ☐ if exemption application is pending

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
7060 HOLLYWOOD BLVD. 306

City, town, or post office, state, and ZIP+4
LOS ANGELES, CA 90028

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: _____

I If either box in H is checked "Yes," enter four-digit group exemption number (GEN) _____

J Accounting method: ☐ Cash ☒ Accrual

(c) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

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

1	Contributions, gifts, grants, and similar amounts received:			
a	Direct public support	1a	99,705.	
b	Indirect public support	1b	96,553.	
c	Government contributions (grants)	1c		
d	Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ 196,258. noncash \$)	STMT 1		1d 196,258.
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2
3	Membership dues and assessments			3
4	Interest on savings and temporary cash investments			4
5	Dividends and interest from securities			5
6a	Gross rents	6a		
b	Less: rental expenses	6b		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe)			7
8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
b	Less: cost or other basis and sales expenses	8a		
c	Gain or (loss) (attach schedule)	8b		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c		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	15,491.	
b	Less: cost of goods sold	10b	12,656.	
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	STMT 2		10c 2,835.
11	Other revenue (from Part VII, line 103)			11 5,252.
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12 204,345.
13	Program services (from line 44, column (B))			13 130,271.
14	Management and general (from line 44, column (C))			14 26,161.
15	Fundraising (from line 44, column (D))			15 61,318.
16	Payments to affiliates (attach schedule)			16 9,390.
17	Total expenses (add lines 16 and 44, column (A))			17 227,140.
18	Excess or (deficit) for the year (subtract line 17 from line 12)			18 -22,795.
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19 85,900.
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 63,105.

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 \$ 35,478 • noncash \$	35,478.	35,478.	STATEMENT 7	
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	40,420.	12,682.	5,652.	22,086.
26	Other salaries and wages	13,456.	7,420.	207.	5,829.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	4,845.	1,908.	766.	2,171.
30	Professional fundraising fees				
31	Accounting fees	9,774.		9,774.	
32	Legal fees				
33	Supplies	1,000.	350.	37.	613.
34	Telephone	14,121.	6,590.	1,804.	5,727.
35	Postage and shipping	14,515.	11,331.	741.	2,443.
36	Occupancy	18,657.	7,425.	2,788.	8,444.
37	Equipment rental and maintenance	549.		549.	
38	Printing and publications	5,192.	2,997.	1,252.	943.
39	Travel	2,996.	1,192.	438.	1,366.
40	Conferences, conventions, and meetings				
41	Interest	7.		7.	
42	Depreciation, depletion, etc. (attach schedule)	1,677.	642.	244.	791.
43	Other expenses (itemize):				
a	DISSEMINATION	46,253.	42,234.	436.	3,583.
b	COMMISSION	7,297.			7,297.
c	BANK CHARGES	1,458.		1,458.	
d	STAFF TRAINING	55.	22.	8.	25.
e					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	217,750.	130,271.	26,161.	61,318.

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? ☒ TO PROMOTE COMMON SENSE MORAL VALUES

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 4		
	(Grants and allocations \$ 4,035		55,-383 •
b	SEE STATEMENT 5		
	(Grants and allocations \$ 31,443.0		34,690 •
c	SEE STATEMENT 6		
	(Grants and allocations \$ 31,443.1		40,198 •
d			
	(Grants and allocations \$)		
e	Other program services (attach schedule)	(Grants and allocations \$)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)		130,271 •

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	9,639.	45	16,978.
	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	35,215.	
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		52	24,891.
	53 Prepaid expenses and deferred charges		53	
	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	17,156.		
b Less: accumulated depreciation STMT 8	57b	14,914.	57c	
58 Other assets (describe ▶		58		
59 Total assets (add lines 45 through 58) (must equal line 74)		95,001.	59	79,326.
Liabilities	60 Accounts payable and accrued expenses	9,101.	60	16,221.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ▶		65	
66 Total liabilities (add lines 60 through 65)		9,101.	66	16,221.
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	85,900.	72	63,105.
	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)	85,900.	73	63,105.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	95,001.	74	79,326.

