

Return of Organization Exempt From Income Tax

2006

Open to Public Inspection

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 2006 calendar year, or tax year beginning **2006**, and ending **2006**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions	C Name of organization INSTITUTE FOR FUNCTIONAL MEDICINE		D Employer identification number 91-2107518
		Number and street (or P O box if mail is not delivered to street address) Room/suite 4411 PT. FOSDICK DR. NW 305	E Telephone number (253) 858-4724	
		City or town, state or country, and ZIP + 4 GIG HARBOR, WA 98335		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify)

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

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates **N/A**

H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number

M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Website: **HTTP://WWW.FUNCTIONALMEDICINE.ORG**

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

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **1,994,123.**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received			
	a Contributions to donor advised funds	1a		
	b Direct public support (not included on line 1a)	1b	366,936.	
	c Indirect public support (not included on line 1a)	1c		
	d Government contributions (grants) (not included on line 1a)	1d		
	e Total (add lines 1a through 1d) (cash \$ 366,936. noncash \$)	1e	366,936.	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	927,902.	
	3 Membership dues and assessments	3	130,793.	
	4 Interest on savings and temporary cash investments	4	13,686.	
	5 Dividends and interest from securities	5		
	6a Gross rents	6a		
	b Less rental expenses	6b		
c Net rental income or (loss). Subtract line 6b from line 6a	6c			
7 Other investment income (describe)	7			
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	8a			
	8b Less cost or other basis and sales expenses	8b		
	8c Gain or (loss) (attach schedule)	8c		
d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d			
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a Gross revenue (not including \$ of contributions reported on line 1b)	9a			
b Less direct expenses other than fundraising expenses	9b			
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a Gross sales of inventory, less returns and allowances	STMT. 1	10a	545,878.	
	b Less cost of goods sold	STMT. 2	10b	90,654.
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c	455,224.	
11 Other revenue (from Part VII, line 103)	11	8,928.		
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	1,903,469.		
Expenses	13 Program services (from line 44, column (B))	13	1,197,067.	
	14 Management and general (from line 44, column (C))	14	415,946.	
	15 Fundraising (from line 44, column (D))	15	64,744.	
	16 Payments to affiliates (attach schedule)	16		
	17 Total expenses. Add lines 16 and 44, column (A)	17	1,677,757.	
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18	225,712.	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	127,399.	
	20 Other changes in net assets or fund balances (attach explanation) STMT. 3	20	7,926.	
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	361,037.	

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Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc listed in Part V-A (attach schedule)	240,854.	176,544.	61,173.	3,137.
25b	Compensation of former officers, directors, key employees, etc listed in Part V-B (attach schedule)				
25c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b, and c	393,929.	229,318.	155,312.	9,299.
27	Pension plan contributions not included on lines 25a, b, and c	NONE			
28	Employee benefits not included on lines 25a - 27	64,442.	25,628.	37,769.	1,045.
29	Payroll taxes	34,798.	14,803.	19,412.	583.
30	Professional fundraising fees				
31	Accounting fees	31,966.	21,396.	5,592.	4,978.
32	Legal fees	11,875.	7,949.	2,077.	1,849.
33	Supplies	51,649.	41,027.	9,781.	841.
34	Telephone	13,776.	8,955.	4,417.	404.
35	Postage and shipping	54,810.	47,846.	5,134.	1,830.
36	Occupancy	76,593.	49,570.	24,446.	2,577.
37	Equipment rental and maintenance	11,807.	7,676.	3,785.	346.
38	Printing and publications	103,060.	94,737.	7,327.	996.
39	Travel	97,739.	78,096.	14,257.	5,386.
40	Conferences, conventions, and meetings	102,953.	101,914.	1,039.	
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	33,359.	21,687.	10,695.	977.
43	Other expenses not covered above (itemize)				
43a	CONSULTING FEES	180,432.	120,773.	31,563.	28,096.
43b	ADVERTISING	37,869.	32,149.	5,002.	718.
43c	AUDIO VISUAL	59,830.	59,830.	NONE	NONE
43d	TAXES & LICENSES	11,017.	10,884.	133.	NONE
43e	PROCESSING FEES	49,883.	35,143.	13,478.	1,262.
43f	INSURANCE	7,653.	4,975.	2,454.	224.
43g	INTERNET	7,463.	6,167.	1,100.	196.
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	1,677,757.	1,197,067.	415,946.	64,744.

