

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2003

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 2003 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

Room/suite

City or town

State or country

ZIP + 4

WATSONVILLE

CA

95076-9731

D Employer identification number

77-0275827

E Telephone number

800-722-5570

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 ☒ NoH(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 ☐ NoI Group Exemption Number ☐ 2595M Check ☒ if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)G Website: ☐ ADDICTION-REHABILITATION.COMJ 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.L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ☐ 3,432,826

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	39,109		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 27,170 noncash \$ 11,939)	1d	39,109		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	3,299,287		
3	Membership dues and assessments	3	0		
4	Interest on savings and temporary cash investments	4	157		
5	Dividends and interest from securities	5	0		
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	0		
7	Other investment income (describe <input type="checkbox"/>)	7	0		
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	0	
b	Less cost or other basis and sales expenses	8b	0		
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) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ 0 of contributions reported on line 1a)	9a	0		
b	Less direct expenses other than fundraising expenses	9b	0		
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	93,367		
b	Less cost of goods sold	10b	31,557		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	61,810		
11	Other revenue (from Part VII, line 103)	11	906		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	3,401,269		
13	Program services (from line 44, column (B))	13	2,921,850		
14	Management and general (from line 44, column (C))	14	653,121		
15	Fundraising (from line 44, column (D))	15	0		
16	Payments to affiliates (attach schedule)	16	0		
17	Total expenses (add lines 16 and 44, column (A))	17	3,574,971		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	-173,702		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	279,972		
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	106,270		

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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 page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0)	0	0		
23	Specific assistance to individuals (attach schedule)	0			
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc.	408,440		408,440	
26	Other salaries and wages	772,967	690,531	82,436	
27	Pension plan contributions	0			
28	Other employee benefits	0			
29	Payroll taxes	87,997	60,466	27,531	
30	Professional fundraising fees	0			
31	Accounting fees	0			
32	Legal fees	0			
33	Supplies	0			
34	Telephone	55,160	27,580	27,580	
35	Postage and shipping	18,086	18,086		
36	Occupancy	136,512	136,512		
37	Equipment rental and maintenance	17,798	17,798		
38	Printing and publications	11,096	11,096		
39	Travel	0			
40	Conferences, conventions, and meetings	0			
41	Interest	96,353	96,353		
42	Depreciation, depletion, etc. (attach schedule)	54,851	54,851		
43	Other expenses not covered above (itemize) a	0			
b	SEE STM - OTHER EXPENSES PROGRAM SERVICES	1,808,577	1,808,577		
c	SEE STM - OTHER EXPENSES MGNT & GENERAL	107,134		107,134	
d		0			
e		0			
f		0			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	3,574,971	2,921,850	653,121	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 page 25 of the instructions.)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 150,100 HOURS OF DRUG REHAB & LIFE SKILLS. DRUG FREE LECTURES WERE DELIVERED TO 416 STUDENTS AT PUBLIC SCHOOLS	(Grants and allocations \$)	2,921,850
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)		2,921,850

Part IV Balance Sheets (See page 25 of the instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only				(A) Beginning of year		(B) End of year
Assets	45	Cash—non-interest-bearing		128,363	45	151,727
	46	Savings and temporary cash investments		15,544	46	
	47 a	Accounts receivable	47a 0			
	b	Less: allowance for doubtful accounts	47b 0	0	47c	0
	48 a	Pledges receivable	48a 0			
	b	Less: allowance for doubtful accounts	48b 0	0	48c	0
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		0	50	0
	51 a	Other notes and loans receivable (attach schedule)	51a 0			
	b	Less: allowance for doubtful accounts	51b 0	0	51c	0
	52	Inventories for sale or use		6,915	52	10,157
	53	Prepaid expenses and deferred charges			53	
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	54	0
	55 a	Investments—land, buildings, and equipment basis	55a 0			
	b	Less: accumulated depreciation (attach schedule)	55b 0	0	55c	0
56	Investments—other (attach schedule)		0	56	0	
57 a	Land, buildings, and equipment: basis	57a 1,837,387				
b	Less: accumulated depreciation (attach schedule)	57b 180,020	1,498,123	57c	1,657,367	
58	Other assets (describe <input type="checkbox"/> See attached worksheet)		40,631	58	59,606	
59	Total assets (add lines 45 through 58) (must equal line 74)		1,689,576	59	1,878,857	
Liabilities	60	Accounts payable and accrued expenses			60	
	61	Grants payable			61	
	62	Deferred revenue			62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0
	64 a	Tax-exempt bond liabilities (attach schedule)		0	64a	0
	b	Mortgages and other notes payable (attach schedule)		1,391,885	64b	1,710,915
65	Other liabilities (describe <input type="checkbox"/> See attached worksheet)		17,719	65	61,672	
66	Total liabilities (add lines 60 through 65)		1,409,604	66	1,772,587	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		279,972	67	106,270
	68	Temporarily restricted			68	
	69	Permanently restricted			69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds			70	
	71	Paid-in or capital surplus, or land, building, and equipment fund			71	
	72	Retained earnings, endowment, accumulated income, or other funds			72	
	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)		279,972	73	106,270
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)		1,689,576	74	1,878,857

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 page 27 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	3,401,269
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	0
c	Line a minus line b	c	3,401,269
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	3,401,269

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

a	Total expenses and losses per audited financial statements	a	3,574,971
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	0
c	Line a minus line b	c	3,574,971
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	3,574,971

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Name DANIEL MANSON Str 262 GAFFEY ROAD City WATSONVILLE ST CA ZIP 95076	Title EXEC DIR Hr/WK 40 HRS	115,649	0	0
Name CHUCK KOCH Str 18327 CHRISTEPH City MORGAN HILL ST CA ZIP 95037	Title DIRECTOR Hr/WK 1 HRS	26,475	0	0
Name JERRY NEMIER Str 2934 BRESSO DRIV City LIVERMORE ST CA ZIP 94550	Title DIRECTOR Hr/WK 0 HRS	0	0	0
Name MARC TORRES Str 18889 W CAVENDA City CASTRO VALLEY ST CA ZIP 94552	Title DIRECTOR Hr/WK 0 HRS	0	0	0
Name DAVID PULIAFICC Str 1630 TENNANT AV City MORGAN HILL ST CA ZIP 95037	Title DIRECTOR Hr/WK 0 HRS	0	0	0
Name EUGENE MOORE Str 7849 W MANCHES City PLAYA DEL REY ST CA ZIP 90293	Title DIRECTOR Hr/WK 0 HRS	0	0	0
Name JOHN BERRYMAN Str 5716 LA SEYNE PL City SAN JOSE ST CA ZIP 94545	Title DIRECTOR Hr/WK 0 HRS	0	0	0
Name FRANK MONTERO Str 2830 CONGRESS R City PEBBLE BEACH ST CA ZIP 93953	Title FORMER DIR. Hr/WK 40	165,152	0	0
Name ANGIE MANSON Str 262 GAFFEY ROAD City WATSONVILLE ST CA ZIP 95076	Title FINACIAL SUP Hr/WK 40 HRS	101,164	0	0
Name _____ Str _____ City _____ ST ZIP _____	Title _____ Hr/WK _____			

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—see page 28 of the instructions

Yes ☐ No ☒

Part VI Other Information (See page 28 of the instructions.)

	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?	78b	N/A
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 <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a Enter direct and indirect political expenditures. See line 81 instructions	81a 0	
b Did the organization file Form 1120-POL for this year?	81b	X
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 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	N/A
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b 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	85b	N/A
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 on line 85f?	85g	N/A
h 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?	85h	N/A
86 501(c)(7) orgs 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) orgs 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, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a 501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0, section 4912 <input type="checkbox"/> 0; section 4955 <input type="checkbox"/> 0		
b 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	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0		
90 a List the states with which a copy of this return is filed <input type="checkbox"/> CA		
b Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)	90b 25	
91 The books are in care of <input type="checkbox"/> Name ANGIE MASON Telephone no <input type="checkbox"/> 800-722-5570 Located at <input type="checkbox"/> 262 GAFFEY ROAD City WATSONVILLE ST CA Zip + 4 <input type="checkbox"/> 95076-9731		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92 N/A		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)**Note:** Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a <u>DRUG REHABILITATION SERVICES</u>					3,299,287
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	157	
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					61,810
103 Other revenue a <u>COMMISSIONS</u>			01	906	
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0		1,063	3,361,097
105 Total (add line 104, columns (B), (D), and (E))					3,362,160

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 page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	REVENUE FROM DRUG REHABILITATION SERVICES. THESE SERVICES ARE THE PRIMARY REASON FOR EXEMPTION.
102	REVENUE FROM SALES OF DRUG REHAB & LIFE SKILLS MATERIALS AS PART OF NARCONON'S SERVICES

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%		0	0
	%		0	0
	%		0	0
	%		0	0

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

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 <u>David Puliafico</u>		Date <u>November 12, 2004</u>	
Paid Preparer's Use Only	Type or print name and title <u>DAVID PULIAFICO TREASURER/DIRECTOR</u>			
	Preparer's signature <u>David Puliafico</u>	Date <u>11/12/04</u>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed) <u>DAVID PULIAFICO, INC</u>		EIN <u></u>	Phone no <u>408-778-1345</u>
address, and ZIP + 4 <u>1630 TENNANT AVE, MORGAN HILL, CA 95037</u>				

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2003

Department of the Treasury
Internal Revenue Service
Name of the organization

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

Employer identification number

NARCONON OF NORTHERN CALIFORNIA

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
Name TATSUYA SAKAMOTO Str 3912 PORTOLA DRIVE #207 City SANTA CRUZ ST CA Zip 95062 Country USA	Title PRODUCTION SN Avg hr/wk 40	50,608		
Name STACEY PAYNE Str 5760 FARRISH ROAD City PLACERVILLE ST CA Zip 95667 Country USA	Title SUPERVISOR Avg hr/wk 40	86,436		
Name DESIREE ROMERO Str 10025 LEONIDAS HORTON RD City CONROE ST TX Zip 77304 Country USA	Title REGISTRAR Avg hr/wk 40	58,383		
Name JOEPH KASPERS Str C/O 262 GAFFEY ROAD City WATSONVILLE ST CA Zip 95076 Country USA	Title REGISTRAR Avg hr/wk 40	55,853		
Name Str City ST Zip Country	Title Avg hr/wk			
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
Name NONE Check here if a business <input type="checkbox"/> Str City ST ZIP Country		
Name Check here if a business <input type="checkbox"/> Str City ST ZIP Country		
Name Check here if a business <input type="checkbox"/> Str City ST ZIP Country		
Name Check here if a business <input type="checkbox"/> Str City ST ZIP Country		
Name Check here if a business <input type="checkbox"/> Str City ST ZIP Country		
Name Check here if a business <input type="checkbox"/> Str City ST ZIP Country		
Total number of others receiving over \$50,000 for professional services		

