



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, 2017

**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, 2017

The Humane Society of the United States and Affiliates

Contents

Independent Auditor's Report	3
Supplemental Schedule of Functional Expenses - Humane Society International - United States Operations only	4
Notes to the Supplemental Schedule of Functional Expenses	5 - 6



Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive
Suite 800
McLean, VA 22102

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, 2017, and have issued our report dated May 18, 2018 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 18, 2018.

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, 2017.

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

September 19, 2018

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, 2017</i>	Program Expenses					Total Program	Management and Fundraising		Total
	Wildlife	Companion Animals	Farm Animals	Animal Testing	Confronting Cruelty		General	Fundraising	
Expenses									
Salaries	\$ 428,681	\$ 928,365	\$ 351,951	\$ 190,960	\$ 232,487	\$ 2,132,444	\$ 70	\$ 272,341	\$ 2,404,855
Employee benefits	131,255	284,250	107,762	58,469	71,184	652,920	21	84,071	737,012
Total compensation	559,936	1,212,615	459,713	249,429	303,671	2,785,364	91	356,412	3,141,867
Education material, publications and campaigns	324,925	703,667	266,766	144,741	176,217	1,616,316	-	990,361	2,606,677
Mailing costs	124,674	269,998	102,359	55,537	67,615	620,183	31,009	382,446	1,033,638
Consultant and contracted services	812,627	1,759,850	667,174	361,993	440,713	4,042,357	5,648	272,112	4,320,117
Professional fees	5,466	11,837	4,488	2,435	2,964	27,190	57,820	-	85,010
Contributions and grants	563,769	1,220,916	462,860	251,137	305,750	2,804,432	-	-	2,804,432
Travel and events	129,452	280,345	106,281	57,666	70,206	643,950	-	4,252	648,202
Supplies and field expenses	23,473	50,834	19,272	10,456	12,730	116,765	-	71	116,836
Bank and trustee fees	-	-	-	-	-	-	204,232	23,169	227,401
Occupancy and building expense	541	1,171	444	241	293	2,690	-	-	2,690
Postage and shipping	1,043	2,260	857	465	566	5,191	-	6	5,197
Telephone	4,295	9,302	3,527	1,913	2,330	21,367	-	1,421	22,788
Insurance and bonds	2,785	6,032	2,287	1,241	1,511	13,856	-	-	13,856
Miscellaneous taxes	883	1,913	725	394	479	4,394	159	1,967	6,520
Total expenses	\$ 2,553,869	\$ 5,530,740	\$ 2,096,753	\$ 1,137,648	\$ 1,385,045	\$ 12,704,055	\$ 298,959	\$ 2,032,217	\$ 15,035,231

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-US, 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-US'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-US 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-US 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-US 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 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.

The Humane Society of the United States

Notes to the Supplemental Schedule of Functional Expenses

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, 2017:

Program	\$	738,014
Management and general		36,908
Fundraising		665,767
	\$	1,440,689
