



**AMERICAN HUMANE ASSOCIATION,
DBA AMERICAN HUMANE - FIRST TO SERVE**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024





**AMERICAN HUMANE ASSOCIATION,
DBA AMERICAN HUMANE - FIRST TO SERVE**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
American Humane Association,
DBA American Humane - First to Serve

Opinion

We have audited the accompanying consolidated financial statements of the American Humane Association, DBA American Humane - First to Serve (American Humane), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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 as of June 30, 2024 and 2023, 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 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'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'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'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
October 16, 2024



**AMERICAN HUMANE ASSOCIATION,
DBA AMERICAN HUMANE - FIRST TO SERVE**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

Assets	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 2,528,585	\$ 1,230,105
Investments	18,521,742	15,923,742
Accounts receivable	2,402,710	2,188,568
Grants and contributions receivable	2,732,240	2,804,278
Prepayments and deposits	<u>766,463</u>	<u>834,288</u>
Total current assets	<u>26,951,740</u>	<u>22,980,981</u>
Non-current assets		
Accounts receivable, net of current portion	23,000	46,000
Grants and contributions receivable, net of current portion	1,828,500	300,000
Beneficial interests in charitable trusts	6,067,282	5,632,450
Investments held for endowment	738,457	738,457
Capitalized software, net	136,537	173,573
Operating right-of-use asset	2,422,956	2,741,603
Property and equipment, net	<u>7,375,608</u>	<u>3,603,401</u>
Total non-current assets	<u>18,592,340</u>	<u>13,235,484</u>
Total assets	<u>\$ 45,544,080</u>	<u>\$ 36,216,465</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 728,679	\$ 839,850
Accrued expenses and other liabilities	3,273,613	1,130,208
Deferred revenue	736,727	592,462
Operating lease liability - current portion	521,343	500,047
Obligations under charitable gift annuities	<u>150,754</u>	<u>144,774</u>
Total current liabilities	<u>5,411,116</u>	<u>3,207,341</u>
Non-current liabilities		
Operating lease liability, net of current portion	3,002,444	3,415,882
Notes payable	5,255,269	1,000,000
Obligations under charitable gift annuities, net of current portion	<u>1,284,259</u>	<u>1,237,580</u>
Total non-current liabilities	<u>9,541,972</u>	<u>5,653,462</u>
Total liabilities	<u>14,953,088</u>	<u>8,860,803</u>
Net assets		
Without donor restrictions	14,542,940	16,152,158
With donor restrictions	<u>16,048,052</u>	<u>11,203,504</u>
Total net assets	<u>30,590,992</u>	<u>27,355,662</u>
Total liabilities and net assets	<u>\$ 45,544,080</u>	<u>\$ 36,216,465</u>

See accompanying notes to financial consolidated statements.

**AMERICAN HUMANE ASSOCIATION,
DBA AMERICAN HUMANE - FIRST TO SERVE**

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions and sponsorships	\$ 8,914,723	\$ 5,948,219	\$ 14,862,942	\$ 9,262,330	\$ 2,478,749	\$ 11,741,079
Contributed nonfinancial assets	38,668,401	-	38,668,401	40,001,395	-	40,001,395
Grants	5,187,681	-	5,187,681	5,993,771	-	5,993,771
Royalties and rights fees	3,193,833	-	3,193,833	2,698,877	-	2,698,877
Services fees	3,150,205	-	3,150,205	3,321,977	-	3,321,977
Event fees and ticket sales	213,568	-	213,568	213,429	-	213,429
Miscellaneous income	15,836	-	15,836	4,209	-	4,209
Net investment return						
Distributions from perpetual trusts	215,064	-	215,064	278,730	-	278,730
Other, net of fees	2,658,283	-	2,658,283	1,580,210	-	1,580,210
Change in value of split interest agreements	(137,464)	-	(137,464)	(69,024)	-	(69,024)
Gain (loss) on interests in perpetual trusts	-	434,832	434,832	-	242,282	242,282
Net assets released from restrictions	1,538,503	(1,538,503)	-	1,427,961	(1,427,961)	-
Total support and revenue	<u>63,618,633</u>	<u>4,844,548</u>	<u>68,463,181</u>	<u>64,713,865</u>	<u>1,293,070</u>	<u>66,006,935</u>
Expenses						
Program services						
Humane Conservation	5,896,911	-	5,896,911	6,520,017	-	6,520,017
Humane Hollywood	9,983,062	-	9,983,062	11,491,985	-	11,491,985
Humane Rescue	4,658,424	-	4,658,424	7,604,957	-	7,604,957
Center for Military Affairs	6,269,859	-	6,269,859	19,184,815	-	19,184,815
Farm Animal Program	13,687,995	-	13,687,995	6,620,868	-	6,620,868
Other program services	16,603,647	-	16,603,647	6,187,393	-	6,187,393
Total program services	<u>57,099,898</u>	<u>-</u>	<u>57,099,898</u>	<u>57,610,035</u>	<u>-</u>	<u>57,610,035</u>
Supporting services						
Philanthropic services and fundraising	5,682,951	-	5,682,951	4,559,703	-	4,559,703
General administration	2,445,002	-	2,445,002	2,099,090	-	2,099,090
Total supporting services	<u>8,127,953</u>	<u>-</u>	<u>8,127,953</u>	<u>6,658,793</u>	<u>-</u>	<u>6,658,793</u>
Total expenses	<u>65,227,851</u>	<u>-</u>	<u>65,227,851</u>	<u>64,268,828</u>	<u>-</u>	<u>64,268,828</u>
Change in net assets	(1,609,218)	4,844,548	3,235,330	445,037	1,293,070	1,738,107
Net assets						
Beginning of year	<u>16,152,158</u>	<u>11,203,504</u>	<u>27,355,662</u>	<u>15,707,121</u>	<u>9,910,434</u>	<u>25,617,555</u>
End 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>

