

**Return of Organization Exempt from Income Tax**

**2002**

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

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 2002 calendar year, or tax year beginning** , 2002, and ending

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

Please use IRS label or print or type See specific instructions

**INTERNAT'L SOC OF ARTHROSCOPY, KNEE SURG**  
**145 TOWN & COUNTRY DRIVE #106**  
**DANVILLE, CA 94526-3963**

**D Employer Identification Number**  
23-7379132

**E Telephone number**

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

**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

**I** Enter 4 digit GEN \_\_\_\_\_

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

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

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

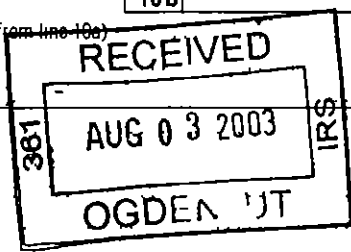
**L** Gross receipts Add lines 6b, 8b, 9b and 10b to line 12 **769,062**

**G Web site** **N/A**

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

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

<b>1</b>	Contributions, gifts, grants, and similar amounts received			
<b>a</b>	Direct public support	<b>1a</b>	56,540	
<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 \$ 56,540 noncash \$ _____)	<b>1d</b>	56,540	
<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>	447,644	
<b>3</b>	Membership dues and assessments	<b>3</b>	247,485.	
<b>4</b>	Interest on savings and temporary cash investments	<b>4</b>	17,393	
<b>5</b>	Dividends and interest from securities	<b>5</b>		
<b>6a</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>8a</b>	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
<b>b</b>	Less cost or other basis and sales expenses	<b>8a</b>		
<b>c</b>	Gain or (loss) (attach schedule)	<b>8b</b>		
<b>d</b>	Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8c</b>		
<b>8d</b>		<b>8d</b>		
<b>9</b>	Special events and activities (attach schedule)			
<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>10a</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</b>		
<b>12</b>	<b>Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>	769,062	
<b>13</b>	Program services (from line 44, column (B))	<b>13</b>	374,870	
<b>14</b>	Management and general (from line 44, column (C))	<b>14</b>	111,358	
<b>15</b>	Fundraising (from line 44, column (D))	<b>15</b>	204,492	
<b>16</b>	Payments to affiliates (attach schedule)	<b>16</b>		
<b>17</b>	<b>Total expenses</b> (add lines 16 and 44, column (A))	<b>17</b>	690,720	
<b>18</b>	Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>	78,342	
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>	935,222	
<b>20</b>	Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 1</b>	<b>20</b>	-32,586	
<b>21</b>	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>	980,978	



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**Part II Statement of Functional Expenses** All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non cash \$ _____)	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25				
26 Other salaries and wages	26				
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29				
30 Professional fundraising fees	30	204,492			204,492
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	5,791	2,896	2,895	
34 Telephone	34	6,750	3,375	3,375	
35 Postage and shipping	35	7,876	3,938	3,938	
36 Occupancy	36	15,588		15,588	
37 Equipment rental and maintenance	37				
38 Printing and publications	38	99,037	94,879	4,158	
39 Travel	39				
40 Conferences, conventions, and meetings	40	211,465	208,861	2,604	
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42				
43 Other expenses not covered above (itemize)					
a SEE STATEMENT 2	43a	139,721	60,921	78,800	
b -----	43b				
c -----	43c				
d -----	43d				
e -----	43e				
44 Total functional expenses (add lines 22-43) Organizations completing columns (B) (D), carry these totals to lines 13-15	44	690,720	374,870	111,358	204,492

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

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? <input type="checkbox"/> INFO-FIELD OF ARTHROSCOPY	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts but optional for others)
a <u>BI-ENNIAL CONFERENCE-THE SOCIETY SPONSORS AN EDUCATIONAL MEDICAL CONFERENCE TO DISSEMINATE THE DEVELOPMENT OF PROCEDURES RELATING TO ARTHROSCOPY</u> (Grants and allocations \$ _____)	279,991
b <u>PUBLICATION OF MEDICAL JOURNAL - JOURNAL OF ARTHROSCOPY AND RELATED SURGERY TO FURTHER RESEARCH, STUDY AND THE DISSEMINATION OF ADVANCES IN ARTHROSCOPY</u> (Grants and allocations \$ _____)	94,879
c ----- (Grants and allocations \$ _____)	
d ----- (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f <b>Total of Program Service Expenses</b> (should equal line 44, column (B), program services)	374,870

