

Return of Organization Exempt From Income Tax

Department of the Treasury Internal Revenue Service

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

A For the 2002 calendar year, or tax year beginning 2002, and ending

Form header section containing: B Check if applicable, C Name of organization (INSTITUTE FOR FUNCTIONAL MEDICINE), D Employer identification number (91-2107518), E Telephone number ((253) 858-4724), F Accounting method (Accrual).

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

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling?

G Web site HTTP://WWW.FUNCTIONALMEDICINE.ORG

J Organization type (check only one) [X] 501(c)(3) (insert no) 4947(a)(1) or 527

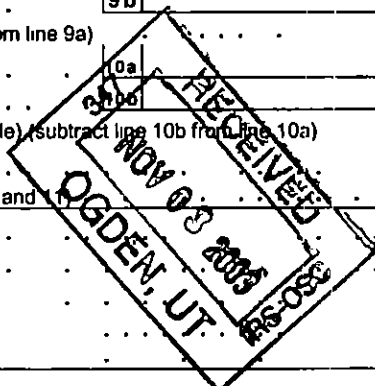
K Check here [] If the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail it should file a return without financial data Some states require a complete return

L Gross receipts Add lines 6b 8b 9b and 10b to line 12 1,304,872.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

Main table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9a Gross revenue (not including \$ of contributions reported on line 1a); 9b Less direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue (from Part VII, line 103); 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

FLMED Revenue 11/14/03



Handwritten notes: 03-14 8

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc	25 105,588.	89,750.	10,559.	5,279.
26 Other salaries and wages	26 267,877.	227,695.	26,788.	13,394.
27 Pension plan contributions	27			
28 Other employee benefits	28 26,699.	22,694.	2,670.	1,335.
29 Payroll taxes	29 31,876.	27,094.	3,188.	1,594.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32 6,632.	5,637.	663.	332.
33 Supplies	33 7,653.	6,505.	765.	383.
34 Telephone	34 10,098.	8,583.	1,010.	505.
35 Postage and shipping	35 56,738.	48,227.	5,674.	2,837.
36 Occupancy	36 50,999.	43,349.	5,100.	2,550.
37 Equipment rental and maintenance	37 14,087.	11,974.	1,409.	704.
38 Printing and publications	38			
39 Travel	39 60,813.	51,691.	6,081.	3,041.
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation depletion etc (attach schedule)	42 11,892.	10,108.	1,189.	595.
43 Other expenses not covered above (itemize) STMT 2	43a 466,501.	396,526.	46,650.	23,325.
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 1,117,453.	949,833.	111,746.	55,874.

Joint Costs Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

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

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

Part III Statement of Program Service Accomplishments (See page 24 of the instructions)

What is the organization's primary exempt purpose? **STMT 3**

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

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

a STMT 4	(Grants and allocations \$ _____)	341,941.
b PRODUCE FUNCTIONAL MEDICINE UPDATE, A MONTHLY AUDIOTAPE SERIES BRINGING ANALYSIS OF EMERGING SCIENTIFIC INFORMATION TO PRACTITIONERS IN THE FIELD.	(Grants and allocations \$ _____)	118,729.
c STMT 4	(Grants and allocations \$ _____)	303,947.
d STMT 4	(Grants and allocations \$ _____)	85,485.
e Other program services (attach schedule) STMT 5	(Grants and allocations \$ _____)	99,731.
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		949,833.

Part IV Balance Sheets (See page 24 of the instructions)

Note		(A)		(B)	
Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year	
Assets	45	Cash - non-interest-bearing	60,517.	45	99,967.
	46	Savings and temporary cash investments		46	
	47a	Accounts receivable	30,291.		
	b	Less allowance for doubtful accounts	9,910.	47c	20,381.
	48a	Pledges receivable			
	b	Less allowance for doubtful accounts		48c	
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes and loans receivable (attach schedule)			
	b	Less allowance for doubtful accounts		51c	
	52	Inventories for sale or use	116,011.	52	64,229.
	53	Prepaid expenses and deferred charges	14,002.	53	3,355.
	54	Investments - securities (attach schedule) STMT 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	NONE	54	20,008.
	55a	Investments - land, buildings, and equipment basis			
	b	Less accumulated depreciation (attach schedule)		55c	
56	Investments - other (attach schedule)		56		
57a	Land, buildings, and equipment basis	57,016.			
b	Less accumulated depreciation (attach schedule)	16,413.	57c	40,603.	
58	Other assets (describe <input type="checkbox"/> STMT 8)	4,948.	58	20,623.	
59	Total assets (add lines 45 through 58) (must equal line 74)	374,473.	59	269,166.	
Liabilities	60	Accounts payable and accrued expenses	26,293.	60	18,051.
	61	Grants payable		61	
	62	Deferred revenue STMT 9	279,133.	62	280,353.
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule)		64b	
65	Other liabilities (describe <input type="checkbox"/> STMT 10)	114,292.	65	14,216.	
66	Total liabilities (add lines 60 through 65)	419,718.	66	312,620.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67	Unrestricted	-45,245.	67	-43,454.
	68	Temporarily restricted		68	
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	-45,245.	73	-43,454.
	74	Total liabilities and net assets / fund balances (add lines 66 and 73)	374,473.	74	269,166.