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 ► \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property? SEE STATEMENT 1	X	
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V FORM 990	X	
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

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 ► _____ City _____ ST _____ Country _____
- 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.)
- 11 a ☒ 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.)
- 11 b ☐ 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	46,839	21,328	27,748	60,960	156,875
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	1,941,075	1,503,441	1,267,914	783,680	5,496,110
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	546	1,339	157	4,318	6,360
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.	6,057				6,057
23 Total of lines 15 through 22	1,994,517	1,526,108	1,295,819	848,958	5,665,402
24 Line 23 minus line 17	53,442	22,667	27,905	65,278	169,292
25 Enter 1% of line 23	19,945	15,261	12,958	8,490	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 3,386
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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 52,511
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 169,292
d Add Amounts from column (e) for lines:					
18 6,360		19 0			
22 6,057		26b 52,511			26d 64,928
e Public support (line 26c minus line 26d total)					26e 104,364
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 61.65%
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.					
(2002) (2001) (2000) (1999)					
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.					
(2002) (2001) (2000) (1999)					
c Add Amounts from column (e) for lines:					
15 0	16 0				
17 0	20 0	21 0			27c 0
d Add Line 27a total 0 and line 27b total 0					27d 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
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 1999 through 2002, 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?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.)	31	
.....		
.....		
.....		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)		
.....		
.....		
33 Does the organization discriminate by race in any way with respect to.		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
.....		
.....		
.....		
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 explanation	35	

Part VI-A**Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ☐ **a** if the organization belongs to an affiliated groupCheck ☐ **b** if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

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

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

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

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

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

N/A

		Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ►		(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45	Lobbying nontaxable amount					0
46	Lobbying ceiling amount (150% of line 45(e))					0
47	Total lobbying expenditures					0
48	Grassroots nontaxable amount					0
49	Grassroots ceiling amount (150% of line 48(e))					0
50	Grassroots lobbying expenditures					0

Part VI-B**Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

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

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

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

Yes	No
-----	----

(i) Cash		51a(i)	X
----------	---	---	---	---	---	---	---	---	---	---	--	---------------	---

(ii) Other assets	a(ii)	X
-------------------	-------	---

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
---	-------------	--	---

(ii) Purchases of assets from a noncharitable exempt organization	b(ii)	X
---	-------	---

(iii) Rental of facilities, equipment, or other assets	b(iii)		X
--	--------	--	---

(iv) Reimbursement arrangements	b(iv)	X
---------------------------------	-------	---

(v) Loans or loan guarantees	b(v)		X
------------------------------	------	--	---

(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
---	-------	--	---

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

[illegible]

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? .

► ☐ Yes ☒ No

b If "Yes," complete the following schedule

[illegible]

Depreciation and Amortization

(Including Information on Listed Property)

OMB No 1545-0172

2003Attachment
Sequence No **67**Department of the Treasury
Internal Revenue Service

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

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

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	100,000
2 Total cost of section 179 property placed in service (see page 2 of the instructions).	2	0
3 Threshold cost of section 179 property before reduction in limitation	3	400,000
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	100,000
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7 Listed property. Enter the amount from line 29	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 line 13 of your 2002 Form 4562.	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 2004. Add lines 9 and 10, less line 12 ▶	13	0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	0
15 Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16	283

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2003	17	37,716
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ <input type="checkbox"/>		

Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(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
19 a 3-year property						0
b 5-year property		See	Attached	Schedule		6,754
c 7-year property		See	Attached	Schedule		3,174
d 10-year property						0
e 15-year property		See	Attached	Schedule		991
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 Attach Sch	39 yrs	MM	S/L	1,134
				MM	S/L	

Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see page 6 of the instructions)

21 Listed property. Enter amount from line 28	21	4,095
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	54,147
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2003)

Part V Listed Property (Include 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 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					24b If "Yes," is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 6 of the instructions)							25	0	
26 Property used more than 50% in a qualified business use (see page 6 of the instructions):									
See Attached Sch.		0.00%	0	0			4,095	0	
27 Property used 50% or less in a qualified business use (see page 6 of the instructions):									
						S/L-			
						S/L-			
		0.00%	0	0		S/L-	0		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	4,095	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	0	

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 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles - see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32	0	0	0	0	0	0	0	0	0	0	0	0
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 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 (see page 8 of the instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 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?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do 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
42 Amortization of costs that begins during your 2003 tax year (see pg 9 of the instructions):		0		0	0
43 Amortization of costs that began before your 2003 tax year					704
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report					704

Line 1a (990) - Direct public support

1	Contributions	1	27,170
2	Non Cash Contributions	2	11,939
3	Special events contributions (Line 9 - Special Events)	3	0
4	.....	4	
5	.....	5	
6	.....	6	
7	.....	7	
8	.....	8	
9	.....	9	
10	Total	10	39,109

STATEMENT OTHER EXPENSE-FORM 990(2003) LINE 43 PROGRAM SERVICES		Total:	1,808,577
1	ADVERTISING AND PROMOTION	1	191,807
2	CLEANING AND LAUNDRY	2	5,776
3	COMMISSIONS	3	29,887
4	COURSE MATERIALS	4	9,165
5	PROGRAM FOOD EXPENSE	5	231,056
6	INSURANCE EXPENSE	6	101,925
7	LOSS ON ABANDONED ASSETS	7	7,599
8	MEDICAL SERVICES	8	74,004
9	MERCHANT AND BANK FEES	9	52,196
10	PROFESSIONAL FEES	10	498,476
11	REPAIRS AND MAINTENANCE	11	61,057
12	TRADEMARK FEES	12	292,247
13	TRAVEL EXPENSE	13	77,328
14	OTHER EXPENSE	14	1,466
15	STAFF TRAINING	15	147,627
16	UTILITIES EXPENSE	16	26,961
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
24		24	
25		25	

STATEMENT OTHER EXPENSES - FORM 990 (2003) LINE 43 MGMT & GEN**Total: 107,134**

1	CONTRIBUTIONS	1	13,295
2	LEGAL AND ACCOUNTING	2	9,514
3	PROFESSIONAL FEES	3	26,425
4	OFFICE SUPPLIES	4	27,583
5	TAXES AND LICENSE	5	3,357
6	UTILITIES EXPENSE	6	26,960
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 57 (990) - Land, buildings, and equipment

Land (net of any amortization)		Land (net of any amortization)	
		Beginning	End
1 LAND	1	577,752	577,752
2	2		
3	3		
4	4		
5	5		
6 Total land (net of any amortization)	6	577,752	577,752

Buildings and equipment		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
7 BUILDING AND IMPROVEMENTS	7	938,898	1,018,670		
8 EQUIPMENT	8	42,566	110,687		
9 FURNITURE & FIXTURES	9	44,418	87,216		
10 VEHICLES	10	25,759	43,062		
11	11				
12 TOTAL OF ALL ABOVE SEE ATTACHED	12			131,270	180,020
13	13				
14	14				
15	15				
16	16				
17 Total buildings and equipment	17	1,051,641	1,259,635	131,270	180,020
18 Buildings and equipment (less accumulated depreciation)	18			920,371	1,079,615
19 Total land, buildings and equipment	19			1,498,123	1,657,367

Category or Item		Cost/Other Basis	Accumulated Depreciation	Book Value
1	1			
2	2			
3	3			
4	4			
5	5			
6	6			
7	7			
8	8			
9	9			
10	10			
11 Total	11	0	0	0

Line 58 (990) - Other assets

		Beginning	End
1	WORKERS COMPENSATION INSURANCE DEPOSIT	1,660	3,785
2	PERSONAL PROPERTY	2,564	5,964
3	SECURITY DEPOSIT	5,100	12,550
4	DEPOSIT - REAL ESTATE	31,307	31,307
5	CONTRACTOR ADVANCE		6,000
6			
7			
8			
9			
10			
11	Total other assets	40,631	59,606

Line 64b (990) - Mortgages and other notes payable

Lender's name	Check if lender is a business	Balance due beginning of year	Balance due end of year
1 WELLS FARGO BANK	<input checked="" type="checkbox"/>	1,390,000	1,362,447
2 LONG TERM CONTRACT	<input type="checkbox"/>	0	322,100
3 GE CAPITAL	<input type="checkbox"/>	0	26,368
4 VEHICLE NOTE PAYABLE	<input type="checkbox"/>	1,885	0
19 Totals	19	1,391,885	1,710,915

Line 65 (990) - Other liabilities

		Beginning	End
1	SALES TAX PAYABLE	1,168	1,702
2	CREDIT LINE PAYABLE	16,551	59,970
3			
4			
5			
6			
7			
8			
9			
10			
11	Total other liabilities	17,719	61,672

NARCONON OF NORTHERN CALIFORNIA

77-0275827

STATEMENT 1

REF: SCH A FORM 990 (2003) PART III 2a.

NARCONON OF NORTHERN CALIFORNIA PAID RENT OF \$37216 TO ANDY MOORE, FORMER EXECUTIVE DIRECTOR, FOR USE OF PROPERTY.

