

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

<hr/>		)	
ANIMAL WELFARE INSTITUTE, <u>et al.</u> ,	)	)	
	)	)	
Plaintiffs,	)	)	
	)	)	Case No: 03-2006 (EGS)
v.	)	)	
	)	)	
FELD ENTERTAINMENT, INC.,	)	)	
	)	)	
Defendant.	)	)	
<hr/>		)	

**DEFENDANT FELD ENTERTAINMENT INC.'S  
OBJECTIONS TO APPOINTMENT OF SPECIAL MASTER AND  
RECOMMENDATIONS FOR DUTIES AND AUTHORITY OF SPECIAL MASTER**

**EXHIBIT 2**

## **AWI 2011 IRS FORM 990 EXCERPTS**

Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**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  
**2011**  
 Open to Public Inspection

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

**A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012**

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

**C** Name of organization: ANIMAL WELFARE INSTITUTE  
 Doing Business As: \_\_\_\_\_  
 Number and street (or P O box if mail is not delivered to street address) Room/suite: 900 PENNSYLVANIA AVE SE  
 City or town, state or country, and ZIP + 4: WASHINGTON, DC 20003

**D** Employer identification number: 13-5655952  
**E** Telephone number: (202) 337-2332  
**G** Gross receipts \$ 7,167,006

**F** Name and address of principal officer: CATHY LISS, 900 PENNSYLVANIA AVE SE, WASHINGTON, DC 20003

**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)  
**H(c)** Group exemption number ▶ \_\_\_\_\_

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

**J** Website: WWW.AWIONLINE.ORG

**K** Form of organization:  Corporation  Trust  Association  Other ▶

**L** Year of formation: 1951 **M** State of legal domicile: DC

**Part I Summary**

**1** Briefly describe the organization's mission or most significant activities:  
 TO ALLEVIATE THE SUFFERING OF ANIMALS CAUSED BY PEOPLE

**2** Check this box  if the organization discontinued its operations or disposed of more than 25% of its net assets

<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	3	7
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	4	7
<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	40
<b>6</b> Total number of volunteers (estimate if necessary)	6	3
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	7b	0

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)	4,915,780	3,388,254
<b>9</b> Program service revenue (Part VIII, line 2g)	0	0
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	421,677	186,785
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	60,669	52,103
<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	5,398,126	3,627,142
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	323,842	243,374
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0	0
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,858,553	1,971,107
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0	0
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 47,763		
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,159,666	2,579,618
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	4,342,061	4,794,099
<b>19</b> Revenue less expenses Subtract line 18 from line 12	1,056,065	-1,166,957

	Beginning of Current Year	End of Year
<b>20</b> Total assets (Part X, line 16)	14,894,472	13,619,470
<b>21</b> Total liabilities (Part X, line 26)	51,834	81,074
<b>22</b> Net assets or fund balances Subtract line 21 from line 20	14,842,638	13,538,396

**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 information furnished by filer.

**Sign Here**  
 Signature of officer: CATHY LISS, PRESIDENT

**Paid Preparer's Use Only**  
 Preparer's signature: RICHARD TERRANO, Date: \_\_\_\_\_  
 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

May the IRS discuss this return with the preparer shown above? (see instructions)

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	488,187	<b>1</b>	194,483
	<b>2</b> Savings and temporary cash investments . . . . .	2,099,731	<b>2</b>	1,163,584
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	6,440	<b>4</b>	42,057
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> 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 . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .		<b>9</b>	
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	6,301,309		
	<b>b</b> Less accumulated depreciation . . . . .	460,584		
	<b>11</b> Investments—publicly traded securities . . . . .	5,910,634	<b>10c</b>	5,840,725
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	6,389,480	<b>11</b>	6,378,621
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .		<b>12</b>	
	<b>14</b> Intangible assets . . . . .		<b>13</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .		<b>14</b>	
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	14,894,472	<b>15</b>	13,619,470	
<b>17</b> Accounts payable and accrued expenses . . . . .	41,344	<b>16</b>	73,074	
<b>18</b> Grants payable . . . . .		<b>17</b>		
<b>19</b> Deferred revenue . . . . .		<b>18</b>		
<b>20</b> Tax-exempt bond liabilities . . . . .		<b>19</b>		
<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>20</b>		
<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>21</b>		
<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>22</b>		
<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>23</b>		
<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .	10,490	<b>24</b>	8,000	
<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	51,834	<b>25</b>	81,074	
<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>				
<b>27</b> Unrestricted net assets . . . . .	14,267,369	<b>26</b>	13,039,831	
<b>28</b> Temporarily restricted net assets . . . . .	475,269	<b>27</b>	398,565	
<b>29</b> Permanently restricted net assets . . . . .	100,000	<b>28</b>	100,000	
<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>29</b>		
<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>30</b>		
<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>31</b>		
<b>33</b> <b>Total net assets or fund balances</b> . . . . .	14,842,638	<b>32</b>	13,538,396	
<b>34</b> <b>Total liabilities and net assets/fund balances</b> . . . . .	14,894,472	<b>33</b>	13,619,470	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	3,627,142
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25) . . . . .	4,794,099
<b>3</b>	Revenue less expenses Subtract line 2 from line 1 . . . . .	-1,166,957
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	14,842,638
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	-137,285
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	13,538,396