See accompanying notes to consolidated financial statements.

**AMERICAN HUMANE ASSOCIATION,
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services						Supporting Services			Total Expenses	
	Farm Animal Program	Humane Hollywood	Humane Rescue	Humane Conservation	Center for Military Affairs	Other Program Services	Total	Philanthropic Services and Fundraising	General Administration		Total
Salaries	\$ 858,043	\$ 3,170,312	\$ 516,095	\$ 648,534	\$ 488,958	\$ 1,073,401	\$ 6,755,343	\$ 2,012,544	\$ 1,168,601	\$ 3,181,145	\$ 9,936,488
Benefits	183,919	594,231	109,518	136,216	102,387	225,314	1,351,585	433,261	249,852	683,113	2,034,698
Professional services	221,597	287,674	95,130	927,504	299,132	1,429,544	3,260,581	904,564	340,693	1,245,257	4,505,838
Subcontractors	851,611	547,479	1,986	137,193	280,287	12,000	1,830,556	-	-	-	1,830,556
Tradeshows and events	20,708	6,856	6,888	193,876	234,477	315,890	778,695	65,170	27,302	92,472	871,167
Travel	74,088	890,270	147,181	333,235	144,791	527,291	2,116,856	153,135	89,553	242,688	2,359,544
Depreciation and amortization	33,652	81,692	15,194	6,386	7,815	329,258	473,997	48,750	7,675	56,425	530,422
Dues and subscriptions	135,197	80,293	17,572	46,014	12,432	40,532	332,040	325,232	24,405	349,637	681,677
Equipment lease and repair	503	27,635	26,564	614	295	3,529	59,140	1,409	268	1,677	60,817
Grant distributions	1,250	2,500	25,500	127,096	1,250	15,290	172,886	3,750	2,500	6,250	179,136
Lease expense	61,322	288,975	104,078	44,158	31,351	324,177	854,061	94,000	130,421	224,421	1,078,482
Miscellaneous	2,234	8,736	10,895	15,462	21,193	18,146	76,666	5,575	9,841	15,416	92,082
Outreach and promotion	52,649	109,739	248,845	58,536	305,548	183,580	958,897	85,505	6,048	91,553	1,050,450
Postage	7,937	16,081	5,446	14,485	12,510	22,519	78,978	132,190	3,876	136,066	215,044
Printing	14,097	16,481	15,006	22,563	27,989	40,207	136,343	371,405	4,154	375,559	511,902
Supplies	2,529	19,186	17,817	12,386	17,152	17,126	86,196	6,959	3,148	10,107	96,303
Taxes, licenses and fees	3,837	32,309	4,322	4,986	3,278	156,645	205,377	60,376	115,359	175,735	381,112
Telecommunications	5,769	40,957	10,129	7,708	2,899	16,669	84,131	15,831	6,557	22,388	106,519
Donated goods and services	3,365,969	3,761,656	3,280,258	3,532,907	11,694,251	11,852,529	37,487,570	926,082	254,749	1,180,831	38,668,401
List purchases	-	-	-	-	-	-	-	37,213	-	37,213	37,213
Total expenses	\$ 5,896,911	\$ 9,983,062	\$ 4,658,424	\$ 6,269,859	\$ 13,687,995	\$ 16,603,647	\$ 57,099,898	\$ 5,682,951	\$ 2,445,002	\$ 8,127,953	\$ 65,227,851

See accompanying notes to consolidated financial statements.