NARCONON OF NORTHERN CALIFORNIA

77-0275827

STATEMENT 2

REF: FORM 990 (2003) PART I LINE 10A, B & C

GROSS SALES OF BOOKS & PUBLICATIONS	93367
LESS COST OF BOOKS & PUBLICATIONS SOLD	<u>31557</u>
GROSS PROFIT FROM SALE OF INVENTORY	61810
	=====

Sch A FORM 990(2003) PART IV-A LINE 23 COLUMN A**Total:****6,057**

1	COMMISSIONS	1	6,057
2		2	
3		3	
4		4	
5		5	

Federal Depreciation Report For 4562

NARCONON OF NORTHERN CALIFORNIA

77-0275827

Tax Year: 12/31/03

Item No	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed in Service New	Balance Sheet Location	Cost or Other Basis	Less Sec 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (years)	Method	Convention Code	Prior Accum Deprec. 179, Bonus	2003 Current Deprec	2003 Accum Deprec
GDS 5 year property (Line 19b)																
	GENERATOR	1/13/2003	C	100.00%	YES	B	875		0	875	5	S/L-GDS	HY		88	88
	2 NEW PHONES AND LINES	2/3/2003	C	100.00%	YES	B	1,667		0	1,667	5	S/L-GDS	HY		167	167
	SEARS FREEZER	2/3/2003	C	100.00%	YES	B	703		0	703	5	S/L-GDS	HY		70	70
	TOLIT	2/10/2003	C	100.00%	YES	B	120		0	120	5	S/L-GDS	HY		12	12
	WALK IN REFRIGERATOR	2/18/2003	C	100.00%	YES	B	6,284		0	6,284	5	S/L-GDS	HY		628	628
	ASSIST TABLE	2/24/2003	C	100.00%	YES	B	348		0	348	5	S/L-GDS	HY		35	35
	BREATHALIZER	2/24/2003	C	100.00%	YES	B	562		0	562	5	S/L-GDS	HY		56	56
	CHECK BY FAX PROGRAM	2/24/2003	C	100.00%	YES	B	188		0	188	5	S/L-GDS	HY		19	19
	FAX MACHINE	2/24/2003	C	100.00%	YES	B	150		0	150	5	S/L-GDS	HY		15	15
	HOT WATER HEATER	2/24/2003	C	100.00%	YES	B	895		0	895	5	S/L-GDS	HY		90	90
	NAUTILUS SYSTEM	2/24/2003	C	100.00%	YES	B	341		0	341	5	S/L-GDS	HY		34	34
	SCALE FOR SAUNA	2/24/2003	C	100.00%	YES	B	282		0	282	5	S/L-GDS	HY		28	28
	3 DESKTOPS AND 1 LAPTOP	3/3/2003	C	100.00%	YES	B	6,534		0	6,534	5	S/L-GDS	HY		653	653
	MOWER	3/10/2003	C	100.00%	YES	B	97		0	97	5	S/L-GDS	HY		10	10
	WASHER SEARS	3/10/2003	C	100.00%	YES	B	390		0	390	5	S/L-GDS	HY		39	39
	BB HOOP	3/17/2003	C	100.00%	YES	B	120		0	120	5	S/L-GDS	HY		12	12
	PHONE ANSWERING MACHINE	3/25/2003	C	100.00%	YES	B	130		0	130	5	S/L-GDS	HY		13	13
	PRINTER	3/25/2003	C	100.00%	YES	B	115		0	115	5	S/L-GDS	HY		12	12
	40 GALLON PROPANE TANK	4/14/2003	C	100.00%	YES	B	250		0	250	5	S/L-GDS	HY		25	25
	TREADMILL	4/22/2003	C	100.00%	YES	B	1,061		0	1,061	5	S/L-GDS	HY		106	106
	LAPTOP	4/28/2003	C	100.00%	YES	B	2,933		0	2,933	5	S/L-GDS	HY		293	293
	NEW OVENS	4/28/2003	C	100.00%	YES	B	4,841		0	4,841	5	S/L-GDS	HY		484	484
	HIGH SPEED INTERNET	5/22/2003	C	100.00%	YES	B	140		0	140	5	S/L-GDS	HY		14	14
	2 TOSHIBA PHONES	5/27/2003	C	100.00%	YES	B	380		0	380	5	S/L-GDS	HY		38	38
	DESKTOP	6/2/2003	C	100.00%	YES	B	1,241		0	1,241	5	S/L-GDS	HY		124	124
	2 ASSIST TABLES	6/6/2003	C	100.00%	YES	B	691		0	691	5	S/L-GDS	HY		69	69
	2 DESKTOP COMPUTERS	6/6/2003	C	100.00%	YES	B	1,394		0	1,394	5	S/L-GDS	HY		139	139
	DINING TABLE	6/6/2003	C	100.00%	YES	B	1,067		0	1,067	5	S/L-GDS	HY		107	107
	FREEZER	6/12/2003	C	100.00%	YES	B	269		0	269	5	S/L-GDS	HY		27	27
	GRILL	6/24/2003	C	100.00%	YES	B	200		0	200	5	S/L-GDS	HY		20	20
	MOWER TRIMMER BLOWER	6/24/2003	C	100.00%	YES	B	468		0	468	5	S/L-GDS	HY		47	47
	STORAGE CONTAINER	6/24/2003	C	100.00%	YES	B	585		0	585	5	S/L-GDS	HY		59	59
	WORK OUT BENCH	6/24/2003	C	100.00%	YES	B	408		0	408	5	S/L-GDS	HY		41	41
	2 LAPTOPS	6/30/2003	C	100.00%	YES	B	5,583		0	5,583	5	S/L-GDS	HY		558	558
	SECURITY	6/30/2003	C	100.00%	YES	B	130		0	130	5	S/L-GDS	HY		13	13
	2 DRIERS SEARS	7/8/2003	C	100.00%	YES	B	713		0	713	5	S/L-GDS	HY		71	71
	EMACHINE COMPUTER	7/8/2003	C	100.00%	YES	B	680		0	680	5	S/L-GDS	HY		68	68
	INDUSTRIAL WASHER AND DR	7/8/2003	C	100.00%	YES	B	549		0	549	5	S/L-GDS	HY		55	55
	REACH IN REFRIG	7/8/2003	C	100.00%	YES	B	1,450		0	1,450	5	S/L-GDS	HY		145	145
	COMPUTER COMPAC	7/9/2003	C	100.00%	YES	B	900		0	900	5	S/L-GDS	HY		90	90
	PORTABLE AC	8/5/2003	C	100.00%	YES	B	167		0	167	5	S/L-GDS	HY		17	17
	WEIGHTS	8/11/2003	C	100.00%	YES	B	176		0	176	5	S/L-GDS	HY		18	18
	INDUSTRIAL STACKING	8/18/2003	C	100.00%	YES	B	1,280		0	1,280	5	S/L-GDS	HY		128	128
	FAX AND PHONE	8/25/2003	C	100.00%	YES	B	312		0	312	5	S/L-GDS	HY		31	31
	RAMP WHEEL	8/25/2003	C	100.00%	YES	B	398		0	398	5	S/L-GDS	HY		40	40
	TV FOR STUDENT LOUNGE	8/25/2003	C	100.00%	YES	B	648		0	648	5	S/L-GDS	HY		65	65
	WEEDEATER	8/25/2003	C	100.00%	YES	B	124		0	124	5	S/L-GDS	HY		12	12
	CENTRAL AIR	8/26/2003	C	100.00%	YES	B	2,938		0	2,938	5	S/L-GDS	HY		294	294
	ELECTRONICS UPGRADE	9/2/2003	C	100.00%	YES	B	1,476		0	1,476	5	S/L-GDS	HY		148	148
	NEW SAUNA	9/12/2003	C	100.00%	YES	B	11,986	0	0	11,986	5	S/L-GDS	HY		1,199	1,199
	SHREDDERS	9/26/2003	C	100.00%	YES	B	315		0	315	5	S/L-GDS	HY		32	32
	2 WATER HEATERS	10/20/2003	C	100.00%	YES	B	355		0	355	5	S/L-GDS	HY		36	36
	COMM CENTER	11/3/2003	C	100.00%	YES	B	263		0	263	5	S/L-GDS	HY		26	26
	WEEDEATER	11/10/2003	C	100.00%	YES	B	105		0	105	5	S/L-GDS	HY		11	11
	4 OUTLETS	11/14/2003	C	100.00%	YES	B	1,230		0	1,230	5	S/L-GDS	HY		123	123
							67,507	0	0	67,507				0	6,754	6,754
GDS 7 year property (Line 19c)																
	5 DRESSERS FOR STUDENTS	1/3/2003	D	100.00%	YES	B	415		0	415	7	S/L-GDS	HY		30	30

GDS 7 year property (Line 19c)

