

**Humane World for Animals and  
Affiliates  
(fka The Humane Society of the  
United States and Affiliates)**

Consolidated Financial Statements  
and Supplemental Schedules  
Year Ended December 31, 2025

The report accompanying these financial statements was issued by BDO USA P.C., a Virginia professional corporation and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **Humane World for Animals and Affiliates**

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Consolidated Financial Statements  
and Supplemental Schedules  
Year Ended December 31, 2025

# Humane World for Animals and Affiliates

## Contents

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<b>Independent Auditor's Report</b>	1-2
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities and Change in Net Assets	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Functional Expenses	6
Notes to the Consolidated Financial Statements	7-34
<b>Supplemental Schedules</b>	
Independent Auditor's Report on the Supplemental Schedules	35
Consolidating Schedule of Financial Position	36
Consolidating Schedule of Activities and Change in Net Assets	37



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

8401 Greensboro Drive, Suite 800  
McLean, VA 22102

## **Independent Auditor's Report**

Board of Directors  
Humane World for Animals  
Washington, D.C.

### ***Opinion***

We have audited the accompanying consolidated financial statements of **The Humane World for Animals and Affiliates** (the Organization), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Humane World for Animals and Affiliates as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, P.C.

May 14, 2026

## **Consolidated Financial Statements**

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# The Humane World for Animals and Affiliates

## Consolidated Statement of Financial Position

**December 31,** **2025**

### Assets

Cash and cash equivalents	\$ 25,049,417
Investments	481,354,064
Investments to fund deferred compensation liability	469,619
Accrued interest receivable	99,358
Prepaid expenses and other assets	3,599,222
Contributions, bequests and other receivables, net	22,739,432
Operating lease right-of-use asset	6,326,606
Intangible assets	212,776
Property and equipment, net	19,588,247
Conservation property	10,630,029

**Total assets** **\$ 570,068,770**

### Liabilities and Net Assets

#### Liabilities

Accounts payable and accrued expenses	\$ 16,465,746
Annuities and unitrusts	12,115,901
Operating lease liability	8,626,609
Accrued severance obligation	345,679
Deferred compensation liability	469,619

**Total liabilities** **38,023,554**

#### Net Assets

Without donor restrictions	
Board designated	297,282,390
Undesignated	134,599,203

**Total without donor restrictions** **431,881,593**

**With donor restrictions** **100,163,623**

**Total net assets** **532,045,216**

**Total liabilities and net assets** **\$ 570,068,770**

*See accompanying notes to the consolidated financial statements.*

# The Humane World for Animals and Affiliates

## Consolidated Statement of Activities and Change in Net Assets

<i>Year ended December 31, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Contributions of cash and other financial assets	\$ 92,428,925	\$ 12,891,647	\$ 105,320,572
Contributions of nonfinancial assets	32,132,973	177,000	32,309,973
Bequests	67,524,663	1,157,843	68,682,506
Royalty income	235,365	-	235,365
Event income	1,810,864	-	1,810,864
Other income	1,250,415	67,055	1,317,470
Net assets released from restrictions	21,164,165	(21,164,165)	-
<b>Total support and revenue</b>	<b>216,547,370</b>	<b>(6,870,620)</b>	<b>209,676,750</b>
<b>Expenses</b>			
Program services	169,848,469	-	169,848,469
Management and general	18,928,315	-	18,928,315
Fundraising	44,529,232	-	44,529,232
<b>Total expenses</b>	<b>233,306,016</b>	<b>-</b>	<b>233,306,016</b>
<b>Change in net assets from operations</b>	<b>(16,758,646)</b>	<b>(6,870,620)</b>	<b>(23,629,266)</b>
Investment return, net	58,906,422	7,478,506	66,384,928
<b>Change in net assets before other changes in net assets</b>	<b>42,147,776</b>	<b>607,886</b>	<b>42,755,662</b>
<b>Other changes in net assets</b>			
Annuity liability change in valuation	(637,965)	34,739	(603,226)
Foreign currency gain	344,345	-	344,345
<b>Change in net assets</b>	<b>41,854,156</b>	<b>642,625</b>	<b>42,496,781</b>
<b>Net assets, Beginning of the year</b>	<b>390,027,437</b>	<b>99,520,998</b>	<b>489,548,435</b>
<b>Net assets, End of the year</b>	<b>\$ 431,881,593</b>	<b>\$ 100,163,623</b>	<b>\$ 532,045,216</b>

*See accompanying notes to the consolidated financial statements.*

# The Humane World for Animals and Affiliates

## Consolidated Statement of Cash Flows

Year ended December 31, 2025

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 42,496,781
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Increase in allowance for uncollectible contributions and bequests	49,316
Impairment of assets	100,000
Bad debt expense	116,816
Change in discount on multi-year contributions and bequests	(374,927)
Depreciation and amortization	1,601,903
Noncash lease expense	1,547,472
Realized and unrealized gains on investments, net	(63,526,319)
Donated stock received	(4,775,917)
Donated property	(177,000)
Gains on disposal of property and equipment	(109,732)
Changes in assets and liabilities:	
Decrease (increase) in:	
Accrued interest receivable	89,632
Prepaid expenses and other assets	201,502
Contributions, bequests, and other receivables, gross	(5,749,784)
(Decrease) increase in:	
Accounts payable and accrued expenses	(618,337)
Actuarial gain on annuities and unitrusts	1,058,083
Principal reduction in operating lease liabilities	(1,862,256)
Accrued severance obligation	(58,003)
<b>Net cash used in operating activities</b>	<b>(29,990,770)</b>
<b>Cash flows from investing activities:</b>	
Proceeds from sales of investments	124,755,953
Purchases of investments	(89,760,463)
Proceeds from the sale of property and equipment	303,058
Website development costs	(113,414)
Purchases of property and equipment	(3,567,595)
<b>Net cash provided by investing activities</b>	<b>31,617,539</b>
<b>Cash flows from financing activities:</b>	
Investments subject to annuity agreements	496,986
Payments on annuity agreements	(1,299,739)
<b>Net cash used in financing activities</b>	<b>(802,753)</b>
<b>Net increase in cash and cash equivalents</b>	<b>824,016</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>24,225,401</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 25,049,417</b>

See accompanying notes to the consolidated financial statements.

