

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2001

Under section 501(c) 527 or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2001 calendar year, OR tax year beginning

, and ending

B Check if applicable

☐ Address change☐ Name change☐ Initial return☐ Final return☐ Amended return☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization

NARCONON OF NORTHERN CALIFORNIA

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

262 GAFFEY ROAD

City or town

WATSONVILLE

State or country

CA

Room/suite

ZIP + 4

95076

D Employer identification number

77-0275827

E Telephone number

(800) 556-8885

F Accounting method ☒ Cash ☐ Accrual☐ Other (specify)

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

H and I are not applicable to section 527 organizations

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

H(b) If "Yes" enter number of affiliates

H(c) Are all affiliates included? N/A ☐ Yes ☐ No

(If "No" attach a list. See instructions.)

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

I Enter 4-digit GEN 2595

G Web site

J Organization type (check only one) ☒ 501(c) (3) (insert no) ☐ 4947(a)(1) or ☐ 527K 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 the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.M Check ☒ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

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

1,546,934

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

(See Specific Instructions on page 16.)

Revenue

1 Contributions, gifts, grants, and similar amounts received

a Direct public support

1a 20,185

b Indirect public support

1b 1,143

c Government contributions (grants)

1c

d Total (add lines 1a through 1c) (cash \$ 15,189 noncash \$ 6,139)

1d 21,328

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2 1,489,419

3 Membership dues and assessments

3

4 Interest on savings and temporary cash investments

4

5 Dividends and interest from securities

5 199

6a Gross rents

6a 1,140

b Less rental expenses

6b

c Net rental income or (loss) (subtract line 6b from line 6a)

6c 1,140

7 Other investment income (describe)

7

8a Gross amount from sales 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 0

d Net gain or (loss) (combine line 8c, columns (A) and (B))

8d 0

9 Special events and activities (attach schedule)

a Gross revenue (not including \$ of contributions reported on line 1a)

9a

b Less fundraising expenses

9b

c Net income or (loss) from special events (subtract line 9b from line 9a)

9c 0

10a Gross sales of inventory, less returns and allowances

10a 34,848

b Less cost of goods sold

10b 20,826

c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

10c 14,022

11 Other revenue (from Part VII, line 103)

11

12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

12 1,526,108

13 Program services (from line 44, column (B))

13 1,212,207

14 Management and general (from line 44, column (C))

14 361,815

15 Fundraising (from line 44, column (D))

15 0

16 Payments to affiliates (attach schedule)

16

17 Total expenses (add lines 16 and 44, column (A))

17 1,574,022

18 Excess or (deficit) for the year (subtract line 17 from line 12)

18 -47,914

19 Net assets or fund balances at beginning of year (from line 73, column (A))

19 195,380

20 Other changes in net assets or fund balances (attach explanation)

20

21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21 147,466

For Paperwork Reduction Act Notice, see the separate instructions

(HTA)

Form 990 (2001)

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 21.)

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 \$ _____ noncash \$ _____)	22	0			
23 Specific assistance to individuals (attach schedule)	23	0			
24 Benefits paid to or for members (attach schedule)	24	0			
25 Compensation of officers, directors, etc	25	206,177		206,177	
26 Other salaries and wages	26	331,851	276,051	55,800	
27 Pension plan contributions	27	0			
28 Other employee benefits	28	0			
29 Payroll taxes	29	42,960	22,119	20,841	
30 Professional fundraising fees	30	0			
31 Accounting fees	31	4,600		4,600	
32 Legal fees	32	2,271		2,271	
33 Supplies	33	0			
34 Telephone	34	32,462	32,462		
35 Postage and shipping	35	0			
36 Occupancy	36	50,486	50,486		
37 Equipment rental and maintenance	37	12,030	12,030		
38 Printing and publications	38	2,768	2,768		
39 Travel	39	54,512	48,046	6,466	
40 Conferences, conventions, and meetings	40	0			
41 Interest	41	122,173	122,173		
42 Depreciation, depletion, etc (attach schedule)	42	38,486	38,486		
43 Other expenses not covered above (itemize) a _____	43a	0			
b SEE STM - OTHER EXPENSES PROG	43b	607,586	607,586		
c SEE STM - OTHER EXPENSES MGMT & GEN	43c	65,660		65,660	
d _____	43d	0			
e _____	43e	0			
f _____	43f	0			
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	1,574,022	1,212,207	361,815	0

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

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

☐ Yes ☒ No

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

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

Part III Statement of Program Service Accomplishments

(See Specific Instructions on page 24.)

What is the organization's primary exempt purpose? DRUG REHABILITATION SERVICES

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	DRUG REHABILITATION SERVICES WERE PROVIDED TO INDIVIDUALS FOR A TOTAL OF 53922 HOURS OF DRUG REHAB AND LIFE SKILLS. DRUG FREE LECTURES WERE DELIVERED TO 7350 STUDENTS AT PUBLIC SCHOOLS	(Grants and allocations \$ _____)	1,212,207
b		(Grants and allocations \$ _____)	
c		(Grants and allocations \$ _____)	
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)		1,212,207

Part IV Balance Sheets

(See Specific Instructions on page 24.)