**Part IV Balance Sheets** (See Instructions)

Note		(A)		(B)
Where required, attached schedules and amounts within the description column should be for end of year amounts only		Beginning of year		End of year
ASSETS	45 Cash – non interest bearing		45	
	46 Savings and temporary cash investments	219,637	46	451,388
	47a Accounts receivable		47a	
	b Less allowance for doubtful accounts		47b	47c
	48a Pledges receivable		48a	
	b Less allowance for doubtful accounts		48b	48c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)		51a	
	b Less allowance for doubtful accounts		51b	51c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule) SEE ST 3 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	695,585	54	509,590
	55a Investments – land, buildings, & equipment basis		55a	
	b Less accumulated depreciation (attach schedule)		55b	55c
	56 Investments – other (attach schedule) SEE STMT 4	20,000	56	20,000
	57a Land, buildings, and equipment basis		57a	
	b Less accumulated depreciation (attach schedule)		57b	57c
	58 Other assets (describe <input type="checkbox"/> )		58	
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)	935,222	59	980,978	
LIABILITIES	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	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"/> )		65	
66 <b>Total liabilities</b> (add lines 60 through 65)	0	66	0	
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	927,260	67	972,842
	68 Temporarily restricted	7,962	68	8,136
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 <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)	935,222	73	980,978	
74 <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)	935,222	74	980,978	

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.

BAA

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See instructions)

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

<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	769,062
<b>b</b>	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line a minus line b	<b>c</b>	769,062
<b>d</b>	Amounts included on line 12, Form 990 but not on line a.		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d)	<b>e</b>	769,062

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	723,306
<b>b</b>	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		32,586
(4)	Other (specify)		
	----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>	32,586
<b>c</b>	Line a minus line b	<b>c</b>	690,720
<b>d</b>	Amounts included on line 17, Form 990 but not on line a.		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line c plus line d)	<b>e</b>	690,720

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see 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 and deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 5		0	0	0
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75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
 If 'Yes' attach schedule - see instructions

**Part VI Other Information** (See instructions)

		Yes	No
<b>76</b>	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
<b>77</b>	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
<b>78a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
<b>78b</b>	If 'Yes,' has it filed a tax return on <b>Form 990-T</b> for this year?	N/A	
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
<b>80a</b>	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	X	
<b>81a</b>	If 'Yes,' enter the name of the organization <b>AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS</b> and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81a</b>	Enter direct or indirect political expenditures See line 81 instructions	81 a	0
<b>81b</b>	Did the organization file <b>Form 1120-POL</b> for this year?		X
<b>82a</b>	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>82b</b>	If 'Yes,' you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82 b	N/A
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
<b>83b</b>	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?		X
<b>84b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
<b>85a</b>	<b>501(c)(4), (5), or (6) organizations</b> a Were substantially all dues nondeductible by members?		N/A
<b>85b</b>	b Did the organization make only in house lobbying expenditures of \$2,000 or less?		N/A
	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		
<b>85c</b>	c Dues, assessments, and similar amounts from members	85 c	N/A
<b>85d</b>	d Section 162(e) lobbying and political expenditures	85 d	N/A
<b>85e</b>	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
<b>85f</b>	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
<b>85g</b>	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A
<b>85h</b>	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85 h	N/A
<b>86a</b>	<b>501(c)(7) organizations</b> Enter a Initiation fees and capital contributions included on line 12	86 a	N/A
<b>86b</b>	b Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
<b>87a</b>	<b>501(c)(12) organizations</b> Enter a Gross income from members or shareholders	87 a	N/A
<b>87b</b>	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87 b	N/A
<b>88</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
<b>89a</b>	<b>501(c)(3) organizations</b> Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>		
<b>89b</b>	<b>501(c)(3) and 501(c)(4) organizations</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89 b	X
	c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
	d Enter Amount of tax on line 89c, above, reimbursed by the organization		0
<b>90a</b>	List the states with which a copy of this return is filed <b>NONE</b>		
<b>90b</b>	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90 b	0
<b>91</b>	The books are in care of <b>MICHELE JOHNSON</b> Telephone number <b>(925) 314-7920</b> Located at <b>DANVILLE, CA</b> ZIP + 4 <b>94526-3963</b>		
<b>92</b>	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax exempt interest received or accrued during the tax year	92	N/A

