See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490


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

<table>
<thead>
<tr>
<th>Recipient</th>
<th>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</th>
<th>Foundation status of recipient</th>
<th>Purpose of grant or contribution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>ALL GRANTS AWARDED ARE FOR THE PURPOSE OF MAINTAINING 3,476,045. AND RESTORING THE NATURAL ENVIRONMENT AS WELL AS ADDRESSING THE ROOT CAUSES OF THE PROBLEMS OF SOCIALLY AND ECONOMICALLY DISADVANTAGED PEOPLE IN THE UNITED STATES</td>
<td></td>
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</tr>
</tbody>
</table>

**SEE ATTACHED LIST**

| Total | 3,476,045. |

**b. Approved for future payment**

| SEE ATTACHED LIST | 1,306,000. |

| Total | 1,306,000. |
MERCK FAMILY FUND

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(See Accountants' Review Report)

(1) OPERATIONS, NONPROFIT STATUS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS AND NONPROFIT STATUS

Merck Family Fund (the Fund) is a New Jersey nonprofit corporation created in 1954 for the purpose of making charitable grants and conducting charitable activities. The current goals of the Fund are the following:

- Maintain, restore and enhance the natural environment and support programs that will sustain a healthy planet for future generations.
- Address the root causes of problems of socially and economically disadvantaged people in the United States.

The Fund offers grants to various nonprofit organizations who submit proposals that correspond to the Fund's goals.

The Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Fund is subject to a 1% or 2% excise tax on net investment income, as defined under Section 4942(j)(3) of the Internal Revenue Code. The Fund is also subject to IRS regulations governing required minimum expenditures for charitable purposes. Donors may deduct contributions to the Fund within the requirements of the Internal Revenue Code.

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Donor contributions are recorded as revenues when received or committed.

The Fund records interest and dividends on its investments when earned. Gains or losses are recorded when realized. Unrealized gains or losses are recorded based upon changes in the fair market value of investments held (see Note 2).

Unrestricted Net Assets

Unrestricted net assets include operating net assets and fixed assets which bear no external restrictions and are available for use in the Fund's programs.

Fixed Assets and Depreciation

Fixed assets are recorded at cost and consist of office furniture and computer equipment. The Fund computes depreciation on these assets using the straight-line method over estimated useful lives of three years.

-5-