# The Humane World for Animals and Affiliates

## Consolidated Statement of Functional Expenses

Year ended December 31, 2025	Program Services				Support Services		Total
	Ending the Cruellest Practices	Caring for Animals in Crisis	Building a Stronger Animal Protection Movement	Total Program Services	Management and General	Fundraising	
Salaries	\$ 19,230,215	\$ 12,381,601	\$ 23,081,523	\$ 54,693,339	\$ 8,220,965	\$ 6,808,349	\$ 69,722,653
Employee benefits	4,074,360	2,520,568	5,499,616	12,094,544	2,131,153	1,536,749	15,762,446
<b>Total compensation</b>	<b>23,304,575</b>	<b>14,902,169</b>	<b>28,581,139</b>	<b>66,787,883</b>	<b>10,352,118</b>	<b>8,345,098</b>	<b>85,485,099</b>
Education material, publications and campaigns	5,734,160	2,265,413	5,074,860	13,074,433	2,449,836	16,673,594	32,197,863
Mailing costs	1,707,957	1,107,369	2,241,756	5,057,082	40,358	5,421,498	10,518,938
Consultant and contracted services	8,952,487	6,658,770	5,298,787	20,910,044	1,364,054	9,013,624	31,287,722
Professional fees	2,150,800	405,625	521,409	3,077,834	397,086	329,203	3,804,123
Contributions and grants	1,192,649	29,271,843	8,339,879	38,804,371	-	-	38,804,371
Travel and events	1,868,686	2,611,723	2,698,959	7,179,368	134,938	545,528	7,859,834
Supplies and field expenses	1,431,739	4,376,797	2,489,707	8,298,243	1,823,521	971,980	11,093,744
Bank and trustee fees	-	-	-	-	641,606	2,707,930	3,349,536
Occupancy and building expense	243,478	1,780,189	374,967	2,398,634	1,087,254	109,909	3,595,797
Depreciation and amortization	40,230	1,266,012	120,525	1,426,767	164,482	10,653	1,601,902
Postage and shipping	53,470	1,350,578	74,522	1,478,570	94,097	46,048	1,618,715
Telephone	103,893	82,748	126,153	312,794	88,767	73,485	475,046
Insurance and bonds	281,019	207,196	332,053	820,268	278,663	228,969	1,327,900
Real estate and other taxes	28,511	141,241	52,426	222,178	11,535	51,713	285,426
<b>Total expenses</b>	<b>\$ 47,093,654</b>	<b>\$ 66,427,673</b>	<b>\$ 56,327,142</b>	<b>\$ 169,848,469</b>	<b>\$ 18,928,315</b>	<b>\$ 44,529,232</b>	<b>\$ 233,306,016</b>

See accompanying notes to the consolidated financial statements.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 1. The Organization and Summary of Significant Accounting Policies

Humane World for Animals and Affiliates (collectively, the Organization), is a not-for-profit organization incorporated in the State of Delaware whose primary purpose is the worldwide advancement of humane treatment of animals through public education, awareness, and direct animal care programs. Effective February 3, 2025, the Humane Society of the United States changed its name to Humane World for Animals, Inc. Humane Society International, Inc. was renamed Humane World for Animals International. This change was made to better reflect the global mission and reach of the organization.

The accompanying consolidated financial statements include the activities of the following entities:

#### *Humane World for Animals, Inc.*

Together with millions of supporters, Humane World for Animals takes on puppy mills, factory farms, the fur trade, trophy hunting, animal cosmetics testing and other cruel industries. Through rescue, response and sanctuary work, as well as other direct services, Humane World for Animals helps thousands of animals in need every year and fights all forms of animal cruelty. Humane World for Animals helps animals through direct care, corporate reform, education, disaster response, emergency relief and rescue, fieldwork, investigations, litigation, research, scientific and technical analysis, media outreach, public advocacy, and legislative and policy initiatives. From its founding in 1954, Humane World for Animals has complemented and enhanced the work of local and regional humane societies, tackling issues whose scope and magnitude exceed the capacity of local organizations, and working to expand the humane movement throughout the United States and abroad. The founders of Humane World for Animals did not seek to replicate the activities of local groups but chose instead to be a national voice in the fight against cruelty to animals.

#### *Humane World for Animals International*

Advancing the welfare of animals in more than 50 countries, Humane World for Animals 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 its forms.

Humane World for Animals International 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. Humane World for Animals International also responds to disasters around the world, campaigns against trophy hunting and works to protect imperiled species of wild animals.

Humane World for Animals International encompasses the below related affiliates throughout the world:

- Humane World for Animals United Kingdom
- Association Humane World for Animals Costa Rica
- Humane World for Animals Canada
- Humane World Foundation Canada
- Humane World for Animals India Foundation

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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- Humane World for Animals Europe
- Humane World for Animals Mexico A.C.
- Humane World for Animals South Africa Trust
- Humane World for Animals Korea
- Humane World for Animals Liberia, Inc.
- Humane World for Animals Australia Limited

Effective end of day on December 31, 2025, Humane World for Animals International was merged into the Humane World for Animals. Following the merger, all related affiliates of Humane World for Animals International throughout the world became direct affiliates of Humane World for Animals. See Note 22.

### ***Humane Society Wildlife Land Trust (HSWLT)***

HSWLT, founded in 1993, celebrates and protects wild animals by creating and managing permanent sanctuaries; by preserving and enhancing natural habitat; and by confronting cruelty. HSWLT protects natural habitat in perpetuity and seeks to ensure that animals living on protected lands are not hunted or trapped. HSWLT maintains a portfolio of more than 99 permanent wildlife sanctuaries comprising over 17,984 acres. HSWLT has also been involved in the protection and conservation of habitat in nearly 40 states and nine countries, sanctuaries where recreational and commercial hunting and a variety of practices threatening to animals and their habitat will always be prohibited. HSWLT also works in collaboration with other non-governmental organizations throughout the United States and abroad to promote and advance the protection of habitat and wildlife. HSWLT has been involved in 30 such projects, involving over three million acres of habitat.

The significant policies followed by the Organization are described below.

### ***Basis of accounting***

The accompanying consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

### ***Principles of consolidation***

The consolidated financial statements include the accounts of the Humane World for Animals, Humane World for Animals International, Inc. and its related international affiliates, and Humane Society Wildlife Land Trust. All significant inter-organizational balances and transactions have been eliminated in consolidation.

### ***Basis of presentation***

The Organization follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) ASC 958-605 *Not-for-Profit Entities - Presentation of Financial Statements*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### *Use of estimates*

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting year. Actual results could differ from estimates under different assumptions and conditions.

### *Revenue recognition*

#### *Contribution revenue*

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. The Organization uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split interest agreements, to be received after one year, are recorded at the present value of the estimated future cash flows. Changes in the discount used resulting from the passage of time are accounted for as contributions in subsequent years. Revenue under charitable gift annuity arrangements is reduced by the estimated annuities to be paid by the Organization over the beneficiary's lifetime. Irrevocable split-interest agreements, including charitable remainder trusts, charitable lead trusts and perpetual trusts, are recorded as revenue when the trust agreements become irrevocable.

Conditional promises to give, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Organization is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. A transfer of assets from a donor that contains donor conditions is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor.

As of December 31, 2025, the Organization has \$294,622 in conditional promises to give.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### *Bequest revenue*

The Organization is the beneficiary under various wills. Legacy and bequest income is recognized when the Organization has an irrevocable right to the gift and the proceeds of the gift are readily measurable.

Individual bequests without donor restrictions in excess of \$25,000 are recognized as revenue in undesignated net assets at the rate of 20% and in board designated investment fund net assets at the rate of 80% in the year of recognition. The 80% reported as revenue in board designated net assets is transferred to undesignated net assets equally over the following four years. The effect of this policy is to apportion individual bequests to the undesignated net assets over a five-year period.

### *Contributed nonfinancial assets*

Contributed nonfinancial assets are recognized if they create or enhance nonfinancial assets or require specialized skills and would need to be purchased if not provided by donation.

### *Event income and other revenue*

Revenue from contracts with customers consists of event registrations and related exhibit fees recorded as event income as well as publication subscriptions and advertising and sales of products recorded as other revenue. Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. Revenue is recognized net of discounts, waivers, and refunds. Revenue is recognized using the five-step approach, as follows:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, performance obligations are satisfied

### *Performance obligations and significant judgments*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good or service and recognized as revenue when, or as, the performance obligation is satisfied. If a distinct good or service does not have an observable standalone selling price, then the primary method used to estimate the standalone selling price is the adjusted market assessment approach, under which the Organization evaluates the market and estimates a price that a customer would be willing to pay for the goods and services provided.

