

Form **990****Return of Organization Exempt From Income Tax**

OMB No. 1545-0047

2003Department of the Treasury
Internal Revenue ServiceUnder 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.

Open to Public
Inspection**A** For the 2003 calendar year, or tax year beginning

and ending

B Check if
applicable:

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

Please
use IRS
label or
print or
type.
See
Specific
Instruc-
tions.**C** Name of organization

DRUG REFORM COORDINATION NETWORK

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

1623 CONNECTICUT AVENUE, NW

Room/suite

3RD FL

City or town, state or country, and ZIP + 4

WASHINGTON, DC 20009

D Employer identification number

52-2034866

E Telephone number

202-293-8340

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.)**H(d)** Is this a separate return filed by an or-
ganization covered by a group ruling? ☐ Yes ☒ No**I** Group Exemption Number ▶**G** Website: ▶ STOPTHEDRUGWAR.ORG**J** Organization type (check only one) ☒ 501(c) (4) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The
organization need not file a return with the IRS; but if the organization received a Form 990 Package
in the mail, it should file a return without financial data. Some states require a complete return.**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶

112859.

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**

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	112844.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ 112844. noncash \$)	1d	112844.		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	15.
	5	Dividends and interest from securities			5	
	6a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe)			7		
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	8a		
	b	Less: cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
	b	Less: direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
	11	Other revenue (from Part VII, line 103)			11	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	112859.	
Expenses	13	Program services (from line 44, column (B))			13	91950.
	14	Management and general (from line 44, column (C))			14	13450.
	15	Fundraising (from line 44, column (D))			15	21794.
	16	Payments to affiliates (attach schedule)			16	
	17	Total expenses (add lines 16 and 44, column (A))			17	127194.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	-14335.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	23800.
	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	9465.

323001
12-17-03

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

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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.

Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ noncash \$	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25	13521.	9797.	1862.
26	Other salaries and wages	26	25803.	15001.	5401.
27	Pension plan contributions	27			
28	Other employee benefits	28	3703.	2491.	606.
29	Payroll taxes	29	3619.	2289.	665.
30	Professional fundraising fees	30	4705.		4705.
31	Accounting fees	31	1500.	864.	414.
32	Legal fees	32			
33	Supplies	33	1215.	477.	623.
34	Telephone	34	1783.	1337.	206.
35	Postage and shipping	35	1826.	48.	709.
36	Occupancy	36	6487.	3637.	1918.
37	Equipment rental and maintenance	37	873.	569.	152.
38	Printing and publications	38	2503.	250.	40.
39	Travel	39	1315.	543.	
40	Conferences, conventions, and meetings	40	168.	141.	
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule) ...	42			
43	Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	See Statement 1	43e	58173.	54506.	854.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	127194.	91950.	13450.

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

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

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

Part III Statement of Program Service AccomplishmentsWhat is the organization's primary exempt purpose? ☐

SEE STATEMENT 2

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses

(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a	SEE STATEMENT 3				
	(Grants and allocations \$				78436.
b	SEE STATEMENT 4				
	(Grants and allocations \$				13514.
c					
	(Grants and allocations \$				
d					
	(Grants and allocations \$				
e	Other program services (attach schedule)		(Grants and allocations \$		
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)				91950.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	14365.	45	1558.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable 47a 22142.			
	b Less: allowance for doubtful accounts 47b	5104.	47c	22142.
	48 a Pledges receivable 48a			
	b Less: allowance for doubtful accounts 48b		48c	
	49 Grants receivable	30000.	49	25000.
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable 51a			
	b Less: allowance for doubtful accounts 51b		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	2951.	53	250.
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55 a Investments - land, buildings, and equipment: basis 55a			
	b Less: accumulated depreciation 55b		55c	
56 Investments - other		56		
57 a Land, buildings, and equipment: basis 57a				
b Less: accumulated depreciation 57b	165.	57c		
58 Other assets (describe <input type="checkbox"/> SECURITY DEPOSIT)		58	2300.	
59 Total assets (add lines 45 through 58) (must equal line 74)	52585.	59	51250.	
Liabilities	60 Accounts payable and accrued expenses	28785.	60	41785.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities (add lines 60 through 65)	28785.	66	41785.	
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	23800.	67	9465.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	23800.	73	9465.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	52585.	74	51250.

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.

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

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

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

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

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
DAVID BORDEN C/O DRCNET, PO BOX 18402 WASHINGTON, DC 20036	PRESIDENT, EXEC DIR 12.5	13521.	0.	0.
KEITH CYLAR [REDACTED] NEW YORK, NY [REDACTED]	DIRECTOR 1	0.	0.	0.
RICHARD M. EVANS [REDACTED] NORTHAMPTON, MA [REDACTED]	DIRECTOR 1	0.	0.	0.
STEVEN D. PERSKY C/O DRCNET, PO BOX 18402 WASHINGTON, DC 20036	TREASURER 1	0.	0.	0.
JOEY TRANCHINA [REDACTED] NEW YORK, NY [REDACTED]	DIRECTOR 1	0.	0.	0.

