



# The Humane Society of the United States and Affiliates

Consolidated Financial Statements and  
Supplemental Schedules  
Year Ended December 31, 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation and the U.S. member of BDO International Limited, a UK company limited by guarantee.



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

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Consolidated Financial Statements and  
Supplemental Schedules  
Year Ended December 31, 2023

# The Humane Society of the United States and Affiliates

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## Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of **The Humane Society of the United States and Affiliates** (the Society), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statement of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Humane Society of the United States and Affiliates as of December 31, 2023, and their change in net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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### ***Auditor's Responsibility for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*BDO USA, P.C.*

June 12, 2024

## **Consolidated Financial Statements**

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# The Humane Society of the United States and Affiliates

## Consolidated Statement of Financial Position

*As of December 31,* **2023**

### Assets

Cash and cash equivalents	\$	22,158,944
Investments		417,893,026
Investments to fund deferred compensation liability		382,160
Accrued interest receivable		245,237
Prepaid expenses and other assets		2,925,561
Contributions, bequests and other receivables, net		14,676,295
Operating lease right-of-use asset		8,908,415
Property and equipment, net		13,759,293
Conservation property		9,378,872

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<b>Total assets</b>	<b>\$</b>	<b>490,327,803</b>
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### Liabilities and Net Assets

#### Liabilities

Accounts payable and accrued expenses	\$	16,305,895
Annuities and unitrusts		12,444,162
Operating lease liability		11,774,623
Accrued severance obligation		361,753
Deferred compensation liability		382,160

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<b>Total liabilities</b>		<b>41,268,593</b>
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#### Net Assets

Without donor restrictions		
Board designated		224,161,672
Undesignated		121,990,831

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<b>Total without donor restrictions</b>		<b>346,152,503</b>
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<b>With donor restrictions</b>		<b>102,906,707</b>
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<b>Total net assets</b>		<b>449,059,210</b>
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<b>Total liabilities and net assets</b>	<b>\$</b>	<b>490,327,803</b>
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*See accompanying notes to the consolidated financial statements.*

# The Humane Society of the United States and Affiliates

## Consolidated Statement of Activities and Change in Net Assets

<i>Year ended December 31, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Contributions of cash and other financial assets	\$ 99,575,883	\$ 14,459,570	\$ 114,035,453
Contributions of nonfinancial assets	43,746,880	6,143,311	49,890,191
Bequests	45,945,412	1,984,777	47,930,189
Royalty income	379,280	17,645	396,925
Event income	1,593,721	22,500	1,616,221
Other income	174,609	1,155,965	1,330,574
Net assets released from restrictions	24,595,868	(24,595,868)	-
<b>Total support and revenue</b>	<b>216,011,653</b>	<b>(812,100)</b>	<b>215,199,553</b>
<b>Expenses</b>			
Program services	175,895,109	-	175,895,109
Management and general	14,578,445	-	14,578,445
Fundraising	41,350,993	-	41,350,993
<b>Total expenses</b>	<b>231,824,547</b>	<b>-</b>	<b>231,824,547</b>
<b>Change in net assets from operations</b>	<b>(15,812,894)</b>	<b>(812,100)</b>	<b>(16,624,994)</b>
Investment return, net	43,214,342	5,899,610	49,113,952
<b>Change in net assets before other changes in net assets</b>	<b>27,401,448</b>	<b>5,087,510</b>	<b>32,488,958</b>
<b>Other changes in net assets</b>			
Gain from sale of property and equipment	6,911,421	-	6,911,421
Annuity liability change in valuation	(796,548)	46,161	(750,387)
Foreign currency gain	66,806	-	66,806
<b>Change in net assets</b>	<b>33,583,127</b>	<b>5,133,671</b>	<b>38,716,798</b>
<b>Net assets, Beginning of the year</b>	<b>312,569,376</b>	<b>97,773,036</b>	<b>410,342,412</b>
<b>Net assets, End of the year</b>	<b>\$ 346,152,503</b>	<b>\$ 102,906,707</b>	<b>\$ 449,059,210</b>

*See accompanying notes to the consolidated financial statements.*



# The Humane Society of the United States and Affiliates

## Consolidated Statement of Cash Flows

Year ended December 31, 2023

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 38,716,798
<b>Adjustments to reconcile change in net assets to net cash used in operating activities:</b>	
Decrease in allowance for uncollectible contributions and bequests	56,107
Bad debt expense	196,136
Change in discount on multi-year contributions and bequests	(8,928)
Depreciation and amortization	982,224
Noncash lease expense	1,723,997
Realized and unrealized gains on investments, net	(43,775,288)
Donated stocks	(2,378,719)
Gain from sale of property and equipment	(6,911,421)
Contributions restricted to perpetuity	(22,060)
<b>Changes in assets and liabilities:</b>	
(Increase) decrease in assets:	
Accrued interest receivable	(26,714)
Prepaid expenses and other assets	(99,772)
Contributions, bequests, and other receivables, gross	(931,891)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	(1,036,455)
Actuarial gain on annuities and unitrusts	1,300,560
Principal reduction in operating lease liabilities	(1,928,359)
Accrued severance obligation	12,704
<b>Net cash used in operating activities</b>	<b>(14,131,081)</b>
<b>Cash flows from investing activities:</b>	
Net increase in cash and cash equivalents held in investments	6,202,255
Proceeds from sale of investments	23,414,462
Purchases of investments	(32,054,716)
Proceeds from the sale of property and equipment	11,135,511
Purchases of property and equipment	(2,998,225)
<b>Net cash provided by investing activities</b>	<b>5,699,287</b>
<b>Cash flows from financing activities:</b>	
Investments subject to annuity agreements	1,102,481
Payments on annuity agreements	(1,490,007)
Contributions restricted to perpetuity	22,060
<b>Net cash used in financing activities</b>	<b>(365,466)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(8,797,260)</b>
<b>Cash and cash equivalents, Beginning of year</b>	<b>30,956,204</b>
<b>Cash and cash equivalents, End of year</b>	<b>\$ 22,158,944</b>

See accompanying notes to the consolidated financial statements.

# The Humane Society of the United States and Affiliates

## Consolidated Statement of Functional Expenses

Year ended December 31, 2023	Program Services				Support Services			Total
	Ending the Cruellest Practices	Caring for Animals in Crisis	Building a Stronger Animal Protection Movement	Total Program Services	Management and General	Fundraising		
Salaries	\$ 16,471,941	\$ 10,454,404	\$ 19,696,737	\$ 46,623,082	\$ 7,236,925	\$ 5,514,138	\$ 59,374,145	
Employee benefits	3,630,805	2,390,916	4,977,401	10,999,122	1,862,091	1,301,896	14,163,109	
<b>Total compensation</b>	<b>20,102,746</b>	<b>12,845,320</b>	<b>24,674,138</b>	<b>57,622,204</b>	<b>9,099,016</b>	<b>6,816,034</b>	<b>73,537,254</b>	
Education material, publications and campaigns	3,307,735	858,480	18,052,102	22,218,317	57,017	12,586,314	34,861,648	
Mailing costs	2,618,587	1,661,546	3,326,592	7,606,725	-	6,981,715	14,588,440	
Consultant and contracted services	8,766,341	6,059,988	6,393,397	21,219,726	1,852,452	10,286,054	33,358,232	
Professional fees	1,790,614	378,859	350,862	2,520,335	241,837	201,337	2,963,509	
Contributions and grants	1,326,959	32,872,136	10,298,747	44,497,842	-	-	44,497,842	
Travel and events	925,608	2,216,310	2,098,338	5,240,256	86,073	371,540	5,697,869	
Supplies and field expenses	1,386,160	4,645,279	2,037,323	8,068,762	1,766,918	831,757	10,667,437	
Bank and trustee fees	-	-	-	-	684,841	2,567,822	3,252,663	
Occupancy and building expense	367,147	1,729,738	732,384	2,829,269	391,179	336,633	3,557,081	
Depreciation and amortization	28,666	751,607	101,387	881,660	63,944	36,620	982,224	
Postage and shipping	55,835	1,994,615	65,553	2,116,003	16,731	29,599	2,162,333	
Telephone	93,582	78,045	146,068	317,695	93,849	78,509	490,053	
Insurance and bonds	212,345	157,610	240,882	610,837	213,783	178,289	1,002,909	
Real estate and other taxes	32,868	84,638	27,972	145,478	10,805	48,770	205,053	
<b>Total expenses</b>	<b>\$ 41,015,193</b>	<b>\$ 66,334,171</b>	<b>\$ 68,545,745</b>	<b>\$ 175,895,109</b>	<b>\$ 14,578,445</b>	<b>\$ 41,350,993</b>	<b>\$ 231,824,547</b>	

