

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

2005Open to Public
Inspection**A** For the 2005 calendar year, or tax year beginning

and ending

B Check if applicable

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

Please use IRS label or print or type See Specific Instructions

C Name of organization**NARCONON OF 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) ▶

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

Hand 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 ▶ **N/A****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** Group Exemption Number ▶ **2595****M** Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)**G** Website: **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 chooses to file a return, be sure to file a complete return. Some states require a complete return.**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **13,807,141.****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	84,329.		
	b	Indirect public support	1b	4,200.		
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash \$ 88,529. noncash \$)	1d	88,529.		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	13,160,773.		
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4	78,046.		
	5	Dividends and interest from securities	5			
	6 a	Gross rents	6a	1,075.		
	b	Less: rental expenses	6b	290.		
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	785.		
7	Other investment income (describe ▶)	7				
Expenses	8 a	Gross amount from sales of assets other than inventory	(A) Securities	8a	1,985.	
	b	Less: cost or other basis and sales expenses	8b	15,345.		
	c	Gain or (loss) (attach schedule)	8c	<13,360.>		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	<13,360.>		
	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			
	10 a	Gross sales of inventory, less returns and allowances	10a	464,276.		
	b	Less: cost of goods sold	10b	257,138.		
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	207,138.		
	Net Assets	11	Other revenue (from Part VII, line 103)	11	12,457.	
12		Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	13,534,368.		
13		Program services (from line 44, column (B))	13	9,957,684.		
14		Management and general (from line 44, column (C))	14	1,059,379.		
15		Fundraising (from line 44, column (D))	15	61,857.		
16		Payments to affiliates (attach schedule)	16	1,081,871.		
17		Total expenses (add lines 16 and 44, column (A))	17	12,160,791.		
18		Excess or (deficit) for the year (subtract line 17 from line 12)	18	1,373,577.		
19		Net assets or fund balances at beginning of year (from line 73, column (A))	19	6,057,251.		
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	7,430,828.			

SEE STATEMENT 6
RECEIVED
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1 UGDEN, UT

523001
02-03-06

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

Form 990 (2005)

15121115 131924 NOK

2005.06000 NARCONON OF OKLAHOMA, INC. NOK 3



G7 15 16

2

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 \$ <u>443,291.</u> noncash \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22 443,291.	443,291.	STATEMENT 9	
23 Specific assistance to individuals (attach schedule)	23 40,571.	40,571.	STATEMENT 10	
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc. **	25 182,165.	106,784.	68,791.	6,590.
26 Other salaries and wages	26 4,256,400.	3,686,333.	542,835.	27,232.
27 Pension plan contributions	27			
28 Other employee benefits	28 360,173.	307,628.	49,845.	2,700.
29 Payroll taxes	29 378,830.	323,786.	52,165.	2,879.
30 Professional fundraising fees	30			
31 Accounting fees	31 16,652.		16,652.	
32 Legal fees	32 255,297.	205,680.	47,894.	1,723.
33 Supplies	33 135,510.	108,536.	26,100.	874.
34 Telephone	34 149,714.	127,906.	20,667.	1,141.
35 Postage and shipping	35 155,661.	140,454.	14,412.	795.
36 Occupancy	36 1,174,267.	1,092,260.	77,761.	4,246.
37 Equipment rental and maintenance	37 114,640.	107,931.	6,320.	389.
38 Printing and publications	38 103,185.	101,125.	2,057.	3.
39 Travel	39 166,904.	130,832.	35,567.	505.
40 Conferences, conventions, and meetings	40			
41 Interest	41 30,555.	28,447.	1,986.	122.
42 Depreciation, depletion, etc. (attach schedule)	42 287,260.	267,439.	18,672.	1,149.
43 Other expenses not covered above (itemize)				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 7	43g 2,827,845.	2,738,681.	77,655.	11,509.
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 11,078,920.	9,957,684.	1,059,379.	61,857.

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 \$ N/A; (ii) the amount allocated to Program services \$ N/A;(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

Form 990 (2005)

** SEE STATEMENT 8

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? ► SEE STATEMENT 11		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
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.)		
a	DETOXIFICATION & REHABILITATION	
	SEE STATEMENT 23	
	(Grants and allocations \$ 371,514.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	8,564,255.
b	DRUG EDUCATION & PREVENTION	
	SEE STATEMENT 24	
	(Grants and allocations \$ 32,000.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	90,677.
c	PUBLIC AWARENESS OF THE PROBLEMS OF DRUG ABUSE AND THEIR SOLUTIONS	
	SEE STATEMENT 25	
	(Grants and allocations \$ 39,777.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,302,752.
d		
	(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e	Other program services (attach schedule)	
	(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	9,957,684.

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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	2,060,450.	45	2,802,558.
	46 Savings and temporary cash investments	2,718,761.	46	2,347,720.
	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	62,950.	52	54,758.
	53 Prepaid expenses and deferred charges	6,164.	53	2,993.
	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	SEE STATEMENT 12	0.	56	100,000.
57 a Land, buildings, and equipment: basis	57a 5,166,996.			
b Less: accumulated depreciation	STMT 13 57b 701,700.	1,115,365.	57c	4,465,296.
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 14)	199,884.	58	221,375.	
59 Total assets (must equal line 74) Add lines 45 through 58	6,163,574.	59	9,994,700.	
Liabilities	60 Accounts payable and accrued expenses	44,936.	60	46,945.
	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 15 STMT 16 42,864.	64b	2,276,275.
65 Other liabilities (describe <input type="checkbox"/> SEE STATEMENT 17)	18,523.	65	240,652.	
66 Total liabilities. Add lines 60 through 65)	106,323.	66	2,563,872.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds	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	6,057,251.	72	7,430,828.
	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)	6,057,251.	73	7,430,828.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	6,163,574.	74	9,994,700.	