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-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

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

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

a	Total expenses and losses per audited financial statements	a	N/A
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify): \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify): \$		
	Add amounts on lines (1) and (2)	d	
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.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
LAURIE ZURN 6331 HOLLYWOOD BLVD. #700, LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
BRIAN WEINBERG 6331 HOLLYWOOD BLVD. #700, LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
FRANK ZURN 6331 HOLLYWOOD BLVD. #700, LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
LAURIE ZURN 6331 HOLLYWOOD BLVD. #700, LOS ANGELES, CALIF. 90028	PRESIDENT AS NEEDED	0.	0.	0.
BRIAN WEINBERG 6331 HOLLYWOOD BLVD. #700, LOS ANGELES, CALIF. 90028	SECRETARY AS NEEDED	0.	0.	0.
GLENN HORTON 7060 HOLLYWOOD BLVD. #306, LOS ANGELES, CALIF. 90028	SECRETARY/TREASURER 45	19,510.	0.	0.
SCOTT TREGURTHA 7060 HOLLYWOOD BLVD. #306, LOS ANGELES, CALIF. 90028	DIRECTOR/PRESIDENT 45	20,910.	0.	0.
JOANNE TAKANO IRWIN 7060 HOLLYWOOD BLVD. #200, LOS ANGELES, CALIF. 90028	DIRECTOR AS NEEDED	0.	0.	0.
RUTH LYONS 7060 HOLLYWOOD BLVD. #200, LOS ANGELES, CALIF. 90028	TREASURER AS NEEDED	0.	0.	0.

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 9 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 C^IFORNIAI		
b	Number of employees employed in the pay period that includes March 12, 1997	90b	3
91	The books are in care of GLENN HORTON, TREASURER Telephone no. (323) 962-7906 Located at 7060 HOLLYWOOD BLVD. #306, L.A., CA. ZIP +4 90028		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041. - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part III 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) _____					
(b) _____					
(c) _____					
(i) _____					
(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 _____					
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 _____					2,835.
103 Other revenue:					
a LICENSE FEE ON REPRINT _____					5,252.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E)) _____		O.		O.	8,087.
105 TOTAL (add line 104, columns (B), (D), and (E)) _____					8,087.

Note: (Line 105 plus line 104, Part I, should equal the amount on line 12, Part I.)

Part IV 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).
102	THE ORGANIZATION SELLS THE WAY TO HAPPINESS BOOKS, COURSE MATERIALS, SHIRTS, ETC. ALL ITEMS SOLD CONTRIBUTE TO THE BROAD DISTRIBUTION OF THE WAY TO HAPPINESS COMMON SENSE MORAL CODE INTO SOCIETY.
103A	THE ORGANIZATION RECEIVED LICENSE FEES FOR THE REPRINTING OF THE WAY TO HAPPINESS COMMON SENSE MORAL CODE.

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 and accompanying schedules and statements, and to the best of my knowledge and belief, it is true, and I am not aware of any information of which preparer has any knowledge.

Date 10/16/1998

GLENN HORTON, SECRETARY

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

1997

Name of the organization

THE WAY TO HAPPINESS FOUNDATION

Employer identification number

95! 3937092

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
NONE		
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-EV).

