

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**AMERICAN SOCIETY FOR THE
PREVENTION OF CRUELTY TO
ANIMALS, et al.,**

Plaintiffs,

v.

FELD ENTERTAINMENT, INC.,

Defendant.

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Case No.: 03-2006 (EGS/JMF)

**MEMORANDUM IN SUPPORT OF DEFENDANT'S
MOTION FOR ENTITLEMENT TO ATTORNEYS' FEES**

EXHIBIT 18

**FINANCIAL INFORMATION APPEARING ON INTERNAL REVENUE SERVICE FORM 990,
"RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX" (2010)¹**

Entity	Contributions, Gifts & Grants ²	Net Assets or Fund Balances at End of Year ³	Unrestricted Net Assets at End of Year ⁴
HSUS	131,213,883	187,515,301	138,009,419
ASPCA	111,344,562	188,024,402	128,171,690
FFA	5,790,868	7,576,598	7,038,726
AWI	2,774,912	12,861,149	12,285,880
API	1,530,371	2,929,881	2,507,944
Totals	\$252,654,596	\$398,907,331	\$288,013,659

¹ The source of this information is the Form 990 for each entity listed in the table, as filed with the Internal Revenue Service under penalty of perjury. Relevant excerpts of each Form 990 are attached hereto. The entire Form 990 for each entity is a publicly available document obtainable on line through the website of the Urban Institute, National Center for Charitable Statistics. See <http://nces.urban.org/>. The Form 990's for HSUS, ASPCA, FFA and API cover the calendar year 2010. The Form 990 for AWI covers the period from July 1, 2009, through June 30, 2010.

² Form 990, Part I, Line 8. This amount is the total amount of "cash and noncash contributions, gifts, grants or other similar amounts" that the entity received during the reporting period "from the general public, governmental units, foundations and other similar organizations" as reported and totaled in, and carried forward from, Part VIII, Line 1h of Form 990. 2010 Instructions for Form 990 Return of Organization Exempt from Income Tax, p. 34 ("2010 Form 990 Instructions").

³ Form 990, Part I, Line 22. This is the amount that results from subtracting the entity's total liabilities from its total assets during the reporting period.

⁴ Form 990, Part X (Balance Sheet), Line 27. "Unrestricted net assets are neither permanently restricted nor temporarily restricted by donor-imposed restrictions. All funds without donor-imposed restrictions must be classified as unrestricted regardless of the existence of any board designations or appropriations." 2010 Form 990 Instructions, p. 45.

HSUS

Public Disclosure Copy

Form **990**

Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

2010

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE HUMANE SOCIETY OF THE UNITED STATES		D Employer identification number 53-0225390
	Doing Business As		E Telephone number 202-452-1100
Number and street (or P.O. box if mail is not delivered to street address) Room/suite		G Gross receipts \$ 249,813,143.	
2100 L STREET, NW		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
City or town, state or country, and ZIP + 4		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
WASHINGTON DC 20037		If "No," attach a list. (see instructions)	
F Name and address of principal officer: HAYNE FACELLE		H(c) Group exemption number ▶	
SAME AS C ABOVE			
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: WWW.HUMANESOCIETY.ORG			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1954	M State of legal domicile: DE

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE HUMANE SOCIETY OF THE UNITED STATES SEEMS TO STRENGTHEN THE HUMAN-ANIMAL BOND AND TO STOP ANIMAL		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	26
	4	Number of independent voting members of the governing body (Part VI, line 1b)	26
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	636
	6	Total number of volunteers (estimate if necessary)	3374
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	399,688.
7b	Net unrelated business taxable income from Form 990-T, line 34	45,787.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year: 97,027,023. Current Year: 131,213,883.
	9	Program service revenue (Part VIII, line 2g)	3,819,024. 3,008,576.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-3,766,139. 9,254,471.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,601,272. 5,226,890.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	101,681,180. 148,703,820.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	6,744,923. 5,246,831.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0. 0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	35,841,519. 36,204,216.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	4,977,977. 4,616,481.
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 24,248,073.	
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	74,160,734. 80,293,873.	
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	121,725,153. 126,361,401.	
19	Revenue less expenses. Subtract line 18 from line 12	-20,043,973. 22,342,419.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year: 201,115,609. End of Year: 215,161,305.
	21	Total liabilities (Part X, line 26)	40,804,046. 27,646,004.
	22	Net assets or fund balances. Subtract line 21 from line 20	160,311,563. 187,515,301.