Form 990 (2005)

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	13,791,796.
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): SEE STATEMENT 18	b4	257,428.	
	Add lines b1 through b4		b	257,428.
c	Subtract line b from line a		c	13,534,368.
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		
	Add lines d1 and d2		d	0.
e	Total revenue (Part I, line 12). Add lines c and d		e	13,534,368.

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

a	Total expenses and losses per audited financial statements		a	12,418,219.
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): SEE STATEMENT 19	b4	257,428.	
	Add lines b1 through b4		b	257,428.
c	Subtract line b from line a		c	12,160,791.
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		
	Add lines d1 and d2		d	0.
e	Total expenses (Part I, line 17). Add lines c and d		e	12,160,791.

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
LAURIE ZURN 7065 HOLLYWOOD BOULEVARD LOS ANGELES, CA 90028	TRUSTEE 5.00	0.	0.	0.
CLARK R.N. CARR 7060 HOLLYWOOD BOULEVARD, SUITE 220 LOS ANGELES, CA 90028	TRUSTEE 5.00	0.	0.	0.
JONI GINSBERG 6381 HOLLYWOOD BOULEVARD, SUITE 250 LOS ANGELES, CA 90028	TRUSTEE 0.25	0.	0.	0.
GARY W. SMITH (SEE ATTACHMENT 1) HC 67 BOX 5 CANADIAN, OK 74425	DIRECTOR/CEO 54.00	65,899.	0.	0.
KATHLEEN GOSSELIN (SEE ATTACHMENT 1) HC 67 BOX 5 CANADIAN, OK 74425	DIRECTOR/TREASURER 54.00	51,845.	0.	0.
MICHAEL ST. AMAND (SEE ATTACHMENT 1) HC 67 BOX 5 CANADIAN, OK 74425	DIRECTOR/SECRETARY 54.00	64,421.	0.	0.

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 quid pro quo contributions?		
83b	N/A		
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84b	N/A		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
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		
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) 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		X
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under section 4911 0.; section 4912 0.; section 4955 0.		
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		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 OK		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	171
91 a	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		
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 N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country N/A	91c	X
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

Form 990 (2005)

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) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a DETOX & REHAB PROGRAMS					13,102,970.
b DRUG REHAB TRAINING					57,728.
c DRUG EDUCATION SERVICES					75.
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	78,046.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					785.
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			18	<13,360.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					207,138.
103 Other revenue:					
a VENDING MACHINE INCOME			03	8,883.	
b COMMISSIONS - EXEMPT			01	3,253.	
c SCRAP SALES			18	321.	
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		77,143.	13,368,696.
105 Total (add line 104, columns (B), (D), and (E))					13,445,839.

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 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	PAYMENTS FOR DETOX AND REHAB PROGRAMS
93B	PAYMENTS FOR DRUG REHABILITATION TRAINING
93C	PAYMENTS FOR DRUG EDUCATION SERVICES
102	SALES OF DETOX AND REHAB PROGRAM BOOKS AND MATERIALS

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
N/A	%			
	%			
	%			
	%			

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)

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	Date
		MICHAEL ST. AMAND, SECRETARY
		Type or print name and title.
Paid Preparer's Use Only	Preparer's signature	Date
	Firm's name (or yours if self-employed), address, and ZIP + 4	Check if self-employed <input type="checkbox"/>
	NARCONON OF OKLAHOMA, INC.	Preparer's SSN or PTIN
		EIN
		Phone no.

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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.)

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

OMB No 1545-0047

2005

Name of the organization	Employer identification number
NARCONON OF OKLAHOMA, INC.	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
DENA BOMAN HC 67 BOX 5, CANADIAN, OK 74425	COUNSELOR 48.00	103,512.		
JOSEPH PINELLI 6011 WALNUT GLEN LANE, MCALESTER, OK	CASE MANAGER 48.00	90,252.		
MARTY GUTMAN HC 67 BOX 5, CANADIAN, OK 74425	COUNSELOR 48.00	82,747.		
CLAIRE PINELLI 6011 WALNUT GLEN LANE, MCALESTER, OK	CASE MANAGER 48.00	77,462.		
ALFRED TATE HC 67 BOX 5, CANADIAN, OK 74425	COUNSELOR 48.00	76,750.		
Total number of other employees paid over \$50,000	6			

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
GERALD D. WOOTAN, D.O. 4320 E. 100TH ST., TULSA, OK 74137	MEDICAL DIRECTOR	154,255.
ALEXANDER S. MACNABB 10600 SUNLIT ROAD, OAKTON, VA 22124	GENERAL COUNSEL	141,643.
WILLIAM KENT MCGREGOR 6007 WALNUT GLEN LANE, MCALESTER, OK 74501	FIELD REPRESENTATIVE	102,654.
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
RELIANCE CONSTRUCTION SERVICES 42 N. QUINCY, TULSA, OK 74120	GENERAL CONTRACTOR	209,330.
DIAGNOSTIC LAB OF OKLAHOMA PO BOX 676324, DALLAS, TX 75267	LABORATORY SERVICES	143,215.
Total number of other contractors receiving over \$50,000 for other services	0	

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.) 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.	1	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?	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-A, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) SEE STATEMENT 21	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	X

Part IV Reason for Non-Private Foundation Status (See pages 3-through 6 of the instructions.)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 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) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ☐ Type 1 ☐ Type 2 ☐ Type 3

