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)

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

OMB No. 1545-0047

2002

Open to Public Inspection

A For the 2002 calendar year, or tax year beginning , 2002, and ending

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
THE FUND FOR ANIMALS, INC

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 Accounting method: Cash [ ] Accrual [X] Other (specify) ▶

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

H and I are not applicable to section 527 organizations.

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

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? Yes [ ] No [X]
(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes [ ] No [X]

I Enter 4-digit GEN ▶

G Web site: ▶WWW.FUND.ORG

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

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

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 16,076,496.

Part I **Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 17 of the instructions)

Section	Line	Description		Amount	Line	Total
Revenue	1	Contributions, gifts, grants, and similar amounts received STMT 1				
	a	Direct public support	1a	7,239,412.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash $ 7,202,913. noncash $ 36,499.)			1d	7,239,412.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	370,129.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	706,264.
	5	Dividends and interest from securities			5	16,480.
	6 a	Gross rents	6a			
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	
	7	Other investment income (describe ▶ STMT 2)			7	513.
	8 a	Gross amount from sales of assets other than inventory	8a	(A) Securities: 7,743,698. / (B) Other:		
	b	Less cost or other basis and sales expenses	8b	(A) 7,589,309. / (B)		
	c	Gain or (loss) (attach schedule)	8c	(A) 154,389 / (B)		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	154,389.
	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including $ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
	10 a	Gross sales of inventory, less returns and allowances	10a			
	b	Less cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
	11	Other revenue (from Part VII, line 103)			11	
	12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	8,487,187.
Expenses	13	Program services (from line 44, column (B))			13	5,766,004.
	14	Management and general (from line 44, column (C))			14	718,611.
	15	Fundraising (from line 44, column (D))			15	873,543.
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses** (add lines 16 and 44, column (A))			17	7,358,158.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	1,129,029.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	19,438,862.
	20	Other changes in net assets or fund balances (attach explanation) STMT 3			20	-342,051.
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	20,225,840.

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For Paperwork Reduction Act Notice, see [obscured]

Form **990** (2002)

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Form 990 (2002) Page **2**

Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B) (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash $ 327,250 noncash $)	22	327,250	327,250.	STMT 4	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc	25	44,750.		44,750.	
26 Other salaries and wages	26	690,710	552,465.	114,044.	24,201.
27 Pension plan contributions	27				
28 Other employee benefits	28	171,410.	147,413.	20,569.	3,428.
29 Payroll taxes	29	58,467.	43,927.	12,656.	1,884.
30 Professional fundraising fees	30	26,500.			26,500.
31 Accounting fees	31	82,500		82,500.	
32 Legal fees	32	378,511.	313,491.	65,020.	
33 Supplies	33	200,826	127,610.	64,730.	8,486.
34 Telephone	34	54,609.	43,139.	10,367.	1,103.
35 Postage and shipping	35	503,231.	272,583	23,340.	207,308.
36 Occupancy	36	276,462.	193,955.	77,522.	4,985.
37 Equipment rental and maintenance	37	13,179.	7,137.	5,622.	420.
38 Printing and publications	38				
39 Travel	39	111,010	90,056.	17,836	3,118.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation depletion, etc (attach schedule)	42	186,489.	181,240.	5,249.	
43 Other expenses not covered above (itemize) STMT 7	43a	4,232,254.	3,465,738.	174,406.	592,110.
b	43b				
c	43c				
d	43d				
e	43e				
44 **Total functional expenses** (add lines 22 through 43) *Organizations completing columns (B)-(D), carry these totals to lines 13-15*	44	7,358,158.	5,766,004.	718,611.	873,543.

Joint Costs. Check ▶ [X] if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ▶ [X] Yes [ ] No

If "Yes," enter (i) the aggregate amount of these joint costs $ 2,463,443. (ii) the amount allocated to Program services $ 1,804,871. (iii) the amount allocated to Management and general $, and (iv) the amount allocated to Fundraising $ 658,572.

Part III Statement of Program Service Accomplishments (See page 24 of the instructions.)

What is the organization's primary exempt purpose? ▶ SEE FOOTNOTE

All organizations must describe their exempt purpose achievements in a clear and concise manner State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a STMT 8 (Grants and allocations $ 60,250)	2,640,556.
b HUMANE EDUCATION - EDUCATE THE PUBLIC ON ISSUES AND EVENTS AFFECTING ANIMAL RIGHTS AND WELFARE. (Grants and allocations $)	2,660,992.
c LEGISLATIVE - LOBBYING FOR HUMANE ANIMAL LITIGATION AND AGAINST LAWS WHICH SUBJECT ANIMALS TO MISTREATMENT. (Grants and allocations $ 267,000)	464,456.
d (Grants and allocations $)	
e Other program services (attach schedule) (Grants and allocations $)	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	5,766,004.

Part IV Balance Sheets (See page 24 of the instructions)

Note: *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only*			(A) Beginning of year		(B) End of year
Assets					
45 Cash - non-interest-bearing			342.	45	481.
46 Savings and temporary cash investments			2,300,004.	46	2,223,104.
47a Accounts receivable	47a				
b Less allowance for doubtful accounts	47b			47c	
48a Pledges receivable	48a				
b Less allowance for doubtful accounts	48b			48c	
49 Grants receivable				49	
50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
51a Other notes and loans receivable (attach schedule)	51a				
b Less allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use				52	
53 Prepaid expenses and deferred charges STMT 9			54,883.	53	126,350.
54 Investments - securities (attach schedule) STMT 10 ▶ ☐ Cost [X] FMV			14,960,155.	54	15,758,258.
55a Investments - land, buildings, and equipment basis	55a				
b Less accumulated depreciation (attach schedule)	55b			55c	
56 Investments - other (attach schedule)				56	
57a Land, buildings, and equipment basis	57a	3,699,507.			
b Less accumulated depreciation (attach schedule)	57b	1,590,033.	2,047,676.	57c	2,109,474.
58 Other assets (describe ▶ STMT 11)			233,017.	58	237,358.
59 Total assets (add lines 45 through 58) (must equal line 74)			19,596,077.	59	20,455,025.
Liabilities					
60 Accounts payable and accrued expenses			157,215.	60	229,185.
61 Grants payable				61	
62 Deferred revenue				62	
63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
64a Tax-exempt bond liabilities (attach schedule)				64a	
b Mortgages and other notes payable (attach schedule)				64b	
65 Other liabilities (describe ▶)				65	
66 Total liabilities (add lines 60 through 65)			157,215.	66	229,185.
Net Assets or Fund Balances					
Organizations that follow SFAS 117, check here ▶ [X] and complete lines 67 through 69 and lines 73 and 74					
67 Unrestricted			19,438,862.	67	20,212,928.
68 Temporarily restricted				68	12,912.
69 Permanently restricted				69	
Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74					
70 Capital stock, trust principal, or current funds				70	
71 Paid-in or capital surplus, or land, building, and equipment fund				71	
72 Retained earnings, endowment, accumulated income, or other funds				72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) **must** equal line 19, column (B) **must** equal line 21)			19,438,862	73	20,225,840.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)			19,596,077.	74	20,455,025.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization How the public perceives an organization in such cases may be determined by the information presented on its return Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 26 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements ▶	a	8,145,136.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments $ -342,051		
(2)	Donated services and use of facilities $		
(3)	Recoveries of prior year grants $		
(4)	Other (specify) $		
	Add amounts on lines (1) through (4) ▶	b	-342,051.
c	Line a minus line b ▶	c	8,487,187.
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify) $		
	Add amounts on lines (1) and (2) ▶	d	
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	8,487,187.

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

a	Total expenses and losses per audited financial statements ▶	a	7,358,158
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities $		
(2)	Prior year adjustments reported on line 20, Form 990 $		
(3)	Losses reported on line 20, Form 990 $		
(4)	Other (specify) $		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	7,358,158.
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify) $		
	Add amounts on lines (1) and (2) ▶	d	
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	7,358,158.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 26 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 13		44,750.	4,080.	NONE

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? ▶ ☐ Yes ☒ No
If "Yes," attach schedule - see page 26 of the instructions.

Part VI Other Information (See page 27 of the instructions.)

			Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77		X
78a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b	If "Yes," enter the name of the organization ▶ ______ and check whether it is ☐ exempt or ☐ nonexempt			
81a	Enter direct or indirect political expenditures. See line 81 instructions — 81a			
b	Did the organization file Form 1120-POL for this year?	81b	N/A	
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) — 82b			
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	*501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b	N/A	
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c	Dues, assessments, and similar amounts from members — 85c: N/A			
d	Section 162(e) lobbying and political expenditures — 85d: N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e: N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f: N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	*501(c)(7) orgs.* Enter: a Initiation fees and capital contributions included on line 12 — 86a: N/A			
b	Gross receipts, included on line 12, for public use of club facilities — 86b: N/A			
87	*501(c)(12) orgs.* Enter: a Gross income from members or shareholders — 87a: N/A			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) — 87b: N/A			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under section 4911 ▶ NONE, section 4912 ▶ NONE, section 4955 ▶ NONE			
b	*501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ NONE			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ NONE			

90a List the states with which a copy of this return is filed ▶ SEE STATEMENT 17

b Number of employees employed in the pay period that includes March 12, 2002 (See instructions) 90b 47

91 The books are in care of ▶ THE FUND FOR ANIMALS, INC Telephone no ▶ 212-246-2096

Located at ▶ 200 WEST 57TH STREET, NEW YORK,NY ZIP + 4 ▶ 10019

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041* - Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions.)

Note: Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(E)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue					
a SALES					128,311
b CLINIC FEES					241,818
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	706,264.	
96 Dividends and interest from securities			14	16,480	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			14	513	
100 Gain or (loss) from sales of assets other than inventory			18	154,389	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				877,646	370,129.

105 Total (add line 104, columns (B), (D), and (E)) . . . . ▶ 1,247,775.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions.)

Line No ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	SALES OF BOOKS, VIDEOS, AND LOGO ITEMS, AT OR BELOW COST,
	TO INCREASE PUBLIC AWARENESS OF THE FUND FOR ANIMALS'
	MISSION
93B	PROVISION OF CLINICAL SERVICES FOR ANIMAL WELFARE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions.)

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

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign ▶ [illegible signature] May 21. 2003

Date

[redacted]

Clare

Date | Check if | Preparer's SSN or PTIN (See Gen. Inst. W)

[redacted]

SCHEDULE A
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or Section 4947(a)(1) Nonexempt Charitable Trust
Supplementary Information - (See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047
2002

Name of the organization: THE FUND FOR ANIMALS, INC.
Employer identification number: 13-6218740

Part I **Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
EILAND PALMER C/O THE FUND FOR ANIMALS, INC. 200 WEST 57TH STREET NYC 10019	RANCH ASSISTANT	57,712.	4,080.	NONE
Total number of other employees paid over $50,000 ▶	NONE			

Part II **Compensation of the Five Highest Paid Independent Contractors for Professional Services**
(See page 2 of the instructions List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
MEYER & GLITZENSTEIN 1601 CT. AVE NW 700 WASHINGTON, DC 20009	LEGAL	253,180.
GRANT THORNTON, LLP 666 THIRD AVE, NEW YORK, NY 10017	ACCOUNTING	82,500.
Total number of others receiving over $50,000 for professional services ▶ NONE		

Part III Statements About Activities (See page 2 of the instructions)

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ 464,456 (Must equal amounts on line 38, Part VI-A, or line I or Part VI-B)	1	X	
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? STMT 14	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below)	3		X
4	Do you have a section 403(b) annuity plan for your employees?	4		X

Note. *Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments* STMT 15

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V)

7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)

9 ☐ A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶

10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)

11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)

11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)

12 ☐ An organization that normally receives **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A.)

