



**AMERICAN HUMANE ASSOCIATION,  
DBA AMERICAN HUMANE SOCIETY**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2025





**AMERICAN HUMANE ASSOCIATION,  
DBA AMERICAN HUMANE SOCIETY**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
American Humane Association,  
DBA American Humane Society

### Opinion

We have audited the accompanying consolidated financial statements of the American Humane Association, DBA American Humane Society (American Humane Society), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.


In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of American Humane Society as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 American Humane Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 American Humane Society's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 American Humane 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 American Humane 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.

*Calibre CPA Group, PLLC*

Bethesda, MD  
January 13, 2026



**AMERICAN HUMANE ASSOCIATION,  
DBA AMERICAN HUMANE SOCIETY**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,683,579	\$ 2,528,585
Investments	19,660,596	18,521,742
Accounts receivable	1,674,026	2,402,710
Grants and contributions receivable	3,934,907	2,732,240
Prepayments and deposits	<u>857,628</u>	<u>766,463</u>
Total current assets	<u>27,810,736</u>	<u>26,951,740</u>
<b>Non-current assets</b>		
Accounts receivable, net of current portion	-	23,000
Grants and contributions receivable, net of current portion	2,696,300	1,828,500
Beneficial interests in charitable trusts	6,471,330	6,067,282
Investments held for endowment	738,457	738,457
Capitalized software, net	1,003,183	136,537
Operating right-of-use asset	2,092,445	2,422,956
Property and equipment, net	<u>5,870,634</u>	<u>7,375,608</u>
Total non-current assets	<u>18,872,349</u>	<u>18,592,340</u>
Total assets	<u>\$ 46,683,085</u>	<u>\$ 45,544,080</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 1,056,505	\$ 728,679
Accrued expenses and other liabilities	1,774,120	3,273,613
Deferred revenue	235,375	736,727
Operating lease liability - current portion	525,766	521,343
Obligations under charitable gift annuities	<u>166,424</u>	<u>150,754</u>
Total current liabilities	<u>3,758,190</u>	<u>5,411,116</u>
<b>Non-current liabilities</b>		
Operating lease liability, net of current portion	2,572,723	3,002,444
Notes payable	5,365,525	5,255,269
Obligations under charitable gift annuities, net of current portion	<u>1,319,194</u>	<u>1,284,259</u>
Total non-current liabilities	<u>9,257,442</u>	<u>9,541,972</u>
Total liabilities	<u>13,015,632</u>	<u>14,953,088</u>
<b>Net assets</b>		
Without donor restrictions	13,890,736	14,542,940
With donor restrictions	<u>19,776,717</u>	<u>16,048,052</u>
Total net assets	<u>33,667,453</u>	<u>30,590,992</u>
Total liabilities and net assets	<u>\$ 46,683,085</u>	<u>\$ 45,544,080</u>

See accompanying notes to financial consolidated statements.

# AMERICAN HUMANE ASSOCIATION, DBA AMERICAN HUMANE SOCIETY

## CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>						
Contributions and sponsorships	\$ 11,967,078	\$ 7,400,745	\$ 19,367,823	\$ 8,914,723	\$ 5,948,219	\$ 14,862,942
Contributed nonfinancial assets	35,327,519	-	35,327,519	38,668,401	-	38,668,401
Grants	7,592,911	-	7,592,911	5,187,681	-	5,187,681
Royalties and rights fees	3,399,315	-	3,399,315	3,193,833	-	3,193,833
Services fees	3,188,496	-	3,188,496	3,150,205	-	3,150,205
Event fees and ticket sales	224,049	-	224,049	213,568	-	213,568
Miscellaneous income	99,133	-	99,133	15,836	-	15,836
Net investment return						
Distributions from perpetual trusts	262,030	-	262,030	215,064	-	215,064
Other, net of fees	2,271,736	-	2,271,736	2,658,283	-	2,658,283
Change in value of split interest agreements	(91,154)	-	(91,154)	(137,464)	-	(137,464)
Gain on interests in perpetual trusts	-	404,048	404,048	-	434,832	434,832
Net assets released from restrictions	<u>4,076,128</u>	<u>(4,076,128)</u>	<u>-</u>	<u>1,538,503</u>	<u>(1,538,503)</u>	<u>-</u>
Total support and revenue	<u>68,317,241</u>	<u>3,728,665</u>	<u>72,045,906</u>	<u>63,618,633</u>	<u>4,844,548</u>	<u>68,463,181</u>
<b>Expenses</b>						
Program services						
Humane Conservation	8,241,622	-	8,241,622	6,269,859	-	6,269,859
No Animals Were Harmed	11,519,762	-	11,519,762	9,983,062	-	9,983,062
Humane Rescue	14,809,449	-	14,809,449	4,658,424	-	4,658,424
Pups4Patriots and Reunification	7,805,413	-	7,805,413	13,687,995	-	13,687,995
Farm Animal Program	6,749,378	-	6,749,378	5,896,911	-	5,896,911
Other program services	<u>10,507,118</u>	<u>-</u>	<u>10,507,118</u>	<u>16,603,647</u>	<u>-</u>	<u>16,603,647</u>
Total program services	<u>59,632,742</u>	<u>-</u>	<u>59,632,742</u>	<u>57,099,898</u>	<u>-</u>	<u>57,099,898</u>
Supporting services						
Philanthropic services and fundraising	6,234,930	-	6,234,930	5,682,951	-	5,682,951
General administration	<u>3,101,773</u>	<u>-</u>	<u>3,101,773</u>	<u>2,445,002</u>	<u>-</u>	<u>2,445,002</u>
Total supporting services	<u>9,336,703</u>	<u>-</u>	<u>9,336,703</u>	<u>8,127,953</u>	<u>-</u>	<u>8,127,953</u>
Total expenses	<u>68,969,445</u>	<u>-</u>	<u>68,969,445</u>	<u>65,227,851</u>	<u>-</u>	<u>65,227,851</u>
<b>Change in net assets</b>	(652,204)	3,728,665	3,076,461	(1,609,218)	4,844,548	3,235,330
<b>Net assets</b>						
Beginning of year	<u>14,542,940</u>	<u>16,048,052</u>	<u>30,590,992</u>	<u>16,152,158</u>	<u>11,203,504</u>	<u>27,355,662</u>
End of year	<u>\$ 13,890,736</u>	<u>\$ 19,776,717</u>	<u>\$ 33,667,453</u>	<u>\$ 14,542,940</u>	<u>\$ 16,048,052</u>	<u>\$ 30,590,992</u>

See accompanying notes to consolidated financial statements.