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 26 of the instructions)	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<p>a Total revenue, gains, and other support per audited financial statements ▶ a <u>1,379,470.</u></p> <p>b Amounts included on line a but not on line 12, Form 990</p> <p>(1) Net unrealized gains on investments \$ <u>-1,407.</u></p> <p>(2) Donated services and use of facilities \$ _____</p> <p>(3) Recoveries of prior year grants \$ _____</p> <p>(4) Other (specify) _____</p> <p><u>STMT 11</u> \$ <u>126,917.</u></p> <p>Add amounts on lines (1) through (4) ▶ b <u>125,510.</u></p> <p>c Line a minus line b ▶ c <u>1,253,960.</u></p> <p>d Amounts included on line 12, Form 990 but not on line a.</p> <p>(1) Investment expenses not included on line 6b, Form 990 . . \$ _____</p> <p>(2) Other (specify) _____</p> <p><u>STMT 12</u> \$ <u>50,912.</u></p> <p>Add amounts on lines (1) and (2) ▶ d <u>50,912.</u></p> <p>e Total revenue per line 12, Form 990 (line c plus line d) ▶ e <u>1,304,872.</u></p>	<p>a Total expenses and losses per audited financial statements ▶ a <u>1,193,458.</u></p> <p>b Amounts included on line a but not on line 17, Form 990</p> <p>(1) Donated services and use of facilities \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 \$ _____</p> <p>(4) Other (specify) _____</p> <p><u>STMT 13</u> \$ <u>126,917.</u></p> <p>Add amounts on lines (1) through (4) . . ▶ b <u>126,917.</u></p> <p>c Line a minus line b ▶ c <u>1,066,541.</u></p> <p>d Amounts included on line 17, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 . . \$ _____</p> <p>(2) Other (specify) _____</p> <p><u>STMT 14</u> \$ <u>50,912.</u></p> <p>Add amounts on lines (1) and (2) ▶ d <u>50,912.</u></p> <p>e Total expenses per line 17, Form 990 (line c plus line d) ▶ e <u>1,117,453.</u></p>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 26 of the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 15		97,500.	8,088.	NONE

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶ Yes No
 If "Yes," attach schedule - see page 26 of the instructions

Part VI Other Information (See page 27 of the instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization: _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions	81 a	NONE
b	Did the organization file Form 1120-POL for this year?	81 b	N/A
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?	82 a	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)	82 b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83 b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84 a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85 a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85 b	N/A
c	Dues, assessments, and similar amounts from members	85 c	N/A
d	Section 162(e) lobbying and political expenditures	85 d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	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?	85 h	N/A
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86 a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87 a	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)	87 b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 NONE, section 4912 NONE, section 4955 NONE		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89 b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		NONE
90 a	List the states with which a copy of this return is filed WASHINGTON		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90 b	8
91	The books are in care of TERRY O'SULLIVAN Telephone no 253-858-4724 Located at 4411 PT. FOSDICK DR SUITE 305 ZIP + 4 98335		
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	NONE

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a ADVERTISING	541800	63,500			
b SYMPOSIUM					363,581.
c EDUCATION PROGRAMS					327,297.
d PUBLICATIONS					314,311.
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					116,681.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	1,415.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b OTHER REVENUE			01	625.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		63,500.		2,040.	1,121,870.
105 Total (add line 104, columns (B), (D), and (E))					1,187,410.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions.)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	STMT 16

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

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

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

Under penalties of perjury, I declare that I have examined this return and believe it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.

