

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2004**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A For the 2004 calendar year, or tax year beginning** , 2004, and ending

<b>B</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	<b>C</b> Name of organization <b>INSTITUTE FOR FUNCTIONAL MEDICINE</b>	<b>D</b> Employer identification number <b>91-2107518</b>
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>4411 PT. FOSDICK DR. 305</b>	<b>E</b> Telephone number <b>(253) 858-4724</b>
City or town, state or country, and ZIP + 4 <b>GIG HARBOR, WA 98335</b>	<b>F</b> 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: \_\_\_\_\_

**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

**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'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**

**I** Group Exemption Number \_\_\_\_\_

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

**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **1,374,220.**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 18 of the instructions.)

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received				
	<b>a</b> Direct public support	<b>1a</b>		<b>223,567.</b>	
	<b>b</b> Indirect public support	<b>1b</b>			
	<b>c</b> Government contributions (grants)	<b>1c</b>			
	<b>d</b> Total (add lines 1a through 1c) (cash \$ <b>223,567.</b> noncash \$ _____)				<b>1d 223,567.</b>
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)				<b>2 1,025,649.</b>
	<b>3</b> Membership dues and assessments				<b>3 117,584.</b>
	<b>4</b> Interest on savings and temporary cash investments				<b>4 2,083.</b>
	<b>5</b> Dividends and interest from securities				<b>5</b>
	<b>6 a</b> Gross rents	<b>6a</b>			
	<b>b</b> Less rental expenses	<b>6b</b>			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)				<b>6c</b>
<b>7</b> Other investment income (describe _____)				<b>7</b>	
<b>8 a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	<b>4,587.</b>	<b>8a</b>			
	<b>b</b> Less cost or other basis and sales expenses	<b>8b</b>			
	<b>4,587.</b>	<b>8c</b>			
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))				<b>8d 4,587.</b>	
<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>			
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>			
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)				<b>9c</b>
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>				
	<b>b</b> Less cost of goods sold	<b>10b</b>			
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)				<b>10c</b>
<b>11</b> Other revenue (from Part VII, line 103)				<b>11 750.</b>	
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)				<b>12 1,374,220.</b>	
Expenses	<b>13</b> Program services (from line 44, column (B))			<b>13 997,449.</b>	
	<b>14</b> Management and general (from line 44, column (C))			<b>14 265,628.</b>	
	<b>15</b> Fundraising (from line 44, column (D))			<b>15 33,244.</b>	
	<b>16</b> Payments to affiliates (attach schedule)			<b>16</b>	
	<b>17</b> Total expenses (add lines 16 and 44, column (A))				<b>17 1,296,321.</b>
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)			<b>18 77,899.</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))			<b>19 -18,365.</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation) <b>STMT 1</b>			<b>20 1,833.</b>	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)			<b>21 61,367.</b>	

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

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**Part II Statement of Functional Expenses**

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 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 \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	130,430.	90,696.	37,788.	1,946.
26	Other salaries and wages	348,889.	242,601.	101,078.	5,210.
27	Pension plan contributions				
28	Other employee benefits	54,313.	37,766.	15,735.	812.
29	Payroll taxes	40,701.	28,302.	11,792.	607.
30	Professional fundraising fees				
31	Accounting fees	20,642.	14,403.	5,208.	1,031.
32	Legal fees	6,263.	4,370.	1,580.	313.
33	Supplies	10,417.	8,425.	1,894.	98.
34	Telephone	14,421.	10,028.	4,178.	215.
35	Postage and shipping	68,662.	62,277.	2,595.	3,790.
36	Occupancy	62,851.	43,704.	18,209.	938.
37	Equipment rental and maintenance	4,123.	2,867.	1,194.	62.
38	Printing and publications				
39	Travel	65,937.	50,357.	8,735.	6,845.
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	28,600.	19,887.	8,286.	427.
43	Other expenses not covered above (itemize) <b>STMT 2</b>	440,072.	381,766.	47,356.	10,950.
b	-----				
c	-----				
d	-----				
e	-----				
44	<b>Total functional expenses</b> (add lines 22 through 43) <b>Organizations completing columns (B)-(D), carry these totals to lines 13-15</b>	1,296,321.	997,449.	265,628.	33,244.