**AMERICAN HUMANE ASSOCIATION,  
DBA AMERICAN HUMANE SOCIETY**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Program Services						Supporting Services			Total Expenses	
	Humane Conservation	No Animals Were Harmed	Humane Rescue	Pups4Patriots and Reunification	Farm Animal Program	Other Program Services	Total	Philanthropic Services and Fundraising	General Administration		Total
Salaries	\$ 1,038,542	\$ 3,528,853	\$ 735,578	\$ 531,749	\$ 1,167,005	\$ 1,281,079	\$ 8,282,806	\$ 2,196,539	\$ 1,209,592	\$ 3,406,131	\$ 11,688,937
Benefits	225,803	690,939	189,281	118,170	269,737	288,610	1,782,540	520,499	335,474	855,973	2,638,513
Professional services	1,202,976	529,296	390,801	331,326	332,852	1,278,194	4,065,445	993,241	686,929	1,680,170	5,745,615
Subcontractors	79,489	799,876	8,809	330,298	1,070,446	41,815	2,330,733	-	-	-	2,330,733
Tradeshows and events	294,244	30,076	43,291	94,050	94,476	418,962	975,099	70,090	35,865	105,955	1,081,054
Travel	497,255	1,312,490	181,534	148,369	125,103	403,316	2,668,067	179,420	102,692	282,112	2,950,179
Depreciation and amortization	12,219	79,347	18,361	9,593	37,494	257,240	414,254	53,752	41,948	95,700	509,954
Dues and subscriptions	79,031	92,335	29,953	15,960	175,755	62,286	455,320	257,489	114,512	372,001	827,321
Grant distributions	560,553	3,596	22,568	55,798	5,636	10,033	658,184	4,279	3,954	8,233	666,417
Lease expense	148,597	288,413	113,042	29,923	73,343	166,806	820,124	89,225	142,734	231,959	1,052,083
Miscellaneous	39,413	18,167	15,452	7,541	39,229	252,937	372,739	57,811	108,788	166,599	539,338
Outreach and promotion	100,099	126,129	516,793	504,509	71,735	128,939	1,448,204	92,295	8,467	100,762	1,548,966
Postage	20,404	21,274	13,808	19,831	11,928	18,084	105,329	206,610	7,701	214,311	319,640
Printing	29,320	26,120	33,587	20,008	22,136	51,277	182,448	457,006	5,683	462,689	645,137
Supplies	68,472	110,943	99,960	29,362	29,052	72,977	410,766	31,844	16,771	48,615	459,381
Taxes, licenses and fees	133,691	46,620	8,248	3,476	6,897	193,391	392,323	62,423	91,251	153,674	545,997
Telecommunications	915	14,885	4,601	458	998	2,925	24,782	1,664	52	1,716	26,498
Donated goods and services	3,710,599	3,800,403	12,383,782	5,554,992	3,215,556	5,578,247	34,243,579	894,580	189,360	1,083,940	35,327,519
List purchases	-	-	-	-	-	-	-	66,163	-	66,163	66,163
<b>Total expenses</b>	<b>\$ 8,241,622</b>	<b>\$ 11,519,762</b>	<b>\$ 14,809,449</b>	<b>\$ 7,805,413</b>	<b>\$ 6,749,378</b>	<b>\$ 10,507,118</b>	<b>\$ 59,632,742</b>	<b>\$ 6,234,930</b>	<b>\$ 3,101,773</b>	<b>\$ 9,336,703</b>	<b>\$ 68,969,445</b>

See accompanying notes to consolidated financial statements.

**AMERICAN HUMANE ASSOCIATION,  
DBA AMERICAN HUMANE SOCIETY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	Program Services						Supporting Services			Total Expenses	
	Humane Conservation	No Animals Were Harmed	Humane Rescue	Pups4Patriots and Reunification	Farm Animal Program	Other Program Services	Total	Philanthropic Services and Fundraising	General Administration		Total
Salaries	\$ 648,534	\$ 3,170,312	\$ 516,095	\$ 488,958	\$ 858,043	\$ 1,073,401	\$ 6,755,343	\$ 2,012,544	\$ 1,168,601	\$ 3,181,145	\$ 9,936,488
Benefits	136,216	594,231	109,518	102,387	183,919	225,314	1,351,585	433,261	249,852	683,113	2,034,698
Professional services	927,504	287,674	95,130	299,132	221,597	1,429,544	3,260,581	904,564	340,693	1,245,257	4,505,838
Subcontractors	137,193	547,479	1,986	280,287	851,611	12,000	1,830,556	-	-	-	1,830,556
Tradeshows and events	193,876	6,856	6,888	234,477	20,708	315,890	778,695	65,170	27,302	92,472	871,167
Travel	333,235	890,270	147,181	144,791	74,088	527,291	2,116,856	153,135	89,553	242,688	2,359,544
Depreciation and amortization	6,386	81,692	15,194	7,815	33,652	329,258	473,997	48,750	7,675	56,425	530,422
Dues and subscriptions	46,014	80,293	17,572	12,432	135,197	40,532	332,040	325,232	24,405	349,637	681,677
Equipment lease and repair	614	27,635	26,564	295	503	3,529	59,140	1,409	268	1,677	60,817
Grant distributions	127,096	2,500	25,500	1,250	1,250	15,290	172,886	3,750	2,500	6,250	179,136
Lease expense	44,158	288,975	104,078	31,351	61,322	324,177	854,061	94,000	130,421	224,421	1,078,482
Miscellaneous	15,462	8,736	10,895	21,193	2,234	18,146	76,666	5,575	9,841	15,416	92,082
Outreach and promotion	58,536	109,739	248,845	305,548	52,649	183,580	958,897	85,505	6,048	91,553	1,050,450
Postage	14,485	16,081	5,446	12,510	7,937	22,519	78,978	132,190	3,876	136,066	215,044
Printing	22,563	16,481	15,006	27,989	14,097	40,207	136,343	371,405	4,154	375,559	511,902
Supplies	12,386	19,186	17,817	17,152	2,529	17,126	86,196	6,959	3,148	10,107	96,303
Taxes, licenses and fees	4,986	32,309	4,322	3,278	3,837	156,645	205,377	60,376	115,359	175,735	381,112
Telecommunications	7,708	40,957	10,129	2,899	5,769	16,669	84,131	15,831	6,557	22,388	106,519
Donated goods and services	3,532,907	3,761,656	3,280,258	11,694,251	3,365,969	11,852,529	37,487,570	926,082	254,749	1,180,831	38,668,401
List purchases	-	-	-	-	-	-	-	37,213	-	37,213	37,213
<b>Total expenses</b>	<b>\$ 6,269,859</b>	<b>\$ 9,983,062</b>	<b>\$ 4,658,424</b>	<b>\$ 13,687,995</b>	<b>\$ 5,896,911</b>	<b>\$ 16,603,647</b>	<b>\$ 57,099,898</b>	<b>\$ 5,682,951</b>	<b>\$ 2,445,002</b>	<b>\$ 8,127,953</b>	<b>\$ 65,227,851</b>

See accompanying notes to consolidated financial statements.



**AMERICAN HUMANE ASSOCIATION,  
DBA AMERICAN HUMANE SOCIETY**

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 3,076,461	\$ 3,235,330
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	433,708	514,606
Bad debts and losses on uncollectible contributions receivable	-	28,490
Amortization of capitalized software	76,246	37,036
Amortization of operating right-of-use asset	330,511	318,647
Loss (gain) on disposal of property and equipment	(56,325)	-
Net (gains) loss on investments	(1,941,421)	(2,357,274)
Change in value of beneficial interest in charitable trusts	(404,048)	(434,832)
Change in value of obligations under charitable gift annuities	(91,154)	137,464
Change in operating assets		
Accounts receivable	751,684	(219,632)
Grants and contributions receivable	(2,070,467)	(1,456,462)
Prepayments and deposits	(91,165)	67,825
Change in operating liabilities		
Accounts payable	327,826	(111,171)
Accrued expenses and other liabilities	(1,499,493)	2,143,405
Deferred revenue	(501,352)	144,265
Operating lease liability	(425,298)	(392,142)
Net cash (used for) provided by operating activities	(2,084,287)	1,655,555
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	19,940,227	4,721,273
Purchases of investments	(19,137,660)	(4,961,999)
Proceeds from sale of property and equipment	2,400,000	-
Purchases of property and equipment	(2,215,301)	(4,286,813)
Net cash provided by (used for) investing activities	987,266	(4,527,539)
<b>Cash flows from financing activities</b>		
Liabilities assumed under charitable gift annuities	308,183	65,949
Payments to charitable gift annuitants	(166,424)	(150,754)
Borrowing under line of credit	5,365,525	4,255,269
Repayment of line of credit	(5,255,269)	-
Net cash provided by financing activities	252,015	4,170,464
<b>Net change in cash and cash equivalents</b>	(845,006)	1,298,480
<b>Cash and cash equivalents</b>		
Beginning of year	2,528,585	1,230,105
End of year	\$ 1,683,579	\$ 2,528,585

See accompanying notes to consolidated financial statements.



