



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, 2021

The Humane Society of the United States and Affiliates

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The Humane Society of the United States and Affiliates

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

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

We have previously audited the consolidated financial statements of The Humane Society of the United States and Affiliates (the Society) as of and for the year ended December 31, 2021, and have issued our report dated May 6, 2022, 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 6, 2022.

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

Humane Society International is an affiliate of the Society, and as described in the accompanying notes to the supplemental schedule of functional expenses, is included within the consolidated financial statements of the Society. This report should be read in conjunction with the audited consolidated financial statements of the Society as of and for the year ended December 31, 2021.

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

May 20, 2022

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, 2021</i>	Program Expenses			Total Program	Management and General	Fundraising	Total
	Ending the Cruellest Practices	Caring for Animals in Crisis	Building a Stronger Animal Protection Movement				
Expense							
Salaries	\$ 1,653,840	\$ 702,818	\$ 403,387	\$ 2,760,045	\$ 1,256,139	\$ 610,176	\$ 4,626,360
Employee benefits	398,109	169,473	95,123	662,705	308,566	140,261	1,111,532
Total compensation	2,051,949	872,291	498,510	3,422,750	1,564,705	750,437	5,737,892
Education material, publications and campaigns	919,441	342,391	161,900	1,423,732	51,417	1,412,818	2,887,967
Mailing costs	530,299	243,067	117,572	890,938	-	1,072,488	1,963,426
Consultant and contracted services	2,029,466	684,701	422,293	3,136,460	561,192	256,102	3,953,754
Professional fees	9,895	6,053	4,305	20,253	21,792	1,431	43,476
Contributions and grants	4,219,887	2,286,539	1,042,775	7,549,201	-	-	7,549,201
Travel and events	510,450	67,527	24,224	602,201	109,625	-	711,826
Supplies and field expenses	84,697	143,441	10,952	239,090	129,023	123,656	491,769
Bank and trustee fees	-	-	-	-	12,174	359,687	371,861
Occupancy and building expense	22,420	30,016	9,366	61,802	12,167	-	73,969
Depreciation and amortization	3,855	18,605	-	22,460	4,080	-	26,540
Postage and shipping	98	7,485	575	8,158	1,476	-	9,634
Telephone	-	2,972	947	3,919	712	-	4,631
Insurance and bonds	-	42,070	8,472	50,542	10,968	-	61,510
Real estate and other taxes	3,419	13,298	758	17,475	3,391	6,914	27,780
Total expenses	\$ 10,385,876	\$ 4,760,456	\$ 2,302,649	\$ 17,448,981	\$ 2,482,722	\$ 3,983,533	\$ 23,915,236

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, 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 policymakers, industry, and civil society worldwide. HSI's core campaigns focus on the humane management of street animals via sterilization and vaccination in much of Asia, Latin America, and South America; the elimination of the dog meat trade; an end to the confinement of farm animals in battery cages and gestation crates in India, Brazil, Mexico, and elsewhere; 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 (e.g., rescuing dogs from the dog meat trade in Asia or from puppy mills in Canada) 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'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 change in net assets and consolidated statement of functional expenses of the Society. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Certain categories of expenses that are attributable to one or more program or supporting functions of the organization are allocated. The method of allocation is listed below by allocation name. Management and general costs include the Office of the President, Office of General Counsel, Information Technology and other general costs.

The Humane Society of the United States

Notes to the Supplemental Schedule of Functional Expenses

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

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

3. Allocation of Joint Costs

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 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, 2021:

Program	\$	2,694,977
Fundraising		3,983,533
	\$	6,678,510
