

# 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)

Department of the Treasury  
Internal Revenue Service

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

**A** For the 2001 calendar year, or tax year period beginning \_\_\_\_\_ and ending \_\_\_\_\_

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return  
 Amended return  
 Application pending

**C** Name of organization: **NARCONON OF OKLAHOMA, INC.**  
 Number and street (or P O box if mail is not delivered to street address): **HC 67 BOX 5**  
 City or town, state or country, and ZIP + 4: **CANADIAN, OK 74425**

**D** Employer identification number: **73-1589280**

**E** Telephone number: **918-339-5800**

**F** Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**G** Web site: **WWW.STOPADDICTION.COM**

**J** Organization type (check only one):  501(c)(3) (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: **7,902,726.**

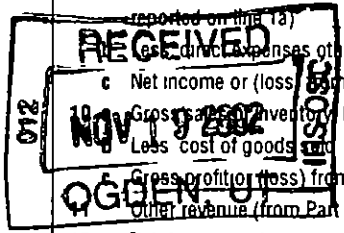
**H** and **I** are not applicable to section 527 organizations.  
**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates: \_\_\_\_\_  
**H(c)** Are all affiliates included? **N/A**  Yes  No (If "No," attach a list)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No  
**I** Enter 4-digit GEN: **2595**

**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	207,475.		
	b	Indirect public support	1b	6,460.		
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ <u>213,935.</u> noncash \$ _____)	1d		213,935.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		7,387,425.	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4		35,215.	
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	b	Less rental expenses	6b			
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe _____)	7				
8	a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other		
	b	Less cost or other basis and sales expenses	8a	52,095.		
	c	Gain or (loss) (attach schedule)	8b	72,978.		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	<20,883.>		
8d			STMT 2		<20,883.>	
9	a	Gross revenue (not including \$ _____ of contributions reported on this 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			
	d	Gross sales of inventory less returns and allowances	10a	211,055.		
10b	Less cost of goods sold	10b	153,705.			
10c	Gross profit (or loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		STMT 3		57,350.	
11	Other revenue (from Part VII, line 103)	11		3,001.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		7,676,043.		
Expenses	13	Program services (from line 44, column (B))	13	5,559,605.		
	14	Management and general (from line 44, column (C))	14	623,956.		
	15	Fundraising (from line 44, column (D))	15	31,640.		
	16	Payments to affiliates (attach schedule)	16	640,790.		
	17	Total expenses (add lines 16 and 44, column (A))	17	6,855,991.		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	820,052.		
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,147,359.		
	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	1,967,411.		

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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

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 \$ 61,864. noncash \$ 40,829.	102,693.	102,693.	STATEMENT 7	STATEMENT 8
23	Specific assistance to individuals (attach schedule)	31,096.	31,096.	STATEMENT 9	
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	119,483.	73,002.	46,065.	416.
26	Other salaries and wages	2,045,012.	1,760,352.	277,777.	6,883.
27	Pension plan contributions				
28	Other employee benefits	36,646.	31,039.	5,482.	125.
29	Payroll taxes	167,315.	141,716.	25,030.	569.
30	Professional fundraising fees				
31	Accounting fees	3,000.		3,000.	
32	Legal fees	188,613.	155,973.	32,094.	546.
33	Supplies	141,490.	105,029.	35,728.	733.
34	Telephone	246,951.	203,750.	42,582.	619.
35	Postage and shipping	114,381.	110,628.	2,413.	1,340.
36	Occupancy	633,596.	583,843.	49,221.	532.
37	Equipment rental and maintenance	201,590.	187,265.	14,188.	137.
38	Printing and publications	86,968.	82,939.	4,011.	18.
39	Travel	330,379.	290,682.	38,587.	1,110.
40	Conferences, conventions, and meetings				
41	Interest	10,388.	9,502.	878.	8.
42	Depreciation, depletion, etc (attach schedule)	53,423.	49,267.	4,109.	47.
43	Other expenses not covered above (itemize)				
a					
b					
c					
d					
e	SEE STATEMENT 5	1,702,177.	1,640,829.	42,791.	18,557.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	6,215,201.	5,559,605.	623,956.	31,640.

Joint Costs Check  if you are following SOP 98-2  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? <b>SEE STATEMENT 6</b>	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
<b>a DETOXIFICATION &amp; REHABILITATION</b>  SEE STATEMENT 15. (Grants and allocations \$ 2,500.)	4,650,549.
<b>b DRUG EDUCATION &amp; PREVENTION</b>  SEE STATEMENT 16. (Grants and allocations \$ )	74,636.
<b>c PUBLIC AWARENESS OF THE PROBLEMS OF DRUG ABUSE &amp; THEIR SOLUTIONS</b>  SEE STATEMENT 17. (Grants and allocations \$ 100,193.)	834,420.
<b>d</b>  (Grants and allocations \$ )	
<b>e Other program services (attach schedule)</b> (Grants and allocations \$ )	
<b>f Total of Program Service Expenses (should equal line 44, column (B), Program services)</b>	5,559,605.