Part II Signature Block

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.

Sign Here: Signature of officer: *G. Thomas Waite III* Date: 9/22/11
 G. THOMAS WAITE III, TREASURER AND CFO
 Type or print name and title

Paid Preparer Use Only: Print/Type preparer's name: JAMES P. SWEENEY, CPA
 Preparer's signature: *James P. Sweeney* Date: 9/22/11
 Firm's name: RSK MCGLADREY, INC. Firm's EIN:
 Firm's address: 8000 TOWERS CRESCENT DR. STE 500 VIENNA, VA 22182-6205
 Phone no. 703-336-6400

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part VII Statement of Revenue			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	798,899.			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	130,414,984.			
	g	Noncash contributions included in lines 1a-1f \$		15,902,635.			
	h	Total. Add lines 1a-1f		131,213,883.			
Program Service Revenue	2 a	FUNDRAISING EVENTS	Business Code 561499	1,600,903.	1,600,903.		
	b	ADVERTISING	541800	404,624.	387,809.	16,815.	
	c	SUBSCRIPTIONS	511110	248,685.	248,685.		
	d	CONSULTATION & SERVICE	541990	135,955.	135,955.		
	e	OTHER INCOME	900099	24,145.	24,145.		
	f	All other program service revenue	900099	594,264.	415,080.	179,184.	
	g	Total. Add lines 2a-2f		3,008,576.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		3,743,196.		11,879.	
	4	Income from investment of tax-exempt bond proceeds				3,731,317.	
	5	Royalties		4,511,830.		4,511,830.	
	6 a	Gross Rents	(i) Real (ii) Personal				
		b	Less: rental expenses				
		c	Rental income or (loss)		74,565.		
		d	Net rental income or (loss)		74,565.		74,565.
	7 a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
		b	Less: cost or other basis and sales expenses				
		c	Gain or (loss)		5,511,275.		
		d	Net gain or (loss)		5,511,275.		5,511,275.
	8 a	Gross income from fundraising events (not including \$ 798,899. of contributions reported on line 1c). See Part IV, line 18	a	1,600,903.			
		b	Less: direct expenses	b	1,633,280.		
		c	Net income or (loss) from fundraising events		-32,377.		-32,377.
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
b		Less: direct expenses	b				
c		Net income or (loss) from gaming activities					
10 a	Gross sales of inventory, less returns and allowances	a					
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
Miscellaneous Revenue			Business Code				
11 a	OTHER INCOME	900099	523,496.			523,496.	
	OTHER FEES	541990	87,753.			87,753.	
	LIST RENTALS	900099	61,623.			61,623.	
	d	All other revenue					
	e	Total. Add lines 11a-11d		672,872.			
12	Total revenue. See instructions.		148,703,820.	2,624,768.	399,688.	16,665,481.	