**AMERICAN HUMANE ASSOCIATION,  
DBA AMERICAN HUMANE SOCIETY**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

**NOTE 1. ORGANIZATION**

Founded in 1877, American Humane Association, DBA American Humane Society (American Humane Society) is committed to rescuing, caring for and protecting animals. Our leadership programs are dedicated to promoting and nurturing the bonds between animals and people. In 2025, Global Humane Society continues to expand as the worldwide arm of American Humane Society with programs deployed now in 60 countries.

In November 2023, Global Humane Conservation Fund of Africa (GH-CFA), a South African nonprofit company, was established to focus on conserving, rewilding, and safeguarding Africa's diverse ecosystems and wildlife. Through strategic initiatives – Space for Species, Wildlife & Biodiversity, and Conservation for Communities, GH-CFA strives to create safe habitats, enhance genetic diversity, and promote the interconnectedness of all species.

American Humane Society carries out its mission through the following programs:

**Humane Conservation**

American Humane Certified Zoos and Aquariums

In the face of what scientists are calling a “Sixth Mass Extinction” with species disappearing at an unprecedented rate, zoos and aquariums are playing an outsized role in preserving the vital web of life on Earth. To elevate standards and shine a spotlight on those who take good care of their animals, American Humane Society developed the first-ever independent, global, and science-based humane certification dedicated solely to helping ensure the welfare and humane treatment of the animals in the world's zoos, aquariums, and conservation centers. Animal welfare standards are regularly reviewed by the program's Scientific Advisory Committee, an international group of animal science experts, veterinarians, and ethicists.

Fewer than three percent of zoological institutions worldwide are accredited or certified. While industry-affiliated associations offer programs for broad accreditation of business practices, American Humane Certified™ is the only independent, third-party certification effort solely devoted to the humane treatment of animals in zoos, aquariums, and other conservation organizations.



## NOTE 1. ORGANIZATION (CONTINUED)

The American Humane Certified™ program offers three levels of transparent and credible assurance:

- **Uniquely Qualified, Trusted Humane Organization:** American Humane Society is the world's largest certifier of animal welfare, protecting more than 1 billion animals around the globe with the most recognized, credible, and respected humane programs. These include the world's largest farm animal welfare certification program and the historic "No Animals Were Harmed®" film certification.
- **Comprehensive Welfare Criteria Developed by Top Experts:** The program is built on comprehensive welfare criteria informed by an unmatched, independent Scientific Advisory Committee made up of highly respected experts in animal welfare, animal science, behavior, and animal ethics.
- **Independent Verification:** Implementation of these rigorous welfare measures are verified by independent auditors with extensive zoological expertise in animal science and welfare.

We are proud to announce the following accomplishments on behalf of the remarkable and endangered animals with whom we share the Earth.

- **Helping protect species in zoological settings worldwide:** American Humane Society advances the welfare and humane treatment of nearly 500,000 animals at 85 leading zoological facilities around the world. Fewer than one percent of zoos and aquariums have earned our prestigious Humane Certified™ seal of approval.
- **Global expansion:** Major institutions around the world are lining up to become American Humane Certified™ and we now certify major zoological facilities in dozens of countries in North America, the Caribbean, Europe, Asia and the Middle East.
- **Award-winning conservation films launched:** To counter the "Sixth Mass Extinction" now taking place and rally a new generation of advocates for the preservation of Earth's precious animals, American Humane Society has created two documentary films, "Escape from Extinction," narrated by Oscar-winning actress Dame Helen Mirren and "Escape from Extinction: Rewilding," narrated by Oscar-winning actress Meryl Streep. The films have galvanized animal lovers around the world.
- **Raised public awareness for humane conservation:** Millions of people have been reached through our educational videos and national TV and radio Public Service Announcements about the vital role of zoos and aquariums in conservation.



## NOTE 1. ORGANIZATION (CONTINUED)

### Wolfgang Kiessling International Prize for Species Conservation

#### Honoring the Heroes of Global Animal Conservation

At American Humane Society, we recognize that the work to preserve Earth's species is more critical than ever. Equally important are the scientists, researchers, and advocates dedicating their lives to conservation.

To honor those making significant contributions in conservation theory, practice, and research, American Humane Society launched the Wolfgang Kiessling International Prize for Species Conservation in 2022.

This prestigious annual award celebrates conservationists who have made measurable impacts on species conservation. It is named after Wolfgang F. Kiessling, founder of Loro Parque and a globally renowned leader in conservation. Following a rigorous application and review process led by global conservation experts, the Prize is awarded to one outstanding conservationist.

The inaugural 2022 recipient was Prof. Jon Paul Rodriguez, Chair of the Species Survival Commission of the International Union for Conservation of Nature. In 2023, Prof. Theo Pagel of Cologne Zoo, Germany, received the Prize for his work on sustainability strategies and guidelines for conservation education as president of the World Association of Zoos and Aquariums. He also co-chaired the international Reverse the Red (RtR) initiative. In 2024, Dr. Arnaud Desbiez received the Prize for his work to find socially inclusive solutions to biodiversity threats in four Brazilian biomes: Pantanal, Cerrado, Atlantic Forest, and the Amazon.

We are proud to announce that the 2025 Prize was awarded to Dr. Kathleen Dudzinski, a pioneering marine mammalogist and expert in dolphin communication. A leading marine mammal scientist with over 30 years of experience, her comparative research bridges conservation science and public education, offering data-driven insights that support animal welfare and ocean advocacy.

### American Humane Certified Ecotourism

As millions of people worldwide seek to connect with Earth's wildlife, Global Humane Society has identified a vital opportunity to leverage our animal welfare expertise by creating a humane tourism certification program. This program assesses and certifies wildlife reserves, lodges, and tour operators for their humane treatment of animals they may encounter or impact, built on the same foundation of science and evidence-based practices for which we are renowned.

The Humane Tourism initiative is guided by a Scientific Advisory Committee of animal welfare experts who specialize in the complex relationship between tourism and wildlife. Their input has shaped comprehensive welfare criteria and rigorous standards, which are verified through independent, on-site audits for any operation seeking Humane Tourism™ certification. Since its launch in late 2023, we have certified six leading entities in Africa and will continue to drive this innovative program forward.



## NOTE 1. ORGANIZATION (CONTINUED)

### **American Humane Certified No Animals Were Harmed®**

American Humane Society's "No Animals Were Harmed®" certification program was – and is the first to protect animals in film and television, safeguarding millions of animals on tens of thousands of productions worldwide for more than 80 years. Since 1940, our program has been at the forefront of animal welfare in filmed entertainment. We are the leading industry-sanctioned organization with oversight of animals in filmed production and the sole entity to award the internationally recognized No Animals Were Harmed® end-credit certification to productions that meet our rigorous standard of care.

The purpose of the No Animals Were Harmed® certification program is to help ensure that film productions meet the requirements of our "No Animals Were Harmed®" keeping animals safe on sets, which also results in greater safety for human actors. The program fundamentally:

- Works to protect animals used in film, television and commercial production, no matter where filming occurs, during the production and on set.
- Educates and informs film industry professionals and the public regarding the humane treatment of animal actors in the global media community.
- Verifies American Humane Society's *Guidelines for the Safe Use of Animals in Filmed Media* with specially trained Certified Animal Safety Representatives™, many of whom are veterinarians.