**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	
<b>Assets</b>	45 Cash - non-interest-bearing	431,759.	725,779.	
	46 Savings and temporary cash investments	737,116.	969,485.	
	47 a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use	9,746.	19,772.	
	53 Prepaid expenses and deferred charges		53	
	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 570,076.			
b Less accumulated depreciation STMT 10	57b 65,268.	143,730.	57c 504,808.	
58 Other assets (describe <input type="checkbox"/> DEPOSITS )		21,110.	58 10,235.	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)		1,343,461.	59 2,230,079.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	18,405.	60 11,477.	
	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 STMT 11	143,159.	64b 90,000.	
	65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 12 )	34,538.	65 161,191.	
66 <b>Total liabilities</b> (add lines 60 through 65)		196,102.	66 262,668.	
<b>Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>				
<b>Net Assets or Fund Balances</b>	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74</b>			
	70 Capital stock, trust principal, or current funds	0.	70 0.	
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71 0.	
	72 Retained earnings, endowment, accumulated income, or other funds	1,147,359.	72 1,967,411.	
73 <b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,147,359.	73 1,967,411.		
74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	1,343,461.	74 2,230,079.		

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

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

Table with 5 rows (a-e) and 2 columns. Row a: Total revenue, gains, and other support per audited financial statements. Row b: Amounts included on line a but not on line 12, Form 990. Row c: Line a minus line b. Row d: Amounts included on line 12, Form 990 but not on line a. Row e: Total revenue per line 12, Form 990.

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

Table with 5 rows (a-e) and 2 columns. Row a: Total expenses and losses per audited financial statements. Row b: Amounts included on line a but not on line 17, Form 990. Row c: Line a minus line b. Row d: Amounts included on line 17, Form 990 but not on line a. Row e: Total expenses per line 17, Form 990.

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

Table with 5 columns: (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. Rows include Laurie Zurn, Clark R.N. Carr, Joni Ginsberg, Gary W. Smith, Kathleen Goselin, and Michael St. Amand.

122001 01-02-02

Part VI Other Information

Table with columns for question number, question text, and Yes/No columns. Includes questions 76 through 92 regarding organizational activities, financials, and governance.

91 The books are in care of MICHAEL ST. AMAND Telephone no 918-339-5800
Located at HC 67 BOX 5 CANADIAN, OK ZIP + 4 74425-9700

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

**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 32)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
<b>Note</b> Enter gross amounts unless otherwise indicated					
<b>93</b> Program service revenue					
<b>a</b> <b>DETOX &amp; REHAB PROGRAMS</b>					7,341,321.
<b>b</b> <b>DRUG REHAB TRAINING</b>					44,733.
<b>c</b> <b>DRUG EDUCATION SERVICES</b>					1,371.
<b>d</b> _____					
<b>e</b> _____					
<b>1</b> Medicare/Medicaid payments					
<b>g</b> Fees and contracts from government agencies					
<b>94</b> Membership dues and assessments					
<b>95</b> Interest on savings and temporary cash investments			14	35,215.	
<b>96</b> Dividends and interest from securities					
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from personal property					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory			18	<20,883.>	
<b>101</b> Net income or (loss) from special events					
<b>102</b> Gross profit or (loss) from sales of inventory					57,350.
<b>103</b> Other revenue					
<b>a</b> <b>CANTEEN INCOME</b>			03	2,401.	
<b>b</b> <b>ADVERTISING SALES</b>			01	600.	
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))		0.		17,333.	7,444,775.
<b>105</b> Total (add line 104, columns (B), (D), and (E))					7,462,108.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See Specific Instructions on page 32)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	PAYMENTS FOR DETOX AND REHAB PROGRAM.
93B	PAYMENTS FOR DRUG REHABILITATION TRAINING.
93C	PAYMENTS FOR DRUG EDUCATION SERVICES.
102	SALES OF DETOX & REHAB PROGRAM BOOKS & MATERIALS.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See Specific Instructions on page 33)

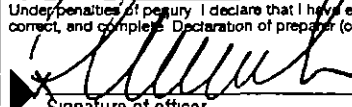
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See Specific Instructions on page 33)


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

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

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.

Please Sign Here:  x 11-15-02 x MICHAEL ST. AMAND, SECRETARY

Signature of officer: \_\_\_\_\_ Date: 11-15-02 Type or print name and title: MICHAEL ST. AMAND, SECRETARY

Paid Preparer's Use Only: Preparer's signature:  CPA Date: 11/14/02 Check if self-employed:  Preparer's SSN or PTIN: \_\_\_\_\_

Firm's name (or yours if self-employed) address and ZIP + 4: NSBN LLP, 9454 WILSHIRE BLVD., 4TH FLOOR, BEVERLY HILLS, CA 90212-2907

EIN: \_\_\_\_\_ Phone no: (310) 273-2501

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

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

OMB No 1545-0047

**2001**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information--(See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **NARCONON OF OKLAHOMA, INC.** Employer Identification number **73 1589280**

**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
DESIREE DANNER ----- HC 67 BOX 5 CANADIAN, OK 74425	COUNSELOR 48	100,104.	0.	0.
DENA BOMAN ----- HC 67 BOX 5 CANADIAN, OK 74425	COUNSELOR 48	84,633.	0.	0.
-----				
-----				
-----				
-----				
Total number of other employees paid over \$50,000 ▶	2			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
ALEXANDER S. MACNABB ----- 10600 SUNLIT ROAD OAKTON, VA 22124	ATTORNEY	125,077.
TIMOTHY M. SCANLAN, MD ----- 7333 E 22ND ST. N. #10 WICHITA, KS 67226	MEDICAL DIRECTOR	76,562.
SO. CENTRAL KANSAS REG MED CTR ----- PO BOX 1107 ARKANSAS CITY, KS 67005	LABORATORY SERVICES	72,896.
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-----		
Total number of others receiving over \$50,000 for professional services ▶	0	