13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in **(1)** lines 5 through 12 above, or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

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

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

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	5,500,946	6,071,777	5,698,729.	6,537,938.	23,809,390.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	418,314	53,781	14,014.		486,109.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	740,803	632,306	607,376.	617,301.	2,597,786.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	6,660,063	6,757,864	6,320,119.	7,155,239.	26,893,285.
24 Line 23 minus line 17	6,241,749	6,704,083	6,306,105.	7,155,239.	26,407,176.
25 Enter 1% of line 23	66,601	67,579	63,201.	71,552.	

26 Organizations described on lines 10 or 11 a Enter 2% of amount in column (e), line 24 ▶ 26a 528,144.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 1,933,351.

c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶ 26c 26407176.

d Add Amounts from column (e) for lines 18 2,597,786 19 ______ 22 ______ 26b 1,933,351. ▶ 26d 4,531,137.

e Public support (line 26c minus line 26d total) ▶ 26e 21876039.

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ 26f 82.8413 %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" **Do not file this list with your return. Enter the sum of such amounts for each year.**

(2001) ______ (2000) ______ (1999) NOT APPLICABLE (1998) ______

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) $5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year

(2001) ______ (2000) ______ (1999) ______ (1998) ______

c Add Amounts from column (e) for lines 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c

d Add Line 27a total ______ and line 27b total ______ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ 27f

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h %

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

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check ▶ a [-] if the organization belongs to an affiliated group
Check ▶ b [ ] if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		101,025.
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		363,431.
38 Total lobbying expenditures (add lines 36 and 37)	38		464,456.
39 Other exempt purpose expenditures	39		6,893,702
40 Total exempt purpose expenditures (add lines 38 and 39)	40		7,358,158.
41 Lobbying nontaxable amount Enter the amount from the following table -			
If the amount on line 40 is - / **The lobbying nontaxable amount is -**			
Not over $500,000 ... 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 ... $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 ... $175,000 plus 10% of the excess over $1,000,000	41		517,908.
Over $1,500,000 but not over $17,000 000 ... $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 ... $1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		129,477.
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

Caution: *If there is an amount on either line 43 or line 44, you must file Form 4720*

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 11 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount	517,908.	430,036	419,310.	469,194.	1,836,448.
46 Lobbying ceiling amount (150% of line 45(e))					2,754,672.
47 Total lobbying expenditures	464,458.	277,300.	573,306.	207,866.	1,522,930.
48 Grassroots nontaxable amount	129,477.	107,509.	104,828.	117,299.	459,113.
49 Grassroots ceiling amount (150% of line 48(e))					688,670.
50 Grassroots lobbying expenditures	101,027.	53,093.	86,579.	68,227	308,926.

Part VI-B Lobbying Activity by Nonelecting Public Charities NOT APPLICABLE
(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of-	Yes	No	Amount
a Volunteers	N/	A	
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h.**)	N/	A	
c Media advertisements	N/	A	
d Mailings to members, legislators, or the public	N/	A	
e Publications, or published or broadcast statements	N/	A	
f Grants to other organizations for lobbying purposes	N/	A	
g Direct contact with legislators, their staffs, government officials, or a legislative body	N/	A	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means	N/	A	
i Total lobbying expenditures (Add lines c through h)			

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

Part VII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		
N/A		

FEDERAL FOOTNOTES

THE ORGANIZATIONS PRIMARY EXEMPT PURPOSE IS THE ALLEVIATION OF FEAR, THE PREVENTION OF PAIN AND THE RELIEF OF SUFFERING OF ANIMALS EVERYWHERE AND TO FOSTER HUMANE CONDUCT TOWARD ANIMALS AND ENCOURAGE AND SUPPORT THE COOPERATION AMONG ALL PERSONS INTERESTED IN HUMANE ACTIVITIES.

Form **8868**
(December 2000)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [x]
- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

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

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

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

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

Type or print		
File by the due date for filing your return. See instructions.	Name of Exempt Organization: THE FUND FOR ANIMALS, INC.	Employer identification number: 13-6218740
	Number, street, and room or suite no If a P O box, see instructions: 200 WEST 57TH STREET	
	City, town or post office, state, and ZIP code For a foreign address, see instructions: NEW YORK, NY 10019	

Check type of return to be filed (file a separate application for each return)

[x] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T(sec. 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[ ] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

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

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until 08/15, 2003.
to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [x] calendar year 2002 or
▶ [ ] tax year beginning ______, ____, and ending ______, ____

2 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions . . . $

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit . . . $

c **Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions . . . $

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Title ▶ CPA Date ▶ 05/09/2003

For Paperwork Reduction Act Notice, see instruction Form **8868** (12-2000)

GRANT THORNTON LLP
60 BROAD STREET
NEW YORK, NY 10004

JSA
2F8054 1 000

K428 05/09/2003 11:38:48 6439965-53148

FORM 990, PART I - OTHER INVESTMENT INCOME

DESCRIPTION	AMOUNT
OTHER INVESTMENT INCOME	513.
TOTAL	513.

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON SECURITIES CARRIED AT LOWER OF COST OR MARKET IN THE BOOKS OF THE ACCOUNT	342,051.
TOTAL	342,051.

FORM 990, PART II - GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
GRANTS PAID			
THE ANIMAL PLACE	NONE	VARIOUS	5,000
OTTOWA WILDLIFE CTR	NONE	VARIOUS	15,000
OKLA COAL AGAINST COCKFIGHTING	NONE	VARIOUS	100,000
FARM ANIMAL REFORM MOV	NONE	VARIOUS	2,000
MD BLK BEAR	NONE	VARIOUS	1,000
GREY 2K	NONE	VARIOUS	1,000
INITIATIVE & REFER INST	NONE	VARIOUS	2,500
FLORIDIANS FOR HUMANE	NONE	VARIOUS	100,000
ARK TRUST	NONE	VARIOUS	3,500.

FORM 990, PART II - GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
FARM SANCTUARY	NONE	VARIOUS	1,500
ANIMAL RESCUE LEAGUE	NONE	VARIOUS	10,000
CITIZENS FOR HUMANE ARK	NONE	VARIOUS	65,000.
PRIMATE RESCUE CENTER	NONE	VARIOUS	300.
AUSTRALIANS FOR ANIMALS	NONE	VARIOUS	500.
BORN FREE FOUNDATION	NONE	VARIOUS	400.
SPECIES SURVIVAL NETWORK	NONE	VARIOUS	1,000.
ANIMAL SANCTUARY FOUNDATION	NONE	VARIOUS	1,000
STUDENT AR ALLIANCE	NONE	VARIOUS	500

FORM 990, PART II - GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
MOBILIZATION FOR ANIMAL	NONE	VARIOUS	50
HSUS	NONE	VARIOUS	10,000
AZA-BCTF	NONE	VARIOUS	5,000
ARIZONA GREYHOUND PROTECTION	NONE	VARIOUS	2,000
		TOTAL CONTRIBUTIONS PAID	327,250.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
BLACK BEAUTY RANCH EXPENSES	767,292.	767,292.		
NEW YORK HAVE-A-HEART CLINIC	559,475.	559,475.		
RAMONA CALIFORNIA REHAB CTR	272,238.	272,238.		
SOUTH CAROLINA SANCTUARY	23,493.	23,493.		
OTHER - ANIMAL WELFARE	13,430.	13,430.		
DATA PROCESSING	5,285.		5,285.	
PRINTED LITERATURE	1,054,717.	594,015.	579.	460,123.
OTHER MEDIA	1,053,571.	992,947.	16,390.	44,234.
INSURANCE	132,756.	99,567.	33,189.	
INVESTMENT ADVISORY FEES	84,180.		84,180.	
MISCELLANEOUS	169,598.	67,414.	14,431.	87,753.
CONSULTING FEES	96,219.	75,867.	20,352.	
TOTALS	4,232,254.	3,465,738.	174,406.	592,110.

FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
ANIMAL PROTECTION - OPERATION OF A RANCH IN TEXAS FOR ABUSED ANIMALS, EMERGENCY RESCUE OF ANIMALS, OPERATION OF OTHER ANIMAL PROTECTION AND WELFARE FACILITIES AND OTHER ANIMAL PROTECTION MATTERS.	60,250.	2,640,556.
TOTAL	327,250.	5,766,004.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
PREPAID INSURANCE	21,913.	104,771.
PREPAID RENT	9,314.	9,593.
PREPAID OTHER	23,656.	11,986.
TOTALS	54,883.	126,350.

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION		BEGINNING BOOK VALUE	ENDING BOOK VALUE
GOVERNMENT OBLIGATIONS		13,763,146.	15,290,888.
COMMON STOCK		1,197,009.	467,370.
	TOTALS	14,960,155.	15,758,258.

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
ACCOUNTS RECEIVABLE	NONE	2,218.
ACCRUED INTEREST REC - GEN	108,809.	109,979.
ACCRUED INTEREST REC - BBR	60,682.	60,779.
SECURITY DEPOSITS	63,526.	64,382.
TOTALS	233,017.	237,358.

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MS. MARIAN PROBST 200 WEST 57TH STREET NEW YORK, NY 10019	CHAIR	NONE	NONE	NONE
MS. BARBARA BRACK 200 WEST 57TH STREET NEW YORK, NY 10019	DIRECTOR	NONE	NONE	NONE
MRS. DEL DONATI 200 WEST 57TH STREET NEW YORK, NY 10019	DIRECTOR	NONE	NONE	NONE
MR. MICHAEL KILIAN 200 WEST 57TH STREET NEW YORK, NY 10019	DIRECTOR	NONE	NONE	NONE
MRS. JUDITH NEY 200 WEST 57TH STREET NEW YORK, NY 10019	VICE PRES	NONE	NONE	NONE
MRS. KATHRYN WALKER 200 WEST 57TH STREET NEW YORK, NY 10019	DIRECTOR	NONE	NONE	NONE
MR. EDGAR SMITH 200 WEST 57TH STREET NEW YORK, NY 10019	DIRECTOR	NONE	NONE	NONE
MR. MICHAEL MARKARIAN 200 WEST 57TH STREET NEW YORK, NY 10019	PRESIDENT 40 HOURS	44,750.	4,080.	NONE

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MR. NEAL FANG 200 WEST 57TH STREET NEW YORK, NY 10019	DIRECTOR	NONE	NONE	NONE
	GRAND TOTALS	44,750.	4,080.	NONE

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

SEE FORM 990 PART V

SCHEDULE A, PART III - EXPLANATION FOR LINE 4

AN ANALYSIS AND CALCULATION IS MADE FOR ALL REQUESTS FOR FUNDS TO OTHER ORGANIZATIONS. IF THE SOLICITING ORGANIZATION IS IN THE POSITION OF AIDING IN THE FUND'S GOALS, THEN THE MONEY WILL BE GRANTED.

THE FUND FOR ANIMALS, INC 13-6218740
2002 FILING

State

ALABAMA
ALASKA
ARIZONA
ARKANSAS
CALIFORNIA
COLORADO
CONNECTICUT
DISTRICT OF COLUMBIA
FLORIDA
GEORGIA
ILLINOIS
KANSAS
KENTUCKY
LOUISIANA
MAINE
MARYLAND
MASSACHUSETTS
MICHIGAN
MINNESOTA
MISSISSIPPI
NEW HAMPSHIRE
NEW JERSEY
NEW MEXICO
NEW YORK
NORTH CAROLINA
OHIO
OKLAHOMA
OREGON
PENNSYLVANIA
RHODE ISLAND
SOUTH CAROLINA
TENNESSEE
UTAH
VIRGINIA
WASHINGTON
WEST VIRGINIA
WISCONSIN

SCHEDULE D (Form 1041)
Department of the Treasury Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041 (or Form 5227). See the separate instructions for Form 1041 (or Form 5227)

OMB No 1545-0092

2002

Name of estate or trust: THE FUND FOR ANIMALS, INC.