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	140,623	47,986
46	Savings and temporary cash investments		
47a	Accounts receivable		
b	Less allowance for doubtful accounts		0
48a	Pledges receivable		
b	Less allowance for doubtful accounts		0
49	Grants receivable		
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		
51a	Other notes and loans receivable (attach schedule)		
b	Less allowance for doubtful accounts		0
52	Inventories for sale or use	5,000	7,560
53	Prepaid expenses and deferred charges		
54	Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		
55a	Investments - land, buildings, and equipment basis		
b	Less accumulated depreciation (attach schedule)		0
56	Investments - other (attach schedule)	0	0
57a	Land, buildings, and equipment basis	1,560,713	
b	Less accumulated depreciation (attach schedule)	109,931	1,450,782
58	Other assets (describe SEE ATTACHED STATEMENT)	5,324	34,931
59	Total assets (add lines 45 through 58) (must equal line 74)	1,607,752	1,541,259
Liabilities			
60	Accounts payable and accrued expenses		
61	Grants payable		
62	Deferred revenue		
63	Loans from officers, directors, trustees, and key employees (attach schedule)		
64a	Tax-exempt bond liabilities (attach schedule)		
b	Mortgages and other notes payable (attach schedule)	1,411,841	1,392,573
65	Other liabilities (describe SEE ATTACHED STATEMENT)	531	1,220
66	Total liabilities (add lines 60 through 65)	1,412,372	1,393,793
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		
68	Temporarily restricted		
69	Permanently restricted		
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		
71	Paid-in or capital surplus, or land, building, and equipment fund		
72	Retained earnings, endowment, accumulated income, or other funds	195,380	147,466
73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	195,380	147,466
74	Total liabilities and net assets/fund balances (add lines 66 and 73)	1,607,752	1,541,259

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 (See Specific Instructions, page 26.)

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) thru (4)	b	0
c	Line a minus line b	c	0
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	0
e	Total revenue per line 12, Form 990 (line c plus line d)	e	0

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

a	Total expenses and losses per audited financial statements	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) thru (4)	b	0
c	Line a minus line b	c	0
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	0
e	Total expenses per line 17, Form 990 (line c plus line d)	e	0

Part V List of Officers, Directors, Trustees, and Key Employees

(List each one even if not compensated, see Specific Instructions on page 26.)

(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
FRANCISCO MONTERO	NEW EXEC DIR			
262 GAFFEY ROAD, WATSONVILLE, CA 95076	60 HRS	122,792	0	0
ANDY MOORE	FORMER EXEC DIR			
8699 EMPIRE GRADE, SANTA CRUZ, CA	60 HRS	83,385	0	0
CHUCK KOCH	DIRECTOR			
18327 CHRISTEPH DR, MORGAN HILL, CA	1 HR	0	0	0
RICH PRESCOTT	DIRECTOR			
1475 CRYSTAL DRIVE, HIGHLAND PARK, CA	2 HRS	0	0	0
JERRY NEMIER	DIRECTOR			
2789 TAFT AVE, SANTA CLARA, CA	0 HRS	0	0	0
MARC TORRES	DIRECTOR			
18889 W CAVENDASH DRIVE, CASTRO VALLEY, CA	0 HRS	0	0	0
STEVE RYMAN	DIRECTOR			
4833 SHAFTER AVE, OAKLAND, CA	0 HRS	0	0	0
PEGGY ROVENSKI	DIRECTOR			
1373 YOSEMITE WAY, HAYWARD, CA	0 HRS	0	0	0
DAVID PULIAFICO	DIRECTOR			
1630 TENNANT AVE, MORGAN HILL, CA	0 HRS	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?

☒ Yes☐ No

If "Yes," attach schedule - see Specific Instructions on page 27

ONLY FRANCISCO MONTERO ABOVE

Part VI Other Information (See Specific Instructions on page 27)		Yes or No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	No
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	No
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	No
78b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A
79	Was there a liquidation, dissolution, termination or substantial contraction during the year? If "Yes," attach a statement	No
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	No
81	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt	
81a	Enter direct or indirect political expenditures. See line 81 instructions	0
81b	Did the organization file Form 1120-POL for this year?	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	No
82b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	Yes
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	Yes
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	No
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A
85c	Dues, assessments, and similar amounts from members	N/A
85d	Section 162(e) lobbying and political expenditures	N/A
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A
86a	501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12	N/A
86b	Gross receipts included on line 12, for public use of club facilities	N/A
87a	501(c)(12) orgs. Enter a Gross income from members or shareholders	N/A
87b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	No
89a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0, section 4912 0, section 4955 0	
89b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	No
89c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	0
89d	Enter Amount of tax on line 89c above, reimbursed by the organization	0
90a	List the states with which a copy of this return is filed CALIFORNIA	
90b	Number of employees employed in the pay period that includes March 12, 2001 (See instructions.)	19
91	The books are in care of CHUCK KOCH Telephone no 800-556-8885 Located at 262 GAFFEY ROAD, WATONVILLE, CA ZIP + 4 95076	
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	N/A

Part VII Analysis of Income-Producing Activities

(See Specific Instructions on page 32.)

Note	Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(E)
		(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93	Program service revenue					
a	DRUG REHABILITATION SERVICES					1,489,419
b						
c						
d						
e						
f	Medicare/Medicaid payments					
g	Fees and contracts from government agencies					
94	Membership dues and assessments					
95	Interest on savings and temporary cash investments			14	199	
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			16	1,140	
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					14,022
103	Other revenue a					
b						
c						
d						
e						
104	Subtotal (add cols (B), (D), and (E))		0		1,339	1,503,441
105	Total (add line 104, columns (B), (D), and (E))					1,504,780

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

(See Specific Instructions on page 32.)

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	REVENUE FROM DRUG REHABILITATION SERVICES THESE SERVICES ARE THE PRIMARY REASON FOR EXEMPTION
102	REVENUE FROM SALES OF DRUG REHABILITATION & LIFE SKILLS MATERIALS AS PART OF NARCONON'S SERVICES

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities

(See Specific Instructions on page 33.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts

(See Specific Instructions on page 33.)