Part X Balance Sheet

		(A)		(B)	
		Beginning of year		End of year	
Assets	1	Cash - non-interest-bearing	7,500.	1	7,409.
	2	Savings and temporary cash investments	24,810,216.	2	21,607,092.
	3	Pledges and grants receivable, net	9,791,087.	3	9,939,838.
	4	Accounts receivable, net	8,268,985.	4	4,918,241.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	2,283,940.	9	552,009.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	23,750,084.	10a	
	b	Less: accumulated depreciation	10,602,159.	10b	
			14,010,292.	10c	13,147,925.
	11	Investments - publicly traded securities	141,348,072.	11	150,935,351.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11	1,595,517.	15	14,053,040.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	201,115,609.	16	215,161,305.	
Liabilities	17	Accounts payable and accrued expenses	8,174,228.	17	8,664,945.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	32,429,818.	25	18,981,059.
	26	Total liabilities. Add lines 17 through 25	40,604,046.	26	27,646,004.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	84,721,713.	27	138,009,419.
	28	Temporarily restricted net assets	45,129,788.	28	18,336,013.
	29	Permanently restricted net assets	30,660,062.	29	31,169,869.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	160,511,563.	33	187,515,301.
	34	Total liabilities and net assets/fund balances	201,115,609.	34	215,161,305.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	148,703,820.
2	Total expenses (must equal Part IX, column (A), line 25)	2	126,361,401.
3	Revenue less expenses. Subtract line 2 from line 1	3	22,342,419.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	160,511,563.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	4,661,320.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	187,515,302.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
2d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	X	

ASPCA

Form **990**

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

OMB No. 1545-0047

2010

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 2010 calendar year, or tax year beginning , 2010, **and ending** , 20

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS Doing Business As ASPCA			D Employer identification number 13-1623829
	Number and street (or P.O. box if mail is not delivered to street address) 424 EAST 92ND STREET		Room/suite	E Telephone number (212) 876-7700
	City or town, state or country, and ZIP + 4 NEW YORK, NY 10128-6804			G Gross receipts \$ 150,893,066.
	F Name and address of principal officer: EDWIN SAYRES 520 EIGHTH AVENUE, 7TH FLOOR NEW YORK, NY 10018			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ WWW.ASPCA.ORG				H(c) Group exemption number ▶
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶				L Year of formation: 1866 M State of legal domicile: NY

Part I Summary				
Activities & Governance	1	Briefly describe the organization's mission or most significant activities: THE ASPCA PROVIDES EFFECTIVE MEANS FOR THE PREVENTION OF CRUELTY TO ANIMALS THROUGHOUT THE UNITED STATES.		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	24.
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	24.
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	676.
	6	Total number of volunteers (estimate if necessary)	6	515.
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	517.
	b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	101,011,832.	111,344,562.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13,195,464.	13,553,211.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-950,734.	3,864,574.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,966,106.	4,331,767.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	117,222,668.	133,094,114.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	4,793,365.	6,426,739.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16 a	Professional fundraising fees (Part IX, column (A), line 11e)	41,194,866.	45,500,775.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 25,768,307.	3,409,219.	6,063,144.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	57,305,260.	61,694,512.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	106,702,710.	119,685,170.	
	19 Revenue less expenses. Subtract line 18 from line 12	10,519,958.	13,408,944.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	184,893,405.	209,564,112.
	22	Net assets or fund balances. Subtract line 21 from line 20	18,235,237.	21,539,710.
		166,658,168.	188,024,402.	

Part II Signature Block

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.

Sign Here	▶ Signature of officer	Date
	▶ Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN P00916443
	Firm's name ▶ KPMG LLP	Firm's EIN ▶ 13-5565207			
	Firm's address ▶ 345 PARK AVENUE NEW YORK, NY 10154-0102	Phone no. 212-758-9700			

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2010)