Employer identification number: 13-6218740

Note: *Form 5227 filers need to complete only Parts I and II*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

	(a) Description of property (Example, 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 31)	(f) Gain or (Loss) (col (d) less col (e))
1						

2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2001 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss)** Combine lines 1 through 4 in column (f) Enter here and on line 14 below ▶	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

	(a) Description of property (Example, 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 31)	(f) Gain or (Loss) (col (d) less col (e))	(g) 28% Rate Gain or (Loss) *(see instr below)
6							
	SEE STATEMENT 1			7,743,698.	7,589,309.	154,389	NONE

			(f)	(g)
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7		
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8		
9	Capital gain distributions	9		
10	Gain from Form 4797, Part I	10		
11	Long-term capital loss carryover Enter in both columns (f) and (g) the amount, if any, from line 14, of the 2001 Capital Loss Carryover Worksheet	11	( )	( )
12	Combine lines 6 through 11 in column (g).	12		
13	**Net long-term gain or (loss).** Combine lines 6 through 11 in column (f) Enter here and on line 15 below ▶	13	154,389.	

***28% rate gain or loss** includes **all** "collectibles gains and losses" (as defined on page 31 of the instructions) and up to 50% of the eligible gain on qualified small business stock (see page 30 of the instructions)

Part III Summary of Parts I and II

			(1) Beneficiaries' (see page 32)	(2) Estate's or trust's	(3) Total
14	**Net short-term gain or (loss)** (from line 5 above)	14			
15	**Net long-term gain or (loss):**				
a	Total for year (from line 13 above)	15a			154,389.
b	28% rate gain or (loss) (from line 12 above)	15b			
c	Qualified 5 - year gain	15c			
d	Unrecaptured section 1250 gain (see line 17 of the worksheet on page 33)	15d			
16	**Total net gain or (loss).** Combine lines 14 and 15a ▶	16			154,389.

Note: *If line 16, column (3), is a net gain, enter the gain on Form 1041, line 4 If lines 15a and 16, column (2), are net gains, go to Part V, and do not complete Part IV If line 16, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet****, as necessary*

Part IV Capital Loss Limitation

17	Enter here and enter as a (loss) on Form 1041, line 4, the **smaller** of a The loss on line 16, column (3) or b $3,000	17	( )

If the loss on line 16, column (3), is more than $3,000, or if Form 1041, page 1, line 22, is a loss, complete the ***Capital Loss Carryover Worksheet*** *on page 34 of the instructions to determine your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates (Complete this part only if both lines 15a and 16 in column (2) are gains, and Form 1041, line 22 is more than zero)

Note: *If line 15b, column (2) or line 15d, column (2) is more than zero, complete the worksheet on page 35 of the instructions to figure the amount to enter on lines 20 and 38 below and skip all other lines below Otherwise, go to line 18*

18	Enter taxable income from Form 1041, line 22			18			
19	Enter the **smaller** of line 15a or 16 in column (2)	19					
20	If the estate or trust is filing Form 4952, enter the amount from line 4e, otherwise, enter -0- ▶	20					
21	Subtract line 20 from line 19 If zero or less, enter -0-			21			
22	Subtract line 21 from line 18 If zero or less, enter -0-			22			
23	Figure the tax on the amount on line 22 Use the 2002 Tax Rate Schedule on page 21 of the instructions					23	
24	Enter the **smaller** of the amount on line 18 or $1,850			24			
	If line 24 is greater than line 22, go to line 25. Otherwise, skip lines 25 through 31 and go to line 32.						
25	Enter the amount from line 22			25			
26	Subtract line 25 from line 24 If zero or less, enter -0- and go to line 32			26			
27	Enter the estate's or trust's allocable portion of qualified 5-year gain, if any, from line 15c, column (2)	27					
28	Enter the **smaller** of line 26 or line 27			28			
29	Multiply line 28 by 8% (08)					29	
30	Subtract line 28 from line 26			30			
31	Multiply line 30 by 10% (10)					31	
	If the amounts on lines 21 and 26 are the same, skip lines 32 through 35 and go to line 36.						
32	Enter the **smaller** of line 18 or line 21			32			
33	Enter the amount, if any, from line 26			33			
34	Subtract line 33 from line 32			34			
35	Multiply line 34 by 20% (20)					35	
36	Add lines 23, 29, 31, and 35					36	
37	Figure the tax on the amount on line 18 Use the 2002 Tax Rate Schedule on page 21 of the instructions					37	
38	**Tax on all taxable income (including capital gains).** Enter the **smaller** of line 36 or line 37 here and on line 1a of Schedule G, Form 1041					38	

THE FUND FOR ANIMALS, INC. 13-6218740

Schedule D Detail of Long-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
CAPITAL GAINS (LOSSES) FROM SECURITIES					
SECURITIES SOLD - SEE ATTACHED			7,743,698.	7,589,309.	154,389.
TOTAL CAPITAL GAINS (LOSSES) FROM SECURITIES			7,743,698.	7,589,309.	154,389.
Totals			7,743,698.	7,589,309.	154,389.

THE FUND FOR ANIMALS INC.

TOTAL OF ALL INVESTMENTS

Date Acq	Description	INVENTORY AT 01 1.02 Cost	PURCHASES SPLITS / 2002 Cost	SALES/EXCHANGES 2002 Proceeds	Cost	Date Sold	Gain/Loss	INVENTORY AT 12.31.02 Cost	Market Value	Income
GENERAL FUND		10,009 407	5,665 649	4 977 933	4,888,326		89 607	10 786 730	10 242 779	456 457
BLACK BEAUTY RANCH		5,372 549	3,063 815	2 765 766	2 700 985		64 781	5 735,379	5 515,478	250,811
GRAND TOTAL OF ALL INVESTMENTS		15,381,956	8 729,464	7 743 699	7,589 311		154,387	16 522,109	15 758,257	707,268

RECONCILIATION:MARKET VALUE OF SECURITIES IN GENERAL FUND

MARKET VALUE PER DEUTCHE BANK		10 352,476
DEDUCT		
Principal cash	56 065	
Deutsche Money Market	(110 515)	
Accrued Income / Fixed Income	(105 338)	
Accrued Income / Equities	(353)	(160 141)
ADD		
MV/SECURITIES NOT HELD AT DB AT 12 31 2002		
Salomon Brothers Investors Fund	228	
American Funds	50,216	50 444
MARKET VALUE / GENERAL FUND /PER SCHEDULE		10,242,779

RECONCILIATION:MARKET VALUE OF SECURITIES IN BLACK BEAUTY RANCH

MARKET VALUE PER STC		5 680,608
DEDUCT		
Deutsche Money Market	(107 042)	
Accrued Income / Fixed Income	(57 998)	
Accrued Income / Equities	(90)	(165,130)
MARKET VALUE / BBR/PER SCHEDULE		5,515,478
TOTAL MARKET VALUE OF ALL SECURITIES		15,758,257

THE FUND FOR ANIMALS, INC.
SCHEDULE OF INVESTMENTS

GENERAL FUND COMMON STOCKS		INVENTORY AT 01 1 02		PURCHASES SPLITS / 2002		SALES/EXCHANGES 2002					INVENTORY AT 12.31.02			
Date Acq	Description	No. shs.	Cost	No.shs.	Cost	No.shs	Proceeds	Cost	Date Sold	Gain/Loss	COST	NO SHS	Market Value	INCOME
PURCHASED STOCKS														
Various 1989	Amoskeag Bankshares	5,000	36 969							0	36 969	5 000	250	
Various	Agere Sys Cl A (Fr Lucent)			44	627	all	1	0	Jun 5 2002	1	627	44	63	
Various	Agere Sys Cl B(Fr Lucent)			1 077	19 992		1	0	Jun 6 2002	1	19 992	1 077	1 508	
Oct 3 2000	Avaya Inc (fr Lucent)	164	3 420			164	1 066	3 420	May 29 2002	(2 354)	0	0		
May 2 2001	AT & T Corp (N/C AT&T Wireless Group)	673	12 577			673	5 384	12 577	May 29 2002	(7 193)	0	0		
Jan 22 2001	BorlandSoftware (fr Inprise)	9 550	72 913			9 550	122 091	72 913	Feb 20 2002	49 178	0	0		
Jul 18, 2002	Conagra Inc			1 750	43 906					0	43 906	1 750	43 768	844
Aug 14 2000	Kadant Inc (from Thermo Electron)	164	6 346							0	6 346	164	2 460	
Jun 12 2001	Kraft Foods Inc. Cl A	3 000	93 000			800	25 412	18 600	May 29 2002	6,812				
						1 200	43 139	37 200	Jul 18 2002	5 939	37,200	1 200	46 716	1 272
Various	Lucent Technologies	4 071	113,965			to agere A	827	827	Jun 3 2002	0				
						to Agere B	19 992	19 992	Jun 3 2002	0	93 148	4 071	6 129	
Various	Leap Wireless Intl Inc	6 150	253 063	13 600	35 068					0	288 131	19 750	2 962	
Apr 6 2000	Peregrine Sys	7 190	144 835			975	1 287	34 734	May 29 2002	(33 447)	110 101	6 216	485	
1998/1999	Storage Technology Corp	3 800	116 135							0	116 135	3 800	81 396	
Aug 14 2000	Thermo Electron Corp	2 698	153 324							0	153 324	2 698	54 243	
Aug 14 2000	Viasys Healthcare (Fr Thermo)	393	18,084			393	7 879	18 084	May 29 2002	(10 205)	0	0		
1999	Worldcom Inc	3 570	191 519			200	343	11 615	May 29 2002	(11 272)	179 904	3 370	416	170
1999	Worldcom Inc-MCI Group	142	7 980								7 980	142	22	
TOTAL PURCHASED STOCKS			1 224 130		99 793		227,422	229,882		(2,840)	1 093,961		239,418	2,286
DONATED STOCKS														
Dec 31 1998	American Funds	2 206 011	64 551							0				
	Dividends reinvested			83 926	1 323					0	65 874	2 269	50 216	1 324
Sep 1 2000	AT & T Corp	147	7 448			147	1 176	7 446	May 29 2002	(6 269)	0	0		
Oct 3 2000	Avaya Inc (from Lucent)	11	307			11	72	307	May 29 2002	(235)	0	0		
Various	Agere Sys Cl A (from Lucent)			1	40					0	40	1	2	
Various	Agere Sys Cl B (from Lucent)			35	1,316					0	1 316	35	49	
Dec 28, 2001	Bank One Corp	41	1 535							0	1 535	41	1 499	34
Dec 5 2001	Bellsouth	5	195			5	165	195	May 29 2002	(30)	0	0		2
Dec 6 2001	Citigroup Inc	20	988			20	869	988	May 29 2002	(119)	0	0		7
Oct 1 2002														
Memo says	Exxon Mobil			115	4 312	115	4 144	4,312	Oct 16 2002	(168)	0			
Valued 11/8/02	Great Plains Energy Inc			368	7 997					0	7 997	368	9 420	153
Dec 19 2001	Intel Corp	62	2 077			62	2 093	2 077	Feb 28 2002	16	0			
4th Rec d ST														
dated														
12/20/02	JP Morgan Chase			162	4 010					0	4 010	162	3 888	
Jun 22, 2000	Lucent Technologies Inc	133	7 603			1	40	40	June 3 2002	0				
						35	1 316	1 316	June 3 2002	0	6 147	133	165	
Dec 7 2001	Pfizer Inc	80	3 580			80	2.804	3 580	May 29 2002	(776)	0	0		21
Sep 18 1998	Salomon Bros Investors Fund	15 441	320							0				
	Dividends reinvested			0 204	3					0				3
										0	323	15 880	228	
Valued 11/8/02	Sempra Energy			436	8 851					0	8 951	436	10 311	
Dec 17 2001	Wachovia Corp (fr First Union)	600	15 560											
Dec 20 2002	Wachovia Corp			300	11 229					0	26 789	900	29 152	600
	Dividends received on stocks sold in 2001													
	Kimberly Clark													14
	Vodafone Group Inc													35
TOTAL DONATED STOCKS			104,061		29 181		12,679	20 280		(7,881)	122,982		103 933	2,093
TOTAL COMMON STOCKS			1,328 191		128,974		240 101	250 222		(10 121)	1,216,943		343 351	4,379