See accompanying notes to the consolidated financial statements.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### 1. The Organization and Summary of Significant Accounting Policies

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. The accompanying consolidated financial statements include the activities of the following entities:

#### *The Humane Society of the United States (The HSUS)*

Together with millions of supporters, the Humane Society of the United States takes on puppy mills, factory farms, the fur trade, trophy hunting, animal cosmetics testing and other cruel industries. Through rescue, response and sanctuary work, as well as other direct services, the HSUS helps thousands of animals in need every year and fights all forms of animal cruelty. The HSUS helps animals through direct care, corporate reform, education, disaster response, emergency relief and rescue, fieldwork, investigations, litigation, research, scientific and technical analysis, media outreach, public advocacy, and legislative and policy initiatives. From its founding in 1954, the HSUS has complemented and enhanced the work of local and regional humane societies, tackling issues whose scope and magnitude exceed the capacity of local organizations, and working to expand the humane movement throughout the United States and abroad. The founders of the HSUS did not seek to replicate the activities of local groups but chose instead to be a national voice in the fight against cruelty.

#### *The Fund for Animals (FFA)*

The Fund for Animals was founded in 1967. In 2005, the HSUS and the Fund for Animals combined operations. The Fund for Animals has operated several sanctuary and care programs, including Black Beauty Ranch in Texas, the Duchess Sanctuary in Oregon, and Rural Area Veterinary Services.

Black Beauty Ranch is a 1,400-acre sanctuary that is home to nearly 650 domestic and exotic animals, many of whom have been rescued from near-death situations. The 1,120-acre Duchess Sanctuary is an oasis for approximately 175 formerly abused, abandoned, neglected and homeless horses. Rural Area Veterinary Services offers veterinary medical treatment for animals on Native American reservations in the United States and remote locations abroad and provides training for veterinary students. FFA was combined with the Society effective March 11, 2024. See Note 23.

#### *Humane Society International, Inc. (HSI)*

Advancing the welfare of animals in more than 50 countries, Humane Society International works around the globe to promote the human-animal bond, rescue and protect dogs and cats, improve farm animal welfare, protect wildlife, promote animal-free testing and research, respond to disasters and confront cruelty to animals in all of its forms.

HSI's programs include working with leading food service providers to implement purchasing policies aimed at eliminating cage confinement for animals raised for food, getting national bans on animal testing of cosmetics passed in countries around the world, fighting the dog meat trade, and dealing effectively and humanely with companion animal overpopulation. HSI also responds to disasters around the world, campaigns against trophy hunting and works to protect imperiled species of wild animals.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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HSI encompasses the below related affiliates throughout the world:

- Humane Society International (UK)
- Humane Society International Latin America
- Humane Society International / Canada
- Friends of Humane Society International for the Protection and Conservation of Animals
- Humane Society International - India
- Humane Society International - Europe
- Humane Society International - Mexico
- Humane Society International - Africa
- Humane Society International - Korea
- Humane Society International - Liberia

### ***Humane Society Veterinary Medical Association Inc. (HSVMA)***

The HSVMA, incorporated in 1982, promotes and provides veterinary leadership in animal advocacy, public education, and direct care to aid animals in need. HSVMA's main program areas include communication, educational, legislative and regulatory efforts to promote animal welfare, continuing education events focusing on animal welfare issues, and advocating for humane alternatives in veterinary education. HSVMA was merged with the Society effective May 10, 2024. See Note 23.

### ***Humane Society Wildlife Land Trust (HSWLT)***

HSWLT, founded in 1993, celebrates and protects wild animals by creating and managing permanent sanctuaries; by preserving and enhancing natural habitat; and by confronting cruelty. HSWLT protects natural habitat in perpetuity and seeks to ensure that animals living on protected lands are not hunted or trapped. HSWLT maintains a portfolio of more than 117 permanent wildlife sanctuaries comprising over 21,085 acres. HSWLT has also been involved in the protection and conservation of habitat in nearly 40 states and nine countries, sanctuaries where recreational and commercial hunting and a variety of practices threatening to animals and their habitat will always be prohibited. HSWLT also works in collaboration with other non-governmental organizations throughout the United States and abroad to promote and advance the protection of habitat and wildlife. HSWLT has been involved in 30 such projects, involving over three million acres.

The significant policies followed by the Society are described below.

### ***Basis of accounting***

The accompanying consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

### ***Principles of consolidation***

The consolidated financial statements include the accounts of the Humane Society of the United States, the Fund for Animals, Humane Society International, Inc. and its related international affiliates, Humane Society Veterinary Medical Association, and Humane Society Wildlife Land Trust. All significant inter-organizational balances and transactions have been eliminated in consolidation.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### ***Basis of presentation***

The Society follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (“ASC”) ASC 958-605 *Not-for-Profit Entities - Presentation of Financial Statements*. The Society is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

### ***Use of estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting year. Actual results could differ from estimates under different assumptions and conditions.

### ***Revenue recognition***

#### ***Contribution revenue***

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered available for use unless specifically restricted by the donor. Amounts received that are designated for a future period or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. The Society uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management’s analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split interest agreements, to be received after one year, are recorded at the present value of the estimated future cash flows. Changes in the discount used resulting from the passage of time are accounted for as contributions in subsequent years. Revenue under charitable gift annuity arrangements is reduced by the estimated annuities to be paid by the Society over the beneficiary’s lifetime. Irrevocable split-interest agreements, including charitable remainder trusts, charitable lead trusts and perpetual trusts, are recorded as revenue when the trust agreements become irrevocable.

Conditional promises to give, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Society is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor’s obligation to honor the promise. A transfer of assets from a donor that

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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contains donor conditions is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor.

As of December 31, 2023, the Society has no conditional promises to give.

### *Bequest revenue*

The Society is the beneficiary under various wills. Legacy and bequest income is recognized when the Society has an irrevocable right to the gift and the proceeds of the gift are readily measurable.

Individual bequests without donor restriction in excess of \$25,000 are recognized as revenue in the undesignated net assets at the rate of 20% and in the board designated investment fund net assets at the rate of 80% in the year of recognition. The 80% reported as revenue in the board designated net assets is transferred to the undesignated net assets equally over the following four years. The effect of this policy is to apportion individual bequests to the undesignated net assets over a five-year period. This policy applies only to the HSUS entity.

### *Contributed nonfinancial assets*

Contributed nonfinancial assets are recognized if they create or enhance nonfinancial assets or require specialized skills and would need to be purchased if not provided by donation.