Provide the following information about the supported organizations. (See page 6 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	150,305.	316,570.	62,115.	213,935.	742,925.
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	11,536,900.	8,899,702.	9,704,180.	7,387,425.	37,528,207.
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	26,716.	20,675.	19,441.	35,215.	102,047.
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	40,230.	23,787.	1,513.	3,001.	68,531.
23 Total of lines 15 through 22	11,754,151.	9,260,734.	9,787,249.	7,639,576.	38,441,710.
24 Line 23 minus line 17	217,251.	361,032.	83,069.	252,151.	913,503.
25 Enter 1% of line 23	117,542.	92,607.	97,872.	76,396.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 18,270.
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 2001 through 2004 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 913,503.
d Add: Amounts from column (e) for lines: 18 102,047. 19 22 68,531. 26b					26d 170,578.
e Public support (line 26c minus line 26d total)					26e 742,925.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 81.3270%
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					
(2004) (2003) (2002) (2001)					
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: N/A					
(2004) (2003) (2002) (2001)					
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 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

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

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?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31	
<hr/>		
<hr/>		
<hr/>		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	
<hr/>		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	
<hr/>		
<hr/>		
34 a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Schedule A (Form 990 or 990-EZ) 2005

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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)	N/A													
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 -														
<table border="0"> <tr> <td>If the amount on line 40 is -</td> <td>The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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		
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
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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 11 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.

2005 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

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Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	PLANT & TECHNICAL EQUIPMENT (2000)	070100SL		5.00	16	8,475.			8,475.	7,628.		847.
2	PLANT & TECHNICAL EQUIPMENT (2002)	070102SL		5.00	16	48,747.			48,747.	24,373.		9,748.
3	PLANT & TECHNICAL EQUIPMENT (2003)	070103SL		5.00	16	19,358.			19,358.	5,808.		3,871.
4	LEASEHOLD IMPROVEMENTS (2001)	090101SL		30.00	16	203,900.			203,900.	22,656.		6,797.
5	LEASEHOLD IMPROVEMENTS (2002)	070102SL		30.00	16	30,864.			30,864.	2,572.		1,029.
6	LEASEHOLD IMPROVEMENTS (2003)	070103SL		30.00	16	64,727.			64,727.	2,739.		2,158.
8	COMPUTERS (2002)	070102SL		4.00	16	44,408.			44,408.	27,756.		11,101.
9	COMPUTERS (2003)	070103SL		4.00	16	9,262.			9,262.	3,473.		2,314.
10	EQUIPMENT & FURNITURE (2001)	070101SL		5.00	16	164,515.			164,515.	115,161.		32,903.
11	EQUIPMENT & FURNITURE (2002)	070102SL		5.00	16	60,933.			60,933.	30,467.		12,186.
13	EQUIPMENT & FURNITURE (2003)	123103SL		5.00	16	350,444.			350,444.	75,162.		70,089.
17	VEHICLE (2001)	070101SL		5.00	16	60,545.			60,545.	42,382.		12,109.
18	VEHICLE (2001)	070101SL		3.00	16	13,100.			13,100.	13,100.		0.
19	VEHICLE (2003)	070103SL		3.00	16	3,850.			3,850.	1,925.		1,283.
21	LAND	120103		.000	16	7,326.			7,326.			0.
22	LEASEHOLD IMPROVEMENTS (2004)	070104SL		30.00	16	113,298.			113,298.	1,756.		3,777.
27	COMPUTERS (2004)	070104SL		3.00	16	55,120.			55,120.	9,187.		18,373.
28	EQUIPMENT & FURNITURE (2004)	070104SL		5.00	16	154,388.			154,388.	15,439.		30,877.

528102
01-06-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2005 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 2

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Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
29	PLANT & TECHNICAL EQUIPMENT (2004)	070104	SL	5.00	16	5,920.			5,920.	592.		1,184.
30	VEHICLE (2004)	070104	SL	3.00	16	57,834.			57,834.	9,639.		19,278.
31	VEHICLE (2004)	070104	SL	3.00	16	22,548.			22,548.	3,758.		7,516.
32	VEHICLE (2004)	070104	SL	3.00	16	14,900.			14,900.	2,483.		4,967.
33	COMPUTERS (2005)	070105	SL	3.00	16	62,923.			62,923.			10,487.
34	EQUIPMENT & FURNITURE (2005)	070105	SL	5.00	16	94,893.			94,893.			9,489.
35	PLANT & TECHNICAL EQUIPMENT (2005)	070105	SL	5.00	16	54,887.			54,887.			5,489.
36	VEHICLE (2005)	070105	SL	3.00	16	4,240.			4,240.			707.
37	LAND	110905		.000	16	351,112.			351,112.			0.
38	LEASEHOLD IMPROVEMENTS (2005)	020105	SL	30.00	16	14,100.			14,100.			392.
39	LEASEHOLD IMPROVEMENTS (2005)	040105	SL	30.00	16	65,972.			65,972.			1,466.
40	LEASEHOLD IMPROVEMENTS (2005)	070105	SL	30.00	16	171,181.			171,181.			2,378.
41	LEASEHOLD IMPROVEMENTS (2005)	080105	SL	30.00	16	2,499.			2,499.			28.
42	LEASEHOLD IMPROVEMENTS (2005)	090105	SL	30.00	16	96,103.			96,103.			801.
43	BUILDING (2005)		SL	30.00	16	2639624.			2639624.			0.
44	EQUIPMENT & FURNITURE (2005)		SL	5.00	16	95,000.			95,000.			0.
	* TOTAL 990 PAGE 2 DEPR					5166996.		0.	5166996.	418,056.	0.	283,644.

528102
01-06-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

FOOTNOTES

STATEMENT 1

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

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

FORM 990 RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
1430 S. GEORGE HIGH EXPWY MCALESTER OK	1	1,075.
TOTAL TO FORM 990, PART I, LINE 6A		1,075.