Schedule A (Form 990) 1997

E m U 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 ☐ X

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 ☐ X

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

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

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

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

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 ☐ X

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 ☒ IS 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 organizations	(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 I **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 <i>my</i>)	(a) 1996	(b) 1995	(c) 1994	(d) 1993	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	194,478.	609,267.	461,685.	662,508.	1,927,938.
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	11,285.	15,657.	8,590.	15,438.	50,970.
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					
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	205,763.	624,924.	470,275.	677,946.	1,978,908.
24 Line 23 minus line 17	194,478.	609,267.	461,685.	662,508.	1,927,938.
25 Enter 1% of line 23	2,058.	6,249.	4,703.	6,779.	
26 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24					38,559.
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					206,441.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					1,927,938.
d Add: Amounts from column (e) for lines: 18 _____ 19 _____					
22 _____ 26b _____					206,441.
e Public support (line 26c minus line 26d total)					1,721,497.
i Public support percentage (line 26e (numerator) divided by line 26c (denominator))					89.2921%
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 _____					
d Add: Line 27a total _____ and line 27b total _____					
e Public support (line 27c, total minus line 27d total)					N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
h Investment income percentage (line 18 column (e) (numerator) divided by line 27f (denominator))					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.)

NONF

Q U O Private School Questionnaire**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

N/A

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?.....

Yes No

29

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?.....

30

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?.....

If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)

si i

32 Does the organization maintain the following:

a Records indicating the racial composition of the student body, faculty, and administrative staff?.....

32a

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?.....

32b

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?.....

32c

d Copies of all material used by the organization or on its behalf to solicit contributions?.....

32d

If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)

33 Does the organization discriminate by race in any way with respect to:

a Students' rights or privileges?.....

33a

b Admissions policies?.....

33b

c Employment of faculty or administrative staff?.....

33c

d Scholarships or other financial assistance?.....

33d

e Educational policies?.....

33e

f Use of facilities?.....

33f

g Athletic programs?.....

33g

h Other extracurricular activities?.....

33h

If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)

34 a Does the organization receive any financial aid or assistance from a governmental agency?.....

34a

b Has the organization's right to such aid ever been revoked or suspended?.....

34b

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

35

FORM 990 •	INCOME AND COST OF GOODS SOLD	STATEMENT	2
	INCLUDED ON PART I, LINE 10		

INCOME

1. GROSS RECEIPTS	15,491	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		15,491
		<hr/>
4- COST OF GOODS SOLD (LINE 15)	12,656	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		2,835
		<hr/>

COST OF GOODS SOLD

8. INVENTORY AT BEGINNING OF YEAR	44,798	
9. MERCHANDISE PURCHASED		
10. COST OF LABOR		
11. MATERIALS AND SUPPLIES		
12. OTHER COSTS	-7,251	
13. ADD LINES 8 THROUGH 12		37,547
		<hr/>
14. INVENTORY AT END OF YEAR	24,891	
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14)		12,656
		<hr/>

FORM 990 *	PAYMENTS TO AFFILIATES	STATEMENT	3
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AFFILIATE'S NAME	AFFILIATE'S ADDRESS
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ABLE INTERNATIONAL

PURPOSE OF PAYMENT

AMOUNT

LICENSING FEES

9,390.

TOTAL TO FORM 990, PART I, LINE 16

9,390.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	4
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DESCRIPTION OF PROGRAM SERVICE ONE

THE WAY TO HAPPINESS FOUNDATION DISTRIBUTED MORE THAN 287,000 COPIES OF THE WAY TO HAPPINESS BOOKLET INTERNATIONALLY TO REDUCE CRIME IN THE COMMUNITY AND TO FOSTER COMMON SENSE MORAL VALUES. THIS INCLUDED 50,000 COPIES TO RESIDENTS OF CLEARWATER, FLORIDA AND AN ADDITIONAL 1,800 BOOKLETS DONATED AND DISTRIBUTED AMONG 6,000 CRIMINAL JUSTICE OFFICIALS AND OTHERS AT A CRIMINAL JUSTICE CONVENTION IN FLORIDA.

TO FORM 990, PART III, LINE A

GRANTS

4,035.

EXPENSES

55,383.