Event revenue is recognized at a point in time when the related events are held. Attendees are required to pay in advance of attending an event. Publication subscriptions and related advertising revenue reported within other income on the consolidated statement of activities and change in net assets are recognized over time using the output method as periodical issues are published and distributed. Subscription payments are required in advance of the subscription period; advertisers are billed under terms of net 30 days. Sales of products are recognized as revenue at a point in time when the products are handed to or shipped to customers and must be paid for in advance of

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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shipping. Sales of products revenue is included in other income within the consolidated statement of activities and change in net assets. Transaction prices are based on gross prices, net of discounts or refunds. Royalty revenue is recognized ratably over the agreement term.

### *Costs to obtain a contract*

The Organization has elected the practical expedient available, in which any incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

### *Cash and cash equivalents*

Cash and cash equivalents include all short-term, highly liquid instruments purchased with an original maturity of three months or less and excluding cash and money market funds held by investment managers. Cash and cash equivalent balances held by investment managers which are part of the investment portfolio are not immediately available to meet cash needs for general expenditures. Such balances are an integral part of the Organization's investment management strategy and not available until appropriated.

### *Investments*

The Organization generally reports investments at fair value. Investment return reported in the statement of activities and change in net assets is net of all external and direct internal investment management expenses. Interest and dividend income is accounted for on the accrual basis. Gains and losses on investments, including changes in market value, are reported in the consolidated statement of activities and change in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

Investments in equity securities with readily determinable fair values as well as investments in mutual and exchange-traded funds are reported at quoted market prices. Investments in debt securities are reported at estimated fair value based on quoted interest rates for securities of similar terms and risks.

Investments in hedge funds, funds of funds, equity funds and private equity funds are reported at fair values as estimated by their respective investment managers, unless the investments report at net asset value (NAV), in which case the NAV is used as the basis for determining fair value. In all instances, the estimated fair values for these types of investments reflect the Organization's interest in the fair values of the underlying investments.

### *Contributions, bequests and other receivables*

Contributions, bequests and other receivables are carried at original amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis and discounts for any long-term receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The provision for doubtful accounts was \$420,644 at December 31, 2025. Receivables totaling \$116,816 were written off as bad debt expense during the year ended December 31, 2025, which is included in bank and trustee fees in the consolidated statement of functional expenses.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### ***Property and equipment***

Property and equipment with a cost of \$5,000 or greater are capitalized. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation and amortization is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Donated property is recorded at fair value at the time of donation. Improvements to property and equipment that extend the useful lives of the assets are also capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from (i) ten to 40 years for building and improvements, and (ii) up to five years for automobiles, and office furniture and equipment. Depreciation is not calculated on land or construction-in-progress.

### ***Intangible assets***

Intangible assets are stated at cost less accumulated amortization. In 2024, the Organization incurred costs related to the redesign of its website to support the Organization's strategy for global growth and integration of the Organization's new brands. Expenses directly attributable to the development of the website, related to creating or enhancing specific functionalities of the website, and those that could be reliably measured were capitalized and are reflected in Intangible assets. These costs will be amortized on a straight-line basis over five years, beginning in 2025 with the launch of the completed site.

### ***Conservation property***

The Organization records conservation land acquisitions at cost at the time of purchase. Donated land is recorded at fair value at the time of donation. Fair value is generally determined by appraisal. Values are primarily based on independent professional appraisals performed for the Organization or on appraised values determined or adopted by public agencies. Where a current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when the Organization is satisfied that the appraisal is reasonable and the appraiser is adequately certified.

### ***Charitable gift annuities***

Annuity obligations arising from split-interest gifts are recognized as annuities and unitrusts in the accompanying consolidated statement of financial position. The initial liabilities resulting from these gifts are measured at fair value using the present value of the future payments to be made to beneficiaries. These liabilities are subsequently remeasured at the present value of future payments to beneficiaries based on changes in life expectancy and other actuarial assumptions. The Organization holds the underlying annuity assets in a separate investment account.

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# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### ***Net assets***

Net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions.

#### ***Net assets without donor restrictions - undesignated***

Undesignated net assets without donor restrictions are those net assets that are not subject to donor-imposed stipulations or board designations.

#### ***Net assets without donor restrictions - board designated***

The Organization's board of directors has set aside a portion of net assets without donor restrictions as board designated fund assets and has implemented an investment policy that includes an annual discretionary transfer of amounts to undesignated net assets to support operations.

#### ***Net assets with donor restrictions***

Net assets with donor restrictions generally result from net contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or are fulfilled and the restriction removed by actions of the Organization pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities and change in net assets as net assets released from restrictions. Donor contributions with restrictions that will be fulfilled in the same fiscal year that contributions are received are reported in the accompanying consolidated statement of activities and change in net assets as contributions without donor restrictions.

The Organization also has net assets with donor restrictions that generally result from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Organization. Generally, the donors of these assets permit the Organization to use the income earned on related investments for general or specific purposes.

### ***Tax status***

Humane World for Animals, Humane World for Animals International, and HSWLT qualify under Section 501(c)(3) of the Internal Revenue Code (IRC) and are classified as organizations that are not private foundations. Therefore, the Organization is generally not subject to tax under present income tax laws; however, any unrelated business income may be subject to federal and state income taxes. Total unrelated business income tax for the year ended December 31, 2025 was not material to the consolidated financial statements.

*Humane World for Animals United Kingdom* is a company limited by guarantee, registered in England and Wales, as a registered charity. The organization was incorporated on December 5, 2002 and was registered as a charity on August 11, 2003.

*Association Humane World for Animals Costa Rica* is an association, registered in San Jose, Costa Rica. The organization was incorporated on February 2, 2004.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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*Humane World for Animals Canada* was incorporated on September 14, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-Profit Act and is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

*Humane World Foundation Canada* was incorporated on October 6, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-Profit Act and is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

*Humane World for Animals India Foundation* was incorporated on October 23, 2012 under Section 25 of the Companies Act (India), 1956 (No. 1 of 1956). The company is a private limited entity.

*Humane World for Animals Europe* is a non-profit association without lucrative purpose governed by the Act of June 27, 1921 (Belgium) incorporated in Belgium on May 16, 2014.

*Humane World for Animals Mexico A.C.* is a Civil Association incorporated in Mexico on July 30, 2015.

*Humane World for Animals South Africa Trust* is a Trust organized in the Republic of South Africa on June 13, 2016.

*Humane World for Animals Korea* is a foundation (non-profit organization) established under the laws of the Republic of Korea on August 29, 2018.

*Humane World for Animals Liberia, Inc.* is a non for profit established under the laws of the Republic of Liberia on June 23, 2020.

*Humane World for Animals Australia Limited* is a non-profit registered in Australia as a registered charity on May 24, 1994.

In accordance with FASB ASC 740, *Income Taxes*, the Organization recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With a few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended December 31, 2022, and prior. Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

### ***Donated stock***

Donated stock is reported at its fair value as of the date of donation and is immediately liquidated upon receipt. Sales are reflected on a trade-date basis.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### *Valuation of long-lived assets*

The Organization reviews the valuation of its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No indicators of impairment were identified as of December 31, 2025.

### *Functional allocation of expenses*

The cost of providing various programs and other activities has been summarized on a functional basis in the 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 such as insurance.