<b>Part III Statements About Activities</b> (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 <b>▶</b> \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B ) 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		X
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?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V, FORM 990</b>	X	
e	Transfer of any part of its income or assets?		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below )		X
4	Do you have a section 403(b) annuity plan for your employees?		X
<b>Note</b> Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments <b>SEE STATEMENT 13</b>			

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

- The organization is not a private foundation because it is (Please check only ONE applicable box )
- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
  - 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
  - 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
  - 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
  - 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state **▶** \_\_\_\_\_
  - 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A )
  - 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
  - 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
  - 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
  - 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3) )

Provide the following information about the supported organizations (See page 5 of the instructions )

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions )



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting  
 Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	811,615.				811,615.
16 Membership fees received					
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	2,872,503.				2,872,503.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	15,182.				15,182.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	209.		SEE STATEMENT 14		209.
23 Total of lines 15 through 22	3,699,509.	0.	0.	0.	3,699,509.
24 Line 23 minus line 17	827,006.				827,006.
25 Enter 1% of line 23	36,995.				
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				26a 16,540.
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.				26b 0.
	c Total support for section 509(a)(1) test. Enter line 24, column (e).				26c 827,006.
	d Add: Amounts from column (e) for lines 18 <u>15,182.</u> 19 _____ 22 <u>209.</u> 26b _____				26d 15,391.
	e Public support (line 26c minus line 26d total)				26e 811,615.
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f 98.1389%
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: N/A				
	(2000)	(1999)	(1998)	(1997)	
	b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A				
	(2000)	(1999)	(1998)	(1997)	
	c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____				27c N/A
	d Add: Line 27a total _____ and line 27b total _____				27d N/A
	e Public support (line 27c total minus line 27d total)				27e N/A
	f Total support for section 509(a)(2) test. Enter amount on line 23, column (e):				27f N/A
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g N/A %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h N/A %
28 Unusual Grants. For an organization described in line 10, 11, or 12, that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.	NONE				

**Part V Private School Questionnaire** (See page 7 of the instructions )

N/A

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

		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 9 of the instructions)  
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check  a if the organization belongs to an affiliated 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
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)		
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is -                      The lobbying nontaxable amount is - Not over \$500,000                                      20% of the amount on line 40 Over \$500,000 but not over \$1,000,000                      \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000                      \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000                      \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000                                      \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)		
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36		
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38		

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

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**  
 (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

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

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

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

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

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

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

- a Transfers from the reporting organization to a noncharitable exempt organization of (i) Cash (ii) Other assets b Other transactions (i) Sales or exchanges of assets with a noncharitable exempt organization (ii) Purchases of assets from a noncharitable exempt organization (iii) Rental of facilities, equipment, or other assets (iv) Reimbursement arrangements (v) Loans or loan guarantees (vi) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

Table with 2 columns: Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

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

N/A

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

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

Yes No (with X checked in No)

b If "Yes," complete the following schedule N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

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

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

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

OMB No 1545-0047

**2001**

Name of organization

NARCONON OF OKLAHOMA, INC.

Employer identification number

73-1589280

Organization type (check one)

Filers of

Section

Form 990 or 990-EZ

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

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

527 political organization

Form 990 PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

**General Rule-**

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

**Special Rules-**

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

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

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

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization <b>NARCONON OF OKLAHOMA, INC.</b>	Employer identification number <b>73-1589280</b>
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**Part I Contributors** (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 175,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2		\$ 12,815.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Asset Number	Description of property							
	Date placed in service	Method/IRC sec	Life or rate	Line No	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
1	PLANT & TECHNICAL EQUIPMENT							
	07,01,00	SL	5.00	16	8,475.		848.	1,695.
2	(D)EQUIPMENT & FURNITURE (1999)							
	07,01,00	SL	5.00	16	14,618.		1,462.	0.
3	(D)EQUIPMENT & FURNITURE (2000)							
	07,01,00	SL	5.00	16	20,489.		2,049.	0.
4	(D)EQUIPMENT & FURNITURE (2000)							
	07,01,00	SL	5.00	16	2,982.		298.	0.
5	COMPUTER (1997)							
	07,01,00	SL	4.00	16	4,659.		1,165.	1,165.
6	COMPUTER (1998)							
	07,01,00	SL	4.00	16	8,405.		2,101.	2,101.
7	COMPUTER (1999)							
	07,01,00	SL	4.00	16	15,652.		2,609.	3,913.
8	COMPUTER (2000)							
	07,01,00	SL	4.00	16	16,631.		1,664.	4,158.
9	COMPUTER (2000)							
	07,01,00	SL	4.00	16	6,783.		678.	1,696.
10	VEHICLE (1998)							
	07,01,00	SL	2.00	16	400.		100.	200.
11	(D)VEHICLE (1999)							
	07,01,00	SL	5.00	16	23,752.		2,375.	0.
12	(D)VEHICLE (1999)							
	07,01,00	SL	3.00	16	4,967.		828.	0.
13	VEHICLE (2000)							
	07,01,00	SL	3.00	16	5,833.		972.	1,944.
14	(D)VEHICLE (2000)							
	07,01,00	SL	3.00	16	6,250.		1,042.	0.
15	VEHICLE (2000)							
	07,01,00	SL	3.00	16	2,083.		347.	694.
16	VEHICLE (2000)							
	07,01,00	SL	3.00	16	1,667.		278.	556.
17	VEHICLE (2000)							
	07,01,00	SL	3.00	16	6,500.		1,083.	2,167.
18	LEASEHOLD IMPROVEMENTS							
	09,01,01	SL	30.00	16	203,900.			2,266.
19	EQUIPMENT & FURNITURE (2001)							
	07,01,01	SL	5.00	16	76,446.			7,645.
20	EQUIPMENT & FURNITURE (2001)							
	07,01,01	SL	5.00	16	17,429.			1,743.
21	EQUIPMENT & FURNITURE (2001)							
	07,01,01	SL	5.00	16	88,069.			8,807.
22	COMPUTER (2001)							
	07,01,01	SL	4.00	16	27,549.			3,444.
23	VEHICLE (2001)							
	07,01,01	SL	5.00	16	31,594.			3,159.
24	VEHICLE (2001)							
	07,01,01	SL	5.00	16	28,951.			2,895.
25	VEHICLE (2001)							
	07,01,01	SL	3.00	16	5,550.			925.
26	VEHICLE (2001)							
	07,01,01	SL	3.00	16	7,550.			1,258.
27	VEHICLE (2001)							
	07,01,01	SL	3.00	16	5,950.			992.