**Part XII Financial Statements and Reporting**

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

	Yes	No
<b>1</b> 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		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .	2a	No
<b>b</b> Were the organization's financial statements audited by an independent accountant? . . . . .	2b	Yes
<b>c</b> If "Yes," to 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 . . . . .	2c	Yes
<b>d</b> 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 separated basis		
<b>3a</b> 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? . . . . .	3a	No
<b>b</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 . . . . .	3b	

**FFA 2011 IRS FORM 990 EXCERPTS**

Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**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  
**2011**  
 Open to Public Inspection

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

**A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011**

**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 NO 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  
**G** Gross receipts \$ 8,490,267

**F** Name and address of principal officer: MICHAEL MARKARIAN, 200 WEST 57TH STREET NO 705, NEW YORK, NY 10019

**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)  
**H(c)** Group exemption number ▶

**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	<b>1</b> Briefly describe the organization's mission or most significant activities TO OPERATE ANIMAL CARE FACILITIES AND ADVOCATE FOR ANIMAL PROTECTION		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	3	5
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	4	5
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	0
	<b>6</b> Total number of volunteers (estimate if necessary)	6	292
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year 5,790,868	Current Year 8,210,239
	<b>9</b> Program service revenue (Part VIII, line 2g)	0	7,144
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	172,520	35,286
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	364,110	237,598
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,327,498	8,490,267
	Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	162,469
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		0	0
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		2,191,989	2,453,083
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)		96,663	105,846
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 472,445			
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		2,962,330	4,276,848
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	5,413,451	6,864,777	
<b>19</b> Revenue less expenses Subtract line 18 from line 12	914,047	1,625,490	
Net Assets or Fund Balances	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year 7,695,312	End of Year 9,338,235
	<b>21</b> Total liabilities (Part X, line 26)	118,714	136,147
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20	7,576,598	9,202,088

**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 information provided by the taxpayer.

**Sign Here** Signature of officer: G THOMAS WAITE III, TREASURER

**Paid Preparer's Use Only** Preparer's signature: JAMES SWEENEY, Date: \_\_\_\_\_  
 Firm's name (or yours if self-employed), address, and ZIP + 4: MCGLADREY LLP, 8000 TOWERS CRESCENT DR STE 500, VIENNA, VA 221826205

May the IRS discuss this return with the preparer shown above? (see instructions)





**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .		<b>1</b>	
	<b>2</b> Savings and temporary cash investments . . . . .	180,834	<b>2</b>	310,639
	<b>3</b> Pledges and grants receivable, net . . . . .	618,117	<b>3</b>	2,277,755
	<b>4</b> Accounts receivable, net . . . . .	667,945	<b>4</b>	369,678
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> 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 . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .	11,705	<b>9</b>	270
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	6,991,196		
	<b>b</b> Less accumulated depreciation . . . . .	1,744,452	4,134,637	<b>10c</b> 5,246,744
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .	2,082,074	<b>15</b>	1,133,149
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	7,695,312	<b>16</b>	9,338,235	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	118,714	<b>17</b>	136,147
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .		<b>25</b>	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	118,714	<b>26</b>	136,147
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	7,038,728	<b>27</b>	0
	<b>28</b> Temporarily restricted net assets . . . . .	537,872	<b>28</b>	9,202,088
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> <b>Total net assets or fund balances</b> . . . . .	7,576,598	<b>33</b>	9,202,088	
<b>34</b> <b>Total liabilities and net assets/fund balances</b> . . . . .	7,695,312	<b>34</b>	9,338,235	

**Part XI Reconciliation of Net Assets**

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

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	8,490,267
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25) . . . . .	6,864,777
<b>3</b>	Revenue less expenses Subtract line 2 from line 1 . . . . .	1,625,490
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	7,576,598
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	0
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B)) . . . . .	9,202,088

**Part XII Financial Statements and Reporting**

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

		Yes	No
<b>1</b>	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		
<b>2a</b>	Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .	Yes	No
<b>2b</b>	Were the organization's financial statements audited by an independent accountant? . . . . .	Yes	No
<b>2c</b>	If "Yes," to 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 . . . . .	Yes	
<b>d</b>	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 separated basis		
<b>3a</b>	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? . . . . .		No
<b>b</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 . . . . .		

## **FFA 2010 IRS FORM 990 EXCERPTS**

**\*\* 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**

**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**

**H(c) Group exemption number** \_\_\_\_\_

**K Form of organization:**  Corporation  Trust  Association  Other

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

**Part I Summary**

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

**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**  
 Type or print name and title: **G THOMAS WAITE III, TREASURER**

**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: **P01262012**  
 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 11

**Part X Balance Sheet**

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

**BORN FREE 2011 IRS FORM 990 EXCERPTS**

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)

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

OMB No 1545-0047

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**A** For the 2011 calendar year, or tax year beginning **2011**, and ending **2011**

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

**C** **BORN FREE USA UNITED WITH API**  
**P.O. BOX 22505**  
**SACRAMENTO, CA 95822**

**D** Employer identification number  
**94-6187633**

**E** Telephone number  
**(916) 447-3085**

**G** Gross receipts \$ **2,144,061.**

**F** Name and address of principal officer

**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.BORNFREEUSA.ORG**

**K** Form of organization:  Corporation  Trust  Association  Other

**L** Year of formation **1968** **M** State of legal domicile **CA**

**K(e)** Group exemption number

**Part I Summary**

**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  if the organization discontinued its operations or disposed of more than 25% of its net assets.

