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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

2012

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2012 or tax year beginning

, and ending

Name of foundation.

ILLINOIS BONE AND JOINT FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

900 RAND ROAD

Room/suite

300

City or town, state, and ZIP code

DES PLAINES**IL 60016**

G Check all that apply

Initial return

Initial return of a former public charity

Final return

Amended return

Address change

Name change

H Check type of organization

Section 501(c)(3) exempt private foundation

 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationI Fair market value of all assets at
end of year (from Part II, col. (c),
line 16) ► **\$ 433,085**

J Accounting method

Cash

Accrual

 Other (specify)

A Employer identification number

36-4335187

B Telephone number (see instructions)

847-375-3000C If exemption application is pending, check here ► D 1. Foreign organizations, check here ► 2 Foreign organizations meeting the
85% test, check here and attach computation ► E If private foundation status was terminated under
section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ► **Part I Analysis of Revenue and Expenses** (The total of
amounts in columns (b), (c), and (d) may not necessarily equal
the amounts in column (a) (see instructions))(a) Revenue and
expenses per
books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable
purposes
(cash basis only)

Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	572,508		
	2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B			
	3 Interest on savings and temporary cash investments	3	3	
	4 Dividends and interest from securities			
	5a Gross rents			
	b Net rental income or (loss)			
	6a Net gain or (loss) from sale of assets not on line 10			
	b Gross sales price for all assets on line 6a			
	7 Capital gain net income (from Part IV, line 2)		0	
	8 Net short-term capital gain		0	
	9 Income modifications			
	10a Gross sales less returns and allowances			
	b Less Cost of goods Sold			
	c Gross profit or (loss) (attach schedule)			
	11 Other income (attach schedule)			
	12 Total. Add lines 1 through 11	572,511	3	0
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc		0	
	14 Other employee salaries and wages			
	15 Pension plans, employee benefits			
	16a Legal fees (attach schedule)			
	b Accounting fees (attach schedule)			
	c Other professional fees (attach schedule)			
	17 Interest			
	18 Taxes (attach schedule) (see instructions)	STMT 1	17,207	17,192
	19 Depreciation (attach schedule) and depletion	STMT 2	6,693	
	20 Occupancy			
	21 Travel, conferences, and meetings			
	22 Printing and publications			
	23 Other expenses (att sch)	STMT 3	270,934	256,925
	24 Total operating and administrative expenses.			
	Add lines 13 through 23	294,834	0	0
	25 Contributions, gifts, grants paid	11,000		11,000
	26 Total expenses and disbursements. Add lines 24 and 25	305,834	0	285,117
	27 Subtract line 26 from line 12			
	a Excess of revenue over expenses and disbursements	266,677		
	b Net investment income (if negative, enter -0-)		3	
	c Adjusted net income (if negative, enter -0-)			0

For Paperwork Reduction Act Notice, see instructions.

Assets	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
1	Cash – non-interest-bearing		434,552	420,745	420,745
2	Savings and temporary cash investments				
3	Accounts receivable ►				
	Less allowance for doubtful accounts ►				
4	Pledges receivable ►				
	Less allowance for doubtful accounts ►				
5	Grants receivable				
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
7	Other notes and loans receivable (att schedule) ►				
	Less allowance for doubtful accounts ►				
8	Inventories for sale or use		0		
9	Prepaid expenses and deferred charges				
10a	Investments – U S. and state government obligations (attach schedule)				
b	Investments – corporate stock (attach schedule)				
c	Investments – corporate bonds (attach schedule)				
11	Investments – land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch) ►				
12	Investments – mortgage loans				
13	Investments – other (attach schedule)				
14	Land, buildings, and equipment basis ►	124,724	112,384	19,033	12,340
	Less accumulated depreciation (attach sch) ►				
15	Other assets (describe ►))		
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item 1)			453,585	433,085
					433,085
Liabilities	17	Accounts payable and accrued expenses		7,593	2,176
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
Net Assets or Fund Balances	22	Other liabilities (describe ►)	SEE STATEMENT 5	324,630	42,870
	23	Total liabilities (add lines 17 through 22))	332,223	45,046
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			► <input checked="" type="checkbox"/>	
	24	Unrestricted		121,362	388,039
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			► <input type="checkbox"/>	
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see instructions)		121,362	388,039
	31	Total liabilities and net assets/fund balances (see instructions)		453,585	433,085

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	121,362
2	Enter amount from Part I, line 27a	2	266,677
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	388,039
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	388,039

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a N/A				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8			3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	625,065	438,216	1.426386
2010	589,163	420,349	1.401604
2009	895,002	246,250	3.634526
2008	639,769	246,250	2.598047
2007	868,053	246,250	3.525088