FORM 990 RENTAL EXPENSES STATEMENT 3

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
PROPERTY TAX		40.	
MAINTENANCE & REPAIRS		250.	
- SUBTOTAL -	1		290.
TOTAL TO FORM 990, PART I, LINE 6B			290.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 4

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED			
COPIERS	01/01/03	09/01/05	PURCHASED			
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)	
TRADE-IN	1,985.	27,083.	0.	11,738.	<13,360.>	
TO FM 990, PART I, LN 8	1,985.	27,083.	0.	11,738.	<13,360.>	

FORM 990 .	INCOME AND COST OF GOODS SOLD	STATEMENT	5
	INCLUDED ON PART I, LINE 10		

INCOME

1. GROSS RECEIPTS	464,276	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		464,276
4. COST OF GOODS SOLD (LINE 13)	257,138	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		207,138

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	62,950	
7. MERCHANDISE PURCHASED	248,946	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		311,896
12. INVENTORY AT END OF YEAR	54,758	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12). .		257,138

FORM 990	PAYMENTS TO AFFILIATES	STATEMENT	6
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AFFILIATE'S NAMEAFFILIATE'S ADDRESS

NARCONON INTERNATIONAL

7060 HOLLYWOOD BLVD. SUITE 220, LOS ANGELES, CA 90028

PURPOSE OF PAYMENTAMOUNT

LICENSING FEES

1,081,871.

TOTAL TO FORM 990, PART I, LINE 16

1,081,871.

FORM 990	OTHER EXPENSES	STATEMENT	7
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	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
PROMOTION	398,573.	394,665.	3,896.	12.
STAFF TRAINING	426,739.	366,346.	57,295.	3,098.
REFERRAL FEES	689,987.	682,487.		7,500.
PROGRAM DELIVERY	1,175,044.	1,175,044.		
LICENSES & FEES	17,592.	16,492.	1,042.	58.
COURSE MATERIALS	4,404.	4,368.	34.	2.
BANK CHARGES	110,335.	94,305.	15,191.	839.
PENALTIES	197.		197.	
INVENTORY WRITTEN DOWN	4,974.	4,974.		
TOTAL TO FM 990, LN 43	2,827,845.	2,738,681.	77,655.	11,509.

FORM 990 . OFFICER COMPENSATION ALLOCATION STATEMENT 8
PART II, LINE 25

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
GARY W. SMITH	65,899.			65,899.
A. PROGRAM SERVICES	39,539.			39,539.
B. MANAGEMENT AND GENERAL	19,770.			19,770.
C. FUNDRAISING	6,590.			6,590.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
KATHLEEN GOSSELIN	51,845.			51,845.
A. PROGRAM SERVICES	41,476.			41,476.
B. MANAGEMENT AND GENERAL	10,369.			10,369.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MICHAEL ST.AMAND	64,421.			64,421.
A. PROGRAM SERVICES	25,768.			25,768.
B. MANAGEMENT AND GENERAL	38,653.			38,653.
C. FUNDRAISING				

TOTAL PROGRAM SERVICES				106,783.
TOTAL MANAGEMENT AND GENERAL				68,792.
TOTAL FUNDRAISING				6,590.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				<u>182,165.</u>

FORM 990	CASH GRANTS AND ALLOCATIONS	STATEMENT	9
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CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
CONTRIBUTION	NARCONON INTERNATIONAL	LOS ANGELES, CA	N/A	370,264.
CONTRIBUTION	ABLE INTERNATIONAL	LOS ANGELES, CA	N/A	38,250.
CONTRIBUTION	AMERICAN CANCER SOCIETY		N/A	200.
CONTRIBUTION	BANK OF OKLAHOMA-HURRICANE KATRINA		N/A	3,931.
CONTRIBUTION	DR, EMERY A JOHNSON MEMORIAL FUND		N/A	1,000.
CONTRIBUTION	FRIENDS OF NARCONON		N/A	8,996.
CONTRIBUTION	LAKEWOOD CHRISTIAN SCHOOL		N/A	150.
CONTRIBUTION	INTERNATIONAL UNION OF POLICE		N/A	500.
CONTRIBUTION	SOCIAL BETTERMENT PROPERTY INTERNATIONAL		N/A	20,000.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				443,291.

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	10
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DESCRIPTION	AMOUNT
INCIDENTAL EXPENSES TO STUDENTS IN TRAINING PROGRAM FOOD, SHELTER AND CLOTHING FOR INDIGENTS, ETC.	40,571.
TOTAL TO FORM 990, PART II, LINE 23	40,571.

FORM 990 . STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 11
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 OTHER INVESTMENTS STATEMENT 12

DESCRIPTION	VALUATION METHOD	AMOUNT
CERTIFICATE OF DEPOSIT	COST	100,000.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		100,000.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 13

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
PLANT & TECHNICAL EQUIPMENT (2000)	8,475.	8,475.	0.
PLANT & TECHNICAL EQUIPMENT (2002)	48,747.	34,121.	14,626.
PLANT & TECHNICAL EQUIPMENT (2003)	19,358.	9,679.	9,679.
LEASEHOLD IMPROVEMENTS (2001)	203,900.	29,453.	174,447.
LEASEHOLD IMPROVEMENTS (2002)	30,864.	3,601.	27,263.
LEASEHOLD IMPROVEMENTS (2003)	64,727.	4,897.	59,830.
COMPUTERS (2002)	44,408.	38,857.	5,551.
COMPUTERS (2003)	9,262.	5,787.	3,475.
EQUIPMENT & FURNITURE (2001)	164,515.	148,064.	16,451.
EQUIPMENT & FURNITURE (2002)	60,933.	42,653.	18,280.
EQUIPMENT & FURNITURE (2003)	350,444.	145,251.	205,193.
VEHICLE (2001)	60,545.	54,491.	6,054.
VEHICLE (2001)	13,100.	13,100.	0.
VEHICLE (2003)	3,850.	3,208.	642.
LAND	7,326.	0.	7,326.
LEASEHOLD IMPROVEMENTS (2004)	113,298.	5,533.	107,765.
COMPUTERS (2004)	55,120.	27,560.	27,560.
EQUIPMENT & FURNITURE (2004)	154,388.	46,316.	108,072.
PLANT & TECHNICAL EQUIPMENT (2004)	5,920.	1,776.	4,144.

