The Humane Society of the United States and Affiliates

Consolidated Financial Statements and Supplemental Schedules
Year Ended December 31, 2022

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Contents

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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, 2022, 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, 2022, 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 issued or available to be issued.

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.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2022, the Society adopted amendments to the Financial Accounting Standards Board Accounting Standards Codification resulting from Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

BDO USA, LLP

May 8, 2023

Consolidated Financial Statements

The Humane Society of the United States and Affiliates

Consolidated Statement of Financial Position

As of December 31,		2022
Assets		
Cash and cash equivalents	$	30,956,204
Investments		369,301,020
Investments to fund deferred compensation liability		342,751
Accrued interest receivable		218,523
Prepaid expenses and other assets		2,825,789
Contributions, bequests and other receivables, net		13,987,720
Operating lease right-of-use asset		10,153,500
Property and equipment, net		11,792,495
Conservation property		10,208,308
Asset held for sale		3,345,451
Total assets	$	453,131,761
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	17,342,350
Annuities and unitrusts		11,531,129
Operating lease liability		13,224,070
Accrued severance obligation		349,049
Deferred compensation liability		342,751
Total liabilities		42,789,349
Net Assets		
Without donor restrictions		
Board designated		200,114,002
Undesignated		112,455,374
		312,569,376
With donor restrictions		97,773,036
Total net assets		410,342,412
Total liabilities and net assets	$	453,131,761

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

Year ended December 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions of cash and other financial assets	$ 99,423,514	$ 20,264,246	$ 119,687,760
Contributions of nonfinancial assets	24,880,616	3,533,511	28,414,127
Bequests	40,736,605	3,461,737	44,198,342
Royalty income	274,151	110,572	384,723
Event income	1,561,253	397	1,561,650
Other income	1,503,356	122,885	1,626,241
Net assets released from restrictions	31,882,976	(31,882,976)	-
Total support and revenue	200,262,471	(4,389,628)	195,872,843
Expenses			
Program services	153,753,874	-	153,753,874
Management and general	14,337,652	-	14,337,652
Fundraising	44,765,370	-	44,765,370
Total expenses	212,856,896	-	212,856,896
Change in net assets from operations	(12,594,425)	(4,389,628)	(16,984,053)
Investment return, net	(24,289,701)	(4,266,942)	(28,556,643)
Change in net assets before annuity and foreign currency adjustment	(36,884,126)	(8,656,570)	(45,540,696)
Other change in net assets			
Annuity liability change in valuation	(442,850)	(157,198)	(600,048)
Foreign currency loss	(932,086)	-	(932,086)
Change in net assets	(38,259,062)	(8,813,768)	(47,072,830)
Net assets, Beginning of the year	350,828,438	106,586,804	457,415,242
Net assets, End of the year	$ 312,569,376	$ 97,773,036	$ 410,342,412

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, 2022	
Cash flows from operating activities:	
Change in net assets	$ (47,072,830)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Increase in allowance for uncollectible contributions and bequests	(221,933)
Bad debt expense	237,675
Change in discount on multi-year contributions and bequests	245,345
Depreciation and amortization	1,141,461
Noncash lease expense	1,621,677
Realized and unrealized loss on investments, net	32,700,317
Donated stocks	(2,340,301)
Donated property	(15,692)
Disposal of property and equipment	5,390,568
Contributions restricted to perpetuity	(206,060)
Changes in assets and liabilities:	
(Increase) decrease in:	
Accrued interest receivable	(102,361)
Prepaid expenses and other assets	(928,576)
Contributions, bequests, and other receivables, gross	3,228,132
Increase (decrease) in:	
Accounts payable and accrued expenses	1,186,260
Actuarial gain on annuities and unitrusts	791,855
Principal reduction in operating lease liabilities	(1,798,649)
Accrued severance obligation	(89,417)
Net cash used in operating activities	(6,232,529)
Cash flows from investing activities:	
Net increase in cash and cash equivalents held in investments	87,311,048
Proceeds from the sales of investments	16,293,998
Purchases of investments	(94,726,889)
Purchases of property and equipment	(1,221,670)
Net cash provided by investing activities	7,656,487
Cash flows from financing activities:	
Investments subject to annuity agreements	284,157
Payments on annuity agreements	(1,517,760)
Contributions restricted to perpetuity	206,060
Net cash used in financing activities	(1,027,543)
Net change in cash and cash equivalents	396,415
Cash and cash equivalents	
Beginning of year	30,559,789
End of year	$ 30,956,204
Supplemental disclosures of cash flow information:	
Noncash items upon adoption of Topic 842:	
Operating lease assets obtained in exchange for new operating lease liability	$ 10,153,500
Derecognition of deferred rent	$ 1,837,813
Derecognition of deferred lease allowance	$ 1,409,730