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a 2,796,948.					
	b Membership dues	1b					
	c Fundraising events	1c 502,513.					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 108,045,101.					
	g Noncash contributions included in lines 1a-1f: \$	57,061.					
	h Total. Add lines 1a-1f		111,344,562.				
Program Service Revenue	Business Code						
	2a ANIMAL POISON CONTROL CENTER FEES	900000	6,877,625.	6,877,625.			
	b BERGH ANIMAL HOSPITAL FEES	900000	4,934,165.	4,934,165.			
	c MOBILE VETERINARY CLINIC REVENUE	900000	1,089,409.	1,089,409.			
	d ADOPTION CENTER FEES	900000	599,552.	599,552.			
	e ANIMAL TRAINING FEES		43,495.	43,495.			
	f All other program service revenue		8,965.	8,965.			
	g Total. Add lines 2a-2f		13,553,211.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		2,401,713.			2,401,713.	
	4 Income from investment of tax-exempt bond proceeds		0.				
	5 Royalties		2,808,986.			2,808,986.	
	6a Gross Rents.	(i) Real	290,465.				
		(ii) Personal					
		b Less: rental expenses	103,460.				
		c Rental income or (loss)	187,005.				
	d Net rental income or (loss)		187,005.			187,005.	
	7a Gross amount from sales of assets other than inventory	(i) Securities	17,990,775.				
		(ii) Other					
		b Less: cost or other basis and sales expenses	16,527,914.				
		c Gain or (loss)	1,462,861.				
	d Net gain or (loss)		1,462,861.			1,462,861.	
	8a Gross income from fundraising events (not including \$ 502,513. of contributions reported on line 1c). See Part IV, line 18	a 1,292,544.					
	b Less: direct expenses	b 527,069.					
c Net income or (loss) from fundraising events		765,475.			765,475.		
9a Gross income from gaming activities. See Part IV, line 19	a						
b Less: direct expenses	b						
c Net income or (loss) from gaming activities		0.					
10a Gross sales of inventory, less returns and allowances	a 690,889.						
	b Less: cost of goods sold	b 640,509.					
	c Net income or (loss) from sales of inventory		50,380.	49,863.	517.		
Miscellaneous Revenue		Business Code					
11a LIST SALES	900000	370,638.			370,638.		
b MISCELLANEOUS	900000	149,283.			149,283.		
c							
d All other revenue							
e Total. Add lines 11a-11d		519,921.					
12 Total revenue. See instructions		133,094,114.	13,603,074.	517.	8,145,961.		

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	1,819,183.	1	1,354,583.
	2	Savings and temporary cash investments	31,771,394.	2	34,582,636.
	3	Pledges and grants receivable, net	0.	3	0.
	4	Accounts receivable, net	13,313,612.	4	14,558,243.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	331,141.	8	311,838.
	9	Prepaid expenses and deferred charges	2,969,465.	9	2,873,167.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	44,827,783.		
	10b	Less: accumulated depreciation	16,953,831.		
	10c		26,235,233.	10c	27,873,952.
	11	Investments - publicly traded securities	66,917,804.	11	82,473,790.
	12	Investments - other securities. See Part IV, line 11	21,560,078.	12	26,367,103.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
15	Other assets. See Part IV, line 11	19,975,495.	15	19,168,800.	
16	Total assets. Add lines 1 through 15 (must equal line 34)	184,893,405.	16	209,564,112.	
Liabilities	17	Accounts payable and accrued expenses	9,092,703.	17	11,384,828.
	18	Grants payable	707,352.	18	847,480.
	19	Deferred revenue	1,271,614.	19	579,229.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	7,163,568.	25	8,728,173.
	26	Total liabilities. Add lines 17 through 25	18,235,237.	26	21,539,710.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	107,111,609.	27	128,171,690.
	28	Temporarily restricted net assets	37,843,369.	28	37,249,799.
	29	Permanently restricted net assets	21,703,190.	29	22,602,913.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	166,658,168.	33	188,024,402.
	34	Total liabilities and net assets/fund balances	184,893,405.	34	209,564,112.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	133,094,114.
2	Total expenses (must equal Part IX, column (A), line 25)	2	119,685,170.
3	Revenue less expenses. Subtract line 2 from line 1	3	13,408,944.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	166,658,168.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	7,957,290.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	188,024,402.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

FFA

**** PUBLIC DISCLOSURE COPY ****

Form **990**

Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

2010

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 2010 calendar year, or tax year beginning _____ **and ending** _____

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

C Name of organization
THE FUND FOR ANIMALS, INC.
 Doing Business As _____
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
200 WEST 57TH STREET 705
 City or town, state or country, and ZIP + 4
NEW YORK, NY 10019