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

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Part VI Other Information

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization ► DRCNET FOUNDATION 501(C)(3) and check whether it is <input type="checkbox"/> exempt or <input checked="" type="checkbox"/> nonexempt.		
81 a Enter direct or indirect political expenditures. See line 81 instructions 81a 0.		
b Did the organization file Form 1120-POL for this year?	81b	X
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A		
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A	83b	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	X
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	X
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	X
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? N/A	85g	
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? N/A	85h	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A		
b Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A ; section 4912 N/A ; section 4955 N/A		
b 501(c)(3) and 501(c)(4) organizations. 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 0.		
90 a List the states with which a copy of this return is filed ► DISTRICT OF COLUMBIA	90b	3
b Number of employees employed in the pay period that includes March 12, 2003		
91 The books are in care of ► THE ORGANIZATION Telephone no. ► 202-293-8340		

Located at **► 1623 CONNECTICUT AVE, NW, 3RD FLR, WASH. DC**ZIP + 4 **► 20009**

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

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Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

93 Program service revenue:

a

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

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

103 Other revenue:

a

b

c

d

e

104 Subtotal (add columns (B), (D), and (E))

105 Total (add line 104, columns (B), (D), and (E))

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

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

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	Signature of officer <i>David Borden</i>	Date <i>3/8/05</i>
Paid Preparer's Use Only	Preparer's signature <i>Michael L. Weiser, CPA</i>	Date <i>3/8/05</i>
	Firm's name (or yours if self-employed), address, and ZIP + 4 MICHAEL L. WEISER, P.C. 1201 15th STREET, NW WASHINGTON, DC 20005	Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN EIN <i>52-2034866</i> Phone no. <i>202-293-5344</i>

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Form 990	Other Expenses			Statement 1
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
BANK AND CREDIT CARD CHARGES	10098.	6676.	1711.	1711.
INTERNET/WEBSITE	11967.	11077.	218.	672.
INSURANCE	1070.	732.	169.	169.
PAYROLL				
ADMINISTRATION	1349.	892.	229.	228.
MISCELLANEOUS	200.	124.	43.	33.
CONSULTING	8141.	8141.		
GRANTS	25000.	25000.		
MEDIA RELATIONS	1864.	1864.		
RECOVERY OF PRIOR YEAR EXPENSES	-1516.		-1516.	
Total to Fm 990, ln 43	58173.	54506.	854.	2813.

Form 990	Statement of Organization's Primary Exempt Purpose Part III	Statement	2
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Explanation

TO INCREASE PUBLIC AWARENESS OF THE EFFECTS OF DRUG POLICIES; TO PROMOTE DEBATE ON DRUG PROHIBITION & ALTERNATIVES; TO PROMOTE POSITION REFORM OF DRUG LAWS.

Form 990	Statement of Program Accomplishments Part III	Statement	3
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Explanation

THE DRUG REFORM COORDINATION NETWORK (DRCNet) CONTINUED ITS WORK ON THE HIGHER EDUCATION ACT (HEA) REFORM CAMPAIGN, IN PARTICULAR CONDUCTING OUTREACH IN STATES AROUND THE COUNTRY TO BUILD SUPPORT IN THE STATES AND DISTRICTS OF KEY US SENATORS AND REPRESENTATIVES FOR LEGISLATION TO REPEAL THE HEA DRUG PROVISION. DRCNet ALSO FUNDED WORK BY STUDENTS FOR SENSIBLE DRUG POLICY, WHICH INCLUDED ORGANIZING A PRESS CONFERENCE ON CAPITOL HILL MARKING REINTRODUCTION OF REP. BARNEY FRANK'S REPEAL BILL, ATTENDED BY FIVE MEMBERS OF CONGRESS.

Form 990	Statement of Program Accomplishments Part III	Statement	4
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Explanation

DRCNet DISTRIBUTED LEGISLATIVE ACTION ALERTS ON A RANGE OF DRUG POLICY ISSUES, INCLUDING THE DRUG PROVISION OF THE HIGHER EDUCATION ACT (HEA), THE DRUG ENFORCEMENT ADMINISTRATION'S (DEA) ATTEMPT TO BAN FOOD PRODUCTS MADE WITH HEMP, MEDICAL MARIJUANA, US DRUG POLICY IN COLOMBIA, THE RAVE ANTI-ECSTASY ACT, SENTENCING AND INCARCERATION, AND LOWERING CALIFORNIA LOW-LEVEL MARIJUANA POSSESSION PENALTIES TO THE LEVEL OF INFRACTION.