Federal Depreciation Report For 4562

NARCONON OF NORTHERN CALIFORNIA

77-0275827

Tax Year: 12/31/03

Item No	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed in New Service	Balance Sheet Location	Cost or Other Basis	Less Sec 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (years)	Method	Convention Code	Prior Accum Deprec, 179, Bonus	2003 Current Deprec	2003 Accum Deprec
BEDS		2/3/2003	D	100.00%	YES	B	1,764	0	0	1,764	7	SL-GDS	HY	126	126	126
CARPETING		2/24/2003	D	100.00%	YES	B	8,700	0	0	8,700	7	SL-GDS	HY	621	621	621
FILING CABINET AND STORAGE		2/24/2003	D	100.00%	YES	B	150	0	0	150	7	SL-GDS	HY	11	11	11
BUNK BEDS		3/10/2003	D	100.00%	YES	B	960	0	0	960	7	SL-GDS	HY	69	69	69
DINING TABLE AND CHAIRS		3/17/2003	D	100.00%	YES	B	107	0	0	107	7	SL-GDS	HY	8	8	8
2 COURSE ROOM TABLES		3/25/2003	D	100.00%	YES	B	110	0	0	110	7	SL-GDS	HY	8	8	8
COMPUTER DESK		3/25/2003	D	100.00%	YES	B	108	0	0	108	7	SL-GDS	HY	8	8	8
BEDS		3/27/2003	D	100.00%	YES	B	497	0	0	497	7	SL-GDS	HY	36	36	36
BEDS		4/22/2003	D	100.00%	YES	B	1,591	0	0	1,591	7	SL-GDS	HY	114	114	114
COFFEE TABLE AND KITCHEN		5/16/2003	D	100.00%	YES	B	278	0	0	278	7	SL-GDS	HY	20	20	20
BEDS		5/22/2003	D	100.00%	YES	B	322	0	0	322	7	SL-GDS	HY	23	23	23
BEDS AND DRESSERS		5/23/2003	D	100.00%	YES	B	1,483	0	0	1,483	7	SL-GDS	HY	106	106	106
BEDS AND DRESSERS		5/23/2003	D	100.00%	YES	B	7,629	0	0	7,629	7	SL-GDS	HY	545	545	545
2 DESKS		5/27/2003	D	100.00%	YES	B	360	0	0	360	7	SL-GDS	HY	26	26	26
COURSE ROOM CHAIRS		5/27/2003	D	100.00%	YES	B	357	0	0	357	7	SL-GDS	HY	26	26	26
OFFICE CABINETS		5/27/2003	D	100.00%	YES	B	205	0	0	205	7	SL-GDS	HY	15	15	15
OFFICE CHAIRS		5/27/2003	D	100.00%	YES	B	150	0	0	150	7	SL-GDS	HY	11	11	11
STORAGE CABINET		5/27/2003	D	100.00%	YES	B	257	0	0	257	7	SL-GDS	HY	18	18	18
BEDS		6/6/2003	D	100.00%	YES	B	1,301	0	0	1,301	7	SL-GDS	HY	93	93	93
BEDS		6/24/2003	D	100.00%	YES	B	365	0	0	365	7	SL-GDS	HY	26	26	26
DESKS AND LATERAL FILES C		6/24/2003	D	100.00%	YES	B	795	0	0	795	7	SL-GDS	HY	57	57	57
DRESSERS		6/24/2003	D	100.00%	YES	B	393	0	0	393	7	SL-GDS	HY	28	28	28
OFFICE CHAIRS		6/24/2003	D	100.00%	YES	B	240	0	0	240	7	SL-GDS	HY	17	17	17
3 DESKS		6/30/2003	D	100.00%	YES	B	400	0	0	400	7	SL-GDS	HY	29	29	29
7 COURSE ROOM TABLES		6/30/2003	D	100.00%	YES	B	500	0	0	500	7	SL-GDS	HY	36	36	36
BOOKCASES		6/30/2003	D	100.00%	YES	B	210	0	0	210	7	SL-GDS	HY	15	15	15
FAX MACHINE		6/30/2003	D	100.00%	YES	B	130	0	0	130	7	SL-GDS	HY	9	9	9
FILING CABINETS		6/30/2003	D	100.00%	YES	B	190	0	0	190	7	SL-GDS	HY	14	14	14
OFFICE CHAIRS		6/30/2003	D	100.00%	YES	B	1,837	0	0	1,837	7	SL-GDS	HY	131	131	131
OFFICE CHAIRS		6/30/2003	D	100.00%	YES	B	270	0	0	270	7	SL-GDS	HY	19	19	19
15 OUTSIDE CHAIRS		7/1/2003	D	100.00%	YES	B	117	0	0	117	7	SL-GDS	HY	8	8	8
FURNITURE		7/18/2003	D	100.00%	YES	B	7,382	0	0	7,382	7	SL-GDS	HY	527	527	527
2 DESKS AND 3 OFFICE CHAIR		7/28/2003	D	100.00%	YES	B	480	0	0	480	7	SL-GDS	HY	34	34	34
STORAGE CABINETS		7/28/2003	D	100.00%	YES	B	350	0	0	350	7	SL-GDS	HY	25	25	25
OFFICE CHAIR		8/5/2003	D	100.00%	YES	B	108	0	0	108	7	SL-GDS	HY	8	8	8
CHAIRS FOR STAFF		8/25/2003	D	100.00%	YES	B	262	0	0	262	7	SL-GDS	HY	19	19	19
DESK AND BOOKCASE		8/25/2003	D	100.00%	YES	B	314	0	0	314	7	SL-GDS	HY	22	22	22
DINING TABLE AND CHAIRS		8/25/2003	D	100.00%	YES	B	685	0	0	685	7	SL-GDS	HY	49	49	49
TABLES AND FILES CABINETS		8/25/2003	D	100.00%	YES	B	475	0	0	475	7	SL-GDS	HY	34	34	34
PATIO FURNITURE		9/21/2003	D	100.00%	YES	B	1,350	0	0	1,350	7	SL-GDS	HY	96	96	96
5 DRAWER LATERAL FILING C		9/26/2003	D	100.00%	YES	B	795	0	0	795	7	SL-GDS	HY	57	57	57
GDS 15 year property (Line 19e)							44,392	0	0	44,392				0	3,174	3,174
PAVING ROAD		5/14/2003	F	100.00%	YES	B	4,335	0	0	4,335	15	SL-GDS	MM	181	181	181
PAVING VOLLEYBALL COURT		6/9/2003	F	100.00%	YES	B	2,450	0	0	2,450	15	SL-GDS	MM	88	88	88
SAUNA		7/18/2003	F	100.00%	YES	B	13,003	0	0	13,003	15	SL-GDS	MM	397	397	397
RIVER ROCK LAND SCAPING		9/2/2003	F	100.00%	YES	B	593	0	0	593	15	SL-GDS	MM	20	20	20
SURVEILLANCE CAMERA		9/8/2003	F	100.00%	YES	B	340	0	0	340	15	SL-GDS	MM	7	7	7
AIR CONDITIONING UNIT		9/10/2003	F	100.00%	YES	B	3,000	0	0	3,000	15	SL-GDS	MM	58	58	58
FOUNDATION B AND B CONST		10/6/2003	F	100.00%	YES	B	7,200	0	0	7,200	15	SL-GDS	HY	240	240	240
GDS nonresidential real property (Line 19i)							30,921	0	0	30,921				0	991	991
ELECTRICAL UPGRADE		1/6/2003	H	100.00%	YES	B	1,011	0	0	1,011	39	SL-GDS	MM	25	25	25
HEATING SYSTEM		1/13/2003	H	100.00%	YES	B	8,210	0	0	8,210	39	SL-GDS	MM	202	202	202
POOL UPGRADE		2/10/2003	H	100.00%	YES	B	1,650	0	0	1,650	39	SL-GDS	MM	37	37	37
MODULAR UNIT		2/16/2003	H	100.00%	YES	B	38,700	0	0	38,700	39	SL-GDS	MM	870	870	870
MACRS deductions for prior years (Line 17)							49,571	0	0	49,571				0	1,134	1,134
BED & FRAME		3/3/1997	D	100.00%	YES	B	127	Page 2	0	127	7	SL-GDS	HY	99	18	117

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NARCONON OF NORTHERN CALIFORNIA

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Item No	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed In Service New	Balance Sheet Location	Cost or Other Basis	Less Sec 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (years)	Method	Convention Code	Prior Accum Deprec. 179 Bonus	2003 Current Deprec	2003 Accum Deprec
BED & FRAMES		3/5/1997	D	100.00%	YES	B	154	0	0	154	7	S/L-GDS	HY	120	22	142
2 BEDS & FRAMES		4/29/1997	D	100.00%	YES	B	268	0	0	268	7	S/L-GDS	HY	209	38	247
CHAIR		5/30/1997	C	100.00%	YES	B	173	0	0	173	7	S/L-GDS	HY	137	25	162
BEDS		6/30/1997	D	100.00%	YES	B	167	0	0	167	7	S/L-GDS	HY	132	24	156
FRAMES FOR BEDS		6/30/1997	D	100.00%	YES	B	108	0	0	108	7	S/L-GDS	HY	83	15	98
FURNITURE NEW COURSE		7/10/1997	D	100.00%	YES	B	683	0	0	683	7	S/L-GDS	HY	538	98	636
OFFICE FURNITURE		1/28/1998	D	100.00%	YES	B	3,500	0	0	3,500	7	S/L-GDS	HY	2,458	500	2,958
MEMORY UPGRADES		2/16/1998	C	100.00%	YES	B	173	0	0	173	5	S/L-GDS	HY	173	4	173
LASERJET PRINTER		2/18/1998	C	100.00%	YES	B	452	0	0	452	5	S/L-GDS	HY	435	17	452
PAPER FOLDER		4/3/1998	C	100.00%	YES	B	540	0	0	540	5	S/L-GDS	HY	513	27	540
ZIP DRIVE		4/30/1998	C	100.00%	YES	B	162	0	0	162	5	S/L-GDS	HY	150	12	162
TELEPHONE		10/26/1998	C	100.00%	YES	B	480	0	0	480	5	S/L-GDS	HY	400	48	448
BUILDING FACILITIES		12/30/1998	H	100.00%	YES	B	847,388	0	0	847,388	39	S/L-GDS	MM	86,910	21,727	108,637
SAUNA		2/28/1999	C	100.00%	YES	B	4,524	0	0	4,524	7	S/L-GDS	HY	2,504	646	3,150
SAUNA HEATER		2/28/1999	C	100.00%	YES	B	1,392	0	0	1,392	7	S/L-GDS	HY	771	199	970
PAPER FOLDER		3/11/1999	C	100.00%	YES	B	714	0	0	714	7	S/L-GDS	HY	395	102	497
MODEM		4/12/1999	C	100.00%	YES	B	108	0	0	108	5	S/L-GDS	HY	94	14	108
OFFICE FURNITURE		6/2/1999	D	100.00%	YES	B	2,639	0	0	2,639	7	S/L-GDS	HY	1,367	377	1,744
3 COMPUTERS		8/2/1999	C	100.00%	YES	B	3,075	0	0	3,075	7	S/L-GDS	HY	1,482	439	1,921
PHONE LINES		9/5/1999	C	100.00%	YES	B	3,292	0	0	3,292	7	S/L-GDS	HY	1,586	470	2,056
DRIVEWAY		10/15/1999	F	100.00%	YES	B	19,300	0	0	19,300	15	S/L-GDS	HY	4,022	1,287	5,309
SEPTIC TANK		4/5/2000	F	100.00%	YES	B	4,500	0	0	4,500	15	S/L-GDS	HY	750	300	1,050
MISC. FURNITURE		7/1/2000	D	100.00%	YES	B	3,946	0	0	3,946	7	S/L-GDS	HY	1,410	564	1,974
LAPTOP		9/19/2000	C	100.00%	YES	B	1,080	0	0	1,080	5	S/L-GDS	HY	540	216	756
FREEZER		9/22/2000	C	100.00%	YES	B	620	0	0	620	5	S/L-GDS	HY	310	124	434
PAVING		10/17/2000	F	100.00%	YES	B	5,200	0	0	5,200	15	S/L-GDS	HY	867	347	1,214
ROOFING		10/25/2000	F	100.00%	YES	B	603	0	0	603	15	S/L-GDS	HY	100	40	140
CABINET		11/2/2000	D	100.00%	YES	B	502	0	0	502	5	S/L-GDS	HY	250	100	350
3 MATTRESS SETS		1/5/2001	D	100.00%	YES	B	324	0	0	324	7	S/L-GDS	HY	92	46	138
TOILET & HEATER		1/30/2001	C	100.00%	YES	B	685	0	0	685	7	S/L-GDS	HY	196	98	294
MIXER FOR KITCHEN		2/21/2001	C	100.00%	YES	B	245	0	0	245	7	S/L-GDS	HY	70	35	105
TOILET		2/23/2001	C	100.00%	YES	B	290	0	0	290	7	S/L-GDS	HY	82	41	123
FURNACE REPAIR		3/15/2001	C	100.00%	YES	B	1,038	0	0	1,038	7	S/L-GDS	HY	296	148	444
PATIO FURNITURE		3/22/2001	D	100.00%	YES	B	1,159	0	0	1,159	7	S/L-GDS	HY	332	166	498
ROCK FOR SEPTIC SYSTEM		3/27/2001	F	100.00%	YES	B	2,575	0	0	2,575	15	S/L-GDS	HY	301	172	473
BUNK BEDS		4/4/2001	D	100.00%	YES	B	1,026	0	0	1,026	7	S/L-GDS	HY	294	147	441
2 BOX STRINGS/MATTRESS		5/9/2001	D	100.00%	YES	B	203	0	0	203	7	S/L-GDS	HY	58	29	87
BUILDING SHED		5/17/2001	H	100.00%	YES	B	1,293	0	0	1,293	39	S/L-GDS	MM	54	33	87
COMPUTER/MONITOR/PRINTER		5/30/2001	C	100.00%	YES	B	1,030	0	0	1,030	5	S/L-GDS	HY	353	206	559
OFFICE CHAIR		7/25/2001	C	100.00%	YES	B	149	0	0	149	7	S/L-GDS	HY	42	21	63
COMPUTER		5/30/2001	D	100.00%	YES	B	1,418	0	0	1,418	5	S/L-GDS	HY	487	284	771
LASER PRINTER		7/27/2001	C	100.00%	YES	B	1,469	0	0	1,469	5	S/L-GDS	HY	504	294	798
OFFICE CHAIR		8/1/2001	D	100.00%	YES	B	249	0	0	249	7	S/L-GDS	HY	72	36	108
PARTITIONS		8/1/2001	C	100.00%	YES	B	1,054	0	0	1,054	7	S/L-GDS	HY	302	151	453
FURNISHINGS FOR BEDS		8/14/2001	D	100.00%	YES	B	288	0	0	288	7	S/L-GDS	HY	82	41	123
DRIER		8/15/2001	D	100.00%	YES	B	592	0	0	592	7	S/L-GDS	HY	170	85	255
TREASURY OFFICE IMPROVE		8/23/2001	H	100.00%	YES	B	6,520	0	0	6,520	39	S/L-GDS	MM	230	167	397
BEDS		8/27/2001	D	100.00%	YES	B	1,054	0	0	1,054	7	S/L-GDS	HY	302	151	453
LATERAL FILE CABINETS		10/3/2001	C	100.00%	YES	B	240	0	0	240	5	S/L-GDS	HY	82	48	130
SAFE		10/3/2001	D	100.00%	YES	B	119	0	0	119	7	S/L-GDS	HY	34	17	51
COMPUTER/MONITOR		10/11/2001	C	100.00%	YES	B	1,378	0	0	1,378	5	S/L-GDS	HY	473	276	749
DESKS		10/17/2001	D	100.00%	YES	B	592	0	0	592	7	S/L-GDS	HY	170	85	255
BEDS		10/19/2001	D	100.00%	YES	B	398	0	0	398	7	S/L-GDS	HY	114	57	171
DRESSERS		10/31/2001	D	100.00%	YES	B	347	0	0	347	7	S/L-GDS	HY	100	50	150
BEDS		11/7/2001	D	100.00%	YES	B	1,032	0	0	1,032	7	S/L-GDS	HY	294	147	441
OFFICE CHAIR		11/8/2001	D	100.00%	YES	B	130	0	0	130	7	S/L-GDS	HY	38	19	57
LATERAL FILE CAB, BOOKCAS		12/5/2001	D	100.00%	YES	B	372	0	0	372	7	S/L-GDS	HY	106	53	159
DRILL, SCRAPER BLINDS		12/20/2001	C	100.00%	YES	B	136	0	0	136	7	S/L-GDS	HY	38	19	57
VACUUM CLEANER		12/20/2001	C	100.00%	YES	B	200	0	0	200	7	S/L-GDS	HY	58	29	87