D Employer identification number
13-6218740

E Telephone number
212-246-2096

F Name and address of principal officer: MICHAEL MARKARIAN
SAME AS C ABOVE

G Gross receipts \$ **6,336,451.**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list. (see instructions)

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: **WWW.FUNDFORANIMALS.ORG**

K Form of organization: Corporation Trust Association Other

L Year of formation: **1967** **M State of legal domicile:** **NY**

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: TO BE RESPONSIBLE FOR THE HSUS'S ANIMAL CARE FACILITIES AND LEGAL CAMPAIGNS IN COURTS.		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	5
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	5
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	153
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 7,106,859.	Current Year 5,790,868.
	9	Program service revenue (Part VIII, line 2g)	0.	0.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	20,409.	172,520.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	277,643.	364,110.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,404,911.	6,327,498.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	39,000.	162,469.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,791,803.	2,191,989.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	99,067.	96,663.
		b Total fundraising expenses (Part IX, column (D), line 25)	437,485.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	3,193,395.	2,962,330.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	5,123,265.	5,413,451.
	19	Revenue less expenses. Subtract line 18 from line 12	2,281,646.	914,047.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 16,655,874.	End of Year 7,695,312.
	21	Total liabilities (Part X, line 26)	87,733.	118,714.
	22	Net assets or fund balances. Subtract line 21 from line 20	16,568,141.	7,576,598.

Part II Signature Block

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.

Sign Here
 Signature of officer: *G Thomas Waite III* Date: **8/15/11**
G THOMAS WAITE III, TREASURER
 Type or print name and title

Paid Preparer Use Only
 Print/Type preparer's name: **JAMES P. SWEENEY, CPA** Preparer's signature: *James P. Sweeney* Date: **8/15/11** Check if self-employed: PTIN: **P0126012**
 Firm's name: **RSM MCGLADREY, INC.** Firm's EIN: _____
 Firm's address: **8000 TOWERS CRESCENT DR. STE 500 VIENNA, VA 22182-6205** Phone no.: **703-336-6400**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Form 990 (2010)

THE FUND FOR ANIMALS, INC.

13-6218740 Page 9

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns					
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 5,790,868.				
	g	Noncash contributions included in lines 1a-1f: \$	278,237.				
	h	Total. Add lines 1a-1f		5,790,868.			
Program Service Revenue			Business Code				
	2 a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
g	Total. Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)					
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties		345,643.		345,643.	
	6 a	Gross Rents	(i) Real (ii) Personal				
		b	Less: rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss)				
	7 a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
		b	Less: cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss)		172,520.		172,520.
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
b	Less: direct expenses	b					
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a					
b	Less: cost of goods sold	b					
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue			Business Code				
11 a	LIST RENTAL	511140	18,467.			18,467.	
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		18,467.				
12	Total revenue. See instructions.		6,327,498.	0.	0.	536,630.	

Form 990 (2010)

THE FUND FOR ANIMALS, INC.

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Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	300.	1	
	2 Savings and temporary cash investments	326,489.	2	180,834.
	3 Pledges and grants receivable, net	145,263.	3	618,117.
	4 Accounts receivable, net	566,634.	4	667,945.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	645.	9	11,705.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 5,603,213.		
	b Less: accumulated depreciation	10b 1,468,576.	2,143,629.	10c 4,134,637.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		13,472,914.	15 2,082,074.
16 Total assets. Add lines 1 through 15 (must equal line 34)		16,655,874.	16 7,695,312.	
Liabilities	17 Accounts payable and accrued expenses	87,733.	17	118,714.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25		87,733.	26 118,714.
Net Assets or Fund Balances	27 Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. Unrestricted net assets	16,030,270.	27	7,038,726.
	28 Temporarily restricted net assets	537,871.	28	537,872.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34. Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	16,568,141.	33	7,576,598.
	34 Total liabilities and net assets/fund balances	16,655,874.	34	7,695,312.