**AMERICAN HUMANE ASSOCIATION,
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services						Supporting Services			Total Expenses	
	Humane Conservation	Humane Hollywood	Humane Rescue	Center for Military Affairs	Farm Animal Program	Other Program Services	Total	Philanthropic Services and Fundraising	General Administration		Total
Salaries	\$ 477,544	\$ 3,206,965	\$ 411,371	\$ 430,155	\$ 618,428	\$ 860,469	\$ 6,004,932	\$ 1,653,943	\$ 862,482	\$ 2,516,425	\$ 8,521,357
Benefits	99,566	554,390	86,030	89,220	135,705	180,199	1,145,110	347,696	183,740	531,436	1,676,546
Professional services	1,084,940	490,177	227,941	577,868	427,386	754,734	3,563,046	562,343	504,187	1,066,530	4,629,576
Subcontractors	246,613	574,512	-	309,799	759,024	12,000	1,901,948	-	-	-	1,901,948
Tradeshows and events	44,823	13,940	21,782	142,240	14,843	348,435	586,063	268,702	9,089	277,791	863,854
Travel	429,112	1,188,106	193,746	147,207	61,747	494,864	2,514,782	130,938	40,173	171,111	2,685,893
Depreciation and amortization	4,888	82,328	25,710	8,290	15,717	230,978	367,911	44,726	19,462	64,188	432,099
Dues and subscriptions	46,084	41,435	9,392	15,074	23,814	32,155	167,954	34,774	12,006	46,780	214,734
Equipment lease and repairs	3,130	3,746	55,135	167	316	2,627	65,121	898	1,245	2,143	67,264
Grant distributions	99,396	220	21,486	220	110	3,616	125,048	352	220	572	125,620
Lease expense	35,489	303,392	111,876	27,233	58,338	175,623	711,951	96,181	156,513	252,694	964,645
Outreach and promotion	56,401	91,471	327,010	192,216	47,219	65,651	779,968	63,457	5,554	69,011	848,979
Postage	11,590	15,383	7,114	14,100	9,898	19,129	77,214	128,430	5,235	133,665	210,879
Printing	19,811	27,345	22,693	60,209	22,529	33,938	186,525	300,980	10,516	311,496	498,021
Supplies	13,332	26,045	38,052	23,299	5,341	21,379	127,448	15,494	4,322	19,816	147,264
Taxes, licenses and fees	4,579	37,772	7,346	3,538	3,584	5,235	62,054	63,556	36,263	99,819	161,873
Telecommunications	5,713	46,738	14,456	4,737	6,031	15,570	93,245	17,366	2,072	19,438	112,683
Donated goods and services	3,811,840	4,775,216	6,015,873	17,123,070	4,404,609	2,874,596	39,005,204	769,439	226,752	996,191	40,001,395
List purchases	-	-	-	-	-	-	-	39,822	-	39,822	39,822
Other expenses	25,166	12,804	7,944	16,173	6,229	56,195	124,511	20,606	19,259	39,865	164,376
Total expenses	\$ 6,520,017	\$ 11,491,985	\$ 7,604,957	\$ 19,184,815	\$ 6,620,868	\$ 6,187,393	\$ 57,610,035	\$ 4,559,703	\$ 2,099,090	\$ 6,658,793	\$ 64,268,828

See accompanying notes to consolidated financial statements.

**AMERICAN HUMANE ASSOCIATION,
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CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ 3,235,330	\$ 1,738,107
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	514,606	432,099
Bad debts and losses on uncollectible contributions receivable	28,490	-
Amortization of capitalized software	37,036	11,608
Amortization of operating right-of-use asset	318,647	310,656
Net (gains) loss on investments	(2,357,274)	(1,265,712)
Change in value of beneficial interest in charitable trusts	(434,832)	(242,282)
Change in value of obligations under charitable gift annuities	137,464	69,024
Change in operating assets		
Accounts receivable	(219,632)	(1,153,876)
Grants and contributions receivable	(1,456,462)	(1,823,647)
Prepayments and deposits	67,825	(104,878)
Change in operating liabilities		
Accounts payable	(111,171)	(147,442)
Accrued expenses and other liabilities	2,143,405	96,499
Deferred revenue	144,265	338,550
Operating lease liability	(392,142)	(126,806)
Net cash provided by (used for) operating activities	1,655,555	(1,868,100)
Cash flows from investing activities		
Proceeds from sales of investments	4,721,273	3,288,209
Purchases of investments	(4,961,999)	(3,117,525)
Purchases of capitalized software	-	(185,181)
Purchases of property and equipment	(4,286,813)	(193,424)
Net cash used for investing activities	(4,527,539)	(207,921)
Cash flows from financing activities		
Liabilities assumed under charitable gift annuities	65,949	93,547
Payments to charitable gift annuitants	(150,754)	(134,652)
Borrowing under line of credit	4,255,269	1,000,000
Net cash provided by financing activities	4,170,464	958,895
Net change in cash and cash equivalents	1,298,480	(1,117,126)
Cash and cash equivalents		
Beginning of year	1,230,105	2,347,231
End of year	\$ 2,528,585	\$ 1,230,105
Noncash investing activities		
Right-of-use assets	\$ -	\$ 3,052,260
Lease liabilities	-	(4,042,736)
Deferred rent and lease incentives	-	990,476
	\$ -	\$ -

See accompanying notes to consolidated financial statements.