Federal Depreciation Report For 4562

NARCONON OF NORTHERN CALIFORNIA

77-0275827

Tax Year: 12/31/03

Item No	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed In Service New	Balance Sheet Location	Cost or Other Basis	Less Sec 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (years)	Method	Convention Code	Prior Accum Deprec 179 Bonus	2003 Current Deprec	2003 Accum Deprec
	WATER HEATER	12/20/2001	C	100.00%	YES	B	180			0	7	SL-GDS	HY	52	26	78
	FENCING DONATED	2/2/2002	F	100.00%	YES	B	3,985			0	15	SL-GDS	FM	244	266	510
	COMPUTER	6/12/2002	C	100.00%	YES	B	756			0	5	SL-GDS	MM	82	151	233
	FAX MACHINE	6/25/2002	C	100.00%	YES	B	200			0	5	SL-GDS	HY	20	40	60
	FURNITURE VARIOUS	7/1/2002	D	100.00%	YES	B	18,198			0	7	SL-GDS	HY	1,300	2,600	3,900
	REMODELING VARIOUS	7/1/2002	H	100.00%	YES	B	1,963			0	39	SL-GDS	MM	25	50	75
	WATER HEATER	7/1/2002	C	100.00%	YES	B	2,137			0	5	SL-GDS	HY	214	427	641
	REFRIGERATOR	7/3/2002	C	100.00%	YES	B	216			0	5	SL-GDS	HY	22	43	65
	LABEL MACHINE	8/28/2002	C	100.00%	YES	B	1,285			0	5	SL-GDS	MM	86	257	343
	WASHER/DRYER	9/3/2002	C	100.00%	YES	B	1,633			0	5	SL-GDS	MM	109	327	436
	WATER SYSTEM	9/9/2002	F	100.00%	YES	B	4,000			0	15	SL-GDS	MM	78	267	345
	ICE MACHINE	9/26/2002	C	100.00%	YES	B	995			0	5	SL-GDS	MM	58	199	257
	LAPTOP	10/2/2002	C	100.00%	YES	B	2,332			0	5	SL-GDS	MM	117	466	583
	ELECTRICAL/PLUMBING	10/10/2002	H	100.00%	YES	B	11,930			0	39	SL-GDS	MM	64	306	370
	PAVING	10/22/2002	F	100.00%	YES	B	4,250			0	15	SL-GDS	MM	47	283	330
	HEATING SYSTEMS	10/28/2002	H	100.00%	YES	B	2,043			0	39	SL-GDS	MM	12	52	64
	2 VACUUMS	11/4/2002	D	100.00%	YES	B	612			0	5	SL-GDS	MM	20	122	142
	GENERATOR	12/16/2002	C	100.00%	YES	B	699			0	5	SL-GDS	MM	6	140	146
	CELL PHONE	12/26/2002	C	100.00%	YES	B	348			0	5	SL-GDS	MM	70	70	70
	WATER SYSTEM	12/30/2002	F	100.00%	YES	B	1,504			0	15	SL-GDS	MM	0	100	100
	ENTERTAINMENT CENTER DC	12/31/2002	D	100.00%	YES	B	219			0	7	SL-GDS	MM	31	31	31
	FREEZER	12/31/2002	C	100.00%	YES	B	600			0	5	SL-GDS	MM	120	120	120
	FURNITURE	12/31/2002	D	100.00%	YES	B	245			0	7	SL-GDS	MM	35	35	35
	MICROWAVE DONATION	12/31/2002	D	100.00%	YES	B	150			0	5	SL-GDS	MM	30	30	30
	MOWER	12/31/2002	C	100.00%	YES	B	237			0	5	SL-GDS	MM	47	47	47
	REFRIGERATOR	12/31/2002	C	100.00%	YES	B	648			0	5	SL-GDS	MM	130	130	130
	WASHER/ DRYER DONATION	12/31/2002	C	100.00%	YES	B	900			0	5	SL-GDS	MM	180	180	180
							995,740	0	0	995,740				117,183	37,716	154,899
	ACRS and other depreciation (Line 16)															
	SOFTWARE	4/29/2002	E	100.00%	YES	B	349			0	3	SL-GDS	MM	78	116	194
	SOFTWARE DONATED	6/26/2002	E	100.00%	YES	B	500			0	3	SL-GDS	MM	83	167	250
							849	0	0	849				161	283	444
	Listed property with more than 50% business use (Line 26)															
	VEHICLE-VAN	7/8/2002	A	100.00%	YES	B	13,759			0	5	SL-GDS	HY	1,376	2,752	4,128
	1993 MITSUBISHI VEHICLE	1/27/2003	A	100.00%	YES	B	3,500			0	5	SL-GDS	HY	350	350	350
	WINDSTAR VEHICLE	2/3/2003	A	100.00%	YES	B	9,932			0	5	SL-GDS	HY	993	993	993
							27,191	0	0	27,191				1,376	4,095	5,471
	Amortization before current tax year (Line 43)															
	APPRAISAL FEE	11/2/2002	Z	100.00%	YES	I	6,000			0	30	SL-GDS	FM		200	200
	NEW LOAN ESCROW COSTS	12/27/2002	Z	100.00%	YES	I	15,124			0	30	SL-GDS	FM		504	504
							21,124	0	0	21,124				0	704	704
	Totals:						1,237,295	0	0	1,237,295				118,720	54,851	173,571

NARCONON OF NORTHERN CALIFORNIA
Federal Depreciation Report By Tax Classification