### **American Humane Rescue**

For more than 100 years, American Humane Society's Rescue teams have helped animals suffering in natural disasters as well as human-made cases of cruelty, neglect, or hoarding. American Humane Rescue teams save, feed, and shelter animals in crisis, and provide lifesaving tips and disaster preparation training before, during, and after disasters. First responders travel the nation with a fleet of specially equipped rescue vehicles.

American Humane Rescue serves the animal victims of unimaginable cruelty and abuse. Our emergency rescue team collaborates with local law enforcement agencies on large-scale animal cruelty investigations, involving everything from hoarding cases to puppy mills and dogfighting operations.

Whenever and wherever tragedy strikes, whether a natural disaster or an incident of deplorable abuse, American Humane Rescue is there for animals. The program's purpose is to provide intervention for communities in crisis and to build more humane communities nationwide through training, grants, shelter support, and humane education.



## NOTE 1. ORGANIZATION (CONTINUED)

In January 2025, the Rescue team deployed to Los Angeles in response to massive and devastating wildfires. In addition to in-field rescue operations, our team transported more than 300 long-term shelter animals to other states, provided veterinary care to more than 100 displaced pets in shelters and the community, and distributed more than 10,000 pounds of cat and dog food to animals in need.

**Trained more rescuers:** American Humane Society provided a series of first responder Rescue trainings throughout the year. Class participants received hands-on education about dog and cat behavior and proper handling techniques, how to prepare their pets and community for a disaster, and essential components of deploying as an American Humane Rescue first responder.

### **American Humane Military Working Dog Reunification**

American Humane Society is committed to helping America's veterans and recognizing their heroic contributions to the United States – both on and off the battlefield. American Humane Society has worked with the U.S. military for over a century: The animal rescue program was born on the battlefields of World War I Europe, where, at the request of the U.S. Secretary of War, volunteers with American Humane Society deployed to rescue and care for 68,000 wounded war horses each month.

We continue to proudly honor this legacy today through our program that reunites retired military working dogs with their former handlers. American Humane Society raises funds to cover the costs of transportation and coordinates the reunification process. Additionally, we provide lifetime veterinary care for the dogs we reunite with their handlers, supporting their health and happiness for years to come.

### **American Humane Pups4Patriots™ Program**

American Humane Society helps provide lifesaving service dogs to veterans and retired first responders suffering from Post-Traumatic Stress (PTS) and/or Traumatic Brain Injury (TBI). Research shows that specially trained service dogs can reduce stress and anxiety levels, mitigate depression, ease social reintegration, provide comfort and restore confidence in affected veterans and first responders. However, many obstacles often prevent these heroes from gaining access to service dogs. American Humane Society bridges a critical gap of care and companionship. Pups4Patriots dogs are trained according to American Humane Society's service dog guidelines — an approach informed by a Scientific Advisory Committee of veteran experts, mental health professionals, scientists, animal welfare specialists, veterinarians, dog trainers and other key advocates.

### **American Humane Certified Farm Program**

American Humane Society believes people should be able to follow their food preference and find humanely raised dairy, meat, and egg products.



## NOTE 1. ORGANIZATION (CONTINUED)

The American Humane Certified™ Farm Program is the first welfare certification program in the United States to help ensure the humane treatment of farm animals. The American Humane Certified™ farm program is the oldest, largest, and fastest-growing auditing and certification effort in the country. The purpose of this vital program is to help improve and verify the treatment of animals on farms and ranches utilizing evidence and science-based welfare standards, and to educate consumers and people involved in the food supply chain about the significance and benefits of the humane treatment of farm animals.

This program certifies the humane treatment of more animals in food production than any other and has expanded into South America.

Farm animal welfare standards are frequently reviewed by the program's Scientific Advisory Committee, an international group of animal science experts, veterinarians, and ethicists. Third-party audits are conducted annually by independent auditors, and are based on the science and evidence-based American Humane Certified standards.

The program covers thousands of farms and ranches throughout the United States and abroad. The American Humane Certified™ seal is now found on many products in grocery stores, including dairy, chicken, turkey, pork, ducks, and eggs.

### **American Humane Hero Dog Awards®**

The American Humane Hero Dog Awards® is an annual, nationwide competition that searches out and recognizes America's Hero Dogs – often ordinary dogs who do extraordinary things, whether it's saving lives on the battlefield, lending sight or hearing to a human companion, or helping people achieve their goals. Dogs are honored in multiple categories for the Hero Dog Awards:

- Law Enforcement and First Responder Dogs – This category broadly includes dogs that are critical to first responders, that safeguard the public, and that find the missing and victims of disasters. Law enforcement dogs' ability to help protect their human handlers, thwart lawbreakers, and find evidence makes them true partners to first responders. Scent detection dogs can accurately detect a variety of targets, including correctly identifying a multitude of diseases and flora and fauna, and are used to detect illicit substances, drugs, fire accelerants, firearms, or explosives. Search and Rescue dogs are trained to find the missing, from those lost in the wilderness or city to victims of accidents and natural disasters.
- Service and Guide/Hearing Dogs – Service Dogs are trained to perform specific tasks for people with disabilities as defined by the Americans with Disabilities Act (ADA). They can be trained to work with people with physical mobility needs or limitations, or people who need alerts to medical conditions. They can also serve as the “eyes and ears” for the blind and/or deaf or perform tasks for those with psychiatric disabilities such as Post Traumatic Stress or Traumatic Brain Injury.



## NOTE 1. ORGANIZATION (CONTINUED)

These specially trained dogs can even help by retrieving or manipulating objects that are out of their person's reach, alerting bystanders and retrieving help for their handler, leading while avoiding distractions and obstacles, and many other individual tasks as needed by a person with a disability. These heroes not only improve the lives of the people with whom they work, but also keep them safe every day.

- **Therapy Dogs – Credentialed Animal-Assisted Therapy (AAT) Dogs** are part of a therapeutic plan to aid with physical, social, emotional, and cognitive challenges for persons other than the dog's owner/handler. AAT has been shown to help enhance the lives of people in need such as children who have experienced abuse or neglect, patients undergoing chemotherapy or other difficult medical treatments, and military veterans and their families who are struggling to cope with the effects of wartime military service. Studies have found that AAT lowers blood pressure, reduces stress and enhances a patient's ability to achieve physical and psychological wellness.
- **Military Dogs – Military working dogs** first entered the service in 1942 to serve in the Army's K-9 Corps. Today, these dogs are still playing an active role in searching for explosives and seizing enemies. Military working dogs have been used by the U.S. armed forces since World War I. In World War II, 436 scout dogs walked combat patrols overseas, often detecting the enemy at 1,000 yards, long before the enemy became aware of them. Dogs continued to serve with distinction in other conflicts, such as Korea, where the Army used about 1,500 dogs, primarily for guard duty. During the Vietnam War, nearly 4,000 dogs were employed and, officially, 281 were killed in action. Today's conflicts include dogs at every level, still serving our country, helping to protect our troops.
- **Emerging Hero and Shelter Dogs** – Just as our understanding of animal behavior and science is ever expanding, so too do the amazing stories of the human animal bond in action. Dogs in this category can be nominated for doing heroic deeds, large or small; for overcoming difficult odds; or by having a remarkable rescue story like the millions of homeless dogs in shelters, on the streets, or needing help from unfavorable situations. Whether it was a second chance and a new "leash" on life or just a perfect fit that was meant to be, these dogs highlight what it means to be man's best friend.

After voting by the American public, winners in each category are honored at the star-studded American Humane Hero Dog Awards® gala in Palm Beach, Florida.

