

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

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

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

OMB No 1545-0047

2007**Open to Public Inspection****A For the 2007 calendar year, or tax year beginning**

, and ending

B Check if applicable

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ 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) Room/suite

262 Gaffey Road

City or town

State or country

ZIP + 4

Watsonville

CA

95076-9731

D Employer identification number

77-0275827

E Telephone number

1-800-556-8885

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

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

H and I are not applicable to section 527 organizations**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates ▶**H(c)** Are all affiliates included? N/A ☐ Yes ☐ No

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

H(d) Is this a separate return filed by an organization covered by a group ruling? ☒ Yes ☐ No**I** Group Exemption Number ▶ 2595**G** Website: ▶ WWW.DRUGREHAB.NET**J** Organization type (check only one) ☒ 501(c) (3) (insert no) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶

9,860,577

M Check ☐ if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

Revenue	1	Contributions, gifts, grants, and similar amounts received			
	a	Contributions to donor advised funds	1a		0
	b	Direct public support (not included on line 1a)	1b		9,343
	c	Indirect public support (not included on line 1a)	1c		0
	d	Government contributions (grants) (not included on line 1a)	1d		0
	e	Total (add lines 1a through 1d) Cash \$ 5,050 noncash \$ 4,293	1e		9,343
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		9,633,175
	3	Membership dues and assessments	3		0
	4	Interest on savings and temporary cash investments	4		18,169
	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 ▶)	7		0	
Expenses	8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other
	b	Less cost or other basis and sales expenses	8a	0	0
	c	Gain or (loss) (attach schedule)	8b	0	0
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)	8c	0	0
	8d		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 1b)	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		163,758
	b	Less cost of goods sold	10b		64,400
	c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c		99,358
Net Assets	11	Other revenue (from Part VII, line 103)	11		36,132
	12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		9,796,177
	13	Program services (from line 44, column (B))	13		6,933,477
	14	Management and general (from line 44, column (C))	14		951,080
	15	Fundraising (from line 44, column (D))	15		8,401
	16	Payments to affiliates (attach schedule)	16		965,602
	17	Total expenses. Add lines 16 and 44, column (A)	17		8,858,560
	18	Excess or (deficit) for the year Subtract line 17 from line 12	18		937,617
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,597,511
	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		2,535,128

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2007)

(HTA)

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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 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 a	Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22a 0	0		
22 b	Other grants and allocations (attach schedule) (cash \$ <u>169,275</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input checked="" type="checkbox"/>	22b 122,750	122,750		
23	Specific assistance to individuals (attach schedule)	23 0	0		
24	Benefits paid to or for members (attach schedule)	24 0	0		
25 a	Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a 962,431	736,868	220,561	5,002
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b 0	0	0	0
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c 0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	26 2,424,208	2,142,709	281,316	183
27	Pension plan contributions not included on lines 25a, b, and c	27 78,835	67,033	11,684	118
28	Employee benefits not included on lines 25a – 27	28 119,712	101,792	17,740	180
29	Payroll taxes	29 246,994	210,044	36,580	370
30	Professional fundraising fees	30 0			
31	Accounting fees	31 74,427		74,427	
32	Legal fees	32 38,486		38,486	
33	Supplies	33 109,149	99,774	9,281	94
34	Telephone	34 124,062	105,491	18,385	186
35	Postage and shipping	35 25,178	21,408	3,732	38
36	Occupancy	36 712,930	606,198	105,662	1,070
37	Equipment rental and maintenance	37 9,189	7,813	1,362	14
38	Printing and publications	38 931,439	928,876	2,537	26
39	Travel	39 147,507	125,424	21,862	221
40	Conferences, conventions, and meetings	40 0			
41	Interest	41 126,510	107,571	18,749	190
42	Depreciation, depletion, etc. (attach schedule)	42 171,052	145,446	25,350	256
43	Other expenses not covered above (itemize)				
a	See attached statement	43a 1,468,099	1,404,280	63,366	453
b		43b 0	0	0	0
c		43c 0	0	0	0
d		43d 0	0	0	0
e		43e 0	0	0	0
f		43f 0	0	0	0
g		43g 0	0	0	0
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)–(D), carry these totals to lines 13–15)	44 7,892,958	6,933,477	951,080	8,401

Joint Costs. Check ☐ if you are following SOP 98-2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ NoIf "Yes," enter (i) the aggregate amount of these joint costs \$ 0, (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 the instructions.)

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.

What is the organization's primary exempt purpose? ▶ <u>Drug Rehabilitation Service & Public Awareness</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
<p>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.)</p> <p>a <u>Drug rehabilitation services were provided to individuals for a total of 247,120 hours of drug rehab and life skills. Services include safe, drug-free withdrawal, detoxification to cleanse the body of drugs and other chemicals, and a carefully designed program of courses that enable students to develop essential life skills. Graduates of the Narconon drug rehabilitation program are able to leave the trap of addiction and rejoin society as stable, ethical and contributing citizens.</u></p> <p>(Grants and allocations \$ <u>122,750</u>) If this amount includes foreign grants, check here ▶ <input checked="" type="checkbox"/></p>	5,317,558
<p>b <u>Public awareness campaigns were done through the internet, lectures and printed media. The information provided informs the public about the mechanics of drug and alcohol addiction and the harmful effects of drug use. There were 29,017,139 hits to the organization's internet web sites during the year.</u></p> <p>(Grants and allocations \$ <u>0</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	1,572,937
<p>c <u>Narconon drug education and prevention programs take a comprehensive approach to preventing drug use through effective educational programs with school children, parents and educators. Approximately 16,500 drug abuse educational items were printed and distributed. Drug free lectures were delivered to 536 students at public schools.</u></p> <p>(Grants and allocations \$ <u>0</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	42,982
<p>d _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>(Grants and allocations \$ <u>0</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	0
<p>e <u>Other program services (attach schedule)</u></p> <p>(Grants and allocations \$ <u>0</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	0
f <u>Total of Program Service Expenses</u> (should equal line 44, column (B), Program services) ▶	6,933,477

Part IV Balance Sheets (See 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	322,062	45	587,042
	46 Savings and temporary cash investments	329,479	46	250,962
	47 a Accounts receivable	47a 64,100		
	b Less allowance for doubtful accounts	47b 0	114,955	47c 64,100
	48 a Pledges receivable	48a 0		
	b Less allowance for doubtful accounts	48b 0	0	48c 0
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		0	50a 0
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	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		7,173	52 4,987
	53 Prepaid expenses and deferred charges		30,292	53 23,087
	54 a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	54a 0
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	54b 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 5,415,431		
b Less accumulated depreciation (attach schedule)	57b 550,186	2,439,070	57c 4,865,245	
58 Other assets, including program-related investments (describe <input type="checkbox"/> See attached statement)		92,650	58 118,070	
59 Total assets (must equal line 74) Add lines 45 through 58		3,335,681	59 5,913,493	
Liabilities	60 Accounts payable and accrued expenses		406,093	60 592,022
	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)		1,308,296	64b 2,678,605
	65 Other liabilities (describe <input type="checkbox"/> See attached statement)		23,781	65 107,738
	66 Total liabilities. Add lines 60 through 65		1,738,170	66 3,378,365
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		1,595,251	67 2,532,437
	68 Temporarily restricted		2,260	68 2,691
	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 and column (B) must equal line 21)		1,597,511	73 2,535,128
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		3,335,681	74 5,913,493

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	9,860,577
b	Amounts included on line a but not on Part I, line 12			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify) <u>Cost of Goods Sold</u>	b4	64,400	
	Add lines b1 through b4		b	64,400
c	Subtract line b from line a		c	9,796,177
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify) _____	d2	0	
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12) Add lines c and d		e	9,796,177

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

a	Total expenses and losses per audited financial statements		a	8,922,960
b	Amounts included on line a but not on Part I, line 17			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify) <u>Cost of Goods Sold</u>	b4	64,400	
	Add lines b1 through b4		b	64,400
c	Subtract line b from line a		c	8,858,560
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify) _____	d2	0	
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17) Add lines c and d		e	8,858,560