Please Sign Here

Signature of officer: *David S Jones, MD*
Type or print name and title: David S Jones, MD

Paid Preparer's Use Only

Preparer's signature: *Jane M Seasing*
Firm's name (or yours if self-employed): CLARK NUBER P.S.O.
address and ZIP + 4: 10900 NE 4TH, SUITE 100, BELLEVUE, WA

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 Section 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

2002

Name of the organization

INSTITUTE FOR FUNCTIONAL MEDICINE

Employer identification number

91-2107518

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
<u>SHEILA QUINN</u> 4411 PT. FOSDICK DR., SUITE 305	SENIOR EDITOR 40	68,250.	5,853.	NONE

Total number of other employees paid over \$50,000	▶ 1			

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
NONE		

Total number of others receiving over \$50,000 for professional services	▶ NONE	

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 or 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?	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)?	2d	X
e	Transfer of any part of its income or assets?	2e	X
3	Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below)	3	X
4	Do you have a section 403(b) annuity plan for your employees?	4	X
Note 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			

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 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.)
- 11 a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
- 11 b A community trust Section 170(b)(1)(A)(v) (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 5 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	49,853				49,853
16 Membership fees received	71,935				71,935
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	950,651				950,651
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					
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					
23 Total of lines 15 through 22	1,072,439				1,072,439
24 Line 23 minus line 17	121,788				121,788
25 Enter 1% of line 23	10,724				
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24 NQT APPLICABLE				▶ 26a
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 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts					▶ 26b
c Total support for section 509(a)(1) test Enter line 24, column (e)					▶ 26c
d Add Amounts from column (e) for lines 18 _____ 19 _____					▶ 26d
22 _____ 26b _____					
e Public support (line 26c minus line 26d total)					▶ 26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					▶ 26f %
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				
	(2001) _____	(2000) _____	(1999) _____	(1998) _____	
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					
	(2001) _____	(2000) _____	(1999) _____	(1998) _____	
c Add Amounts from column (e) for lines 15 _____ 16 _____					▶ 27c
17 _____ 20 _____ 21 _____					
d Add Line 27a total _____ and line 27b total _____					▶ 27d
e Public support (line 27c total minus line 27d total)					▶ 27e
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					▶ 27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					▶ 27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					▶ 27h %
28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15					

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	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)		
34a 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) **NOT APPLICABLE**

- 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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . .	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) . . .	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
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	41	
	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)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

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)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

NOT APPLICABLE

(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	Yes	No	Amount
a Volunteers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
b Paid staff or management (Include compensation in expenses reported on lines c through h)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
c Media advertisements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
d Mailings to members, legislators, or the public	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
e Publications, or published or broadcast statements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
f Grants to other organizations for lobbying purposes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
g Direct contact with legislators, their staffs, government officials, or a legislative body	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
i Total lobbying expenditures (Add lines c through h)			

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

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

Table with 3 columns: Question label, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

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

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.

Schedule table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. First row contains 'N/A'.

52a 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 [X] No

b If "Yes," complete the following schedule

Schedule table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. First row contains 'N/A'.

• 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.

Name of Exempt Organization: INSTITUTE FOR FUNCTIONAL MEDICINE
Employer Identification number: 91-2107518
Number, street, and room or suite no: 4411 PT. FOSDICK DR.
City, town or post office, state, and ZIP code: GIG HARBOR, WA 98335

Check type of return to be filed (File a separate application for each return)

Form 990 [X] Form 990-EZ [] Form 990-T (sec 401(a) or 408(a) trust) [] Form 1041-A [] Form 5227 [] Form 8870 []
Form 990-BL [] Form 990-PF [] Form 990-T (trust other than above) [] Form 4720 [] Form 6069 []

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

• If the organization does not have an office or place of business in the United States, check this box []

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ... If this is for the whole group, check this box [] If it is for part of the group, check this box [] and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until 11/17/2003
5 For calendar year 2002, or other tax year beginning ... and ending ...
6 If this tax year is for less than 12 months, check reason [] Initial return [] Final return [] Change in accounting period
7 State in detail why you need the extension ADDITIONAL TIME IS REQUIRED TO GATHER THE NECESSARY INFORMATION FROM THIRD PARTIES TO ASSURE PREPARATION OF A COMPLETE AND ACCURATE TAX RETURN.
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: [Handwritten Signature] Title: CPA Date: 08/15/2003

Notice to Applicant - To Be Completed by the IRS

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

Director By: [Signature] Date: 08/15/2003 EXTENSION APPROVED

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

Name: CLARK NUBER P.S.
Number and street (include suite, room, or apt. no) Or a P O box number: 10900 NE 4TH, SUITE 1700
City or town, province or state, and country (including postal or ZIP code): BELLEVUE, WA 98004

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

Note Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization INSTITUTE FOR FUNCTIONAL MEDICINE	Employer identification number 91-2107518
	Number, street, and room or suite no. If a P O box, see instructions 4411 PT FOSDICK DR.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions GIG HARBOR, WA 98335	

Check type of return to be filed (file a separate application for each return)

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

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

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 08/15, 2003 to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year 2002 or
 ▶ tax year beginning _____, _____, and ending _____, _____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a 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 or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____

c **Balance Due** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

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 ▶ Jane M Seery Title ▶ CPA Date ▶ 5/15/03

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

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

=====

DESCRIPTION	AMOUNT
-----	-----
PRIOR YEAR ADJUSTMENT PER AUDIT	184,221.
UNREALIZED LOSS ON INVESTMENT	1,407.