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

<b>Allocation Name</b>	<b>Method/Basis of Calculation</b>
Building costs	Headcount
Depreciation	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

### *Concentrations of credit risk*

The Organization's assets that are exposed to credit risk consist primarily of cash and cash equivalents; investments; and contributions, bequests and other receivables. Cash and cash equivalents are maintained at financial institutions, and, at times, balances may exceed federally insured limits. The Organization has historically not experienced losses related to these balances. Amounts on deposit in excess of federally insured limits approximate \$21.7 million at December 31, 2025. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the investment balances and the amounts reported in the consolidated statement of financial position. The Organization's contributions, bequests and other receivables balance consists primarily of amounts due from individuals and corporations. Historically, the Organization has not experienced significant losses related to the bequests and contributions receivable balances and, therefore, believes that the credit risk related to them is minimal.

The Organization records foreign currency translation in accordance with FASB ASC 830, *Foreign Currency Matters*. The financial statements and transactions of various international subsidiaries

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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are generally maintained in the respective local currencies. For the consolidated financial statements, foreign entities' assets and liabilities are translated at exchange rates in effect as of the date of the consolidated statement of financial position. Revenue and expenses are translated at the exchange rates in effect at the end of the reporting period, which approximates translation at the average exchange rate during each period. Translation adjustments, which result from the process of translating the consolidated financial statements into U.S. dollars, are accumulated in net assets without donor restriction. Gains and losses from foreign currency transactions are included in the consolidated statement of activities as changes in net assets in the period in which they are realized.

### *Recent accounting pronouncements not yet adopted*

In March 2022, the FASB issued ASU 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (Topic 820)*. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. This amendment also requires the following disclosures for equity securities subject to contractual sale restrictions: (1) The fair value of equity securities subject to contractual sale restrictions reflected in the balance sheet; (2) The nature and remaining duration of the restriction(s); and (3) The circumstances that could cause a lapse in the restriction(s). Early adoption is permitted, and the updates should be applied prospectively with any adjustments from the adoption of the amendments recognized in the change in net assets and disclosed on the date of adoption. For all non-public entities, this ASU is effective for fiscal years beginning after December 15, 2025. The Organization continues to evaluate the potential impact of this ASU on the Organization's consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*. The ASU requires organizations to provide additional, disaggregated disclosures for income taxes paid, along with information about income from continuing operations before income tax expense on a disaggregated basis. Certain other disclosure requirements were eliminated. This update is effective for annual periods beginning after December 15, 2025. The Organization continues to evaluate the potential impact of this ASU on the Organization's consolidated financial statements.

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# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 2. Liquidity and Availability of Resources

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year following December 31, 2025.

Total assets, December 31, 2025		\$	570,068,770
Less: Non-financial assets			
Prepaid expenses and other assets	\$	(3,599,222)	
Operating lease right-of-use asset		(6,326,605)	
Intangible assets		(212,776)	
Net property and equipment		(19,588,248)	
Conservation property		(10,630,031)	(40,356,882)
<hr/>			
Total financial assets			529,711,888
Adjustment for amounts not available for general expenditures:			
Mission-related investments		(330,000)	
Investments to fund deferred compensation liability		(469,619)	
Investments to fund liability for charitable annuities and remainder unitrusts		(15,497,210)	
Investment to fund severance and retirement obligations		(345,679)	
Net assets with donor restrictions less non-income producing assets		(84,728,689)	
Receivables not collectible within one year		(867,435)	
Board designated net assets		(297,282,390)	
<hr/>			
Financial assets not available for general expenditures within one year			(399,521,022)
<hr/>			
Financial assets available for general expenditures within one year		\$	130,190,866

As part of the Organization's liquidity management policy, financial assets are structured to be available as its general expenditures, liabilities, and other obligations are due. Cash in excess of daily requirements is invested in a portfolio of investments designed to maximize earnings with acceptable risk to the investment principal.

To help manage unanticipated liquidity needs, the Organization designated a portion of its net assets without donor restrictions as a reserve to be invested long-term. Although the Organization does not intend to spend from this reserve, the designation is voluntary and may be reversed by the governing board at any time to meet immediate cash requirements. Other items not available for general expenditures within one year include mission-related investments not readily liquidated, deferred compensation and severance obligations set aside by Board action, investments to fund annuities and unitrusts as well as endowments and net assets with donor-imposed restrictions extending beyond one year, and receivables not collectible within one year.

To further supplement liquidity, the Organization also has a \$20 million line-of-credit with the Bank of New York Mellon, which it can draw upon if conditions dictate (See Note 14).

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 3. Investments

Investments consist of the following:

<i>December 31,</i>	<i>2025</i>
Investments measured at fair value (Note 4)	\$ 452,825,317
Charitable annuities (Note 4 and Note 9)	27,095,741
Charitable remainder unitrusts (Note 4 and Note 9)	1,103,006
Total investments measured at fair value	481,024,064
Mission-related investments	330,000
Total investments	\$ 481,354,064

Mission-related investments are the Organization's direct investments in various entities whose purpose aligns with the Organization's mission. The Organization records these investments using the cost method, reviewing the investment annually for impairment. During the year ended December 31, 2025, the Organization recognized an impairment loss of \$100,000 on its mission-related investments.

### 4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

FASB ASC 820, *Fair Value Measurement* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

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# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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The three levels of the fair value hierarchy under ASC 820 are described as follows:

- **Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- **Level 2** - Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
  - If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- **Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Organization reports certain investments using NAV as determined by investment managers under the so-called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

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# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

### Fair value on a recurring basis - assets

The table below presents of assets measured at fair value on a recurring basis by level within the hierarchy:

Description	As of December 31, 2025				
	Assets Measured at Net Asset Value*	Fair Value Hierarchy Level			Total
		Level 1	Level 2	Level 3	
Hedge funds:					
Equity long/short	\$ 79,498,602	\$ -	\$ -	\$ -	\$ 79,498,602
Fund of funds:					
Equity long/short	31,061,362	-	-	-	31,061,362
Equity funds:					
International long/short	46,839,372	-	-	-	46,839,372
Domestic	46,981,176	-	-	-	46,981,176
Other	42,528,914	-	-	-	42,528,914
Private equity funds:					
Energy and real estate	9,268,329	-	-	-	9,268,329
Global opportunities	14,279,299	-	-	-	14,279,299
Special equities	82,091,035	-	-	-	82,091,035
Fixed income securities:					
Corporate bonds (AAA to A rated)	-	-	59,851	-	59,851
U.S. government and agency obligations (AAA)	-	-	1,407,360	-	1,407,360
Equity mutual funds:					
Large cap blend	-	8,020,976	-	-	8,020,976
Emerging markets	-	1,589,561	-	-	1,589,561
Midcap	-	19,163,742	-	-	19,163,742
International long/short	-	17,662,527	-	-	17,662,527
Small cap blend	-	717,783	-	-	717,783
Real estate	-	212,233	-	-	212,233
Other equity	-	13,744,120	-	-	13,744,120
Fixed income	-	11,663,262	-	-	11,663,262
Exchange traded	-	11,197,123	-	-	11,197,123
Equity securities	-	37,501,325	-	-	37,501,325
Money market funds	-	5,536,112	-	-	5,536,112
Total fair value investments	\$ 352,548,089	\$ 127,008,764	\$ 1,467,211	\$ -	\$ 481,024,064

\* Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statement of financial position.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

In accordance with the guidance for fair value measurements, the Organization maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, the Organization estimates prices based on available historical and near-term future price information that reflects its market assumptions.

For contracts with unique characteristics, the Organization estimates fair value using a discounted cash flow approach deemed appropriate in the circumstances and applied consistently from period to period.