77-0275827

Tax Year: 12/31/03

Item No.	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed in Service New	Balance Sheet Location	Cost or Other Basis	Less Sec 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (Years)	Method	Convention Code	Prior Accum Deprec., 179, Bonus	2003 Current Deprec.	2003 Accum Deprec
5 yr - Autos, light trucks and vans under 6,000 lbs																
	VEHICLE-VAN	7/8/2002	A	100.00%	YES	B	13,759	0	0	13,759	5	SL-GDS	HY	1,376	2,752	4,128
	1993 MITSUBISHI VEHICLE	1/27/2003	A	100.00%	YES	B	3,500	0	0	3,500	5	SL-GDS	HY		350	350
	WINDSTAR VEHICLE	2/3/2003	A	100.00%	YES	B	9,932	0	0	9,932	5	SL-GDS	HY		993	993
	TOYOTA TUNDRA	4/28/2003	A	0.00%	N/A	B	15,871	0	0	15,871		N/A			0	0
							43,062	0	0	43,062				1,376	4,095	5,471
5 yr - Office equipment, rental furniture, medical equipment, heavy trucks over 13,000 lbs.																
	FAX PHONE	2/1/1996	C	100.00%	YES	B	272	0	0	272	5	SL-GDS	HY	272	0	272
	STAIR STEPPERS	4/27/1996	C	100.00%	YES	B	200	0	0	200	5	SL-GDS	HY	200	0	200
	CHAIR	5/30/1997	C	100.00%	YES	B	173	0	0	173	7	SL-GDS	HY	137	25	162
	SAFE	6/24/1997	C	100.00%	YES	B	175	0	0	175	5	SL-GDS	HY	160	0	160
	MATERIALS FOR NEW COURSE	6/28/1997	C	100.00%	YES	B	1,622	0	0	1,622	5	SL-GDS	HY	1,620	0	1,620
	LIGHTS FOR COURSE	7/1/1997	C	100.00%	YES	B	128	0	0	128	5	SL-GDS	HY	125	0	125
	USED JEMINI COMPUTER	1/10/1998	C	100.00%	YES	B	800	0	0	800	5	SL-GDS	HY	800	0	800
	MEMORY UPGRADES	2/16/1998	C	100.00%	YES	B	173	0	0	173	5	SL-GDS	HY	169	4	173
	LASERJET PRINTER	2/18/1998	C	100.00%	YES	B	452	0	0	452	5	SL-GDS	HY	435	17	452
	PAPER FOLDER	4/3/1998	C	100.00%	YES	B	540	0	0	540	5	SL-GDS	HY	513	27	540
	ZIP DRIVE	4/30/1998	C	100.00%	YES	B	162	0	0	162	5	SL-GDS	HY	150	12	162
	TELEPHONE	10/26/1998	C	100.00%	YES	B	480	0	0	480	5	SL-GDS	HY	400	48	448
	SAUNA	2/28/1999	C	100.00%	YES	B	4,524	0	0	4,524	7	SL-GDS	HY	2,504	646	3,150
	PAPER FOLDER	3/11/1999	C	100.00%	YES	B	1,392	0	0	1,392	7	SL-GDS	HY	771	199	970
	MODEM	4/12/1999	C	100.00%	YES	B	714	0	0	714	7	SL-GDS	HY	395	102	497
	3 COMPUTERS	6/27/1999	C	100.00%	YES	B	108	0	0	108	5	SL-GDS	HY	94	14	108
	PHONE LINES	9/5/1999	C	100.00%	YES	B	3,075	0	0	3,075	7	SL-GDS	HY	1,482	439	1,921
	LAPTOP	9/19/2000	C	100.00%	YES	B	3,292	0	0	3,292	7	SL-GDS	HY	1,586	470	2,056
	FREEZER	1/30/2001	C	100.00%	YES	B	1,080	0	0	1,080	5	SL-GDS	HY	756	216	756
	TOILET & HEATER	2/21/2001	C	100.00%	YES	B	620	0	0	620	5	SL-GDS	HY	310	124	434
	MIXER FOR KITCHEN	2/23/2001	C	100.00%	YES	B	685	0	0	685	7	SL-GDS	HY	196	98	294
	TOILET	3/15/2001	C	100.00%	YES	B	245	0	0	245	7	SL-GDS	HY	70	35	105
	FURNACE REPAIR	5/30/2001	C	100.00%	YES	B	290	0	0	290	7	SL-GDS	HY	82	41	123
	COMPUTER/MONITOR/PRINTER	7/25/2001	C	100.00%	YES	B	1,038	0	0	1,038	7	SL-GDS	HY	296	148	444
	COMPUTER	7/27/2001	C	100.00%	YES	B	1,030	0	0	1,030	5	SL-GDS	HY	353	206	559
	LASER PRINTER	8/12/2001	C	100.00%	YES	B	1,418	0	0	1,418	5	SL-GDS	HY	487	771	798
	PARTITIONS	10/3/2001	C	100.00%	YES	B	1,469	0	0	1,469	5	SL-GDS	HY	504	294	798
	LATERAL FILE CABINETS	10/11/2001	C	100.00%	YES	B	1,054	0	0	1,054	7	SL-GDS	HY	302	151	453
	COMPUTER/MONITOR	12/20/2001	C	100.00%	YES	B	240	0	0	240	5	SL-GDS	HY	82	48	130
	DRILL, SCRAPER BLINDS	12/20/2001	C	100.00%	YES	B	1,378	0	0	1,378	5	SL-GDS	HY	473	276	749
	VACUUM CLEANER	12/20/2001	C	100.00%	YES	B	136	0	0	136	7	SL-GDS	HY	38	19	57
	WATER HEATER	6/12/2002	C	100.00%	YES	B	200	0	0	200	7	SL-GDS	HY	58	29	87
	COMPUTER	6/25/2002	C	100.00%	YES	B	180	0	0	180	7	SL-GDS	HY	52	26	78
	FAX MACHINE	7/11/2002	C	100.00%	YES	B	756	0	0	756	5	SL-GDS	MM	82	151	233
	WATER HEATER	7/3/2002	C	100.00%	YES	B	200	0	0	200	5	SL-GDS	HY	20	40	60
	REFRIGERATOR	8/28/2002	C	100.00%	YES	B	2137	0	0	2,137	5	SL-GDS	HY	214	427	641
	LABEL MACHINE	9/3/2002	C	100.00%	YES	B	216	0	0	216	5	SL-GDS	HY	22	43	65
	WASHER/DRYER	9/26/2002	C	100.00%	YES	B	1,285	0	0	1,285	5	SL-GDS	MM	86	257	343
	ICE MACHINE	10/2/2002	C	100.00%	YES	B	1,633	0	0	1,633	5	SL-GDS	MM	109	327	436
	LAPTOP	12/16/2002	C	100.00%	YES	B	995	0	0	995	5	SL-GDS	MM	58	199	257
	GENERATOR	12/26/2002	C	100.00%	YES	B	2,332	0	0	2,332	5	SL-GDS	MM	117	466	583
	CELL PHONE	12/31/2002	C	100.00%	YES	B	699	0	0	699	5	SL-GDS	MM	5	140	145
	FREEZER	12/31/2002	C	100.00%	YES	B	348	0	0	348	5	SL-GDS	MM	70	120	120
	MOWER	12/31/2002	C	100.00%	YES	B	600	0	0	600	5	SL-GDS	MM	47	47	47
	REFRIGERATOR	12/31/2002	C	100.00%	YES	B	237	0	0	237	5	SL-GDS	MM	130	130	130
	WASHER/ DRYER DONATION	1/13/2003	C	100.00%	YES	B	648	0	0	648	5	SL-GDS	MM	180	180	180
	GENERATOR	2/3/2003	C	100.00%	YES	B	875	0	0	875	5	SL-GDS	HY	88	88	88
	2 NEW PHONES AND LINES	2/10/2003	C	100.00%	YES	B	1,667	0	0	1,667	5	SL-GDS	HY	167	167	167
	SEARS FREEZER	2/18/2003	C	100.00%	YES	B	703	0	0	703	5	SL-GDS	HY	70	70	70
	TOLIT		C	100.00%	YES	B	120	0	0	120	5	SL-GDS	HY	12	12	12
	WALK IN REFRIGERATOR		C	100.00%	YES	B	6,284	0	0	6,284	5	SL-GDS	HY		628	628