GENERAL FUND
GOVERNMENT OBLIGATIONS

Date Acq	Description	INVENTORY AT 01 1 02 FACE VALUE	Cost	PURCHASES SPLITS / 2002 FACE VALUE	Cost	SALES/EXCHANGES 2002 FACE VALUE	Proceeds	Cost	Date Sold	Gain/Loss	INVENTORY AT 12.31.02 COST	FACE VALUE	MARKET VALUE	INCOME
Jul 17 1998	USTN 5 75% due 8 15 2003	300,000	292 218							0				
Nov 20 1998		125,000	130 176							0				
Dec 23 1998		175,000	182 628							0				
JUL 11 2000		400,000	393 876							0	998 898	1 000 000	1 027 810	57 500
Feb 5 1998	USTN 6 25% due 6 30 2002	135 000	139 050							0				
Aug 21 1998		75 000	77 543							0				
Feb 2 2001		390 000	397 922			600 000	600 000	614 515	Jun 30 2002	(14 515)	0			18 750
Feb 5 1998	USTN 5.875% due 2 15 2004	460,000	458 719			250,000	264 219	254 844	OCT 3 2002	9 375				
Dec 28 1999		300 000	315 141			100 000	105 375	105 047	Oct 29 2002	328				
Oct 23 2000		500 000	502 188							0	916 157	900 000	948 404	88 926
Jul 13 1998	USTN 5 625% due 2 15 2008	75 000	78 253							0				
Nov 9 1998		250 000	281 640											
Dec 28 1998		175 000	183 449							0				
Oct 22 1999		500 000	482,813							0	1 003 195	1,000 000	1 107 500	56 250
Jul 10 2002	USTN 3 00% due 7 15 2012			200 000	198 182					0				
Oct 8 2002				650 000	700 034					0	898 216	850 000	910 880	0
Jul 26 2002	USTN 4 75 % due 11 15 2008			200 000	210 031	200 000	216 250	210 031	Oct 29 2002	6,218	0	0		2 478
Aug 7 2002	USTN 4 375 % due 08 15 2012			500 000	501 610									
OCT 3 2002				500 000	528 711					0	1 030 321	1 000 000	1 045 310	13 569
Mar 19 1999	Fed Nat l Mtg 5 125% 2 13 2004	700 000	689 199			450 000	468 984	443 057	OCT 7 2002	25 927				
Oct 14 1999		300 000	283 323			550,000	571 411	529 465	Dec 17 2002	41 946	0			44 819
Jun 15 2001	Fed Nat l Mtg 6% 7 1 2016	754 068 150	750 768			8 193 53	8 195	8 157	JAN 25 2002	38				
						3 170 14	3 170	3 156	Feb 25 2002	14				
						4 764 74	4 765	4 744	MAR 25 2002	21				
						10 571 70	10 572	10 526	APR 25 2002	46				
						3 989 73	3 990	3,971	May 28 2002	19				
						13 766 48	13 766	13 706	Jun 25 2002	60				
						9 210 74	9 211	9 171	Jul 25 2002	40		700 401 09		
						5 951 09	5 951	5 925	Aug 26 2002	26		694 450 00		
						15 928 15	15 928	15 858	Sep 25 2002	70		678 523 85		
						26 920 37	26 920	26 803	Oct 25 2002	117		651 603 48		
						25 562 30	25 562	25 450	Nov 25 2002	112		626 041 18		
						39 280 56	39 281	39 109	Dec 26 2002	172	584 194	586 760 63	614 233	42 480
Sep 26 2001	Fed Nat'l Mtg 4 75% 3 15 2004	1,000 000	1,030 580			1 000 000	1,038 750	1 030 580	Sep 18 2002	8 170	0			34 103
Sep 26 2001	Fed Nat'l Mtg 5 25% 6 15 2008	1 000 000	1 034 880			450 000	487 891	465 811	Oct 7 2002	22 080	569 079	550 000	599 330	47 068
Dec 18 2001	Fed Nat'l Mtg 6% 1 01 2017	1 000 000	1 000 000			3 637 43	3 637	3 637	Feb 26 2002	0				
						6 296 78	6 297	6 297	Mar 26 2002	0				
						6 135 60	6 136	6 136	APR 25, 2002	0				
						3,820 49	3 820	3 820	May 28 2002	0				
						4 403 42	4 403	4 403	Jun 25 2002	0				
						5 684 58	5,688	5 688	Jul 26, 2002	0		970 021 70		
						3 919 44	3 919	3 919	Aug 26 2002	0		966 102 26		
						11,446 00	11 449	11,448	Sep 25 2002	0		954 656 26		
						10 351 41	10 351	10 351	Oct 25 2002	0		944 304 85		
						30 640 04	30 640	30 640	Nov 25 2002	0		913 664 81		
						24 099 83	24 100	24 100	Dec 26 2002	0	889 586	889 564 54	931 214	50 708
SEP 18 2002	Fed Home Ln 5 50% 10 01 2017			800 000	823 500	5,213 04	5 313	5,488	Nov 15 2002	(156)		794 686 98		
						12,980 88	12 981	13,362	37605	(381)	804 888	781 706 06	811 716	4 865
Oct 28 2002	Fed Home Ln 5 25% 03 05 2012			550 000	586 405					0	586 405	550 000	603 795	6 767
Oct 3 2002	Fed Home Ln 4 02% 11 06 2007			525 000	525 000					0	525 000	525 000	529,394	3 180
Dec 17 2002	Fed Home Ln 4 50% 7 23 2007			550 000	564 586					0	564 586	550 000	572 346	948

Jun 27 2002	USTB due 7 25 2002			690 000	689 115	690 000	689 115	689 115	Jul 25 2002	0	0			885
Dec 30 2002YL	USTB due 3 20 2003			200,000	199 501					0	199 501	200,000	199 496	0
TOTAL GOVERNMENT OBLIGATIONS			9,881,216		8 528 678		4 737,832	4 638 104		89 728	9,589 787		9,899,429	452,078
TOTAL INVESTMENTS / GENERAL FUND			10 009,407		8 668,649		4,977,833	4,888 326		89 607	10 786 730		10 242,778	486,467

BLACK BEAUTY RANCH

COMMON STOCKS

		INVENTORY AT 01 1.02		PURCHASES SPLITS / 2002		SALES/EXCHANGES 2002					INVENTORY AT 12.31.02			
Date Acq	*Description*	*No. shs.*	*Cost*	*No. shs.*	*Cost*	*No. shs.*	*Proceeds*	*Cost*	*Date Sold*	*Gain/Loss*	*Cost*	*No. shs.*	*Market Value*	*Income*
Oct 3 2000	Avaya Inc (from Lucent)	103	3 066			103	669	3 055	May 29 2002	(2,386)	0	0		
Various	Agere Sys Cl A (from Lucent)			31	529	cl	1	0	Jun 3, 2002	1	529	31	45	
Various	Agere Sys Cl B (from Lucent)			767	12 978	cl	2	0	Jun 3 2002	2	12 978	767	1 074	
Jan 22 2001	Borland Software (from Inprise)	5 600	42 294			5 600	70 314	42 294	Feb 20 2002	28 020	0	0		
Jul 18, 2002	Conagra Inc			880	22 078					0	22 078	880	22 008	426
Aug 14 2000	Kadent Inc (from Thermo Electron)	59	1,310							0	1 310	59	885	
Jun 12 2001	Kraft Foods Inc Cl A	1 500	46,500			300	12 706	9 300	May 29 2002	3 406				
						600	21 569	18 600	Jul 18 2002	2 969	18 600	600	23 358	636
Various	Leap Wireless Intl Inc	3 525	122 121	6 225	16 051					0	138 172	9 760	1,483	-
Various	Lucent Technologies Inc	2 901	73 981			To Agere A	529	529	Jun 3 2002	0				
						To Agere B	12 878	12 878	Jun 3 2002	0	60,474	2 901	3 855	
Apr 6 2000	Peregrine Sys (from Harbinger)	2 750	54 797			550	726	18,853	May 29 2002	(18 127)	35 944	2 200	172	
1998/1999	Storage Technology Corp	2,400	71 982							0	71 982	2 400	51 408	
Aug 14 2000	Thermo Electron Corp	979	34 134							0	34 134	979	19 697	-
Aug 14 2000	Viasys Healthcare (fr Thermo)	143	1,264			143	2 887	1 264	May 29 2002	1 603	0	0		
Various	Worldcom Inc	2 146	114 628			200	343	11 616	May 29 2002	(11 273)	103 012	1 946	240	102
Various	Worldcom Inc MCI Group	85	4 776								4 776	85	13	
TOTAL COMMON STOCKS			570 942		51 636		122 704	118,489		4,215	503 989		124 018	1 163
GOVERNMENT OBLIGATIONS														
Sep 4, 1998	USTN 5 75% due 8 15 2003	250 000	256 008							0				
Oct 7 1998		100 000	106 858							0				
Nov 20, 1998		50 000	52 070							0				
Dec 23 1998		25 000	26 090							0				
Jul 19 1999		125 000	125 626							0	566 652	550 000	568 296	31 625
Jan 21 1998	USTN 5 875% due 2 15 2004	100 000	102,063			100 000	105,703	102 063	Oct 7 2002 (10/8)	3 640				
Sep 4, 1998		50 000	52,172			100 000	105,375	105 000	Oct 29 2002	375				
Sep 18 1998		250 000	264 140							0				
Oct 6 1998		100 000	108 172							0				
Dec 28 1998		75 000	78 785							0				
Jul 19 1999		125 000	126 504							0	524 773	500 000	525 780	38 806
Jul 19 1999	USTN 6 25% due 6 30 2002	60,000	61,171							0				
FEB 2 2001		240 000	244 875			300.000	300,000	306 048	Jun 30 2002	(6 048)	0			9 375
Dec 28 1998	USTN 5 625% due 2 15 2006	5 000	5,242							0				
Jul 19 1999		125 000	124 355							0				
Oct 22 1998		400 000	386 250							0	515 847	530 000	556 975	29 813
Jul 15 2002	USTN 3 00% due 7 15 2012			100 000	99 091					0				
Oct 7 2002				400 000	430,780					0	529 881	500 000	535 811	0
Jul 26 2002	USTN 4 75 % due11 15 2008			100 000	105 016	100 000	108 125	105 016	Oct 29 2002	3 109	0	0		1 239
Aug 7, 2002	USTN 4 375 % due08 15 2012			300 000	300 966					0				
Oct 3 2002				275,000	290 791					0	591 757	575 000	601 053	7 808
Mar 22 1999	Fed Nat'l Mort Assoc 5 125%													
	due 2 13 2004	375 000	369 213			300 000	312 656	295 371	Oct 7 2002	17,285				
Oct 14 1999		225 000	212 492			300 000	311 678	286 334	Dec 17 2002	25 344	0			26 472