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, 2022	Program Services				Support Services		
	Ending the Cruelest Practices	Caring for Animals in Crisis	Building a Stronger Animal Protection Movement	Total Program	Management and General	Fundraising	Total
Salaries	$ 16,143,784	$ 10,419,331	$ 17,351,848	$ 43,914,963	$ 6,931,885	$ 4,843,747	$ 55,690,595
Employee benefits	3,320,282	2,189,584	4,030,505	9,540,371	2,012,015	1,041,210	12,593,596
Total compensation	19,464,066	12,608,915	21,382,353	53,455,334	8,943,900	5,884,957	68,284,191
Education material, publications and campaigns	2,862,397	736,906	5,818,928	9,418,231	47,578	10,351,017	19,816,826
Mailing costs	3,962,364	2,609,885	4,585,777	11,158,026	730	10,149,677	21,308,433
Consultant and contracted services	6,073,545	5,710,620	5,377,513	17,161,678	1,547,820	14,021,325	32,730,823
Professional fees	3,653,951	254,647	221,813	4,130,411	166,771	135,730	4,432,912
Contributions and grants	722,818	33,581,672	5,604,427	39,908,917	-	-	39,908,917
Travel and events	557,160	2,149,153	1,744,573	4,450,886	57,281	209,588	4,717,755
Supplies and field expenses	1,244,762	4,340,066	1,810,284	7,395,112	1,401,727	673,337	9,470,176
Bank and trustee fees	-	-	-	-	910,611	2,788,706	3,699,317
Occupancy and building expense	355,310	1,632,334	785,209	2,772,853	778,711	160,336	3,711,900
Depreciation and amortization	57,101	761,633	131,828	950,562	162,049	28,850	1,141,461
Postage and shipping	26,841	1,703,501	55,065	1,785,407	20,076	33,451	1,838,934
Telephone	85,915	87,876	132,504	306,295	90,438	69,075	465,808
Insurance and bonds	191,698	187,147	206,629	585,474	190,891	158,359	934,724
Real estate and other taxes	52,950	168,094	53,644	274,688	19,069	100,962	394,719
Total expenses	$ 39,310,878	$ 66,532,449	$ 47,910,547	$ 153,753,874	$ 14,337,652	$ 44,765,370	$ 212,856,896

See accompanying notes to the consolidated financial statements.

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 is expected to be merged with the Society in 2023. See Note 24.

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.

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 is expected to be merged with the Society in 2023. See Note 24.

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.

Project Chimps (PC)

Founded in 2014, PC seeks to end the use of chimpanzees in invasive biomedical research and provide lifetime sanctuary care to chimpanzees in need. As part of this mission, PC has retired 80 chimpanzees coming out of biomedical research to a sanctuary on 236 acres in Georgia. PC has an agreement with University of Louisiana-Lafayette New Iberia Research Center (NIRC) to move nearly all 200 NIRC chimpanzees to sanctuary, bringing an end to chimpanzee research at that facility. PC disaffiliated with the Society during 2022 and entered a grantee/grantor relationship with the Society as of June 30, 2022. See Note 23.

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, Humane Society Wildlife Land Trust, and Project Chimps (through its disaffiliation on June 30, 2022). All significant inter-organizational balances and transactions have been eliminated in consolidation.

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. Subsequent changes in this discount 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 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, 2022, 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. See Note 15.