NARCONON OF NORTHERN CALIFORNIA

77-0275827

Tax Year: 12/31/03

Federal Depreciation Report By Tax Classification

Item No	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed in Service New	Balance Sheet Location	Cost or Other Basis	Less Sec. 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (years)	Method	Convention	Prior Accum. Deprec. 179 Bonus	2003 Current Deprec	2003 Accum Deprec
1	ASSIST TABLE	2/24/2003	C	100.00%	YES	B	348	0	0	348	5	SL-GDS	HY	35	35	35
2	BREATHALIZER	2/24/2003	C	100.00%	YES	B	562	0	0	562	5	SL-GDS	HY	56	56	56
3	CHECK BY FAX PROGRAM	2/24/2003	C	100.00%	YES	B	188	0	0	188	5	SL-GDS	HY	19	19	19
4	FAX MACHINE	2/24/2003	C	100.00%	YES	B	150	0	0	150	5	SL-GDS	HY	15	15	15
5	HOT WATER HEATER	2/24/2003	C	100.00%	YES	B	895	0	0	895	5	SL-GDS	HY	90	90	90
6	NAUTILUS SYSTEM	2/24/2003	C	100.00%	YES	B	341	0	0	341	5	SL-GDS	HY	34	34	34
7	SCALE FOR SAUNA	2/24/2003	C	100.00%	YES	B	282	0	0	282	5	SL-GDS	HY	28	28	28
8	3 DESKTOPS AND 1 LAPTOP	3/3/2003	C	100.00%	YES	B	6,534	0	0	6,534	5	SL-GDS	HY	653	653	653
9	MOWER SEARS	3/10/2003	C	100.00%	YES	B	97	0	0	97	5	SL-GDS	HY	10	10	10
10	BB HOOP	3/17/2003	C	100.00%	YES	B	120	0	0	120	5	SL-GDS	HY	39	39	39
11	PHONE ANSWERING MACHINE	3/25/2003	C	100.00%	YES	B	130	0	0	130	5	SL-GDS	HY	12	12	12
12	PRINTER	3/25/2003	C	100.00%	YES	B	115	0	0	115	5	SL-GDS	HY	13	13	13
13	40 GALLON PROPANE TANK	4/14/2003	C	100.00%	YES	B	250	0	0	250	5	SL-GDS	HY	12	12	12
14	TREADMILL	4/22/2003	C	100.00%	YES	B	1,061	0	0	1,061	5	SL-GDS	HY	25	25	25
15	LAPTOP	4/28/2003	C	100.00%	YES	B	2,933	0	0	2,933	5	SL-GDS	HY	106	106	106
16	NEW OVENS	5/22/2003	C	100.00%	YES	B	4,841	0	0	4,841	5	SL-GDS	HY	293	293	293
17	HIGH SPEED INTERNET	5/27/2003	C	100.00%	YES	B	140	0	0	140	5	SL-GDS	HY	484	484	484
18	2 TOSHIBA PHONES	6/2/2003	C	100.00%	YES	B	380	0	0	380	5	SL-GDS	HY	14	14	14
19	DESKTOP	6/6/2003	C	100.00%	YES	B	1,241	0	0	1,241	5	SL-GDS	HY	38	38	38
20	2 ASSIST TABLES	6/6/2003	C	100.00%	YES	B	691	0	0	691	5	SL-GDS	HY	124	124	124
21	2 DESKTOP COMPUTERS	6/6/2003	C	100.00%	YES	B	1,394	0	0	1,394	5	SL-GDS	HY	69	69	69
22	DINING TABLE	6/6/2003	C	100.00%	YES	B	1,067	0	0	1,067	5	SL-GDS	HY	139	139	139
23	FREEZER	6/12/2003	C	100.00%	YES	B	269	0	0	269	5	SL-GDS	HY	107	107	107
24	MOWER TRIMMER BLOWER	6/24/2003	C	100.00%	YES	B	468	0	0	468	5	SL-GDS	HY	27	27	27
25	STORAGE CONTAINER	6/24/2003	C	100.00%	YES	B	585	0	0	585	5	SL-GDS	HY	20	20	20
26	WORK OUT BENCH	6/30/2003	C	100.00%	YES	B	408	0	0	408	5	SL-GDS	HY	47	47	47
27	2 LAPTOPS	6/30/2003	C	100.00%	YES	B	5,583	0	0	5,583	5	SL-GDS	HY	59	59	59
28	SECURITY	7/8/2003	C	100.00%	YES	B	130	0	0	130	5	SL-GDS	HY	41	41	41
29	2 DRIERS SEARS	7/8/2003	C	100.00%	YES	B	713	0	0	713	5	SL-GDS	HY	558	558	558
30	EMACHINE COMPUTER	7/8/2003	C	100.00%	YES	B	680	0	0	680	5	SL-GDS	HY	13	13	13
31	INDUSTRIAL WASHER AND DR	7/8/2003	C	100.00%	YES	B	549	0	0	549	5	SL-GDS	HY	71	71	71
32	REACH IN REFRIG	7/8/2003	C	100.00%	YES	B	1,450	0	0	1,450	5	SL-GDS	HY	68	68	68
33	COMPUTER COMPAC	7/9/2003	C	100.00%	YES	B	900	0	0	900	5	SL-GDS	HY	55	55	55
34	PORTABLE AC	8/5/2003	C	100.00%	YES	B	167	0	0	167	5	SL-GDS	HY	145	145	145
35	WEIGHTS	8/11/2003	C	100.00%	YES	B	176	0	0	176	5	SL-GDS	HY	90	90	90
36	INDUSTRIAL STACKING	8/18/2003	C	100.00%	YES	B	1,280	0	0	1,280	5	SL-GDS	HY	17	17	17
37	FAX AND PHONE	8/25/2003	C	100.00%	YES	B	312	0	0	312	5	SL-GDS	HY	18	18	18
38	RAMP WHEEL	8/25/2003	C	100.00%	YES	B	398	0	0	398	5	SL-GDS	HY	128	128	128
39	TV FOR STUDENT LOUNGE	8/25/2003	C	100.00%	YES	B	648	0	0	648	5	SL-GDS	HY	31	31	31
40	WEDEATER	8/25/2003	C	100.00%	YES	B	124	0	0	124	5	SL-GDS	HY	68	68	68
41	CENTRAL AIR	8/26/2003	C	100.00%	YES	B	2,938	0	0	2,938	5	SL-GDS	HY	55	55	55
42	ELECTRONICS UPGRADE	9/2/2003	C	100.00%	YES	B	1,476	0	0	1,476	5	SL-GDS	HY	145	145	145
43	NEW SAUNA	9/12/2003	C	100.00%	YES	B	11,986	0	0	11,986	5	SL-GDS	HY	90	90	90
44	SHREDDERS	9/26/2003	C	100.00%	YES	B	315	0	0	315	5	SL-GDS	HY	17	17	17
45	2 WATER HEATERS	10/20/2003	C	100.00%	YES	B	355	0	0	355	5	SL-GDS	HY	18	18	18
46	COMM CENTER	11/3/2003	C	100.00%	YES	B	263	0	0	263	5	SL-GDS	HY	128	128	128
47	WEDEATER	11/10/2003	C	100.00%	YES	B	105	0	0	105	5	SL-GDS	HY	31	31	31
48	4 OUTLETS	11/14/2003	C	100.00%	YES	B	1,230	0	0	1,230	5	SL-GDS	HY	40	40	40
							109,838	0	0	109,838					16,370	29,719

1 yr - General purpose tools, machinery and equipment, rental appliances, furniture
 FURNITURE & EQUIPMENT
 STAIR STEPPERS
 BED & FRAME
 2 BEDS & FRAMES
 BEDS

NARCONON OF NORTHERN CALIFORNIA
Federal Depreciation Report By Tax Classification

77-0275827

Tax Year: 12/31/03

Item No.	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed in Service New	Balance Sheet Location	Cost or Other Basis	Less Sec 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (years)	Method	Convention	Prior Accum Deprec. 179 Bonus	2003 Current Deprec	2003 Accum Deprec
1	FRAMES FOR BEDS	6/30/1997	D	100.00%	YES	B	108			108	7	SL-GDS	HY	83	15	98
2	FURNITURE NEW COURSE	7/10/1997	D	100.00%	YES	B	683			683	7	SL-GDS	HY	538	98	636
3	OFFICE FURNITURE	1/28/1998	D	100.00%	YES	B	3,500			3,500	7	SL-GDS	HY	2,456	500	2,958
4	OFFICE FURNITURE	6/2/1999	D	100.00%	YES	B	2,639			2,639	7	SL-GDS	HY	1,367	377	1,744
5	MISC. FURNITURE	7/1/2000	D	100.00%	YES	B	3,946			3,946	7	SL-GDS	HY	1,410	564	1,974
6	CABINET	11/2/2000	D	100.00%	YES	B	502			502	5	SL-GDS	HY	250	100	350
7	3 MATTRESS SETS	1/5/2001	D	100.00%	YES	B	324			324	7	SL-GDS	HY	92	46	138
8	PATIO FURNITURE	3/22/2001	D	100.00%	YES	B	1,159			1,159	7	SL-GDS	HY	332	166	498
9	BUNK BEDS	4/4/2001	D	100.00%	YES	B	1,026			1,026	7	SL-GDS	HY	294	147	441
10	2 BOX STRINGS/MATTRESS	5/9/2001	D	100.00%	YES	B	203			203	7	SL-GDS	HY	58	29	87
11	OFFICE CHAIR	8/1/2001	D	100.00%	YES	B	149			149	7	SL-GDS	HY	42	21	63
12	OFFICE CHAIR	8/1/2001	D	100.00%	YES	B	249			249	7	SL-GDS	HY	72	36	108
13	FURNISHINGS FOR BEDS	8/14/2001	D	100.00%	YES	B	288			288	7	SL-GDS	HY	82	41	123
14	DRIER	8/15/2001	D	100.00%	YES	B	592			592	7	SL-GDS	HY	170	85	255
15	BEDS	8/27/2001	D	100.00%	YES	B	1,054			1,054	7	SL-GDS	HY	302	151	453
16	SAFE	10/3/2001	D	100.00%	YES	B	119			119	7	SL-GDS	HY	34	17	51
17	DESKS	10/17/2001	D	100.00%	YES	B	592			592	7	SL-GDS	HY	170	85	255
18	BEDS	10/19/2001	D	100.00%	YES	B	398			398	7	SL-GDS	HY	114	57	171
19	DRESSERS	10/31/2001	D	100.00%	YES	B	347			347	7	SL-GDS	HY	100	50	150
20	BEDS	11/7/2001	D	100.00%	YES	B	1,032			1,032	7	SL-GDS	HY	294	147	441
21	OFFICE CHAIR	11/8/2001	D	100.00%	YES	B	130			130	7	SL-GDS	HY	38	19	57
22	LATERAL FILE CAB, BOOKCAS	12/5/2001	D	100.00%	YES	B	372			372	7	SL-GDS	HY	106	53	159
23	FURNITURE VARIOUS	7/1/2002	D	100.00%	YES	B	18,198			18,198	7	SL-GDS	HY	1,300	2,600	3,900
24	2 VACUUMS	11/4/2002	D	100.00%	YES	B	612			612	5	SL-GDS	MM	20	122	142
25	ENTERTAINMENT CENTER DC	12/31/2002	D	100.00%	YES	B	219			219	7	SL-GDS	MM	31	31	31
26	FURNITURE	12/31/2002	D	100.00%	YES	B	245			245	7	SL-GDS	MM	35	35	35
27	MICROWAVE DONATION	12/31/2002	D	100.00%	YES	B	150			150	5	SL-GDS	MM	30	30	30
28	5 DRESSERS FOR STUDENTS	1/3/2003	D	100.00%	YES	B	415			415	7	SL-GDS	HY	30	30	30
29	BEDS	2/3/2003	D	100.00%	YES	B	1,764			1,764	7	SL-GDS	HY	126	126	126
30	CARPETING	2/24/2003	D	100.00%	YES	B	8,700			8,700	7	SL-GDS	HY	621	621	621
31	FILING CABINET AND STORAGE	2/24/2003	D	100.00%	YES	B	150			150	7	SL-GDS	HY	11	11	11
32	BUNK BEDS	3/10/2003	D	100.00%	YES	B	960			960	7	SL-GDS	HY	69	69	69
33	DINING TABLE AND CHAIRS	3/17/2003	D	100.00%	YES	B	107			107	7	SL-GDS	HY	8	8	8
34	2 COURSE ROOM TABLES	3/25/2003	D	100.00%	YES	B	110			110	7	SL-GDS	HY	8	8	8
35	COMPUTER DESK	3/27/2003	D	100.00%	YES	B	497			497	7	SL-GDS	HY	36	36	36
36	BEDS	4/22/2003	D	100.00%	YES	B	1,591			1,591	7	SL-GDS	HY	114	114	114
37	COFFEE TABLE AND KITCHEN	5/16/2003	D	100.00%	YES	B	278			278	7	SL-GDS	HY	20	20	20
38	BEDS	5/22/2003	D	100.00%	YES	B	322			322	7	SL-GDS	HY	23	23	23
39	BEDS AND DRESSERS	5/23/2003	D	100.00%	YES	B	1,483			1,483	7	SL-GDS	HY	106	106	106
40	BEDS AND DRESSERS	5/23/2003	D	100.00%	YES	B	7,629			7,629	7	SL-GDS	HY	545	545	545
41	2 DESKS	5/27/2003	D	100.00%	YES	B	360			360	7	SL-GDS	HY	26	26	26
42	COURSE ROOM CHAIRS	5/27/2003	D	100.00%	YES	B	357			357	7	SL-GDS	HY	26	26	26
43	OFFICE CABINETS	5/27/2003	D	100.00%	YES	B	205			205	7	SL-GDS	HY	15	15	15
44	OFFICE CHAIRS	5/27/2003	D	100.00%	YES	B	150			150	7	SL-GDS	HY	11	11	11
45	STORAGE CABINET	5/27/2003	D	100.00%	YES	B	257			257	7	SL-GDS	HY	18	18	18
46	BEDS	6/6/2003	D	100.00%	YES	B	1,301			1,301	7	SL-GDS	HY	93	93	93
47	BEDS	6/24/2003	D	100.00%	YES	B	365			365	7	SL-GDS	HY	26	26	26
48	DESKS AND LATERAL FILES C	6/24/2003	D	100.00%	YES	B	795			795	7	SL-GDS	HY	57	57	57
49	DRESSERS	6/24/2003	D	100.00%	YES	B	393			393	7	SL-GDS	HY	28	28	28
50	OFFICE CHAIRS	6/24/2003	D	100.00%	YES	B	240			240	7	SL-GDS	HY	17	17	17
51	3 DESKS	6/30/2003	D	100.00%	YES	B	500			500	7	SL-GDS	HY	29	29	29
52	7 COURSE ROOM TABLES	6/30/2003	D	100.00%	YES	B	210			210	7	SL-GDS	HY	36	36	36
53	BOOKCASES	6/30/2003	D	100.00%	YES	B	130			130	7	SL-GDS	HY	15	15	15
54	FAX MACHINE	6/30/2003	D	100.00%	YES	B	190			190	7	SL-GDS	HY	9	9	9
55	FILING CABINETS	6/30/2003	D	100.00%	YES	B	1,837			1,837	7	SL-GDS	HY	14	14	14
56	OFFICE CHAIRS	6/30/2003	D	100.00%	YES	B	270			270	7	SL-GDS	HY	131	131	131
57	OFFICE CHAIRS	7/1/2003	D	100.00%	YES	B	117			117	7	SL-GDS	HY	19	19	19
58	15 OUTSIDE CHAIRS	7/1/2003	D	100.00%	YES	B					7	SL-GDS	HY	8	8	8