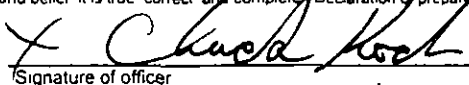
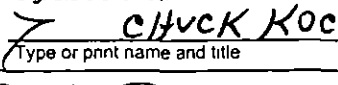
(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

(b) Did the organization, during the year, pay premiums directly or indirectly on a personal benefit contract?

☐ Yes ☒ No

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

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	 Signature of officer		11/14/02 Date	
Paid Preparer's Use Only	 Type or print name and title		DAVID PULIAFICO, INC 1630 TENNANT AVE, MORGAN HILL, CA 95037	
	Preparer's signature Firm's name (or yours if self-employed) address and ZIP + 4	Date 11/14/02	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W) P00217398 EIN 77-0301943 Phone no 408-778-1345

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

OMB No 1545-0047

2001

Department of the Treasury
Internal Revenue Service

MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

Name of the organization

NARCONON OF NORTHERN CALIFORNIA

Employer identification number

77-0275827

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
ANGIE MANSON	FINANCIAL SUPERVISOR			
262 GAFFEY ROAD, WATSONVILLE, CA	40	55,800	0	0
DANIEL MANSON	SUPERVISOR			
262 GAFFEY ROAD, WATSONVILLE, CA	40	52,013	0	0
Total number of other employees paid over \$50,000	4			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000		(b) Type of service	(c) Compensation
JP&C , INC.			
SANTA CRUZ, CA		OUTSIDE CASE SUPERVISION	61,130
Total number of others receiving over \$50,000 for professional services		1	

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

Yes No

- 1** During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \$ N/A (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities

- 2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)

- a** Sale, exchange, or leasing of property?

SEE STATEMENT 1

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

- 3** Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below)

3 X

- 4** Do you have a section 403(b) annuity plan for your employees?

4 X

Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the 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)

- 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 page 5 of the instructions)

(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 page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting

NOTE You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	27,748	60,960	14,588	35,928	139,224
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,289,170	775,764	591,032	532,850	3,188,816
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	157	4,318	176		4,651
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	1,317,075	841,042	605,796	568,778	3,332,691
24 Line 23 minus line 17	27,905	65,278	14,764	35,928	143,875
25 Enter 1% of line 23	13,171	8,410	6,058	5,688	5,688
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 2,878
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b 49,237
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c 143,875
d Add: Amounts from column (e) for lines	18 4,651	19 0			26d 53,888
	22 0	26b 49,237			26e 89,987
e Public support (line 26c minus line 26d total)					26e 89,987
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 62.55%
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year.				
	(2000)	(1999)	(1998)	(1997)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2000)	(1999)	(1998)	(1997)	
c Add: Amounts from column (e) for lines	15 0	16 0			27c 0
	17 0	20 0	21 0		27d 0
d Add: Line 27a total	0	and line 27b total		0	27e 0
e Public support (line 27c total minus line 27d total)					27e 0
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e).	27f 0				27f 0
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 0.00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 0.00%
28 Unusual Grants. For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire

(See page 7 of the instructions)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
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)		
34a 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		

N/A

Check **b** ☐ if you checked "a" and limited control" provisions apply

(b)

To be completed for ALL
electing organizations

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

See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(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

[illegible]

Schedule A (Form 990 or 990-EZ) 2001

(See page 12 of the instructions)

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

[illegible]

☐ Yes ☒ No

Description of relationship

[illegible]

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

NOT OPEN TO PUBLIC INSPECTION
Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2001

Name of organization

NARCONON OF NORTHERN CALIFORNIA

Employer identification number

77-0275827

Organization type (check one)

Filers of

Section

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the General rule or a Special rule (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule - see instructions)

General Rule -

☐ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules -

☒ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc , purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc , purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year) \$ _____

Caution Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization

NARCONON OF NORTHERN CALIFORNIA

Employer identification number

77-0275827

Part I Contributors (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	THE TJX FOUNDATION 770 COCHITUATE RD FRAMINGHAM, MA	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> Complete Part II if there is a noncash contribution)

Name of organization
NARCONON OF NORTHERN CALIFORNIA

Employer identification number
77-0275827

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year
(Complete columns (a) through (e) and the following line entry)

N/A

For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this information once-see instructions)

\$

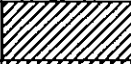


(a) No from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box ☒

Note Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time-Must File Original and One Copy

Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization NARCONON OF NORTHERN CALIFORNIA		Employer identification number 77-0275827
	Number, street, and room or suite no. If a P.O. box, see instructions 262 GAFFEY ROAD		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions WATSONVILLE, CA 95076		

Check type of return to be filed (File a separate application for each return)

- ☒ Form 990
 ☐ Form 990-EZ
 ☐ Form 990-T (sec. 401(a) or 408(a) trust)
 ☐ Form 1041-A
 ☐ Form 5227
 ☐ Form 8870
☐ Form 990-BL
 ☐ Form 990-PF
 ☐ Form 990-T (trust other than above)
 ☐ Form 4720
 ☐ Form 6069

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

If the organization does not have an office or place of business in the United States, check this box ☐

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) 2595 If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until 11/15/2002
 5 For calendar year 2001, or other tax year beginning _____ and ending _____
 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
 7 State in detail why you need the extension A WAITING FINANCIAL INFORMATION SO RETURN CAN BE COMPLETED

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 _____

c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions 0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature  Title Director Date 7/23/02

Notice to Applicant-To Be Completed by the IRS

- ☐ We have approved this application. Please attach this form to the organization's return.
☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
☐ Other _____

By _____

Director

Date

Alternate Mailing Address-

Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name DAVID PULIAFICO, INC
	Number and street (include suite, room, or apt. no.) Or a P.O. box number 1630 TENNANT AVE
	City or town, province or state, and country (including postal or ZIP code) MORGAN HILL, CA 95037