This popular, yearly national campaign draws hundreds of courageous canines from across the country, more than a million votes by the American public, and four billion media impressions, including features by NBC Nightly News with Lester Holt – Kid's Edition, TODAY show and PEOPLE magazine.



## NOTE 1. ORGANIZATION (CONTINUED)

### American Humane Society Sanctuary

During fiscal year 2024, American Humane Society purchased a 14.2-acre property in Palm City, Florida, as the new home of the American Humane Society Sanctuary.

Following the sale of the original West Palm Beach property, all operations transitioned to the new location.

Strategically located in Palm City, the Sanctuary is home to several key programs:

- **Pups4Patriots:** The new facility will host our first residential training program, helping veterans receive service dogs faster. Graduates will also have opportunities for advanced training in this therapeutic environment.
- **Animal Rescue:** The Sanctuary will train American Humane Society first responders to deploy to natural disasters worldwide. Rescue Vehicles will be stationed on-site for tours and educational purposes.
- **Betty White Healing Garden:** A life-sized bronze sculpture of Betty White will welcome visitors, honoring her legacy as a supporter of American Humane Society.

In addition, the Sanctuary features state-of-the-art facilities currently under renovation, including:

- **Multi-Species Barn and Farm Paddocks:** Rescue animals, including dogs, cats, rabbits, cows, ducks, and more, will be cared for in a multi-species farm setting.
- **Veterinary Triage Center:** Located in the 9,000 sq. ft. multi-species barn, the center will provide first aid and critical care for animals.

The Sanctuary serves as a retreat for wounded veterans, where they will be paired with service dogs, and a rescue center offering hope, healing, and transformative experiences. This innovative humane home will benefit animals, veterans, and advocates for generations, showcasing American Humane Society's commitment to lifesaving services and education.

### American Humane Certified Pet Providers

Pets have always held a special place in our lives, and it is important to consider not only where they come from but also who cares for them before they join our families. Pet providers who meet American Humane Society's rigorous certification standards set themselves apart, giving pet owners confidence that their pets were treated humanely throughout the process.

The humane treatment of all animals is a core principle at American Humane Society. When consumers see the American Humane Certified™ seal, they can trust their pets have received high levels of care and attention.



## NOTE 1. ORGANIZATION (CONTINUED)

Following rigorous audits administered by American Humane Society auditors, certified pet providers are awarded the coveted American Humane Certified™ seal of approval. Animal welfare standards are regularly reviewed by the program's Scientific Advisory Committee, an international group of animal science experts, veterinarians, and ethicists. Certified providers should be commended for proactively taking the next step to ensure animals in their care are treated humanely and ethically.

### **American Humane Certified Working Animals**

The American Humane Certified Working Animals™ program helps verify the welfare and humane treatment of animals wherever they live and work. American Humane's Working Animals™ Certification program audit assesses the condition, well-being, and welfare of domesticated animals trained to perform certain specialized tasks, which may appear at public demonstrations, performances and/or appearances.

The program enforces rigorous, science-based, and comprehensive criteria for animal welfare, reviewed by an independent Scientific Advisory Committee composed of world-renowned leaders in the fields of animal science, veterinary medicine, and animal behavior.

Areas of certification evaluation include - but are not limited to - housing and environment, animal health, appearance and behavior, nutrition, veterinary care, and cleanliness/sanitation. In addition to permanent housing facilities, American Humane Society assesses transport, public performances, social interactions with the public, safe and stimulating temporary environments, and evidence of thorough preparation and protocols established to handle medical care.

### **Public Education, Prevention, and Outreach**

As the leader on animal welfare issues since 1877, news organizations are constantly seeking our expertise and commentary. We work with thousands of local, regional, and national news groups to get out lifesaving information and spread our message of compassion, caring and hope. Highlights of our educational outreach include:

- **Reaching the world with our humane messages**, reaching millions of people, encouraging them to be kind to animals and providing them with tools to create a more compassionate world.
- **Generating major news stories on helping animals** carried by prominent national publications, newspapers, magazines, and news stations.
- **Our award-winning national television and radio PSAs and billboard campaigns** are reaching millions of people each year with lifesaving information, messages of compassion, and practical ways the public can support humane farming, humane conservation of the world's remarkable and endangered creatures, veterans needing service dogs, and animals caught in disasters and cruelty



## NOTE 1. ORGANIZATION (CONTINUED)

cases. To encourage people to rescue, adopt and save animals in need, American Humane Society ran billboards across the country reminding people to “Be a Hero.”

- **Teaching kids to be kind:** For the 107<sup>th</sup> annual “Be Kind to Animals Week,” the oldest commemorative week in U.S. history, American Humane Society unveiled a Spanish version of its comprehensive website featuring free, humane-themed math and language arts lesson for kids from Pre-K to Grade 5, along with downloadable Be Kind to Animals posters, a pledge with simple ways to protect the animals in our lives, and a fascinating historical retrospective – all of which were sent to teachers and classrooms across the country. Building a better world for all of us begins with teaching the next generation to respect and value living beings . . . and this robust campaign was designed to do just that for millions of future members of the Compassion Movement.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying consolidated financial statements of American Humane Society have been prepared on the accrual basis of accounting.

### Principles of Consolidation

The consolidated financial statements include the accounts of American Humane Association and GH-CFA, collectively American Humane Society. Significant inter-entity accounts and transactions have been eliminated in consolidation.

### Cash and Cash Equivalents

American Humane Society considers all highly liquid financial instruments with original maturities of three months or less and which are not held for long-term purposes to be cash equivalents. Cash and highly liquid financial instruments restricted to endowments are excluded from operating cash.

### Investments

Investment purchases are initially recorded at cost or, if contributed to American Humane Society, at their fair values on the date of contribution. Investments are reported at their fair values in the consolidated statements of financial position, and unrealized gains and losses are included in the consolidated statements of activities. Net investment return consists of American Humane Society's interest and dividend income and realized and unrealized capital gains and losses generated from American Humane Society's investments, less investment management and custodial fees.



## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Accounts Receivable**

Accounts receivable represent amounts due resulting from the performance of services provided to other organizations. At each consolidated financial position date, American Humane Society recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Management has determined that substantially all receivable balances are collectible; therefore, no allowance for credit losses has been recorded at June 30, 2025 and 2024.

### **Promises to Give**

Unconditional promises to give expected to be collected within one year are reported at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates applicable to the years in which the promises are received.

Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions have been substantially met. The allowance for uncollectible promises to give is determined by management based upon historical experience, an assessment of the current economic environment, and analysis of subsequent events. There was no allowance for doubtful accounts as of June 30, 2025 and 2024.

### **Property and Equipment**

Property and equipment additions are recorded at cost or, if donated, at the estimated fair value at the date of receipt. American Humane Society capitalizes all property and equipment additions over \$5,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense accounts when incurred.

### **Impairment of Long-Lived Assets**

American Humane Society reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced - by a charge reflected in the consolidated statements of activities - to its estimated fair value. Management has determined that no long-lived assets were impaired during the years ended June 30, 2025 and 2024; as such, no impairment losses were recognized during those years.



## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Leases**

In its consolidated statements of financial position, American Humane Society records a right-of-use asset and lease liability, initially measured at the present value of total lease payments using a risk-free rate that approximates the remaining term of the lease. American Humane Society considers the likelihood of exercising renewal or termination clauses (if any) in measuring its right-of-use assets and lease liabilities. A single lease cost is calculated so that the cost of the lease is allocated over the lease term on a straight-line basis. Short-term leases (those with an initial term of twelve months or less and no purchase option) are expensed over their terms, with no corresponding right-of-use asset or lease liability recorded. American Humane Society does not separate non-lease components (if any) from lease components in determining the lease payments for leases of office equipment.