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FOOTNOTES

STATEMENT 1

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FORM 990, PART V LIST OF OFFICERS, DIRECTORS, TRUSTEES AND  
KEY EMPLOYEES

OFFICERS, DIRECTORS, AND TRUSTEES WHO ARE ALSO EMPLOYEES  
ARE COMPENSATED ONLY FOR THEIR DUTIES AS EMPLOYEES, NOT  
FOR THEIR DUTIES AS OFFICERS, DIRECTORS, AND TRUSTEES.

FORM 990                      GAIN (LOSS) FROM SALE OF OTHER ASSETS                      STATEMENT      2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
VEHICLE - WINDSTAR VAN	07/01/00	02/01/01	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
TRADE IN	17,500.	23,752.	0.	2,375.	<3,877.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
VEHICLE - TAURUS WAGON	07/01/00	02/01/01	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
TRADE IN	700.	4,967.	0.	828.	<3,439.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
EQUIPMENT & FURNITURE	07/01/00	07/01/01	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
TRADE IN	2,200.	2,982.	0.	298.	<484.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
PLANT & TECHNICAL EQUIPMENT	07/01/00	08/01/01	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
JEFF WHITE	3,000.	11,672.	0.	1,167.	<7,505.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
VEHICLE - FORD VAN	07/01/00	10/01/01	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
TRADE IN	23,378.	29,065.	0.	0.	<5,687.>

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
VEHICLE - MERCURY SABLE	07/01/00	02/20/01	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
TRADE IN	5,317.	6,250.	0.	1,042.	109.
TO FM 990, PART I, LN 8	52,095.	78,688.	0.	5,710.	<20,883.>

FORM 990

INCOME AND COST OF GOODS SOLD  
INCLUDED ON PART I, LINE 10

STATEMENT 3

INCOME

1. GROSS RECEIPTS . . . . .	211,055	
2. RETURNS AND ALLOWANCES . . . . .		
3. LINE 1 LESS LINE 2 . . . . .		211,055
4. COST OF GOODS SOLD (LINE 13) . . . . .	153,705	
5. GROSS PROFIT (LINE 3 LESS LINE 4) . . . . .		57,350

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR . . . . .	9,746	
7. MERCHANDISE PURCHASED . . . . .	163,731	
8. COST OF LABOR . . . . .		
9. MATERIALS AND SUPPLIES . . . . .		
10. OTHER COSTS . . . . .		
11. ADD LINES 6 THROUGH 10 . . . . .		173,477
12. INVENTORY AT END OF YEAR . . . . .	19,772	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12) . . . . .		153,705

FORM 990 PAYMENTS TO AFFILIATES STATEMENT 4

AFFILIATE'S NAME	AFFILIATE'S ADDRESS	AMOUNT
NARCONON INTERNATIONAL	7060 HOLLYWOOD BLVD. #220 LOS ANGELES, CA 90028	640,790.
PURPOSE OF PAYMENT		
LICENSING FEES		640,790.
TOTAL TO FORM 990, PART I, LINE 16		640,790.

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
PROMOTION	411,582.	391,960.	19,618.	4.
STAFF TRAINING	116,998.	102,973.	13,688.	337.
COMMISSIONS	189,185.	171,185.		18,000.
PROGRAM DELIVERY	896,862.	896,862.		
LICENSES & FEES	17,882.	17,574.	301.	7.
COURSE MATERIALS	8,280.	8,280.		
BANK CHARGES	61,388.	51,995.	9,184.	209.
TOTAL TO FM 990, LN 43	1,702,177.	1,640,829.	42,791.	18,557.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 6  
PART III

EXPLANATION

THE CORPORATION IS ORGANIZED TO OPERATE EXCLUSIVELY FOR CHARITABLE PURPOSES BY PROVIDING DRUG REHABILITATION AND EDUCATIONAL SERVICES THROUGH THE USE OF TECHNOLOGY RESEARCHED AND DEVELOPED BY L. RON HUBBARD.