**AMERICAN HUMANE ASSOCIATION,
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1. ORGANIZATION

Founded in 1877, American Humane Association, DBA American Humane - First to Serve is committed to ensuring the safety, welfare and well-being of animals. Our leadership programs are *First to Serve*® in promoting and nurturing the bonds between animals and people. In 2023, Global Humane continues to expand as the worldwide arm of American Humane with programs deployed now in 40 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 carries out its mission through the following programs:

American Humane Conservation

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 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 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 advances the welfare and humane treatment of nearly 500,000 animals at 79 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 now expanding into the Middle East.
- **Award-Winning Conservation Film 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 created its first documentary film, "Escape from Extinction," narrated by Oscar-winning actress Dame Helen Mirren. The film is galvanizing animal lovers around the world and was named the "Best Environmental Documentary" of 2020 at DOC LA and is played in theaters around the world.

The sequel to American Humane's award-winning documentary, **Escape from Extinction Rewilding**, narrated by Academy Award winner Meryl Streep, will be released September 27, 2024. Rewilding is a transformative conservation strategy that prioritizes the restoration of natural ecosystems by reintroducing native species. This innovative approach restores ecological balance and enhances biodiversity, while generating farther-reaching impacts, such as strengthening



NOTE 1. ORGANIZATION (CONTINUED)

our local and global food systems, mitigating climate change, and offering significant socio-economic benefits to communities. This documentary showcases the tangible successes and ongoing challenges in the field of rewilding by some of the world's leading organizations.

** The film has already been awarded "Best Documentary" by The Atlantis Awards 2024 and "Official Selection" of the Breckenridge Film Festival 2024.*

- **Raised Public Awareness for Humane Conservation:** Millions of people have been reached through our educational videos and national TV and radio public service announcements (PSA) about the vital role of zoos and aquariums in conservation.

Honoring the Heroes of Global Animal Conservation

Wolfgang Kiessling International Prize for Species Conservation

At American Humane, 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 launched the Wolfgang Kiessling International Prize for Species Conservation.

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.

We are proud to announce that the 2024 Prize will be awarded to Dr. Arnaud Desbiez in Washington, D.C., on September 26, 2024. Through his NGO, ICAS (Instituto de Conservação de Animais Silvestres), Dr. Desbiez has worked collaboratively to find socially inclusive solutions to biodiversity threats in four Brazilian biomes: Pantanal, Cerrado, Atlantic Forest, and the Amazon. His flagship species, the giant armadillos and giant anteaters, symbolize his mission to promote harmonious coexistence between people and biodiversity.



NOTE 1. ORGANIZATION (CONTINUED)

Humane Tourism As millions of people worldwide seek to connect with Earth's wildlife, Global Humane, the international arm of American Humane, 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.

Like our Conservation Program, 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.

American Humane's No Animals Were Harmed® Program

American Humane's "No Animals Were Harmed®" certification program was – and is – the *First to Serve®* in the protection of 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's *Guidelines for the Safe Use of Animals in Filmed Media* with specially trained Certified Animal Safety Representatives™, many of whom are veterinarians.



NOTE 1. ORGANIZATION (CONTINUED)

American Humane Rescue

For more than 100 years, American Humane Rescue teams have been *First to Serve*® in the protection of 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.

American Humane Rescue deployments in 2024 included:

- **Team Headed to Guam to Help After Typhoon Mawar:** American Humane Rescue was called into action to assist with critical relief efforts in Guam in the wake of typhoon Mawar. Our team assisted with and were focused on the safety and well-being of displaced animals in several communities on the island. American Humane helped with animal rescues, reunifications, and animal control issues. They also trained local animal control staff in advanced techniques to enhance their effectiveness and safety in the field. An island endemic species that's faced the brink of extinction was also affected by the typhoon's aftermath. The island's critically endangered ko'ko' bird (also known as Guam rail) was another focus of American Humane's efforts including working on permanent measures to help the species increase populations. American Humane cannot let this species disappear from Earth!
- **Helped Animals Displaced by Wildfires in Spokane, Washington:** American Humane deployed a rescue team to Spokane, Washington amid ongoing wildfires. The fires burned more than 20,000 acres. American Humane worked with local authorities and groups to help shelter and care for hundreds of animals—including family pets, horses, goats, sheep, chickens, and more—that were impacted by the flames. In total, it's estimated that more than one thousand animals were impacted and needed care.