Application for Extension of Time To File an Exempt Organization Return

File a separate application for each return

OMB No 1545-1709

If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

Note Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time- Only submit original (no copies needed)

Note Form 990-T corporations requesting an automatic 6-month extension-check this box and complete Part I only ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization NARCONON OF NORTHERN CALIFORNIA	Employer identification number 77-0275827
File by the due date for filing your return See instructions	Number, street and room or suite no. If a P O box, see instructions 262 GAFFEY ROAD	
	City, town or post office, state, and ZIP code For a foreign address see instructions WATSONVILLE, CA 95076	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

If the organization does not have an office or place of business in the United States check this box ☐

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) 2595 If this is for the whole group check this box ☐ If it is for part of the group check this box ☐ and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 8/15/2002 to file the exempt organization return for the organization named above. The extension is for the organization's return for

☒ calendar year 2001
☐ tax year beginning _____ and ending _____

2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit _____

c Balance Due Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions 0

Signature and Verification

Under penalties of perjury I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature [Signature] Title Director Date 7/16/02
For Paperwork Reduction Act Notice, see Instruction (HTA) Form 8868 (12-2000)

Depreciation and Amortization

(Including Information on Listed Property)

OMB No 1545-0172

2001

Attachment Seq No

67

Department of the Treasury
Internal Revenue Service (99)

See separate instructions Attach this form to your return

Name(s) shown on return NARCONON OF NORTHERN CALIFORNIA	Business or activity to which this form relates FORM 990 LINE 42	Identifying number 77-0275827
--	---	----------------------------------

Part I Election To Expense Certain Tangible Property Under 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 page 2 of the instructions	1	24,000
2 Total cost of section 179 property placed in service (see page 2 of the instructions)	2	22,336
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	0
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see page 2 of the instructions	5	24,000

(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6		0	
7 Listed property Enter amount from line 27	7	0	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	0	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	0	
10 Carryover of disallowed deduction from 2000 (see page 3 of the instructions)	10	0	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	0	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	0	
13 Carryover of disallowed deduction to 2002 Add lines 9 and 10, less line 12	13	0	

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 2001 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 page 3 of the instructions ☐

Section B - General Depreciation System (GDS) (See page 3 of the instructions)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15 a 3-year property						0
b 5-year property						0
c 7-year property		SEE ATTACHE				3,192
d 10-year property						0
e 15-year property		SEE ATTACHE				129
f 20-year property						0
g 25-year property			25 yrs		S/L	0
h Residential rental property			27 5 yrs	MM	S/L	0
i Nonresidential real property		SEE ATTACHE	39 yrs	MM	S/L	84

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions)

16 a Class life					S/L	0
b 12-year			12 yrs		S/L	0
c 40-year			40 yrs	MM	S/L	0

Part III Other Depreciation (Do not include listed property) (See instructions beginning on page 5)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2001	17	35,081
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	0

Part IV Summary (See page 6 of the instructions)

20 Listed property Enter amount from line 26	20	0
21 Total Add deductions from 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	38,486
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	

Depreciation Report For 4562

NARCONON OF NORTHERN CALIFORNIA

77-0275827

Tax Year 12/31/01

Item No	Description of Property	Date Placed in Service	Cost or Other Basis	Code	Bus Use %	Less Sec 179 Deduction	Recovery Amount	Recovery Period (years)	Method	Convention Code	Prior Accum Deprec	2001 Current Deprec	2001 Accum Deprec
GDS 7 year property (Line 15c)													
	DONO FAN	5/30/2001	77	D	100%		77	7	200%	0		11	11
	DONO OFFICE DESK	12/5/2001	100	D	100%		100	7	200%	0		14	14
	SAFE	10/3/2001	119	D	100%		119	7	200%	0		17	17
	OFFICE CHAIR	11/8/2001	130	D	100%		130	7	200%	0		19	19
	DRILL, SCRAPER BLINDS	12/20/2001	136	D	100%		136	7	200%	0		19	19
	OFFICE CHAIR	5/30/2001	149	D	100%		149	7	200%	0		21	21
	DONO VITA MIXER & KITCHEN	12/5/2001	150	D	100%		150	7	200%	0		21	21
	WATER HEATER	12/20/2001	180	D	100%		180	7	200%	0		26	26
	VACUUM CLEANER	12/20/2001	200	D	100%		200	7	200%	0		29	29
	2 BOX STRINGS/MATTRESS	5/9/2001	203	D	100%		203	7	200%	0		29	29
	LATERAL FILE CABINETS	10/3/2001	240	D	100%		240	7	200%	0		34	34
	MIXER FOR KITCHEN	2/21/2001	245	D	100%		245	7	200%	0		35	35
	OFFICE CHAIR	8/1/2001	249	D	100%		249	7	200%	0		36	36
	DONO PING PONG TABLE	7/12/2001	281	D	100%		281	7	200%	0		40	40
	FURNISHINGS FOR BEDS	8/14/2001	288	D	100%		288	7	200%	0		41	41
	TOILET	2/23/2001	290	D	100%		290	7	200%	0		41	41
	3 MATTRESS SETS	1/5/2001	324	D	100%		324	7	200%	0		46	46
	DRESSERS	10/31/2001	347	D	100%		347	7	200%	0		50	50
	LATERAL FILE CAB, BOOKCA	12/5/2001	372	D	100%		372	7	200%	0		53	53
	BEDS	10/19/2001	398	D	100%		398	7	200%	0		57	57
	DRIER	8/15/2001	592	D	100%		592	7	200%	0		85	85
	DESKS	10/17/2001	592	D	100%		592	7	200%	0		85	85
	TOILET & HEATER	1/30/2001	685	D	100%		685	7	200%	0		98	98
	DONO-COMPUTER SYSTEM	10/4/2001	850	D	100%		850	7	200%	0		121	121
	BUNK BEDS	4/4/2001	1,026	D	100%		1,026	7	200%	0		147	147
	COMPUTER/MONITOR/PRINT	5/30/2001	1,030	D	100%		1,030	7	200%	0		147	147
	BEDS	11/7/2001	1,032	D	100%		1,032	7	200%	0		147	147
	FURNACE REPAIR	3/15/2001	1,038	D	100%		1,038	7	200%	0		148	148
	PARTITIONS	8/1/2001	1,054	D	100%		1,054	7	200%	0		151	151
	BEDS	8/27/2001	1,054	D	100%		1,054	7	200%	0		151	151
	PATIO FURNITURE	3/22/2001	1,159	D	100%		1,159	7	200%	0		166	166
	DONO TOOL & FURNITURE	10/8/2001	1,191	B	100%		1,191	7	200%	0		170	170
	COMPUTER/MONITOR	10/11/2001	1,378	D	100%		1,378	7	200%	0		197	197
	COMPUTER	7/25/2001	1,418	D	100%		1,418	7	200%	0		203	203
	LASER PRINTER	7/27/2001	1,469	D	100%		1,469	7	200%	0		210	210
	DONO-COMPUTERS & PERIFE	10/8/2001	2,290	D	100%		2,290	7	200%	0		327	327
			22,336				0	22,336				0	3,192
													3,192
GDS 15 year property (Line 15e)													
	ROCK FOR SEPTIC SYSTEM	3/27/2001	2,575	F	100%		2,575	15	150%	0		129	129
			2,575				0	2,575				0	129
													129