Jun 15, 2001	Fed Nat'l Mort Assoc 6% 7 1 2016	413 621	411 723			4 493 23	4 493	4 474	Jan 25 2002	20				
						1 738.48	1 728	1 731	Feb 26 2002	7				
						2 612.92	2,613	2 601	Mar 25 2002	12				
						5 797 38	5,797	5 772	Apr 25 2002	25				
						2 187 92	2 188	2 178	May 28, 2002	10				
						7 549 36	7 549	7 516	Jun 25 2002	33				
						5 051 05	5 051	5 029	Jul 25 2002	22		384 090 71		
						3 263 50	3 264	3 249	Aug 26 2002	15		380 827 21		
						8 733 69	8 733	8 697	Sep 25 2002	36		372 093 52		
						14 762 78	14 763	14 698	Oct 25 2002	65		357 330 74		
						14 018 03	14 018	13 957	Nov 25 2002	61		343 312 71		
						21 540 93	21 541	21 447	Dec 26 2002	94	320 374	321 771 78	336 837	23 284
Sep 26 2001	Fed Nat l Mort 4 75% 3 15 2004	550,000	566 619			550 000	571 312	566 619	Sep 18 2002	4 493	0	0		18 757
Sep 26 2001	Fed Nat l Mort 5 25% 6 15 2006	550 000	563,079			250 000	270 940	258 672	Oct 7 2002	12 288	310 407	300 000	328 907	25 857
Dec 18 2001	Fed Nat'l Mort 6% 1 01 2017	550 000	550 000			2 000.89	2,001	2 001	Feb 25 2002	0				
						3 483.23	3 483	3 483	Mar 25, 2002	0				
						3 374 58	3,374	3 374	Apr 25, 2002	0				
						2 101 27	2 101	2 101	May 28 2002	0				
						2 421 88	2 422	2 422	Jun 25 2002	0				
						3 126 52	3 127	3 127	Jul 25 2002	0		533 511 93		
						2 165 69	2 166	2 166	Aug 26 2002	0		531 388 24		
						6 295 54	6 285	6 295	Sep 25 2002	0		526 060 70		
						5 693 28	5 693	5 693	Oct 25 2002	0		519 367 42		
						16 852 02	16 852	16 852	Nov 25, 2002	0		502 515 40		
						13 254 91	13 256	13 256	Dec 26 2002	0	489 260	489 260 49	512 166	27 889
Sep 18 2002	Fed Home Ln 5 50% 10 01 2017			450 000	463 219	2 988 58	2 989	3,077	Nov 15 2002	(88)		447 011 42		
						7 301 75	7 302	7 516	Dec 16 2002	(214)	452 826	439 709 67	456 590	2 736
Oct 25 2002	Fed Home Ln 6 25% 03 05 2012			300,000	319 857					0	319 857	300 000	329 343	3 146
Oct 3 2002	Fed Home Ln 4 02% 11 06.2007			300 000	300 000					0	300 000	300 000	302 511	1 817
Dec 17 2002	Fed Home Ln 4 60% 7 23 2007			300 000	307 956					0	307 956	300 000	312 189	517
Jun 27 2002	USTB due 7 25 2002			395 000	394 493	395 000	394 493	394 493	Jul 25 2002	0	0			507
TOTAL GOVERNMENT OBLIGATIONS			4,801 707		2 012,179		2,843 062	2,882,496		60 566	5 231 390		5,391 460	248 648
	VALUATION ALLOWANCE													
TOTAL INVESTMENTS/BLACK BEAUTY			5,372,849		3,063 815		2,788 788	2,700 986		64 781	5 735,379	0	5,515,479	260 811

LW Robbins Associates

Direct mail and donor development fundraising counsel to non-profit organizations nationwide since 1970

MEMORANDUM OF AGREEMENT

BETWEEN

WILDE/LWRA, INC

AND

THE FUND FOR ANIMALS, INC

1. The Fund for Animals, Inc , 200 West 57th Street, New York, New York 10019, a non-profit New York organization (hereinafter referred to as The Fund), hereby agrees to retain the professional direct mail fundraising counseling services of Wilde/LWRA, Inc (hereinafter referred to as LWRA), a Massachusetts corporation with principal offices located at 201 Summer Street, Holliston, Massachusetts 01746

2 The period of time covered by this Agreement will be from January 1, 2002 through December 31, 2002. The expiration date of this Agreement will be automatically renewed for a succeeding sixty (60) days unless notice of termination of this Agreement is provided sixty (60) days prior to the maturity of the Agreement, or the Agreement is renewed before the expiration date However, this Agreement may be terminated by either party at any time during the above time period by giving a sixty (60) days written notice of termination to the other party. The exercise by either party of the option to terminate will in no way be construed as a release or waiver of any rights or obligations accrued to date

   a) Fundraising services to be performed in the Commonwealth of Pennsylvania under this contract will not commence until both LWRA and The Fund are properly registered in and all requirements have been met in the Commonwealth of Pennsylvania. The Commonwealth of Pennsylvania requires as do some other States the filing of this contract ten (10) days before services commence Therefore, services will not commence until ten (10) days after the filing of a copy of this Agreement in the Commonwealth of Pennsylvania and for any other State that may require the same provisions.

   b) Upon termination of this Agreement, all property and material produced and used under this Agreement, will be considered the property of The Fund, provided full payment of all outstanding invoices generated under this Agreement have been made

3 The services to be provided to The Fund by LWRA will consist of the following

a) A direct mail fundraising program will be designed and counseled through December 31, 2002 by LWRA on behalf of The Fund for the purpose of building a substantial, quality donor constituency and obtaining for The Fund the maximum possible direct mail gift support from such donors

b) The specific fundraising mailings to be conducted by LWRA for The Fund during the period January 1, 2002 through December 31, 2002 are outlined in the enclosed program plan date December 4, 2001

4. As compensation for LWRA providing the above Professional Direct Mail Fundraising Counseling services to The Fund, a Professional Fee in the amount of Thirty-SixThousand Dollars ($36,000) will be paid to LWRA All fees will be payable within thirty (30) days of the original mailing invoice

5 Direct miscellaneous expenses incurred by LWRA during the conduct of its direct mail fundraising counseling services on behalf of The Fund, such as copying charges, travel expenses, telephone, delivery charges and miscellaneous postage are to be the financial responsibility of LWRA and will not be billed for reimbursement to The Fund

6. All mailings produced by LWRA on behalf of The Fund will be submitted to The Fund for approval before mailing. The Fund will maintain complete control over list selection, copy, graphics, package cost and volumes to be mailed.

7 Estimated postage for each approved mailing to be conducted by LWRA on behalf of The Fund is to be paid by The Fund to LWRA no less than ten (10) days in advance of the scheduled mailing date

8 All Fund approved and authorized invoices for professional services and mailing materials and services submitted by LWRA to The Fund are to be paid within thirty (30) days from date of invoice

9 Any and all lists given to LWRA by The Fund are the sole property of The Fund and are not to be given, sold or assigned by LWRA to any person or entity for their use Any mailing list provided to LWRA is and will remain the property of The Fund. LWRA will not use the mailing list for any purpose without prior written approval of The Fund. After the termination of this Agreement, LWRA will not maintain possession of the mailing list or any copies thereof, and the mailing list and all copies will be returned to The Fund

10 All solicited funds and gifts will be mailed directly to The Fund's offices or agents. At no time will LWRA have custody of, control over, or possession of any funds donated to The Fund

11 LWRA has examined The Fund's mission statement All funds donated through the mail will be used in the fulfillment of The Fund's mission to foster humane conduct towards animals throughout the world

12. LWRA will make projections of income of the direct mail efforts and will exercise reasonable efforts to help The Fund achieve those goals It is expressly understood, however, that any such projections by LWRA are estimates and not guarantees that any program will achieve any projected goals at the projected costs

13 The Fund and/or its vendors agree to maintain accurate records of mailing results and agree to provide LWRA with certain periodic reports during the conduct of the program for evaluation LWRA will establish procedures to ensure that this is done on an efficient, economical basis

14 This Agreement may not be modified except as mutually agreed to in writing by both parties

Accepted for Wilde/LWRA, INC.

Dated: December 4, 2001 By: Lynn S. Edmonds
Lynn Edmonds
President

Accepted for The Fund for Animals, Inc

Dated: Dec. 6, 2001 By: [signature]
Title: PRESIDENT

Dated ____________ By ____________

Title ____________

LW Robbins Associates
A SUBSIDIARY OF W.A. WILDE COMPANY

CHAR 016

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
CHARITIES BUREAU

THE CAPITOL
ALBANY, NY 12224
(518) 486-9797

1. This addendum may be used by professional fund raisers and fund raising counsels who contract with charitable organizations.

2. The provisions of this addendum will be accepted as complying with the Executive Law, section 174-a. Professional fund raisers and fund raising counsels are not required to use this specific form However, they are required to insure that their contracts will comply with the NYS Executive Law, section 174-a.

3 Professional fund raisers should strike out references in the addendum to fund raising counsels, and fund raising counsels should strike out all references to professional fund raisers.

4 The addendum must be signed by both parties to the contract and be attached to the contract when it is submitted to the Charities Bureau for filing

ADDENDUM TO CONTRACT WITH CHARITABLE ORGANIZATIONS

The parties to the attached contract are The Fund for Animals, Inc.
(charitable organization)

and Wilde/LWRA, Inc., d/b/a L.W. Robbins Associates
~~(professional fund raiser)~~ (fund raising counsel)

and the parties acknowledge that the attached contract was signed by the charitable organization on ____________, ______, and by the ~~(professional fund raiser)~~ (fund raising counsel) on ____________, ______.

The parties hereby agree that the provisions of this addendum shall be made part of the contract and shall be incorporated therein as if fully set forth in the contract itself. The parties further agree that the following terms and conditions shall supercede and control any provisions in the contract that are contrary to or inconsistent with the terms of this addendum.

Therefore, the parties further agree as follows:

(1) *Charity's right to cancel this contract:* It is understood by both parties that the charitable organization has the right under New York State law to cancel this contract and that the charitable organization does not have to give any reason for the cancellation. By law, the parties to this contract cannot waive or modify this right by any pre-existing agreement or by any subsequent agreement between the parties. Therefore, the charitable organization may cancel this contract without cost, penalty or liability if the charitable organization notifies the ~~(professional fund raiser)~~ (fund raising counsel) in writing as provided below.

(2) *Period during which contract may be cancelled:* If the ~~(professional fund raiser)~~ (fund raising counsel) is registered with the New York State Charities Bureau, the charitable organization may cancel this contract at any time up to and including the fifteenth day after this contract was filed by the ~~(professional fund raiser)~~ (fund raising counsel) with the New York State Charities Bureau.
If, however, the professional fund raiser is not registered with the New York State Charities Bureau at the time this contract is signed, the charitable organization may cancel this contract at any time after it is signed.

(3) *Procedure for cancelling this contract:* The charitable organization may cancel this contract by giving the ~~(professional fund raiser)~~ (fund raising counsel) written notice of cancellation. This notice can be in the form of a letter indicating that the charitable organization does not intend to be bound by the contract. The notice of cancellation may be hand-delivered or mailed to the ~~(professional fund raiser)~~ (fund raising counsel) If mailed, it must be sent to the following address.

Name: Wilde/LWRA, Inc., d/b/a L.W. Robbins Associates

Address: 201 Summer Street, PO Box 5838
Holliston, Massachusetts 01746

The charitable organization must also mail a duplicate copy of the notice of cancellation to the State of New York, Office of the Attorney General, Charities Bureau, The Capitol, Albany, NY 12224.

(4) *When the cancellation is effective:* If the notice of cancellation is hand-delivered, the cancellation is effective as soon as it is delivered to the ~~(professional fund raiser)~~ (fund raising counsel)

If the notice of cancellation is mailed, the cancellation is effective as soon as the notice is deposited, properly addressed and postage pre-paid, in a mailbox

(5) *Financial arrangement:* As required by the New York State Executive Law and 13 NYCRR Part 111, the parties further agree to the following financial arrangement [one or more of the paragraphs labeled (a), (b), (c), (d) and (e) must be completed]

(a) The ~~(professional fund raiser)~~ (fund raising counsel) shall retain zero percent of the total funds collected on behalf of the charitable organization and the charitable organization shall receive for its exclusive benefit 100 percent of the total funds collected "For its exclusive benefit" shall mean for purposes other than the payment of any cost and expense attributable to the fund raising campaign undertaken pursuant to this contract.

(b) The ~~(professional fund raiser)~~ (fund raising counsel) shall receive the fixed fee of $ 36,000 in satisfaction of all services rendered pursuant to this contract

(c) The contractual expenses to be incurred by the ~~(professional fund raiser)~~ (fund raising counsel) but charged to the charitable organization or subsequently deducted from the gross receipts are as follows, and designated in either specific dollar amounts or estimates:

(d) The costs per unit for the services to be provided and the projected number of units are as follows:

(e) Other:

In witness of their acceptance of the provisions contained in this addendum, the parties have signed this addendum on the dates set forth below.

For the charitable organization

The Fund For Animals, Inc.