2 Total of line 1, column (d)

2 12.585651

3 Average distribution ratio for the 5-year base period – divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3 2.517130

4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5

4 421,234

5 Multiply line 4 by line 3

5 1,060,301

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7 1,060,301

8 Enter qualifying distributions from Part XII, line 4

8 285,117

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

Part VI | Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter (attach copy of letter if necessary—see instructions)	1	
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b	2	0
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)	3	
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
3	Add lines 1 and 2	5	0
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ►	Refunded	11

Part VII-A | Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	Yes	No
1a		X	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	Yes	No
1b		X	
c	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c	Did the foundation file Form 1120-POL for this year?		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year		
(1)	On the foundation ► \$ _____	(2)	On foundation managers ► \$ _____
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	Yes	No
2	If "Yes," attach a detailed description of the activities		
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?		
	If "Yes," attach the statement required by General Instruction T		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either		
	• By language in the governing instrument, or		
	• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV		
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
II			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		
8b		X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		
9		X	
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		

STMT 6

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Part VII-A | Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		<input checked="" type="checkbox"/>
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		<input checked="" type="checkbox"/>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► NONE	13	<input checked="" type="checkbox"/>	
14	The books are in care of ► PROFESSIONAL BUSINESS CONSULTANTS 903 COMMERCE DRIVE	Telephone no ► 630-571-6770		
	Located at ► OAK BROOK	IL	ZIP+4 ► 60523	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year		► 15	<input type="checkbox"/>
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ►	16	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part VII-B | Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		
		Yes No
1a	During the year did the foundation (either directly or indirectly)	
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	N/A
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))	
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ► 20 20 20 20	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions)	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 20 20 20	2b
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012)	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4a
		4b

Part VII-B | Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	<input type="checkbox"/>	5b
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53 4945–5(d)	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870		6b	X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A		7b

Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (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, other allowances
SEE STATEMENT 7				

2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If 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, other allowances
NONE				

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

 0

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		►

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

Expenses

1 RESEARCH ISSUES RELATING TO ORTHOPAEDIC MEDICINE AND PUBLISH OR RELEASE SUCH RESEARCH AT CONFERENCES OR IN WHITE PAPERS

274,117**2****3****4****Part IX-B** **Summary of Program-Related Investments (see instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 N/A**2**

All other program-related investments. See instructions

3**Total. Add lines 1 through 3**

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Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	0
b	Average of monthly cash balances	1b	427,649
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	427,649
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	427,649
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	6,415
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	421,234
6	Minimum investment return. Enter 5% of line 5	6	21,062

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► and do not complete this part)

1	Minimum investment return from Part X, line 6	1	
2a	Tax on investment income for 2012 from Part VI, line 5	2a	
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	285,117
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the	3a	
a	Suitability test (prior IRS approval required)	3b	
b	Cash distribution test (attach the required schedule)	4	285,117
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	0
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	6	285,117
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years: 20_____, 20_____, 20_____				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ <u>285,117</u>				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus	<u>285,117</u>			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	<u>285,117</u>			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling				►	N/A	
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)		
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed						
b	85% of line 2a						
c	Qualifying distributions from Part XII, line 4 for each year listed						
d	Amounts included in line 2c not used directly for active conduct of exempt activities						
e	Qualifying distributions made directly for active conduct of exempt activities						
	Subtract line 2d from line 2c						
3	Complete 3a, b, or c for the alternative test relied upon						
a	"Assets" alternative test – enter						
(1)	Value of all assets						
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)						
b	"Endowment" alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed						
c	"Support" alternative test – enter						
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				N/A		
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)				N/A		
(3)	Largest amount of support from an exempt organization				N/A		
(4)	Gross investment income				N/A		

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year – see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed
N/A

b The form in which applications should be submitted and information and materials they should include
N/A

c Any submission deadlines:
N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
N/A

Part XVII Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
ORTHO RESEARCH & EDUCATION FOUNDATION 6300 NORTH RIVER ROAD ROSEMONT IL 60018-4261	FOUNDATN		CHARITY	8,000
AMERICAN FOUNDATION SURGERY OF HAND 822 W. WASHINGTON BLVD CHICAGO IL 60607	OF HAND		CHARITY	3,000
Total			► 3a	11,000
b Approved for future payment				
N/A				
Total			► 3b	

Part XVI-À | Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Act

Part XVI-B Relationship of Activities to

Part XVI-B | Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
3	

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

Name of the organization

Employer identification number

ILLINOIS BONE AND JOINT FOUNDATION

36-4335187

Organization type (check one)