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 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 4 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 <u>AFMCP: PROVIDED SPRING AND FALL SIX DAY COURSE WHICH TAUGHT PRACTITIONERS HOW TO APPLY THE PRINCIPLES AND PROCESSES OF FUNCTIONAL MEDICINE TO ENHANCE PATIENT OUTCOMES. COURSE WAS TAUGHT USING A COMBINATION OF LECTURES AND SMALL GROUP CASE STUDIES. CME CREDIT WAS OFFERED.</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	483,210.
b <u>SYMPOSIUM: PROVIDED AN ANNUAL FIVE DAY INTERNATIONAL EVENT OFFERING CME CREDIT FOR PRACTITIONERS. EVENT FUNCTIONS AS A COMPREHENSIVE ANNUAL UPDATE OF EMERGING RESEARCH AND CLINICAL PERSPECTIVES OF FUNCTIONAL MEDICINE.</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	411,162.
c <u>PROVIDED RESOURCE MATERIALS FOR COURSE ATTENDEES, MEMBERS AND GENERAL PUBLIC ABOUT THE SCIENTIFIC BASIS AND CLINICAL APPLICATIONS OF FUNCTIONAL MEDICINE APPROACHES TO PATIENT ASSESSMENT AND TREATMENT.</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	166,148.
d <u>NEUROPROTECTION MODULE: PROVIDED A THREE-DAY FORMAT COURSE TO HELP HEALTHCARE PROVIDERS EXTEND THE PRACTICE OF FUNCTIONAL MEDICINE TO PATIENTS TRADITIONALLY DIAGNOSED WITH NEUROLOGICAL CONDITIONS, INCLUDING EPISODIC DISORDERS AND MORE CLASSICAL NEURODEGENERATIVE DISORDERS. CME CREDIT WAS OFFERED.</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	99,367.
e Other program services (attach schedule) <u>SEE STATEMENT 5</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	37,180.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	1,197,067.

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	83,662.	45	147,821.
	46 Savings and temporary cash investments	352,107.	46	394,970.
	47a Accounts receivable	47a 22,467.		
	b Less allowance for doubtful accounts	47b 4,680.	14,227.	47c 17,787.
	48a Pledges receivable	48a 62,074.		
	b Less allowance for doubtful accounts	48b	1,000.	48c 62,074.
	49 Grants receivable			49
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		168,515.	52 135,757.
	53 Prepaid expenses and deferred charges	STMT. 6.	19,804.	53 31,434.
	54a Investments - publicly-traded securities	STMT. 7. <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	44,018.	54a 50,800.
	b Investments - other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
	55a Investments - land, buildings, and equipment basis	55a		
	b Less accumulated depreciation (attach schedule)	55b		55c
	56 Investments - other (attach schedule)			56
	57a Land, buildings, and equipment basis	57a 182,870.		
	b Less accumulated depreciation (attach schedule)	57b 137,270.	51,274.	57c 45,600.
58 Other assets, including program-related investments (describe _____)			58	
59 Total assets (must equal line 74) Add lines 45 through 58		734,607.	59 886,243.	
Liabilities	60 Accounts payable and accrued expenses	80,772.	60	179,945.
	61 Grants payable		61	
	62 Deferred revenue	STMT. 8.	383,393.	62 338,217.
	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 _____ STMT. 9.)		143,043.	65 7,044.
66 Total liabilities. Add lines 60 through 65		607,208.	66 525,206.	
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		110,336.	67 279,950.
	68 Temporarily restricted		17,063.	68 81,087.
	69 Permanently restricted		NONE	69 NONE
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds			70
	71 Paid-in or capital surplus, or land, building, and equipment fund			71
	72 Retained earnings, endowment, accumulated income, or other funds			72
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21))		127,399.	73 361,037.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		734,607.	74 886,243.

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	2,002,049.
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	7,926.
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) <u>SEE STATEMENT 10</u>	b4	90,654.
	Add lines b1 through b4	b	98,580.
c	Subtract line b from line a	c	1,903,469.
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	
e	Total revenue (Part I, line 12) Add lines c and d	e	1,903,469.