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See 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 plans	(E) Expense account and other allowances
Name <u>Angie Manson</u> Str <u>262 Gaffey Road</u> City <u>Watsonville</u> ST <u>CA</u> ZIP <u>95076</u>	Title <u>Exec Director</u> Hr/WK <u>40</u>	<u>288,940</u>	<u>9,000</u>	<u>0</u>
Name <u>Daniel M Manson</u> Str <u>262 Gaffey Road</u> City <u>Watsonville</u> ST <u>CA</u> ZIP <u>95076</u>	Title <u>Exec Dir/ Director</u> Hr/WK <u>40</u>	<u>291,186</u>	<u>9,000</u>	<u>0</u>
Name <u>Matthew Guernaccini</u> Str <u>262 Gaffey Road</u> City <u>Watsonville</u> ST <u>CA</u> ZIP <u>95076</u>	Title <u>Sn Dir Production</u> Hr/WK <u>40</u>	<u>162,448</u>	<u>4,212</u>	<u>0</u>
Name <u>Nathan Tuddenham</u> Str <u>262 Gaffey Road</u> City <u>Watsonville</u> ST <u>CA</u> ZIP <u>95076</u>	Title <u>Sn Dir Administration</u> Hr/WK <u>40</u>	<u>119,825</u>	<u>4,444</u>	<u>0</u>
Name <u>Juan R Ubillus</u> Str <u>262 Gaffey Road</u> City <u>Watsonville</u> ST <u>CA</u> ZIP <u>95076</u>	Title <u>Sn Dir Expansion</u> Hr/WK <u>40</u>	<u>100,032</u>	<u>1,560</u>	<u>0</u>
Name <u>Chuch Koch</u> Str <u>18327 Christeph Dr</u> City <u>Morgan Hill</u> ST <u>CA</u> ZIP <u>95037</u>	Title <u>Voting Member</u> Hr/WK <u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name <u>Michael Kobrin</u> Str <u>262 Gaffey Road</u> City <u>Watsonville</u> ST <u>CA</u> ZIP <u>95076</u>	Title <u>Voting Member</u> Hr/WK <u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name <u>David Puliafico</u> Str <u>1630 Tennant Ave</u> City <u>Morgan Hill</u> ST <u>CA</u> ZIP <u>95037</u>	Title <u>Voting Member</u> Hr/WK <u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name <u>Jerry Nemier</u> Str <u>2934 Besso Drive</u> City <u>Livermore</u> ST <u>CA</u> ZIP <u>94550</u>	Title <u>Director</u> Hr/WK <u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name <u>Edward Panelli</u> Str <u>14656 Stoneridge Dr</u> City <u>Saratoga</u> ST <u>CA</u> ZIP <u>95070</u>	Title <u>Director</u> Hr/WK <u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>

See Attached Continuation schedule for Part V-A

Form 990 (2007)

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

	Yes	No
75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 5		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b X	
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization " ▶ If "Yes," attach a statement that includes the information described in the instructions	75c	X
d Does the organization have a written conflict of interest policy?	75d X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				
Name <u>N/A</u> Str _____ City _____ ST _____ ZIP _____				

Part VI Other Information (See the instructions.)

	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	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 ▶ _____ _____ 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

Part VI Other Information (continued)

		Yes	No
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?		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?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?	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	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. Enter: a Initiation fees and capital contributions included on line 12	86a N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b N/A	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a N/A	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b N/A	
88 a	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	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under section 4911 ▶ N/A, section 4912 ▶ N/A, section 4955 ▶ N/A		
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 ▶ 0		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ N/A		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a	List the states with which a copy of this return is filed ▶ CA		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	90b	55
91 a	The books are in care of ▶ Name Kathi Horton Telephone no ▶ 1-800-556-8885 Located at ▶ 262 Gaffey Road City Watsonville ST CA ZIP + 4 ▶ 95076-9731		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91c

X

If "Yes," enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here

▶ ☐

and enter the amount of tax-exempt interest received or accrued during the tax year ▶

92 N/A

Part VII Analysis of Income-Producing Activities (See 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 Drug Rehabilitation Services					9,633,175
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	18,169	
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					99,358
103 Other revenue a Drug Rehab Referrals					36,132
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		18,169	9,768,665
105 Total (add line 104, columns (B), (D), and (E))					9,786,834

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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
102	Revenue from sales of Narconon Program Drug Rehab & Life Skills Materials
103	Revenue from Drug Rehab Referrals

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
	%		0	0
	%		0	0
	%		0	0
	%		0	0

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See 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)

Part XI

Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

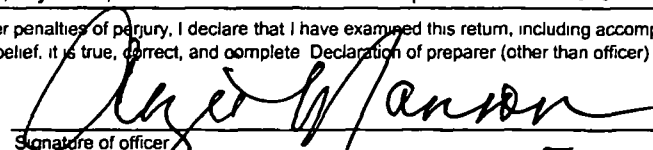
106	Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
			N/A

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				0

107	Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
			N/A

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				0

108	Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	Yes	No
			N/A

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 ANGIE MANSON Type or print name and title	Date 11/17/08 EXECUTIVE DIRECTOR

Paid Preparer's Use Only	Preparer's signature	DAVID PULIAFICO	Date	11/17/2008	Check if self-employed	<input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
	Firm's name (or yours if self-employed), address, and ZIP + 4	DAVID PULIAFICO INC 1630 TENNANT AVE, MORGAN HILL, CA 95037		EIN	408-778-1345		

SCHEDULE A
(Form 990 or 990-EZ)**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information—(See separate instructions.)**

OMB No 1545-0047

2007Department of the Treasury
Internal Revenue Service▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Narconon of Northern California

Employer identification number

77-0275827

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

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Dana Rebasti, 262 Gaffey Road Watsonville, CA 95076 USA	Student Intake Counselor 45	136,704	4,093	
Michael G DiPalma, 137 Marina Ave #B Watsonville, CA 95003 USA	Student Intake Counselor 45	166,184	6,179	
Joseph Guernaccini, 64 Kingfisher Drive Watsonville, CA 95076 USA	Quality Control 45	112,592	3,040	
Martin Scheibal, 1364 Ruth Haven Lane Placerville, CA 95667 USA	Case Supervisor 45	107,806	3,824	
Jeffrey J Panelli, 273 Dry Creek Road Aptos, CA 95003 USA	Dir External Affairs 45	125,510	4,578	
Total number of other employees paid over \$50,000 ▶	4			

Part II-A**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
Stephen M Stein MD, 140 Pineridge Road Santa Cruz, CA 95060	Medical Services	76,725
Addiction Help Services LLC, 33 N Garden Ave Ste 770 Clearwater, FL 33755	Referrals	147,438
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B**Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
ABT Electric, 30042 Mission Blvd Ste 121-3 Hayward, CA 94544	Buildings Electrical Contractor	68,749
Drew Hubbell General Contractor, PO Box 8650 South Lake Tahoe, CA 96158	New Rehab Facility General Contractor	649,964
Total number of other contractors receiving over \$50,000 for other services ▶	0	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2007

(HTA)

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 ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property? See Detailed Statement	2a X	
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V Form 990	2d X	
e Transfer of any part of its income or assets?	2e	X
3 a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)	3a X	
b Did the organization have a section 403(b) annuity plan for its employees?	3b X	
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4 a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	X
b Did the organization make any taxable distributions under section 4966?	4b	X
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	X
d Enter the total number of donor advised funds owned at the end of the tax year N/A ► _____		
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year N/A ► _____		
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ► _____		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____		0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions)I certify that 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
- ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
					0
					0
					0
					0
					0
					0
Total					0

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 8 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total	
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	20,504	67,784	64,872	39,109	192,269	
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	6,239,997	4,908,332	3,128,299	3,361,097	17,637,725	
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	5,010	766	12	157	5,945	
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.	15,008	11,643		906	27,557	
23 Total of lines 15 through 22	6,280,519	4,988,525	3,193,183	3,401,269	17,863,496	
24 Line 23 minus line 17	40,522	80,193	64,884	40,172	225,771	
25 Enter 1% of line 23	62,805	49,885	31,932	34,013		
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a	0
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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.					26b	
c Total support for section 509(a)(1) test. Enter line 24, column (e).					26c	0
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d	0
e Public support (line 26c minus line 26d total)					26e	0
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f	0.00%
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.					
(2006) _____ (2005) _____ (2004) _____ (2003) _____	5,000 50,000 11,275 12,342					
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 11b, 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.						
(2006) _____ (2005) _____ (2004) _____ (2003) _____	3,195					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 17,637,725 20 _____ 21 _____					27c	17,829,994
d Add: Line 27a total _____ and line 27b total _____					27d	81,812
e Public support (line 27c total minus line 27d total)					27e	17,748,182
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e).					27f	17,863,496
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g	99.35%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h	0.03%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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 9 of the instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34 a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A**Lobbying Expenditures by Electing Public Charities** (See page 11 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 group Check **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	0
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40 0	0
41 Lobbying nontaxable amount. Enter the amount from the following table— <div style="display: flex; justify-content: space-between;"> <div> 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 </div> <div> 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 </div> </div>	41	
42 Grassroots nontaxable amount (enter 25% of line 41)	42 0	0
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43 0	0
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44 0	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 13 of the instructions.)

Calendar year (or fiscal year beginning in) ►	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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 14 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.)

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

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

Line 1 (990) - Public Support and Contributions

TAX YEAR 12/31/07

	Cash	Non Cash
Line 1a - Contributions to Donor Advised Funds		
Line 1b - Direct public support		
1 Contributions	5,050	1 4,293
2 Membership dues and assessments (contributions from the public)		2
3 Commercial co-venture		3
4 Special events contributions (Line 9 - Special Events)	0	4
5		5
6		6
7		7
8		8
9		9
10 Total	5,050	10 4,293
Line 1c - Indirect public support		
Line 1d - Government contributions (grants)		

Line 10 (990) - Gross Profit from Sale of Inventory

163,758

64,400

99,358

TAX YEAR 12/31/07		Gross Sales	Cost of Goods Sold	Net
	Category			
1	Bookstore Sales	163,758	64,400	99,358
2				0
3				0
4				0
5				0
6				0
7				0
8				0
9				0
10				0
11				0
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				0
20				0

Line 16 (990) - Payments to Affiliates

TAX YEAR 12/31/07

965,602

[illegible]

Narconon of Northern California

77-0275827

Tax Year: 12/31/07

Part II, Line 22 b (990) – Other grants and similar amounts paid.