FORM 990

CASH GRANTS AND ALLOCATIONS

STATEMENT 7

<u>CLASSIFICATION</u>	<u>DONEE'S NAME</u>	<u>DONEE'S ADDRESS</u>	<u>DONEE'S RELATIONSHIP</u>	<u>AMOUNT</u>
CONTRIBUTION	ABLE INTERNATIONAL		N/A	3,150.
CONTRIBUTION	CANADIAN PEE WEE BASEBALL		N/A	676.
CONTRIBUTION	US IAS MEMBERS' TRUST		N/A	5,800.
CONTRIBUTION	NARCONON INTERNATIONAL		N/A	51,546.
CONTRIBUTION	UNITED METHODIST BOYS RANCH		N/A	500.
CONTRIBUTION	CHURCH OF SCIENTOLOGY, LOS ANGELES		N/A	192.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				<u>61,864.</u>

FORM 990 NONCASH GRANTS AND ALLOCATIONS STATEMENT 8

<u>CLASS OF ACTIVITY</u>	<u>DONEE'S NAME</u>	<u>DONEE'S ADDRESS</u>
CONTRIBUTION	CONFEDERATED TRIBES OF CHILOCCO	CHILOCCO, OKLAHOMA

<u>RELATIONSHIP OF DONEE</u>	<u>DESCRIPTION OF PROPERTY</u>	<u>DATE OF GIFT</u>
N/A	FURNITURE, FREEZER, WATER HEATER	08/31/01

METHOD USED TO DETERMINE BOOK VALUE

BOOK VALUE

<u>METHOD USED TO DETERMINE FAIR MARKET VALUE</u>	<u>BOOK VALUE</u>	<u>AMOUNT GIVEN</u>
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BOOK VALUE	40,829.	40,829.
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TOTAL INCLUDED ON FORM 990, PART II, LINE 22		40,829.
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FORM 990 SPECIFIC ASSISTANCE TO INDIVIDUALS STATEMENT 9

<u>DESCRIPTION</u>	<u>AMOUNT</u>
CASH ASSISTANCE TO STUDENTS ON DRUG REHAB PROGRAM	31,096.
TOTAL TO FORM 990, PART II, LINE 23	31,096.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 10

<u>DESCRIPTION</u>	<u>COST OR OTHER BASIS</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>BOOK VALUE</u>
PLANT & TECHNICAL EQUIPMENT	8,475.	2,543.	5,932.
COMPUTER (1997)	4,659.	2,330.	2,329.
COMPUTER (1998)	8,405.	4,202.	4,203.
COMPUTER (1999)	15,652.	6,522.	9,130.
COMPUTER (2000)	16,631.	5,822.	10,809.
COMPUTER (2000)	6,783.	2,374.	4,409.
VEHICLE (1998)	400.	300.	100.
VEHICLE (2000)	5,833.	2,916.	2,917.
VEHICLE (2000)	2,083.	1,041.	1,042.

VEHICLE (2000)	1,667.	834.	833.
VEHICLE (2000)	6,500.	3,250.	3,250.
LEASEHOLD IMPROVEMENTS	203,900.	2,266.	201,634.
EQUIPMENT & FURNITURE (2001)	76,446.	7,645.	68,801.
EQUIPMENT & FURNITURE (2001)	17,429.	1,743.	15,686.
EQUIPMENT & FURNITURE (2001)	88,069.	8,807.	79,262.
COMPUTER (2001)	27,549.	3,444.	24,105.
VEHICLE (2001)	31,594.	3,159.	28,435.
VEHICLE (2001)	28,951.	2,895.	26,056.
VEHICLE (2001)	5,550.	925.	4,625.
VEHICLE (2001)	7,550.	1,258.	6,292.
VEHICLE (2001)	5,950.	992.	4,958.
TOTAL TO FORM 990, PART IV, LN 57	570,076.	65,268.	504,808.



FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 11

LENDER'S NAME

TERMS OF REPAYMENT

APPLIED SCHOLASTICS  
INTERNATIONAL

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
		100,000.	5.00%

SECURITY PROVIDED BY BORROWER

PURPOSE OF LOAN

NONE

SECURITY DEPOSIT ON PROPERTY

RELATIONSHIP OF LENDER

N/A

DESCRIPTION OF CONSIDERATION

FMV OF CONSIDERATION

BALANCE DUE

0. 90,000.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B

90,000.

FORM 990

OTHER LIABILITIES

STATEMENT 12

DESCRIPTION

AMOUNT

FUNDS HELD ON BEHALF OF STUDENTS

14,571.

OTHER PAYABLES

2,600.

INSTALLMENT CONTRACTS PAYABLE

144,020.

TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B

161,191.

SCHEDULE A

EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS  
PART III, LINE 4

STATEMENT 13

THE RECIPIENTS OF GRANTS FROM NARCONON OF OKLAHOMA, INC. WERE QUALIFIED EXEMPT ORGANIZATIONS. PROJECTS ARE DETERMINED TO BE QUALIFIED ON AN INDIVIDUAL BASIS. THE ORGANIZATION ENSURES THAT EACH SO QUALIFIES AT ALL TIMES.

SCHEDULE A	OTHER INCOME			STATEMENT 14
DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT
COMMISSIONS EARNED	209.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	209.	0.	0.	0.