(Name of organization)

by

(signature)

Name: Michael Markarian

Title Executive Vice President

Date:

For the ~~(professional fund raiser)~~ (fund raising counsel):

Wilde/LWRA, Inc., d/b/a
~~L.W. Robbins Associates~~

(Name of firm)

by Lynn S. Edmonds

(signature)

Name: Lynn Edmonds

Title President

Date December 4, 2001

S H A R E
99 Dover Street
Somerville, MA 02144
Telephone 617 629 4500
Facsimile 617 629 4510

040901

LETTER OF AGREEMENT

This Fundraising Agreement (the "Contract") is entered into by and between Share Group, Inc ("Share") with its principal office at 99 Dover Street, Somerville, MA 02144 and Fund for Animals ("Fund for Animals" or "Client") of 8121 Georgia Avenue, Silver Spring, MD 20910

1 Term

The term of this Contract is from 09/01/01 to 08/31/02 (the "Term")

2. Share's Responsibilities

A) During the Term, Share will engage in a telephone fundraising program, consisting of one or more projects for the benefit of Fund for Animals (the "Campaign"), subject to and in accordance with the provisions of this Contract Share will write and produce all scripts and other materials for the Campaign and reproduce training packets from the materials and information provided by Fund for Animals Fund for Animals will have final approval over the script, letters and all materials sent or otherwise presented to donors Share will ensure that all materials and all calls accurately reflect the mission, campaign issues, calls to action, programs and goals of Fund for Animals.

B) As part of the services covered in its fee, Share will provide

1) Callers,
2) Project management,
3) Data entry and list management, as needed;
4) Written performance reports in Share's standard format,
5) Calling space, telephones and supporting equipment and materials.
6) Long distance and local telephone charges,
7) Initial handling of credit card pledges;
8) A fulfillment program consisting of a pledge confirmation packet and two reminder mailings, including postage,
9) Quality control calls

C) Share will print all pledge forms and mail out all pledges in a timely fashion

D) Share will brief callers to ensure that they are knowledgeable of the mission campaign issues programs, goals, program and financial needs of Fund for Animals The briefing will consist of one hour per caller before calling begins for each project during the Term and up to 2 additional hours per caller throughout each project

E) Share will maintain a record of all contacts. address and phone number changes (the "Record") At the end of the Campaign, or more frequently based upon a schedule agreed to between Share and Fund for Animals, an updated database containing the Record will be returned to Fund for Animals on an IBM compatible diskette or magnetic tape Except as Share is required by applicable state regulations, Share will not retain any copy of the Record

F) Share is responsible for compliance with all state or local charitable solicitation laws and regulations applicable to persons engaged as professional fundraisers/solicitors and will use its best efforts to assure continuing compliance with all such laws and regulations In performing services under this Contract, Share will act in accordance with prevailing ethical standards applicable to Share's usual conduct and to the customs and practices of persons engaged as professional fundraisers/solicitors

3 **Client Responsibilities**

A) Fund for Animals will

1) Provide Share a database of names phone numbers and donor history of persons to be called (the ' Database") on an ASCII fixed field length format or magnetic tape The Database will be provided to Share one week before calling is scheduled to begin
2) Approve or revise caller scripts within 48 hours of receiving them,
3) Provide letterhead, #10 window envelopes, #9 business reply envelopes, support literature and information about programs and activities as requested by Share,
4) Provide a senior official of Fund for Animals who will either attend in person, a briefing session for the callers or participate by speaker phone as part of a caller training program
5) If Fund for Animals does not have a credit card merchant account, Fund for Animals will establish one and have it available for use at least one week before calling is scheduled to begin

B) Fund for Animals shall provide Share with information (i e , name, ID#, gift amount) on any pledges received during the Term, directly or indirectly from the names on the database for this Campaign Share's access to this information on a timely basis will greatly impact the Campaign's final fulfillment and the Fund for Animals's total dollars raised

C) Fund for Animals shall cooperate in all reasonable respects with Share's efforts to comply with all state or local charitable solicitation registration and reporting requirements, including the filing of Notices of Solicitation in those states requiring them, and any and all interim or final Campaign Financial Reports In order to comply with these requirements Share may request Fund for Animals to provide, among other things, a listing of its current registration status, banking information, signatures, gross receipts and expense information from the Campaign stipulated in this Contract, and any other information pertinent to registration requirements not available to Share from any other source Fund for Animals agrees to provide such signatures and information within 15 days from the receipt of any such written request and Share will use its best efforts to make all such requests with sufficient lead time to permit Fund for Animals to reasonably respond Should Fund for Animals fail to comply with its responsibilities contained herein, following receipt of such written request from Share, and such failure results in the fining of Share by any regulatory agency concerned with state or local charitable registration, Fund for Animals agrees to reimburse Share for said fine within 15 days of receiving documentation indicating Share has paid said fine Any fines arising by reason of Share failing to comply with its responsibilities contained herein shall be borne solely by Share

4. Fees, Expenses and Other Charges

Fund for Animals agrees to pay Share the following

A) Fees $4 25 per contact and $1 00 per pledge

B) Optional Services $ 33 per email address captured $500 set-up for electronically processing credit card contributions and depositing them in Fund for Animal's account and $500 set-up fee to cover creating a personalized web page for online pledge fulfillment

C) Expenses Those which Share may be asked to incur, itself or with third party vendors on Fund for Animals's behalf, including

1) any costs associated with computerized telephone number matches (currently these costs are $ 05 per new number found, $ 05 per number verified at a $300 minimum cost),
2) any additional reports or computer services requested by Fund for Animals, including any computer conversion costs due to the database format not meeting Share's "Computer Specifications",
3) the cost of printing pledge forms/tickets, envelopes and/or letterhead,
4) the rental or purchase costs of any lists, should Fund for Animals choose to have Share provide such lists

D) A Registration Services Assessment consisting of

1) A "pass-through" charge equal to the sum of the state filing fees advanced by Share on behalf of Fund for Animals in any of the states that charge (currently, 9 states) CO[$75], GA[$15], IL[$25], MO[$25], NH[$75], NJ[$30], OK[$25], PA[$25], WA[$10],

Plus

2) A "per state" charge of $10 for each state, in which Share will be fundraising on behalf of Fund for Animals during the Campaign that requires either the filing of a solicitation notice at the outset of the Contract or the filing of a financial report during or at the conclusion of the Contract (currently, 34 states)

The maximum "pass-through" charge is currently $305, the maximum "per state" charge is currently $340 Where the breadth of the Campaign is modest or regional, a "flat" charge of $200 will be assessed in lieu of the "pass-through" and "per state" charges

D) Fund for Animals will be invoiced on a weekly basis Invoices are due within fourteen days of receipt Late payments will be subject to a late payment fee equal to the *lesser* of 1 5% per month of the overdue balances on all invoices then outstanding or the highest rate permitted by law from the date(s) due until paid In addition, Fund for Animals will reimburse Share for all reasonable costs of collection (including legal fees)

5. Charitable Purpose

The Fund for Animals' mission is to speak out against egregious forms of animal cruelty

6 Compliance with State Statutes -- "The Fine Print"

This Contract is subject to the provisions of statutory law and the implementing regulations applicable to the solicitation of contributions and funds for charitable organizations that are in effect in each of the States of the United States, as amended, from time to time The terms and conditions required to be incorporated into this Contract by the provisions of State law at this time are contained in **Exhibit A**, which is attached and incorporated herein by reference

7 Confidentiality and Use of Client Data and Name

The member names, donor information and all material generated for and by this Campaign (the "Data") are confidential and the Data, name, logo, and service mark(s) of Fund for Animals are the exclusive property of Fund for Animals Their use by Share is strictly limited to Share's performance of its responsibilities under this Contract in the manner authorized by Fund for Animals and in accordance with Fund for Animals's Campaign needs They will be returned to Fund for Animals upon termination of the Contract and Share will not retain any copy except as may otherwise be required by applicable state regulations

8. Understandings Governing this Agreement

To the extent this Contract is *not* governed, with respect to conduct or activities relating to charitable solicitation in a particular state, by the law of that state, this Contract is made subject to, shall be construed in accordance with and be governed by interpreted and enforced in accordance with the laws of the Commonwealth of Massachusetts Any clause that does not conform to such laws shall be void and said laws shall be operative in lieu of such clause The waiver by either party of a breach of any provision of this Contract shall not operate or be construed as a waiver of any subsequent breach No assignment of this Contract or the rights or obligations hereunder shall be valid without the specific written consent of both parties hereto This Contract may be amended only by an instrument in writing, signed by both parties This Contract contains the entire understanding of the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, expressed or implied, oral or written, except as contained herein The provisions of this Contract are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part

9 Agreement to Submit to Arbitration

Fund for Animals and Share agree that all claims and disputes arising out of this Contract which the parties are unable to resolve themselves, shall be submitted to binding arbitration, in accordance with the rules and practices of the American Arbitration Association There shall be one arbitrator, mutually agreed upon by the parties and the arbitration shall take place in Massachusetts

10 Deposit of Funds

All of the receipts from contributions made as a result of this fundraising Campaign will be paid directly to the account of Fund for Animals and will be deposited in an account of Fund for Animals At no time will Share have custody of or control over the funds raised

11. Cancellation Clause

Either party may cancel this Contract at any time Upon cancellation all fees and expenses owed to Share for services actually rendered and expenses actually incurred together with any of Share's set-up expenses (i e , printing, paper.) and all calling fees incurred at that time shall be paid immediately Any expenses covered in this Contract that are not yet incurred, and stages and programs not yet carried out at the time of cancellation, shall be waived should Fund for Animals cancel Should Fund for Animals exercise its right to cancel, Share will have no more responsibilities for carrying out the work associated with this Contract including but not limited to installment and fulfillment programs unless it elects to continue those programs on behalf of Fund for Animals

12. Purpose of this Agreement

A) Fund for Animals enters into this Contract with Share in order to combine the functions and expenses of public education, program service. and member renewal all as to advance the mission, campaign issues, programs and goals of Fund for Animals All printed matter shall provide information and material about Fund for Animals, include, from time to time, as may be appropriate educational material, statements of the mission, calls to action, campaign issues, programs and goals and explanation of the process by which Fund for Animals hopes to accomplish its objectives The opportunity to develop and distribute such material, together with the media produced and utilized by Share, is a material inducement for Fund for Animals to enter into this Contract

B) All oral presentations and printed material shall either be created by Fund for Animals and/or developed by Share to stress the above and foregoing program service information, calls to action and public education function

We agree to the within stated terms

For SHARE GROUP, INC

By
Dennis J McCarthy
President
Date 8-16-01

By Susan Meehan
Susan Meehan
Chief Operating Officer
Date 8-16-01

For Fund for Animals

By ______ AUG 20. 2001
Signature / Date

MARIAN PROBST
Name (please print)

PRESIDENT
Title (please print)

By ______
Signature / Date 8-17-01.