GDS nonresidential real property (Line 15i)

Depreciation Report For 4562

NARCONON OF NORTHERN CALIFORNIA

77-0275827

Tax Year 12/31/01

Item No	Description of Property	Date Placed in Service	Cost or Other Basis	Code	Bus Use %	Less Sec 179 Deduction	Recovery Amount	Recovery Period (years)	Method	Convention Code	Prior Accum Deprec	2001 Current Deprec	2001 Accum Deprec
	BUILDING SHED	5/17/2001	1,293	H	100%		1,293	39	100%	5		21	21
	TREASURY OFFICE IMPROVE	8/23/2001	6,520	H	100%		6,520	39	100%	5		63	63
			<u>7,813</u>			<u>0</u>	<u>7,813</u>				<u>0</u>	<u>84</u>	<u>84</u>

GDS & ADS deductions for prior years (Line 17)

COMPUTER SPEAKERS	5/23/1998	39	D	100%		39		5	100%	0	21	8	29
AB AND BACK MACHINE	11/29/1996	108	D	100%		108		5	100%	0	98	10	108
FRAMES FOR BEDS	6/30/1997	108	D	100%		108		7	100%	0	53	15	68
MODEM	4/12/1999	108	D	100%		108		5	100%	2	50	22	72
BED & FRAME	3/3/1997	127	D	100%		127		7	100%	0	63	18	81
LIGHTS FOR COURSE	7/1/1997	128	D	100%		128		5	100%	0	86	26	112
TILE FOR KITCHEN	6/12/1997	141	D	100%		141		5	100%	0	98	28	126
EXTENDED WARRANTY	5/23/1998	150	D	100%		150		5	100%	0	77	30	107
BED & FRAMES	3/5/1997	154	D	100%		154		7	100%	0	76	22	98
ZIP DRIVE	4/30/1998	162	D	100%		162		5	100%	0	86	32	118
BEDS	6/30/1997	167	D	100%		167		7	100%	0	84	24	108
CHAIR	5/30/1997	173	D	100%		173		7	100%	0	87	25	112
MEMORY UPGRADES	2/16/1998	173	D	100%		173		5	100%	0	99	35	134
SAFE	6/24/1997	175	D	100%		175		5	100%	0	107	35	142
STAIR STEPPERS	4/27/1996	200	D	100%		200		5	100%	0	180	20	200
15 INCH MONITOR	5/23/1998	205	D	100%		205		5	100%	0	106	41	147
PAPERPORT	5/23/1998	216	D	100%		216		5	100%	0	111	43	154
HP DESKJET	5/23/1998	216	D	100%		216		5	100%	0	111	43	154
2 BEDS & FRAMES	4/29/1997	268	D	100%		268		7	100%	0	133	38	171
FAX PHONE	2/1/1996	272	D	100%		272		5	100%	0	270	2	272
DESKJET PRINTER	2/16/1998	325	D	100%		325		5	100%	0	184	65	249
DIVING BOARD FOR POOL	6/27/1997	352	D	100%		352		5	100%	0	245	70	315
STAIR STEPPERS	5/20/1996	400	D	100%		400		5	100%	0	360	40	400
LASERJET PRINTER	2/18/1998	452	D	100%		452		5	100%	0	255	90	345
TELEPHONE	10/26/1998	480	D	100%		480		5	100%	0	208	96	304
CARPET FOR NEW COURSER	7/7/1997	495	D	100%		495		5	100%	0	346	99	445
BUILDING COURSE ROOM	7/7/1997	500	D	100%		500		5	100%	0	350	100	450
CABINET	11/2/2000	502	D	100%		502		5	100%	0	50	100	150
PAPER FOLDER	4/3/1998	540	D	100%		540		5	100%	0	297	108	405
HARDWOOD FLOOR	11/2/1999	579	D	100%		579		15	100%	4	44	39	83
ROOFING	10/25/2000	603	D	100%		603		15	100%	0	20	40	60
FREEZER	9/22/2000	620	D	100%		620		5	100%	0	62	124	186
FURNITURE NEW COURSE	7/10/1997	683	D	100%		683		7	100%	0	342	98	440
SANUA HEATER	11/13/1998	688	D	100%		688		5	100%	0	287	138	425
SEAR SISHWASHER	4/21/1998	690	D	100%		690		5	100%	0	368	138	506
PAPER FOLDER	3/1/1999	714	D	100%		714		7	100%	1	191	102	293
USED JEMINI COMPUTER	1/10/1998	800	D	100%		800		5	100%	0	587	160	747
USED IBM COMPUTER	12/10/1998	800	D	100%		800		5	100%	0	342	160	502