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

a	Total expenses and losses per audited financial statements	a	1,768,411.
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify) <u>SEE STATEMENT 11</u>	b4	90,654.
	Add lines b1 through b4	b	90,654.
c	Subtract line b from line a	c	1,677,757.
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	
e	Total expenses (Part I, line 17) Add lines c and d	e	1,677,757.

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
SEE STATEMENT 12		230,003.	10,851.	NONE

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 7		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization". ▶	75c	X
If "Yes," attach a statement that includes the information described in the instructions		
d Does the organization have a written conflict of interest policy?	75d	X

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

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
-----	-0-	-0-	-0-	-0-

Part VI Other Information (See the instructions)	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization ▶ ----- ----- and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a Enter direct and indirect political expenditures (See line 81 instructions)	81a	NONE
b Did the organization file Form 1120-POL for this year?	81b	N/A

Part VI Other Information (continued)

		Yes	No
82a	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	NONE		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	
85c	Dues, assessments, and similar amounts from members	N/A	
85d	Section 162(e) lobbying and political expenditures	N/A	
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86a	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	N/A	
86b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87a	501(c)(12) orgs Enter a Gross income from members or shareholders	N/A	
87b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	N/A	
88a	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
88b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89a	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		
89b	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		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	
89e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90a	List the states with which a copy of this return is filed	WASHINGTON	
90b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	10	
91a	The books are in care of	FRAN BIDDLE, CPA Telephone no 253-853-9280	
	Located at	4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA ZIP + 4 98335	
91b	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		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
If "Yes," enter the name of the foreign country
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the tax year 92 NONE

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

Note: Enter gross amounts unless otherwise indicated

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue (SYMPOSIUM, EDUCATION PROGRAMS), 94 Membership dues and assessments, 95 Interest on savings, 96 Dividends, 97 Net rental income, 98 Net rental income from personal property, 99 Other investment income, 100 Gain or loss from sales, 101 Net income from special events, 102 Gross profit from sales, 103 Other revenue (REIMB EXPENSES), 104 Subtotal, 105 Total.

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

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

Table with 2 columns: 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). Row 1: STMT 14

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

Table with 5 columns: (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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to
(b) Did the organization, during the year, pay premiums, directly
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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

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

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

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

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

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

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: Francis A Buddle, CPA Date: 11/14/2007
 Type or print name and title: Director of Finance

Paid Preparer's Use Only

Preparer's signature: SSG Date: 11/9/07 Check if self-employed:
 Preparer's SSN or PTIN (See Gen Inst X): P00235495
 Firm's name (or yours if self-employed), address, and ZIP + 4: CLARK NUBER P.S. EIN: 91-1194016
10900 NE 4TH, SUITE 1700 Phone no: 425 454-4919
BELLEVUE, WA 98004

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

2006

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 2 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
SEE STATEMENT 15				

Total number of other employees paid over \$50,000 . . . ▶ NONE

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
NONE		

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

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
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶ NONE

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

Table with 3 columns: Question, Yes, No. Rows include: 1. Lobbying activities (NONE); 2. Acts with contributors; 3a-d. Grants and other services; 4a-g. Donor advised funds.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ► _____
- 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
 - Type I
 - Type II
 - Type III - Functionally Integrated
 - Type III - Other

Provide the following information about the supported organizations. (See page 7 of the instructions)