TOTAL	185,628.
	=====

FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
SPEAKER FEES	65,771.	55,905.	6,577.	3,289.
ADVERTISING	19,362.	16,458.	1,936.	968.
GRAPHICS	56,889.	48,356.	5,689.	2,844.
FOOD AND BEVERAGE	90,828.	77,204.	9,083.	4,541.
AUDIO VISUAL	20,512.	17,435.	2,051.	1,026.
DISCOUNTS	50,912.	43,275.	5,091.	2,546.
DIRECT MAIL	15,646.	13,299.	1,565.	782.
EXHIBIT EXPENSE	7,858.	6,679.	786.	393.
OTHER PROFESSIONAL SERVICES	51,865.	44,085.	5,187.	2,593.
BAD DEBT	13,013.	11,061.	1,301.	651.
TAX AND LICENSES	4,674.	3,973.	467.	234.
BANK FEES	29,106.	24,740.	2,911.	1,455.
INSURANCE	5,421.	4,608.	542.	271.
MISCELLANEOUS EXPENSE	34,644.	29,448.	3,464.	1,732.
TOTALS	466,501.	396,526.	46,650.	23,325.
	=====	=====	=====	=====

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

=====

THE PRIMARY PURPOSE IS TO EDUCATE PRACTITIONERS, SCIENTISTS, AND THE INTERESTED PUBLIC WORLDWIDE ABOUT INTEGRATED SCIENCE-BASED PRACTICES OF BOTH ESTABLISHED AND EMERGING HEALTH CARE THROUGH A CONTINUING MEDICAL EDUCATION PROGRAM FEATURING A COMPREHENSIVE FUNCTIONAL MEDICINE CURRICULUM.

FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

=====

DESCRIPTION

EXPENSES

<p>PROVIDE AN ANNUAL FIVE DAY INTERNATIONAL SYMPOSIUM OFFERING CME CREDIT FOR PRACTITIONERS. THE SYMPOSIUM FUNCTIONS AS A COMPREHENSIVE ANNUAL UPDATE OF EMERGING RESEARCH AND CLINICAL PERSPECTIVES OF FUNCTIONAL MEDICINE.</p>	<p>341,941.</p>
<p>APPLYING FUNCTIONAL MEDICINE IN CLINICAL PRACTICE. THIS SIX DAY COURSE TEACHES PRACTITIONERS HOW TO APPLY THE PRINCIPLES AND PROCESSES OF FUNCTIONAL MEDICINE TO ENHANCE PATIENT OUTCOMES. THE COURSE IS TAUGHT USING A COMBINATION OF LECTURES AND SMALL GROUP CASE STUDIES. CME IS OFFERED.</p>	<p>303,947.</p>
<p>PROVIDING BOOKS AND TAPES FOR COURSE ATTENDEES, MEMBERS, AND THE GENERAL PUBLIC ABOUT THE SCIENTIFIC BASIS AND CLINICAL APPLICATIONS OF FUNCTIONAL MEDICINE APPROACHES TO PATIENT ASSESSMENT AND TREATMENT.</p>	<p>85,485.</p>

FORM 990, PART III - OTHER PROGRAM SERVICES

=====

DESCRIPTION

EDUCATIONAL PROGRAMS & WEBSITE
 OTHER MISC. PROGRAMS

TOTALS

GRANTS AND
 ALLOCATIONS

EXPENSES

23,746.

75,985.

99,731.

=====

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES
 =====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SYMPOSIUM EXPENSES	11,707.	3,355.
EDUCATION PROGRAMS EXPENSE	2,295.	NONE
	-----	-----
TOTALS	14,002.	3,355.
	=====	=====

FORM 990, PART IV - INVESTMENTS - SECURITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
MUTUAL FUNDS	NONE	20,008.
TOTALS	----- NONE	----- 20,008.
	=====	=====

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
DEPOSITS	4,948.	20,623.
TOTALS	----- 4,948. =====	----- 20,623. =====

