



The Humane Society of the United States and Affiliates

Supplemental Schedule of Functional
Expenses - Humane Society International -
United States Operations only
Year Ended December 31, 2023

The Humane Society of the United States and Affiliates

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International - United States Operations only
Year Ended December 31, 2023

The Humane Society of the United States and Affiliates

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Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive
Suite 800
McLean, VA 22102

Independent Auditor's Report on the Supplemental Schedule of Functional Expenses

Board of Directors
The Humane Society of the United States
Washington, D.C.

We have previously audited the consolidated financial statements of The Humane Society of the United States and Affiliates (the Society) as of and for the year ended December 31, 2023, and have issued our report dated June 12, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purposes of forming an opinion on those consolidated financial statements as a whole. We have not performed any procedures in regard to those consolidated financial statements since our report date of June 12, 2024.

The supplemental schedule of functional expenses - Humane Society International - United States Operations only presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements referred to above. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Humane Society International is an affiliate of the Society, and as described in the accompanying notes to the supplemental schedule of functional expenses, is included within the consolidated financial statements of the Society. This report should be read in conjunction with the audited consolidated financial statements of the Society as of and for the year ended December 31, 2023.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of the Society and is not intended to be and should not be used by anyone other than these specified parties.

BDO USA, P.C.

June 21, 2024

Supplemental Schedule of Functional Expenses

The Humane Society of the United States

Supplemental Schedule of Functional Expenses - Humane Society International - United States Operations only

| Year ended December 31, 2023 | Program | | | Total Program | Management and General | Fundraising | Total |
|--|-----------------------------------|------------------------------------|--|----------------------|---------------------------|---------------------|----------------------|
| | Ending the Cruellest Practices | Caring for Animals in Crisis | Building a Stronger Animal Protection Movement | | | | |
| Expenses | | | | | | | |
| Salaries | \$ 1,604,821 | \$ 685,959 | \$ 514,612 | \$ 2,805,392 | \$ 1,327,860 | \$ 733,954 | \$ 4,867,206 |
| Employee benefits | 411,556 | 175,044 | 128,772 | 715,372 | 332,071 | 188,886 | 1,236,329 |
| Total Compensation | 2,016,377 | 861,003 | 643,384 | 3,520,764 | 1,659,931 | 922,840 | 6,103,535 |
| Education material, publications and campaigns | 785,621 | 398,564 | 175,437 | 1,359,622 | 49,268 | 1,847,097 | 3,255,987 |
| Mailing costs | 506,819 | 266,827 | 124,314 | 897,960 | - | 1,454,267 | 2,352,227 |
| Consultant and contracted services | 1,969,437 | 391,758 | 258,778 | 2,619,973 | 826,810 | 253,962 | 3,700,745 |
| Professional fees | - | 6,306 | 9,074 | 15,380 | 150,469 | - | 165,849 |
| Contributions and grants | 7,446,611 | 4,694,597 | 1,761,760 | 13,902,968 | - | - | 13,902,968 |
| Travel and events | 235,780 | 177,586 | 191,034 | 604,400 | 144,951 | 28 | 749,379 |
| Supplies and field expenses | 20,001 | 37,410 | 8,421 | 65,832 | 9,188 | 28,479 | 103,499 |
| Bank and trustee fees | - | - | - | - | 33,574 | 354,160 | 387,734 |
| Occupancy and building expense | - | - | 11,211 | 11,211 | 2,070 | - | 13,281 |
| Postage and shipping | 1,803 | 1,104 | 640 | 3,547 | 678 | - | 4,225 |
| Telephone | 2,834 | 84 | 982 | 3,900 | 960 | - | 4,860 |
| Insurance and bonds | - | 1,175 | - | 1,175 | 217 | - | 1,392 |
| Real estate and other taxes | 5,209 | 2,742 | 1,320 | 9,271 | - | 15,017 | 24,288 |
| Total Expenses | \$ 12,990,492 | \$ 6,839,156 | \$ 3,186,355 | \$ 23,016,003 | \$ 2,878,116 | \$ 4,875,850 | \$ 30,769,969 |

See notes to the supplemental schedule.

The Humane Society of the United States

Notes to the Supplemental Schedule of Functional Expenses

1. The Organization

The Humane Society of the United States and Affiliates (collectively, the Society) is a not-for-profit organization whose primary purpose is the worldwide advancement of humane treatment of animals through public education, awareness, and direct animal care programs. An affiliate of the Society is described below and which is the subject of this supplemental reporting:

Humane Society International, Inc. (HSI)

Advancing the welfare of animals in more than 50 countries, Humane Society International works around the globe to promote the human-animal bond, rescue and protect dogs and cats, improve farm animal welfare, protect wildlife, promote animal-free testing and research, respond to disasters and confront cruelty to animals in all of its forms.

HSI's programs include working with leading food service providers to implement purchasing policies aimed at eliminating cage confinement for animals raised for food, getting national bans on animal testing of cosmetics passed in countries around the world, fighting the dog meat trade, and dealing effectively and humanely with companion animal overpopulation. HSI also responds to disasters around the world, campaigns against trophy hunting and works to protect imperiled species of wild animals.

HSI incorporates affiliates located throughout the world. However, this supplemental report only includes HSI affiliate operations that occur solely in the United States (HSI-US) and activities related to other affiliates is not included.

HSI-US's operations are consolidated within the Society's consolidated financial statements.

2. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Society's consolidated statement of activities and change in net assets and consolidated statement of functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Certain categories of expenses that are attributable to one or more program or supporting functions of the organization are allocated. The method of allocation is listed below by allocation name. Management and general costs include the Office of the President, Office of General Counsel, Information Technology and other general costs.

The Humane Society of the United States

Notes to the Supplemental Schedule of Functional Expenses

The table below provide details around each functional expense allocation of the Society:

| Allocation Name | Method/Basis of Calculation |
|---------------------------------|---|
| Building costs | Headcount |
| Depreciation and amortization | Asset ownership by department |
| Contributions and grant expense | Individual assessment of each award |
| Bank and lockbox fees | Direct allocation |
| Management and general costs | Salary per functional expense divided by total salaries |

3. Allocation of Joint Costs

For many years, the Society has relied on direct mail, email, telephone, Face to Face and other means of solicitation to recruit, expand and maintain its membership. Direct marketing and other donor channels allow the Society to share specific details about recent accomplishments and to provide information about current campaigns and priorities to its supporters. The Society also uses postal mail and other channels to educate and call to action the public to advance its mission and lifesaving work for animals.

The Society has allocated the joint costs of providing educational materials and activities that include a fundraising appeal. Since only those activities that include both programmatic and fundraising components are included in this allocation, the amounts do not include all of the expenses presented in the Society's consolidated statement of functional expenses. This allocation is based upon the percentage of material in each mailing or digital marketing component related to the particular services as determined by content analysis.

Total HSI-US costs for mailing pieces and digital marketing component that requested financial support and served other program or management functions were allocated as follows for the year ended December 31, 2023:

| | | |
|-------------|----|-----------|
| Program | \$ | 2,609,637 |
| Fundraising | | 4,875,850 |
| | \$ | 7,485,487 |