### *Event income and other revenue*

Revenue from contracts with customers consists of event registrations and related exhibit fees recorded as event income as well as publication subscriptions and advertising and sales of products recorded as other revenue. Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Society expects to be entitled to in exchange for those goods or services. Revenue is recognized net of discounts, waivers, and refunds. Revenue is recognized using the five-step approach, as follows:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, performance obligations are satisfied

### *Performance obligations and significant judgments*

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good or service and recognized as revenue when, or as, the performance obligation is satisfied. If a distinct good or service does not have an observable standalone selling price, then the primary method used to estimate the standalone selling price is the adjusted market assessment approach, under which the Society evaluates the market and estimates a price that a customer would be willing to pay for the goods and services provided.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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Event revenue is recognized at a point in time when the related events are held. Attendees are required to pay in advance of attending an event. Publication subscriptions and related advertising revenue reported within other income on the consolidated statement of activities and change in net assets are recognized over time using the output method as periodical issues are published and distributed. Subscription payments are required in advance of the subscription period; advertisers are billed under terms of net 30 days. Sales of products are recognized as revenue at a point in time when the products are handed to or shipped to customers and must be paid for in advance of shipping. Sale of products revenue is included in other income within the consolidated statement of activities and change in net assets. Transaction prices are based on gross prices, net of discounts or refunds. Royalty revenue is recognized ratably over the agreement term.

### *Contract balances*

The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities reported in the consolidated statement of financial position as contributions, bequests and other receivables and accounts payable and accrued expenses, respectively. Contract assets consist primarily of advertising receivables, which are recognized only to the extent that it is probable that the Society will collect substantially all of the consideration to which it is entitled in exchange for the goods or services that will be or have been transferred. Contract liabilities consist entirely of deferred revenue that results when the Society receives advance payments from customers before revenue is recognized. Contract assets and liabilities are considered immaterial to the consolidated financial statements as of December 31, 2023.

### *Costs to obtain a contract*

The Society has elected the practical expedient available, in which any incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

### *Cash and cash equivalents*

Cash and cash equivalents include all short-term, highly liquid instruments purchased with an original maturity of three months or less and excluding cash and money market funds held by investment managers. Cash and cash equivalent balances held by investment managers which are part of the investment portfolio are not immediately available to meet cash needs for general expenditures. Such balances are an integral part of the Society's investment management strategy and not available until appropriated. At December 31, 2023, cash and cash equivalents consisted of checking accounts and depository accounts.

### *Investments*

The Society generally reports investments at fair value. Investment return reported in the statement of activities and change in net assets is net of all external and direct internal investment management expenses. Interest and dividend income is accounted for on the accrual basis. Gains and losses on investments, including changes in market value, are reported in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

Investments in equity securities with readily determinable fair values as well as investments in mutual and exchange-traded funds are reported at quoted market prices. Investments in debt securities are reported at estimated fair value based on quoted interest rates for securities of similar terms and risks.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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Investments in hedge funds, funds of funds, equity funds and private equity funds are reported at fair values as estimated by their respective investment managers, unless the investments report at net asset value (NAV), in which case the NAV is used as the basis for determining fair value. In all instances, the estimated fair values for these types of investments reflect the Society's interest in the fair values of the underlying investments.

### ***Contributions, bequests and other receivables***

Contributions, bequests and other receivables are carried at original amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis and discounts for any long-term receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The provision for doubtful accounts was \$296,076 at December 31, 2023. Receivables totaling \$196,136 were written off as bad debt expense during the year ended December 31, 2023 and are included in bank and trustee fees in the consolidated statement of functional expenses.

### ***Property and equipment***

Property and equipment with a cost of \$5,000 or more are capitalized. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation and amortization is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Donated property is recorded at fair value at the time of donation. Improvements to property and equipment that extend the useful lives of the assets are also capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from (i) ten to 40 years for building and improvements, and (ii) up to five years for automobiles, and office furniture and equipment. Depreciation is not calculated on land or construction-in-progress.

### ***Conservation property***

The Society records conservation land acquisitions at cost at the time of purchase. Donated land is recorded at fair value at the time of donation. Fair value is generally determined by appraisal. Values are primarily based on independent professional appraisals performed for the Society or on appraised values determined or adopted by public agencies. Where a current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when the Society is satisfied that the appraisal is reasonable and the appraiser is adequately certified.

### ***Charitable gift annuities***

Annuity obligations arising from split-interest gifts are recognized as annuities and unitrusts in the accompanying consolidated statement of financial position. The initial liabilities resulting from these gifts are measured at fair value using the present value of the future payments to be made to beneficiaries. These liabilities are subsequently remeasured at the present value of future payments to beneficiaries based on changes in life expectancy and other actuarial assumptions. The Society holds the underlying annuity assets in a separate investment account.



# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### *Net assets*

Net assets are classified into the two categories: net assets without donor restrictions and net assets with donor restrictions.

### *Net assets without donor restrictions - undesignated*

Undesignated net assets without donor restrictions are those net assets that are not subject to donor-imposed stipulations or board designations.

### *Net assets without donor restrictions - board designated*

The Society's board of directors has set aside a portion of net assets without donor restrictions as board designated fund assets and has implemented an investment policy that includes an annual discretionary transfer of amounts to undesignated net assets to support operations.

### *Net assets with donor restrictions*

Net assets with donor restrictions generally result from net contributions and other inflows of assets whose use by the Society is limited by donor-imposed stipulations that either expire by passage of time or are fulfilled and the restriction removed by actions of the Society pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities and change in net assets as net assets released from restrictions. Donor contributions with restrictions that will be fulfilled in the same fiscal year that contributions are received are reported in the accompanying consolidated statement of activities and change in net assets as contributions without donor restrictions.

The Society also has net assets with donor restrictions that generally result from contributions and other inflows of assets whose use by the Society is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Society. Generally, the donors of these assets permit the Society to use the income earned on related investments for general or specific purposes.

### *Tax status*

The HSUS, FFA, HSI, HSVMA, and HSWLT qualify under Section 501(c)(3) of the Internal Revenue Code (IRC) and are classified as organizations that are not private foundations. Therefore, the Society is generally not subject to tax under present income tax laws; however, any unrelated business income may be subject to federal and state income taxes. Total unrelated business income tax for the year ended December 31, 2023 was not material to the consolidated financial statements.

*Humane Society International (UK)* is a company limited by guarantee, registered in England and Wales, as a registered charity. The organization was incorporated on December 5, 2002 and was registered as a charity on August 11, 2003.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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*Humane Society International Latin America* is an association, registered in San Jose, Costa Rica. The organization was incorporated on February 2, 2004.

*Humane Society International / Canada* was incorporated on September 14, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-Profit Act and is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

*Friends of Humane Society International for the Protection and Conservation of Animals* was incorporated on October 6, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-Profit Act and is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

*Humane Society International - India* was incorporated on October 23, 2012 under Section 25 of the Companies Act (India), 1956 (No. 1 of 1956). The company is a private limited entity.

*Humane Society International - Europe* is a non-profit association without lucrative purpose governed by the Act of June 27, 1921 (Belgium) incorporated in Belgium on May 16, 2014.

*Humane Society International - Mexico* is a Civil Association incorporated in Mexico on July 30, 2015.

*Humane Society International - Africa* is a Trust organized in the Republic of South Africa on June 13, 2016.

*Humane Society International - Korea* is a foundation (non-profit organization) established under the laws of the Republic of Korea on August 29, 2018.

*Humane Society International - Liberia, Inc.* is a non for profit established under the laws of the Republic of Liberia on June 23, 2020.

In accordance with FASB ASC 740 *Income Taxes*, the Society recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With a few exceptions, the Society is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended December 31, 2020, and prior. Management has evaluated the Society's tax positions and has concluded that the Society has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

### **Donated stock**

Donated stock is reported at its fair value as of the date of donation and is immediately liquidated upon receipt. Sales are reflected on a trade-date basis.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### *Valuation of long-lived assets*

The Society reviews the valuation of its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No indicators of impairment were identified as of December 31, 2023.