VEHICLE (2004)	57,834.	28,917.	28,917.
VEHICLE (2004)	22,548.	11,274.	11,274.
VEHICLE (2004)	14,900.	7,450.	7,450.
COMPUTERS (2005)	62,923.	10,487.	52,436.
EQUIPMENT & FURNITURE (2005)	94,893.	9,489.	85,404.
PLANT & TECHNICAL EQUIPMENT (2005)	54,887.	5,489.	49,398.
VEHICLE (2005)	4,240.	707.	3,533.
LAND	351,112.	0.	351,112.
LEASEHOLD IMPROVEMENTS (2005)	14,100.	392.	13,708.
LEASEHOLD IMPROVEMENTS (2005)	65,972.	1,466.	64,506.
LEASEHOLD IMPROVEMENTS (2005)	171,181.	2,378.	168,803.
LEASEHOLD IMPROVEMENTS (2005)	2,499.	28.	2,471.
LEASEHOLD IMPROVEMENTS (2005)	96,103.	801.	95,302.
BUILDING (2005)	2,639,624.	0.	2,639,624.
EQUIPMENT & FURNITURE (2005)	95,000.	0.	95,000.
TOTAL TO FORM 990, PART IV, LN 57	5,166,996.	701,700.	4,465,296.

FORM 990	OTHER ASSETS	STATEMENT 14
DESCRIPTION		AMOUNT
DEPOSITS		34,531.
CONSTRUCTION IN PROGRESS		186,844.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		221,375.

FORM 990	MORTGAGES PAYABLE	STATEMENT 15
DESCRIPTION		BALANCE DUE
BANK OF OKLAHOMA		2,262,739.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B		2,262,739.

FORM 990	OTHER NOTES AND LOANS PAYABLE	STATEMENT 16
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LENDER'S NAME	TERMS OF REPAYMENT
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WELLS-FARGO FINANCIAL
LEASING

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
07/ /01	09/15/06	88,069.	6.88%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
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PHONE SYSTEM	PHONE SYSTEM PURCHASE
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RELATIONSHIP OF LENDER

N/A

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	13,536.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B	13,536.
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FORM 990	OTHER LIABILITIES	STATEMENT 17
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DESCRIPTION	AMOUNT
FUNDS HELD ON BEHALF OF STUDENTS	19,423.
FUNDS HELD FOR CONSTRUCTION ON BEHALF OF LANDLORD	221,229.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	240,652.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT 18
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DESCRIPTION	AMOUNT
COST OF GOODS SOLD	257,138.
RENTAL EXPENSES	290.
TOTAL TO FORM 990, PART IV-A	257,428.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 19
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DESCRIPTION	AMOUNT
COST OF GOODS SOLD	257,138.
RENTAL EXPENSES	290.
TOTAL TO FORM 990, PART IV-B	257,428.

FORM 990

PART V-A OFFICER COMPENSATION FROM
RELATED ORGANIZATIONS

STATEMENT 20

OFFICER'S NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
CLARK R.N. CARR	56,481.		
NAME OF RELATED ORGANIZATION		EMPLOYER ID NUMBER	
NARCONON INTERNATIONAL			
RELATIONSHIP BETWEEN ORGANIZATIONS			
RELATED ORGANIZATION			

CONTRACTOR NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
WILLIAM KENT MCGREGOR	1,200.		
NAME OF RELATED ORGANIZATION		EMPLOYER ID NUMBER	
NARCONON INTERNATIONAL			
RELATIONSHIP BETWEEN ORGANIZATIONS			
RELATED ORGANIZATION			

CONTRACTOR'S NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
WILLIAM KENT MCGREGOR	13,796.		
NAME OF RELATED ORGANIZATION		EMPLOYER ID NUMBER	
NARCONON SOUTHERN CALIFORNIA			
RELATIONSHIP BETWEEN ORGANIZATIONS			
RELATED ORGANIZATION			

SCHEDULE A	EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS	STATEMENT	21
	PART III, LINE 3A		

RECIPIENTS OF ASSISTANCE WERE QUALIFIED BASED ON THEIR EXPERIENCE, ACCOMPLISHMENTS, AND DESIRE TO BE TRAINED ON THE NARCONON DRUG REHABILITATION PROGRAM.

SCHEDULE A OTHER INCOME STATEMENT 22

DESCRIPTION	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT
COMMISSION EARNED	10,382.	3,530.	1,513.	3,001.
VENDING MACHINE INCOME	7,768.	6,512.	0.	0.
REPAY STAFF TRAINING	5,526.	13,745.	0.	0.
PAYROLL TAX REFUND	16,554.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	40,230.	23,787.	1,513.	3,001.

DESCRIPTION OF PROGRAM SERVICE ONE
(DETOXIFICATION AND REHABILITATION)

NARCONON OF OKLAHOMA, INC. CONTINUED ITS EXPANSION IN 2005, WHICH WAS ITS FOURTH YEAR IN ITS FACILITY IN SOUTHEASTERN OKLAHOMA ON THE SHORES OF LAKE EUFAULA. THIS IDEAL LOCATION, COMBINED WITH THE CENTER'S EXPERIENCED STAFF, PROVIDED THOSE WITH SUBSTANCE ABUSE PROBLEMS EVERY OPPORTUNITY TO SUCCEED IN REBUILDING THEIR LIVES AND RESTORING THEMSELVES AS ETHICAL, CONTRIBUTING MEMBERS OF SOCIETY.

