



The Humane Society of the United States and Affiliates

Supplemental Schedule of Functional
Expenses - Fund for Animals
Year Ended December 31, 2017

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

Supplemental Schedule of Functional
Expenses - Fund for Animals
Year Ended December 31, 2017

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, 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 - Fund for Animals 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.

Fund for Animals 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

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Supplemental Schedule of Functional Expenses

The Humane Society of the United States

Supplemental Schedule of Functional Expenses - Fund for Animals

<i>Year ended December 31, 2017</i>	Program Expenses			Management and General	Fundraising	Total
	Direct Animal Care Services	Humane Education and Advocacy	Total Program			
Expenses						
Salaries	\$ 1,180,715	\$ 276,958	\$ 1,457,673	\$ 57,636	\$ 21,769	\$ 1,537,078
Employee benefits	375,823	88,156	463,979	18,310	6,615	488,904
Total compensation	1,556,538	365,114	1,921,652	75,946	28,384	2,025,982
Education material, publications and campaigns	79,186	18,574	97,760	13,201	110,752	221,713
Mailing costs	356,747	83,681	440,428	57,997	393,152	891,577
Consultant and contracted services	287,832	67,516	355,348	28,366	160,263	543,977
Professional fees	111,600	26,178	137,778	5,217	-	142,995
Contributions and grants	24,300	5,700	30,000	-	-	30,000
Travel and events	41,618	9,762	51,380	1,946	-	53,326
Supplies and field expenses	794,595	186,386	980,981	37,147	-	1,018,128
Bank and trustee fees	61,479	14,421	75,900	35,294	-	111,194
Occupancy and building expense	559,320	131,198	690,518	26,148	-	716,666
Depreciation	460,346	107,982	568,328	21,521	-	589,849
Postage and shipping	6,299	1,477	7,776	294	-	8,070
Telephone	61,256	14,369	75,625	2,864	-	78,489
Insurance and bonds	105,570	24,763	130,333	4,935	-	135,268
Miscellaneous taxes	12,235	2,870	15,105	1,064	4,663	20,832
Total expenses	\$ 4,518,921	\$ 1,059,991	\$ 5,578,912	\$ 311,940	\$ 697,214	\$ 6,588,066

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:

The Fund for Animals (FFA)

FFA, since 2005, has been the entity responsible for most HSUS animal care facilities including, for 2017, the Cleveland Amory Black Beauty Ranch (TX), the Cape Wildlife Center (MA), the Duchess Sanctuary (OR), and the Fund for Animals Wildlife Center (CA). These facilities focus on rehabilitation and release, and other hands-on care and rescue of injured, orphaned, and abandoned animals, as well as promoting the humane treatment of all animals and the prevention of cruelty through education and advocacy. The Cleveland Amory Black Beauty Ranch in Murchison, Texas is a 1,437-acre sanctuary that cares for approximately 1,000 animals year round, representing 42 species, rescued from abuse or abandonment. The Cape Wildlife Center in Barnstable, Massachusetts is a five-acre facility and model rehabilitation program that rehabilitates native and transitory wildlife, providing medical and rehabilitative treatment to injured and orphaned animals and releasing them back into the wild. FFA no longer manages the Cape Wildlife Center activities as of early 2017. The facilities are being leased to a local non-profit organization that is continuing the wildlife rehabilitation activities. The 1,120-acre Duchess Sanctuary in Oakland, Oregon cares for about 200 formerly abused, abandoned, and neglected horses. The Fund for Animals Wildlife Center in Ramona, California is a 13-acre facility that provides medical treatment, care, and rehabilitation of native wildlife, and releases them back into the wild.

FFA'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.

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.

The Humane Society of the United States

Notes to the Supplemental Schedule of Functional Expenses

Total FFA 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	\$	642,321
Management and general		41,429
Fundraising		728,451
	\$	1,412,201