### *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. 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 such as insurance.

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

<b>Allocation Name</b>	<b>Method/Basis of Calculation</b>
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

### *Concentrations of credit risk*

The Society's assets that are exposed to credit risk consist primarily of cash and cash equivalents; investments; and contributions, bequests and other receivables. Cash and cash equivalents are maintained at financial institutions, and, at times, balances may exceed federally insured limits. The Society has historically not experienced losses related to these balances. Amounts on deposit in excess of federally insured limits approximate \$28.2 million at December 31, 2023. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the investment balances and the amounts reported in the consolidated statement of financial position. The Society's contributions, bequests and other receivables balance consists primarily of amounts due from individuals and corporations. Historically, the Society has not experienced significant losses related to the bequests and contributions receivable balances and, therefore, believes that the credit risk related to them is minimal.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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The Society records foreign currency translation in accordance with FASB ASC 830 *Foreign Currency Matters*. The financial statements and transactions of various international subsidiaries are generally maintained in the respective local currencies. For the consolidated financial statements, foreign entities' assets and liabilities are translated at exchange rates in effect as of the date of the consolidated statement of financial position. Revenue and expenses are translated at the exchange rates in effect at the end of the reporting period, which approximates translation at the average exchange rate during each period. Translation adjustments, which result from the process of translating the consolidated financial statements into U.S. dollars, are accumulated in net assets without donor restriction. Gains and losses from foreign currency transactions are included in the consolidated statement of activities as changes in net assets in the period in which they are realized.

### ***Recently adopted authoritative guidance***

#### Financial Instruments - Credit Losses

In June 2016, the FASB issued Accounting Standard Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. In subsequent years, the FASB issued additional ASUs to clarify and update the guidance in ASU 2016-13 (collectively, the "new credit loss standard").

The new credit loss standard changes how entities should estimate and report credit losses on financial assets. It applies to all entities but excludes promises to give. The main objective of the new credit loss standard is to require earlier recognition of credit losses.

On January 1, 2023, the Society adopted the guidance prospectively resulting in no cumulative adjustment to beginning net assets without donor restrictions given that the expected credit losses as of January 1, 2023 were immaterial.

The Society reviewed its trade receivable balances, including advertising and event-related receivables and collaboration agreements over the past five years and determined that it did not incur large credit losses because of these transactions. Current conditions have not significantly changed from those which existed for prior credit losses and the Society does not expect large changes in the amount of loss resulting from these short-term trade receivables. Expected credit losses as of December 31, 2023 were immaterial.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### 2. Liquidity and Availability of Resources

The following table represent the Society's financial assets available to meet cash needs for general expenditures within one year following December 31, 2023.

Total assets, December 31, 2023		\$ 490,327,803
Less: Non-financial assets		
Prepaid expenses and other assets	\$ (2,925,561)	
Operating lease right-of-use asset	(8,908,415)	
Net property and equipment	(13,759,293)	
Conservation property	(9,378,872)	(34,972,141)
<hr/>		
Financial assets		455,355,662
Adjustment for amounts not available for general expenditures:		
Mission-related investments	(430,000)	
Investments to fund deferred compensation liability	(382,160)	
Investments to fund liability for charitable annuities and remainder unitrusts	(15,788,547)	
Investment to fund severance and retirement obligations	(361,753)	
Net assets with donor restrictions less non-income producing assets	(92,954,785)	
Receivables not collectible within one year	(327,697)	
Board designated net assets	(224,161,672)	
<hr/>		
Financial assets not available for general expenditures within one year		(334,406,614)
<hr/>		
Financial assets available for general expenditures within one year		\$ 120,949,048

As part of the Society's liquidity management policy, its financial assets are structured to be available as its general expenditures, liabilities, and other obligations are due. Cash in excess of daily requirements is invested in a portfolio of investments designed to maximize earnings with acceptable risk to the investment principal.

To help manage unanticipated liquidity needs, the Society designated a portion of its net assets without donor restrictions as a reserve to be invested long-term. Although the Society does not intend to spend from this reserve, the designation is voluntary and may be reversed by the governing board at any time to meet immediate cash requirements. Other items not available for general expenditures within one year include mission-related investments not readily liquidated, deferred compensation and severance obligations set aside by Board action, investments to fund annuities and unitrusts as well as endowments and net assets with donor-imposed restrictions extending beyond one year, and receivables not collectible within one year.

To further supplement liquidity, the Society also has a \$20 million line-of-credit with the Bank of New York Mellon, which it can draw upon if conditions dictate (See Note 14).

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### 3. Investments

Investments consist of the following:

<i>December 31,</i>	<i>2023</i>
Investments measured at fair value (Note 4)	\$ 389,883,296
Charitable annuities (Note 4 and Note 10)	26,529,557
Charitable remainder unitrusts (Note 4 and Note 10)	1,050,173
<hr/>	
Total investments measured at fair value	417,463,026
Mission-related investments	430,000
<hr/>	
Total investments	\$ 417,893,026

Mission-related investments are the Society's direct investments in various entities whose purpose aligns with the Society's mission. The Society records these investments using the cost method, reviewing the investment annually for impairment. No indicators of impairment were identified as of December 31, 2023.

### 4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

FASB ASC 820 *Fair Value Measurement* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

- **Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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- **Level 2** - Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
  - If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- **Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Society reports certain investments using NAV as determined by investment managers under the so-called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

### Fair value on a recurring basis - assets

The table below presents of assets measured at fair value on a recurring basis by level within the hierarchy:

Description	As of December 31, 2023				
	Assets Measured at Net Asset Value*	Fair Value Hierarchy Level			Total
		Level 1	Level 2	Level 3	
Hedge funds:					
Equity long/short	\$ 99,728,678	\$ -	\$ -	\$ -	\$ 99,728,678
Fund of funds:					
Equity long/short	20,962,815	-	-	-	20,962,815
Equity funds:					
International long/short	33,716,902	-	-	-	33,716,902
Domestic	37,551,167	-	-	-	37,551,167
Other	31,112,231	-	-	-	31,112,231
Private equity funds:					
Energy and real estate	2,779,581	-	-	-	2,779,581
Global opportunities	18,282,106	-	-	-	18,282,106
Other	46,659,982	-	-	-	46,659,982
Fixed income securities:					
U.S. government and agency obligations (AAA)	-	-	59,850	-	59,850
Asset-backed fixed income securities (AAA)	-	-	3,568,580	-	3,568,580
Equity mutual funds:					
Large cap blend	-	7,256,956	-	-	7,256,956
Emerging markets	-	1,375,765	-	-	1,375,765
Midcap	-	14,290,819	-	-	14,290,819
International long/short	-	22,208,406	-	-	22,208,406
Small cap blend	-	684,855	-	-	684,855
Real estate	-	229,872	-	-	229,872
Other equity	-	10,289,946	-	-	10,289,946
Fixed income	-	11,018,401	-	-	11,018,401
Exchange traded	-	33,125,504	-	-	33,125,504
Equity securities	-	1,216,520	-	-	1,216,520
	290,793,462	101,697,044	3,628,430	-	396,118,936
Cash and cash equivalents	-	-	-	-	21,344,090
Total fair value investments	\$ 290,793,462	\$ 101,697,044	\$ 3,628,430	\$ -	\$ 417,463,026

\*Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statement of financial position.



# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

In accordance with the guidance for fair value measurements, the Society maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, the Society estimates prices based on available historical and near-term future price information that reflects its market assumptions.

For contracts with unique characteristics, the Society estimates fair value using a discounted cash flow approach deemed appropriate in the circumstances and applied consistently from period to period.