Name:	Country	Amount:	Purpose:
Narconon Hastings	England	100000	Drug Rehab Expansion
Watsonville Police Officers Assn.	United States	100	Local Community Programs donation
Aptos Academy	United States	1950	Education Event
Narconon Drug Prevention	United States	5000	Drug Prevention Campaign Donation
ABLE International	United States	9000	Public Awareness
US IAS Members Trust	United States	5000	Community Programs donation
Si Se Puede	United States	200	Local Community Programs donation
Barros Unidos	United States	300	Anti-Gang Education Program
Santa Cruz Meth Project	United States	200	Community Programs donation
Watsonville High	United States	300	Sober Grad Programs donation
South Lake Tahoe Fire Dept	United States	500	Local Programs donation
California Grey Bears	United States	<u>200</u>	Senior Program donation
Total		<u><u>122750</u></u>	

Part II, Line 43 (990) - Other Expenses

1,468,099

1,404,280

63,366

453

TAX YEAR 12/31/07		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Description					
1	Drug rehab delivery costs	556,434	556,434		
2	Insurance	148,202	126,016	21,964	222
3	Staff training	124,488	105,853	18,448	187
4	Bank charges	116,801	105,121	11,680	
5	Bad debt expense	6,739		6,739	
6	Taxes, dues and fees	29,341	24,948	4,349	44
7	Referral fees	485,908	485,908		
8	Other professional fees	186		186	
9		0			
10		0			
11		0			
12		0			
13		0			
14		0			
15		0			
16		0			
17		0			
18		0			
19		0			
20		0			
21		0			
22		0			
23		0			
24		0			
25		0			
26		0			
27		0			
28		0			
29		0			
30		0			

Part IV, Line 47 (990) - Accounts Receivable

TAX YEAR 12/31/07

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	ACCOUNTS RECEIVABLE	114,955	64,100		
2					
3					
4					
5					
6					
7					
8					
9					
10					
11	Total accounts receivable	114,955	64,100	0	0

Assets by Classification - 990

12/31/2007

Narconon of Northern California

77-0275827

Item No.	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus Use %	Cost or Other Basis	Sec. 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec. 179 Bonus	2007 Deprec.	2007 Accum Deprec
Computer & Office Equipment														
	LASER PRINTER	7/27/2001	F-6	100 00%	1,469		0	0	1,469	5	SL/GDS HY	1,469	0	1,469
	3 DESKTOPS AND 1 I	3/3/2003	F-6	100 00%	6,534		0	0	6,534	5	SL/GDS HY	4,574	1,307	5,881
	2 DESKTOP COMPUJ	6/6/2003	F-6	100 00%	1,394		0	0	1,394	5	SL/GDS HY	976	279	1,255
	ELECTRONICS UP	9/2/2003	F-6	100 00%	1,476		0	0	1,476	5	SL/GDS HY	1,033	295	1,328
	SAFE	1/20/2004	F-6	100 00%	969		0	0	969	5	SL/GDS HY	485	194	679
	FAX & LASER PRINTI	3/9/2005	F-6	100 00%	423		0	0	423	5	SL/GDS FM	155	85	240
	LASER PRINTER DIV	5/16/2005	F-6	100 00%	400		0	0	400	5	SL/GDS FM	127	80	207
	LAPTOP - TREASUR	5/27/2005	F-6	100 00%	538		0	0	538	5	SL/GDS FM	170	108	278
	DESK & PRINTER	6/27/2005	F-6	100 00%	1,200		0	0	1,200	5	SL/GDS FM	360	240	600
	SDA & DIV 2 COMPU	9/26/2005	F-6	100 00%	1,675		0	0	1,675	5	SL/GDS FM	419	335	754
	PHONE/INTERNET/ C	11/15/2005	F-6	100 00%	47,535		0	0	47,535	5	SL/GDS FM	11,092	9,507	20,599
	DIED LAPTOP	12/15/2005	F-6	100 00%	2,234		0	0	2,234	5	SL/GDS FM	484	447	931
	DELL COMPUTER	12/15/2005	F-6	100 00%	2,458		0	0	2,458	5	SL/GDS FM	533	492	1,025
	POWER BACK UP	2/27/2006	F-6	100 00%	645		0	0	645	3	SL/GDS MM	179	215	394
	COMPUTER PSS	2/27/2006	F-6	100 00%	485		0	0	485	3	SL/GDS MM	135	162	297
	LASER PRINTER PAK	3/6/2006	F-6	100 00%	433		0	0	433	3	SL/GDS MM	120	144	264
	COVAD PHONES PAK	4/25/2006	F-6	100 00%	1,712		0	0	1,712	3	SL/GDS MM	380	571	951
	COMPUTER DXA	5/9/2006	F-6	100 00%	729		0	0	729	3	SL/GDS MM	162	243	405
	CAMCORDER DIV 2	6/14/2006	F-6	100 00%	2,995		0	0	2,995	3	SL/GDS MM	582	998	1,580
	COMPUTER SDP	6/14/2006	F-6	100 00%	750		0	0	750	3	SL/GDS MM	146	250	396
	FAX/COPY MACHINE	6/14/2006	F-6	100 00%	1,262		0	0	1,262	5	SL/GDS MM	147	252	399
	KYOCERA COPIER D	6/15/2006	F-6	100 00%	700		0	0	700	3	SL/GDS MM	136	233	369
	COMPUTERS FINANC	7/15/2006	F-6	100 00%	4,441		0	0	4,441	3	SL/GDS MM	740	1,480	2,220
	COMPUTER COB	7/18/2006	F-6	100 00%	2,422		0	0	2,422	3	SL/GDS MM	336	807	1,143
	CAMEERA DIV 2 PRC	8/25/2006	F-6	100 00%	839		0	0	839	5	SL/GDS MM	56	168	224
	MONITOR LYNN D	10/10/2006	F-6	100 00%	360		0	0	360	3	SL/GDS MM	30	120	150
	COMPUTER PVILLE	12/5/2006	F-6	100 00%	710		0	0	710	3	SL/GDS MM	20	237	257
	COMPUTER DIV 2	12/19/2006	F-6	100 00%	1,084		0	0	1,084	3	SL/GDS MM	0	361	361
	EXEC OFFICE SHREI	1/23/2007	F-6	100 00%	324		0	0	324	5	SL/GDS FM	0	59	59
	TREASURY SAFE	1/25/2007	F-6	100 00%	465		0	0	465	5	SL/GDS FM	0	85	85
	DIV 2 EXTERNAL HAI	3/5/2007	F-6	100 00%	436		0	0	436	3	SL/GDS FM	0	121	121
	DIV 6 PRINTER	3/5/2007	F-6	100 00%	379		0	0	379	3	SL/GDS FM	0	105	105
	CREDIT CARD MACH	3/13/2007	F-6	100 00%	864		0	0	864	5	SL/GDS FM	0	144	144
	PRS COMPUTER	4/10/2007	F-6	100 00%	841		0	0	841	3	SL/GDS FM	0	210	210
	PVILLE E/O COMPUJ	5/1/2007	F-6	100 00%	599		0	0	599	3	SL/GDS FM	0	133	133
	TREASURY SCANNER	5/21/2007	F-6	100 00%	529		0	0	529	5	SL/GDS FM	0	62	62
	MONITOR FOR WEB	5/28/2007	F-6	100 00%	259		0	0	259	3	SL/GDS FM	0	50	50
	FLO COMPUTER	7/13/2007	F-6	100 00%	701		0	0	701	3	SL/GDS FM	0	117	117
	DIV 6C HP2605DN PF	7/30/2007	F-6	100 00%	541		0	0	541	3	SL/GDS FM	0	75	75
	DIV 2 DVD. DIV 3 & 6	9/7/2007	F-6	100 00%	5,411		0	0	5,411	3	SL/GDS FM	0	601	601
	COMPUTER	9/18/2007	F-6	100 00%	816		0	0	816	3	SL/GDS FM	0	68	68