### **Capitalized Software Costs**

In accordance with U.S. generally accepted accounting principles, the costs of application development for internal use software have been capitalized. This includes external and internal costs. Amortization is computed using the straight-line method over the estimated useful life of the assets, 5 years. Total amortization for the years ended June 30, 2025 and 2024, was \$76,246 and \$37,036, respectively, and is included in the dues and subscriptions line item on the consolidated statements of functional expenses.

### **Net Assets Without Donor Restrictions**

Net assets without donor restrictions are available for use in general operations.

### **Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of amounts that are subject to donor restrictions that may or will be met by expenditures or actions of American Humane Society and/or the passage of time, and certain income earned on net assets with perpetual donor restrictions.

American Humane Society reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 consolidated statements of activities as net assets released from restrictions.

Net assets with perpetual donor restrictions consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of American Humane Society. The restrictions stipulate that resources be maintained permanently but permit American Humane Society to expend the income generated in accordance with the provisions of the agreement.



## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Revenue Recognition**

Revenue is derived from both exchange transactions and contribution transactions. Revenue from exchange transactions is recognized when control of promised goods or services is transferred to American Humane Society's customers, in an amount that reflects the consideration they expect to be entitled to in exchange for those goods or services. Revenue from royalties and service fees are recognized over time as sales are made and services are provided. All other revenue from exchange transactions is recognized at the point in time when goods and services are delivered. Unconditional contributions are recognized upon receipt of cash or other assets, or when a donor promises to transfer cash or other assets in the future. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been substantially met.

### **Contributions and Grants**

Contributions and grants received are reported as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions.

Support, including investment income, which is restricted by the donor, is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in 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 statements of activities as net assets released from restrictions.

### **Bequests**

American Humane Society, if informed that it has been named beneficiary under certain wills, does not include bequest amounts in the consolidated financial statements relating to potential distributions if they may be revoked or amended during the makers' lifetimes. The donation is recognized once the will has gone through probate and American Humane Society has been notified of the award.

### **Contributed Nonfinancial Assets**

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. American Humane Society reports expirations of donor restrictions when the donated or acquired assets are placed in service. Volunteers contribute significant amounts of time to American Humane Society's program service activities and are measured at fair value whenever



## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

the recognition criteria have been met. American Humane Society also receives significant airtime and billboard space for PSAs, which are measured and reported at fair value. During the years ended June 30, 2025 and 2024, donated goods and services recognized in the consolidated financial statements totaled \$35,327,519 and \$38,668,401, respectively. Over 95% of the amounts recognized represent airtime and billboard space. Radio and TV airtime is valued using a combination of actual and estimated utilization reporting from TV Access which identifies the number of stations airing PSAs for Nielsen tracked stations and based on the National Association of Broadcasters (NAB) average airing value, assuming 3 releases per PSA and a 50% reduction for non-reporting stations. Billboard space is valued using reporting from TV Access which details total impressions and flips per month with a dollar value associated. There are no restrictions on the usage of the donated airtime and billboard space.

### **Functional Allocation of Expenses**

The costs of conducting its programs and supporting services activities of American Humane Society have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringe benefits are allocated based on employee time and effort. Common costs such as occupancy, depreciation and the like are allocated pro-rata based on headcount or total costs incurred.

### **Advertising Costs**

American Humane Society uses advertising to promote its programs among the constituencies it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2025 and 2024, advertising costs totaled \$391,542 and \$250,119, respectively.

### **Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of support, revenue, expenses, and distributions during the reporting period. Actual results could differ from those estimates.

### **Financial Instruments and Concentrations of Credit Risk**

American Humane Society manages deposit concentration risk by placing its temporary cash and money market accounts with various financial institutions considered to be high quality. At times, a significant portion of the funds may exceed Federal Deposit Insurance Corporation (FDIC) or other insurance limits. American Humane Society has not experienced any losses in such accounts.



## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

American Humane Society's investments are made in accordance with its board-approved investment policy and are monitored by management with the assistance of an outside investment advisor. Though the market values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of American Humane Society.

Credit risk associated with accounts receivable and promises to give is considered to be limited because of high historical collection rates and because a substantial portion of the amounts outstanding are due from individuals, foundations, and corporations supportive of American Humane Society's mission.

### **Accounting for Uncertain Tax Positions**

American Humane Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC), qualifies for the charitable contribution deduction under 170(b)(1)(A)(vi), and has been classified as an organization other than a private foundation under Section 509(a) of the IRC. However, income not directly related to American Humane Society's tax-exempt purpose is subject to taxation as unrelated business income. American Humane Society had no significant taxable income or income tax expense during the years ended June 30, 2025 and 2024.

American Humane Society believes it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status. American Humane Society's tax returns for fiscal years 2022 through 2024 are subject to examination by the Internal Revenue Service (IRS), generally for three years after they were filed.

## **NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

As part of American Humane Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. American Humane Society invests cash in excess of its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal. American Humane Society also has a line of credit available of \$11.47 million, of which \$5.37 million was borrowed as of June 30, 2025.



### NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (CONTINUED)

The following table represents American Humane Society's financial assets available to meet cash needs for general expenditures within one year of June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Total assets at end of year	\$ 46,683,085	\$ 45,544,080
Less: nonfinancial assets		
Prepaid expenses and deposits	(857,628)	(766,463)
Operating right-of-use asset	(2,092,445)	(2,422,956)
Capitalized software, net	(1,003,183)	(136,537)
Net property and equipment	(5,870,634)	(7,375,608)
Beneficial interest in charitable trust assets	<u>(6,471,330)</u>	<u>(6,067,282)</u>
Total financial assets at end of year	30,387,865	28,775,234
Less: amounts unavailable for general expenditures within one year		
Restricted by donor with time or purpose restrictions	(12,566,930)	(9,242,313)
Donor-restricted endowment funds and unexpended earnings	(738,457)	(738,457)
Accounts receivable due in more than one year	-	(23,000)
Investments held to fund charitable gift annuities	<u>(2,334,383)</u>	<u>(2,073,269)</u>
Total financial assets available for general expenditures within one year	<u>\$ 14,748,095</u>	<u>\$ 16,698,195</u>

### NOTE 4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Due in less than one year	\$ 3,934,907	\$ 2,732,240
Due in one to five years	2,900,000	2,000,000
Less: discount	<u>(203,700)</u>	<u>(171,500)</u>
	<u>\$ 6,631,207</u>	<u>\$ 4,560,740</u>

### NOTE 5. FAIR VALUE DISCLOSURES

American Humane Society follows the methods of fair value measurement described in the *Fair Value Measurements and Disclosures* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification to determine the fair values of all assets and liabilities required to be measured at fair value. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The hierarchy prioritizes the observable and unobservable inputs used to measure fair value into three broad levels, as described below:

Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities.



## NOTE 5. FAIR VALUE DISCLOSURES (CONTINUED)

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - Unobservable inputs are used when little or no market data is available.

In determining fair value, American Humane Society utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Following are descriptions of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used during the year ended June 30, 2025.

- Cash and cash equivalents: The carrying amount is a reasonable estimate of fair value.
- Mutual and exchange - traded funds: Valued at the closing price reported on the active markets on which the individual securities are traded.
- Beneficial interests in charitable trusts: Fair value of charitable remainder trusts is calculated as the value of the underlying trust assets as reported by the Trustee, discounted using life expectancy tables. Fair value of perpetual trusts represents American Humane Society's share of underlying trust assets as reported by the Trustees at year-end. Charitable trust assets are composed primarily of exchange traded securities.
- Obligations under split interest agreements: Liabilities under charitable gift annuities are recognized for present value of future cash flows expected to be paid to the donor. These liabilities are adjusted during the term of the annuities for payments and change in life expectancies.