NOTE 1. ORGANIZATION (CONTINUED)

- **Deployed a Team to Terrebonne Parish, LA:** American Humane Rescue provided a Wellness Vaccine and Preparedness Clinic to residents impacted by Hurricane Ida. Working with local animal control, shelter staff, veterinarians, and volunteer firefighters we were able to provide care, vaccination, and emergency preparedness starter kits to over 200 cats and dogs. Not only does this help the pets, and families but it also helps the local authorities get to know their community better, build trust, support, and have a more resilient community for animal health, disaster preparedness, and recovery.
- **Team Responded to Animal Cruelty and Neglect Case in East Texas:** American Humane Rescue deployed a team to assist local agencies and rescues care for over 55 animals including dogs and cats that were in deplorable conditions as the caretaker had become overwhelmed with health issues. We were able to provide care, treatment, and helped arrange transport out of the state to transfer the animals to agencies that could continue care and adopt them to forever homes.
- **Team Responded to Animal Cruelty and Neglect Case in Central Louisiana:** American Humane Rescue deployed a team to assist local agencies and rescues care for over 35 dogs. We were able to provide care, treatment, and transport within the state to get them to agencies that could continue care and adopt them to forever homes.

Trained more rescuers: American Humane was able to provide 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.

- **Guam:** In addition to American Humane's response to Guam they were also able to provide a series of trainings to help animal control and the department of agriculture with behavior, capture, and handling as well as CPR and AED.
- **Hawaii:** American Humane Rescue provide a series of trainings to Honolulu and the island of Oahu partnering with emergency management, and local animal agencies to work on outreach and build partners to assist during disasters. American Humane was also able to include representatives from Kuai and Maui islands as well.
- **Conferences:** American Humane Rescue provided several presentations to veterinarians and vet techs at Viticus Western States Vet Conference, and emergency managers and first responders at the National Hurricane Conference and PSEMA Vision Quest.



NOTE 1. ORGANIZATION (CONTINUED)

- **Red Cross:** American Humane Rescue trained Red Cross personnel that will be assisting with managing co-located animals in their disaster shelters. American Humane provided a series of trainings virtually and in person across the country helping to identify safety concerns for people and animals and bring in additional resources to minimize issues arising in the emergency shelters.

American Humane's Lois Pope LIFE Center for Military Affairs

American Humane is committed to helping America's veterans and recognizing their heroic contributions to the United States – both on and off the battlefield. American Humane has been *First to Serve*® 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 deployed to rescue and care for 68,000 wounded war horses each month.

We continue to proudly honor this legacy today through American Humane's Lois Pope LIFE Center for Military Affairs. The program, founded through the generosity of philanthropist and passionate veterans advocate, Lois Pope, offers meaningful support to our veterans with two key areas of focus: first, providing lifesaving service dogs (Pups4Patriots™) to veterans and first responders suffering from Post-Traumatic Stress (PTS) and/or Traumatic Brain Injury (TBI); second, reuniting retired military working dogs with their former handlers.

American Humane Farm Animal Program

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

The American Humane Farm Animal Program was - and is – the *First to Serve*® in the protection of farm animals. Our American Humane Certified™ farm animal welfare certification 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.



NOTE 1. ORGANIZATION (CONTINUED)

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. 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



NOTE 1. ORGANIZATION (CONTINUED)

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 – all culminating in a celebrity-studded, national television broadcast.

American Humane Sanctuary

During fiscal year 2024, American Humane purchased a 14.2-acre property in Palm City, Florida, as the new home of the American Humane 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 American Humane's 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 (AH) first responders to deploy to natural disasters worldwide. Rescue Vehicles will be stationed on-site for tours and educational purposes.
- **Children's Humane Education:** Educational programs, potentially featuring animal interactions, will include the award-winning *Be Kind to Animals®* curriculum and *Chicken Soup for the Soul®* teaching materials.



NOTE 1. ORGANIZATION (CONTINUED)

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.
- **Betty White Healing Garden:** A life-sized bronze sculpture of Betty White will welcome visitors, honoring her legacy as a supporter of American Humane.

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's commitment to lifesaving services and education.

American Humane Pet Provider Program

Pets have always held a special place in our lives, and it's 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's rigorous certification standards set themselves apart, giving pet owners confidence that their pets were treated humanely throughout the process.

American Humane's Pet Provider program assesses the condition, well-being and welfare of small mammals, birds, reptiles, amphibians, invertebrates and aquatic life at pet provider locations and animal suppliers. American Humane Certified brands prioritize animal welfare, following science-based practices verified through independent audits.

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

Following rigorous audits administered by American Humane 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.



NOTE 1. ORGANIZATION (CONTINUED)

American Humane Working Animals Program

The American Humane 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 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.

American Humane in Action

American Humane in Action is a TV series that provides viewers with a firsthand look at how their groundbreaking programs affect change in the real world, from animals rescued from perilous disasters to endangered species on the brink of extinction. Hosted by American Humane CEO and president Dr. Robin Ganzert, the series features Hollywood stars – four-legged and two-legged – leading conservationists, frontline rescue workers, those battling to keep our country safe and those who ensure a humane food supply.