Assets by Classification - 990

12/31/2007 Narconon of Northern California 77-0275827

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CEO LAPTOP		9/24/2007	F-6	100.00%	3,988	0	0	3,988	3	SL/GDS	FM	0	332	332
MIKE D NEW COMPL		9/28/2007	F-6	100.00%	783	0	0	783	3	SL/GDS	FM	0	65	65
OKIDATA CHECK PR		10/30/2007	F-6	100.00%	492	0	0	492	3	SL/GDS	FM	0	27	27
DIV 6C SCANNER		12/4/2007	F-6	100.00%	216	0	0	216	3	SL/GDS	FM	0	6	6
RECEPTION FAX MA		12/31/2007	F-6	100.00%	324	0	0	324	3	SL/GDS	MM	0	0	0
Total Computer & Office Equipment					105,840	0	0	105,840				25,046	21,870	46,916
Plant & Technical Equipment														
FURNACE REPAIR		3/15/2001	F-7	100.00%	1,038	0	0	1,038	7	SL/GDS	HY	889	148	1,037
DRIER		8/15/2001	F-7	100.00%	592	0	0	592	7	SL/GDS	HY	509	83	592
WATER HEATER		7/1/2002	F-7	100.00%	2,137	0	0	2,137	5	SL/GDS	HY	1,923	214	2,137
REFRIGERATOR		7/3/2002	F-7	100.00%	216	0	0	216	5	SL/GDS	HY	194	22	216
WASHER/DRYER		9/3/2002	F-7	100.00%	1,633	0	0	1,633	5	SL/GDS	FM	1,416	217	1,633
ICE MACHINE		9/26/2002	F-7	100.00%	995	0	0	995	5	SL/GDS	MM	854	141	995
SEARS FREEZER		2/3/2003	F-7	100.00%	703	0	0	703	5	SL/GDS	HY	492	141	633
WALK IN REFRIGER/		2/18/2003	F-7	100.00%	6,284	0	0	6,284	5	SL/GDS	HY	4,399	1,256	5,655
HOT WATER HEATE		2/24/2003	F-7	100.00%	895	0	0	895	5	SL/GDS	HY	627	179	806
SCALE FOR SAUNA		2/24/2003	F-7	100.00%	282	0	0	282	5	SL/GDS	HY	197	56	253
NAUTILUS SYSTEM		2/24/2003	F-7	100.00%	341	0	0	341	5	SL/GDS	HY	238	69	307
BREATHALYZER		2/24/2003	F-7	100.00%	562	0	0	562	5	SL/GDS	HY	393	112	505
WASHER SEARS		3/10/2003	F-7	100.00%	390	0	0	390	5	SL/GDS	HY	273	78	351
NEW OVENS		4/28/2003	F-7	100.00%	4,841	0	0	4,841	5	SL/GDS	HY	3,388	969	4,357
WORK OUT BENCH		6/24/2003	F-7	100.00%	408	0	0	408	5	SL/GDS	HY	286	82	368
MOWER TRIMMER B		6/24/2003	F-7	100.00%	468	0	0	468	5	SL/GDS	HY	328	94	422
INDUSTRIAL WASHE		7/8/2003	F-7	100.00%	549	0	0	549	5	SL/GDS	HY	385	109	494
REACH IN REFRIG		7/8/2003	F-7	100.00%	1,450	0	0	1,450	5	SL/GDS	HY	1,015	290	1,305
2 DRIERS SEARS		7/8/2003	F-7	100.00%	713	0	0	713	5	SL/GDS	HY	499	143	642
WEIGHTS		8/11/2003	F-7	100.00%	176	0	0	176	5	SL/GDS	HY	123	36	159
RAMP WHEEL		8/25/2003	F-7	100.00%	398	0	0	398	5	SL/GDS	HY	279	80	359
SURVEILLANCE CAM		9/8/2003	F-7	100.00%	340	0	0	340	15	SL/GDS	MM	75	23	98
2 WATER HEATERS		10/20/2003	F-7	100.00%	355	0	0	355	5	SL/GDS	HY	249	71	320
TABLE SAW		2/23/2004	F-7	100.00%	200	0	0	200	5	SL/GDS	HY	100	40	140
WATER HEATER		3/22/2004	F-7	100.00%	280	0	0	280	5	SL/GDS	HY	140	56	196
MEAT SLICER		3/26/2004	F-7	100.00%	1,000	0	0	1,000	5	SL/GDS	HY	500	200	700
GARBAGE DISPOSAL		11/5/2004	F-7	100.00%	624	0	0	624	5	SL/GDS	HY	312	124	436
INDUSTRIAL WASHE		11/30/2004	F-7	100.00%	324	0	0	324	5	SL/GDS	HY	162	64	226
PATIO HEATERS		1/18/2005	F-7	100.00%	638	0	0	638	7	SL/GDS	FM	175	91	266
TENT COVER		3/9/2005	F-7	100.00%	3,539	0	0	3,539	7	SL/GDS	FM	927	505	1,432
2 STORAGE SHEDS		5/23/2005	F-7	100.00%	1,191	0	0	1,191	3	SL/GDS	FM	629	397	1,026
STORAGE SHED - TF		5/31/2005	F-7	100.00%	595	0	0	595	5	SL/GDS	FM	188	119	307
LAWN MOWER		6/27/2005	F-7	100.00%	1,380	0	0	1,380	5	SL/GDS	FM	414	276	690
EXERCISE EQUIPME		7/13/2005	F-7	100.00%	864	0	0	864	7	SL/GDS	FM	185	124	309

Assets by Classification - 990

12/31/2007

Narconon of Northern California

77-0275827

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	ARCHIVE CONTAINER	8/22/2005	F-7	100.00%	3,004	0	0	3,004	7	SL/GDS	FM	572	429	1,001
	APPLIANCES - PLACI	9/6/2005	F-7	100.00%	1,388	0	0	1,388	7	SL/GDS	FM	264	199	463
	COMMERCIAL WASH	11/28/2005	F-7	100.00%	5,351	0	0	5,351	7	SL/GDS	FM	828	765	1,593
	SURVEILLANCE EQU	12/27/2005	F-7	100.00%	999	0	0	999	7	SL/GDS	FM	143	142	285
	SHEDS - ESTATES A	12/27/2005	F-7	100.00%	1,455	0	0	1,455	5	SL/GDS	FM	291	291	582
	GENERATOR	12/31/2005	F-7	100.00%	755	0	0	755	7	SL/GDS	FM	108	108	216
	STORAGE SHED PL	1/18/2006	F-7	100.00%	588	0	0	588	7	SL/GDS	MM	77	84	161
	SHED	2/8/2006	F-7	100.00%	1,299	0	0	1,299	7	SL/GDS	MM	170	186	356
	HEATER FARRISH PI	3/10/2006	F-7	100.00%	619	0	0	619	7	SL/GDS	MM	74	88	162
	PORTABLE SAUNA	3/21/2006	F-7	100.00%	3,302	0	0	3,302	7	SL/GDS	MM	354	472	826
	PRESSURE WASHER	5/30/2006	F-7	100.00%	498	0	0	498	7	SL/GDS	MM	42	71	113
	UPRIGHT FREEZER	5/30/2006	F-7	100.00%	1,620	0	0	1,620	7	SL/GDS	MM	135	231	366
	AUGER	6/29/2006	F-7	100.00%	411	0	0	411	7	SL/GDS	MM	29	59	88
	REFRIGERATOR	7/7/2006	F-7	100.00%	1,616	0	0	1,616	7	SL/GDS	MM	115	231	346
	CHROME SHELVING	7/24/2006	F-7	100.00%	1,162	0	0	1,162	7	SL/GDS	MM	69	166	235
	ICE MACHINE	8/15/2006	F-7	100.00%	2,200	0	0	2,200	7	SL/GDS	MM	131	314	445
	SURVEILLANCE SYS	9/28/2006	F-7	100.00%	3,266	0	0	3,266	7	SL/GDS	MM	117	466	583
	PATIO HEATERS	11/16/2006	F-7	100.00%	660	0	0	660	7	SL/GDS	MM	8	94	102
	STORAGE SHEDS E	12/4/2006	F-7	100.00%	1,006	0	0	1,006	7	SL/GDS	MM	12	144	156
	SAUNA LOCKERS	12/4/2006	F-7	100.00%	577	0	0	577	7	SL/GDS	MM	7	82	89
	GAS RANGE & STOV	2/1/2007	F-7	100.00%	1,799	0	0	1,799	7	SL/GDS	FM	0	236	236
	ESTATES TILT TRUC	2/8/2007	F-7	100.00%	665	0	0	665	7	SL/GDS	FM	0	87	87
	REPLACEMENT BUR	3/1/2007	F-7	100.00%	878	0	0	878	7	SL/GDS	FM	0	105	105
	STUDENT REFRIGER	4/6/2007	F-7	100.00%	467	0	0	467	7	SL/GDS	FM	0	50	50
	WASHER & DRYER	5/5/2007	F-7	100.00%	1,959	0	0	1,959	7	SL/GDS	FM	0	187	187
	FREEZER PLACERVI	5/28/2007	F-7	100.00%	835	0	0	835	7	SL/GDS	FM	0	70	70
	DOUBLE OVEN PLAC	9/4/2007	F-7	100.00%	3,181	0	0	3,181	7	SL/GDS	FM	0	151	151
Total Plant & Technical Equipment						77,961	0	77,961				26,309	12,117	38,426