Depreciation Report For 4562

NARCONON OF NORTHERN CALIFORNIA

77-0275827

Tax Year 12/31/01

Item No	Description of Property	Date Placed in Service	Cost or Other Basis	Code	Bus Use %	Less Sec 179 Deduction	Recovery Amount	Recovery Period (years)	Method	Con-vention Code	Prior Accum Deprec	2001 Current Deprec	2001 Accum Deprec
TRANLR		6/19/2000	900	D	100%		900	7	100%	0	64	129	193
LAPTOP		9/19/2000	1,080	D	100%		1,080	5	100%	0	108	216	324
SAUNA HEATER		2/28/1999	1,392	D	100%		1,392	7	100%	1	373	199	572
MATERIALS FOR NEW COURSE		6/28/1997	1,622	D	100%		1,622	5	100%	0	1,134	324	1,458
2-PB 601		5/23/1998	1,732	D	100%		1,732	5	100%	0	894	346	1,240
IBM COMPUPTER		2/21/1998	1,941	D	100%		1,941	5	100%	0	1,100	388	1,488
COPIER DONATED		1/27/2000	2,000	D	100%		2,000	5	100%	0	200	400	600
OFFICE FURNITURE		6/2/1999	2,639	D	100%		2,639	7	100%	2	613	377	990
3 COMPUTERS		8/2/1999	3,075	D	100%		3,075	7	100%	3	604	439	1,043
PHONE LINES		9/5/1999	3,292	D	100%		3,292	7	100%	3	646	470	1,116
OFFICE FURNITURE		1/28/1998	3,500	D	100%		3,500	7	100%	0	1,458	500	1,958
CAPRICE		4/28/2000	3,710	D	100%		3,710	5	100%	0	371	742	1,113
MISC FURNITURE		7/1/2000	3,946	D	100%		3,946	7	100%	0	282	564	846
TOYOTA TRUCK		7/1/2000	4,000	D	100%		4,000	5	100%	0	400	800	1,200
PART & LABOR BUILDING COI		7/7/1997	4,409	D	100%		4,409	5	100%	0	3,087	882	3,969
SEPTIC TANK		4/5/2000	4,500	D	100%		4,500	15	100%	0	150	300	450
SAUNA		2/28/1999	4,524	D	100%		4,524	7	100%	1	1,212	646	1,858
PAVING		10/17/2000	5,200	D	100%		5,200	15	100%	0	173	347	520
98 FORD ARROWSTAR		8/14/1999	11,739	D	100%		11,739	7	100%	3	2,303	1,714	4,017
DRIVEWAY		10/15/1999	19,300	F	100%		19,300	15	100%	4	1,448	1,287	2,735
BUILDING FACILITIES		12/30/1998	847,388	H	100%		847,388	39	100%	0	43,456	21,727	65,183
			945,402			0	945,402				66,610	35,081	101,691
Totals			978,126				978,126				66,610	38,486	105,096