### *Changes in fair value levels*

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Society's management evaluates the significance of transfers between levels based upon the nature of the investment. There were no significant transfers between levels during 2023.

The major categories of the Society's investments that are valued at net asset value or its equivalent, including general information related to each category, are as follows at December 31, 2023:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds - Equity long/short (a)	\$ 99,728,678	\$ 990,985	Monthly, Quarterly	30-60 days
Fund of funds - Equity long/short (b)	20,962,815	-	Quarterly, Monthly	30 days
Private equity funds (c)	67,721,669	28,651,825	Monthly, Semi-Annually	30-90 days
Equity funds (d)	102,380,300	-	Monthly, Semi-Annually	60 days
	<b>\$ 290,793,462</b>	<b>\$ 29,642,810</b>		

(a) This category includes investments in hedge funds that invest both long and short in various domestic and international common stocks. Management of the hedge fund have the ability to shift from value to growth strategies, from small to large capitalization, and from a net short position to a net long position. The fair value of the investments in this category have been estimated using NAV or the Society's ownership interest in the partners' capital. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

(b) This category includes investment funds that invest both long and short in various domestic and international common stocks. The fair value of the investments in this category have

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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been estimated using the net asset value per share of the investments. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

(c) These are investments in private equity funds that invest in various instruments that hold the majority of the funds' investments in common stocks, debt instruments and diversified currencies. The fair value of the investments in this category has been estimated using the net asset value per share of the investments, or the Society's ownership interest in partners' capital. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

(d) This category includes investments in international equities invested to seek both long and short-term growth. The fair value of the investments in this category has been estimated using the net asset value per share of the investments. The redemption policies of each investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective investment.

### 5. Contributions, Bequests and Other Receivables

Contributions, bequests, and other receivables consist of the following at December 31, 2023:

Bequests	\$ 5,117,785
Contributions and other receivables	9,901,143
Grants	304,225
	<hr/>
	15,323,153
Less: allowance for uncollectible contributions and bequests	(296,076)
Less: discount on multi-year contributions and bequests (4.22%)	(350,782)
	<hr/>
Total contributions, bequests and other receivables, net	\$ 14,676,295

Contributions, bequests and other receivables are expected to be collected in:

Less than one year	\$ 13,989,223
One to five years	687,072
	<hr/>
	\$ 14,676,295

### 6. Sale of Property and Equipment

Prior to 2023, the Society owned a building used for operations located in Gaithersburg, Maryland. During 2022, management conducted a use study and determined that the building was underutilized. The decision to sell the building was made and was approved by the Board during 2022. The carrying value of the building and improvements at the time of the sale was \$3,345,451, which was previously shown as asset held for sale in the 2022 consolidated financial statements. The building and improvements were sold on April 13, 2023, to an unrelated third party, for \$9,190,935, net of costs to sell. The gain recognized upon the sale of the building and improvements was \$5,845,484 which is reflected as part of the gain from sale of property and equipment in the consolidated statement of activities and change in net assets.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### 7. Property and Equipment

Property and equipment consisted of the following at December 31, 2023:

Land	\$ 3,993,843
Buildings and improvements	11,969,975
Tenant leasehold improvements	2,257,921
Office furniture and equipment	967,024
Automobiles	3,492,836
Construction-in-progress	1,126,301
	<hr/>
	23,807,900
Less: accumulated depreciation and amortization	(10,048,607)
	<hr/>
	\$ 13,759,293

Depreciation and amortization expense totaled \$982,224 for the year ended December 31, 2023.

### 8. Conservation Property

Conservation Property consists of land with book value of \$9,378,872 as of December 31, 2023. HSWLT conserves more than 20,000 acres of rapidly disappearing land with the wills of landowners whose property includes critical wildlife habitat. These landowners know that refusing to sell to those who would destroy or exploit the land is admirable but provides only temporary safety. These landowners donate or sell a conservation interest in their land, such as development rights or full ownership, to the HSWLT. HSWLT has provided a way to create permanent protection for both lands and the animals living there. HSWLT manages the land under a stewardship plan and, if necessary, legally defends its conservation values.

### 9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at December 31, 2023:

Accounts payable and other accrued expenses	\$ 12,189,579
Accrued vacation	3,126,289
Accrued wages	990,027
	<hr/>
	\$ 16,305,895

### 10. Annuities and Unitrusts

The annuities and unitrusts liability represents the future annuity payments due under charitable gift annuities and charitable remainder unitrusts determined by an actuary.

For charitable gift annuities, donors make contributions to the Society, for which they receive an annuity from the Society. Contribution revenue is recognized as the excess of the fair value of assets received over the net present value of the future annuity payments due. For the year ended December 31, 2023, the Society has received \$2,386,118 of contributions revenue from annuities. As of December 31, 2023, the amount of assets held in charitable annuities is \$26,529,557.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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The liability was determined by an actuary using the Annuity Table of Mortality IAR-2012 and assumed interest rates ranging from 0.4% to 10.20%. A portion of the monies received from these split-interest agreements is required by law to be reserved for making the annuity payments. At December 31, 2023, the actuarial calculated liability was \$11,937,844, resulting in an increase in the annuity liability of \$947,006 for the year ended December 31, 2023.

For charitable remainder unitrusts, donors make contributions to trusts that provide an income stream to the donor until a stipulated event, at which time the remaining account balance conveys to the Society. The gifts are valued at their fair market value at the time of the gift. In consideration of the gifts, donors receive an annuity from the trust based on the lesser of (a) the trust principal multiplied by a stated interest rate or (b) the actual earnings of the trust. At December 31, 2023, the future liability in the amount of \$531,318 was calculated using assumed interest rate of 5%, resulting in a decrease in the liability of \$8,974 for the year ended December 31, 2023. The amount of assets held in charitable unitrusts, which is restricted for the payment of related annuities, is \$1,050,173 as of December 31, 2023. The net assets of the trusts of \$298,125 are included in net assets with donor restrictions in the accompanying consolidated statement of financial position.

### **11. Severance Pay Plan (Employment Longevity Retirement Enhancement Benefit)**

The Society established the Humane Society of the United States Severance Pay Plan (Severance Pay Plan) on September 13, 1997 to grant severance benefits to eligible employees. These benefits and related expenses are paid from the general assets of the Society. Only employees hired in full-time or part-time positions before January 1, 1998 who have completed a minimum of 15 years of continuous full-time employment with the Society, are eligible to become participants in the Severance Pay Plan. Upon termination of employment (for reasons other than gross misconduct), a participant receives a lump sum equal to 2% of the average of his or her annual base salary for the three calendar years before cessation of employment, multiplied by the number of years of continuous full-time employment accrued by the employee, subject to a maximum benefit of two years base salary. The benefit obligation of the Severance Pay Plan as of December 31, 2023 was calculated by an actuary based on a census provided by the Society, using an assumed discount rate of 4.74%. There was no assumed compensation increase. The amount of the liability related to the Severance Pay Plan was \$361,753 as of December 31, 2023.

### **12. Deferred Compensation Plan**

In 1983, the Society established the Humane Society of the United States Deferred Compensation Plan (Deferred Compensation Plan) for certain executive employees. The Society and the participants may elect to defer a portion of the compensation that the participants would otherwise be entitled to receive in cash, and those deferrals are invested in various mutual funds. The Society owns the mutual funds, subject to the claims of its general creditors. The obligation of the Society under the Deferred Compensation Plan is purely contractual and is not secured. All income earned by the designated underlying investment is added to the deferred compensation liability. The Society contributed \$22,500 to the Deferred Compensation Plan during the year ended December 31, 2023. The Deferred Compensation Plan assets and the related liability totaled \$382,160 at December 31, 2023.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### 13. Retirement Plans

#### *Defined Contribution*

The Society adopted the Humane Society of the United States 401(k) Savings Plan (the 401(k) Plan), a defined contribution retirement plan qualified under Sections 401(k) and 402(a) of the IRC, as amended, effective January 1, 2008. Employees hired are eligible to participate in the 401(k) Plan on an automatic enrollment basis. Eligible participants are automatically enrolled to contribute 3% of pay their first year. This amount is automatically increased by 1% until a 6% salary deferral is achieved. Participants may elect to contribute higher amounts, up to 80% of pay, subject to annual dollar limitations.