**2001 FORM 990, PART III  
FEDERAL ID # 73-1589280  
NARCONON OF OKLAHOMA, INC.  
STATEMENT #15**

**DESCRIPTION OF PROGRAM SERVICE ONE:  
DETOXIFICATION AND REHABILITATION**

NARCONON OF OKLAHOMA, INC CONTINUED ITS EXPANSION IN 2001 TO FILL THE 105-BED CAPACITY AT ITS NARCONON CHILOCCO NEW LIFE CENTER FACILITY IN NORTH CENTRAL OKLAHOMA THIS EXPANSION CARRIED THROUGH TO THE TIME OF ITS MOVE TO ITS NEWLY RENOVATED 230-BED FACILITY IN SOUTHEASTERN OKLAHOMA, CALLED NARCONON ARROWHEAD THIS RELOCATION OCCURRED AT THE END OF JULY 2001

ON AUGUST 18, 2001, THE GRAND OPENING CEREMONY FOR NARCONON OKLAHOMA'S NEW ARROWHEAD CENTER WAS HELD WITH WELL OVER 2,000 PEOPLE IN ATTENDANCE SOME OF THE DIGNITARIES ATTENDING INCLUDED AN OKLAHOMA STATE SENATOR, AN OKLAHOMA STATE REPRESENTATIVE, AN ASSISTANT SURGEON GENERAL U S. (RET.), AND THE DIRECTOR OF FUNDING FOR PRESIDENT BUSH'S FAITH-BASED INITIATIVE SPECIAL LETTERS PERSONALLY WELCOMING NARCONON ARROWHEAD TO ITS NEW HOME WERE SENT BY TWO U S CONGRESSMEN

IN THE FIRST FOUR MONTHS OF OPERATION AT NARCONON'S ARROWHEAD LOCATION, THE CENTER GREW FROM 105 STUDENTS ON THE DRUG REHABILITATION PROGRAM BEING SERVICED BY 90 STAFF TO 150 STUDENTS ON THE PROGRAM BEING SERVICED BY 135 STAFF WITH A BED CAPACITY OF 230, THE NARCONON ARROWHEAD DRUG AND ALCOHOL REHABILITATION CENTER IS ONE OF THE LARGEST PRIVATE RESIDENTIAL REHABILITATION FACILITIES IN THE WORLD THE FACULTY INCLUDES CERTIFIED CHEMICAL DEPENDENCY COUNSELORS AS WELL AS TRAINED MEDICAL AND NURSING STAFF WHO ARE SPECIALIZED IN NARCONON'S DRUG-FREE TREATMENT APPROACH

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THE NARCONON ARROWHEAD FACILITY IS LOCATED ON THE SHORES OF LAKE EUFAULA, ADJACENT TO ARROWHEAD STATE PARK. THIS BEAUTIFUL SETTING PROVIDES A DISTRACTION-FREE ENVIRONMENT FOR ITS STUDENTS THIS IDEAL LOCATION, COMBINED WITH THE CENTER'S EXPERIENCED STAFF, PROVIDED THOSE WITH SUBSTANCE ABUSE PROBLEMS EVERY OPPORTUNITY FOR SUCCESS IN REBUILDING THEIR LIVES AND RESTORING THEMSELVES AS ETHICAL, CONTRIBUTING MEMBERS OF SOCIETY.

THE NARCONON DRUG AND ALCOHOL REHABILITATION PROGRAM WAS DEVELOPED BY AMERICAN AUTHOR AND HUMANITARIAN L. RON HUBBARD. NARCONON ARROWHEAD OFFERS A DRUG-FREE APPROACH TO REHABILITATION NON-MEDICAL WITHDRAWAL IS

FOLLOWED BY COMMUNICATION DRILLS AND THEN BY THE STUDENT'S PARTICIPATION IN A DRY SAUNA ACCOMPANIED BY VITAMIN SUPPLEMENTS AND FLUIDS TO REMOVE DRUG RESIDUALS STORED IN THE FATTY TISSUE OF THE BODY OTHER DRILLS TO ORIENT THE INDIVIDUAL TO THE ENVIRONMENT ARE THEN DONE, FOLLOWED BY VARIOUS LIFE SKILLS COURSES TO PUT THE INDIVIDUAL AT CAUSE OVER THOSE FACTORS IN LIFE THAT CONTRIBUTED TO HIS OR HER SUBSTANCE ABUSE PROBLEMS ANY PENDING LEGAL OR FAMILY ISSUES ARE ALSO ADDRESSED PRIOR TO THE STUDENT GRADUATING THE PROGRAM

NARCONON OF OKLAHOMA, INC PROVIDED SUBSTANCE ABUSE TREATMENT SERVICES TO MORE THAN 650 INDIVIDUALS DURING 2001. THERE WERE 314 PROGRAM GRADUATES AND ALL THESE INDIVIDUALS COMBINED COMPLETED NEARLY 6,000 COURSES, EMPOWERING THEM TO BECOME STABLE, DRUG-FREE, CONTRIBUTING MEMBERS OF SOCIETY

NARCONON ARROWHEAD IS ALSO THE INTERNATIONAL TRAINING CENTER FOR THE NARCONON DRUG REHABILITATION NETWORK THIS PROVIDES THE VITAL TRAINING THAT IS NECESSARY TO DELIVER THE NARCONON DRUG TREATMENT METHODOLOGY. STAFF FROM OTHER NARCONON DRUG REHABILITATION CENTERS IN THE UNITED STATES, AND FROM OTHER COUNTRIES AS WELL AS INDIVIDUALS OR GROUPS INTERESTED IN OPENING A NEW NARCONON REHABILITATION CENTER IN THEIR COMMUNITY CAME TO NARCONON ARROWHEAD TO OBTAIN THIS TRAINING