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.

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 on 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 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, 2022.

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. At December 31, 2022, 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 changes 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.

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 $239,969 at December 31, 2022. Receivables totaling $237,675 were written off as bad debt expense during the year ended December 31, 2022 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.

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 statements of activities and changes 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 statements 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, HSWLT and PC 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, 2022 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.

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, 2019, 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 stocks

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

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, 2022.

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:

Allocation Name	Method/Basis of Calculation
Building costs	Headcount
Depreciation	Asset ownership by department
Contributions and grant expense	Individual assessment of each award
Bank and lockbox fees	Direct allocation
Management and general costs	Salary per functional expense divided by total salaries

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 $27.7 million at December 31, 2022. 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 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.

Recent adopted authoritative guidance

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842*) to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. ASU 2016-02 applies a right- of -use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payment to be recorded.

The Society adopted the guidance under FASB ASC Topic 842 for fiscal year ending December 31, 2022. The Society applied a modified retrospective transition approach. Accordingly, the Society recorded an asset and a liability on the consolidated statements of financial position to recognize the rights and obligations arising from leasing arrangements with lease terms greater than 12 months. Further disclosure of the impact of adopting ASU 2016-02 is described in Note 17 of the consolidated financial statements.

The Society elected the practical expedient approach in transition periods which includes not reassessing the definition of a lease, lease classification, and initial direct costs or the use of hindsight. The new standard provides practical expedients for an entity's transition to the new standard. Management elected the short-term lease (leases 12 months or less in duration) recognition exemption for all leases that qualify. The Society accounts for short-term leases on a straight-line basis over the lease term. For those leases qualify for the exemption, the Society did not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition. Management has also elected the practical expedient to not separate lease and non-lease components.

In some office locations, the initial lease term of the related lease has expired. The continuation of the lease is based on a month- to -month business arrangement. In each of these cases management analyzed whether the Society is reasonably certain to extend given current programmatic plans in the region, availability of comparable alternatives, lessor's right to terminate, and other economic criteria. As a result, the Society concluded it is reasonably certain that in some instances a renewal option would be exercised, and the related future expected payments are reflected in the ROU asset and lease liability. Management has elected the practical expedient to utilize the risk-free, Treasury yield curve when calculating lease liabilities. This discount rate is determined for individual leases.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves the transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. The ASU requires that a nonprofit present contributed nonfinancial assets as a separate line item in the statement of activities apart from contributions of cash or other financial assets. Information that shows the contributed nonfinancial assets disaggregated by category will be required to be disclosed. The ASU requires that for each type of contributed nonfinancial asset the following will be disclosed: (a) policy (if any) on liquidating rather than using the contributed nonfinancial assets, (b) qualitative considerations on whether the contributed nonfinancial assets were liquidated or used during the reporting period and, if used, a description of how the asset was employed should be included, (c) any donor imposed restrictions related to contributed nonfinancial assets, (d) valuation methods and inputs utilized to determine a fair value measure at initial recognition, and (e) the principal or most advantageous market utilized to calculate fair value if it is a market in which the NFP is restricted by the donor from selling or utilizing the contributed nonfinancial assets. The Society adopted the new guidance for the year ending December 31, 2022, on a retrospective basis. Further disclosure of the impact of adopting ASU 2020-07 is described in Note 15 of the consolidated financial statements.

Recent accounting authoritative guidance not yet adopted

In June 2016, the FASB issued ASU 2016-13, *Financial instruments - Credit Losses.* ASU 2016-13 was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by an entity. The ASU changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU includes financial assets recorded at amortized cost basis such as loan receivables, trade and certain other receivables as well as certain off-balance sheet credit exposures such as loan commitments and financial guarantees. The ASU does not apply to financial assets measured at fair value, promises to give (pledges receivable) and loans and receivables between entities under common control. The ASU is effective for the Society's consolidated financial statements for the fiscal year ending December 31, 2023. Early adoption may be selected for fiscal years beginning after December 15, 2018. The Society is evaluating the potential impact of this guidance on the consolidated financial statements.

