The Humane Society of New York

Audited Financial Statements

December 31, 2024

Accounting
Tax | Advisory

The Humane Society of New York

Audited Financial Statements

December 31, 2024

C O N T E N T S

Independent Auditor's Report

To the Board of Directors
The Humane Society of New York

Opinion

We have audited the financial statements of The Humane Society of New York (the "Organization"), which comprise the statement of financial position as of December 31, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sax LLP

New York, NY
August 5, 2025

The Humane Society of New York

Statement of Financial Position

As of December 31, 2024
(With summarized comparative totals as of December 31, 2023)

	December 31	
	2024	**2023**
ASSETS		
Cash and cash equivalents	$ 880,220	$ 940,458
Investments	35,215,461	33,689,861
Clinic accounts receivable, net of allowance for credit losses of $136,611 and $125,298 for 2024 and 2023, respectively	14,635	13,062
Medical and supplies inventories	415,659	412,478
Prepaid expenses	45,448	44,098
Other assets	500	4,260
Property and equipment, net	10,319,750	8,607,427
TOTAL ASSETS	**$ 46,891,673**	**$ 43,711,644**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 461,700	$ 522,499
Compensation and benefits payable	22,137	127,721
TOTAL LIABILITIES	483,837	650,220
NET ASSETS		
Without donor restrictions	46,407,836	43,061,424
TOTAL LIABILITIES AND NET ASSETS	**$ 46,891,673**	**$ 43,711,644**

The auditor's report and accompanying notes are an integral part of these financial statements.

The Humane Society of New York

Statement of Activities

For the Year Ended December 31, 2024
(With summarized comparative totals as of December 31, 2023)

	December 31, 2024	December 31, 2023
REVENUES AND SUPPORT		
Clinic and adoption fees	$ 1,439,568	$ 1,677,599
Grants and bequests	3,053,030	3,089,953
Contributions	959,252	958,980
Special events	-	2,558
Clinic revenue - in-kind	1,434,422	1,435,786
Net investment return	4,523,679	2,620,227
Total revenues and support	11,409,951	9,785,103
EXPENSES		
Program services	7,204,993	6,769,557
General and administrative	611,511	920,985
Fundraising	247,035	556,013
Total expenses	8,063,539	8,246,555
Change in net assets	**3,346,412**	**1,538,548**
NET ASSETS WITHOUT DONOR RESTRICTION, ***beginning of year***	43,061,424	41,522,876
NET ASSETS WITHOUT DONOR RESTRICTION, ***end of year***	**$46,407,836**	**$43,061,424**

The auditor’s report and accompanying notes are an integral part of these financial statements.

The Humane Society of New York

Statement of Functional Expenses

For the Year Ended December 31, 2024
(With summarized comparative totals for the year ended December 31, 2023)

	Program Services				Supporting Services			
	Animal Medical Care	**Animal Shelter and Adoptions**	**Public Education**	**Program Total**	**General and Administrative**	**Fundraising**	**Total Expenses 12/31/2024**	**Total Expenses 12/31/2023**
Salaries	$ 1,912,857	$ 1,062,698	$ 283,384	$ 3,258,939	$ 177,114	$ 106,268	$ 3,542,321	$ 3,395,228
Payroll taxes and employee benefits	254,080	141,155	37,643	432,878	23,524	14,115	470,517	485,834
Drugs, medical supplies and services (includes in-kind clinic expense of $1,434,422)	2,612,303	104,847	-	2,717,150	-	-	2,717,150	2,538,405
Consulting and professional fees	16,773	2,808	32,805	52,386	332,760	17,811	402,957	1,058,604
Animal food	7,706	54,428	-	62,134	-	-	62,134	73,506
Credit losses	13,268	-	-	13,268	-	-	13,268	14,347
Occupancy - utilities and storage	37,279	31,715	6,204	75,198	4,284	6,204	85,686	97,744
Repairs and maintenance	47,909	36,995	4,581	89,485	4,580	4,581	98,646	52,920
Credit card and bank charges	37,876	802	-	38,678	-	6,031	44,709	52,938
Telephone	1,790	1,673	1,555	5,018	1,994	1,790	8,802	8,279
Office supplies	56,201	30,386	15,317	101,904	46,085	62,671	210,660	190,134
Insurance	50,834	32,907	7,587	91,328	4,612	3,105	99,045	93,259
Special events	-	-	-	-	-	1,951	1,951	579
Miscellaneous	2,367	52	62	2,481	1,883	7,833	12,197	8,734
Depreciation and amortization	132,073	117,398	14,675	264,146	14,675	14,675	293,496	176,044
Total functional expenses for statement of activities	**$ 5,183,316**	**$ 1,617,864**	**$ 403,813**	**$ 7,204,993**	**$ 611,511**	**$ 247,035**	**$ 8,063,539**	**$ 8,246,555**

The auditor's report and accompanying notes are an integral part of these financial statements.