Filers of: _____ **Section:** _____

Form 990 or 990-EZ

- 501(c)() (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 $\frac{1}{3}$ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1
Complete Parts I and II
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc , purposes, but these contributions did not total to more than \$1,000 If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of \$5,000 or more during the year

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

ILLINOIS BONE AND JOINT FOUNDATION

Employer identification number

36-4335187**Part I** **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	BIOMIMETIC THERAPEUTICS 389-A NICHOL MILL LANE FRANKLIN TN 37067	\$ 14,217	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	DEPUY PRODUCTS, INC. 700 ORTHOPAEDIC DRIVE WARSAW IN 46581	\$ 157,950	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3	INNOMED, INC. 103 ESTUS DRIVE SAVANNAH GA 31404	\$ 17,820	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4	GLENVIEW TERRACE NURSING CENTER 1511 GREENWOOD ROAD GLENVIEW IL 60026	\$ 12,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
5	WHITEHALL NORTH LLC 300 WAUKEGAN ROAD DEERFIELD IL 60015	\$ 14,400	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
6	FDN FOR EDUC & MUSCULSKELETAL RESEAR 8930 WAUKEGAN ROAD, SUITE 300 MORTON GROVE IL 60053	\$ 5,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

ILLINOIS BONE AND JOINT FOUNDATION

Employer identification number

36-4335187

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	WILKINS FROHLICH, P.A. 18501 MURDOCK CIRCLE, 6TH FLOOR PORT CHARLOTTE FL 33948	\$ 5,500	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8	ILLINOIS BONE & JOINT INSTITUTE 8930 WAUKEGAN ROAD MORTON GROVE IL 60053	\$ 290,752	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ILLINOIS CHARITY BUREAU	\$ 15	\$ 15	\$ 15	\$ 17,192
PAYROLL TAXES	\$ 17,192	\$ 17,192	\$ 17,192	\$ 17,192
TOTAL	\$ 17,207	\$ 0	\$ 0	\$ 17,192

Statement 2 - Form 990-PF, Part I, Line 19 - Depreciation

Description	Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
COMPUTER-WMG	8/02/00	\$ 7,221	\$ 7,221	200DB	5	\$ 5	\$ 5	\$ 5
COMPUTER-JLV	4/05/00	4,081	4,081	200DB	5	5	5	5
CAMERA	2/14/01	1,313	1,313	200DB	5	5	5	5
PHOTO & RESEARCH EQUIPMENT	1/11/01	901	901	200DB	5	5	5	5
RESEARCH COMPUTER	10/24/01	3,012	3,012	200DB	5	5	5	5
RESEARCH LAPTOP	12/31/01	1,157	1,157	200DB	5	5	5	5
OPERATING ROOM CAMERA	12/31/01	204	204	200DB	5	5	5	5
COMPUTER	2/14/01	4,199	4,199	200DB	5	5	5	5
VIDAR SCANNER	3/01/02	13,245	13,245	S/L	7	7	7	7
COMPUTER & EQUIPMENT	9/05/03	8,351	8,351	S/L	5	5	5	5
COMPUTER	5/05/03	1,317	1,317	S/L	5	5	5	5
COMPUTER	1/15/03	2,403	2,403	S/L	5	5	5	5
NOTEBOOK COMPUTERS	1/15/04	10,401	10,401	S/L	5	5	5	5

Federal Statements**Statement 2 - Form 990-PF, Part I, Line 19 - Depreciation (continued)**

Description		Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Date Acquired	Cost Basis						\$
DELL COMPUTERS 3/25/04	\$ 4,249	\$ 4,249	S/L		5	\$	
SONY LAPTOP 3/02/04	2,189	2,189	S/L		5		
RESEARCH COMPUTER 5/20/04	1,557	1,557	S/L		5		
RESEARCH COMPUTER 11/17/04	4,999	4,999	S/L		5		
FURNITURE 4/25/05	1,446	1,377	S/L		7		
COMPUTERS - GLENVIEW 10/13/05	10,090	10,090	S/L		5		
FIRELITE, PALMS 12/14/05	533	533	S/L		5		
COMPUTER 1/20/06	2,450	2,450	S/L		5		
COMPUTER 1/20/06	5,871	5,871	S/L		5		
PDA 5/04/06	649	649	S/L		5		
COMPUTER EQUIPMENT (IBJI-MIJ) 8/26/08	6,630	6,057	200DB		5		
COMPUTER EQUIPMENT (STEVEN HADDAD, MD) 11/21/08	6,730	6,149	200DB		5		
COMPUTER EQUIPMENT (IBJI-MIJ) 9/26/08	1,305	1,193	200DB		5		
COMPUTER EQUIPMENT (IBJI-MIJ) 3/04/08	1,091	997	200DB		5		
COMPUTER EQUIPMENT (IBJI-MIJ) 8/26/08	476	435	200DB		5		
COMPUTER EQUIPMENT (STEVEN HADDAD, MD) 8/25/08	3,920	3,582	200DB		5		
COMPUTER EQUIPMENT (HADDAD) 9/25/09	8,858	7,583	200DB		5		
COMPUTER EQUIPMENT (HADDAD) 11/01/10	17,648	7,589	200DB		5		