The Society makes a matching contribution each pay period at a rate of 100% of the first 6% of the participant's salary deferred into the 401(k) Plan.

The Society contributed \$3,217,548 to the 401(k) Plan during the year ended December 31, 2023.

### 14. Line-of-Credit

The Society entered into a \$20 million line-of-credit agreement with Bank of New York Mellon (BNYM) on April 9, 2015. The line-of-credit has no specific termination date, and the Society or BNYM can close the line-of-credit anytime upon notice to the Society or BNYM. The line-of-credit accrues interest at the 30-Day Average Secured Overnight Financing Rate (SOFR) for one-month U.S. dollars plus 75 basis points (6.04% as of December 29, 2023). The line-of-credit is secured by certain investments of the HSUS and is subject to certain covenants, as defined in the line-of-credit agreement. There was no outstanding balance on the line-of-credit at December 31, 2023 and no advances were drawn during 2023. The Society was in compliance with all related covenants at December 31, 2023.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

### 15. Contributed Nonfinancial Assets

The Society receives contributed nonfinancial assets in the form of animal care supplies and feed, professional pro-bono legal and veterinary services, public service announcements (PSAs), and equipment and other supplies. For the year ended December 31, 2023, contributed nonfinancial assets recognized within the consolidated statement of activities and change in net assets included:

Type of donation	Valuation techniques	Donor Restrictions	2023
Animal care supplies and feed for distribution to partners	Current wholesale rates that would be received for selling similar products in the United States	Donor restricted	\$ 31,116,163
Animal care supplies and feed for use by the Society	Current rates that would be received for selling similar products in the United States	Donor restricted	1,336,199
Veterinary services	Current rates for similar veterinary services performed by professional licensed veterinary professionals	Donor restricted	272,075
Legal services	Current rates for similar legal services	Donor restricted	1,393,851
Public Service Announcements	Current rates for date, time, and market of the placement	Donor restricted	15,575,280
Equipment and supplies	Current rates that would be received for selling similar products in the United States	Donor restricted	196,623
			<b>\$ 49,890,191</b>

Contributed animal care supplies and feed were distributed to underserved communities through the Society's Pets for Life and Rural Area Veterinary Services programs. Similar items were also used in daily operations by our animal rescue, care, and sanctuary programs.

Veterinary services were utilized by the Society's Rural Area Veterinary Services program for spay/neuter and other medical procedures.

Legal services were utilized to support legislative efforts for our Wildlife, Companion Animals, and Farm Animals programs.

The Society produces and distributes public service television, radio, and newspaper announcements that focus attention on Companion Animal and Wildlife issues. These public service announcements (PSAs) are distributed to radio stations and newspapers nationwide and are presented free of charge.

Equipment and supplies are used in the daily operations of the Society's animal care facilities. The Society also receives donations of items used as prizes and awards at various fundraising events.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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### 16. Medical and Prescription Insurance Plans

Under the medical and prescription partially self-funded insurance plan for current employees, the Society is responsible for claims up to \$135,000 (specific) per participant annually. In addition to the \$135,000 specific, the Society has added a layer of coverage whereby individual claims are not reimbursed until another \$100,000 is paid on any combination of individual claims exceeding the \$135,000 specific, with no lifetime maximum. The Society has accrued for the expected cost of unpaid, reported claims and claims incurred but not reported. The accrual is based on historical claims experience and the number of employees. Aggregate claims for the \$135,000 specific and \$100,000 additional layer of coverage (combined) are currently capped at \$5,433,881 annually.

As of December 31, 2023, the accrual for unpaid claims, net of insurance recoveries, totaled \$685,000 and is included in accounts payable and accrued expenses on the consolidated statement of financial position.

### 17. Leases

The Society has non-cancelable lease arrangements for facilities in the United States and internationally under operating leases which expire at various dates from fiscal year 2024 to fiscal year 2031. The Society does not have any leases that are classified as finance leases and does not have any material office space subleases. It is expected that the Society will renew leases as necessary in the normal course of its activities.

Rental payments under these leases include base rental amounts for the terms of each lease unless the lease contains variable costs (e.g., utilities, real estate taxes, operating expenses such as common area maintenance, water, and insurance) based on an index or rate. If a lease does include indexed or variable costs at a specific rate, the Society includes those costs as part of operating lease expense. Other leases contain variable costs for expenses which are not based on an index or rate. These variable lease payments are determined based on actual expenses incurred by the lessor and passed to the Society on a periodic basis. The Society expensed these non-lease components as incurred. In the case where non-lease components are fixed in amount, the Society has elected the practical expedient not to separate lease and non-lease components for all lease classes.

The Society recorded a right-of-use (ROU) asset of \$8,908,083 and operating lease liabilities \$11,774,623 included in the accompanying consolidated statement of financial position as of December 31, 2023. The current and noncurrent portions of operating lease liabilities as of December 31, 2023 are \$1,742,261 and \$10,032,362, respectively.

Operating, variable and short-term lease expense in the consolidated statement of activities and change in net assets for the year ended December 31, 2023, which is included in occupancy and building expense, consultants and contracted services, and supplies and field expenses in the consolidated statement of functional expenses was:

#### *Year ended December 31, 2023*

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Operating lease expense	\$ 1,720,564
Variable lease expense	206,746
Short-term lease expense	367,631
<b>Total lease expense</b>	<b>\$ 2,294,941</b>

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# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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The weighted-average remaining lease term and discount rate related to lease liabilities were:

Weighted average remaining lease term	6.9 years
Weighted average discount rate	1.7%

Aggregate remaining maturities of lease liabilities as of December 31, 2023 are as follows:

*Years Ended December 31,*

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2024	\$ 1,923,888
2025	1,913,063
2026	1,775,746
2027	1,468,885
2028	1,485,084
Thereafter	3,872,229
Total operating lease payments	12,438,895
Less: imputed interest	(664,272)
Total operating lease liabilities	\$ 11,774,623

### 18. Contingencies

The Society is a defendant in various lawsuits wherein amounts are claimed. In the opinion of the Society's legal counsel and management, these suits are without substantial merit and are not expected to result in judgments, which, in the aggregate, would have a material adverse effect on the Society's consolidated financial statements.

### 19. Net Assets Without Donor Restrictions

Net assets without donor restrictions are available to finance the general operations of the Society. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Society, the environment in which it operates, and the purposes specified in its articles of incorporation. Voluntary resolutions by the Society's directors to designate a portion of its net assets without donor restrictions for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the governing board at any time, designated net assets are included with net assets without donor restrictions.

In 1977 and again in 1983, the Board of Directors of the Society established two donor funds using contributions without donor restrictions of approximately \$1,000,000 from two major donors to establish investment fund operating reserves. The Board resolved that the corpus of the funds would be maintained indefinitely except that the Board may at its discretion utilize the corpus for major or exceptional programs consistent with the intent and purpose of the fund. Income from the funds may be used for programs and administration of humane education. To date, the Board has determined not to use the funds and they most likely would be drawn upon in the event of financial distress or an immediate liquidity need.



# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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In 1977, the Board established the Bequest Reserve Fund, a quasi-endowment fund comprising bequests without donor restrictions, to equalize income from bequests. The entire amount of each bequest totaling \$25,000 or greater is placed in this account. Twenty percent of the total annual bequests for each calendar year is credited to the total annual bequest revenue in the year of receipt and sequentially over the next four succeeding years. The Bequest Reserve Fund is held in long-term income-producing investments.

In 2021, the Board established a Programmatic Endowment Fund, allowing 4.5% of the fair market value of the fund to be used on programmatic expenses. Management, as part of the annual budget process or otherwise, must seek Board approval on how the Programmatic Endowment Fund may be spent.

Net assets without donor restrictions are held by the following funds at December 31, 2023:

Board designated	
Investment fund	\$ 128,613,911
Endowment fund (Note 21)	445,464
Programmatic endowment fund (Note 21)	82,188,471
Programmatic funds	11,630,469
Special purpose funds	1,283,357
<hr/>	
Total board designated	224,161,672
Undesignated	121,990,831
<hr/>	
Total net assets without donor restrictions	\$ 346,152,503

### 20. Net Assets with Donor Restrictions

Net assets with donor restrictions result from gifts of cash and other assets with donor-imposed restrictions to (a) support particular operating activities, (b) invest for a specified term, (c) use in a specified future period, or (d) acquire long-lived assets.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

Changes in net assets with donor restrictions for the year ended December 31, 2023 were as follows:

	Balance at December 31, 2022	Additions and Investment Return, net	Released From Restriction	Balance at December 31, 2023
<i>Subject to expenditure for a specified purpose:</i>				
Unitrusts	\$ 268,132	\$ 46,161	\$ 16,168	\$ 298,125
Education, training and disaster relief	18,363,177	5,660,511	8,942,025	15,081,663
Scholarships	25,110	3,214	543	27,781
Liberia chimp maintenance	4,213,295	550,537	7,485	4,756,347
Wildlife Land Trust	7,073,275	3,028,723	1,228,878	8,873,120
Fund for Animals	6,820,250	8,461,269	7,413,917	7,867,602
Humane Society International	13,307,432	7,166,115	6,197,411	14,276,136
<i>Subject to the passage of time:</i>				
Fund for Animals	50,000	-	50,000	-
<i>Endowments (Note 21):</i>				
Donor-restricted endowment funds	47,652,365	4,813,009	739,441	51,725,933
Total net assets with donor restrictions	\$ 97,773,036	\$ 29,729,539	\$ 24,595,868	\$ 102,906,707

During the year ended December 31, 2023, assets were released from donor restrictions by the Society incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors, as follows:

Donor-specified program expenses of the Society	\$ 24,545,868
Time and purpose restricted program expenses of the Society	50,000
	\$ 24,595,868

### 21. Endowments

The FASB Codification defines an endowment as an established fund of cash, securities, or other assets to provide income for the maintenance of a not-for-profit organization. Management has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of original contributions with donor restrictions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation of the State of Delaware Act, the Society classifies as net assets with donor restrictions (a) the original value of contributions with donor restrictions, (b) the discounted value of future contributions with donor restrictions, net of allowance for uncollectible pledges, and (c) the remaining portion of contributions with donor restrictions. They are classified as such until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate contributions with donor restrictions:

- The purposes of the endowment fund
- The duration and preservation of the fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources
- Investment policies

Investment and spending policies: The Society has adopted investment and spending policies for cash contributions with donor restrictions that attempt to provide a predictable stream of funding to programs while maintaining purchasing power. All earnings from these funds are reflected as net assets with donor restrictions, until appropriated for program expenditures.

The Society's endowment funds consist of the following as of December 31, 2023:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 39,581,214	\$ 39,581,214
Accumulated investment gains	-	12,144,720	12,144,720
Board designated quasi-endowment funds	82,633,935	-	82,633,935
	<b>\$ 82,633,935</b>	<b>\$ 51,725,934</b>	<b>\$ 134,359,869</b>

The endowment fund net asset activity consists of the following for the year ended December 31, 2023:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 75,999,348	\$ 47,652,366	\$ 123,651,714
Investment return, net	10,189,773	4,685,800	14,875,573
Amounts appropriated for expenditure	(3,555,186)	(634,292)	(4,189,478)
Contributions	-	22,060	22,060
Endowment net assets, end of year	<b>\$ 82,633,935</b>	<b>\$ 51,725,934</b>	<b>\$ 134,359,869</b>

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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Endowment net assets-fund categories resulting from donor restrictions at December 31, 2023:

Income producing assets; income is expendable to support the following:	
To defray operating expenses	\$ 4,444,786
To award scholarships to Connecticut secondary school students	57,907
To be used for the best interests of the organization	19,248,173
To support other humane organizations	2,913,870
20% of income to be used to support the Norma Terris Human Education and Nature Center, and 80% of income to be used for general purposes	4,916,376
To be used for the State of New Hampshire wildlife	179,068
To be used for the betterment of song birds	1,637,143
To be used for stewardship of land and easements held to preserve natural habitats for wildlife	2,696,887
To be used to publicize mistreatment of exotic animals	5,679,802
	<hr/>
	41,774,012
Non-income producing assets:	
Land and easements held to preserve natural habitats for wildlife	9,951,922
	<hr/>
Total donor-restricted endowment net assets	\$ 51,725,934

Income earned on investments in endowment is reported in the accompanying consolidated statement of activities and change in net assets as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the nature of donor-imposed restrictions on such earnings.

The Society considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Society has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Society has no underwater endowment funds as of December 31, 2023.

### 22. 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 HSUS 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 complies with FASB ASC 958-205 *Not-for-Profit Entities - Presentation of Consolidated Financial Statements* and FASB ASC 958-720 *Not-for-Profit Entities - Other Expenses* requirements by allocating a portion of its direct mail, email, phone, and other communication costs to program services and to fundraising. Such costs are allocated to each major program, including:

- 1) Ending the Cruellest Practices - The Society is focused on ending the worst forms of institutionalized animal suffering—puppy mills, fur farms, trophy hunting, extreme confinement of farm animals, the use of animals in cosmetics tests and the dog meat trade. The progress is the result of work with governments, the private sector and multinational bodies; public awareness and consumer education campaigns.

# The Humane Society of the United States and Affiliates

## Notes to the Consolidated Financial Statements

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- 2) Caring for Animals in Crisis - The Society responds to large-scale cruelty cases and disasters around the world, providing rescue, hands-on care, logistics and expertise when animals are caught in crises. The care centers heal and provide lifelong sanctuary to abused, abandoned, exploited, vulnerable and neglected animals.
- 3) Building a Stronger Animal Protection Movement - Through partnerships, trainings, support, collaboration and more, the Society is building a more humane world by empowering and expanding the capacity of animal welfare advocates and organizations in the United States and across the globe. Through partnership there will be faster change for animals.

Since only those activities that include both programmatic and fundraising components are included in this allocation, the amounts below 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 television advertising related to the particular services as determined by content analysis. Total costs for mailing pieces and direct media advertising spots that requested financial support and served other program or management functions were allocated as follows for the year ended December 31, 2023:

Programs	\$ 24,992,073
Fundraising	35,763,420
	<hr/>
	\$ 60,755,493

### 23. Subsequent Events

The Society has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through June 12, 2024, the date the consolidated financial statements were issued. The Society is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements, other than as described below:

#### ***Merger Activities with Fund for Animals and Humane Society Veterinary Medical Association***

As part of the Society's strategic planning, the Society redesigned the operating model and simplified its affiliate relationships to increase agility and collaboration. During the year ended December 31, 2023, the Society brought the program activities of both FFA and HSVMA into the HSUS program portfolio. The HSUS, FFA and HSVMA Boards of Directors voted at various time during 2023 to move forward with the two mergers. The merger with FFA was finalized effective March 11, 2024, and the merger with HSVMA was finalized effective May 10, 2024. As of December 31, 2023 and for the year then ended, FFA represents 1.7% of the Society's total assets and 3.8% of total revenue. HSVMA represents less than 1.0% of the Society's total assets and revenue as of December 31, 2023, and for the year then ended.