**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 25 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 <b>STMT 4</b>	
-----	
-----	
(Grants and allocations \$ _____)	261,912.
b	
-----	
-----	
(Grants and allocations \$ _____)	154,291.
c	
-----	
-----	
(Grants and allocations \$ _____)	361,222.
d	
-----	
-----	
(Grants and allocations \$ _____)	167,776.
e Other program services (attach schedule) <b>STMT 5</b>	(Grants and allocations \$ _____) 52,248.
f <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	997,449.

**Part IV Balance Sheets** (See page 25 of the instructions.)

				(A)		(B)
				Beginning of year		End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only						
<b>Assets</b>	45	Cash - non-interest-bearing . . . . .		3,003.	45	65,958.
	46	Savings and temporary cash investments . . . . .		124,428.	46	324,511.
	47a	Accounts receivable . . . . .	47a 8,406.			
	b	Less allowance for doubtful accounts . . . . .	47b 2,302.	10,022.	47c	6,104.
	48a	Pledges receivable . . . . .	48a 23,220.			
	b	Less allowance for doubtful accounts . . . . .	48b	30,000.	48c	23,220.
	49	Grants receivable . . . . .			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .			50	
	51a	Other notes and loans receivable (attach schedule) . . . . .	51a			
	b	Less allowance for doubtful accounts . . . . .	51b		51c	
	52	Inventories for sale or use . . . . .		61,267.	52	45,892.
	53	Prepaid expenses and deferred charges . . . . .		750.	53	8,129.
	54	Investments - securities (attach schedule) <b>STMT 7.</b> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		34,431.	54	40,851.
	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 122,668.				
b	Less accumulated depreciation (attach schedule) . . . . .	57b 65,781.	70,954.	57c	56,887.	
58	Other assets (describe <input type="checkbox"/> <b>STMT 8</b> )		18,545.	58	17,474.	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .		353,400.	59	589,026.	
<b>Liabilities</b>	60	Accounts payable and accrued expenses . . . . .		59,439.	60	113,641.
	61	Grants payable . . . . .			61	
	62	Deferred revenue . . . . .		297,446.	62	392,431.
	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"/> <b>STMT 10</b> )		14,880.	65	21,587.
66	<b>Total liabilities</b> (add lines 60 through 65) . . . . .		371,765.	66	527,659.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>					
	67	Unrestricted . . . . .		-66,486.	67	-53,649.
	68	Temporarily restricted . . . . .		48,121.	68	115,016.
	69	Permanently restricted . . . . .		NONE	69	NONE
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>					
	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	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21) . . . . .		-18,365.	73	61,367.
	74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) . . . . .		353,400.	74	589,026.

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 VI Other Information (See page 28 of the instructions.)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
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?
81 a Enter direct and indirect political expenditures See line 81 instructions.
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?
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?
86 501(c)(7) orgs Enter a initiation fees and capital contributions included on line 12
87 501(c)(12) orgs Enter a Gross income from members or shareholders
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?
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911
90 a List the states with which a copy of this return is filed
91 The books are in care of
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here

**Part VII Analysis of Income-Producing Activities** (See page 33 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 <b>ADVERTISING</b>	541800	87,325.			
b <b>SYMPOSIUM</b>					323,303.
c <b>EDUCATION PROGRAMS</b>					310,168.
d <b>PUBLICATIONS</b>					304,853.
e					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					117,584.
95 Interest on savings and temporary cash investments . . . . .			14	2,083.	
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	4,587.	
101 Net income or (loss) from special events . . . . .					
102 Gross profit or (loss) from sales of inventory . . . . .					
103 Other revenue a					
b <b>OTHER REVENUE</b>			01	750.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . . . . .		87,325.		7,420.	1,055,908.
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					1,150,653.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	STMT 15

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

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

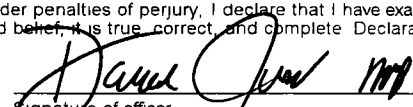
**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions)

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

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

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

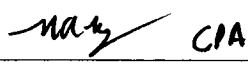
**Please Sign Here**

Signature of officer: 

Type or print name and title: **David S. Jones, MD**

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**Paid Preparer's Use Only**

Preparer's signature: 

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

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

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

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

OMB No 1545-0047

**2004**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information - (See separate instructions.)**

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

Name of the organization

**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> P.O. BOX 1697 GIG HARBOR, WA 98335	SR EDITOR  40 HRS/WK	70,298.	7,010.	NONE
<u>TERRY O'SULLIVAN</u> P.O. BOX 1697 GIG HARBOR, WA 98335	ACCOUNTANT  40 HRS/WK	50,125.	5,484.	NONE
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-----				
-----				
-----				
-----				
Total number of other employees paid over \$50,000 . . . . . ▶	NONE			

**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	

<b>Part III Statements About Activities</b> (See page 2 of the instructions)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) . . . . .		X
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			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions )		
a	Sale, exchange, or leasing of property? . . . . .		X
b	Lending of money or other extension of credit? . . . . .		X
c	Furnishing of goods, services, or facilities? . . . . .		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . . <b>STMT 16</b>	X	
e	Transfer of any part of its income or assets? . . . . .		X
3a	Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments ) . . . . .		X
b	Do you have a section 403(b) annuity plan for your employees? . . . . .		X
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .		X

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

- The organization is not a private foundation because it is (Please check only ONE applicable box )
- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
  - 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
  - 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
  - 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
  - 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ▶ \_\_\_\_\_
  - 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A )
  - 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )
  - 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )
  - 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A )
  - 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28) . . . . .	148,605.	117,462.	49,853.		315,920.
16 Membership fees received . . . . .	92,053.	116,681.	71,935.		280,669.
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 . . . . .	1,030,705.	1,201,517.	950,651.		3,182,873.
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 . . . . .	428.				428.
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 17 610.	625.			1,235.
23 Total of lines 15 through 22 . . . . .	1,272,401.	1,436,285.	1,072,439.		3,781,125.
24 Line 23 minus line 17 . . . . .	241,696.	234,768.	121,788.		598,252.
25 Enter 1% of line 23 . . . . .	12,724.	14,363.	10,724.		
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24 <b>NOT APPLICABLE</b> . . . . .				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 2000 through 2003 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	(2003) _____ 56,375. (2002) _____ (2001) _____ 49,500. (2000) _____				
	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				
	(2003) _____ (2002) _____ (2001) _____ (2000) _____				
	c Add Amounts from column (e) for lines 15 _____ 315,920. 16 _____ 280,669. 17 _____ 3,182,873. 20 _____ 21 _____ . . . . .				27c 3,779,462.
	d Add Line 27a total _____ 105,875. and line 27b total _____ . . . . .				27d 105,875.
	e Public support (line 27c total minus line 27d total) . . . . .				27e 3,673,587.
	f Total support for section 509(a)(2) test Enter amount from line 23, column (e) . . . . .				27f 3,781,125.
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . .				27g 97.1559 %
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . .				27h 0.0113 %
28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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 ) NOT APPLICABLE  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
<b>29</b> 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? . . . . .	<b>29</b>	
<b>30</b> 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? . . . . .	<b>30</b>	
<b>31</b> 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 ) ----- ----- -----	<b>31</b>	
<b>32</b> Does the organization maintain the following		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	<b>32a</b>	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	<b>32b</b>	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	<b>32c</b>	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	<b>32d</b>	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement ) ----- -----		
<b>33</b> Does the organization discriminate by race in any way with respect to		
<b>a</b> Students' rights or privileges? . . . . .	<b>33a</b>	
<b>b</b> Admissions policies? . . . . .	<b>33b</b>	
<b>c</b> Employment of faculty or administrative staff? . . . . .	<b>33c</b>	
<b>d</b> Scholarships or other financial assistance? . . . . .	<b>33d</b>	
<b>e</b> Educational policies? . . . . .	<b>33e</b>	
<b>f</b> Use of facilities? . . . . .	<b>33f</b>	
<b>g</b> Athletic programs? . . . . .	<b>33g</b>	
<b>h</b> Other extracurricular activities? . . . . .	<b>33h</b>	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement ) ----- -----		
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	<b>34a</b>	
<b>b</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	<b>34b</b>	
<b>35</b> 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 . . . . .	<b>35</b>	

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

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

Table with 3 columns: Line number, Description, (a) Affiliated group totals, (b) To be completed for ALL electing organizations. Rows 36-44 include lobbying expenditures, exempt purpose expenditures, and nontaxable amounts.

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

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2004, (b) 2003, (c) 2002, (d) 2001, (e) Total. Rows 45-50 include lobbying nontaxable amount, lobbying ceiling amount, total lobbying expenditures, grassroots nontaxable amount, grassroots ceiling amount, and 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 11 of the instructions.)

Table with 3 columns: Description, Yes, No, Amount. Rows include: a Volunteers, b Paid staff or management, c Media advertisements, d Mailings to members, e Publications, f Grants to other organizations, g Direct contact with legislators, h Rallies, demonstrations, i Total lobbying expenditures.

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



**Institute for Functional Medicine**  
**EIN 91-2107518**  
**Form 990, Part IV, Lines 57a and 57b**

**COST**

	<b>Balance</b>			<b>Balance</b>
	<b>12/31/2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/2004</b>
Furniture and Equipment	27,277	275	261	27,291
Website Development Cost	43,630			43,630
Equipent under Capital Leases	21,575	14,518		36,093
Computers	15,654			15,654
	<b>108,136</b>	<b>14,793</b>	<b>261</b>	<b>122,668</b>

**ACCUMULATED DEPRECIATION**

	<b>Balance</b>			<b>Balance</b>
	<b>12/31/2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/2004</b>
Furniture and Equipment	9,625	5,251		14,876
Website Development Cost	4,848	14,543		19,391
Equipent under Capital Leases	8,359	7,243		15,602
Computers	14,350	1,562		15,912
	<b>37,182</b>	<b>28,599</b>	<b>0</b>	<b>65,781</b>

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	1,833.
TOTAL	1,833.

FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
SPEAKER FEES	90,794.	90,794.		
ADVERTISING	6,964.	6,328.	517.	119.
GRAPHICS	67,751.	61,128.	1,105.	5,518.
FOOD AND BEVERAGE	62,207.	62,207.		
AUDIO VISUAL	13,534.	13,534.		
FREIGHT	6,809.	5,944.	865.	
DIRECT MAIL	6,354.	6,230.	118.	6.
EXHIBIT EXPENSE	13,364.	9,292.	3,872.	200.
OTHER PROFESSIONAL SERVICES	81,217.	56,669.	20,491.	4,057.
BAD DEBT	7,227.	5,025.	2,094.	108.
TAX AND LICENSES	3,045.	2,118.	882.	45.
BANK FEES	39,315.	27,338.	11,390.	587.
INSURANCE	6,960.	4,840.	2,016.	104.
MISCELLANEOUS EXPENSE	34,531.	30,319.	4,006.	206.
TOTALS	440,072.	381,766.	47,356.	10,950.

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 - PROGRAM SERVICE ACCOMPLISHMENTS (A THROUGH D)

=====

ITEM	DESCRIPTION	EXPENSES
----	-----	-----
A	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.	261,912.
B	PRODUCE FUNCTIONAL MEDICINE UPDATE, A MONTHLY AUDIOTAPE SERIES BRINGING ANALYSIS OF EMERGING SCIENTIFIC INFORMATION TO PRACTITIONERS IN THE FIELD.	154,291.
C	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.	361,222.
D	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.	167,776.
TOTAL		----- 945,201. =====

FORM 990, PART III - OTHER PROGRAM SERVICES (LINE E)

=====

DESCRIPTION

-----

MEMBERSHIPS

GRANTS AND  
ALLOCATIONS

-----

EXPENSES

-----

52,248.

-----

52,248.