The Humane Society of New York

Statement of Cash Flows

For the Year Ended December 31, 2024
(With summarized comparative totals for the year ended December 31, 2023)

	December 31, 2024	December 31, 2023
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	$ 3,346,412	$ 1,538,548
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation and amortization	293,496	176,044
Net investment (gain) loss	(3,809,114)	(1,955,962)
(Increase) decrease in assets		
Clinic accounts receivables, net	(1,573)	2,657
Prepaid expenses	(1,350)	(15,989)
Medical and supplies inventories	(3,181)	(121,107)
Other current assets	3,760	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(60,799)	21,150
Compensation and benefits payable	(105,584)	(7,918)
Net cash flows used for operating activities	**(337,933)**	**(362,577)**
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Sale of investments	16,262,531	5,754,932
Purchase of investments	(13,979,017)	(7,862,048)
Capital improvements	(1,990,514)	(1,972,395)
Purchase of property and equipment	(15,305)	(113,472)
Net cash flows provided by (used for) investing activities	277,695	(4,192,983)
Net decrease in cash and cash equivalents	**(60,238)**	**(4,555,560)**
CASH AND CASH EQUIVALENTS, *beginning of year*	940,458	5,496,018
CASH AND CASH EQUIVALENTS, *end of year*	**$ 880,220**	**$ 940,458**
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	**$ -**	**$ -**
Cash paid for taxes	**$ -**	**$ -**

The auditor's report and accompanying notes are an integral part of these financial statements.

The Humane Society of New York

Notes to Financial Statements

December 31, 2024

Note 1 - Nature of Organization

The Humane Society of New York (the "Organization") is organized as a non-profit corporation under the laws of the State of New York. The Organization was formed to foster the humane care of animals. In carrying out this basic purpose, the Organization has established facilities for a fully staffed clinic to furnish medical care to animals, as well as an animal shelter. The facilities are also used for an adoption program to place the animals with qualified new owners and to educate the public on the proper care and humane treatment of animals.

The Organization is supported primarily through clinic and adoption fees, donor contributions, grants and bequests.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 -*Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.

- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. As of December 31, 2024 and 2023, none of the Organization's net assets have donor restrictions.

b. Revenue Recognition

The Organization follows the requirements of FASB ASC 958-605 for recording contributions, grants, contracts, and government support which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of 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. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition - Continued

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value, which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations. Pledges are reviewed for collectability. Based on a review of several factors, including the credit worthiness of the donor and historical experience, no allowance for doubtful accounts has been established.

Clinic and adoption fees are recognized in accordance with FASB ASC Topic 606, whereas the Organization has contracts with customers to provide approved services (performance obligations) to the individual. The Organization recognizes revenue in the period in which obligations to provide services are satisfied. As services are provided to the animals that are in the facility, the Organization recognizes revenue, resulting in revenue recognized over time.

The Organization recognizes in-kind services in accordance with applicable accounting standards if the services received; (a) create or enhance non-financial assets, or (b) require specialized skills, and are provided by individuals possessing those skills, and will typically need to be purchased if not provided by donation.

c. Cash and Cash Equivalents

All highly liquid financial instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents for purposes of the accompanying statement of financial position and cash flows.

d. Investments

Investments in debt and equity securities are reported at their fair values in the statement of financial position. Fair value is determined using the account value on the last business day of the year utilizing statements received from the Organization's brokerage firms. All valuations are based on Level 1 inputs. Realized and unrealized gains and losses are included in the change in net assets.

e. Inventories

Drugs and medical supplies are valued using a method that approximates the lower of cost or net realizable value.

f. Accounts Receivable and Credit Losses

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. It is the Organization's policy to write off contributions receivable at the time they are believed to be uncollectible. Clinic receivables are stated at the amounts the Organization expects to collect from outstanding balances.

The Organization recognizes and allowance for expect credit losses on clinic receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument.

Note 2 - Summary of Significant Accounting Policies - Continued

f. Accounts Receivable and Credit Losses - Continued

The expected credit losses on clinic receivables are estimated based on historical credit loss experience, aging analysis, and management's assessment of current conditions and reasonable and supportable expectation of future conditions. The Organization assess collectability by pooling receivables where similar characteristics exist and evaluated receivables individually when specific customer balances no longer share those risk characteristics and are considered at-risk or uncollectible. Accounts receivable balances are charged against the allowance for credit losses after recovery efforts have ceased. The expense associated with the allowance for credit losses is recognized in the general and administrative expense.

The allowance for credit losses at December 31, 2024, and 2023 was $136,311 and $125,298, respectively.

Changes in the valuation allowance have not been material to the financial statements.

g. Property and Equipment

The Organization capitalizes all purchases of property and equipment in excess of $5,000. Property and equipment are recorded at cost. Depreciation of property and equipment is being provided by the straight-line method over the estimated useful lives of the related assets once put into service.