Form 990 (2010)

Form 990 (2010)

THE FUND FOR ANIMALS, INC.

13-6218740 Page 12

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	6,327,498.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,413,451.
3	Revenue less expenses. Subtract line 2 from line 1	3	914,047.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	16,568,141.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-9,905,590.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	7,576,598.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2010)

AWI

Form **990**

Return of Organization Exempt From Income Tax

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

OMB No. 1545-0047

2009

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 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization		D Employer identification number
		ANIMAL WELFARE INSTITUTE		13-5655952
		Doing Business As		
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite		E Telephone number
900 PENNSYLVANIA AVE S.E.		202 337 2332	G Gross receipts \$ 7,836,743.	
City or town, state or country, and ZIP + 4			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
WASHINGTON, DC 20003			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No	
F Name and address of principal officer: CATHY LISS SAME AS C ABOVE			If "No," attach a list. (see Instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number		
J Website: WWW.AWIONLINE.ORG		L Year of formation: 1951 M State of legal domicile: DC		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other				

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>TO ALLEVIATE THE SUFFERING OF ANIMALS CAUSED BY PEOPLE.</u>	
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3 Number of voting members of the governing body (Part VI, line 1a)	3 7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 6
	5 Total number of employees (Part V, line 2a)	5 35
	6 Total number of volunteers (estimate if necessary)	6 12
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a 0.
b Net unrelated business taxable income from Form 990-T, line 34	7b 0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 2,451,267. Current Year 2,774,912.
	9 Program service revenue (Part VIII, line 2g)	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-248,418. 211,667.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	63,305. 71,537.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,266,154. 3,058,116.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	291,178. 277,726.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,565,340. 1,817,358.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	
	b Total fundraising expenses (Part IX, column (D), line 25)	48,364.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	2,093,773. 1,852,092.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,950,291. 3,947,176.	
19 Revenue less expenses. Subtract line 18 from line 12	-1,684,137. -889,060.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year 13,283,102. End of Year 12,898,040.
	21 Total liabilities (Part X, line 26)	39,923. 36,891.
	22 Net assets or fund balances. Subtract line 21 from line 20	13,243,179. 12,861,149.

Part II Signature Block

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.

Sign Here

TAXPAYERS COPY

Signature of officer: CATHY LISS, PRESIDENT Date: _____

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 11/9/10 Check if self-employed Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: ROSENBERG, NEUWIRTH & KUCHNER, CPA, PC
2 PENN PLAZA FLOOR 4
NEW YORK, NY 10121

EIN: _____ Phone no.: 212-330-6000

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Form 990 (2009)

ANIMAL WELFARE INSTITUTE

13-5655952 Page 9

Part VIII Statement of Revenue				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,774,912.				
	g	Noncash contributions included in lines 1a-1f \$						
	h	Total. Add lines 1a-1f		2,774,912.				
Program Service Revenue	2 a		Business Code					
	b							
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f						
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		154,073.			154,073.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	(ii) Personal				
		b	Less: rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)			70,713.	70,713.	
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less: cost or other basis and sales expenses					
		c	Gain or (loss)					
		d	Net gain or (loss)			57,594.		57,594.
	8 a	Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a					
	b	Less: direct expenses	b					
	c	Net income or (loss) from fundraising events						
	9 a	Gross income from gaming activities. See Part IV, line 19	a					
b	Less: direct expenses	b						
c	Net income or (loss) from gaming activities							
10 a	Gross sales of inventory, less returns and allowances	a						
b	Less: cost of goods sold	b						
c	Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code					
11 a	SALE OF PUBLICATIONS		511130	824.	824.			
b								
c								
d	All other revenue							
e	Total. Add lines 11a-11d			824.				
12	Total revenue. See instructions			3,058,116.	71,537.	0.	211,667.	