FORM 990, PART IV - DEFERRED REVENUE

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SUBSCRIPTIONS	151,303.	148,751.
EDUCATIONAL PROGRAMS	23,450.	19,950.
IFM MEMBERSHIPS	89,380.	91,562.
SYMPOSIUM EXHIBITORS	15,000.	19,000.
SYMPOSIUM ATTENDEES	NONE	1,090.
	-----	-----
TOTALS	279,133.	280,353.
	=====	=====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
METAGENICS LOAN	87,039.	NONE
OREGON STATE TAXES	1,950.	NONE
401(K) PAYABLE	10,726.	NONE
OR SUI PAYABLE	1,490.	NONE
FICA PAYABLE	80.	NONE
FLEX SPEND BENEFITS	423.	NONE
ACCRUED VACATION	8,457.	NONE
PURCHASES CLEARING	4,127.	NONE
CAPITAL LEASE	NONE	14,216.
	-----	-----
TOTALS	114,292.	14,216.
	=====	=====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION	AMOUNT
-----	-----
COST OF GOODS SOLD	126,917.
TOTAL	----- 126,917.
	=====

FORM 990, PART IV-A - OTHER REVENUE ON RETURN BUT NOT ON BOOKS

=====

DESCRIPTION	AMOUNT
-----	-----
DISCOUNT EXPENSE ON G&A	50,912.
TOTAL	----- 50,912. =====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION	AMOUNT
-----	-----
COST OF GOODS SOLD	126,917.
TOTAL	-----
	126,917.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON RETURN BUT NOT ON BOOKS

=====

DESCRIPTION	AMOUNT
-----	-----
DISCOUNT EXPENSE ON G&A	50,912.
TOTAL	----- 50,912. =====

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCT AND OTHER ALLOWANCES -----
DAVID JONES, MD 4411 PT. FOSDICK DR., SUITE 305 GIG HARBOR, WA 98335	PRESIDENT 40 HRS/WK	97,500.	8,088.	NONE
JEFFREY BLAND, PHD 4411 PT. FOSDICK DR., SUITE 305 GIG HARBOR, WA 98335	CHAIRMAN OF BOARD <2 HRS/WK	NONE	NONE	NONE
SUSAN BLAND 4411 PT. FOSDICK DR., SUITE 305 GIG HARBOR, WA 98335	SEC/TREASURER <2 HRS/WK	NONE	NONE	NONE
LAURIE HOFMANN 4411 PT. FOSDICK DR., SUITE 305 GIG HARBOR, WA 98335	BOARD MEMBER <2 HRS/WK	NONE	NONE	NONE
MARK HYMAN, MD 4411 PT. FOSDICK DR., SUITE 305 GIG HARBOR, WA 98335	BOARD MEMBER <2 HRS/WK	NONE	NONE	NONE
WOODSON MERRELL, MD 4411 PT. FOSDICK DR., SUITE 305 GIG HARBOR, WA 98335	BOARD MEMBER <2 HRS/WK	NONE	NONE	NONE
JOSEPH E. PIZZORNO ND 4411 PT. FOSDICK DR., SUITE 305 GIG HARBOR, WA 98335	VICE CHAIR <2 HRS/WK	NONE	NONE	NONE
	GRAND TOTALS	97,500.	8,088.	NONE
		-----	-----	-----
		=====	=====	=====

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

=====

LINE NO. ---	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES -----
--------------------	---

93A, B,C, D, & 94	ANNUAL SYMPOSIUM, OTHER EDUCATIONAL PROGRAMS, PUBLICATIONS AND MEMBER SERVICES PROVIDE CONTINUING EDUCATION TO HEALTHCARE PRACTITIONERS ON THE SCIENTIFIC BASIS AND CLINICAL APPLICATIONS OF FUNCTIONAL MEDICINE, WITH THE ULTIMATE GOAL OF IMPROVING PATIENT OUTCOMES. MOST PROGRAMS ARE ALSO AVAILABLE TO THE PUBLIC.
----------------------------	--

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

THE ORGANIZATION ENTERED INTO A TRANSACTION WITH A BOARD MEMBER FOR CONSULTING AND COMPENSATION PAID TO MEMBER WAS \$18,300.
SEE FORM 990 PART V FOR ADDITIONAL COMPENSATION INFORMATION.

Institute for Functional Medicine
 Schedule of Fixed Assets
 91-2107518
 For Year Ended 12/31/02

	COST				ACCUMULATED DEPRECIATION			
	Balance 12/31/2001	Additions	Deletions	Balance 12/31/2002	Balance 12/31/2001	Additions	Deletions	Balance 12/31/2002
Furniture and Equipment	11,391	13,462		24,853	1,471	3,517		4,988
Equipment under Capital Leases		16,509		16,509		2,293		2,293
Computers	15,654			15,654	3,914	5,218		9,132
	27,045	29,971	0	57,016	5,385	11,028	0	16,413