**Part VII Analysis of Income-Producing Activities** (See 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 BIENNIAL MEETING			7	447,644	
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					247,485
95 Interest on savings & temporary cash invmnts			14	17,393	
96 Dividends & 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 pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				465,037	247,485
105 Total (add line 104, columns (B), (D), and (E))					712,522

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 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)
▼	SEE STATEMENT 6

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

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No
  - b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No
- Note If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, 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.

Date 7/22/03

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

Department of the Treasury  
Internal Revenue Service

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

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

Supplementary Information — (See separate instructions.)

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

OMB No 1545 0047

**2002**

Name of the organization

INTERNAT'L SOC OF ARTHROSCOPY, KNEE SURG

Employer identification number

23-7379132

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See 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 and deferred compensation	(e) Expense account and other allowances
NONE				
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Total number of other employees paid over \$50,000 ▶	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See 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		
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-----		
Total number of others receiving over \$50,000 for professional services ▶	0	

**Part III Statements About Activities** (See instructions) Yes No

<p><b>1</b> 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 <span style="float: right;">▶ \$ <u>N/A</u></span>  <b>(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI B)</b>                  Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI A. Other organizations checking 'Yes,' must complete Part VI B AND attach a statement giving a detailed description of the lobbying activities</p>	<b>1</b>		<b>X</b>
<p><b>2</b> 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? <i>(If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)</i></p>			
<p><b>a</b> Sale, exchange, or leasing of property?</p>	<b>2a</b>		<b>X</b>
<p><b>b</b> Lending of money or other extension of credit?</p>	<b>2b</b>		<b>X</b>
<p><b>c</b> Furnishing of goods, services, or facilities?</p>	<b>2c</b>		<b>X</b>
<p><b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	<b>2d</b>		<b>X</b>
<p><b>e</b> Transfer of any part of its income or assets?</p>	<b>2e</b>		<b>X</b>
<p><b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc? (See <b>Note</b> below)</p>	<b>3</b>		<b>X</b>
<p><b>4</b> Do you have a section 403(b) annuity plan for your employees?</p>	<b>4</b>		<b>X</b>
<p><b>Note</b> Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs 'qualify' to receive payments</p>			

**Part IV Reason for Non-Private Foundation Status** (See 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 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 instructions)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting*