NARCONON OF OKLAHOMA, INC., WHICH OPERATES NARCONON ARROWHEAD, STEADILY MAINTAINED A LEVEL OF OPERATION INCLUDING MORE THAN 914 STUDENTS ON THE PROGRAM BEING SERVICED BY APPROXIMATELY 178 STAFF. WITH A BED CAPACITY OF 230, THE NARCONON ARROWHEAD DRUG AND ALCOHOL REHABILITATION PROGRAM IS THE LARGEST, PRIVATE RESIDENTIAL REHABILITATION FACILITY IN OKLAHOMA. STAFFERS INCLUDE LICENSED ALCOHOL AND DRUG COUNSELORS, CERTIFIED CHEMICAL DEPENDENCY COUNSELORS AND TRAINED NURSING STAFF WHO ARE SPECIALIZED IN NARCONON'S DRUG-FREE TREATMENT APPROACH.

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, INCLUDING A NON-MEDICAL WITHDRAWAL PROCESS FOLLOWED BY COMMUNICATION DRILLS, AND BY THE STUDENT'S PARTICIPATION IN A DRY SAUNA WHICH IS ACCOMPANIED BY VITAMIN SUPPLEMENTS AND FLUIDS TO REMOVE DRUG RESIDUALS STORED IN THE FATTY TISSUE OF THE BODY. THIS IS FOLLOWED BY OTHER DRILLS TO ORIENT THE INDIVIDUAL TO THE ENVIRONMENT AND FINALLY, VARIOUS LIFE SKILLS COURSES THAT ENABLE THE INDIVIDUAL TO ADDRESS 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.

NARCONON ARROWHEAD PROVIDED SUBSTANCE ABUSE TREATMENT SERVICES THROUGHOUT 2005, RESULTING IN 456 STUDENTS WHO COMPLETED THE ENTIRE PROGRAM. THESE INDIVIDUALS, COMPLETED A TOTAL OF THOUSANDS OF COURSES,

EMPOWERING THEM TO BECOME STABLE DRUG-FREE, CONTRIBUTING MEMBERS OF SOCIETY.

IN 2005, NARCONON ARROWHEAD RECEIVED ITS FIFTH STRAIGHT 3-YEAR ACCREDITATION FROM CARF (THE COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES) AND ALSO WAS CERTIFIED BY THE OKLAHOMA DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES TO PROVIDE NON-MEDICAL DETOXIFICATION SERVICES

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

IN 2005, NARCONON ARROWHEAD TRAINED INDIVIDUALS FROM OKLAHOMA, PENNSYLVANIA, FLORIDA, TEXAS, CALIFORNIA, INDIANA, NEW YORK, ISRAEL, SOUTH AFRICA, INDONESIA, NIGERIA, AND CANADA THESE TRAINEES WENT BACK TO THEIR STATE OR COUNTRY TO DELIVER DRUG EDUCATION OR OPEN MORE NARCONON DRUG AND ALCOHOL REHABILITATION CENTERS TO HELP PEOPLE SUFFERING FROM SUBSTANCE ABUSE IN THOSE AREAS

IN 2005, NARCONON OF OKLAHOMA PURCHASED AN ADDITIONAL FACILITY IN NEARBY MCALESTER, OKLAHOMA IN WHICH TO PROVIDE DRUG REHABILITATION AND EDUCATION SERVICES AS WELL AS TO HOUSE THE INTERNATIONAL TRAINING CENTER THE MCALESTER FACILITY WILL PROVIDE LARGE COURSE ROOMS, OFFICE SPACE, DINING FACILITIES, A POOL, AND MORE THAN 100 ROOMS FOR LODGING STAFF, TRAINEES AND DRUG REHABILITATION STUDENTS

	Grants	Expenses
To Form 990, Part III, line A	\$371,514	\$8,564,255

**2005 FORM 990, PART III
FEDERAL ID # 73-1589280
NARCONON OF OKLAHOMA, INC.
STATEMENT # 24**

**DESCRIPTION OF PROGRAM SERVICE TWO
(DRUG EDUCATION AND PREVENTION)**

IN 2005, NARCONON OF OKLAHOMA'S DRUG EDUCATION AND PREVENTION PROGRAM PROVIDED EDUCATIONAL PRESENTATIONS FOR CHILDREN, GRADES 3 THROUGH 12 THESE PRESENTATIONS ARE DONE IN SCHOOLS DURING THE SCHOOL YEAR AND AT SUMMER CAMPS, CHURCHES AND COMMUNITY CENTERS WHEN CHILDREN ARE OUT OF SCHOOL

NARCONON ARROWHEAD DRUG PREVENTION SPECIALISTS SPOKE TO MORE THAN 14,716 INDIVIDUALS IN 2005 AS WORD OF THIS EFFECTIVE PROGRAM SPREAD, SCHOOLS FROM ALL OVER OKLAHOMA AND SURROUNDING STATES CALLED IN TO SCHEDULE PRESENTATIONS FOR THEIR KIDS

LIVELY INTERACTION WITH THE STUDENTS COUPLED WITH A PRESENTATION ON THE TRUTH ABOUT HOW DRUGS AFFECT A PERSON'S MIND AND BODY, CREATES AN INFORMATIVE PROGRAM FOR STUDENTS THEY RECEIVE VITAL INFORMATION FROM THE FIRST-HAND EXPERIENCE OF SOMEONE FORTUNATE ENOUGH TO HAVE OVERCOME A PROBLEM WITH ADDICTION

IN ADDITION TO LIVE, IN-PERSON PRESENTATIONS, NARCONON ARROWHEAD DISTRIBUTED MORE THAN 20,000 INFORMATIONAL PAMPHLETS TO FURTHER SPREAD THE WORD ABOUT THE NARCONON DRUG EDUCATION & PREVENTION SERVICES THAT PROVIDE CORRECT INFORMATION ABOUT DRUG ABUSE AND PREVENTION TO STUDENTS, TEACHERS AND PARENTS