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

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	129,659.	230,347.	148,605.	117,462.	626,073.
16 Membership fees received	137,759.	117,584.	92,053.	116,681.	464,077.
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	1,412,630.	1,029,567.	1,030,705.	1,201,517.	4,674,419.
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	2,596.	2,083.	428.		5,107.
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	STMT 17 NONE	750.	610.	625.	1,985.
23 Total of lines 15 through 22	1,682,644.	1,380,331.	1,272,401.	1,436,285.	5,771,661.
24 Line 23 minus line 17.	270,014.	350,764.	241,696.	234,768.	1,097,242.
25 Enter 1% of line 23.	16,826.	13,803.	12,724.	14,363.	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24 NOT 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 2002 through 2005 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 _____ 22 _____ 26b _____ ▶					26d
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					
(2005) _____ 40,000. (2004) _____ 25,000. (2003) _____ 25,000. (2002) _____					
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					
(2005) _____ 65,392. (2004) _____ 26,841. (2003) _____ 5,927. (2002) _____					
c Add Amounts from column (e) for lines 15 _____ 626,073. 16 _____ 464,077. 17 _____ 4,674,419. 20 _____ 21 _____ ▶					27c 5,764,569.
d Add Line 27a total, . . . _____ 90,000. and line 27b total . . . _____ 98,160. ▶					27d 188,160.
e Public support (line 27c total minus line 27d total). ▶					27e 5,576,409.
f Total support for section 509(a)(2) test Enter amount from line 23, column (e) ▶					27f 5,771,661.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)). ▶					27g 96.6171 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h 0.0885 %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

Part V Private School Questionnaire (See page 9 of the instructions) NOT APPLICABLE
 (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	

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?	32d	
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?	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?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			

34 a	Does the organization receive any financial aid or assistance from a governmental agency?	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	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 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

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
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 -	41	
	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)	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 13 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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

(For reporting only by organizations that did not complete Part VI-A) (See page 13 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	
		NONE

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

FORM 990, PART I - GROSS SALES LESS RETURNS AND ALLOWANCES
=====

DESCRIPTION

AMOUNT

PRODUCT SALES

545,878.

TOTAL

545,878.
=====

FORM 990, PART I - COST OF GOODS SOLD

=====

INVENTORY AT BEGINNING OF YEAR	168,515.
PURCHASES	57,896.
SALARIES AND WAGES	
OTHER COSTS	

SUBTOTAL	226,411.
MINUS ENDING INVENTORY	135,757.

COST OF GOODS SOLD	90,654.
	=====

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON INVESTMENTS	7,926.
TOTAL	----- 7,926. =====

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

THE PRIMARY PURPOSE IS TO EDUCATE HEALTHCARE 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 - OTHER PROGRAM SERVICES (LINE E)

=====

DESCRIPTION

GRANTS AND
ALLOCATIONS

EXPENSES

PRODUCED FUNCTIONAL MEDICINE UPDATE, MONTHLY
AUDIO SERIES BRINGING ANALYSIS OF EMERGING
SCIENTIFIC INFORMATION TO PRACTITIONERS IN
THE FIELD.

37,180.

TOTALS

37,180.
=====

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
-----	-----	-----
SYMPOSIUM EXPENSES	2,500.	12,500.
EDUCATIONAL PROGRAM EXPENSES	9,000.	5,500.
OTHER PREPAID EXPENSES	8,304.	13,434.
TOTALS	----- 19,804. =====	----- 31,434. =====

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
MUTUAL FUNDS	44,018.	50,800.
	-----	-----
TOTALS	44,018.	50,800.
	=====	=====

FORM 990, PART IV - DEFERRED REVENUE

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
GIFT CERTIFICATES	NONE	13,150.
EDUCATIONAL PROGRAMS	16,704.	222,412.
IFM MEMBERSHIPS	73,430.	77,655.
SYMPOSIUMS	89,747.	25,000.
NEUROLOGY MODULE	2,000.	NONE
TEXTBOOK "FUNCTIONAL MEDICINE"	201,512.	NONE
TOTALS	----- 383,393. =====	----- 338,217. =====

FORM 990, PART IV - OTHER LIABILITIES

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
CAPITAL LEASE	13,192.	7,044.
DEFERRED FMU SUBSCRIPTIONS AND INVENTORY	129,851.	NONE
TOTALS	----- 143,043. =====	----- 7,044. =====

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

DESCRIPTION

AMOUNT

COST OF BOOKS AND PUBLICATIONS
SOLD

90,654.

TOTAL

90,654.
=====

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

DESCRIPTION

AMOUNT

COST OF BOOKS AND PUBLICATIONS
SOLD

90,654.