Assets Detail

Item No	Description of Property	Date Placed in Service	Cost or Other Basis	Code	Bus Use %	Less Sec 179 Deduction	Recovery Amount	Recovery Period (years)	Method	Convention Code	Prior Accum Deprec	2001 Current Deprec	2001 Accum Deprec	2002 Current Deprec
EMENT	LEASEHOLD IMPROVEMENTS	1/1/1995	263	D	100%		263	5	100%	0	263	0	263	0
MENT	FURNITURE & EQUIPMENT	1/1/1995	1,027	D	100%		1,027	5	100%	0	1,027	0	1,027	0
MENT	FURNITURE & EQUIPMENT	1/1/1995	1,845	D	100%		1,845	5	100%	0	1,845	0	1,845	0
ANER	KIRBY VACUUM CLEANER	1/1/1996	1,700	D	100%		1,700	5	100%	0	1,700	0	1,700	0
INE	AB AND BACK MACHINE	11/29/1996	108	D	100%		108	5	100%	0	98	10	108	0
	FAX PHONE	2/1/1996	272	D	100%		272	5	100%	0	270	2	272	0
	BED & FRAME	3/3/1997	127	D	100%		127	7	100%	0	63	18	81	18
	BED & FRAMES	3/5/1997	154	D	100%		154	7	100%	0	76	22	98	22
	2 BEDS & FRAMES	4/29/1997	268	D	100%		268	7	100%	0	133	38	171	38
	STAIR STEPPERS	4/27/1996	200	D	100%		200	5	100%	0	180	20	200	0
	CHAIR	5/30/1997	173	D	100%		173	7	100%	0	87	25	112	25
	STAIR STEPPERS	5/20/1996	400	D	100%		400	5	100%	0	360	40	400	0
	TILE FOR KITCHEN	6/12/1997	141	D	100%		141	5	100%	0	98	28	126	14
POOL	DIVING BOARD FOR POOL	6/27/1997	352	D	100%		352	5	100%	0	245	70	315	35
N COUR	MATERIALS FOR NEW COURSE	6/28/1997	1,622	D	100%		1,622	5	100%	0	1,134	324	1,458	162
	FRAMES FOR BEDS	6/30/1997	108	D	100%		108	7	100%	0	53	15	68	15
	BEDS	6/30/1997	167	D	100%		167	7	100%	0	84	24	108	24
COURSE	FURNITURE NEW COURSE	7/10/1997	683	D	100%		683	7	100%	0	342	98	440	98
ROOM	BUILDING COURSE ROOM	7/7/1997	500	D	100%		500	5	100%	0	350	100	450	50
COURSE	CARPET FOR NEW COURSE	7/7/1997	495	D	100%		495	5	100%	0	346	99	445	50
DING C	PART & LABOR BUILDING CO	7/7/1997	4,409	D	100%		4,409	5	100%	0	3,087	882	3,969	440
3	LIGHTS FOR COURSE	7/1/1997	128	D	100%		128	5	100%	0	86	26	112	13
	SAFE	6/24/1997	175	D	100%		175	5	100%	0	107	35	142	18
	IBM COMPUETER	2/21/1998	1,941	D	100%		1,941	5	100%	0	1,100	388	1,488	388
	LASERJET PRINTER	2/18/1998	452	D	100%		452	5	100%	0	255	90	345	90
	DESKJET PRINTER	2/16/1998	325	D	100%		325	5	100%	0	184	65	249	65
	MEMORY UPGRADES	2/16/1998	173	D	100%		173	5	100%	0	99	35	134	35
	MODEM	4/12/1999	108	D	100%		108	5	100%	2	50	22	72	22
	ZIP DRIVE	4/30/1998	162	D	100%		162	5	100%	0	86	32	118	32
	15 INCH MONITOR	5/23/1998	205	D	100%		205	5	100%	0	106	41	147	41
	2-PB 601	5/23/1998	1,732	D	100%		1,732	5	100%	0	894	346	1,240	346
	PAPERPORT	5/23/1998	216	D	100%		216	5	100%	0	111	43	154	43
	HP DESKJET	5/23/1998	216	D	100%		216	5	100%	0	111	43	154	43
RS	COMPUTER SPEAKERS	5/23/1998	39	D	100%		39	5	100%	0	21	8	29	8
TY	EXTENDED WARRANTY	5/23/1998	150	D	100%		150	5	100%	0	77	30	107	30
	SEAR SISHWASHER	4/21/1998	690	D	100%		690	5	100%	0	368	138	506	138
	SANUA HEATER	11/13/1998	688	D	100%		688	5	100%	0	287	138	425	138
	TELEPHONE	10/26/1998	480	D	100%		480	5	100%	0	208	96	304	96
	PAPER FOLDER	4/3/1998	540	D	100%		540	5	100%	0	297	108	405	108

Assets Detail

Item No	Description of Property	Date Placed in Service	Cost or Other Basis	Code	Bus Use %	Less Sec 179 Deduction	Recovery Amount	Recovery Period (years)	Method	Con-vention Code	Prior Accum Deprec	2001 Current Deprec	2001 Accum Deprec	2002 Current Deprec
R	USED IBM COMPUTER	12/10/1998	800	D	100%		800	5	100%	0	342	160	502	160
ITER	USED JEMINI COMPUTER	1/10/1998	800	D	100%		800	5	100%	0	587	160	747	53
	OFFICE FURNITURE	1/28/1998	3,500	D	100%		3,500	7	100%	0	1,458	500	1,958	500
	BUILDING FACILITIES	12/30/1998	847,388	H	100%		847,388	39	100%	0	43,456	21,727	65,183	21,727
	LAND FACILITIES	12/30/1998	577,752	Y	100%		577,752	0	100%	0	0	0	0	0
	SAUNA	2/28/1999	4,524	D	100%		4,524	7	100%	1	1,212	646	1,858	646
	DRIVEWAY	10/15/1999	19,300	F	100%		19,300	15	100%	4	1,448	1,287	2,735	1,287
	PHONE LINES	9/5/1999	3,292	D	100%		3,292	7	100%	3	646	470	1,116	470
	HARDWOOD FLOOR	11/2/1999	579	D	100%		579	15	100%	4	44	39	83	39
	SAUNA HEATER	2/28/1999	1,392	D	100%		1,392	7	100%	1	373	199	572	199
	OFFICE FURNITURE	6/2/1999	2,639	D	100%		2,639	7	100%	2	613	377	990	377
	3 COMPUTERS	8/2/1999	3,075	D	100%		3,075	7	100%	3	604	439	1,043	439
	PAPER FOLDER	3/1/1999	714	D	100%		714	7	100%	1	191	102	293	102
IR	98 FORD ARROWSTAR	8/14/1999	11,739	D	100%		11,739	7	100%	3	2,303	1,714	4,017	1,677
	COPIER DONATED	1/27/2000	2,000	D	100%		2,000	5	100%	0	200	400	600	400
	TOYOTA TRUCK	7/1/2000	4,000	D	100%		4,000	5	100%	0	400	800	1,200	800
	CAPRICE	4/28/2000	3,710	D	100%		3,710	5	100%	0	371	742	1,113	742
	LAPTOP	9/19/2000	1,080	D	100%		1,080	5	100%	0	108	216	324	216
	CABINET	11/2/2000	502	D	100%		502	5	100%	0	50	100	150	100
	FREEZER	9/22/2000	620	D	100%		620	5	100%	0	62	124	186	124
	SEPTIC TANK	4/5/2000	4,500	D	100%		4,500	15	100%	0	150	300	450	300
	TRANLR	6/19/2000	900	D	100%		900	7	100%	0	64	129	193	129
	PAVING	10/17/2000	5,200	D	100%		5,200	15	100%	0	173	347	520	347
	ROOFING	10/25/2000	603	D	100%		603	15	100%	0	20	40	60	40
	MISC FURNITURE	7/1/2000	3,946	D	100%		3,946	7	100%	0	282	564	846	564
MPROV	TREASURY OFFICE IMPROVE	8/23/2001	6,520	H	100%		6,520	39	100%	5	63	63	63	167
SYSTEM	ROCK FOR SEPTIC SYSTEM	3/27/2001	2,575	F	100%		2,575	15	150%	0		129	129	245
	TOILET & HEATER	1/30/2001	685	D	100%		685	7	200%	0		98	98	168
	MIXER FOR KITCHEN	2/21/2001	245	D	100%		245	7	200%	0		35	35	60
	TOILET	2/23/2001	290	D	100%		290	7	200%	0		41	41	71
	FURNACE REPAIR	3/15/2001	1,038	D	100%		1,038	7	200%	0		148	148	254
	BUILDING SHED	5/17/2001	1,293	H	100%		1,293	39	100%	5		21	21	33
	VACCUUM CLEANER	12/20/2001	200	D	100%		200	7	200%	0		29	29	49
	WATER HEATER	12/20/2001	180	D	100%		180	7	200%	0		26	26	44
NDS	DRILL, SCRAPER BLINDS	12/20/2001	136	D	100%		136	7	200%	0		19	19	33
	3 MATTRESS SETS	1/5/2001	324	D	100%		324	7	200%	0		46	46	79
	PATIO FURNITURE	3/22/2001	1,159	D	100%		1,159	7	200%	0		166	166	284
	BUNK BEDS	4/4/2001	1,026	D	100%		1,026	7	200%	0		147	147	251
TRESS	2 BOX STRINGS/MATTRESS	5/9/2001	203	D	100%		203	7	200%	0		29	29	50