ROUNDING OFF THE EDUCATIONAL SERIES INCLUDED THE DISTRIBUTION OF NEARLY 100 VIDEO LECTURES "MARIJUANA, THE MYTH" AND "THE TRUTH ABOUT DRUGS" TO OKLAHOMA SCHOOLS MORE THAN 40 COPIES OF "THE TRUTH ABOUT DRUGS" VIDEO WERE DISTRIBUTED TO OKLAHOMA BUSINESSES TO PROVIDE A TOOL FOR THESE EMPLOYERS TO EDUCATE THEIR EMPLOYEES ABOUT DRUGS IN THE WORKPLACE

IN 2005, NARCONON ARROWHEAD CO-PRODUCED A 2-PART EDUCATIONAL VIDEO ENTITLED "X-STASY, THE REAL STORY" THIS IS AN INFORMATIONAL VIDEO WHICH

PRESENTS THE HARMS OF THE DRUG ECSTASY AND INCLUDES A LIVELY NARCONON
DRUG EDUCATION LECTURE.

	Grants	Expenses
To Form 990, Part III, line B	\$32,000	\$90,677

**2005 FORM 990, PART III
FEDERAL ID # 73-1589280
NARCONON OF OKLAHOMA, INC.
STATEMENT # 25**

**DESCRIPTION OF PROGRAM SERVICE THREE
(PUBLIC AWARENESS)**

DURING 2005, NARCONON OF OKLAHOMA, INC CONTINUED TO CONDUCT A PUBLIC AWARENESS AND EDUCATION CAMPAIGN THROUGH 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 NATIONAL PROBLEM

IN 2005, NARCONON ARROWHEAD CONTINUED DISTRIBUTING TELEVISION PUBLIC SERVICE ANNOUNCEMENTS THESE PSA'S AIRED IN DOZENS OF STATES REACHING MILLIONS OF VIEWERS PROVIDING A SOLUTION TO THOSE IN NEED.

IN 2005, NARCONON ARROWHEAD EXPANDED ITS ACTION OF SENDING OUT WRITTEN ARTICLES ON THE SUBJECT OF DRUG ADDICTION TO RAISE THE PUBLIC'S AWARENESS OF THIS PROBLEM BY THE END OF THE YEAR, 2,714 SEPARATE ARTICLES HAD BEEN WRITTEN AND SUBMITTED FOR PUBLICATION THESE APPEARED IN HUNDREDS OF PUBLICATIONS ACROSS THE COUNTRY THESE ARTICLES HELPED TO EDUCATE AND INFORM SEVERAL MILLION MORE READERS

MORE THAN 7,473,000 ADVERTISEMENTS WERE RUN IN PRINT MEDIA, ON TELEVISION AND RADIO AND THROUGH INTERNET CLASSIFIED ADS IN ADDITION, THERE WERE HUNDREDS OF LIVE RADIO INTERVIEWS AND PUBLIC SERVICE ANNOUNCEMENTS AIRED THESE ACTIONS, COMBINED WITH MILLIONS OF VISITORS WHO VIEWED ANY OF NARCONON OF OKLAHOMA, INC 'S 30 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 FRIEND, FAMILY MEMBER OR LOVED ONE

THE THIRTY WEBSITES OPERATED BY NARCONON OF OKLAHOMA, INC ARE

www.addiction2.com	www.methamphetamineaddiction.com
www.addictionservices.com	www.narconon-arrowhead.com
www.alcohol-addiction.com	www.narconon-books.com
www.alternative-sentencing.com	www.narcononcenter.com
www.drug-addiction-treatment.com	www.narconon-facts.com
www.drugaddictservices.com	www.narconon-founder.com
www.drugcravings.com	www.narconon-help.com
www.drug-detoxification.com	www.narconon-rehab.com
www.druginformationnetwork.org	www.narconon-rehabilitation.com
www.drugintervention.com	www.narconon-results.com
www.drug-rehabilitation.us	www.narconon-sauna.com
www.drugrehabilitationcenter.org	www.ok-drug-addiction-treatment.org
www.drug-rehab-resource.com	www.partysover.com
www.heroinaddiction.com	www.solveaddiction.com
www.marijuanaaddiction.com	www.stopaddiction.com

AS A RESULT OF THESE EDUCATIONAL AND PUBLIC SERVICE EFFORTS VIA THE INTERNET AND OTHER MEDIA OUTLETS, MORE THAN 40,534 INDIVIDUALS CONTACTED NARCONON OF OKLAHOMA DIRECTLY FOR MORE INFORMATION AND HELP. MANY OF THESE PEOPLE WERE REFERRED TO PROGRAMS IN THEIR LOCAL AREA TO RECEIVE DRUG OR ALCOHOL REHABILITATION CLOSER TO THEIR HOME.

IN 2005, NARCONON OF OKLAHOMA, CONTINUED TO OFFER A CORRESPONDENCE COURSE TO ACCOMPANY ITS BOOK *HELPING SOMEONE OVERCOME ADDICTION* TO HELP FAMILIES LEARN MORE ABOUT THE DANGERS OF ADDICTION AND WHAT CAN BE DONE TO HELP. COPIES OF THE BOOK ARE AVAILABLE TO THE GENERAL PUBLIC ON OUR WEB SITES AND THROUGH THE MAIL.

	Grants	Expenses
To Form 990, Part III, line C	\$39,777	\$1,302,752

Depreciation and Amortization 990
(Including Information on Listed Property)
▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2005
Attachment
Sequence No 67

NARCONON OF OKLAHOMA, INC.

FORM 990 PAGE 2

73-1589280

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

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	105,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	420,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	

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

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

14	Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	283,644.