Form 990 (2009)

ANIMAL WELFARE INSTITUTE

13-5655952 Page 11

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	526,684.	1	69,539.
	2	Savings and temporary cash investments	1,451,511.	2	945,215.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	8,115.	4	544,318.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	6,268,540.		
	10b	Less: accumulated depreciation	265,808.	10c	6,002,732.
	11	Investments - publicly traded securities	5,207,500.	11	5,330,586.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	7,769.	15	5,650.
16	Total assets. Add lines 1 through 15 (must equal line 34)	13,283,102.	16	12,898,040.	
Liabilities	17	Accounts payable and accrued expenses	28,723.	17	25,791.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	11,200.	25	11,100.
	26	Total liabilities. Add lines 17 through 25	39,923.	26	36,891.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	12,631,008.	27	12,285,880.
	28	Temporarily restricted net assets	512,171.	28	475,269.
	29	Permanently restricted net assets	100,000.	29	100,000.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	13,243,179.	33	12,861,149.	
34	Total liabilities and net assets/fund balances	13,283,102.	34	12,898,040.	

Form 990 (2009)

Form 990 (2009)

ANIMAL WELFARE INSTITUTE

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Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		X
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

Form 990 (2009)

API

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2010

Department of the Treasury
Internal Revenue Service

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

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

A For the 2010 calendar year, or tax year beginning **2010**, and ending **2010**

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

C Employer identification number
94-6187633

E Telephone number
(916) 447-3085

G Gross receipts **2,434,937.**

F Name and address of principal officer:
BORN FREE USA UNITED WITH API
P.O. BOX 24505
SACRAMENTO, CA 95822

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

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

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: **NW.BORNFREEUSA.ORG**

K Form of organization: Corporation Trust Association Other

L Year of formation: **1968**

M State of legal domicile: **CA**

Summary		Prior Year	Current Year
Part I: Activities & Governance			
1 Briefly describe the organization's mission or most significant activities: BORN FREE USA UNITED WITH ANIMAL PROTECTION INSTITUTE WORKS TO ALLEVIATE THE UNNECESSARY SUFFERING OF WILD ANIMALS IN CAPTIVITY, RESCUE INDIVIDUAL ANIMALS IN NEED, PROTECT WILDLIFE - INCLUDING HIGHLY ENDANGERED SPECIES - IN THEIR NATURAL HABITATS, AND ENCOURAGE COMPASSION.			
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
3	Number of voting members of the governing body (Part VI, line 1a)	3	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	5
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	24
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
Part II: Revenue			
8	Contributions and grants (Part VIII, line 1h)	2,005,911.	1,530,371.
9	Program service revenue (Part VIII, line 2g)		
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-29,142.	82,733.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	21,173.	42,867.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,997,942.	1,655,971.
Part III: Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,000.	13,384.
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	931,822.	750,909.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	63,461.	63,561.
16b	Total fundraising expenses (Part IX, column (D), line 25) 332,653.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	1,195,539.	972,978.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	2,193,822.	1,800,832.
19	Revenue less expenses. Subtract line 18 from line 12	-195,880.	-144,861.
Part IV: Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	Beginning of Current Year 3,186,603.	End of Year 3,051,015.
21	Total liabilities (Part X, line 25)	186,822.	121,134.
22	Net assets or fund balances. Subtract line 21 from line 20	2,999,781.	2,929,881.

Signature Block
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 information of which preparer has any knowledge.

