



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, 2022

The Humane Society of the United States and Affiliates

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International - United States Operations only
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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, 2022, and have issued our report dated May 8, 2023, 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 8, 2023.

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, 2022.

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 11, 2023

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, 2022</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	\$ 1,584,706	\$ 661,536	\$ 474,320	\$ 2,720,562	\$ 1,675,270	\$ 620,110	\$ 5,015,942
Employee benefits	373,631	162,496	110,506	646,633	384,418	149,397	1,180,448
Total compensation	1,958,337	824,032	584,826	3,367,195	2,059,688	769,507	6,196,390
Education material, publications and campaigns	811,831	359,129	222,270	1,393,230	54,110	1,975,209	3,422,549
Mailing costs	413,748	216,644	127,295	757,687	-	1,252,612	2,010,299
Consultant and contracted services	1,051,606	442,549	293,519	1,787,674	542,059	357,187	2,686,920
Professional fees	4,623	1,615	9	6,247	2,949	-	9,196
Contributions and grants	5,648,316	3,275,575	1,695,935	10,619,826	-	-	10,619,826
Travel and events	147,479	135,551	155,007	438,037	142,862	-	580,899
Supplies and field expenses	74,777	27,033	18,890	120,700	19,750	87,077	227,527
Bank and trustee fees	-	-	-	-	67,082	391,516	458,598
Occupancy and building expense	279	-	8,507	8,786	2,064	-	10,850
Depreciation and amortization	-	9,836	-	9,836	2,311	-	12,147
Postage and shipping	125	83	162	370	278	12	660
Telephone	135	21	40	196	106	-	302
Insurance and bonds	-	-	4,401	4,401	1,034	-	5,435
Real estate and other taxes	2,358	3,555	725	6,638	805	7,138	14,581
Total expenses	\$ 10,113,614	\$ 5,295,623	\$ 3,111,586	\$ 18,520,823	\$ 2,895,098	\$ 4,840,258	\$ 26,256,179

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 described 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-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 Society's 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.

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

For many years, the Society 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 Society to share specific details about recent accomplishments and to provide information about current campaigns and priorities to its supporters. The Society 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 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 Society's 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, 2022:

Program	\$	2,416,642
Fundraising		4,840,258
	\$	7,256,900