<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>5</b>
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>4</b>
<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)	<b>5</b>	<b>19</b>
<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>0</b>
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>1,530,371.</b>	<b>1,469,050.</b>
<b>9</b> Program service revenue (Part VIII, line 2g)		
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>82,733.</b>	<b>123,180.</b>
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>42,867.</b>	<b>94,252.</b>
<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>1,655,971.</b>	<b>1,686,482.</b>
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>13,384.</b>	<b>97,968.</b>
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>750,909.</b>	<b>763,649.</b>
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>63,561.</b>	<b>60,000.</b>
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25)	<b>347,496.</b>	
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>972,978.</b>	<b>1,155,137.</b>
<b>18</b> Total expenses - add lines 13-17 (must equal Part IX, column (A), line 25)	<b>1,800,832.</b>	<b>2,076,754.</b>
<b>19</b> Revenue less expenses - Subtract line 18 from line 12	<b>-144,861.</b>	<b>-390,272.</b>

	Beginning of Current Year	End of Year
<b>20</b> Total assets (Part X, line 16)	<b>3,051,015.</b>	<b>2,707,165.</b>
<b>21</b> Total liabilities (Part X, line 26)	<b>121,134.</b>	<b>208,139.</b>
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20.	<b>2,929,881.</b>	<b>2,499,026.</b>

**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: *Adam M. Roberts* Date: **9/3/12**

Type or print name and title: **ADAM M. ROBERTS, EXECUTIVE VICE PRESIDENT**

**Paid Preparer Use Only**

Print/Type preparer's name: **MICHELLE O. NELSON, CPA** Preparer's signature: *Michelle O. Nelson*

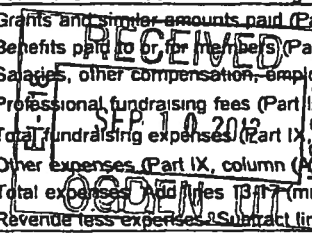
Firm's name: **MANN, URRUTIA, NELSON, CPAS & ASSOCIATES**

Firm's address: **2901 DOUGLAS BLVD, SUITE 290 ROSEVILLE, CA 95661-3824**

May the IRS discuss this return with the preparer shown above? (See instructions)

**BAA For Paperwork Reduction Act Notice, see the separate instructions.**

SCANNED SEP 26 2012





**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year		
ASSETS	1	Cash – non-interest-bearing. ....	262,939.	1	448,256.	
	2	Savings and temporary cash investments. ....	81,316.	2	120,469.	
	3	Pledges and grants receivable, net. ....		3		
	4	Accounts receivable, net. ....	16,325.	4	7,235.	
	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. ....	9,106.	8	7,938.	
	9	Prepaid expenses and deferred charges. ....	58,099.	9	55,252.	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D. ....	10a	1,887,704.		
	b	Less: accumulated depreciation. ....	10b	1,100,114.	10c	787,590.
	11	Investments – publicly traded securities. ....	1,744,804.	11	1,267,616.	
	12	Investments – other securities. See Part IV, line 11. ....	33,783.	12	12,809.	
	13	Investments – program-related. See Part IV, line 11. ....		13		
	14	Intangible assets. ....		14		
	15	Other assets. See Part IV, line 11. ....		15		
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	3,051,015.	16	2,707,165.		
LIABILITIES	17	Accounts payable and accrued expenses. ....	121,134.	17	119,158.	
	18	Grants payable. ....		18		
	19	Deferred revenue. ....		19	88,981.	
	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 (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D. ....		25		
	26	<b>Total liabilities.</b> Add lines 17 through 25. ....	121,134.	26	208,139.	
NET ASSETS OR FUND BALANCES	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.</b>					
	27	Unrestricted net assets. ....	2,507,944.	27	1,919,542.	
	28	Temporarily restricted net assets. ....	390,588.	28	548,135.	
	29	Permanently restricted net assets. ....	31,349.	29	31,349.	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>					
	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	<b>Total net assets or fund balances.</b> ....	2,929,881.	33	2,499,026.		
34	<b>Total liabilities and net assets/fund balances.</b> ....	3,051,015.	34	2,707,165.		

BAA

**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	1,686,482.
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,076,754.
3	Revenue less expenses. Subtract line 2 from line 1	3	-390,272.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	2,929,881.
5	Other changes in net assets or fund balances (explain in Schedule O). SEE SCHEDULE O	5	-40,583.
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	2,499,026.

**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		

BAA

Form 990 (2011)