## Supplemental Schedules

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## Independent Auditor's Report on the Supplemental Schedules

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

Our audit of the consolidated financial statements of The Humane Society of the United States and Affiliates included in the preceding section of this report was conducted for the purpose of forming an opinion on those consolidated statements as a whole. The supplemental schedules presented in the following section of this report are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management, 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.

*BDO USA, P.C.*

June 12, 2024

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# The Humane Society of the United States and Affiliates

## Consolidating Schedule of Activities and Change in Net Assets

Year ended December 31, 2023	HSUS	FFA	HSI	HSVMA	HSWLT	Eliminations	Consolidated
<b>Support and revenue</b>							
Contributions of cash and other financial assets	\$ 87,843,221	\$ 597,401	\$ 24,392,239	\$ 66,829	\$ 1,135,763	\$ -	\$ 114,035,453
Contributions of nonfinancial assets	43,484,547	6,143,311	262,333	-	-	-	49,890,191
Bequests	43,936,082	1,713,433	1,904,712	162,283	213,679	-	47,930,189
Royalty income	291,966	-	104,959	-	-	-	396,925
Event income	1,600,004	-	15,217	1,000	-	-	1,616,221
Other income	2,591,139	6,884	457,424	-	1,149,026	(2,873,899)	1,330,574
Program support	32,701	7,238,297	10,204,774	585,644	-	(18,061,416)	-
<b>Total support and revenue</b>	<b>179,779,660</b>	<b>15,699,326</b>	<b>37,341,658</b>	<b>815,756</b>	<b>2,498,468</b>	<b>(20,935,315)</b>	<b>215,199,553</b>
<b>Expenses</b>							
Program services	150,638,143	13,940,118	30,304,254	708,913	1,238,996	(20,935,315)	175,895,109
Management and general	10,602,979	750,730	3,046,860	100,269	77,607	-	14,578,445
Fundraising	34,168,321	11,366	7,151,514	2,365	17,427	-	41,350,993
<b>Total expenses</b>	<b>195,409,443</b>	<b>14,702,214</b>	<b>40,502,628</b>	<b>811,547</b>	<b>1,334,030</b>	<b>(20,935,315)</b>	<b>231,824,547</b>
<b>Change in net assets from operations</b>	<b>(15,629,783)</b>	<b>997,112</b>	<b>(3,160,970)</b>	<b>4,209</b>	<b>1,164,438</b>	<b>-</b>	<b>(16,624,994)</b>
Investment return, net	48,248,074	240	32,768	-	832,870	-	49,113,952
<b>Change in net assets before other changes in net assets</b>	<b>32,618,291</b>	<b>997,352</b>	<b>(3,128,202)</b>	<b>4,209</b>	<b>1,997,308</b>	<b>-</b>	<b>32,488,958</b>
<b>Other changes in net assets</b>							
Gain from sale of property and equipment	6,911,421	-	-	-	-	-	6,911,421
Annuity liability change in valuation	(750,387)	-	-	-	-	-	(750,387)
Foreign currency gain (loss)	8,296	-	819,129	(25)	-	(760,594)	66,806
<b>Change in net assets</b>	<b>38,787,621</b>	<b>997,352</b>	<b>(2,309,073)</b>	<b>4,184</b>	<b>1,997,308</b>	<b>(760,594)</b>	<b>38,716,798</b>
<b>Net assets, Beginning of the year</b>	<b>375,616,629</b>	<b>6,870,250</b>	<b>11,712,595</b>	<b>(36,501)</b>	<b>19,524,621</b>	<b>(3,345,182)</b>	<b>410,342,412</b>
<b>Net assets, End of the year</b>	<b>\$ 414,404,250</b>	<b>\$ 7,867,602</b>	<b>\$ 9,403,522</b>	<b>\$ (32,317)</b>	<b>\$ 21,521,929</b>	<b>\$ (4,105,776)</b>	<b>\$ 449,059,210</b>

*See independent auditor's report on supplemental schedules.*



# The Humane Society of the United States and Affiliates

## Consolidating Schedule of Financial Position

<i>As of December 31, 2023</i>	HSUS	FFA	HSI	HSVMA	HSWLT	Eliminations	Consolidated
<b>Assets</b>							
Cash and cash equivalents	\$ 15,797,114	\$ (500)	\$ 6,324,166	\$ 2,929	\$ 35,235	\$ -	\$ 22,158,944
Investments	412,471,388	53,588	2,074,446	-	7,399,380	(4,105,776)	417,893,026
Investments to fund deferred compensation liability	382,160	-	-	-	-	-	382,160
Accrued interest receivable	244,065	-	-	-	1,172	-	245,237
Prepaid expenses and other assets	2,574,620	1,278	349,663	-	-	-	2,925,561
Contributions, bequests and other receivables, net	10,521,445	51,150	4,101,561	188	4,680,411	(4,678,460)	14,676,295
Operating lease right-of-use asset	8,453,732	-	454,683	-	-	-	8,908,415
Property and equipment, net	4,283,066	8,160,089	1,243,126	-	73,012	-	13,759,293
Conservation property	-	-	-	-	9,378,872	-	9,378,872
<b>Total assets</b>	<b>\$ 454,727,590</b>	<b>\$ 8,265,605</b>	<b>\$ 14,547,645</b>	<b>\$ 3,117</b>	<b>\$ 21,568,082</b>	<b>\$ (8,784,236)</b>	<b>\$ 490,327,803</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ 15,816,687	\$ 398,003	\$ 4,688,078	\$ 35,434	\$ 46,153	\$ (4,678,460)	\$ 16,305,895
Annuities and unitrusts	12,444,162	-	-	-	-	-	12,444,162
Operating lease liability	11,318,578	-	456,045	-	-	-	11,774,623
Accrued severance obligation	361,753	-	-	-	-	-	361,753
Deferred compensation liability	382,160	-	-	-	-	-	382,160
<b>Total liabilities</b>	<b>40,323,340</b>	<b>398,003</b>	<b>5,144,123</b>	<b>35,434</b>	<b>46,153</b>	<b>(4,678,460)</b>	<b>41,268,593</b>
<b>Net Assets</b>							
Without donor restrictions							
Board designated	224,161,672	-	-	-	-	-	224,161,672
Undesignated	131,001,538	-	(8,978,390)	(32,317)	-	-	121,990,831
<b>Total without donor restrictions</b>	<b>355,163,210</b>	<b>-</b>	<b>(8,978,390)</b>	<b>(32,317)</b>	<b>-</b>	<b>-</b>	<b>346,152,503</b>
<b>With donor restrictions</b>	<b>59,241,040</b>	<b>7,867,602</b>	<b>18,381,912</b>	<b>-</b>	<b>21,521,929</b>	<b>(4,105,776)</b>	<b>102,906,707</b>
<b>Total net assets</b>	<b>414,404,250</b>	<b>7,867,602</b>	<b>9,403,522</b>	<b>(32,317)</b>	<b>21,521,929</b>	<b>(4,105,776)</b>	<b>449,059,210</b>
<b>Total liabilities and net assets</b>	<b>\$ 454,727,590</b>	<b>\$ 8,265,605</b>	<b>\$ 14,547,645</b>	<b>\$ 3,117</b>	<b>\$ 21,568,082</b>	<b>\$ (8,784,236)</b>	<b>\$ 490,327,803</b>

*See independent auditor's report on supplemental schedules.*