Michael Markarian
Name (please print)

Executive Vice President
Title (please print)

For purposes of State registration two(2) CLIENT signatures are needed

(U /groups/ops/shared/registra/loa/mailmerg2)
[/TR/TS/8/14/01]

EXHIBIT A
TO
LETTER OF AGREEMENT
BETWEEN
Share Group, Inc And Fund for Animals

PROVISIONS OF STATE LAW APPLICABLE TO THIS CONTRACT

A) The parties agree that to the extent that this Contract is performed, applied, interpreted or enforced within the jurisdiction of the following states, it will be subject to the appropriate provisions of law listed below for the purposes of that state All estimates and assumptions of the parties with respect to projected contact rates, participation rates, average pledge amounts, fulfillment rates, and the compensation that will be paid to the charitable organization are based on industry standards and the experience of the parties during previous fundraising campaigns

B) Unless otherwise stated or required by the law of any state, the effective date of this Contract shall be the first day of the Term and it shall terminate as of the close of business on the last day of the Term Unless otherwise stated for any state that requires a guarantee that a minimum percentage of the gross revenue shall be paid to Fund for Animals, the parties agree that the gross minimum guarantee shall be one percent (1%) of the gross receipts

C) Specific State Provisions

1 For the purposes of the **State of Connecticut** the following shall apply

Fund for Animals shall receive as a result of the solicitation campaign a minimum guarantee of Zero percent (0%) of the gross revenue raised pursuant to this contract dated the 1st day of September, 2001

2 For purposes of the **State of Florida** the contract shall be modified to add the following section

The Fund for Animals' mission is to speak out against egregious forms of animal cruelty

3 For purposes of the **State of Georgia** the contract shall be modified to add the following section

Fund for Animals shall receive a minimum of One percent (1 %) of the gross revenue raised pursuant to this Contract dated the 1st day of September, 2001 All other financial arrangements as stated in this Contract shall remain in effect and unchanged

4 For purposes of the **State of Hawaii** the contract shall be modified to add the following section

It is estimated that Fund for Animals shall receive as a result of this solicitation campaign a minimum of One percent (1%) and Share shall receive 100 percent (100%) of all funds raised pursuant to this Contract These are estimated percentages based upon previous experience of similar campaigns conducted by Share with a potential gross amount raised in excess of $49 000 This shall not affect compensation provisions as listed in this Contract dated the 1st day of September 2001

5 For purposes of the State of Illinois the contract shall be modified to add the following section

The term of this Contract shall be 09/01 01 to 08/31/02 Share shall be authorized by Fund for Animals to conduct solicitations on a nationwide basis for the purposes of the terms of this Contract Share projects $49 000 in gross revenue to be raised from this campaign Share estimates expenses related to the campaign to be $49 000 The estimated figures are based upon experience of similar campaigns conducted by the Share This shall not affect any of the other terms including compensation as set out in this Contract The books and records of fundraising activities shall be kept at the following addressee(s) Share Group Inc 99 Dover St Somerville MA 02144

6 For purposes of the State of Indiana the following shall apply

Fund for Animals shall receive as a result of this solicitation campaign a minimum of One percent (1%) of the gross revenue raised pursuant to this Contract, dated the 1st day of September 2001 A reasonable estimate of the gross revenue that Fund for Animals shall receive is $49,000 This is an estimate based upon the experience of similar campaigns conducted by Share This shall not affect compensation provisions as listed in this Contract The average percentage of gross contributions received by sponsoring organizations as a result of campaigns conducted by Share in the three years preceding this contract is 54 percent (54%)

7 For the purposes of the Commonwealth of Kentucky the following shall apply

Fund for Animals shall receive as a result of this solicitation campaign a minimum of One percent (1%) of the gross revenue raised pursuant to this Contract, dated the 1st day of September 2001 This is an estimated percentage based upon the experience of similar campaigns conducted by Share This shall not affect compensation provisions as listed in this Contract

8 For purposes of the State of Maryland the following shall apply

The minimum percentage of gross receipts from fundraising from the State of the Maryland which shall be realized by the charitable organization exclusively to advance its programmatic charitable purpose is One percent (1%) of the gross revenue raised pursuant to this Contract dated the 1st day of September 2001 This shall not affect any of the other terms including compensation as set out in this Contract

9 For purposes of the Commonwealth of Massachusetts the following shall apply

(a) The minimum percentage of gross receipts from fundraising from the State of Massachusetts after all expenses are paid which shall be realized by the charitable organization is One percent (1%) of the gross revenue raised pursuant to this Contract dated the 1st day of September 2001

(b) All oral presentations to be used by Share (and any material changes thereto) shall have been reduced to a writing and shall have been reviewed and approved by Fund for Animals

(c) The parties to this Contract project total expenses in the amount of $49 000 and total revenue in the amount of $49 000 These estimated figures are based upon experience of similar campaigns conducted by Share Share shall submit reports to Fund for Animals on a regular basis showing actual expenses and revenues for the solicitation campaign

10 For the purposes of the State of Mississippi the following shall apply

(a) Solicitation activity is to commence within the State of Mississippi ten working days after the Contract is received by the Office of the Secretary of State

(b) All oral and written presentations to be used by Share (and any material changes thereto), shall have been reduced to a writing and shall have been reviewed and approved by Fund for Animals Solicitation activity and the Contract will terminate on 08/31/02 within the State of Mississippi

(c) The Fund for Animals' mission is to speak out against egregious forms of animal cruelty

(d) The address of Client is 8121 Georgia Avenue Silver Spring MD 20910

11 For the purposes of the State of New Hampshire the following shall apply

(a) Fund for Animals shall receive as a result of this solicitation campaign a minimum of One percent (1%) of gross revenue This is an estimated percentage based on projected figures for average pledge amount participation percentage and fulfillment percentage While every project varies in results and yield this assumption is based on industry standards

(b) This shall not affect compensation provisions as listed in this Contract dated 09/01/01 to 08/31/02 All financial arrangements as stated in this Contract dated 09/01/01 to 08/31/02 shall remain in effect and unchanged The actual percentage going to Fund for Animals shall not be less than the estimated percentage minus ten percent of the gross revenue

(c) The name and address of each person pledging to contribute together with the date and amount of the pledge shall be the sole exclusive property of Fund for Animals with no rights to transfer sell rent or otherwise cause to be used except by Fund for Animals

12 For the purposes of the State of New York the contract shall be modified to add the following section

(a) Contract will commence on 09/01/01 within the state of New York and Contract will terminate on 08/31/02 within the state of New York

(b) Charity's Right to cancel this Contract It is understood by both parties that the charitable organization has the right under New York State law to cancel this Contract and that the charitable organization does not have to give any reason for the cancellation By law the parties to this contract cannot waive or modify this right by any pre-existing agreement or by any subsequent agreement between parties Therefore the charitable organization may cancel this contract without cost penalty or liability if the charitable organization notifies Share in writing as provided below

(c) Period under which Contract may be cancelled If Share is registered with the New York State Office of the Attorney General Charities Bureau the charitable organization may cancel this Contract at any time up to and including the fifteenth day after this Contract was filed by Share with the New York State Office of the Attorney General Charities Bureau If however Share is not registered with the New York State Office of the Attorney General Charities Bureau at the time this Contract is signed the charitable organization may cancel at any time after it is signed

(d) Procedure for canceling this Contract The charitable organization may cancel this Contract by giving Share written notice of cancellation This notice can be in the form of a letter indicating that the charitable organization does not intend to be bound by the Contract. The notice of cancellation may be hand-delivered or mailed to Share If mailed it must be sent to the Share Group, Inc 99 Dover Street, Somerville MA 02144

(e) The charitable organization must mail a duplicate copy of the written notice of cancellation to the Office of the Attorney General at the address listed below

Charities Bureau,
Office of the Attorney General
The Capitol
Albany NY 12224

(f) When cancellation is effective If the notice of cancellation is hand-delivered the cancellation is effective as soon as it is delivered to Share If the notice of cancellation is mailed the cancellation is effective as soon as the notice is deposited properly addressed and postage pre-paid in a mailed box

13 For the purposes of the State of North Carolina the following shall apply

Fund for Animals shall receive a minimum of One percent (1%) of gross receipts This shall not effect the compensation provision as listed in this Contract All financial arrangements as stated in this Contract shall remain in effect and unchanged

14 For the purposes of the State of Ohio the following shall apply

Fund for Animals shall receive as a result of this solicitation campaign One percent (1%) of gross revenue This is an estimated percentage based on projected figures for average pledge amount participation percentage and fulfillment percentage While every project varies in results and yield this assumption is based on industry standards This shall not affect compensation provisions as listed elsewhere in the Contract dated contract date All financial arrangements as stated in this Contract dated 09/01/01 to 08/31/02, shall remain in effect and unchanged Fund for Animals is guaranteed to receive a percentage of the actual gross revenue that is not less than ninety percent (90%) of the amount of the reasonable estimate of that percentage

15 For the purposes of the State of Oregon the following shall apply

(a) Fund for Animals shall receive as a result of this solicitation campaign a minimum guarantee of One percent (1%) of gross funds solicited All financial arrangements as stated in this Contract dated 09/01/01 to 08/31/02 shall remain in effect and unchanged

(b) Share projects $49 000 in gross revenue to be raised from this campaign Share estimates expenses related to the campaign to be $49 000 This shall not affect any of the other terms including compensation as set out in this Contract

16 For the purposes of the Commonwealth of Pennsylvania the following shall apply

(a) Guarantee to Client Fund for Animals shall receive as a result of this solicitation campaign a minimum guarantee of One percent (1%) of gross revenue This shall not affect compensation provisions as listed in this Contact dated 09/01/01 to 08/31/02 All financial arrangements as stated in the contract dated 09/01 01 to 08/31/02 shall remain in effect and unchanged

(b) Percentage to Professional Solicitor Fund for Animals agrees that Share shall be compensated pursuant to the terms of this Contract which is estimated to be 100 percent (100%) of gross revenue This estimated percentage is based on projected figures for average pledge amount participation percentage and fulfillment percentage While every project varies in results and yield this assumption is based on industry standards This shall not affect compensation provisions as listed in this Contract dated 09/01/01 to 08/31/02 All financial arrangements as stated in this Contract dated 09/01/01 to 08/31/02 shall remain in effect and unchanged

(c) Solicitation activity is to commence within the Commonwealth of Pennsylvania ten working days after the Solicitation Notice is received by the Department of State Bureau of Charitable Organization and/or is approved by the Department of State Bureau of Charitable Solicitations

(d) Solicitation activity and the Contract will terminate on 08/31/02 within the Commonwealth of Pennsylvania

(e) The Fund for Animals' mission is to speak out against egregious forms of animal cruelty

(f) The address of Client is 8121 Georgia Avenue Silver Spring MD 20910

17 For the purposes of State of South Carolina the following shall apply

(a) Fund for Animals shall receive a minimum of One percent (1%) of collected revenues under this Contract This shall not affect compensation provisions as listed in this Contract dated 09/01/01 to 08/31/02 All financial arrangements as stated in this Contract dated 09/01/01 to 08/31/02 shall remain in effect and unchanged

(b) Location and Telephone number of phone room for this campaign

Share calling center 99 Dover Street Somerville MA 02144--617 629 4500
Share calling center 100 University Drive Amherst MA 01002—413 549 2063
Share calling center 1000 Connecticut Ave NW #900 Wash DC 20036—202 223 3444

South Carolina Continued

(c) Name and residence address of phone room managers
Masud Haneef 15 Nasir Ahmad Rd Canton, MA 02021
Linda Harke 45 Reservoir Rd #2 Leeds Ma 01053
Shawn Griffin 3206 Carlton Ave Temple Hills MD 20748

18 For the purposes of the State of Utah the following shall apply

Fund for Animals shall receive as a result of this solicitation campaign One percent (1%) of gross revenue This is an estimated percentage based on projected figures for average pledge amount participation percentage and fulfillment percentage While every project varies in results and yield this assumption is based on industry standards This shall not affect compensation provisions as listed in this Contract dated 09/01/01 to 08/31/02 All financial arrangements as stated in this Contract dated 09/01/01 to 08/31/02 shall remain in effect and unchanged The actual percentage going to Fund for Animals shall not be less than the estimated percentage minus Ten percent (10%) of gross revenue

19 For the purposes of the State of Vermont the following shall apply

(a) Chapter 63 of Title 9 of the Vermont Statutes Annotated requires a paid fundraiser to provide the fundraiser s charitable sponsor within sixty (60) days after the end of a solicitation campaign with a statement setting out the name and address of each contributor and the amount of the contribution the amount of gross receipts and an itemized list of all expenses commissions and other costs incurred in the campaign The law also gives charities other rights including the right to cancel this contract or to recover damages or both, in certain circumstances Contact the Vermont Attorney General for further information

(b) The percentages of contributions to be paid to Fund for Animals and Share as a result of this solicitation campaign is 0% and 100 % respectively of gross revenue While every project varies in result and yield these estimated percentages are based on projected figures for average pledge amount, participation percentage fulfillment percentage industry standards and the experience of the parties during previous fundraising campaigns This shall not affect compensation provisions as listed elsewhere in the contract dated 09/01/01 to 08 31/02

20 For the purposes of the State of Wisconsin the following shall apply

Fund for Animals shall receive as a result of this campaign One percent (1%) of gross revenue This is an estimated percentage based on projected figures for average pledge amount participation percentage and fulfillment percentage While every project varies in results and yield this assumption is based on industry standards This shall not affect compensation provisions as listed in this Contract dated 09/01/01 to 08/31/02 All financial arrangements as stated in this Contract dated 09/01/01 to 08/31/02 shall remain in effect and unchanged The actual percentage going to Fund for Animals shall not be less than the estimated percentage minus Ten percent (10%) of the gross revenue

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FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

THE FUND FOR ANIMALS, INC.