### *Changes in fair value levels*

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Organization's management evaluates the significance of transfers between levels based upon the nature of the investment. There were no significant transfers between levels during 2025.

The major categories of the Organization's investments that are valued at net asset value or its equivalent, including general information related to each category, are as follows at December 31, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds - Equity long/short (a)	\$ 79,498,602	\$ 1,111,609	Monthly, Quarterly	30-60 days
Fund of funds - Equity long/short (b)	31,061,362	-	Monthly	30 days
Private equity funds (c)	105,638,663	65,598,702	Semi-Annually, Monthly	30-90 days
Equity funds (d)	136,349,462	500,000	Semi-Annually	60 days
	<b>\$ 352,548,089</b>	<b>\$ 67,210,311</b>		

(a) This category includes investments in hedge funds that invest both long and short in various domestic and international common stocks. Management of the hedge fund has the ability to shift from value to growth strategies, from small to large capitalization, and from a net short position to a net long position. The fair value of the investments in this category have been estimated using NAV or the Organization's ownership interest in the partners' capital. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

(b) This category includes investment funds that invest both long and short in various domestic and international common stocks. The fair value of the investments in this category has been

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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estimated using the net asset value per share of the investments. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

(c) These are investments in private equity funds that invest in various instruments that hold the majority of the funds' investments in common stocks, debt instruments and diversified currencies. The fair value of the investments in this category has been estimated using the net asset value per share of the investments, or the Organization's ownership interest in partners' capital. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

(d) This category includes investments in international equities invested to seek both long and short-term growth. The fair value of the investments in this category has been estimated using the net asset value per share of the investments. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

### 5. Contributions, Bequests and Other Receivables

Contributions, bequests, and other receivables consist of the following at December 31, 2025:

Bequests	\$ 12,996,485
Contributions and other receivables	8,687,005
Grants	1,537,242
	<hr/>
	23,220,732
	<hr/>
Less: allowance for uncollectible contributions and bequests (5% and 3% respectively)	(420,644)
Less: discount on multi-year contributions and bequests (4.22%)	(60,656)
	<hr/>
<b>Total contributions, bequests and other receivables, net</b>	<b>\$ 22,739,432</b>

Contributions, bequests and other receivables are expected to be collected in:

Less than one year	\$ 21,352,830
One to five years	1,386,602
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	\$ 22,739,432

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# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 6. Property and Equipment

Property and equipment consisted of the following at December 31, 2025:

Land	\$ 5,065,971
Buildings and improvements	16,339,343
Tenant leasehold improvements	2,297,723
Office furniture and equipment	1,687,338
Automobiles	5,103,425
Construction-in-progress	1,064,250
	<hr/>
	31,558,050
	<hr/>
Less: accumulated depreciation and amortization	(11,969,803)
	<hr/>
	\$ 19,588,247

Depreciation and amortization totaled \$1,601,903 for the year ended December 31, 2025.

### 7. Conservation Property

Conservation Property consists of land with a book value of \$10,630,029 as of December 31, 2025. HSWLT conserves more than 20,000 acres in the United States of rapidly disappearing land with the wills of landowners whose property includes critical wildlife habitat. These landowners know that refusing to sell to those who would destroy or exploit the land is admirable but provides only temporary safety. These landowners donate or sell a conservation interest in their land, such as development rights or full ownership, to the HSWLT. HSWLT has provided a way to create permanent protection for both lands and the animals living there. HSWLT manages the land under a stewardship plan and, if necessary, legally defends its conservation values.

Humane World Australia's Wildlife Land Trust conservation property consists of more than 192 hectare (approximately 475 acres).

### 8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at December 31, 2025:

Accounts payable and other accrued expenses	\$ 11,043,746
Accrued vacation	3,647,177
Accrued wages	1,774,823
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	\$ 16,465,746

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 9. Annuities and Unitrusts

The annuities and unitrusts liability represents the future annuity payments due under charitable gift annuities and charitable remainder unitrusts determined by an actuary.

For charitable gift annuities, donors make contributions to the Organization, for which they receive an annuity from the Organization. Contribution revenue is recognized as the excess of the fair value of assets received over the net present value of the future annuity payments due. For the year ended December 31, 2025, the Organization received \$1,141,000 of contributions revenue from annuities. As of December 31, 2025, the amount of assets held in charitable annuities were \$27,095,741 and is part of the investments presented in the consolidated statement of financial position.

The liability was determined by an actuary using the Annuity Table of Mortality IAR-2012 and assumed interest rates ranging from 0.4% to 10.20%. A portion of the monies received from these split-interest agreements is required by law to be reserved for making the annuity payments. At December 31, 2025, the actuarial calculated liability was \$11,626,145, resulting in an increase in the annuity liability of \$243,186, for the year ended December 31, 2025.

For charitable remainder unitrusts, donors make contributions to trusts that provide an income stream to the donor until a stipulated event, at which time the remaining account balance conveys to the Organization. The gifts are valued at their fair market value at the time of the gift. In consideration of the gifts, donors receive an annuity from the trust based on the lesser of (a) the trust principal multiplied by a stated interest rate or (b) the actual earnings of the trust. At December 31, 2025, the future liability in the amount of \$489,756 was calculated using an assumed interest rate of 5%, resulting in an increase in the liability of \$12,147 for the year ended December 31, 2025. The amount of assets held in charitable unitrusts, which is restricted for the payment of related annuities, were \$1,103,006 as of December 31, 2025. The net assets of the trusts of \$352,603 are included in net assets with donor restrictions in the accompanying consolidated statement of financial position.

### 10. Severance Pay Plan (Employment Longevity Retirement Enhancement Benefit)

The Organization established the Humane Society of the United States Severance Pay Plan (Severance Pay Plan) on September 13, 1997, to grant severance benefits to eligible employees. These benefits and related expenses are paid from the general assets of the Organization. Only employees hired in full-time or part-time positions before January 1, 1998, who have completed a minimum of 15 years of continuous full-time employment with the Organization, are eligible to become participants in the Severance Pay Plan. Upon termination of employment (for reasons other than gross misconduct), a participant receives a lump sum equal to 2% of the average of his or her annual base salary for the three calendar years before cessation of employment, multiplied by the number of years of continuous full-time employment accrued by the employee, subject to a maximum benefit of two years base salary. The benefit obligation of the Severance Pay Plan as of December 31, 2025 was calculated by an actuary based on a census provided by the Organization, using an assumed discount rate of 4.63%. There was no assumed compensation increase. The amount of the liability related to the Severance Pay Plan was \$261,727 as of December 31, 2025.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 11. Deferred Compensation Plan

In 1983, the Organization established the Humane Society of the United States Deferred Compensation Plan (Deferred Compensation Plan) for certain executive employees. The Organization and the participants may elect to defer a portion of the compensation that the participants would otherwise be entitled to receive in cash, and those deferrals are invested in various mutual funds. The Organization owns the mutual funds, subject to the claims of its general creditors. The obligation of the Organization under the Deferred Compensation Plan is purely contractual and is not secured. All income earned by the designated underlying investment is added to the deferred compensation liability. The Organization contributed \$23,500 to the Deferred Compensation Plan during the year ended December 31, 2025. The Deferred Compensation Plan assets and the related liability totaled \$469,619 on December 31, 2025.