**Note** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	12,750	8,614			21,364
<b>16</b> Membership fees received	282,880	238,268	171,630	164,491	857,269
<b>17</b> 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	1,287,557	127,500	814,678		2,229,735
<b>18</b> 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	53,738	41,876	65,748	42,695	204,057
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> 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.					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
<b>23</b> Total of lines 15 through 22	1,636,925	416,258	1,052,056	207,186	3,312,425
<b>24</b> Line 23 minus line 17	349,368	288,758	237,378	207,186	1,082,690
<b>25</b> Enter 1% of line 23	16,369	4,163	10,521	2,072	
<b>26 Organizations described on lines 10 or 11</b>	<p><b>a</b> Enter 2% of amount in column (e), line 24 <b>N/A</b></p> <p><b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.</p> <p><b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e)</p> <p><b>d</b> Add: Amounts from column (e) for lines <b>18</b> _____ <b>19</b> _____  <b>22</b> _____ <b>26b</b> _____</p> <p><b>e</b> Public support (line 26c minus line 26d total)</p> <p><b>f</b> <b>Public support percentage (line 26e (numerator) divided by line 26c (denominator))</b></p>				<p><b>26a</b> _____</p> <p><b>26b</b> _____</p> <p><b>26c</b> _____</p> <p><b>26d</b> _____</p> <p><b>26e</b> _____</p> <p><b>26f</b> _____ %</p>
<b>27 Organizations described on line 12</b>	<p><b>a</b> For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year:                  (2001) _____ 0 (2000) _____ 0 (1999) _____ 0 (1998) _____ 0</p> <p><b>b</b> For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:                  (2001) _____ 0 (2000) _____ 0 (1999) _____ 0 (1998) _____ 0</p> <p><b>c</b> Add: Amounts from column (e) for lines <b>15</b> _____ <b>16</b> _____ <b>17</b> _____ <b>20</b> _____ <b>21</b> _____</p> <p><b>d</b> Add: Line 27a total _____ 0 and line 27b total _____ 0</p> <p><b>e</b> Public support (line 27c total minus line 27d total)</p> <p><b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e)</p> <p><b>g</b> <b>Public support percentage (line 27e (numerator) divided by line 27f (denominator))</b></p> <p><b>h</b> <b>Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</b></p>				<p><b>27c</b> 3,108,368</p> <p><b>27d</b> 0</p> <p><b>27e</b> 3,108,368</p> <p><b>27f</b> 3,312,425</p> <p><b>27g</b> 93.84 %</p> <p><b>27h</b> 6.16 %</p>

**28 Unusual Grants** For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

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

		N/A	
		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement ) ----- ----- -----		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement ) ----- -----		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement ) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions)  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check  **a** if the organization belongs to an affiliated group Check  **b** if you checked 'a' and 'limited control' provisions apply

<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term 'expenditures' means amounts paid or incurred)			
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>	
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>	
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>	
<b>39</b>	Other exempt purpose expenditures	<b>39</b>	
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>	
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table –		
	<b>If the amount on line 40 is –</b>		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000	<b>41</b>	
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	<b>The lobbying nontaxable amount is –</b>		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>	
<b>43</b>	Subtract line 42 from line 36 Enter 0 if line 42 is more than line 36	<b>43</b>	
<b>44</b>	Subtract line 41 from line 38 Enter 0 if line 41 is more than line 38	<b>44</b>	
<b>Caution:</b> 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)

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

N/A

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

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



# 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)

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

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

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

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

Type or print File by the due date for filing your return See instructions	Name of Exempt Organization <b>INTERNAT'L SOC OF ARTHROSCOPY, KNEE SURG</b>	Employer identification number <b>23-7379132</b>
	Number street and room or suite number If a P O box see instructions <b>145 TOWN &amp; COUNTRY DRIVE #106</b>	
	City town or post office For a foreign address see instructions <b>DANVILLE, CA 94526-3963</b>	state ZIP code

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

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

1 I request an automatic 3 month (6 month, for **990-T corporation**) extension of time until 8/15, 20 03, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- ▶  calendar year 20 02 or
- ▶  tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_

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. \$ \_\_\_\_\_ 0

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. \$ \_\_\_\_\_ 0

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. \$ \_\_\_\_\_ 0

### Signature and Verification

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, and that I am authorized to prepare this form.

Signature ▶ David H. Deel Title ▶ CPA Date ▶ 5/14/03

BAA For Paperwork Reduction Act Notice, see instructions

Form **8868** (12-2000)

INTERNAL REVENUE SERVICE  
RECEIVED  
MAY 15 2003  
MORTON GROVE, IL

## INTERNAT'L SOC OF ARTHROSCOPY, KNEE SURG

23-7379132

STATEMENT 1  
FORM 990, PART I, LINE 20  
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

MARKET FLUCUATIONS		\$	-32,586
	TOTAL	\$	<u>-32,586</u>

STATEMENT 2  
FORM 990, PART II, LINE 43  
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADMINISTRATIVE SERV	91,125	45,562	45,563	
COMMITTEES	15,359	15,359		
CONSULTANTS	6,188		6,188.	
INSURANCE	3,350.		3,350	
MARKETING	1,842		1,842	
MISC & BANK CHARGES	8,664		8,664	
OUTSIDE SERVICES	2,204		2,204	
PROFESSIONAL FEES	3,567		3,567	
PROFESSIONAL FEES-WEB SITE	7,422		7,422	
TOTAL	<u>\$ 139,721</u>	<u>\$ 60,921</u>	<u>\$ 78,800.</u>	<u>\$ 0</u>