December 31, 2002

CONTENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
The Fund for Animals, Inc.

We have audited the accompanying statement of financial position of The Fund for Animals, Inc. (the "Fund") as of December 31, 2002, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Fund for Animals, Inc. as of December 31, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
April 15, 2003

THE CHRYSLER CENTER
666 Third Avenue
New York, NY 10017
T 212.599 0100
F 212.370.4520
W www.grantthornton.com

The Fund for Animals, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2002

ASSETS

Cash and cash equivalents	$ 2,223,585
Investments	15,758,258
Prepaid expenses and other	299,326
Fixed assets, net	2,109,474
Security deposits and other	64,382
	$20,455,025

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	$ 229,185
Total liabilities	229,185
Net assets	
Unrestricted	
Available for operations	14,529,629
Board-designated - Black Beauty Ranch	5,683,299
Total unrestricted	20,212,928
Temporarily restricted	12,912
Total net assets	20,225,840
	$20,455,025

The accompanying notes are an integral part of this statement.

The Fund for Animals, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended December 31, 2002

	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support			
Bequests	$ 4,565,623	$ -	$ 4,565,623
Contributions	2,660,877	12,912	2,673,789
Investment income	723,257	-	723,257
Net realized gain on sale of investments	154,389	-	154,389
Net unrealized depreciation of investments	(342,051)	-	(342,051)
Clinic and miscellaneous income	370,129	-	370,129
Total revenues, gains and other support	8,132,224	12,912	8,145,136
Expenses			
Program services			
Humane education	2,660,992	-	2,660,992
Animal rescue and protection	2,640,556	-	2,640,556
Legislative activities	464,456	-	464,456
Total program services	5,766,004	-	5,766,004
Supporting services			
Management and general	718,611	-	718,611
Fund-raising	873,543	-	873,543
Total supporting services	1,592,154	-	1,592,154
Total expenses	7,358,158	-	7,358,158
Increase in net assets	774,066	12,912	786,978
Net assets, beginning of year			
Available for operations	13,925,256	-	13,925,256
Board-designated	5,513,606	-	5,513,606
	19,438,862	-	19,438,862
Net assets, end of year			
Available for operations	14,529,629	12,912	14,542,541
Board-designated	5,683,299	-	5,683,299
	$20,212,928	$12,912	$20,225,840

The accompanying notes are an integral part of this statement.

The Fund for Animals, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2002

	Program services				Supporting services			
	Humane education	Animal rescue and protection	Legislative activities	Total	Management and general	Fund-raising	Total	Total expenses
Animal welfare, rescue operations and cruelty investigations								
Black Beauty Ranch operating expenses	-	$ 767,292	-	$ 767,292	-	-	-	$ 767,292
Have-a-Heart Clinic, New York	-	559,475	-	559,475	-	-	-	559,475
Wild Life Rehabilitation Center, Ramona, California	-	272,238	-	272,238	-	-	-	272,238
Rabbit Sanctuary, South Carolina	-	23,493	-	23,493	-	-	-	23,493
Other	-	13,430	-	13,430	-	-	-	13,430
		1,635,928		1,635,928				1,635,928
Data processing					$ 5,285		$ 5,285	5,285
Educational expense								
Printed literature	$ 564,800	288	$ 28,927	594,015	579	$460,123	460,702	1,054,717
Other media	972,491	-	20,456	992,947	16,390	44,234	60,624	1,053,571
Field expenses and travel	72,370	14,323	3,363	90,056	17,836	3,118	20,954	111,010
Donations	-	60,250	304,570	364,820	-	-	-	364,820
Insurance	-	99,567	-	99,567	33,189	-	33,189	132,756
Employee benefits	58,280	83,991	5,142	147,413	20,569	3,428	23,997	171,410
Investment advisory fees	-	-	-	-	84,180	-	84,180	84,180
Miscellaneous	27,130	2,030	684	29,844	14,431	88,253	102,684	132,528
Postage	250,118	5,980	16,485	272,583	23,340	207,308	230,648	503,231
Professional fees	23,588	348,172	17,598	389,358	167,872	26,000	193,872	583,230
Rent	67,766	120,193	4,928	192,887	73,624	4,985	78,609	271,496
Rental of office equipment	5,260	1,355	522	7,137	5,622	420	6,042	13,179
Salaries and related payroll taxes	476,004	69,903	50,485	596,392	171,450	26,085	197,535	793,927
Stationery and office supplies	110,949	10,691	5,970	127,610	64,730	8,486	73,216	200,826
Telephone	31,696	6,324	5,119	43,139	10,367	1,103	11,470	54,609
Utilities	540	321	207	1,068	3,898	-	3,898	4,966
Total expenses before depreciation	2,660,992	2,459,316	464,456	5,584,764	713,362	873,543	1,586,905	7,171,669
Depreciation	-	181,240	-	181,240	5,249	-	5,249	186,489
Total expenses	$2,660,992	$2,640,556	$464,456	$5,766,004	$718,611	$873,543	$1,592,154	$7,358,158

The accompanying notes are an integral part of this statement.

The Fund for Animals, Inc.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2002

Cash flows from operating activities	
Increase in net assets	$ 786,978
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation expense	186,489
Realized gain on sale of investments	(154,389)
Unrealized depreciation of investments	342,051
Increase in prepaid expenses and other	(74,952)
Increase in security deposits and other	(856)
Increase in accounts payable and accrued expenses	71,970
Net cash provided by operating activities	1,157,291
Cash flows from investing activities	
Purchase of and reinvestments in securities (principally in United States government obligations)	(8,729,462)
Proceeds from sale of investments and reinvestments in securities (principally in United States government obligations)	7,743,698
Purchase of land and fixed assets	(248,288)
Net cash used in investing activities	(1,234,052)
Net decrease in cash and cash equivalents	(76,761)
Cash and cash equivalents, beginning of year	2,300,346
Cash and cash equivalents, end of year	$ 2,223,585

The accompanying notes are an integral part of this statement.

The Fund for Animals, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE A - DESCRIPTION OF THE ORGANIZATION

The Fund for Animals, Inc. (the "Fund") is a New York not-for-profit corporation, qualifying under Section 501(c)(3) of the Internal Revenue Code. The Fund's purpose is the alleviation of fear and the prevention of pain and the relief of suffering of animals everywhere and to foster humane conduct toward animals and encourage and support the cooperation among all persons interested in humane activities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. *Basis of Presentation*

The net assets of the Fund are classified and reported as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Fund.

Temporarily Restricted - Net assets that are subject to donor-imposed stipulations that may or will be met either by the actions of the Fund and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently Restricted - Net assets that are subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or removed by actions of the Fund. This includes funds that have been designated by the donor to be held and invested in perpetuity. The Fund did not have any permanently restricted net assets for the year ended December 31, 2002.

2. *Cash and Cash Equivalents*

Cash and cash equivalents consist of cash and money market funds with original maturities of three months or less as of December 31, 2002.

The Fund for Animals, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

NOTE B (continued)

3. Fixed Assets

Fixed assets are capitalized at cost, if purchased, or at fair market value at the date of receipt, if donated. Depreciation of buildings, furniture and fixtures, automobiles and equipment is provided on a straight-line basis over the assets' estimated useful lives as follows:

Buildings and improvements	10 years
Furniture and fixtures	5 years
Equipment and automobiles	5 years

4. Contributions and Bequests

The Fund is the beneficiary of bequests under various wills, the ultimate realization of which is not always determinable. Such amounts are recorded by the Fund when the proceeds are measurable and an irrevocable right to the proceeds has been established by the Fund.

All contributions and bequests are considered to be available for unrestricted use unless specifically restricted by the donor.

5. Contributions of Services

Contributions of services shall be recognized if the services received create or enhance nonfinancial assets or require specialized skills and would need to be purchased if not provided by the donation. A number of unpaid volunteers have made contributions of their time to develop the Fund's programs. The value of this contributed time is not reflected in the accompanying financial statements since it is not susceptible to objective measurement or valuation.

6. Donated Securitiess

Marketable securities acquired by gift are initially recorded at publicly traded values at the date of donation and, if not publicly traded, then at values determined by the management of the Fund, which, in their opinion, represent fair value at the date of donation. Gains and losses are accounted for using the first-in, first-out method for the period during which the sale occurs

NOTE B (continued)

7. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

8. *Functional Allocation of Expenses*

Costs and expenses that are incurred for or attributable to a program or supporting service are allocated directly to that category. Costs and expenses that apply to more than one functional purpose are allocated based on the amount of time employees spend on various program services as determined from their daily time and expense records. Costs of printed material are allocated on the basis of the uses made of the material, content, distribution and the intended audience.

NOTE C - INVESTMENTS

Investments are presented in the financial statements at amounts which approximate fair market value in accordance with Statement of Financial Accounting Standards ("SFAS") No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." This statement requires all not-for-profit organizations to reflect debt and equity securities at their fair values with the related gains and losses included in the statement of activities.

The trustee and custodian of the Fund's investments make daily investment decisions on behalf of the Fund. Investments consisted of fixed-income government securities, equity securities, daily income funds and money market funds. The aggregate cost and market values for investments as of December 31, 2002 were as follows:

	Operating		Board-designated	
	Cost	Market	Cost	Market
Government securities	$ 9,569,787	$ 9,899,428	$5,231,390	$5,391,460
Common stocks	1,216,943	343,352	503,989	124,018
	$10,786,730	$10,242,780	$5,735,379	$5,515,478

The Fund records investment transactions based on the trade date. Daily income funds and money market funds are included with cash and cash equivalents.

NOTE D - FIXED ASSETS

Fixed assets, net as of December 31, 2002, were as follows:

Land	$1,489,041
Buildings and improvements	1,494,850
Equipment and automobiles	413,431
Furniture and fixtures	292,185
Library of animal books	10,000
	3,699,507
Less accumulated depreciation	1,590,033
	$2,109,474

NOTE E - GIFT ANNUITIES

The Fund's temporarily restricted net assets include $12,912 in charitable gift annuities as of December 31, 2002. Charitable gift annuities are irrevocable gifts under which the Fund agrees in turn to pay a life annuity to the donor or designated beneficiary. The contributed funds and the attendant liabilities immediately became part of the general assets and liabilities of the Fund, subject to the Fund's maintaining an actuarial reserve in accordance with New York State law.

The Fund initially values deferred gifts of cash at face value and those of equities at market value; these values are then actuarially discounted. Published IRS discount rates are employed to determine the net present value of both contributions and liabilities pertaining to these deferred giving arrangements.

NOTE F - JOINT COSTS

In 2002, the Fund incurred costs for multipurpose activities of approximately $2,463,000. These costs were for newsletters, bulletins and mailings that included fund-raising-related articles. Of these costs, approximately $658,000 was allocated to fund raising and $1,805,000 was allocated to program services.

NOTE G - COMMITMENTS AND CONTINGENCIES

The Fund leases office facilities under operating leases. The approximate minimum annual payments for these leases are as follows:

2003	$282,000
2004	245,000
2005	185,000
2006	73,000
2007	72,900
	$857,900

NOTE H - TAX-EXEMPT STATUS

The Fund has been determined to be a public charity as defined in Section 501(c)(3) of the Internal Revenue Service Code (the "Code"), and as such is exempt from federal income taxes. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements.