



The Humane Society of the United States and Affiliates

Supplemental Schedule of Functional
Expenses - Humane Society International -
United States Operations only
Year Ended December 31, 2018

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United States and Affiliates**

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- Humane Society International - United States Operations only
Year Ended December 31, 2018

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 Affiliates (The Society) as of and for the year ended December 31, 2018, and have issued our report dated May 15, 2019, 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 May 15, 2019.

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

Humane Society International is an affiliate of The Society, and as discussed within the footnotes, is included within the consolidated financial statements of the Society. This report should be read in conjunction with the audited consolidated financial statements of The Society as of and for the year ended December 31, 2018.

Restriction on Use

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

BDO USA, LLP

August 23, 2019

Supplemental Schedule of Functional Expenses

The Humane Society of the United States

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

<i>Year ended December 31, 2018</i>	Program Expenses					Total Program Expenses	Management and General	Fundraising	Total
	Wildlife	Companion Animals	Farm Animals	Animal Testing	Confronting Cruelty				
Expenses									
Salaries	\$ 640,695	\$ 930,694	\$ 414,413	\$ 348,943	\$ 139,816	\$ 2,474,561	\$ 180,297	\$ 345,862	\$ 3,000,720
Employee benefits	155,779	226,290	100,761	84,842	33,995	601,667	44,299	77,692	723,658
Total compensation	796,474	1,156,984	515,174	433,785	173,811	3,076,228	224,596	423,554	3,724,378
Education material, publications and campaigns	302,336	439,182	195,556	164,662	65,978	1,167,714	16,893	1,108,647	2,293,254
Mailing costs	141,202	205,115	91,332	76,903	30,815	545,367	-	627,173	1,172,540
Consultant and contracted services	1,114,533	1,619,006	720,900	607,010	243,220	4,304,669	327,032	415,963	5,047,664
Professional fees	66,507	96,610	43,018	36,222	14,513	256,870	21,305	-	278,175
Contributions and grants	1,253,538	1,820,928	810,811	682,716	273,554	4,841,547	-	-	4,841,547
Travel and events	198,374	288,164	128,312	108,041	43,290	766,181	62,890	9,120	838,191
Supplies and field expenses	72,517	105,340	46,905	39,495	15,825	280,082	23,230	-	303,312
Bank and trustee fees	28,218	40,991	18,252	15,368	6,158	108,987	59,716	166,236	334,939
Occupancy and building expense	14,075	20,444	9,103	7,665	3,071	54,358	4,508	-	58,866
Depreciation and amortization	777	1,128	502	423	170	3,000	249	-	3,249
Postage and shipping	4,066	5,906	2,630	2,214	887	15,703	1,302	-	17,005
Telephone	2,558	3,715	1,654	1,393	558	9,878	785	477	11,140
Insurance and bonds	4,845	7,040	3,135	2,640	1,058	18,718	1,553	-	20,271
Real estate and other taxes	1,899	2,760	1,229	1,034	415	7,337	418	2,637	10,392
Total expenses	\$ 4,001,919	\$ 5,813,313	\$ 2,588,513	\$ 2,179,571	\$ 873,323	\$ 15,456,639	\$ 744,477	\$ 2,753,807	\$ 18,954,923

See Notes to the Supplemental Schedule

The Humane Society of the United States

Notes to the Supplemental Schedule of Functional Expenses

1. The Organization

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

Humane Society International

HSI, founded in 1991, educates audiences worldwide about compassion toward animals, carries out direct animal care, rescue, and disaster response; provides technical and scientific support to local partners; and seeks to increase the priority given to animal protection issues by policy-makers, industry, and civil society worldwide. HSI's core campaigns focus on the humane management of street animals via sterilization and vaccination; the elimination of the dog meat trade; an end to the confinement of farm animals in battery cages and gestation crates; a phase-out of animal testing for human and environmental hazard and risk assessment; a halt to the killing of seals for commercial purposes; the cessation of shark finning and shark fin soup consumption; and the restriction of mercy release programs that encourage the capture and subsequent release of wild animals. HSI works aggressively against the illicit global wildlife trade, advances efforts to stop commercial whaling (via the International Whaling Commission), and seeks to improve wildlife protection mechanisms in international trade negotiations. HSI also campaigns against the trapping and ranching of animals for fur garments, and promotes wildlife contraception as a humane way to manage wildlife populations (particularly elephants) without the stress of capture and translocation or culling. In addition, HSI responds to cases of companion animal suffering and to major disasters that affect animals by sending skilled responders and funding support when disasters occur.

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

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

2. Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statement of activities 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 Humane Society of the United States

Notes to the Supplemental Schedule of Functional Expenses

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

Allocation Name	Method/Basis of Calculation
Occupancy and building expense	Headcount
Depreciation and amortization	Asset ownership by department
Contributions and grants	Individual assessment of each award
Bank and trustee fees	Direct allocation
Management and general costs	Salary per functional expense divided by total salaries

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 digital marketing component related to the particular services as determined by content analysis.

Total HSI-US costs for mailing pieces and digital marketing component that requested financial support and served other program or management functions were allocated as follows for the year ended December 31, 2018:

Program	\$	2,250,057
Fundraising		2,752,654
	\$	5,002,711