STATEMENT 3  
FORM 990, PART IV, LINE 54  
INVESTMENTS - SECURITIES

FIDELITY GOV'T SECURITIES FUND	MARKET VALUE	\$	0
ONE GROUP (FORMERLY PEGASUS) INTERM BDFD	MARKET VALUE		0
VANGUARD INDEX TRUST	MARKET VALUE		0.

OTHER SECURITIES	VALUATION METHOD	AMOUNT
MERRILL LYNCH MUTUAL FUNDS	MARKET VALUE	75,771
MERRILL LYNCH EQUITIES	MARKET VALUE	180,937
	TOTAL	\$ 256,708.

U.S. GOVERNMENT OBLIGATIONS	VALUATION METHOD	AMOUNT
MERRILL LYNCH GOVERNMENT SECURITIES	MARKET VALUE	252,882.
	TOTAL	\$ 252,882

TOTAL INVESTMENTS - SECURITIES \$ 509,590

INTERNAT'L SOC OF ARTHROSCOPY, KNEE SURG

23-7379132

STATEMENT 4  
FORM 990, PART IV, LINE 56  
INVESTMENTS - OTHER

DESCRIPTION OF INVESTMENT	VALUATION METHOD	BOOK VALUE
OREF ENDOWMENT FUND	MARKET VALUE	\$ 20,000
	TOTAL	\$ 20,000

STATEMENT 5  
FORM 990, PART V  
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
ROLAND P JAKOB, MD	PAST PRESIDENT NONE	\$ 0	\$ 0	\$ 0
BARRY R TIETJENS	PRESIDENT NONE	0.	0	0
PER RENSTROM, MD, PHD	1ST VICE PRESID NONE	0.	0	0
KAI-MING CHAN, MD	TREASURER NONE	0	0	0
DON H JOHNSON, M D	SECRETARY NONE	0	0	0
JOHN A BERGFELD, M D	2ND VICE PRESID NONE	0	0	0
FREDDIE H FU, M D	VICE TREASURER NONE	0	0	0
	TOTAL	\$ 0	\$ 0	\$ 0

INTERNAT'L SOC OF ARTHROSCOPY, KNEE SURG

23-7379132

STATEMENT 6  
FORM 990, PART VIII  
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

<u>LINE #</u>	<u>EXPLANATION OF ACTIVITIES</u>
94	MEMBERSHIP DUES FUND THE SOCIETY'S ROUTINE OPERATIONS AND PUBLICATION OF A PERIODIC NEWSLETTER TO COMMUNICATE AND DISSEMINATE THE EXPANDING FIELD OF KNOWLEDGE RELATIVE TO ARTHROSCOPY AND FURTHER THE DEVELOPMENT OF RESEARCH AND STUDY OF ARTHROSCOPY AS WELL AS PROVIDE A FORUM FOR THE PRESENTATION AND DISCUSSION OF RELATED ISSUES

INTERNAT'L SOC OF ARTHROSCOPY, KNEE SURG

23-7379132

NAME OF ORGANIZATION  
-----

THE TECHNICALLY CORRECT NAME OF THE REPORTING ORGANIZATION IS  
"INTERNATIONAL SOCIETY OF ARTHROSCOPY, KNEE SURGERY AND ORTHOPAEDIC  
SPORTS MEDICINE" THE LIMITS OF COMPUTER TECHNOLOGY AND REPORTING  
COSTS RESULT IN CUTTING THE PROPER NAME SHORT ON EACH PAGE OF THE  
RETURN

## SCHEDULE A, PART 1 -----

NO COMPENSATION, CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS OR EXPENSE  
ACCOUNTS OR OTHER ALLOWANCES WERE MADE TO OR ON BEHALF OF THE OFFICERS  
AND DIRECTORS OF THE ORGANIZATION