Sign Here
Signature of officer: *Admin M. Roberts* Date: **5/9/11**
Type or print name and title: **ADMIN M. ROBERTS, EXECUTIVE VICE PRESIDENT**

Paid Preparer Use Only
Print/Type preparer's name: **NICHOLE O. NELSON, CPA** Preparer's signature: *Nichelle O. Nelson* Date: _____
Firm's name: **MARIE, URBETTA, NELSON, CPAS & ASSOC., LLP** Check if self-employed PTIN: **P00453363**
Firm's address: **2901 DOUGLAS BLVD, SUITE 290** Firm's EIN: **20-0276349**
ROSVILLE, CA 95661-3824 Phone no.: **(916) 774-4208**

May the IRS discuss this return with the preparer shown above? (See instructions.) Yes No
BAA For Paperwork Reduction Act Notice, see the separate instructions. TEEA0113L 12/21/10 Form 990 (2010)

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns	1 a					
	b Membership dues	1 b					
	c Fundraising events	1 c					
	d Related organizations	1 d					
	e Government grants (contributions)	1 e					
	f All other contributions, gifts, grants, and similar amounts not included above	1 f	1,530,371.				
	g Noncash contributions included in lns 1a-1f: \$						
h Total. Add lines 1a-1f			1,530,371.				
PROGRAM SERVICE REVENUE	2 a Business Code						
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f						
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		47,883.			47,883.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
		d Net gain or (loss)		34,850.	34,850.		
	8 a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18		a				
	b Less: direct expenses		b				
	c Net income or (loss) from fundraising events						
	9 a Gross income from gaming activities. See Part IV, line 19		a				
	b Less: direct expenses		b				
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a	3,894.					
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory		3,894.			3,894.	
Miscellaneous Revenue		Business Code					
11 a OTHER REVENUE		561000	38,973.			38,973.	
b							
c							
d All other revenue							
e Total. Add lines 11a-11d			38,973.				
12 Total revenue. See instructions			1,655,971.	34,850.	0.	90,750.	

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
ASSETS	1	Cash — non-interest-bearing.....	775,633.	1	262,939.
	2	Savings and temporary cash investments.....	116,621.	2	81,316.
	3	Pledges and grants receivable, net.....		3	
	4	Accounts receivable, net.....	420.	4	16,325.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.....		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions).....		6	
	7	Notes and loans receivable, net.....		7	
	8	Inventories for sale or use.....	12,869.	8	9,106.
	9	Prepaid expenses and deferred charges.....	39,296.	9	58,099.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.....	1,860,622.		
	10b	Less: accumulated depreciation.....	1,015,979.		
	11	Investments — publicly traded securities.....	897,823.	10c	844,643.
	12	Investments — other securities. See Part IV, line 11.....	1,331,321.	11	1,744,804.
	13	Investments — program-related. See Part IV, line 11.....	12,620.	12	33,783.
	14	Intangible assets.....		13	
	15	Other assets. See Part IV, line 11.....		14	
16	Total assets. Add lines 1 through 15 (must equal line 34).....	3,186,603.	15		
16			16	3,051,015.	
LIABILITIES	17	Accounts payable and accrued expenses.....	186,822.	17	121,134.
	18	Grants payable.....		18	
	19	Deferred revenue.....		19	
	20	Tax-exempt bond liabilities.....		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.....		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.....		22	
	23	Secured mortgages and notes payable to unrelated third parties.....		23	
	24	Unsecured notes and loans payable to unrelated third parties.....		24	
	25	Other liabilities. Complete Part X of Schedule D.....		25	
	26	Total liabilities. Add lines 17 through 25.....	186,822.	26	121,134.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.				
	27	Unrestricted net assets.....	2,673,015.	27	2,507,944.
	28	Temporarily restricted net assets.....	295,417.	28	390,588.
	29	Permanently restricted net assets.....	31,349.	29	31,349.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds.....		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund.....		31	
	32	Retained earnings, endowment, accumulated income, or other funds.....		32	
33	Total net assets or fund balances.	2,999,781.	33	2,929,881.	
34	Total liabilities and net assets/fund balances.	3,186,603.	34	3,051,015.	

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Form 990 (2010)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,655,971.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,800,832.
3	Revenue less expenses. Subtract line 2 from line 1	3	-144,861.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,999,781.
5	Other changes in net assets or fund balances (explain in Schedule O). SEE SCHEDULE O	5	74,961.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	2,929,881.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII.

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
2d	If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

BAA