STATEMENT OTHER EXPENSES - FORM 990 LINE 43 PROGRAM SERVICES		Total	607,586
1	COMMISSIONS	1	9,208
2	POSTAGE EXPENSE	2	9,400
3	INSURANCES EXPENSE	3	33,255
4	TAXES, FEES & PERMITS	4	3,733
5	UTILITIES EXPENSE	5	29,544
6	LAUNDRY & CLEANING EXPENSE	6	1,691
7	OFFICE EXPENSE	7	12,740
8	BUILDINGS REPAIRS AND MAINTENANCE	8	19,853
9	DISSEMINATION EXPENSE	9	47,477
10	COURSE MATERIALS	10	1,929
11	OUTSIDE SERVICES	11	157,061
12	STAFF TRAINING	12	4,842
13	CONTRIBUTIONS	13	5,550
14	TRADEMARK FEES	14	127,402
15	PROGRAM FOOD EXPENSE	15	114,807
16	MEDICAL EXPENSE	16	15,344
17	VITAMINS EXPENSE	17	9,440
18	DELIVERY COST	18	832
19	BANK CHARGES	19	409
20	VEHICLE EXPENSE	20	3,069
21		21	
22		22	
23		23	
24		24	
25		25	

STATEMENT-OTHER EXPENSES MGMT & GEN FORM 990 LINE 43		Total	65,660
1	OFFICE EXPENSE	1	125
2	DESSEMINATION EXPENSE	2	470
3	BANK CHARGES	3	14,603
4	OUTSIDE SERVICES	4	46,566
5	STAFF TRAINING	5	3,245
6	MEDICAL EXPENSE	6	651
7		7	
8		8	
9		9	
10		10	
11		11	
12		12	
13		13	
14		14	
15		15	
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
24		24	
25		25	

Line 58 (990) - Other Assets

		Beginning	End
1 WORKERS COMPENSATION INSURANCE DEPOSIT	1	1,615	1,615
2 DEPOSIT	2	2,009	2,009
3 SECURITY DEPOSIT	3	1,700	
4 PURCHASE DEPOSIT	4		31,307
5	5		
6	6		
7	7		
8	8		
9	9		
10	10		
11 Total other assets		5,324	34,931

Line 65 (990) - Other Liabilities

		Beginning	End
1 SALES TAX PAYABLE	1	531	1,220
2	2		
3	3		
4	4		
5	5		
6	6		
7	7		
8	8		
9	9		
10	10		
11 Total other liabilities		531	1,220

Line 64b for 990 MORTGAGES & N/P END OF THE YEAR		Total	1,392,573
1	MORTGAGE COAST COMMERCIAL BANK 2ND ON NARCONON'S PROPERTY	1	832,573
2	MORTGAGE INDIVIDUAL MAYR 1ST ON NARCONON'S PROPERTY	2	560,000
3		3	
4		4	
5		5	

Line 64B for 990 MORTGAGES & N/P BEGINNING OF THE YEAR		Total	1,411,841
1	MORTGAGES BEGINING OF THE YEAR	1	1,411,841
2		2	
3		3	
4		4	
5		5	

NARCONON OF NORTHERN CALIFORNIA

77-0275827

STATEMENT 1

REF SCH A (FORM 990) PART III 2a

NARCONON OF NORTHERN CALIF PAID RENT OF \$32576 TO ANDY
MOORE, EXECUTIVE DIRECTOR, FOR USE OF PROPERTY

NARCONON OF NORTHERN CALIFORNIA

77-0275827

STATEMENT 2

REF Form 990 Part I line 10a, b &c

GROSS SALES OF BOOKS & PUBLICATIONS	34848
LESS COST OF BOOKS & PUBLICATIONS SOLD	<u>20826</u>
GROSS PROFIT FROM SALE OF INVENTORY	14022
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