Each episode shines a spotlight on a different program area: Rescue, Military, Conservation, Hollywood, and Farm, with an overarching theme emphasizing how we continue to strengthen the human-animal bond.

[Watch American Humane in Action](#) on our YouTube Channel.

Public Education, Prevention, and Outreach

As the leader on animal welfare issues since 1877, news organizations are constantly seeking American Humane's expertise and commentary. They 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.



NOTE 1. ORGANIZATION (CONTINUED)

- **Generating major news stories on helping animals** carried by prominent national publications, newspapers, magazines, and news stations.
- **Touching millions through a national television broadcast** of the 13th annual American Humane Hero Dog Awards® on A&E and fyi networks in 2023, and in previous years on Hallmark Channel with its 80 million+ subscribers. This annual campaign highlights the life-changing, life-saving power of the bond between animals and people.
- **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 cases. To encourage people to rescue, adopt and save animals in need, American Humane ran billboards across the country reminding people to "Be a Hero."
- **Delving into various animal welfare topics**, Robin's Nest is a podcast hosted by Dr. Robin Ganzert. The show features conversations with celebrities, veterinarians, conservationists, and other experts. Each episode focuses on different facets of animal protection, conservation efforts, and heartwarming animal stories, all within about 25 minutes per episode. In its debut season it was ranked as one of the Top 25 podcasts in the culture and society genre and it is slated for a season 2 that will be accessible on all podcast streaming platforms.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements of American Humane 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. Significant inter-entity accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

American Humane 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.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investment purchases are initially recorded at cost or, if contributed to American Humane, 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's interest and dividend income and realized and unrealized capital gains and losses generated from American Humane's investments, less investment management and custodial fees.

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 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, 2024 and 2023.

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, 2024 and 2023.

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 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.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

American Humane 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, 2024 and 2023; as such, no impairment losses were recognized during those years.

Leases

In its consolidated statements of financial position, American Humane 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 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 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, 2024 and 2023, was \$37,036 and \$11,608, 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 and/or the passage of time, and certain income earned on net assets with perpetual donor restrictions.

American Humane 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.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The restrictions stipulate that resources be maintained permanently but permit American Humane to expend the income generated in accordance with the provisions of the agreement.

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'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, 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 has been notified of the award.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 reports expirations of donor restrictions when the donated or acquired assets are placed in service. Volunteers contribute significant amounts of time to American Humane's program service activities and are measured at fair value whenever the recognition criteria have been met. American Humane also receives significant airtime and billboard space for PSAs, which are measured and reported at fair value. During the years ended June 30, 2024 and 2023, donated goods and services recognized in the consolidated financial statements totaled \$38,668,401 and \$40,001,395, 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 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 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, 2024 and 2023, advertising costs totaled \$250,119 and \$512,499, 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.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments and Concentrations of Credit Risk

American Humane 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 has not experienced any losses in such accounts.

American Humane'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.

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's mission.

Accounting for Uncertain Tax Positions

American Humane 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's tax-exempt purpose is subject to taxation as unrelated business income. American Humane had no significant taxable income or income tax expense during the years ended June 30, 2024 and 2023.

American Humane believes it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status. American Humane's tax returns for fiscal years 2021 through 2023 are subject to examination by the Internal Revenue Service (IRS), generally for three years after they were filed.

New Accounting Pronouncement Adopted

During the year ended June 30, 2024, American Humane adopted the provisions of Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326). This ASU replaced the incurred loss methodology with an expected loss methodology that is referred as the current expected credit loss (CECL) methodology. The ASU requires nonprofit entities to immediately recognize the estimated expected credit losses over the life of a financial instrument, including trade receivables and membership dues. The estimate of expected credit losses considers not only historical information, but also current and future economic conditions and events.

American Humane adopted the ASU effective July 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in additional disclosures.



NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As part of American Humane'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 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 also has a line of credit available of \$6 million, of which \$5.26 million was borrowed as of June 30, 2024.

The following table represents American Humane's financial assets available to meet cash needs for general expenditures within one year of June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Total assets at end of year	\$ 45,544,080	\$ 36,216,465
Less: nonfinancial assets		
Prepaid expenses and deposits	(766,463)	(834,288)
Operating right-of-use asset	(2,422,956)	(2,741,603)
Capitalized software, net	(136,537)	(173,573)
Net property and equipment	(7,375,608)	(3,603,401)
Beneficial interest in charitable trust assets	<u>(6,067,282)</u>	<u>(5,632,450)</u>
Total financial assets at end of year	28,775,234	23,231,150
Less: amounts unavailable for general expenditures within one year		
Restricted by donor with time or purpose restrictions	(6,842,313)	(4,832,597)
Donor-restricted endowment funds and unexpended earnings	(738,457)	(738,457)
Accounts receivable due in more than one year	(23,000)	(46,000)
Investments held to fund charitable gift annuities	<u>(2,073,262)</u>	<u>(1,886,096)</u>
Total financial assets available for general expenditures within one year	<u>\$ 19,098,195</u>	<u>\$ 15,728,000</u>

NOTE 4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable as of June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Due in less than one year	\$ 2,732,240	\$ 2,804,278
Due in one to five years	2,000,000	300,000
Less: discount	<u>(171,500)</u>	<u>-</u>
	<u>\$ 4,560,740</u>	<u>\$ 3,104,278</u>



NOTE 5. FAIR VALUE DISCLOSURES

American Humane 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.
- 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 utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used during the year ended June 30, 2024.