### 12. Retirement Plans

#### *Defined Contribution*

The Organization adopted the Humane World for Animals 401(k) Savings Plan (the 401(k) Plan), a defined contribution retirement plan qualified under Sections 401(k) and 402(a) of the IRC, as amended, effective January 1, 2008. Employees hired are eligible to participate in the 401(k) Plan on an automatic enrollment basis. Eligible participants are automatically enrolled to contribute 3% of pay their first year. This amount is automatically increased by 1% until a 6% salary deferral is achieved. Participants may elect to contribute higher amounts, up to 80% of pay, subject to annual dollar limitations.

The Organization makes a matching contribution each pay period at a rate of 100% of the first 6% of the participant's salary deferred into the 401(k) Plan. The Organization contributed \$3,504,702 to the 401(k) Plan during the year ended December 31, 2025.

### 13. Medical and Prescription Insurance Plans

Under the medical and prescription partially self-funded insurance plan for current employees, the Organization is responsible for claims up to \$145,000 (specific deductible) per participant annually. In addition to the \$145,000 specific deductible, the Organization is also responsible for a \$100,000 aggregating specific deductible. This aggregating specific deductible applies to any combination of individual claims exceeding the \$145,000 specific deductible, with no lifetime maximum. The Organization has accrued for the expected cost of unpaid, reported claims and claims incurred but not reported. The accrual is based on historical claims experience and the number of employees. Aggregate claims for the \$145,000 specific and \$100,000 additional layer of coverage (combined) are currently capped at \$7,251,464 annually.

As of December 31, 2025, the accrual for unpaid claims, net of insurance recoveries, totaled \$584,000, and is included in accounts payable and accrued expenses on the consolidated statement of financial position.

### 14. Line-of-Credit

The Organization entered into a \$20 million line-of-credit agreement with Bank of New York Mellon (BNYM) on April 9, 2015. The line-of-credit has no specific termination date, and the Organization

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

or BNYM can close the line-of-credit anytime upon notice to the Organization or BNYM. The line-of-credit accrues interest at the 30-Day Average Secured Overnight Financing Rate (SOFR) for one-month U.S. dollars plus 75 basis points (4.62% as of December 31, 2025). The line-of-credit is secured by certain investments of the Humane World for Animals and is subject to certain covenants, as defined in the line-of-credit agreement. There was no outstanding balance on the line-of-credit at December 31, 2025 and no advances were drawn during 2025. The Organization was in compliance with all related covenants on December 31, 2025.

### 15. Contributed Nonfinancial Assets

The Organization receives contributed nonfinancial assets in the form of animal care supplies and feed, professional pro-bono legal and veterinary services, public service announcements (PSAs), and equipment and other supplies. For the year ended December 31, 2025, contributed nonfinancial assets recognized within the consolidated statement of activities and change in net assets included:

Type of donation	Valuation techniques	Donor Restrictions	Year ended December 31, 2025
Animal care supplies and feed for distribution to partners	Current wholesale rates that would be received for selling similar products in the United States	Donor restricted	\$ 26,845,991
Animal care supplies and feed for use by the Organization	Current rates that would be received for selling similar products in the United States	Donor restricted	1,088,085
Veterinary services	Current rates for similar veterinary services performed by professional licensed veterinary professionals	Donor restricted	325,545
Legal services	Current rates for similar legal services	Donor restricted	1,316,487
Public Service Announcements	Current rates for date, time, and market of the placement	Donor restricted	2,256,619
Property, equipment and supplies	Current rates that would be received for selling similar property, equipment and supplies in the United States	Donor restricted	477,246
			<b>\$ 32,309,973</b>

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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Contributed animal care supplies and feed were distributed to underserved communities through the Organization's Pets for Life and Rural Area Veterinary Services programs. Similar items were also used in daily operations by our animal rescue, care, and sanctuary programs.

Veterinary services were utilized by the Organization's Rural Area Veterinary Services program for spay/neuter and other medical procedures.

Legal services were utilized to support legislative efforts for our Wildlife, Companion Animals, and Farm Animals programs.

The Organization produces and distributes public service television, radio, and newspaper announcements that focus attention on our program work to end the cruelest practices, care for animals in crisis, and build a stronger animal protection movement across the globe. These public service announcements (PSAs) are distributed to radio stations and newspapers nationwide and are presented free of charge.

Property, equipment and supplies are used in the daily operations of the Organization's animal care facilities. The Organization also receives donations of items used as prizes and awards at various fundraising events. The Organization may later sell the donated property if it is deemed not suitable as conservation property.

### 16. Leases

The Organization has non-cancelable lease arrangements for facilities in the United States and internationally under operating leases which expire at various dates from fiscal year 2026 to fiscal year 2031. The Organization does not have any leases that are classified as finance leases and does not have any material office space subleases. It is expected that the Organization will renew leases as necessary in the normal course of its activities.

Rental payments under these leases include base rental amounts for the terms of each lease unless the lease contains variable costs (e.g., utilities, real estate taxes, operating expenses such as common area maintenance, water, and insurance) based on an index or rate. If a lease does include indexed or variable costs at a specific rate, the Organization includes those costs as part of operating lease expense. Other leases contain variable costs for expenses which are not based on an index or rate. These variable lease payments are determined based on actual expenses incurred by the lessor and passed to the Organization on a periodic basis. The Organization expensed these non-lease components as incurred. In the case where non-lease components are fixed in amount, the Organization has elected the practical expedient not to separate lease and non-lease components for all lease classes.

The Organization recorded a right-of-use (ROU) asset of \$6,326,606 and operating lease liabilities \$8,626,609 included in the accompanying consolidated statement of financial position as of December 31, 2025. The current and noncurrent portions of operating lease liabilities as of December 31, 2025 are \$1,848,490 and \$6,778,119, respectively.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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Operating, variable and short-term lease expense in the consolidated statement of activities and change in net assets for the year ended December 31, 2025, which is included in occupancy and building expense, consultants and contracted services, and supplies and field expenses in the consolidated statement of functional expenses was:

### *Year ended December 31, 2025*

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Operating lease expense	\$ 1,698,793
Variable lease expense	280,345
Short-term lease expense	503,179
<hr/>	
Total lease expense	\$ 2,482,317

The weighted-average remaining lease term and discount rate related to lease liabilities were:

Weighted average remaining lease term	5 years
Weighted average discount rate	1.7%

Aggregate remaining maturities of lease liabilities as of December 31, 2025, are as follows:

### *Years Ended December 31,*

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2026	\$ 2,106,057
2027	1,746,896
2028	1,497,123
2029	1,527,917
2030	1,563,127
Thereafter	789,740
<hr/>	
Total operating lease payments	9,230,860
<hr/>	
Less: imputed interest	(604,251)
<hr/>	
Total operating lease liabilities	\$ 8,626,609

## 17. Contingencies

The Organization is a defendant in various lawsuits wherein amounts are claimed. In the opinion of the Organization's legal counsel and management, these suits are without substantial merit and are not expected to result in judgments, which, in the aggregate, would have a material adverse effect on the Organization's consolidated financial statements.

## 18. Net Assets Without Donor Restrictions

Net assets without donor restrictions are available to finance the general operations of the Organization. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its articles of incorporation. Voluntary resolutions by the Organization's directors to designate a portion of its net assets without donor restrictions for specified purposes

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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do not result in restricted funds. Since designations are voluntary and may be reversed by the governing board at any time, designated net assets are included with net assets without donor restrictions.