TOTAL

90,654.
=====

FORM 990, PART V-A - CURRENT 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. NW, SUITE 305 GIG HARBOR, WA 98335	PRESIDENT 40.00	146,003.	10,851.	NONE
LAURIE HOFMANN 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	BOARD MEMBER 20.00	47,000.	NONE	NONE
CAROLYN LARKIN 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	CEO 60.00	25,000.	NONE	NONE
JEFFREY S BLAND 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	BOARD MEMBER 5.00	9,000.	NONE	NONE
BETHANY HAYS MD 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	VICE CHAIRMAN 5.00	2,000.	NONE	NONE
MARK HYMAN MD 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	BOARD MEMBER 5.00	1,000.	NONE	NONE
JOE PIZZORNO MD 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	CHAIRMAN 5.00	NONE	NONE	NONE
SUSAN BLAND MA 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	SECRETARY/TREASURER 15.00	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ROBERT MACLELLAN 4411 PT. FOSDICK DR. NW, SUITE 305 GIG HARBOR, WA 98335	BOARD MEMBER 5.00	NONE	NONE	NONE
GRAND TOTALS		230,003.	10,851.	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, 94 & 102	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.
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SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
SHEILA QUINN 4411 PT. FOSDICK DR. NW SUITE 305 GIG HARBOR, WA 98335	SR. EDITOR 40.00	74,942.	8,800.	NONE
SALLY J. PRIEST 4411 PT. FOSDICK DR. NW SUITE 305 GIG HARBOR, WA 98335	EVENT MANAGER 40.00	54,850.	8,800.	NONE
	TOTAL COMPENSATION	129,792.	17,600.	NONE

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

SEE PART V OF THE FORM 990.

SEVERAL BOARD MEMBERS RECEIVE COMPENSATION FOR SPEAKING AT EVENTS AND PROVIDING CONSULTING SERVICES. THE COMPENSATION PROVIDED IS NO MORE THAN FAIR MARKET VALUE FOR THE SERVICES RENDERED.

SCHEDULE A, PART IV-A - OTHER INCOME

=====

DESCRIPTION -----	2005 -----	2004 -----	2003 -----	2002 -----	TOTAL -----
OTHER INCOME	NONE	750.	610.	625.	1,985.
TOTALS	NONE	750.	610.	625.	1,985.
	=====	=====	=====	=====	=====

INSTITUTE FOR FUNCTIONAL MEDICINE

EIN: 91-2107518
 FYE: DECEMBER 31, 2006

FORM 990, PART II, LINE 42 AND PART IV, LINE 57 - FIXED ASSETS and DEPRECIATION

<u>Description</u>	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	NONE	NONE	NONE	NONE
Land Improvements	NONE	NONE	NONE	NONE
Buildings	NONE	NONE	NONE	NONE
Leasehold Improvements	NONE	NONE	NONE	NONE
Equipment	101,492.	22,656.	87,117.	14,375.
Furniture & Fixtures	81,378.	10,703.	50,153.	31,225.
Property, Plant & Equipment	<u>182,870.</u>	<u>33,359.</u>	<u>137,270.</u>	<u>45,600.</u>
Construction in Progress	NONE	NONE	NONE	NONE
Total Fixed Assets, line 57	<u><u>182,870.</u></u>		<u><u>137,270.</u></u>	<u><u>45,600.</u></u>
Total Depreciation Expense, line 42		<u><u>33,359.</u></u>		

NOTE: Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ 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)

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)

Section 501(c)(3) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

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

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

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., SUITE 305	
	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 |

• The books are in the care of ▶ C. J. DEARTH

Telephone No ▶ 253 853-9280 FAX No ▶ 253 853-6766

- 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 months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until 08/15, 2007, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- ▶ calendar year 2006 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.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

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

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

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. You 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., SUITE 305
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 (checked), Form 990-PF, Form 990-T, Form 990-T (trust), Form 1041-A, Form 6069, Form 4720, Form 8870, Form 5227, Form 990-EZ

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 C.J. DEARTH
Telephone No 253 853-9280 FAX No 253 853-6766
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)

I request an additional 3-month extension of time until 11/15, 2007
For calendar year 2006, or other tax year beginning 20 and ending 20
If this tax year is for less than 12 months, check reason
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.

Table with 3 rows: 8a (tentative tax), 8b (refundable credits), 8c (Balance Due)

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: [Signature] Title: CPA Date: 8/6/07

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
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

By Director 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

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