- 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’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.

NOTE 5. FAIR VALUE DISCLOSURES (CONTINUED)

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, 2024 and 2023:

	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	<u>434,726</u>	<u>434,726</u>	-	-
	<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>
	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Investments				
Cash and cash equivalents	\$ 667,866	\$ 667,866	\$ -	\$ -
Mutual and exchange-traded funds				
Equities	11,031,625	11,031,625	-	-
Fixed income	4,517,708	4,517,708	-	-
Non-traditional	<u>445,000</u>	<u>445,000</u>	-	-
	<u>\$16,662,199</u>	<u>\$16,662,199</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in charitable trusts	<u>\$ 5,632,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,632,450</u>
Obligations under charitable gift annuities	<u>\$ 1,382,354</u>	<u>\$ -</u>	<u>\$ 1,382,354</u>	<u>\$ -</u>

American Humane's beneficial interest in charitable trusts as of June 30, 2024 of approximately \$6.07 million includes American Humane's interest in 18 perpetual trusts having total assets of approximately \$74 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, 2024 and 2023:

	Perpetual Trusts	Remainder Trusts	Total
Balance at June 30, 2022	\$ 5,390,168	\$ -	\$ 5,390,168
Change in value	<u>242,282</u>	<u>-</u>	<u>242,282</u>
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	<u>\$ 6,067,282</u>	<u>\$ -</u>	<u>\$ 6,067,282</u>



NOTE 6. NET INVESTMENT RETURN

Net investment return consisted of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 381,098	\$ 385,931
Unrealized gains (losses)	1,272,301	(110,980)
Realized gains	1,084,973	1,376,692
Investment fees	<u>(80,089)</u>	<u>(71,433)</u>
	2,658,283	1,580,210
Distributions from perpetual trusts	<u>215,064</u>	<u>278,730</u>
	<u>\$ 2,873,347</u>	<u>\$ 1,858,940</u>

NOTE 7. ANNUITY AND TRUST AGREEMENTS

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

Charitable Gift Annuities

American Humane has an unrestricted beneficial interest in various charitable gift annuities. In accordance with the gift agreements, American Humane pays a specified amount of earnings to named beneficiaries over their lifetimes. American Humane 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, 2024 and 2023 was \$1,435,013 and \$1,382,354, respectively, and required amounts included in investments to fund the liability were \$2,073,269 and \$1,886,096, 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'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; however, American Humane will never receive the assets of the trust. As of June 30, 2024 and 2023, 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>2024</u>	<u>2023</u>
Perpetual trusts		
Fair value of assets held in perpetual trusts	<u>\$ 6,067,282</u>	<u>\$ 5,632,450</u>
	<u>\$ 6,067,282</u>	<u>\$ 5,632,450</u>

The income distributions from perpetual trusts for the years ended June 30, 2024 and 2023 totaled \$215,064 and \$278,730, respectively, and are available to American Humane for unrestricted use.

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,857,224	\$ 639,770
Buildings	4,562,342	1,894,152
Furniture and equipment	728,222	593,050
Leasehold improvements	879,334	879,334
Vehicles	1,166,200	1,079,290
Computer hardware and software	<u>1,348,740</u>	<u>1,169,652</u>
	10,542,062	6,255,248
Less: accumulated depreciation	<u>(3,166,454)</u>	<u>(2,651,847)</u>
	<u>\$ 7,375,608</u>	<u>\$ 3,603,401</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 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 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, 2024 and 2023 are as follows on the next page:



NOTE 9. CONTRACT BALANCES (CONTINUED)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accounts receivable			
Contract receivables	<u>\$ 2,425,710</u>	<u>\$ 2,234,568</u>	<u>\$ 1,080,692</u>
Deferred revenue			
Rights fees and other	<u>\$ 736,727</u>	<u>\$ 592,462</u>	<u>\$ 253,912</u>

NOTE 10. LINE OF CREDIT

On June 28, 2021, American Humane entered into an open-ended line of credit demand loan with Deutsche Bank. In the year ending June 30, 2024, the amount of the line of credit is \$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 in the custody of the lender. As of June 30, 2024 and 2023, outstanding balance on the line of credit was \$5,255,269 and \$1,000,000, respectively.