In 1977 and again in 1983, the Board of Directors of the Organization established two donor funds using contributions without donor restrictions of approximately \$1,000,000 from two major donors to establish investment fund operating reserves. The Board resolved that the corpus of the funds would be maintained indefinitely except that the Board may at its discretion utilize the corpus for major or exceptional programs consistent with the intent and purpose of the fund. Income from the funds may be used for programs and administration of humane education. To date, the Board has determined not to use the funds and they most likely would be drawn only upon in the event of financial distress or an immediate liquidity need.

In 1977, the Board established the Bequest Reserve Fund, a quasi-endowment fund comprising bequests without donor restrictions, to equalize income from bequests. The entire amount of each bequest totaling \$25,000 or greater is placed in this account. Twenty percent of the total annual bequests for each calendar year is credited to the total annual bequest revenue in the year of receipt and sequentially over the next four succeeding years. The Bequest Reserve Fund is held in long-term income-producing investments.

In 2021, the Board established a Programmatic Endowment Fund, allowing 4.5% of the fair market value of the fund to be used on programmatic expenses. Management, as part of the annual budget process or otherwise, must seek Board approval on how the Programmatic Endowment Fund may be spent.

Net assets without donor restrictions are held by the following funds at December 31, 2025:

Board designated:	
Bequest Reserve Fund	\$ 170,051,458
Endowment fund (Note 20)	563,689
Programmatic endowment fund (Note 20)	100,901,164
Programmatic funds	24,114,882
Special purpose funds	1,651,197
<hr/>	
Total board designated	297,282,390
Undesignated	134,599,203
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Total net assets without donor restrictions	\$ 431,881,593

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# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

### 19. Net Assets with Donor Restrictions

Net assets with donor restrictions result from gifts of cash and other assets with donor-imposed restrictions to (a) support particular operating activities, (b) invest for a specified term, (c) use in a specified future period, or (d) acquire long-lived assets.

Changes in net assets with donor restrictions for the year ended December 31, 2025 were as follows:

	Balance at December 31, 2024	Additions and Investment Return, net	Released From Restrictions	Balance at December 31, 2025
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*Subject to expenditure for a specified purpose:*

Unitrusts	\$ 317,862	\$ 34,740	\$ -	\$ 352,602
Education, training and disaster relief	18,683,352	9,197,551	5,780,310	22,100,593
Scholarships	30,225	4,116	1,160	33,181
Liberia chimp maintenance	4,495,448	536,963	1,718,232	3,314,179
Wildlife Land Trust	8,021,782	1,599,345	1,162,211	8,458,916
Humane World for Animals International	11,838,594	4,208,965	10,957,860	5,089,699

*Subject to the passage of time:*

Rural Area Veterinary Services	20,000	-	20,000	-
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*Endowments (Note 20):*

Donor-restricted endowment funds	56,113,735	6,225,110	1,524,392	60,814,453
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Total net assets with donor restrictions	\$ 99,520,998	\$ 21,806,790	\$ 21,164,165	\$ 100,163,623
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During the year ended December 31, 2025, assets were released from donor restrictions by the Organization incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors, as follows:

Donor-specified program expenses of the Organization	\$ 21,144,165
Time and purpose restricted program expenses of the Organization	20,000
	\$ 21,164,165

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 20. Endowments

The FASB Codification defines an endowment as an established fund of cash, securities, or other assets to provide income for the maintenance of a not-for-profit organization. Management has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of original contributions with donor restrictions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation of the State of Delaware Act, the Organization classifies as net assets with donor restrictions (a) the original value of contributions with donor restrictions, (b) the discounted value of future contributions with donor restrictions, net of allowance for uncollectible pledges, and (c) the remaining portion of contributions with donor restrictions. They are classified as such until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in deciding to appropriate or accumulate contributions with donor restrictions:

- The purposes of the endowment fund
- The duration and preservation of the fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources
- Investment policies

Investment and spending policies: The Organization has adopted investment and spending policies for cash contributions with donor restrictions that attempt to provide a predictable stream of funding to programs while maintaining purchasing power. All earnings from these funds are reflected as net assets with donor restrictions, until appropriated for program expenditures.

The Organization's endowment funds consist of the following at December 31, 2025:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 39,778,432	\$ 39,778,432
Accumulated investment gains	-	21,036,021	21,036,021
Board designated quasi-endowment funds	101,464,853	-	101,464,853
	<u>\$ 101,464,853</u>	<u>\$ 60,814,453</u>	<u>\$ 162,279,306</u>

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

The endowment fund net asset activity consists of the following for the year ended December 31, 2025:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 91,833,989	\$ 56,113,735	\$ 147,947,724
Investment return, net	13,176,117	6,225,110	19,401,227
Amounts appropriated for expenditure	(3,545,253)	(1,524,392)	(5,069,645)
<b>Endowment net assets, end of year</b>	<b>\$ 101,464,853</b>	<b>\$ 60,814,453</b>	<b>\$ 162,279,306</b>

Endowment net assets-fund categories resulting from donor restrictions at December 31, 2025:

Income producing assets; income is expendable to support the following:

To defray operating expenses	\$ 5,465,625
To award scholarships to Connecticut secondary school students	74,399
To be used for the best interests of the Organization	23,018,589
To support other humane organizations	3,618,223
20% of income to be used to support the Norma Terris Human Education and Nature Center, and 80% of income to be used for general purposes	5,882,743
To be used for the State of New Hampshire wildlife	213,938
To be used for the betterment of songbirds	2,062,636
To be used for stewardship of land and easements held to preserve natural habitats for wildlife	3,456,689
To be used to publicize mistreatment of exotic animals	7,069,686
	<b>50,862,528</b>

Non-income producing assets:

Land and easements held to preserve natural habitats for wildlife	9,951,925
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**Total donor-restricted endowment net assets** **\$ 60,814,453**

Income earned on investments in endowment is reported in the accompanying consolidated statement of activities and change in net assets as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the nature of donor-imposed restrictions on such earnings.

The Organization considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Organization has no underwater endowment funds as of December 31, 2025.

# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### 21. Allocation of Joint Costs

For many years, the Organization 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 Organization to share specific details about recent accomplishments and to provide information about current campaigns and priorities to its supporters. Humane World for Animals 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 Organization complies with FASB ASC 958-205, *Not-for-Profit Entities - Presentation of Consolidated Financial Statements* and FASB ASC 958-720, *Not-for-Profit Entities - Other Expenses* requirements by allocating a portion of its direct mail, email, phone, and other communication costs to program services and to fundraising. Such costs are allocated to each major program, including:

- 1) Ending the Cruellest Practices - The Organization is focused on ending the worst forms of institutionalized animal suffering—puppy mills, fur farms, trophy hunting, extreme confinement of farm animals, the use of animals in cosmetics tests and the dog meat trade. The progress is the result of work with governments, the private sector and multinational bodies; public awareness and consumer education campaigns.
- 2) Caring for Animals in Crisis - The Organization responds to large-scale cruelty cases and disasters around the world, providing rescue, hands-on care, logistics and expertise when animals are caught in crises. The care centers heal and provide lifelong sanctuary to abused, abandoned, exploited, vulnerable and neglected animals.
- 3) Building a Stronger Animal Protection Movement - Through partnerships, trainings, support, collaboration and more, the Organization is building a more humane world by empowering and expanding the capacity of animal welfare advocates and organizations in the United States and across the globe. Through partnership there will be faster change for animals.