In March 2020 the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional guidance for a limited period of time to ease the potential burden in accounting for or recognizing the effects of reference rate reform on financial reporting. ASU 2020-04 applies only to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of the reference rate reform. During 2022, the effective date of this ASU was deferred and now it is effective for the consolidated financial statements as of March 12, 2020 through December 31, 2024. The Society is evaluating the potential impact of this guidance on the consolidated financial statements.

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, 2022.

Total assets, December 31, 2022		$ 453,131,761
Less: Non-financial assets		
Prepaid expenses and other assets	$ (2,825,789)	
Assets held for sale	(3,345,451)	
Operating lease right – of - use asset	(10,153,500)	
Property and equipment, net	(11,792,495)	
Conservation property	(10,208,308)	(38,325,543)
Financial assets, December 31, 2022		414,806,218
Adjustment for amounts not available for general expenditures:		
Mission-related investments	(430,000)	
Investments to fund deferred compensation liability	(342,751)	
Investments to fund liability for charitable annuities and remainder unitrusts	(14,271,954)	
Investment to fund severance and retirement obligations	(349,049)	
Net assets with donor restrictions less non-income producing assets	(87,821,111)	
Receivables not collectible within one year	(327,217)	
Board designated net assets	(200,114,002)	
Financial assets not available for general expenditures within one year		(303,656,084)
Financial assets available for general expenditures within one year		$ 111,150,134

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).

3. Investments

Investments consist of the following:

December 31,		2022
Investments measured at fair value (Note 4)	$	343,828,046
Charitable annuities (Note 4 and Note 10)		23,949,839
Charitable remainder unitrusts (Note 4 and Note 10)		1,093,135
Total investments measured at fair value		368,871,020
Mission-related investments		430,000
Total investments	$	369,301,020

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 equity method, reviewing the investment annually for impairment. No indicators of impairment were identified as of December 31, 2022.

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.

- **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 the net asset value per share (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.

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:

	As of December 31, 2022				
	Assets Measured at Net Asset Value*	Fair Value Hierarchy Level			
Description		Level 1	Level 2	Level 3	Total
Hedge funds					
Equity long/short	$ 95,465,828	$ -	$ -	$ -	$ 95,465,828
Fund of funds					
Equity long/short	17,822,366	-	-	-	17,822,366
Equity funds					
International long/short	31,104,147	-	-	-	31,104,147
Domestic	30,850,161	-	-	-	30,850,161
Other	24,331,010	-	-	-	24,331,010
Private equity funds					
Energy and real estate	1,481,690	-	-	-	1,481,690
Global opportunities	16,283,255	-	-	-	16,283,255
Other	38,913,793	-	-	-	38,913,793
Fixed income securities					
U.S. government and agency obligations (AAA)	-	-	59,850	-	59,850
Asset-backed fixed income securities (AAA)	-	-	3,204,140	-	3,204,140
Equity mutual funds					
Commodities	-	183,911	-	-	183,911
Large cap blend	-	6,229,745	-	-	6,229,745
Emerging markets	-	1,711,293	-	-	1,711,293
Midcap	-	9,573,004	-	-	9,573,004
International long/short	-	18,032,473	-	-	18,032,473
Balanced	-	18,044	-	-	18,044
Small cap blend	-	615,650	-	-	615,650
Real estate	-	292,367	-	-	292,367
Other	-	9,451,812	-	-	9,451,812
Fixed income	-	9,126,357	-	-	9,126,357
Exchange traded	-	27,189,462	-	-	27,189,462
Equity securities	-	834,196	-	-	834,196
	256,252,250	83,258,314	3,263,990	-	342,774,554
Cash and cash equivalents	-	-	-	-	26,096,466
Total fair value investments	$ 256,252,250	$ 83,258,314	$ 3,263,990	$ -	$ 368,871,020

*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.

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 2022.