Furniture & Fixtures

TOILET	2/23/2001	F-10	100.00%	290	0	0	290	7	SL/GDS	HY		247	41	288
LATERAL FILE CABIN	10/3/2001	F-10	100.00%	240	0	0	240	5	SL/GDS	HY		240	0	240
FURNITURE VARIOU	7/1/2002	F-10	100.00%	18,198	0	0	18,198	7	SL/GDS	HY		11,699	2,600	14,299
ENTERTAINMENT CE	12/31/2002	F-10	100.00%	219	0	0	219	7	SL/GDS	MM		125	31	156
5 DRESSERS FOR S	1/3/2003	F-10	100.00%	415	0	0	415	7	SL/GDS	HY		208	59	267
BEDS	2/3/2003	F-10	100.00%	1,764	0	0	1,764	7	SL/GDS	HY		882	252	1,134
TOILET	2/10/2003	F-10	100.00%	120	0	0	120	5	SL/GDS	HY		84	24	108
CARPETING	2/24/2003	F-10	100.00%	8,700	0	0	8,700	7	SL/GDS	HY		4,350	1,243	5,593
BUNK BEDS	3/10/2003	F-10	100.00%	960	0	0	960	7	SL/GDS	HY		480	137	617
2 COURSE ROOM TA	3/25/2003	F-10	100.00%	110	0	0	110	7	SL/GDS	HY		55	16	71
BEDS	3/27/2003	F-10	100.00%	497	0	0	497	7	SL/GDS	HY		249	71	320
BEDS	4/22/2003	F-10	100.00%	1,591	0	0	1,591	7	SL/GDS	HY		796	227	1,023

Assets by Classification - 990

12/31/2007

Narconon of Northern California

77-0275827

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	COFFEE TABLE AND BEDS	5/16/2003	F-10	100.00%	278	0	0	0	278	7	SL/GDS HY	139	40	179
	BEDS	5/22/2003	F-10	100.00%	322	0	0	0	322	7	SL/GDS HY	161	46	207
	BEDS AND DRESSES	5/23/2003	F-10	100.00%	1,483	0	0	0	1,483	7	SL/GDS HY	742	212	954
	BEDS AND DRESSES	5/23/2003	F-10	100.00%	7,629	0	0	0	7,629	7	SL/GDS HY	3,815	1,090	4,905
	2 ASSIST TABLES	6/6/2003	F-10	100.00%	691	0	0	0	691	5	SL/GDS HY	483	138	621
	DINING TABLE	6/6/2003	F-10	100.00%	1,067	0	0	0	1,067	5	SL/GDS HY	747	213	960
	BEDS	6/6/2003	F-10	100.00%	1,301	0	0	0	1,301	7	SL/GDS HY	651	186	837
	STORAGE CONTAINERS	6/24/2003	F-10	100.00%	585	0	0	0	585	5	SL/GDS HY	410	117	527
	DRESSERS	6/24/2003	F-10	100.00%	393	0	0	0	393	7	SL/GDS HY	196	56	252
	DESKS AND LATERALS	6/24/2003	F-10	100.00%	795	0	0	0	795	7	SL/GDS HY	398	114	512
	BEDS	6/24/2003	F-10	100.00%	365	0	0	0	365	7	SL/GDS HY	182	52	234
	3 DESKS	6/30/2003	F-10	100.00%	400	0	0	0	400	7	SL/GDS HY	200	57	257
	BOOKCASES	6/30/2003	F-10	100.00%	210	0	0	0	210	7	SL/GDS HY	105	30	135
	7 COURSE ROOM TABLE	6/30/2003	F-10	100.00%	500	0	0	0	500	7	SL/GDS HY	250	71	321
	FILING CABINETS	6/30/2003	F-10	100.00%	190	0	0	0	190	7	SL/GDS HY	95	27	122
	FURNITURE	7/8/2003	F-10	100.00%	7,382	0	0	0	7,382	7	SL/GDS HY	3,691	1,055	4,746
	2 DESKS AND 3 OFFICE	7/28/2003	F-10	100.00%	480	0	0	0	480	7	SL/GDS HY	240	69	309
	INDUSTRIAL STACKING	8/18/2003	F-10	100.00%	1,280	0	0	0	1,280	5	SL/GDS HY	896	256	1,152
	TV FOR STUDENT LECTURE	8/25/2003	F-10	100.00%	648	0	0	0	648	5	SL/GDS HY	454	130	584
	TABLES AND FILES	8/25/2003	F-10	100.00%	475	0	0	0	475	7	SL/GDS HY	238	68	306
	DINING TABLE AND CHAIRS	8/25/2003	F-10	100.00%	685	0	0	0	685	7	SL/GDS HY	343	98	441
	5 DRAWER LATERAL	9/26/2003	F-10	100.00%	795	0	0	0	795	7	SL/GDS HY	398	114	512
	3 LATERAL FILES	3/8/2004	F-10	100.00%	370	0	0	0	370	7	SL/GDS HY	132	53	185
	BLINDS	3/25/2004	F-10	100.00%	385	0	0	0	385	7	SL/GDS HY	138	55	193
	BED & DRESSERS	4/14/2004	F-10	100.00%	3,383	0	0	0	3,383	7	SL/GDS HY	1,209	483	1,692
	RECEPTION FURNITURE	4/26/2004	F-10	100.00%	1,232	0	0	0	1,232	7	SL/GDS HY	440	176	616
	2 BUNK BEDS	3/11/2005	F-10	100.00%	1,764	0	0	0	1,764	7	SL/GDS FM	462	252	714
	PIN PONG TABLE	3/11/2005	F-10	100.00%	572	0	0	0	572	7	SL/GDS FM	150	82	232
	BUNKBEDS	4/12/2005	F-10	100.00%	1,312	0	0	0	1,312	7	SL/GDS FM	328	187	515
	RECEPTION DESK & CHAIRS	5/17/2005	F-10	100.00%	2,047	0	0	0	2,047	7	SL/GDS FM	463	292	755
	3 BUNK BEDS & DESKS	5/17/2005	F-10	100.00%	2,585	0	0	0	2,585	7	SL/GDS FM	585	369	954
	CONFERENCE ROOM	6/1/2005	F-10	100.00%	1,000	0	0	0	1,000	7	SL/GDS FM	226	143	369
	WORKCENTERS	6/21/2005	F-10	100.00%	2,009	0	0	0	2,009	7	SL/GDS FM	431	287	718
	BEDS & CHESTS	7/18/2005	F-10	100.00%	1,635	0	0	0	1,635	7	SL/GDS FM	331	234	565
	BED & CHESTS	9/6/2005	F-10	100.00%	1,710	0	0	0	1,710	7	SL/GDS FM	326	244	570
	FURNITURES	11/28/2005	F-10	100.00%	428	0	0	0	428	7	SL/GDS MM	66	61	127
	POOL TABLE - DONT	12/16/2005	F-10	100.00%	1,999	0	0	0	1,999	7	SL/GDS FM	286	286	572
	DISPLAY CASE BOOKS	4/14/2006	F-10	100.00%	817	0	0	0	817	7	SL/GDS MM	88	117	205
	CARPETING PLACEMENT	4/28/2006	F-10	100.00%	12,218	0	0	0	12,218	7	SL/GDS MM	1,164	1,745	2,909
	COURSE ROOM CHAIRS	5/14/2006	F-10	100.00%	310	0	0	0	310	5	SL/GDS MM	41	62	103
	GRADUATION PODIUM	6/14/2006	F-10	100.00%	878	0	0	0	878	7	SL/GDS MM	73	125	198
	DESKS & FILES TRAY	7/15/2006	F-10	100.00%	1,851	0	0	0	1,851	7	SL/GDS MM	132	264	396

