



## **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, 2019

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

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Supplemental Schedule of Functional Expenses - Humane Society  
International - United States Operations only  
Year Ended December 31, 2019

# 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, 2019, and have issued our report dated May 5, 2020, 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 5, 2020.

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, 2019.

### ***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**

June 10, 2020

## **Supplemental Schedule of Functional Expenses**

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## The Humane Society of the United States

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

<i>Year ended December 31, 2019</i>	Program Expenses					Total Program	Management and General	Fundraising	Total
	Wildlife	Companion Animals	Farm Animals	Animal Testing	Confronting Cruelty				
<b>Expenses</b>									
Salaries	\$ 513,498	\$ 1,089,106	\$ 560,462	\$ 563,369	\$ 72,642	\$ 2,799,077	\$ 207,636	\$ 73,762	\$ 3,080,475
Employee benefits	138,657	294,085	151,339	152,123	19,615	755,819	56,472	19,624	831,915
<b>Total compensation</b>	652,155	1,383,191	711,801	715,492	92,257	3,554,896	264,108	93,386	3,912,390
Education material, publications and campaigns	199,472	423,072	217,716	218,845	28,218	1,087,323	32,547	1,169,168	2,289,038
Mailing costs	151,657	321,656	165,527	166,385	21,454	826,679	-	618,919	1,445,598
Consultant and contracted services	710,955	1,507,902	775,978	780,003	100,576	3,875,414	328,074	267,003	4,470,491
Professional fees	499	1,058	544	547	71	2,719	111,883	-	114,602
Contributions and grants	905,273	1,920,042	988,068	993,193	128,065	4,934,641	-	-	4,934,641
Travel and events	150,741	319,716	164,528	165,381	21,325	821,691	77,458	1,486	900,635
Supplies and field expenses	35,100	74,446	38,311	38,509	4,966	191,332	18,254	2	209,588
Bank and trustee fees	-	-	-	-	-	-	14,845	281,212	296,057
Occupancy and building expense	8,467	17,959	9,242	9,290	1,198	46,156	4,404	-	50,560
Depreciation and amortization	1,945	4,124	2,122	2,133	275	10,599	1,011	-	11,610
Postage and shipping	1,530	3,246	1,670	1,679	217	8,342	804	-	9,146
Telephone	2,208	4,683	2,409	2,424	312	12,036	1,094	70	13,200
Insurance and bonds	2,673	5,669	2,917	2,932	378	14,569	1,390	-	15,959
Real estate and other taxes	915	1,941	999	1,004	129	4,988	42	3,479	8,509
<b>Total expenses</b>	\$ 2,823,590	\$ 5,988,705	\$ 3,081,832	\$ 3,097,817	\$ 399,441	\$ 15,391,385	\$ 855,914	\$ 2,434,725	\$ 18,682,024

*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

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, Inc. (HSI)*

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

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

<b>Allocation Name</b>	<b>Method/Basis of Calculation</b>
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

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### 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, 2019:

Program	\$	2,566,814
Fundraising		2,434,725
	\$	5,001,539

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