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2005 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
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27 5 yrs.	MM	S/L	
	/		27 5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	283,644.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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 the instructions for limits for passenger automobiles)**24a** Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ 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 allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year 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
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?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

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

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

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles**Part VI** **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year:					
43 Amortization of costs that began before your 2005 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

2005 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - NARCONON OF OKLAHOMA, INC.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	PLANT & TECHNICAL EQUIPMENT (2000)	070100SL	SL	5.00	16	8,475.			8,475.	7,628.		847.
2	PLANT & TECHNICAL EQUIPMENT (2002)	070102SL	SL	5.00	16	48,747.			48,747.	24,373.		9,748.
3	PLANT & TECHNICAL EQUIPMENT (2003)	070103SL	SL	5.00	16	19,358.			19,358.	5,808.		3,871.
4	LEASEHOLD IMPROVEMENTS (2001)	090101SL	SL	30.00	16	203,900.			203,900.	22,656.		6,797.
5	LEASEHOLD IMPROVEMENTS (2002)	070102SL	SL	30.00	16	30,864.			30,864.	2,572.		1,029.
6	LEASEHOLD IMPROVEMENTS (2003)	070103SL	SL	30.00	16	64,727.			64,727.	2,739.		2,158.
8	COMPUTERS (2002)	070102SL	SL	4.00	16	44,408.			44,408.	27,756.		11,101.
9	COMPUTERS (2003)	070103SL	SL	4.00	16	9,262.			9,262.	3,473.		2,314.
10	EQUIPMENT & FURNITURE (2001)	070101SL	SL	5.00	16	164,515.			164,515.	115,161.		32,903.
11	EQUIPMENT & FURNITURE (2002)	070102SL	SL	5.00	16	60,933.			60,933.	30,467.		12,186.
13	EQUIPMENT & FURNITURE (2003)	123103SL	SL	5.00	16	350,444.			350,444.	75,162.		70,089.
17	VEHICLE (2001)	070101SL	SL	5.00	16	60,545.			60,545.	42,382.		12,109.
18	VEHICLE (2001)	070101SL	SL	3.00	16	13,100.			13,100.	13,100.		0.
19	VEHICLE (2003)	070103SL	SL	3.00	16	3,850.			3,850.	1,925.		1,283.
21	LAND	120103		.000	16	7,326.			7,326.			0.
22	LEASEHOLD IMPROVEMENTS (2004)	070104SL	SL	30.00	16	113,298.			113,298.	1,756.		3,777.
27	COMPUTERS (2004)	070104SL	SL	3.00	16	55,120.			55,120.	9,187.		18,373.
28	EQUIPMENT & FURNITURE (2004)	070104SL	SL	5.00	16	154,388.			154,388.	15,439.		30,877.

528102
01-06-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2005 DEPRECIATION AND AMORTIZATION REPORT

- CURRENT YEAR FEDERAL - NARCONON OF OKLAHOMA, INC.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
29	PLANT & TECHNICAL EQUIPMENT (2004)	070104	SL	5.00	16	5,920.			5,920.	592.		1,184.
30	VEHICLE (2004)	070104	SL	3.00	16	57,834.			57,834.	9,639.		19,278.
31	VEHICLE (2004)	070104	SL	3.00	16	22,548.			22,548.	3,758.		7,516.
32	VEHICLE (2004)	070104	SL	3.00	16	14,900.			14,900.	2,483.		4,967.
33	COMPUTERS (2005)	070105	SL	3.00	16	62,923.			62,923.			10,487.
34	EQUIPMENT & FURNITURE (2005)	070105	SL	5.00	16	94,893.			94,893.			9,489.
35	PLANT & TECHNICAL EQUIPMENT (2005)	070105	SL	5.00	16	54,887.			54,887.			5,489.
36	VEHICLE (2005)	070105	SL	3.00	16	4,240.			4,240.			707.
37	LAND	110905		.000	16	351,112.			351,112.			0.
38	LEASEHOLD IMPROVEMENTS (2005)	020105	SL	30.00	16	14,100.			14,100.			392.
39	LEASEHOLD IMPROVEMENTS (2005)	040105	SL	30.00	16	65,972.			65,972.			1,466.
40	LEASEHOLD IMPROVEMENTS (2005)	070105	SL	30.00	16	171,181.			171,181.			2,378.
41	LEASEHOLD IMPROVEMENTS (2005)	080105	SL	30.00	16	2,499.			2,499.			28.
42	LEASEHOLD IMPROVEMENTS (2005)	090105	SL	30.00	16	96,103.			96,103.			801.
43	BUILDING (2005)		SL	30.00	16	2639624.			2639624.			0.
44	EQUIPMENT & FURNITURE (2005)		SL	5.00	16	95,000.			95,000.			0.
	* TOTAL 990 PAGE 2 DEPR					5166996.		0.	5166996.	418,056.	0.	283,644.

520102
01-06-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

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

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization NARCONON OF OKLAHOMA, INC.	Employer identification number 73 1589280
	Number, street, and room or suite no. If a P.O. box, see instructions. HC 67 BOX 5	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. CANADIAN, OK 74425	

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

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
- ▶ MICHAEL ST. AMAND**

Telephone No. **▶ (918) 339-5800 EXT 701** FAX No. **▶ (918) 339-5833**

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

- 4 I request an additional 3-month extension of time until **NOVEMBER 15**, 20**06**.
- 5 For calendar year _____, or other tax year beginning _____, 20____, and ending _____, 20____.
- 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
ADDITIONAL TIME IS NEEDED FOR REVIEW BY ACCOUNTANTS

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

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 **▶ MICHAEL ST. AMAND** Title **▶ SECRETARY** Date **▶ 8-14-06****Notice to Applicant—To Be Completed by the IRS**

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

Director _____

By: _____

Date _____

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

Type or print	Name	EXTENSION APPROVED
	Number and street (include suite, room, or apt. no.) or a P.O. box number	SEP 08 2006
	City or town, province or state, and country (including postal or ZIP code)	FIELD DIRECTOR, SUBMISSION PROCESSING, OGDEN