Assets by Classification - 990

12/31/2007

Narconon of Northern California

77-0275827

Item No	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec. 179 Bonus	2007 Deprec.	2007 Accum. Deprec.
WOOD DRESSERS S		9/4/2006	F-10	100.00%	7,290	0	0	7,290	7	SL/GDS	MM	347	1,042	1,389
BEDS NEW HOUSINC		9/7/2006	F-10	100.00%	1,683	0	0	1,683	7	SL/GDS	MM	80	241	321
DESK DIV 6		10/13/2006	F-10	100.00%	812	0	0	812	7	SL/GDS	MM	29	116	145
BUNKBEDS & TWIN f		10/13/2006	F-10	100.00%	1,024	0	0	1,024	7	SL/GDS	MM	24	147	171
HOUSE FURNISHING		11/3/2006	F-10	100.00%	4,675	0	0	4,675	7	SL/GDS	MM	111	668	779
FILING CABINET DIV		12/5/2006	F-10	100.00%	318	0	0	318	7	SL/GDS	MM	4	45	49
FIREPROOF FILING C		12/12/2006	F-10	100.00%	422	0	0	422	7	SL/GDS	MM	5	60	65
PATIO TABLES		12/13/2006	F-10	100.00%	1,735	0	0	1,735	7	SL/GDS	HY	21	248	269
FIREPROOF FILING C		1/15/2007	F-10	100.00%	422	0	0	422	7	SL/GDS	FM	0	60	60
COURSEEROOM FILE		1/15/2007	F-10	100.00%	346	0	0	346	7	SL/GDS	FM	0	49	49
2 BOOKSHELVES FO		3/26/2007	F-10	100.00%	346	0	0	346	7	SL/GDS	FM	0	37	37
DIV 2 DESK		3/31/2007	F-10	100.00%	331	0	0	331	7	SL/GDS	FM	0	35	35
LAUNDRY ROOM SHI		4/7/2007	F-10	100.00%	280	0	0	280	7	SL/GDS	FM	0	30	30
COURSEEROOM PAR		4/13/2007	F-10	100.00%	870	0	0	870	7	SL/GDS	FM	0	93	93
CARPETING-WD CAE		4/15/2007	F-10	100.00%	1,674	0	0	1,674	7	SL/GDS	FM	0	179	179
CAPETING-CRSRM L		4/15/2007	F-10	100.00%	5,023	0	0	5,023	7	SL/GDS	FM	0	538	538
DIV 2 OFFICE DIVIDE		4/17/2007	F-10	100.00%	176	0	0	176	7	SL/GDS	FM	0	17	17
DIV 6 DESK		4/19/2007	F-10	100.00%	369	0	0	369	7	SL/GDS	FM	0	35	35
DIV 6 DESK W/ HUTC		4/23/2007	F-10	100.00%	354	0	0	354	7	SL/GDS	FM	0	34	34
PAGET PATIO FURNI		5/4/2007	F-10	100.00%	799	0	0	799	5	SL/GDS	FM	0	107	107
DIV 6 HUTCH		5/9/2007	F-10	100.00%	221	0	0	221	7	SL/GDS	FM	0	21	21
SALAD BAR FOR DIN		5/14/2007	F-10	100.00%	975	0	0	975	5	SL/GDS	FM	0	130	130
BEDSET & FRAMES		5/18/2007	F-10	100.00%	2,165	0	0	2,165	5	SL/GDS	FM	0	253	253
ARCHOIVE RACKS		6/8/2007	F-10	100.00%	1,428	0	0	1,428	7	SL/GDS	FM	0	119	119
DIV 6 PARTITION		6/15/2007	F-10	100.00%	241	0	0	241	7	SL/GDS	FM	0	20	20
ROOM & FURNITURE		6/22/2007	F-10	100.00%	792	0	0	792	5	SL/GDS	FM	0	79	79
SEAN ST BEDS		7/2/2007	F-10	100.00%	468	0	0	468	5	SL/GDS	FM	0	47	47
HEATER & DEHUMID		7/3/2007	F-10	100.00%	628	0	0	628	5	SL/GDS	FM	0	63	63
DIV 3 DESK & HUTCH		7/5/2007	F-10	100.00%	458	0	0	458	7	SL/GDS	FM	0	33	33
CARPET CLEANER		7/20/2007	F-10	100.00%	1,068	0	0	1,068	5	SL/GDS	HY	0	89	89
DIV 6C SET UP, DESI		7/24/2007	F-10	100.00%	1,683	0	0	1,683	7	SL/GDS	FM	0	100	100
BEDS FOR CENTER		7/28/2007	F-10	100.00%	203	0	0	203	5	SL/GDS	FM	0	17	17
BED FRAMES & BED		8/24/2007	F-10	100.00%	1,147	0	0	1,147	5	SL/GDS	FM	0	76	76
ROOMS 8 - 11 PATIO		9/10/2007	F-10	100.00%	428	0	0	428	5	SL/GDS	FM	0	29	29
CARPETING-OFFICE		9/15/2007	F-10	100.00%	3,642	0	0	3,642	7	SL/GDS	FM	0	173	173
C/S DESK		9/17/2007	F-10	100.00%	758	0	0	758	7	SL/GDS	FM	0	27	27
BUNK BEDS		9/17/2007	F-10	100.00%	416	0	0	416	5	SL/GDS	FM	0	19	19
BUNK BEDS VISTA V		9/18/2007	F-10	100.00%	1,884	0	0	1,884	5	SL/GDS	FM	0	94	94
FURNITURE VISTA V		11/9/2007	F-10	100.00%	3,200	0	0	3,200	5	SL/GDS	FM	0	107	107
P&C SUP/DIR COMM		11/12/2007	F-10	100.00%	1,096	0	0	1,096	5	SL/GDS	FM	0	37	37
CUSTOM BLINDS		11/15/2007	F-10	100.00%	18,500	0	0	18,500	7	SL/GDS	FM	0	440	440
BEDS & CHESTS TRV		11/16/2007	F-10	100.00%	1,104	0	0	1,104	5	SL/GDS	FM	0	18	18

Assets by Classification - 990

12/31/2007 Narconon of Northern California 77-0275827

Item No	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec., 179 Bonus	2007 Deprec.	2007 Accum. Deprec.
	CARPETING-STUDE	12/15/2007	F-10	100.00%	8,508	0	0	8,508	7	SL/GDS	FM	0	101	101
	DRY STORAGE SHE	12/28/2007	F-10	100.00%	1,083	0	0	1,083	7	SL/GDS	FM	0	0	0
Total: Furniture & Fixtures					180,608	0	0	180,608				41,941	20,330	62,271

Building Improvements

	ROOFING	10/25/2000	F-11	100.00%	603	0	0	603	15	SL/GDS	HY	260	40	300
	TREASURY OFFICE I	8/23/2001	F-11	100.00%	6,520	0	0	6,520	39	SL/GDS	MM	898	167	1,065
	REMODELING VARIC	7/1/2002	F-11	100.00%	1,963	0	0	1,963	39	SL/GDS	MM	226	50	276
	ELECTRICAL/PLUMB	10/10/2002	F-11	100.00%	11,930	0	0	11,930	39	SL/GDS	MM	1,288	306	1,594
	HEATING SYSTEMS	10/28/2002	F-11	100.00%	2,043	0	0	2,043	39	SL/GDS	MM	221	52	273
	ELECTRICAL UPGRA	1/6/2003	F-11	100.00%	1,011	0	0	1,011	39	SL/GDS	MM	103	26	129
	HEATING SYSTEM	1/13/2003	F-11	100.00%	8,210	0	0	8,210	39	SL/GDS	MM	834	211	1,045
	SAUNA	7/18/2003	F-11	100.00%	13,003	0	0	13,003	15	SL/GDS	MM	2,998	867	3,865
	CENTRAL AIR	8/26/2003	F-11	100.00%	2,938	0	0	2,938	5	SL/GDS	HY	2,057	588	2,645
	AIR CONDITIONING I	9/10/2003	F-11	100.00%	3,000	0	0	3,000	15	SL/GDS	MM	658	200	858
	NEW SAUNA	9/12/2003	F-11	100.00%	11,986	0	0	11,986	5	SL/GDS	HY	8,390	2,397	10,787
	4 OUTLETS	11/14/2003	F-11	100.00%	1,230	0	0	1,230	5	SL/GDS	HY	861	246	1,107
	FIRE SYSTEM UPGR	2/18/2004	F-11	100.00%	485	0	0	485	15	SL/GDS	MM	93	32	125
	OFFICE IMPROVEME	2/23/2004	F-11	100.00%	3,019	0	0	3,019	39	SL/GDS	MM	223	77	300
	VANITY & BATH TUB	10/1/2004	F-11	100.00%	2,380	0	0	2,380	5	SL/GDS	HY	1,190	476	1,666
	BATHROOM IMPROV	12/28/2004	F-11	100.00%	1,505	0	0	1,505	39	SL/GDS	MM	79	39	118
	GUTTERING	3/31/2005	F-11	100.00%	9,092	0	0	9,092	15	SL/GDS	MM	1,061	606	1,667
	DECKING-COURSER	4/30/2005	F-11	100.00%	15,223	0	0	15,223	15	SL/GDS	MM	1,691	1,015	2,706
	WALL MURAL	5/2/2005	F-11	100.00%	3,500	0	0	3,500	40	SL/GDS	MM	146	88	234
	HOT WATER SYSTE	5/20/2005	F-11	100.00%	1,975	0	0	1,975	15	SL/GDS	MM	208	132	340
	AWNING - DIV 7 ARE	9/19/2005	F-11	100.00%	3,368	0	0	3,368	15	SL/GDS	MM	281	225	506
	DECKING - EXEC AR	10/21/2005	F-11	100.00%	2,422	0	0	2,422	15	SL/GDS	MM	188	161	349
	REMODEL ETHICS C	10/31/2005	F-11	100.00%	2,073	0	0	2,073	15	SL/GDS	MM	161	138	299
	SAUNA	11/30/2005	F-11	100.00%	11,018	0	0	11,018	10	SL/GDS	MM	1,194	1,102	2,296
	IMPROVEMENTS - W	12/15/2005	F-11	100.00%	21,413	0	0	21,413	40	SL/GDS	MM	580	535	1,115
	ROOM & BATHROOM	6/29/2006	F-11	100.00%	20,789	0	0	20,789	15	SL/GDS	HY	693	1,386	2,079
	SAUNA UPGRADE	8/19/2006	F-11	100.00%	3,681	0	0	3,681	10	SL/GDS	MM	124	368	490
	PATIO ENCLOSURE	12/15/2006	F-11	100.00%	97,551	0	0	97,551	15	SL/GDS	FM	542	6,504	7,046
	ESTATES BUILDING	2/15/2007	F-11	100.00%	1,350	0	0	1,350	15	SL/GDS	FM	0	83	83
	WITHDRAW CABIN U	3/15/2007	F-11	100.00%	3,584	0	0	3,584	15	SL/GDS	FM	0	199	199
	COURSEEROOM UPG	4/15/2007	F-11	100.00%	6,630	0	0	6,630	15	SL/GDS	FM	0	332	332
	COURSEEROOM ROO	4/15/2007	F-11	100.00%	15,522	0	0	15,522	15	SL/GDS	FM	0	776	776
	SUNROOM UPGRADI	5/15/2007	F-11	100.00%	3,673	0	0	3,673	15	SL/GDS	FM	0	163	163
	BLUE ROOM REMOD	7/15/2007	F-11	100.00%	6,598	0	0	6,598	15	SL/GDS	FM	0	220	220
	ELECTRICAL UPGRA	8/15/2007	F-11	100.00%	63,799	0	0	63,799	15	SL/GDS	FM	0	1,772	1,772
	SAUNA UPGRADES	9/15/2007	F-11	100.00%	2,214	0	0	2,214	10	SL/GDS	FM	0	74	74
	OFFICE UPGRADE	9/15/2007	F-11	100.00%	3,160	0	0	3,160	15	SL/GDS	FM	0	70	70

Assets by Classification - 990

12/31/2007 Narconon of Northern California 77-0275827

Item No	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec., 179, Bonus	2007 Deprec	2007 Accum. Deprec
	MAIN BUILDING ROOM	10/15/2007	F-11	100.00%	36,710	0	0	36,710	15	SL/GDS	FM	0	612	612
	STUDENT BEDROOM	12/15/2007	F-11	100.00%	13,321	0	0	13,321	15	SL/GDS	FM	0	74	74
Total: Building Improvements													27,248	49,655
Land														
	LAND FACILITIES	12/30/1998	N-1	100.00%	577,752	0	0	577,752				0	0	0
Total Land													0	0
Land Improvements														
	DRIVEWAY	10/15/1999	R-2	100.00%	19,300	0	0	19,300	15	SL/GDS	MM	9,169	1,287	10,456
	SEPTIC TANK	4/5/2000	R-2	100.00%	4,500	0	0	4,500	15	SL/GDS	HY	1,950	300	2,250
	PAVING	10/17/2000	R-2	100.00%	5,200	0	0	5,200	15	SL/GDS	HY	2,254	347	2,601
	ROCK FOR SEPTIC S	3/27/2001	R-2	100.00%	2,575	0	0	2,575	15	SL/GDS	HY	988	172	1,160
	FENCING DONATED	2/2/2002	R-2	100.00%	3,985	0	0	3,985	15	SL/GDS	FM	1,307	266	1,573
	WATER SYSTEM	9/9/2002	R-2	100.00%	4,000	0	0	4,000	15	SL/GDS	MM	1,145	267	1,412
	PAVING	10/22/2002	R-2	100.00%	4,250	0	0	4,250	15	SL/GDS	MM	1,180	283	1,463
	WATER SYSTEM	12/30/2002	R-2	100.00%	1,504	0	0	1,504	15	SL/GDS	MM	401	100	501
	POOL UPGRADE	2/10/2003	R-2	100.00%	1,650	0	0	1,650	39	SL/GDS	MM	164	42	206
	PAVING ROAD	5/14/2003	R-2	100.00%	4,335	0	0	4,335	15	SL/GDS	MM	1,048	289	1,337
	PAVING VOLLEYBAL	6/9/2003	R-2	100.00%	2,450	0	0	2,450	15	SL/GDS	MM	578	163	741
	RIVER ROCK LAND S	9/2/2003	R-2	100.00%	593	0	0	593	15	SL/GDS	HY	139	40	179
	FOUNDATION B AND	10/6/2003	R-2	100.00%	7,200	0	0	7,200	15	SL/GDS	HY	1,680	480	2,160
	LEACH FIELDS	2/2/2004	R-2	100.00%	15,382	0	0	15,382	15	SL/GDS	MM	2,948	1,026	3,974
	TILE	3/18/2004	R-2	100.00%	3,850	0	0	3,850	15	SL/GDS	MM	716	257	973
	PAD - DUMPSTER AF	6/30/2005	R-2	100.00%	10,321	0	0	10,321	15	SL/GDS	MM	1,032	688	1,720
	ROAD IMPROVEMEN	11/21/2005	R-2	100.00%	20,880	0	0	20,880	15	SL/GDS	MM	1,508	1,392	2,900
	FENCEING	11/21/2005	R-2	100.00%	912	0	0	912	15	SL/GDS	MM	66	61	127
	SEPTIC SYSTEM	12/8/2005	R-2	100.00%	143,493	0	0	143,493	15	SL/GDS	MM	10,363	9,567	19,930
	LANDSCAPING	12/12/2005	R-2	100.00%	4,995	0	0	4,995	15	SL/GDS	MM	361	333	694
	LAMPPOST	12/15/2005	R-2	100.00%	1,250	0	0	1,250	15	SL/GDS	MM	90	83	173
	OUTDOOR LAMPPOS	3/20/2006	R-2	100.00%	1,030	0	0	1,030	15	SL/GDS	MM	52	68	120
	ROAD UPGRADE	5/19/2006	R-2	100.00%	76,551	0	0	76,551	15	SL/GDS	MM	2,977	5,103	8,080
	LANDSCAPING	10/31/2006	R-2	100.00%	5,500	0	0	5,500	15	SL/GDS	MM	61	367	428
	SEPTIC/WATER SYS	12/11/2006	R-2	100.00%	91,818	0	0	91,818	15	SL/GDS	MM	510	6,121	6,631
	ROAD UPGRADE WC	12/15/2006	R-2	100.00%	15,040	0	0	15,040	15	SL/GDS	MM	84	1,002	1,086
	LANDSCAPING	2/15/2007	R-2	100.00%	1,631	0	0	1,631	15	SL/GDS	FM	0	100	100
	ROAD IMPROVEMEN	5/15/2007	R-2	100.00%	29,510	0	0	29,510	15	SL/GDS	FM	0	1,312	1,312
	FENCING	10/15/2007	R-2	100.00%	3,165	0	0	3,165	15	SL/GDS	FM	0	53	53
Total Land Improvements													42,771	74,340
Leasehold Improvements														
	FIRE SYSTEM PLACI	9/25/2006	R-9	100.00%	5,953	0	0	5,953	5	SL/GDS	MM	298	1,190	1,488
	LEASEHOLD IMP PAI	11/25/2006	R-9	100.00%	2,378	0	0	2,378	5	SL/GDS	MM	40	475	515

Assets by Classification - 990

12/31/2007

Narconon of Northern California

77-0275827

Item No.	Description of Property **** indicates SOLD	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec 179 Deduction	Special Allowance	Recovery Basis	Recovery Period	Method	Conv Code	Prior Accum Deprec. 179, Bonus	2007 Deprec.	2007 Accum. Deprec.
	POWER UPGRADE P	8/15/2007	R-9	100.00%	4,950	0	0	4,950	15	SL/GDS	FM	0	413	413
	PATIO ENCLOSURE I	12/15/2007	R-9	100.00%	16,731	0	0	16,731	5	SL/GDS	FM	0	279	279
	BARN IMPROVEMEN	12/15/2007	R-9	100.00%	798	0	0	798	5	SL/GDS	FM	0	13	13
	BATHROOM REMODI	12/15/2007	R-9	100.00%	2,820	0	0	2,820	5	SL/GDS	FM	0	47	47
	GENERAL FACILITY I	12/15/2007	R-9	100.00%	2,742	0	0	2,742	5	SL/GDS	FM	0	47	47
Total. Leasehold Improvements					36,372	0	0	36,372				338	2,464	2,802
Building														
	BUILDING - WATSON	12/30/1998	R-5	100.00%	847,388	0	0	847,388	39	SU/GDS	FM	173,820	21,728	195,548
	BUILDING SHED	5/17/2001	R-5	100.00%	1,293	0	0	1,293	39	SU/GDS	MM	186	33	219
	MODULAR UNIT	2/16/2003	R-5	100.00%	38,700	0	0	38,700	39	SU/GDS	MM	3,847	992	4,839
	MODULAR BUILDING	5/17/2005	R-5	100.00%	16,263	0	0	16,263	15	SU/GDS	MM	1,717	1,084	2,801
	LAUNDRY BUILDING	2/15/2007	R-5	100.00%	17,518	0	0	17,518	20	SL/GDS	FM	0	803	803
	STORAGE BUILDING	3/15/2007	R-5	100.00%	26,525	0	0	26,525	20	SL/GDS	FM	0	1,105	1,105
	STORAGE CONTAINI	5/11/2007	R-5	100.00%	5,184	0	0	5,184	15	SL/GDS	FM	0	230	230
	PROP. NOT PLACED	12/31/2007	R-5	100.00%	2,070,968	0	0	2,070,968	39	SU/GDS	MM	0	0	0
	CONST. IN PROGRE	12/31/2007	R-5	100.00%	355,893	0	0	355,893	39	SU/GDS	MM	0	0	0
Total. Building					3,379,732	0	0	3,379,732				179,570	25,975	205,545
Motor Vehicles														
	1999 FORD VAN	7/8/2002	V-5	100.00%	13,759	0	0	13,759	5	SL/GDS	HY	12,384	1,375	13,759
	** 1993 MITSUBISHI	1/27/2003	V-5	100.00%	3,500	0	0	3,500	5	SL/GDS	HY	2,450	642	3,092
	1999 FORD WINDST	2/3/2003	V-5	100.00%	9,932	0	0	9,932	5	SL/GDS	HY	6,952	1,986	8,938
	1999 OLDSMOBILE S	8/18/2005	V-5	100.00%	11,830	0	0	11,830	3	SL/GDS	FM	5,258	3,943	9,201
	2004 FORD ECONOL	12/18/2005	V-5	100.00%	19,000	0	0	19,000	3	SL/GDS	MM	6,333	6,334	12,667
	CAR WD	6/12/2006	V-5	100.00%	5,093	0	0	5,093	3	SL/GDS	MM	990	1,698	2,688
	2004 CHEVY EXPRE	9/14/2006	V-5	100.00%	16,395	0	0	16,395	3	SL/GDS	MM	1,822	5,465	7,287
	2005 CHEVY 3500 PA	1/12/2007	V-5	100.00%	16,450	0	0	16,450	3	SL/GDS	FM	0	5,483	5,483
	ESTATES TRUCK 19	5/15/2007	V-5	100.00%	3,800	0	0	3,800	3	SL/GDS	FM	0	844	844
	2007 TOYOTA YARIS	5/21/2007	V-5	100.00%	15,844	0	0	15,844	3	SL/GDS	FM	0	3,081	3,081
	2002 CHEVY SUBUR	6/19/2007	V-5	100.00%	16,577	0	0	16,577	3	SL/GDS	FM	0	2,763	2,763
Total. Motor Vehicles					132,180	0	0	132,180				36,189	33,614	69,803
Loan costs														
	APPRAISAL FEE	11/2/2002	Z-9	100.00%	6,000	0	0	6,000	30	SL	FM	800	200	1,000
	NEW LOAN ESCROW	12/27/2002	Z-9	100.00%	15,124	0	0	15,124	30	SL	FM	2,016	504	2,520
Total Loan costs					21,124	0	0	21,124				2,816	704	3,520
SubTotals														
Less Assets Sold					5,418,931	0	0	5,418,931				382,228	171,052	553,278
Ending Totals					5,415,431	0	0	5,415,431				379,778	170,410	550,186