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, 2022:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds - Equity long/short (a)	$ 95,465,828	$ 1,438,018	Monthly, Quarterly	30-60 days
Fund of funds - Equity long/short (b)	17,822,366	-	Quarterly, Monthly	30 days
Private equity funds (c)	56,678,738	13,883,409	Monthly, Semi-Annually	30-90 days
Equity funds (d)	86,285,318	-	Monthly, Semi-Annually	60 days
	$ 256,252,250	$ 15,321,427		

(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 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, 2022:

Bequests	$ 1,232,181
Contributions and other receivables	11,347,498
Grants	2,007,720
	14,587,399
Less: allowance for uncollectible contributions and bequests	(239,969)
Less: discount on multi-year contributions and bequests (4.22%)	(359,710)
Total contributions, bequests and other receivables, net	$ 13,987,720

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

Less than one year	$ 11,919,484
One to five years	2,068,236
	$ 13,987,720

6. Asset Held for Sale

The Society owns a building used for operations located in Gaithersburg, MD. 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. The building was sold on April 13, 2023. See Note 24.

The carrying amount of the building reflected in the consolidated statement of financial position is:

Land	$ 2,733,777
Buildings and improvements	389,015
Office furniture and equipment	222,659
	$ 3,345,451

7. Property and Equipment

Property and equipment consists of the following at December 31, 2022:

Land	$ 3,993,843
Buildings and improvements	10,240,537
Tenant leasehold improvements	2,257,921
Office furniture and equipment	1,327,976
Automobiles	3,041,159
Construction-in-progress	652,242
	21,513,678
Less: accumulated depreciation and amortization	(9,721,183)
	$ 11,792,495

Depreciation and amortization expense totaled $1,141,461 for the year ended December 31, 2022.

8. Conservation Property

Conservation Property consists of land with book value of $10,208,308 as of December 31, 2022. 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, 2022:

Accounts payable and other accrued expenses	$ 13,390,126
Accrued vacation	3,021,011
Accrued wages	931,213
	$ 17,342,350

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, 2022, the Society has reported $530,000 of contributions revenue from annuities. As of December 31, 2022, the amount of assets held in charitable annuities is $23,949,839.

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, 2022, the actuarial calculated liability was $10,990,838, resulting in a decrease in the liability of $361,808 for the year ended December 31, 2022.

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, 2022, the future liability in the amount of $540,291 was calculated using assumed interest rates of 5% to 11.6%, resulting in a decrease in the liability of $79,941 for the year ended December 31, 2022. The amount of assets held in charitable unitrusts, which is restricted for the payment of related annuities, is $1,031,735 as of December 31, 2022. The net assets of the trusts of $268,132 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, 2022 was calculated by an actuary based on a census provided by the Society, using an assumed discount rate of 4.96%. There was no assumed compensation increase. The amount of the liability related to the Severance Pay Plan was $349,049 as of December 31, 2022.

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 $20,500 to the Deferred Compensation Plan during the year ended December 31, 2022. The Deferred Compensation Plan assets and the related liability totaled $342,751 at December 31, 2022.

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 1% of the participant's salary deferred into the 401(k) Plan and 50% of the next 5% of the participant’s salary deferral.

The Society makes an annual fixed contribution for all eligible participants employed on the last day of the 401(k) Plan year, based on years of service, up to 6% of compensation. The Society contributed $3,081,894 to the 401(k) Plan during the year ended December 31, 2022.

14. Line-of-Credit

The Society entered into a $20 million line-of-credit agreement with Bank of New York Mellon on April 9, 2015. The line-of-credit accrues interest at the London Interbank Offered Rate Market Index Rate for one-month U.S. dollars plus 65 basis points (4.39% as of December 31, 2022). 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, 2022 and no advances were drawn during 2022. The line-of-credit can be terminated upon demand. The Society was in compliance with all related covenants at December 31, 2022.

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, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Type of donation	Valuation techniques	Donor Restrictions	2022
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	$ 21,265,737
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	400,188
Veterinary services	Current rates for similar veterinary services performed by professional licensed veterinary professionals	Donor restricted	244,000
Legal services	Current rates for similar legal services	Donor restricted	2,518,150
Public Service Announcements	Current rates for date, time, and market of the placement	Donor restricted	3,689,687
Equipment and supplies	Current rates that would be received for selling similar products in the United States	Donor restricted	296,365
			$ 28,414,127

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.