Since only those activities that include both programmatic and fundraising components are included in this allocation, the amounts below do not include all of the expenses presented in the consolidated statement of functional expenses. This allocation is based upon the percentage of material in each mailing or television advertising related to the particular services as determined by content analysis. Total costs for mailing pieces and direct media advertising spots that requested financial support and served other program or management functions were allocated as follows for the year ended December 31, 2025:

Programs	\$ 22,185,189
Fundraising	36,829,720
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	\$ 59,014,909

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# Humane World for Animals and Affiliates

## Notes to the Consolidated Financial Statements

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### **22. Merger Activities with Humane World for Animals International**

As part of the Organization's continuing strategic planning, Humane World for Animals redesigned its operating model and simplified its affiliate relationships to increase agility and collaboration.

On September 25, 2025, the Boards of Directors of both Humane World for Animals and Humane World for Animals International approved a Plan of Merger dated October 1, 2025 by unanimous live vote. A Certificate of Merger was filed with and accepted by the Government of the District of Columbia on December 31, 2025, which is considered the date of Merger. Humane World for Animals is the surviving organization under the merger. As part of the transaction, outstanding liabilities of \$1,362,052 were transferred from Humane World for Animals International to Humane World for Animals. Humane World for Animals also granted \$3,509,654 to Humane World for Animals International for net operating costs in 2025, which was recorded as program support within the consolidating statement of activities and change in net assets. This transaction is eliminated in the consolidated statement of activities and change in net assets. No consideration was transferred.

### **23. Subsequent Events**

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through May 14, 2026, the date the consolidated financial statements were issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements.

## Supplemental Schedules

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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 Schedules

Board of Directors  
Humane World for Animals  
Washington, D.C.

Our audit of the consolidated financial statements of The Humane Word for Animals and Affiliates included in the preceding section of this report was conducted for the purpose of forming an opinion on those consolidated statements as a whole. The supplemental schedules presented in the following section of this report are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management, 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.

BDO USA, P.C.

May 14, 2026

# The Humane World for Animals and Affiliates

## Consolidating Schedule of Financial Position

<i>As of December 31, 2025</i>	Humane World for Animals	Humane World for Animals International	HSWLT	Eliminations	Consolidated
<b>Assets</b>					
Cash and cash equivalents	\$ 17,867,765	\$ 7,179,425	\$ 2,227	\$ -	\$ 25,049,417
Investments	478,396,021	63,895	9,104,201	(6,210,053)	481,354,064
Investments to fund deferred compensation liability	469,619	-	-	-	469,619
Accrued interest receivable	98,185	-	1,173	-	99,358
Prepaid expenses and other assets	3,158,071	438,914	2,237	-	3,599,222
Contributions, bequests and other receivables, net	21,512,323	1,589,965	3,583,904	(3,946,760)	22,739,432
Operating lease right-of-use asset	6,144,704	181,902	-	-	6,326,606
Intangible assets	212,776	-	-	-	212,776
Property and equipment, net	15,316,540	4,186,213	85,494	-	19,588,247
Conservation property	-	1,479,757	9,150,272	-	10,630,029
<b>Total assets</b>	<b>\$ 543,176,004</b>	<b>\$ 15,120,071</b>	<b>\$ 21,929,508</b>	<b>\$ (10,156,813)</b>	<b>\$ 570,068,770</b>
<b>Liabilities and Net Assets</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 17,376,353	\$ 2,974,175	\$ 61,978	\$ (3,946,760)	\$ 16,465,746
Annuities and unitrusts	12,115,901	-	-	-	12,115,901
Operating lease liability	8,450,184	176,425	-	-	8,626,609
Accrued severance obligation	261,727	83,952	-	-	345,679
Deferred compensation liability	469,619	-	-	-	469,619
<b>Total liabilities</b>	<b>38,673,784</b>	<b>3,234,552</b>	<b>61,978</b>	<b>(3,946,760)</b>	<b>38,023,554</b>
<b>Net Assets</b>					
<b>Without donor restrictions</b>					
Board designated	297,282,390	-	-	-	297,282,390
Undesignated	134,599,203	-	-	-	134,599,203
<b>Total without donor restrictions</b>	<b>431,881,593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>431,881,593</b>
<b>With donor restrictions</b>	<b>72,620,627</b>	<b>11,885,519</b>	<b>21,867,530</b>	<b>(6,210,053)</b>	<b>100,163,623</b>
<b>Total net assets</b>	<b>504,502,220</b>	<b>11,885,519</b>	<b>21,867,530</b>	<b>(6,210,053)</b>	<b>532,045,216</b>
<b>Total liabilities and net assets</b>	<b>\$ 543,176,004</b>	<b>\$ 15,120,071</b>	<b>\$ 21,929,508</b>	<b>\$ (10,156,813)</b>	<b>\$ 570,068,770</b>

*See independent auditor's report on supplemental schedules.*

# The Humane World for Animals and Affiliates

## Consolidating Schedule of Activities and Change in Net Assets

<i>Year ended December 31, 2025</i>	Humane World for Animals	Humane World for Animals International	HSWLT	Eliminations	Consolidated
<b>Support and revenue</b>					
Contributions of cash and other financial assets	\$ 85,689,789	\$ 19,521,716	\$ 109,067	\$ -	\$ 105,320,572
Contributions of nonfinancial assets	31,977,486	155,487	177,000	-	32,309,973
Bequests	64,606,551	3,527,052	548,903	-	68,682,506
Royalty income	177,171	58,194	-	-	235,365
Event income	1,798,890	11,974	-	-	1,810,864
Other income	3,310,831	399,827	67,057	(2,460,245)	1,317,470
Program support	3,527,804	18,305,502	-	(21,833,306)	-
<b>Total support and revenue</b>	<b>191,088,522</b>	<b>41,979,752</b>	<b>902,027</b>	<b>(24,293,551)</b>	<b>209,676,750</b>
<b>Expenses</b>					
Program services	154,191,347	38,890,232	1,060,441	(24,293,551)	169,848,469
Management and general	15,460,859	3,372,636	94,820	-	18,928,315
Fundraising	39,143,704	5,378,690	6,838	-	44,529,232
<b>Total expenses</b>	<b>208,795,910</b>	<b>47,641,558</b>	<b>1,162,099</b>	<b>(24,293,551)</b>	<b>233,306,016</b>
<b>Change in net assets from operations</b>	<b>(17,707,388)</b>	<b>(5,661,806)</b>	<b>(260,072)</b>	<b>-</b>	<b>(23,629,266)</b>
Investment return, net	65,073,634	201,698	1,109,596	-	66,384,928
<b>Change in net assets before other changes in net assets</b>	<b>47,366,246</b>	<b>(5,460,108)</b>	<b>849,524</b>	<b>-</b>	<b>42,755,662</b>
Other changes in net assets					
Annuity liability change in valuation	(603,226)	-	-	-	(603,226)
Foreign currency gain (loss)	6,051	1,558,299	(112)	(1,219,893)	344,345
<b>Change in net assets</b>	<b>46,769,071</b>	<b>(3,901,809)</b>	<b>849,412</b>	<b>(1,219,893)</b>	<b>42,496,781</b>
<b>Net assets, Beginning of the year</b>	<b>457,733,149</b>	<b>15,787,328</b>	<b>21,018,118</b>	<b>(4,990,160)</b>	<b>489,548,435</b>
<b>Net assets, End of the year</b>	<b>\$ 504,502,220</b>	<b>\$ 11,885,519</b>	<b>\$ 21,867,530</b>	<b>\$ (6,210,053)</b>	<b>\$ 532,045,216</b>

*See independent auditor's report on supplemental schedules.*