NOTE 11. ENDOWMENT

General

American Humane's Endowment Fund was established by action of American Humane'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.

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 classifies as permanently restricted net assets (a) the original value of gifts donated to

NOTE 11. ENDOWMENT (CONTINUED)

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 in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, American Humane 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 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; and
- Investment policies of American Humane.

Changes in Endowment Net Assets

Changes in endowment net assets for the years ended June 30, 2024 and 2023 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>
	2023		
	With Temporary Donor Restrictions	With Perpetual Donor Restrictions	Total
Endowment net assets, beginning of year	\$263,834	\$ 505,426	\$ 769,260
Appropriation for expenditure	(30,803)	-	(30,803)
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)

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 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 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 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 considered the long-term expected return on its endowment. Accordingly, over the long term, American Humane 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'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's expenditure budget on an annual basis.

NOTE 12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2024 consist of the following:

	<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	233,031	-	-	233,031
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	505,426	-	-	505,426
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 12. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions as of June 30, 2023 consist of the following:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Released</u>	<u>June 30, 2023</u>
Temporary donor restrictions				
Contributions restricted for future periods	\$ 31,393	\$ 30,523	\$ (31,393)	\$ 30,523
Contributions restricted for specific programs	3,719,613	2,448,226	(1,365,765)	4,802,074
Unexpended earnings on endowments	<u>263,834</u>	<u>-</u>	<u>(30,803)</u>	<u>233,031</u>
Total temporary donor restrictions	<u>4,014,840</u>	<u>2,478,749</u>	<u>(1,427,961)</u>	<u>5,065,628</u>
Perpetual donor restrictions				
Beneficial interest in perpetual trusts	5,390,168	242,282	-	5,632,450
Endowment funds with various income restrictions	<u>505,426</u>	<u>-</u>	<u>-</u>	<u>505,426</u>
Total perpetual donor restrictions	<u>5,895,594</u>	<u>242,282</u>	<u>-</u>	<u>6,137,876</u>
Total	<u>\$ 9,910,434</u>	<u>\$ 2,721,031</u>	<u>\$ (1,427,961)</u>	<u>\$ 11,203,504</u>

NOTE 13. COMMITMENTS

Retirement Plans

American Humane 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. 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 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, 2024 and 2023, American Humane contributed \$322,961 and \$171,575, respectively, to the plan.

On November 13, 2014, American Humane established a deferred compensation plan agreement under Internal Revenue Code Section 457(b). There was a contribution of \$45,000 and \$-0- made under this arrangement during the years ended June 30, 2024 and 2023 respectively. Total amounts held as an asset and corresponding liability as of June 30, 2024 and 2023 were \$216,782 and \$144,056, respectively. On November 13, 2021, American Humane established a deferred compensation plan agreement under IRC Section 457(f). There was a contribution of \$65,000 and \$85,000 made under this arrangement during the years ended June 30, 2024 and 2023. Total amounts held as an asset and corresponding liability as of June 30, 2024 and 2023 were \$252,821 and \$153,750, respectively.

Operating Lease Commitments

American Humane 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, and Palm Beach, FL. The office lease agreements generally contain renewal options and also require American Humane 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, 2024 and 2023 was \$523,122 and \$571,330, respectively.



NOTE 13. COMMITMENTS (CONTINUED)

Supplemental qualitative information related to operating leases is as follows:

Operating Leases	Year Ended June 30, 2024
Weighted-average lease term (years)	8.06 years
Weighted-average discount rate	2.88%

The maturity of the lease liabilities under American Humane's operating and finance leases as of June 30, 2024 are as follows:

Year ending June 30,	Operating
2025	\$ 521,343
2026	525,766
2027	438,871
2028	449,029
2029	460,329
Thereafter	<u>1,574,355</u>
Undiscounted future cash flows	3,969,693
Less: effects of discounting	<u>(445,906)</u>
Lease liability recognized	<u>\$ 3,523,787</u>

NOTE 14. SIGNIFICANT UNCERTAINTIES/CONTINGENCIES

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

American Humane 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 to June 30, 2024, American Humane sold its sanctuary property in West Palm Beach, FL, for \$2.4 million, originally purchased for \$1.6 million. American Humane has since transitioned all sanctuary operations to the new sanctuary location in Palm City, FL.



NOTE 15. SUBSEQUENT EVENTS REVIEW (CONTINUED)

Also subsequent to June 30, 2024, American Humane's subsidiary, Global Humane Conservation Fund of Africa, purchased 682 acres of undeveloped property in the Eastern Cape of South Africa for R5.73 million (approximately \$320,000) that will be used for conservation and rewilding purposes.

Subsequent events have been evaluated through October 16, 2024, which is the date the consolidated financial statements were available to be issued. This review and evaluation revealed no other material event or transaction which would require an adjustment to or disclosure in the accompanying consolidated financial statements.