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, 2022, the accrual for the unpaid claims, net of insurance recoveries, totaled $550,000 that was 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 2023 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 $10,153,500 and operating lease liabilities of $13,224,070 included in the accompanying consolidated statement of financial position as of December 31, 2022. The current and noncurrent portions of operating lease liabilities as of December 31, 2022 are $1,581,728 and $11,642,342, 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, 2022, 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, 2022		
Operating lease expense	$	1,845,166
Variable lease expense		212,855
Short-term lease expense		319,871
Total lease expense	$	2,377,892

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

Weighted average remaining lease term	7.9 years
Weighted average discount rate	1.6%

Aggregate remaining maturities of lease liabilities as of December 31, 2022, are as follows:

Years Ended December 31,		
2023	$	1,781,900
2024		1,765,940
2025		1,802,780
2026		1,837,262
2027		1,532,227
Thereafter		5,394,901
Total operating lease payments		14,115,010
Less: Imputed interest		(890,940)
Total operating lease liabilities	$	13,224,070

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.

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, 2022:

Board designated	
Investment fund	$ 109,638,520
Quasi-endowment fund (Note 21)	398,200
Programmatic quasi-endowment fund (Note 21)	75,601,148
Programmatic funds	13,339,702
Special purpose funds	1,136,432
Total board designated	200,114,002
Undesignated	112,455,374
Total net assets without donor restrictions	$ 312,569,376

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.

Changes in net assets with donor restrictions for the year ended December 31, 2022 were as follows:

	Balance at December 31, 2021	Additions and Investment Return (Loss), net	Released From Restriction	Balance at December 31, 2022
Subject to expenditure for a specified purpose:				
Unitrusts	$ 425,330	$ (157,198)	$ -	$ 268,132
Education, training and disaster relief	22,510,265	8,409,816	12,556,907	18,363,174
Scholarships	28,423	(2,368)	944	25,111
Liberia chimp maintenance	5,947,184	(509,054)	1,224,834	4,213,296
Wildlife Land Trust	6,617,697	1,289,618	834,040	7,073,275
Fund for Animals	6,690,849	6,703,695	6,574,294	6,820,250
Project Chimps	1,603,231	-	1,603,231	-
Humane Society International	10,787,387	10,548,452	8,028,407	13,307,432
Subject to the passage of time:				
Fund for Animals	45,000	50,000	45,000	50,000
Endowments (Note 21):				
Donor-restricted endowment funds	51,931,438	(3,263,753)	1,015,319	47,652,366
Total net assets with donor restrictions	$106,586,804	$ 23,069,208	$ 31,882,976	$ 97,773,036

During the year ended December 31, 2022, 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	$ 31,837,976
Time and purpose restricted program expenses of the Society	45,000
	$ 31,882,976

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.

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, 2022:

	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	$ -	$ 39,559,154	$ 39,559,154
Accumulated investment gains	-	8,093,212	8,093,212
Board designated quasi-endowment funds	75,999,348	-	75,999,348
	$ 75,999,348	$ 47,652,366	$ 123,651,714

The endowment fund net asset activity consists of the following for the year ended December 31, 2022:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 79,431,635	$ 51,931,438	$ 131,363,073
Investment loss, net	(3,432,287)	(3,469,813)	(6,902,100)
Amounts appropriated for expenditure	-	(1,015,319)	(1,015,359)
Contributions	-	206,060	206,060
Endowment net assets, end of year	$ 75,999,348	$ 47,652,366	$ 123,651,714

Endowment net assets-fund categories resulting from donor restrictions at December 31, 2022:

Income producing assets; income is expendable to support the following:	
To defray operating expenses	$ 4,038,931
To award scholarships to Connecticut secondary school students	51,312
To be used for the best interests of the organization	17,383,780
To support other humane organizations	2,646,958
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	4,438,152
To be used for the State of New Hampshire wildlife	161,820
To be used for the betterment of song birds	1,467,042
To be used for stewardship of land and easements held to preserve natural habitats for wildlife	2,499,421
To be used to publicize mistreatment of exotic animals	5,013,025
	37,700,441
Non-income producing assets:	
Land and easements held to preserve natural habitats for wildlife	9,951,925
Total donor-restricted endowment net assets	$ 47,652,366

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, 2022.