IN 2001, NARCONON ARROWHEAD TRAINED INDIVIDUALS FROM IDAHO, GEORGIA, NEW MEXICO, THE DISTRICT OF COLUMBIA, THE UNITED KINGDOM, AUSTRALIA, INDIA, CANADA AND INDONESIA THESE TRAINEES RETURNED TO THEIR COUNTRIES AND OPENED MORE THAN TEN NARCONON DRUG AND ALCOHOL REHABILITATION OR DRUG EDUCATION CENTERS TO HELP PEOPLE SUFFERING FROM SUBSTANCE ABUSE IN THOSE AREAS

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To Form 990, Part III, line A

Grants  
2,500

Expenses  
4,650,549

**2001 FORM 990, PART III  
FEDERAL ID # 73-1589280  
NARCONON OF OKLAHOMA, INC.  
STATEMENT #16**

**DESCRIPTION OF PROGRAM SERVICE THREE:  
PUBLIC AWARENESS OF THE PROBLEMS OF DRUG ABUSE AND THEIR SOLUTIONS**

DURING 2001, NARCONON OF OKLAHOMA, INC. CONDUCTED A PUBLIC AWARENESS AND EDUCATION CAMPAIGN THROUGH THE DIFFERENT MEDIA INCLUDING THE INTERNET, RADIO, TELEVISION AND PRINT MEDIA THESE AIRINGS AND PUBLICATIONS INFORMED LISTENERS AND READERS ABOUT THE MECHANICS OF DRUG AND ALCOHOL ADDICTION AND EXPLAINED HOW THE NARCONON DRUG AND ALCOHOL REHABILITATION PROGRAM PROVIDES AN EFFECTIVE SOLUTION TO THIS MAJOR PROBLEM

THE "LIFE CYCLE AND MECHANICS OF ADDICTION" EDITORIAL SERIES CONTINUED TO BE DISTRIBUTED TO NEWSPAPERS THROUGHOUT THE STATE OF OKLAHOMA AND ACROSS THE COUNTRY THIS WAS REINFORCED BY ANOTHER EDITORIAL SERIES CALLED "NO PLACE TO HIDE DRUG ABUSE IN THE HEARTLAND," WHICH WAS ALSO DISTRIBUTED STATEWIDE THESE EDITORIALS INFORMED MORE THAN 450,000 READERS ABOUT THE HISTORY OF SUBSTANCE ABUSE, HOW AN INDIVIDUAL CAN BECOME ADDICTED, AND THE EFFECTIVE SOLUTION THAT EXISTS TO OVERCOME THIS PROBLEM THROUGH THE NARCONON DRUG REHABILITATION PROGRAM

MORE THAN 3.5 MILLION ADVERTISEMENTS WERE RUN IN PRINT MEDIA AND THROUGH INTERNET CLASSIFIEDS IN ADDITION, THERE WERE HUNDREDS OF LIVE RADIO INTERVIEWS AND PUBLIC SERVICE ANNOUNCEMENTS THESE ACTIONS, COMBINED WITH OVER 3 MILLION VISITORS WHO VIEWED ANY OF NARCONON OF OKLAHOMA, INC 'S 22 WEBSITES, HELPED TO GET VITAL INFORMATION ABOUT SUBSTANCE ABUSE TO MILLIONS OF PEOPLE ACROSS THE NATION TO ENABLE THEM TO STOP THE SPREAD OF SUBSTANCE ABUSE EITHER BY THEMSELVES OR BY A FRIEND, FAMILY MEMBER OR OTHER LOVED ONE

THE TWENTY-TWO WEBSITES OPERATED BY NARCONON OF OKLAHOMA, INC. ARE

<a href="http://www.addiction2.com">www.addiction2.com</a>	<a href="http://www.narconon-books.com">www.narconon-books.com</a>
<a href="http://www.addiction-services.com">www.addiction-services.com</a>	<a href="http://www.narcononcenter.com">www.narcononcenter.com</a>
<a href="http://www.alternative-sentencing.com">www.alternative-sentencing.com</a>	<a href="http://www.narconon-founder.com">www.narconon-founder.com</a>
<a href="http://www.cocaineaddiction.com">www.cocaineaddiction.com</a>	<a href="http://www.narconon-facts.com">www.narconon-facts.com</a>
<a href="http://www.drugaddictionprogram.com">www.drugaddictionprogram.com</a>	<a href="http://www.narconon-chilocco.com">www.narconon-chilocco.com</a>
<a href="http://www.drugcravings.com">www.drugcravings.com</a>	<a href="http://www.narconon-arrowhead.com">www.narconon-arrowhead.com</a>

www drugintervention com

www narconon-drug-education com

www ecstasyaddiction com

www narconon-results com

www heroinaddiction com

www narconon-help com

www marijuanaaddiction com

www narconon-rehab.com

www methamphetamineaddiction.com www stopaddiction com

AS A RESULT OF THESE DISSEMINATION AND PUBLIC SERVICE EFFORTS VIA THE INTERNET AND OTHER MEDIA OUTLETS, MORE THAN 31,000 INDIVIDUALS CONTACTED NARCONON OF OKLAHOMA, INC. FOR MORE INFORMATION AND HELP MANY OF THESE PEOPLE WERE REFERRED TO PROGRAMS IN THEIR LOCAL AREA TO RECEIVE SERVICES APPROPRIATE TO THEIR INDIVIDUAL NEEDS CLOSER TO HOME