Federal Depreciation Report By Tax Classification

Item No	Description of Property	Date Placed in Service	Asset Code	Bus Use %	Placed in New Service	Balance Sheet Location	Cost or Other Basis	Less Sec 179 Deduction	Less Special Allowance	Recovery Basis	Recovery Period (years)	Method	Con-vention Code	Prior Accum Deprec., 179, Bonus	2003 Current Deprec	2003 Accum Deprec	
FURNITURE		7/18/2003	D	100.00%	YES	B	7,382			0	7,382	7	S/L-GDS	HY	527	527	
2 DESKS AND 3 OFFICE CHAIR		7/28/2003	D	100.00%	YES	B	480			0	480	7	S/L-GDS	HY	34	34	
STORAGE CABINETS		7/28/2003	D	100.00%	YES	B	350			0	350	7	S/L-GDS	HY	25	25	
OFFICE CHAIR		8/5/2003	D	100.00%	YES	B	108			0	108	7	S/L-GDS	HY	8	8	
CHAIRS FOR STAFF		8/25/2003	D	100.00%	YES	B	262			0	262	7	S/L-GDS	HY	19	19	
DESK AND BOOKCASE		8/25/2003	D	100.00%	YES	B	314			0	314	7	S/L-GDS	HY	22	22	
DINING TABLE AND CHAIRS		8/25/2003	D	100.00%	YES	B	685			0	685	7	S/L-GDS	HY	49	49	
TABLES AND FILES CABINETS		8/25/2003	D	100.00%	YES	B	475			0	475	7	S/L-GDS	HY	34	34	
PATIO FURNITURE		9/21/2003	D	100.00%	YES	B	1,350			0	1,350	7	S/L-GDS	HY	96	96	
5 DRAWER LATERAL FILING C		9/26/2003	D	100.00%	YES	B	795			0	795	7	S/L-GDS	HY	57	57	
							87,216	0	0	0	87,216			13,558	8,898	22,456	
3 yr - Computer software																	
SOFTWARE		4/29/2002	E	100.00%	YES	B	349			0	349	3	S/L-GDS	MM	78	116	194
SOFTWARE DONATED		6/26/2002	E	100.00%	YES	B	500			0	500	3	S/L-GDS	MM	83	167	250
							849	0	0	0	849			161	283	444	
15 yr - Landscaping and land improvement, service station, car wash																	
DRIVEWAY		10/15/1999	F	100.00%	YES	B	19,300			0	19,300	15	S/L-GDS	HY	4,022	1,287	5,309
SEPTIC TANK		4/5/2000	F	100.00%	YES	B	4,500			0	4,500	15	S/L-GDS	HY	750	300	1,050
PAVING		10/17/2000	F	100.00%	YES	B	5,200			0	5,200	15	S/L-GDS	HY	867	347	1,214
ROOFING		10/25/2000	F	100.00%	YES	B	603			0	603	15	S/L-GDS	HY	100	40	140
ROCK FOR SEPTIC SYSTEM		3/27/2001	F	100.00%	YES	B	2,575			0	2,575	15	S/L-GDS	HY	301	172	473
FENCING DONATED		2/2/2002	F	100.00%	YES	B	3,985			0	3,985	15	S/L-GDS	FM	244	266	510
WATER SYSTEM		9/9/2002	F	100.00%	YES	B	4,000			0	4,000	15	S/L-GDS	MM	78	267	345
PAVING		10/22/2002	F	100.00%	YES	B	4,250			0	4,250	15	S/L-GDS	MM	47	283	330
WATER SYSTEM		12/30/2002	F	100.00%	YES	B	1,504			0	1,504	15	S/L-GDS	MM	0	100	100
PAVING ROAD		5/14/2003	F	100.00%	YES	B	4,335			0	4,335	15	S/L-GDS	MM	181	181	181
PAVING VOLLEYBALL COURT		6/9/2003	F	100.00%	YES	B	2,450			0	2,450	15	S/L-GDS	MM	88	88	88
SAUNA		7/18/2003	F	100.00%	YES	B	13,003			0	13,003	15	S/L-GDS	MM	397	397	397
RIVER ROCK LAND SCAPING		9/2/2003	F	100.00%	YES	B	593			0	593	15	S/L-GDS	HY	20	20	20
SURVEILLANCE CAMERA		9/8/2003	F	100.00%	YES	B	340			0	340	15	S/L-GDS	MM	7	7	7
AIR CONDITIONING UNIT		9/10/2003	F	100.00%	YES	B	3,000			0	3,000	15	S/L-GDS	MM	58	58	58
FOUNDATION B AND B CONST		10/6/2003	F	100.00%	YES	B	7,200			0	7,200	15	S/L-GDS	HY	240	240	240
							76,838	0	0	0	76,838			6,409	4,053	10,462	
39 yr - Nonresidential and commercial real estate, home office and improvements																	
BUILDING FACILITIES		12/30/1998	H	100.00%	YES	B	847,388			0	847,388	39	S/L-GDS	MM	86,910	21,727	108,637
BUILDING SHED		5/17/2001	H	100.00%	YES	B	1,293			0	1,293	39	S/L-GDS	MM	54	33	87
TREASURY OFFICE IMPROVEI		8/23/2001	H	100.00%	YES	B	6,520			0	6,520	39	S/L-GDS	MM	230	167	397
REMODELING VARIOUS		7/1/2002	H	100.00%	YES	B	1,963			0	1,963	39	S/L-GDS	MM	25	50	75
ELECTRICAL/PLUMBING		10/10/2002	H	100.00%	YES	B	11,930			0	11,930	39	S/L-GDS	MM	64	306	370
HEATING SYSTEMS		10/28/2002	H	100.00%	YES	B	2,043			0	2,043	39	S/L-GDS	MM	12	52	64
ELECTRICAL UPGRADE		1/6/2003	H	100.00%	YES	B	1,011			0	1,011	39	S/L-GDS	MM	25	25	25
HEATING SYSTEM		1/13/2003	H	100.00%	YES	B	8,210			0	8,210	39	S/L-GDS	MM	202	202	202
POOL UPGRADE		2/10/2003	H	100.00%	YES	B	1,650			0	1,650	39	S/L-GDS	MM	37	37	37
MODULAR UNIT		2/16/2003	H	100.00%	YES	B	38,700			0	38,700	39	S/L-GDS	MM	870	870	870
							920,708	0	0	0	920,708			87,295	23,469	110,764	
Nondepreciable																	
LAND FACILITIES		12/30/1998	Y	100.00%	YES	L	577,752			0	577,752	0		0	0	0	
							577,752	0	0	0	577,752			0	0	0	
Amortization																	
APPRAISAL FEE		11/2/2002	Z	100.00%	YES	I	6,000			0	6,000	30	S/L-GDS	FM	200	200	200
NEW LOAN ESCROW COSTS		12/27/2002	Z	100.00%	YES	I	15,124			0	15,124	30	S/L-GDS	FM	504	504	504
							21,124	0	0	0	21,124			0	704	704	
Totals:							1,837,387	0	0	0	1,837,387			125,169	54,851	180,020	

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► File a separate application for each return.

- 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 File by the due date for filing your return See instructions	Name of Exempt Organization	Employer identification number
	NARCONON OF NORTHERN CALIFORNIA	77-0275827
	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 95076-9731		

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) _____ . 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 8/15/2004 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☒ calendar year 2003 or
- ☐ 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

- 3 a 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 \$ 0
- 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 \$ 0
- 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 ► David Palacios Title ► Treasurer Date ► 5/12/04

(HTA) For Paperwork Reduction Act Notice, see Instruction Form **8868** (12-2000)

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box ☒ **X**
- 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	Name of Exempt Organization	Employer identification number
	NARCONON OF NORTHERN CALIFORNIA		77-0275827
File by the extended due date for filing the return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions.	For IRS use only
	262 GAFFEY ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	WATSONVILLE, CA 95076-9731	

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) _____. If this is for the **whole** group, check this box ☐. If it is for **part** of the group, check this box ☒ **X** 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 11/15/2004.

5 For calendar year 2003, 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 More time is requested to acquire all information needed to complete and file an accurate return.

8 a 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 \$ 0

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 \$ 0

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 David Puliafico Title Treasurer/President Date 8/10/04

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 _____

Director _____ By: _____ 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