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 Cruelest 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.

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, 2022:

Programs	$ 25,439,184
Fundraising	40,050,818
	$ 65,490,002

23. Disaffiliated Operation

On January 5, 2022, the HSUS Board of Directors approved a resolution to move to a grantor/grantee relationship between the HSUS and Project Chimps (PC). On June 30, 2022, PC was officially disaffiliated from the HSUS. As part of the change, the HSUS provided a one-time Capital Campaign grant of $5,000,000 and transferred to PC all the remaining unused restricted net assets as of June 30, 2022. In addition, the HSUS entered into a General Operating Support Agreement with PC on May 4, 2022, to contribute up to $15,000,000 over the ten-year agreement. No annual grant installment will exceed $2,500,000. Payments are conditional based on multiple underlying performance requirements. During the year ended December 31, 2022, HSUS made a grant payment of $1,500,000 to PC under the agreement as the annual performance requirements were met.

24. Subsequent Events

The Society has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through May 8, 2023, 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 HSUS's strategic planning, the HSUS intended to redesign the operating model and to simplify its affiliate relationships to increase simplicity, agility, and collaboration. Therefore, the HSUS is in the process of merger activities with FFA and HSVMA, with the intention of bringing the program activities of both organizations into the HSUS programs. The HSUS, FFA and HSMVA Boards of Directors have voted at various time during 2022 to move forward with the two mergers. Both are expected to be finalized in late 2023. As of December 31, 2022, FFA represents 1.5% of the Society's total assets and 3.0% of total revenue. HSVMA represents less than 1.0% of the Society's total assets and revenue.

Sale of Building

On April 13, 2023, HSUS closed on the sale of its operations building located in Gaithersburg, Maryland, to an unrelated third party for gross proceeds of $10,000,000. HSUS concurrently entered into a lease with the purchaser to rent back the building until June 2, 2023. After the leaseback period, HSUS will consolidate its Washington, D.C. based operations into its office space currently under lease in the District of Columbia.

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 were 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, LLP

May 8, 2023

The Humane Society of the United States and Affiliates

Consolidating Schedule of Financial Position

As of December 31, 2022	HSUS	FFA	HSI	HSVMA	PC	HSWLT	Eliminations	Consolidated
Assets								
Cash and cash equivalents	$ 21,265,780	$ 2,798	$ 9,683,353	$ 850	$ -	$ 3,423	$ -	$ 30,956,204
Investments	364,301,081	53,588	1,694,148	-	-	6,597,384	(3,345,181)	369,301,020
Investments to fund deferred compensation liability	342,751	-	-	-	-	-	-	342,751
Accrued interest receivable	217,351	-	-	-	-	1,172	-	218,523
Prepaid expenses and other assets	2,481,604	18,030	323,655	2,500	-	-	-	2,825,789
Contributions, bequests and other receivables, net	11,463,698	307,606	2,177,417	5,099	-	2,715,816	(2,681,916)	13,987,720
Operating lease right-out-use asset	9,904,100	17,974	231,426	-	-	-	-	10,153,500
Property and equipment, net	4,398,009	6,793,732	524,942	-	-	75,812	-	11,792,495
Conservation property	-	-	-	-	-	10,208,308	-	10,208,308
Asset held for sale	3,345,451	-	-	-	-	-	-	3,345,451
Total assets	$ 417,719,825	$ 7,193,728	$ 14,634,941	$ 8,449	$ -	$ 19,601,915	$ (6,027,097)	$ 453,131,761
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	$ 16,897,572	$ 314,472	$ 2,689,977	$ 44,950	$ -	$ 77,294	$ (2,681,915)	$ 17,342,350
Annuities and unitrusts	11,531,129	-	-	-	-	-	-	11,531,129
Operating lease liability	12,982,695	9,006	232,369	-	-	-	-	13,224,070
Accrued severance obligation	349,049	-	-	-	-	-	-	349,049
Deferred compensation liability	342,751	-	-	-	-	-	-	342,751
Total liabilities	42,103,196	323,478	2,922,346	44,950	-	77,294	(2,681,915)	42,789,349
Net Assets								
Without donor restrictions								
Board designated	200,114,002	-	-	-	-	-	-	200,114,002
Undesignated	117,431,893	-	(4,940,018)	(36,501)	-	-	-	112,455,374
	317,545,895	-	(4,940,018)	(36,501)	-	-	-	312,569,376
With donor restrictions	58,070,734	6,870,250	16,652,613	-	-	19,524,621	(3,345,182)	97,773,036
Total net assets	375,616,629	6,870,250	11,712,595	(36,501)	-	19,524,621	(3,345,182)	410,342,412
Total liabilities and net assets	$ 417,719,825	$ 7,193,728	$ 14,634,941	$ 8,449	$ -	$ 19,601,915	$ (6,027,097)	$ 453,131,761