To Form 990, Part III, line A

Grants

Expenses

74,636

**2001 FORM 990, PART III  
FEDERAL ID # 73-1589280  
NARCONON OF OKLAHOMA, INC.  
STATEMENT #17**

**DESCRIPTION OF PROGRAM SERVICE TWO:  
DRUG EDUCATION AND PREVENTION**

2001 SAW THE ADVENT OF A FULLY ESTABLISHED DRUG EDUCATION AND PREVENTION PROGRAM AT NARCONON OF OKLAHOMA, INC. THIS PROGRAM PROVIDES AN ENLIGHTENING PRESENTATION FOR STUDENTS, GRADES 3 THROUGH 12, WHO ARE ENCOURAGED TO RESPOND AND PARTICIPATE DURING THE DRUG EDUCATION LECTURE. THESE PRESENTATIONS ARE DONE IN SCHOOLS DURING THE SCHOOL YEAR AND AT SUMMER CAMPS WHEN CHILDREN ARE OUT OF SCHOOL

TWO-WAY COMMUNICATION COUPLED WITH A PRESENTATION ON THE TRUTH ABOUT HOW DRUGS AFFECT A PERSON'S MIND AND BODY, CREATES AN INFORMATIVE PROGRAM THAT STUDENTS ARE TRULY INTERESTED IN. THEY RECEIVE VITAL INFORMATION FROM FIRST-HAND EXPERIENCE OF SOMEONE FORTUNATE ENOUGH TO HAVE OVERCOME AN ADDICTION

MORE THAN 10,000 INFORMATIONAL PAMPHLETS WERE ALSO DISTRIBUTED TO SCHOOLS, SUMMER CAMPS, CHURCH YOUTH GROUPS AND COMMUNITY CENTERS TO FURTHER SPREAD THE WORD ABOUT THE NARCONON DRUG EDUCATION AND PREVENTION SERVICES THAT PROVIDE CORRECT INFORMATION ABOUT DRUG ABUSE AND PREVENTION TO STUDENTS, TEACHERS AND PARENTS

IN ALL, 66 SCHOOLS AND OTHER PROGRAMS RECEIVED NARCONON DRUG PREVENTION PRESENTATIONS THROUGHOUT OKLAHOMA TOTALING MORE THAN 14,000 STUDENTS AND TEACHERS IN 2001.

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To Form 990, Part III, line A

Grants	Expenses
100,193	834,420

**Depreciation and Amortization**  
(Including Information on Listed Property) **990**

▶ See separate instructions ▶ Attach to your tax return

Name(s) shown on return

Business or activity to which this form relates

Identifying number

NARCONON OF OKLAHOMA, INC.

FORM 990 PAGE 2

73-1589280

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

<b>1</b> Maximum amount See instructions for a higher limit for certain businesses	<b>1</b>	24,000.
<b>2</b> Total cost of section 179 property placed in service (see instructions)	<b>2</b>	
<b>3</b> Threshold cost of section 179 property before reduction in limitation	<b>3</b>	\$200,000
<b>4</b> Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	<b>4</b>	
<b>5</b> Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	<b>5</b>	
<b>6</b>	(a) Description of property	(b) Cost (business use only)
		(c) Elected cost
<b>7</b> Listed property Enter amount from line 29	<b>7</b>	
<b>8</b> Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	<b>8</b>	
<b>9</b> Tentative deduction Enter the smaller of line 5 or line 8	<b>9</b>	
<b>10</b> Carryover of disallowed deduction from line 13 of your 2000 Form 4562	<b>10</b>	
<b>11</b> Business income limitation Enter the smaller of business income (not less than zero) or line 5	<b>11</b>	
<b>12</b> Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	<b>12</b>	
<b>13</b> Carryover of disallowed deduction to 2002 Add lines 9 and 10, less line 12	<b>13</b>	

Note Do not use Part II or Part III below for listed property. Instead, use Part V

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)**

<b>14</b> Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001 (see instructions)	<b>14</b>	
<b>15</b> Property subject to section 168(f)(1) election (see instructions)	<b>15</b>	
<b>16</b> Other depreciation (including ACRS) (see instructions)	<b>16</b>	53,423.

**Part III MACRS Depreciation (Do not include listed property) (See instructions)**

**Section A**

<b>17</b> MACRS deductions for assets placed in service in tax years beginning before 2001	<b>17</b>	
<b>18</b> If you are electing under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>19a</b> 3-year property						
<b>b</b> 5-year property						
<b>c</b> 7-year property						
<b>d</b> 10-year property						
<b>e</b> 15-year property						
<b>f</b> 20-year property						
<b>g</b> 25-year property			25 yrs		S/L	
<b>h</b> Residential rental property	/		27.5 yrs	MM	S/L	
	/		27.5 yrs	MM	S/L	
<b>i</b> Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

**Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System**

<b>20a</b> Class life					S/L	
<b>b</b> 12-year			12 yrs		S/L	
<b>c</b> 40-year	/		40 yrs	MM	S/L	

**Part IV Summary (See instructions)**

<b>21</b> Listed property Enter amount from line 28	<b>21</b>	
<b>22</b> Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations see instr	<b>22</b>	53,423.
<b>23</b> For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	



**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)  
**Note** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

**Section A - Depreciation and Other Information** (Caution See instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No				24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person  
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

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

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? <b>Note</b> If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2001 tax year					
43 Amortization of costs that began before your 2001 tax year					43
44 Total Add amounts in column (f) See instructions for where to report					44