=====

TOTALS

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SYMPOSIUM EXPENSES	NONE	6,351.
EDUCATIONAL PROGRAM EXPENSES	750.	1,778.
	-----	-----
TOTALS	750.	8,129.
	=====	=====

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
MUTUAL FUNDS	34,431.	40,851.
	-----	-----
TOTALS	34,431.	40,851.
	=====	=====

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
-----	-----	-----
DEPOSITS	18,545.	17,474.
TOTALS	----- 18,545.	----- 17,474.
	=====	=====

FORM 990, PART IV - DEFERRED REVENUE

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SUBSCRIPTIONS	140,210.	144,539.
EDUCATIONAL PROGRAMS	25,280.	71,882.
IFM MEMBERSHIPS	86,456.	99,040.
SYMPOSIUM EXHIBITORS	45,500.	60,250.
SYMPOSIUM ATTENDEES	NONE	565.
NEUROLOGY MODULE	NONE	16,155.
	-----	-----
TOTALS	297,446.	392,431.
	=====	=====

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
CAPITAL LEASE	14,880.	21,587.
TOTALS	14,880.	21,587.

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

DESCRIPTION	AMOUNT
-----	-----
COST OF BOOKS AND PUBLICATIONS SOLD	151,440.
TOTAL	----- 151,440. =====



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

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DESCRIPTION	AMOUNT
-----	-----
COST OF BOOKS AND PUBLICATIONS SOLD	151,440.
	-----
TOTAL	151,440.
	-----
	=====

## 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 P.O. BOX 1697 GIG HARBOR, WA 98335	PRESIDENT 40 HRS/WK	120,000.	10,430.	NONE
JEFFREY BLAND, PHD P.O. BOX 1697 GIG HARBOR, WA 98335	CHAIRMAN OF BOARD <5 HRS/WK	NONE	NONE	NONE
SUSAN BLAND P.O. BOX 1697 GIG HARBOR, WA 98335	SECRETARY/TREASURER <5 HRS/WK	NONE	NONE	NONE
JOSEPH PIZZORNO P.O. BOX 1697 GIG HARBOR, WA 98335	VICE-CHAIRMAN <5 HRS/WK	NONE	NONE	NONE
LAURIE HOFMANN P.O. BOX 1697 GIG HARBOR, WA 98335	BOARD MEMBER <5 HRS/WK	NONE	NONE	NONE
MARK HYMAN, MD P.O. BOX 1697 GIG HARBOR, WA 98335	BOARD MEMBER <5 HRS/WK	NONE	NONE	NONE
ROBERT MACLELLAN P.O. BOX 1697 GIG HARBOR, WA 98335	BOARD MEMBER <5 HRS/WK	NONE	NONE	NONE
BETHANY HAYS, MD P.O. BOX 1697 GIG HARBOR, WA 98335	BOARD MEMBER <5 HRS/WK	NONE	NONE	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

=====

SEE PART V OF THE FORM 990, STATEMENT 13.

THE ORGANIZATION ENTERED INTO TRANSACTIONS WITH TWO BOARD MEMBERS FOR CONSULTING SERVICES. ONE BOARD MEMBER PROVIDED CONSULTING SERVICES RELATED TO MARKETING AND FUNDRAISING AND WAS PAID \$37,600. THE OTHER BOARD MEMBER PROVIDED CONSULTING SERVICES RELATED TO ONE OF THE ORGANIZATION'S MONTHLY PROGRAMS, FUNCTIONAL MEDICINE UPDATE, AND WAS PAID \$30,000. THE PAYMENT TO BOTH OF THESE BOARD MEMBERS FOR THEIR SERVICES WAS AT FAIR MARKET VALUE AND WAS APPROVED BY THE BOARD.

SCHEDULE A, PART IV-A - OTHER INCOME

=====

DESCRIPTION -----	2003 -----	2002 -----	2001 -----	2000 -----	TOTAL -----
OTHER INCOME	610.	625.			1,235.
TOTALS	610.	625.			1,235.
	=====	=====	=====	=====	=====

## 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)**

**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.*

**Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile).

<b>Type or print</b>  <small>File by the due date for filing your return. See instructions.</small>	Name of Exempt Organization <b>INSTITUTE FOR FUNCTIONAL MEDICINE</b>	Employer identification number <b>91-2107518</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>4411 PT. FOSDICK DR. 305</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>GIG HARBOR, WA 98335</b>	

**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 ▶ **TERRY O'SULLIVAN**

Telephone No. ▶ 253 853-9297 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 **Form 990-T corporation**) extension of time until 09/15, 2005, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶  calendar year 2004 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 \$ \_\_\_\_\_

**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.