Assets and liabilities measured at fair value on a recurring basis have been categorized into a hierarchy based on the observable and unobservable inputs used to determine fair value as of June 30, 2025 and 2024:

## NOTE 5. FAIR VALUE DISCLOSURES (CONTINUED)

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 409,858	\$ 409,858	\$ -	\$ -
Mutual and exchange-traded funds				
Equities	12,617,903	12,617,903	-	-
Fixed income	7,371,292	7,371,292	-	-
Non-traditional	-	-	-	-
	<u>\$20,399,053</u>	<u>\$20,399,053</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in charitable trusts	<u>\$ 6,471,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,471,330</u>
Obligations under charitable gift annuities	<u>\$ 1,485,618</u>	<u>\$ -</u>	<u>\$ 1,485,618</u>	<u>\$ -</u>
	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 375,994	\$ 375,994	\$ -	\$ -
Mutual and exchange-traded funds				
Equities	13,095,481	13,095,481	-	-
Fixed income	5,353,998	5,353,998	-	-
Non-traditional	434,726	434,726	-	-
	<u>\$19,260,199</u>	<u>\$19,260,199</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in charitable trusts	<u>\$ 6,067,282</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,067,282</u>
Obligations under charitable gift annuities	<u>\$ 1,435,013</u>	<u>\$ -</u>	<u>\$ 1,435,013</u>	<u>\$ -</u>

American Humane Society's beneficial interest in charitable trusts as of June 30, 2025 of approximately \$6.47 million includes American Humane Society's interest in 16 perpetual trusts having total assets of approximately \$79 million.

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2025 and 2024:

	Perpetual Trusts	Remainder Trusts	Total
Balance at June 30, 2023	\$ 5,632,450	\$ -	\$ 5,632,450
Change in value	<u>434,832</u>	<u>-</u>	<u>434,832</u>
Balance at June 30, 2024	6,067,282	-	6,067,282
Change in value	<u>404,048</u>	<u>-</u>	<u>404,048</u>
Balance at June 30, 2025	<u>\$ 6,471,330</u>	<u>\$ -</u>	<u>\$ 6,471,330</u>



## NOTE 6. NET INVESTMENT RETURN

Net investment return consisted of the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividend income	\$ 445,168	\$ 381,098
Unrealized gains (losses)	(2,466,167)	1,272,301
Realized gains	4,407,588	1,084,973
Investment fees	<u>(114,853)</u>	<u>(80,089)</u>
	2,271,736	2,658,283
Distributions from perpetual trusts	<u>262,030</u>	<u>215,064</u>
	<u>\$ 2,533,766</u>	<u>\$ 2,873,347</u>

## NOTE 7. ANNUITY AND TRUST AGREEMENTS

American Humane Society is the beneficiary of certain irrevocable charitable gift arrangements, as well as perpetual, lead, term and charitable remainder trusts administered by American Humane Society or banks and other financial institutions.

### Charitable Gift Annuities

American Humane Society has an unrestricted beneficial interest in various charitable gift annuities. In accordance with the gift agreements, American Humane Society pays a specified amount of earnings to named beneficiaries over their lifetimes. American Humane Society is the Trustee for these trusts. Generally, the assets received under the charitable gift annuities are reported at fair value and a corresponding liability is reflected equal to the net present value of future payments using a discount rate commensurate with the risks involved. The liability under these annuity agreements as of June 30, 2025 and 2024 was \$1,485,618 and \$1,435,013, respectively, and required amounts included in investments to fund the liability were \$2,334,383 and \$2,073,269, respectively.

### Beneficial Interests in Charitable Trusts

Term and charitable remainder trusts provide for the payment of distributions to the grantor or other designated beneficiaries over the stipulated term or designated beneficiaries' lifetimes. At the end of the trusts' terms, the remaining assets are available for American Humane Society's use. Lead trusts provide for payment of distributions to the charity over the life of the residual beneficiary or the term of the trust. No residual amount is received by the charity at the termination of the trust. Perpetual trusts provide for the distribution of the net income of the trust to American Humane Society; however, American Humane Society will never receive the assets of the trust. As of June 30, 2025 and 2024, the net present values of beneficial interests in charitable trusts were included in the consolidated statements of financial position as follows on the next page:



## NOTE 7. ANNUITY AND TRUST AGREEMENTS (CONTINUED)

	<u>2025</u>	<u>2024</u>
Perpetual trusts		
Fair value of assets held in perpetual trusts	\$ 6,471,330	\$ 6,067,282
	<u>\$ 6,471,330</u>	<u>\$ 6,067,282</u>

The income distributions from perpetual trusts for the years ended June 30, 2025 and 2024 totaled \$262,030 and \$215,064, respectively, and are available to American Humane Society for unrestricted use.

## NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Land	\$ 1,783,150	\$ 1,857,224
Buildings	3,024,545	4,562,342
Furniture and equipment	676,330	728,222
Leasehold improvements	893,429	879,334
Vehicles	1,325,046	1,166,200
Computer hardware and software	<u>1,367,044</u>	<u>1,348,740</u>
	9,069,544	10,542,062
Less: accumulated depreciation	<u>(3,198,910)</u>	<u>(3,166,454)</u>
	<u>\$ 5,870,634</u>	<u>\$ 7,375,608</u>

## NOTE 9. CONTRACT BALANCES

The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities associated with revenue from exchange transactions. Contract assets consist entirely of trade accounts receivable, which are recognized only to the extent it is probable that American Humane 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 American Humane Society receives advance payments from customers before revenue is recognized. Balances in these accounts as of the beginning and end of the years ended June 30, 2025 and 2024 are as follows on the next page:



## NOTE 9. CONTRACT BALANCES (CONTINUED)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts receivable			
Contract receivables	<u>\$ 1,674,026</u>	<u>\$ 2,425,710</u>	<u>\$ 2,234,568</u>
Deferred revenue			
Rights fees and other	<u>\$ 235,375</u>	<u>\$ 736,727</u>	<u>\$ 592,462</u>

## NOTE 10. LINE OF CREDIT

On June 28, 2021, American Humane Society entered into an open-ended line of credit demand loan with Deutsche Bank totaling \$6,000,000. Borrowings under this line of credit bear interest at 5.33% plus the London Interbank Offered Rate (LIBOR) as displayed on the appropriate page of the Reuters Monitor Money Rates Service Screen. Borrowings under the line are collateralized by all cash, securities, shares, certificates, investment property, security entitlements, promissory notes, instruments, rights, receivables, general intangibles, commodities and all property and financial assets of American Humane Society in the custody of the lender. As of December 4, 2024, the outstanding balance of \$5,255,269 was paid off and the line of credit was closed. On December 5, 2024, American Humane Society entered into an open-ended line of credit with Raymond James. In the year ending June 30, 2025, the amount of the line of credit is \$11,470,000. Borrowings under the line of credit bear interest at .75% plus the CME One Month Term SOFR. Borrowings under the line are collateralized by all property and financial assets of American Humane Society in the custody of the lender. As of June 30, 2025 and 2024, the outstanding balance on the lines of credit were \$5,365,525 and \$5,255,269, respectively.

## NOTE 11. ENDOWMENT

### General

American Humane Society's Endowment Fund was established by action of American Humane Society's Board of Directors (the Board) to be maintained in perpetuity. The Endowment Fund may include both donor restricted endowment funds as well as funds designated by the Board to function as endowments. The endowment funds may be established for either specific purposes or general operating use. As required by U.S. generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.