See independent auditor's report on supplemental schedules.

The Humane Society of the United States and Affiliates

Consolidating Schedule of Activities and Change in Net Assets

Year ended December 31, 2022	HSUS	FFA	HSI	HSVMA	PC	HSWLT	Eliminations	Consolidated
Support and revenue								
Contributions of cash and other financial assets	$ 91,898,876	$ 1,137,325	$ 25,912,957	$ 78,952	$ 371,433	$ 288,217	$ -	$ 119,687,760
Contributions of nonfinancial assets	24,863,493	3,533,511	3,421	-	13,702	-	-	28,414,127
Bequests	36,806,288	2,085,827	4,119,854	24,918	-	1,161,455	-	44,198,342
Royalty income	311,100	-	73,623	-	-	-	-	384,723
Event income	1,474,955	-	11,941	2,000	72,754	-	-	1,561,650
Other income	3,775,187	(3,282)	474,995	65	37,719	126,148	(2,784,591)	1,626,241
Program support	40,655	4,517,677	7,291,015	588,600	5,000,000	-	(17,437,947)	-
Total support and revenue	159,170,554	11,271,058	37,887,806	694,535	5,495,608	1,575,820	(20,222,538)	195,872,843
Expenses								
Program services	124,994,032	10,438,122	25,656,796	619,136	11,589,587	678,739	(20,222,538)	153,753,874
Management and general	10,474,237	695,750	2,967,233	101,881	-	98,551	-	14,337,652
Fundraising	38,117,164	3,099	6,583,909	4,447	-	56,751	-	44,765,370
Total expenses	173,585,433	11,136,971	35,207,938	725,464	11,589,587	834,041	(20,222,538)	212,856,896
Change in net assets from operations	(14,414,879)	134,087	2,679,868	(30,929)	(6,093,979)	741,779	-	(16,984,053)
Investment (loss) income, net	(28,086,217)	314	28,557	-	-	(499,297)	-	(28,556,643)
Change in net assets before annuity and foreign currency loss	(42,501,096)	134,401	2,708,425	(30,929)	(6,093,979)	242,482	-	(45,540,696)
Other change in net assets								
Annuity liability change in valuation	(600,048)	-	-	-	-	-	-	(600,048)
Foreign currency loss	(60,776)	-	(203,796)	-	-	-	(667,514)	(932,086)
Change in net assets	(43,161,920)	134,401	2,504,629	(30,929)	(6,093,979)	242,482	(667,514)	(47,072,830)
Net assets, Beginning of the year	418,778,549	6,735,849	9,207,966	(5,572)	6,093,979	19,282,139	(2,677,668)	457,415,242
Net assets, End of the year	$ 375,616,629	$ 6,870,250	$ 11,712,595	$ (36,501)	$ -	$ 19,524,621	$ (3,345,182)	$ 410,342,412

See independent auditor's report on supplemental schedules.