Federal Statements

Statement 2 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Date Acquired	Cost Basis						
COMPUTER EQUIPMENT (GARAPATI)							
7/02/10 \$ 3,082	\$ 1,510	200DB		5	\$ 629	\$	\$
COMPUTER EQUIPMENT (WILLIAMS)							
9/18/09 3,418	2,925	200DB		5	197		
COMPUTER EQUIPMENT (GORDON)							
9/03/09 1,817	1,555	200DB		5	105		
TOTAL \$ 146,813	\$ 6,693	\$ 0			0	\$ 0	

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description		Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES		\$ 3,693	\$	\$	\$
ADVERTISING		4,569		4,569	
BIOMIMETIC STUDY		23,236		23,236	
COMPUTER		750			
CONSULTING FEES		109		109	
CONTINUING EDUCATION		4,824		4,824	
DUES & SUBSCRIPTIONS		824		824	
INSURANCE		769		769	
MEALS & ENTERTAINMENT		1,888		1,888	
OFFICE		540		540	
OUTSIDE SERVICES		3,070		3,070	
PROFESSIONAL MEETINGS		213,068		213,068	
RESEARCH SALARIES		2,085		2,085	
TELEPHONE		11,509		11,509	
TRAVEL					
TOTAL		\$ 270,934	\$ 0	\$ 0	

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Federal Statements**Statement 4 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment**

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
MEDICAL EQUIPMENT	\$ 19,033	\$ 124,724	\$ 112,384	\$ 12,340
TOTAL	\$ 19,033	\$ 124,724	\$ 112,384	\$ 12,340

Statement 5 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
ACCRUED SALARIES	\$ 324,630	\$ 42,870
TOTAL	<u>\$ 324,630</u>	<u>\$ 42,870</u>

36-4335187

Federal Statements

Statement 6 - Form 990-PF, Part VII-A, Line 10 - Substantial Contributors

Name	Address	City, State, Zip
ILLINOIS BONE & JOINT INSTITUTE 8930 WAUKEGAN ROAD		MORTON GROVE IL 60053

Federal Statements

Statement 7 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
		10.00	0	0	0
WAYNE GOLDSTEIN 2887 LEXINGTON LANE HIGHLAND PARK IL 60035	PRESIDENT				
ARNOLD K. COHN, M.D. 1415 MEADOW LN GLENVIEW IL 60025	SECRETARY/TR	10.00	0	0	0
MATTHEW JIMENEZ 104 LONGMEADOW ROAD WINNETKA IL 60093	DIRECTOR	5.00	0	0	0
TOMAS NEMICKAS 701 N. MAYFLOWER ROAD LAKE FOREST IL 60045	DIRECTOR	5.00	0	0	0
CRAIG WESTIN 387 SHERIDAN ROAD WINNETKA IL 60093	DIRECTOR	5.00	0	0	0
JAMES COHEN 575 LINCOLN AVE. GLENCOE IL 60022	DIRECTOR	5.00	0	0	0
LEON S. BENSON, M.D. 1728 SUNNYSIDE AVE HIGHLAND PARK IL 60035	DIRECTOR	5.00	0	0	0
CHRIST PAVLATOS 1301 N. DEARBORN PARKWAY #804 CHICAGO IL 60610	DIRECTOR	5.00	0	0	0
E. QUINN REGAN 710 BORDEAUX CT INVERNESS IL 60010	DIRECTOR	5.00	0	0	0
MICHAEL O'ROURKE 154 WARWICK LANE KENTILWORTH IL 60043	DIRECTOR	5.00	0	0	0

Depreciation and Amortization

(Including Information on Listed Property)

Name(s) shown on return

ILLINOIS BONE AND JOINT FOUNDATION

Identifying number
36-4335187

Business or activity to which this form relates

INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12	13	

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	69

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	6,624
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	► <input type="checkbox"/>	

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property		25 yrs			S/L	
h Residential rental property		27 5 yrs	MM	S/L		
i Nonresidential real property		27 5 yrs	MM	S/L		
		39 yrs	MM	S/L		
			MM	S/L		

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	6,693
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

Form 4562 (2012)
THERE ARE NO AMOUNTS FOR PAGE 2