Part IV, Line 58 (990) - Other Assets

		92,650	118,070
Description		Beginning	End
1	Deposits	20,250	26,470
2	Purchase Option	72,400	91,600
3			
4			
5			
6			
7			
8			
9			
10			

Part IV, Line 64b (990) - Mortgages and Other Notes Payable

TAX YEAR 10/31/07	Lender's name	Check if lender is a business	Security provided	Original amount	Balance due beginning of year	Balance due end of year	Date of note	Maturity date	Repayment terms	Interest rate	Purpose of loan
1	Wells Fargo Bank	X	Mortgage-building and land	1,390,000	1,248,977	1,205,601	12/16/2002	1/15/2023	Monthly Pmt	6.9500%	Mortgage-building and land
2	Wells Fargo Bank	X	Mortgage-building and land	397,653		395,170	11/13/2007	12/15/2017	Monthly Pmt	7.4000%	Mortgage-building and land
3	Wells Fargo Bank	X	Mortgage-building and land	420,000		392,687	1/5/2007	1/15/2017	Monthly Pmt	7.4000%	Mortgage-building and land
4	Wells Fargo Bank	X	Mortgage-building and land	687,350		685,147	11/13/2007	11/15/2022	Monthly Pmt	7.4000%	Mortgage-building and land
5	US Bancorp	X	Telephone system	18,693	9,234	0	5/19/2005	5/7/2008	Monthly Pmt	4.0000%	Telephone system
6	Narconon Arrowhead	X	Unsecured	100,000	50,085	0	1/10/2006	1/10/2008	Monthly Pmt		Program Delivery Expansion
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											

2,878,605

1,308,296

3,013,696

Part IV, Line 65 (990) - Other Liabilities

23,781

107,738

Description		TAX YEAR 12/31/07	Beginning	End
1	Retirement plan payable		0	92,010
2	Contract payable vehicle		14,703	10,203
3	Lease Obligation		9,078	5,525
4				
5				
6				
7				
8				
9				
10				

Part IV-A, Line b(4) (990) - Reconciliation of Rev per Audited Financial Stmtts

TAX YEAR 10/31/07		64,400
	Other	Amount
1	Cost of Goods Sold	64,400
2		
3		
4		
5		
6		
7		
8		
9		
10		

Part IV-B, Line b(4) (990) - Reconciliation of Exp per Audited Financial Stmts

TAX YEAR 10/31/07		64,400
	Other	Amount
1	Cost of Goods Sold	64,400
2		
3		
4		
5		
6		
7		
8		
9		
10		

Narconon of Northern California

77-0275827

Tax Year: 12/31/07

Continuation schedule to list more persons in Part V-A of Form 990 page 5

Additional Current Officers, Directors Trustees and Key Employees

(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 plans	(E) Expense account and other allowances
Name <u>Marc Torres</u>	Str <u>18889 W. Cavendas</u>		Title <u>Director</u>			
City <u>Castro Valley</u>	ST <u>CA</u> ZIP <u>94552</u>		Hr/WK <u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name <u>Scott Friend</u>	Str <u>4323 Moorpark Ave Ste A</u>		Title <u>Director</u>			
City <u>San Jose</u>	ST <u>CA</u> ZIP <u>95129</u>		Hr/WK <u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>

Part V-A, Line 75b (990) - Officers, Directors, Trustees, and Key Employee Relationships

TAX YEAR 12/31/07		Related Party Information					
	Name	Check if Individual	Check if Business	Title or Role	Name	Check if Individual	Check if Business
1	Daniel M. Manson	X		Exec. Dir./Director	Angie Manson	X	
2	Edward Panelli	X		Director	Jeffrey J. Panelli	X	
3	Matthew Guernaccini	X		Sn. Dir. Production	Joseph Guernaccini	X	
4							
5							
6							
7							
8							
9							
10							

Relationship
Married
Father and Son
Brothers

Title or Role
Exec. Dir.
Sn. Dir. of Expansion
Qualification Supervisor

Part III, Line 2 (Sch A (990/990-EZ)) - Self Dealing Transactions

Statement 1

TAX YEAR 12/31/07

During the year, did the organization engage in a transaction with a related party? ☒ Yes ☐ No

If "Yes," please provide a detailed statement explaining the transaction(s).

Line No. Explanation:

2a 1 Narconon of Northern California paid rent of \$41193.15 to Angie Manson,
Executive director, for use of real estate rental property.

Part III, Line 3a (Sch A (990/990-EZ)) - Fellowships, Scholarships, and Student Loans

TAX YEAR 12/31/07

Do you make grants for scholarships, fellowships, student loans, etc.? ☒ Yes ☐ No

If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.

Determination is made by financial and personal hardship on a case by case basis.

Part IV-A, Line 22 (Sch A (990/990-EZ)) - Other Income

TAX YEAR 12/31/07

Description		(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
1	Drug Rehab Referrals	15,008	11,643	0	906	27,557
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10						0
Total of Other Income		15,008	11,643	0	906	27,557

Part I (8868) - Books in care of

Name			
<input checked="checked" type="checkbox"/> Person	<input type="checkbox"/> Business	Kathi Horton	
Address		Fax no.	Telephone no.
262 Gaffey Road			1-800-556-8885
City	State	Zip code	Foreign country
Watsonville	CA	95078-9731	

2006 2760 0003 9507 0239

U.S. Postal Service	
CERTIFIED MAIL - RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL	
Postage	\$ 14.00
Certified Fee	\$ 2.95
Return Receipt Fee (Endorsement Required)	\$ 2.95
Restricted Delivery Fee (Endorsement Required)	\$ 2.95
Total Postage & Fees	\$ 22.85
Sent To	
Department of the Treasury	
Internal Revenue Service Center	
Ogden, UT 84201-0012	
PS Form 3800, August 2004	

Postmark: MAY 9 2008

Form **8868**(Rev. April 2008)
Department of the Treasury
Internal Revenue Service**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. ☒ **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

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).A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only. ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

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 |

- The books are in the care of ▶ See attached worksheet

Telephone No. ▶ 1-800-556-8885

FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box. ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) 2595. If this is for the whole group, check this box. ☐ If it is for part of the group, check this box. ☒ **X** and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15/2008, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ▶ ☒ calendar year 2007 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.	3a	\$
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.	3b	\$
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.	3c	\$ 0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 4-2008)

(HTA)

- 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. You must file original and one copy			
Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization		Employer identification number
	Narconon of Northern California		77-0275827
	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):

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

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

- The books are in the care of **Kathi Horton, 262 Gaffey Road, Watsonville, CA 95076-9731**
Telephone No. **1-800-556-8885** FAX No.
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **2595**. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☒ **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 **11/15/2008**
- 5 For calendar year **2007**, 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 8089, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$
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.	8b	\$
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.	8c	\$

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 *Kathi Horton* Title *Executive Director* Date *8/5/08*

Form **8868** (Rev. 4-2008)