



# The Humane Society of the United States and Affiliates

Supplemental Schedule of Functional  
Expenses - Humane Society International  
Year Ended December 31, 2015

**The Humane Society of the  
United States and Affiliates**

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Supplemental Schedule of Functional  
Expenses - Humane Society International  
Year Ended December 31, 2015

# The Humane Society of the United States and Affiliates

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

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

We have previously audited the consolidated financial statements of The Humane Society of the United States and Its Affiliates (The Society) as of and for the year ended December 31, 2015, and have issued our report dated June 1, 2016 which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purposes of forming an opinion on those consolidated financial statements as a whole. We have not performed any procedures in regard to those consolidated financial statements since our report date of June 1, 2016.

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

Humane Society international is an affiliate of The Society, and as discussed within the footnotes, is included within the consolidated financial statements of the Society.

BDO USA, LLP

August 18, 2016

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Supplemental Schedule of  
Functional Expenses of Humane Society International

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## The Humane Society of the United States

### Supplemental Schedule of Functional Expenses - Humane Society International

| <i>Year ended December 31, 2015</i>            | Program Expenses    |                     |                     |                     |                      | Total<br>Program  | Management<br>and<br>General | Fundraising          | Total |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|-------------------|------------------------------|----------------------|-------|
|  | Direct<br>Care      | Public<br>Policy    | Corporate<br>Policy | Education           |                      |                   |                              |                      |       |
| <b>Expenditures</b>                            |                     |                     |                     |                     |                      |                   |                              |                      |       |
| Salaries                                       | \$ 507,597          | \$ 773,442          | \$ 222,548          | \$ 1,049,080        | \$ 2,552,667         | \$ 26,123         | \$ 453,335                   | \$ 3,032,125         |       |
| Employee benefits                              | 128,795             | 196,249             | 56,468              | 266,188             | 647,700              | 6,628             | 115,027                      | 769,355              |       |
| <b>Total compensation</b>                      | <b>636,392</b>      | <b>969,691</b>      | <b>279,016</b>      | <b>1,315,268</b>    | <b>3,200,367</b>     | <b>32,751</b>     | <b>568,362</b>               | <b>3,801,480</b>     |       |
| Education material, publications and campaigns | 227,805             | 347,114             | 99,877              | 470,818             | 1,145,614            | 11,724            | 203,453                      | 1,360,791            |       |
| Mailing costs                                  | 487,809             | 743,290             | 213,872             | 1,008,183           | 2,453,154            | 25,105            | 435,663                      | 2,913,922            |       |
| Consultant and contracted services             | 780,112             | 1,188,682           | 342,027             | 1,612,303           | 3,923,124            | 40,148            | 696,720                      | 4,659,992            |       |
| Professional fees                              | 49,540              | 75,485              | 21,720              | 102,387             | 249,132              | 2,550             | 44,244                       | 295,926              |       |
| Contributions and grants                       | 305,843             | 219,659             | 71,681              | 419,754             | 1,016,937            | -                 | -                            | 1,016,937            |       |
| Travel and events                              | 138,047             | 210,347             | 60,525              | 285,311             | 694,230              | 7,105             | 123,290                      | 824,625              |       |
| Supplies and field expenses                    | 57,829              | 88,116              | 25,354              | 119,518             | 290,817              | 2,976             | 51,647                       | 345,440              |       |
| Bank and trustee fees                          | -                   | -                   | -                   | -                   | -                    | 109,744           | 681,152                      | 790,896              |       |
| Foreign currency                               | -                   | -                   | -                   | -                   | -                    | 70,826            | -                            | 70,826               |       |
| Occupancy and building expense                 | 25,137              | 38,302              | 11,021              | 51,952              | 126,412              | 1,294             | 22,450                       | 150,156              |       |
| Postage and shipping                           | 4,650               | 7,086               | 2,039               | 9,611               | 23,386               | 239               | 4,154                        | 27,779               |       |
| Telephone                                      | 10,417              | 15,872              | 4,567               | 21,528              | 52,384               | 536               | 9,303                        | 62,223               |       |
| Insurance and bonds                            | 2,432               | 3,706               | 1,066               | 5,026               | 12,230               | 125               | 2,172                        | 14,527               |       |
| Real estate and other taxes                    | 1,765               | 2,690               | 774                 | 3,649               | 8,878                | 91                | 1,577                        | 10,546               |       |
| <b>Total expenses</b>                          | <b>\$ 2,727,778</b> | <b>\$ 3,910,040</b> | <b>\$ 1,133,539</b> | <b>\$ 5,425,308</b> | <b>\$ 13,196,665</b> | <b>\$ 305,214</b> | <b>\$ 2,844,187</b>          | <b>\$ 16,346,066</b> |       |

*See Notes to the Supplemental Schedule*

# The Humane Society of the United States

## Notes to the Supplemental Schedule of Functional Expenses

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

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

#### *Humane Society International, Inc. (HSI)*

HSI, founded in 1991, seeks to educate audiences worldwide about compassion toward animals, carry out direct animal care, rescue and disaster response; provide technical and scientific support to local partners; and to increase the priority given worldwide to animal protection issues by policy-makers, industry, and civil society. HSI also encompasses the below related entities throughout the world:

- Humane Society International (UK)
- Humane Society International Latin America
- Humane Society International/ Canada
- Friends of Humane Society International for the Protection and Conservation of Animals
- Humane Society International: India
- Humane Society International - Europe
- Humane Society International Mexico

HSI's operations are consolidated within The Society's consolidated financial statements.

### 2. Functional allocation of expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses of The Society (not included in this supplemental report). Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditure classifications. Certain costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific function, but which provide for the overall support and direction of The Society.

### 3. Allocation of Joint Costs

The Society has allocated the joint costs of providing educational materials and activities that include a fundraising appeal. Since only those activities that include both programmatic and fundraising components are included in this allocation, the amounts do not include all of the expenses presented in the 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.

# The Humane Society of the United States

## Notes to the Supplemental Schedule of Functional Expenses

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Total HSI costs for mailing pieces and television advertising spot that requested financial support and served other program or management functions were allocated as follows for the year ended December 31, 2015:

|                        |    |           |
|------------------------|----|-----------|
| Program                | \$ | 1,333,372 |
| Management and general |    | 101,008   |
| Fundraising            |    | 2,169,933 |
|                        | \$ | 3,604,313 |

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