## NOTE 11. ENDOWMENT (CONTINUED)

### Interpretation of Relevant Law

The Board has interpreted the Washington, D.C. Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, American Humane Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by American Humane Society in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, American Humane Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of American Humane Society and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of American Humane Society; and
- Investment policies of American Humane Society.

### Changes in Endowment Net Assets

Changes in endowment net assets for the year ended June 30, 2025 were as follows:

	2025		
	With Temporary Donor Restrictions	With Perpetual Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 233,031	\$ 505,426	\$ 738,457
Appropriation for expenditure	-	-	-
Investment return	-	-	-
Contributions	-	-	-
Endowment net assets, end of year	<u>\$ 233,031</u>	<u>\$ 505,426</u>	<u>\$ 738,457</u>



## NOTE 11. ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2024 were as follows:

	2024		
	With Temporary Donor Restrictions	With Perpetual Donor Restrictions	Total
Endowment net assets, beginning of year	\$233,031	\$ 505,426	\$ 738,457
Appropriation for expenditure	-	-	-
Investment return	-	-	-
Contributions	-	-	-
Endowment net assets, end of year	<u>\$ 233,031</u>	<u>\$ 505,426</u>	<u>\$ 738,457</u>

### Return Objectives and Risk Parameters

The Endowment Fund is invested in perpetuity in accordance with an Endowment Policy adopted by the Board. The stated goal for the endowment is to generate a return which maintains purchasing power of the fund, as measured by the Consumer Price Index (CPI). Actual returns in any given year may vary from this amount.

### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, American Humane Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). American Humane Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

### Spending Policy and How the Investment Objectives Relate to the Spending Policy

American Humane Society has a policy of annually appropriating for distribution up to 5% of the beginning of the year principal and will therefore expect a portion of the endowment to be liquid. In establishing this policy, American Humane Society considered the long-term expected return on its endowment. Accordingly, over the long term, American Humane Society expects the current spending policy to allow its endowment to grow at an average of at least the CPI annually. This is consistent with American Humane Society's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. Appropriations may be made in the form of American Humane Society's expenditure budget on an annual basis.

## NOTE 12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 and 2024 consists of the following:

	<u>June 30, 2024</u>	<u>Additions</u>	<u>Released</u>	<u>June 30, 2025</u>
Temporary donor restrictions				
Contributions restricted for future periods	\$ 2,424,806	\$ -	\$ (624,806)	\$ 1,800,000
Contributions restricted for specific programs	6,817,507	7,400,745	(3,451,322)	10,766,930
Unexpended earnings on endowments	<u>233,031</u>	<u>-</u>	<u>-</u>	<u>233,031</u>
Total temporary donor restrictions	<u>9,475,344</u>	<u>7,400,745</u>	<u>(4,076,128)</u>	<u>12,799,961</u>
Perpetual donor restrictions				
Beneficial interest in perpetual trusts	6,067,282	404,048	-	6,471,330
Endowment funds with various income restrictions	<u>505,426</u>	<u>-</u>	<u>-</u>	<u>505,426</u>
Total perpetual donor restrictions	<u>6,572,708</u>	<u>404,048</u>	<u>-</u>	<u>6,976,756</u>
Total	<u>\$ 16,048,052</u>	<u>\$ 7,804,793</u>	<u>\$ (4,076,128)</u>	<u>\$ 19,776,717</u>
	<u>June 30, 2023</u>	<u>Additions</u>	<u>Released</u>	<u>June 30, 2024</u>
Temporary donor restrictions				
Contributions restricted for future periods	\$ 30,523	\$ 3,024,806	\$ (630,523)	\$ 2,424,806
Contributions restricted for specific programs	4,802,074	2,923,413	(907,980)	6,817,507
Unexpended earnings on endowments	<u>233,031</u>	<u>-</u>	<u>-</u>	<u>233,031</u>
Total temporary donor restrictions	<u>5,065,628</u>	<u>5,948,219</u>	<u>(1,538,503)</u>	<u>9,475,344</u>
Perpetual donor restrictions				
Beneficial interest in perpetual trusts	5,632,450	434,832	-	6,067,282
Endowment funds with various income restrictions	<u>505,426</u>	<u>-</u>	<u>-</u>	<u>505,426</u>
Total perpetual donor restrictions	<u>6,137,876</u>	<u>434,832</u>	<u>-</u>	<u>6,572,708</u>
Total	<u>\$ 11,203,504</u>	<u>\$ 6,383,051</u>	<u>\$ (1,538,503)</u>	<u>\$ 16,048,052</u>

## NOTE 13. COMMITMENTS

### Retirement Plans

American Humane Society maintains a tax-deferred retirement plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers substantially all full-time employees of American Humane Society. Employees may contribute a portion of their gross salaries to the 403(b) plan up to the maximum amount established by the IRS. American Humane Society contributes to the plan one-half of the amounts contributed by each employee electing to participate in the plan, up to a maximum employer contribution of 6% of gross wages. Employer contributions become fully vested after four years of service. During the years ended June 30, 2025 and 2024, American Humane Society contributed \$420,337 and \$322,961, respectively, to the plan.

On November 13, 2014, American Humane Society established a deferred compensation plan agreement under Internal Revenue Code Section 457(b). There was a contribution of \$68,500 and \$45,000 made under this arrangement during the years ended June 30, 2025 and 2024, respectively. Total amounts held as an asset and corresponding liability as of June 30, 2025 and 2024 were \$317,382 and \$216,782, respectively. On November 13, 2021, American Humane Society established a deferred



## NOTE 13. COMMITMENTS (CONTINUED)

compensation plan agreement under IRC Section 457(f). There was a contribution of \$83,000 and \$65,000 made under this arrangement during the years ended June 30, 2025 and 2024, respectively. Total amounts held as an asset and corresponding liability as of June 30, 2025 and 2024 were \$376,745 and \$252,821, respectively.

### Operating Lease Commitments

American Humane Society leases office space, equipment, and storage facilities under operating lease agreements that expire at various dates through March 31, 2033. Offices are located in Washington, D.C., Studio City, CA, Palm Beach, FL and South Africa. The office lease agreements generally contain renewal options and also require American Humane Society to pay its pro-rata share of increases in real estate taxes and operating expenses associated with the leased space. Rent expense related to all operating leases for the years ended June 30, 2025 and 2024 was \$426,554 and \$523,122, respectively.

Supplemental qualitative information related to operating leases is as follows:

Operating Leases	Year Ended June 30, 2025
Weighted-average lease term (years)	7.24 years
Weighted-average discount rate	2.88%

The maturity of the lease liabilities under American Humane Society's operating and finance leases as of June 30, 2025 are as follows:

Year ending June 30,	Operating
2026	\$ 525,766
2027	438,871
2028	449,029
2029	460,329
2030	418,704
Thereafter	<u>1,155,651</u>
Undiscounted future cash flows	3,448,350
Less: effects of discounting	<u>(349,861)</u>
Lease liability recognized	<u>\$ 3,098,489</u>

## NOTE 14. SIGNIFICANT UNCERTAINTIES/CONTINGENCIES

American Humane Society is named as defendant in cases from time to time. In the opinion of counsel and management, American Humane Society has adequate defenses for such actions and should not be liable for any significant amounts.



#### **NOTE 14. SIGNIFICANT UNCERTAINTIES/CONTINGENCIES (CONTINUED)**

American Humane Society invests in various investment securities. 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 amounts reported in the consolidated statements of financial position.

#### **NOTE 15. SUBSEQUENT EVENTS REVIEW**

Subsequent events have been evaluated through January 13, 2026, which is the date the consolidated financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying consolidated financial statements.