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

THE WAY TO HAPPINESS FOUNDATION CONDUCTED THE NATIONAL YOUTH ESSAY CONTEST TO REDUCE CRIME IN COMMUNITIES AND FOSTER COMMON SENSE MORAL VALUES, OVER 39,000 COPIES OF THE WAY TO HAPPINESS BOOKLET WERE DELIVERED TO OVER 600 SCHOOLS IN THE U.S. NEARLY 1,500 STUDENTS SUBMITTED ESSAYS WITH OVER 200 STUDENTS RECEIVING AWARDS, ACKNOWLEDGMENTS, AND THE 12 MAJOR PRIZES. 38 TEACHERS WERE ALSO RECOGNIZED BY THE WAY TO HAPPINESS FOUNDATION FOR THEIR EFFORTS IN CONDUCTING THIS CONTEST.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B	31,443.	34,690.

FORM 990	STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	STATEMENT	6
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DESCRIPTION OF PROGRAM SERVICE THREE

THE WAY TO HAPPINESS FOUNDATION ENTERED IN 3 PARADES: THE SET A GOOD EXAMPLE FLOAT FEATURED IN THE HOLLYWOOD CHRISTMAS PARADE WITH THE SET A GOOD EXAMPLE WINNERS ON THE FLOAT; THE JR. SEAFARERS PARADE IN SEATTLE AT WHICH OVER 1,200 COPIES OF THE WAY TO HAPPINESS WERE PASSED OUT BY VOLUNTEER CHILDREN; AND IN NEW YORK, THE WAY TO HAPPINESS FOUNDATION ENTERED A FLOAT IN THE PUERTO RICO DAY PARADE WHICH ATTRACTED NEARLY 3 MILLION PEOPLE. THE FLOATS STRESSED THE IMPORTANCE OF MORALS AND COMMUNICATED THE KEY TENETS OF THE MORAL CODE CONTAINED IN "THE WAY TO HAPPINESS." IN JAPAN, AN ARTICLE ON THE WAY TO HAPPINESS WAS PRINTED IN AN EDUCATIONAL NEWSPAPER "KYOZIA SHINBUN" WITH A DISTRIBUTION OF 35,000.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE C	31,443.	40,198.

FORM 990 "	CASH GRANTS AND ALLOCATIONS	STATEMENT	7
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CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
EDUCATIONAL	A.B.L.E. RUSSIA	MOSCOW, RUSSIA	N/A	31,443.
EDUCATIONAL	NEW ERA PUBLICATIONS	COPENHAGEN, DENMARK	N/A	834.
EDUCATIONAL	CHURCH OF SPIRITUAL TECHNOLOGY	LOS ANGELES, CALIF.	N/A	3,201.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				35,478.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	8
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND EQUIPMENT	616.	615.	1.
FAX MACHINE	1,055.	1,055.	0.
LEATHERBOUND LIBRARY	2,033.	1,925.	108.
COMPUTER	852.	851.	1.
COMPUTER PRINTER	1,821.	1,821.	0.
COMPUTER AND PRINTER	845.	796.	49.
COMPUTER AND PRINTER	3,019.	2,113.	906.
COMPUTER AND FAX	2,355.	1,178.	1,177.
FURNITURE AND EQUIPMENT	4,560.	4,560.	0.
TOTAL TO FORM 990, PART IV, LN 57	17,156.	14,914.	2,242.

FORM 990	IDENTIFICATION OF RELATED ORGANIZATIONS PART VI, LINE 80B	STATEMENT	9
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NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
ASSOCIATION FOR BETTER LIVING & EDUCATION	X	
APPLIED SCHOLASTICS INC.	X	
NARCONON INC.	X	

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

THE WAY TO HAPPINESS FOUNDATION

FORM 990 PAGE 2

95-3937092

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	

Q	(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(i)(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	1		27.5 yrs.	MM	S/L	
i Nonresidential real property	1		27.5 yrs.	MM	S/L	
	1			MM	S/L	
	1			MM	S/L	

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

16 a Class life					S/L	
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	602.
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	1,075.

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	1,677.
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	