

**The Humane Society Of The United
States And Affiliates**

Supplementary Financial Report
December 31, 2009

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Independent Auditor's Report On The Supplementary Information

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

We have submitted, under separate cover, the consolidated financial statements of The Humane Society of the United States and Affiliates (the Society) for the year ended December 31, 2009, and our report thereon, dated August 6, 2010, is as follows:

We have audited the accompanying consolidated balance sheet of the Society as of December 31, 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Humane Society of the United States and Affiliates as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated August 6, 2010, on our consideration of the Society's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our tests of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note 1 to the consolidated financial statements, during the year ended December 31, 2009, The Society for Prevention of Cruelty to Animals of Broward County, Inc., a not-for-profit organization, combined with The Humane Society of the United States and became a consolidated affiliate.

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole and should be read in conjunction with those financial statements and related notes.

The supplementary information submitted herewith is as follows:

1. Supplemental Schedule Of Functional Expenses – Fund For Animals
2. Supplemental Footnote Disclosure – Fund For Animals Joint Cost Allocation

McGladrey & Pullen, LLP

Gaithersburg, Maryland
August 6, 2010

Supplemental Statement Of Functional Expenses - Fund For Animals
Year Ended December 31, 2009

	Education & Policy	Direct Care Facilities	Total Program Services	Management & General	Fundraising	Total
Salaries	\$ 309,136	\$ 894,908	\$ 1,204,044	\$ 73,551	\$ 144,318	\$ 1,421,913
Employee benefits	79,153	234,062	313,215	19,133	37,542	369,890
Total compensation	388,289	1,128,970	1,517,259	92,684	181,860	1,791,803
Consultant and contracted services	109,406	319,548	428,954	26,203	33,772	488,929
Legal fees	131,265	-	131,265	8,019	10,335	149,619
Audit fees	2,500	-	2,500	153	197	2,850
Professional fundraising fees	-	-	-	-	99,067	99,067
In-kind supplies expense	-	14,403	14,403	880	1,134	16,417
Office supplies and expenses	113,373	409,400	522,773	31,934	41,159	595,866
Telephone	26,890	29,137	56,027	3,422	4,411	63,860
Postage and shipping	16,787	6,607	23,394	1,429	1,842	26,665
Occupancy and building expense	208,935	268,279	477,214	29,151	37,572	543,937
Banking and lockbox fees	30,713	256	30,969	4,386	5,653	41,008
Travel, meals and lodging	94,417	64,813	159,230	9,727	12,536	181,493
Depreciation	-	140,428	140,428	8,578	11,056	160,062
Contributions and grants	39,000	-	39,000	-	-	39,000
Real estate and personal property taxes	9,987	54,118	64,105	3,916	5,047	73,068
Mailings, education material, publications	661,368	13,926	675,294	69,828	123,993	869,115
Total non-compensation expenses	1,444,641	1,320,915	2,765,556	197,626	387,774	3,350,956
Total expenses	\$ 1,832,930	\$ 2,449,885	\$ 4,282,815	\$ 290,310	\$ 569,634	\$ 5,142,759

Supplemental Footnote Disclosure – Fund For Animals Joint Cost Allocation
Year Ended December 31, 2009

Allocation of Joint Costs

The Fund for Animals has allocated the joint costs of providing educational materials and activities that include a fundraising appeal. Since only those activities which include both programmatic and fundraising components are included in this allocation, the amounts below do not include all of the expenses presented in the statement of functional expenses. For the year ended December 31, 2009, the allocation of the joint costs is summarized as follows:

Programs	\$	661,374
Fundraising		512,522
Membership development		36,306
	\$	<u>1,210,202</u>