Building	39 years
Building Improvements	20 years
Furniture and fixtures	7-15 years
Vehicle	5 years
Computers and software	5 years

h. Income Tax Status

The Organization is a non-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a). U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financials to comply with the provisions of this guidance.

i. Functional Allocation of Expenses

The financial statements report certain categories that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Occupancy and depreciation expenses are allocated based on each program's share of the square footage of the occupied space. The remaining expense that is allocated includes salaries and benefits, consulting and professional fees, repairs and maintenance, credit card and bank charges, telephone, office supplies, and insurance are allocated on the basis of employee time and effort spent on each functional area. Drug, medical supplies and services, animal food, provision for doubtful accounts, special events and miscellaneous are allocated directly to the applicable category.

Note 2 - Summary of Significant Accounting Policies - Continued

j. Concentrations

Concentration of Credit Risk for Cash Held at Financial Institution

Financial instruments that potentially subject the Organization to concentration of credit risk consist of cash, money market accounts, and investment securities which are placed with financial institutions that management deems to be creditworthy. A significant portion of the funds at year end and at various times throughout the year, are not insured by the Federal Deposit Insurance Corporation ("FDIC"); however, the Organization has not experienced any losses from these accounts due to failure of any financial institution. The market value of investments is subject to fluctuation. However, management believes the investment policy is prudent for the long-term welfare of the Organization.

Concentration of Revenue

There were no major donors for December 31, 2024. One donor accounted for 12% of the total revenue as of December 31, 2023.

k. Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

m. Advertising Costs

The cost of advertising is expensed as incurred.

Note 3 - Liquidity and Availability

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	December 31, 2024	December 31, 2023
Financial assets, at year end		
Cash and cash equivalents	$ 880,220	$ 940,458
Investments	35,215,461	33,689,861
Clinic accounts receivable	14,635	13,062
	$ 36,110,316	$ 34,643,381

The Organization's practice is to manage financial assets to be available for its general expenditures, liabilities, and other obligations.

Note 4 - Clinic Accounts Receivable

An analysis of clinic accounts receivable as of December 31 and for the year then ended is as follows:

	2024	2023
Gross accounts receivable from the Society's billing system commencing in 2007 for which partial payments have been received from clients	$ 150,946	$ 138,360
Less: allowance for credit losses	(136,311)	(125,298)
Clinic accounts receivable, net	$ 14,635	$ 13,062

In addition, the Organization provides significant animal care to numerous other clients who do not have the ability to make any payments on their accounts. The Organization never refuses to provide care in these situations and no invoice is generated by its billing system. Management estimates that billings for these services would have been approximately $1,434,422 and $1,435,786 for the years ended December 31, 2024 and 2023, respectively, if these clients had the ability to make any payments for such services.

Note 5 - Fair Value Measurements

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy. Fair value measurements are not adjusted for transaction costs. A fair value hierarchy consists of three levels that are used to prioritize inputs to fair value techniques:

Level 1 - Inputs to the valuation methodology that are quoted prices (unadjusted) for identical assets or liabilities in active markets. Fair value for these assets is an estimate of the exit price based on closing market prices or bid quotations, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date).

Level 2 - Inputs to the valuation methodology that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The Organization follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

Note 6 - Investment Securities

Investment securities as of December 31, 2024 and 2023 consisted of the following:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Fixed income securities	$ 13,711,654	$ -	$ -	$ 13,711,654
Equity securities and mutual funds	19,757,867	-	-	19,757,867
Money market funds	1,745,940	-	-	1,745,940
Total	$ 35,215,461	$ -	$ -	$ 35,215,461

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Fixed income securities	$ 13,371,050	$ -	$ -	$ 13,371,050
Equity securities and mutual funds	19,053,441	-	-	19,053,441
Money market funds	1,265,370	-	-	1,265,370
Total	$ 33,689,861	$ -	$ -	$ 33,689,861

An analysis of investment return, including cash equivalents, for the years ended December 31, 2024 and 2023 is as follows:

	December 31,	
	2024	2023
Interest and dividends	$ 898,973	$ 830,650
Realized gains	1,909,156	52,057
Unrealized gains (losses)	1,899,958	1,903,905
Investment fees	(184,408)	(166,385)
Total	$ 4,523,679	$ 2,620,227

Note 7 - Property and Equipment, Net

Property and equipment, net consists of the following as of December 31, 2024 and 2023:

	December 31,	
	2024	2023
Land	$ 1,467,000	$ 1,467,000
Building	5,568,393	5,568,393
Building improvements	5,783,307	906,843
Furniture & fixtures	1,010,155	994,851
Vehicle	49,755	49,755
Computers & software	121,514	121,514
Construction in progress	-	2,885,949
Total	14,000,124	11,994,305
Less: Accumulated depreciation and amortization	(3,680,374)	(3,386,878)
Property and equipment, net	$ 10,319,750	$ 8,607,427

Note 8 - Contributed Services

The Organization records the value of donated specialized services based upon the fair market value at the date of donation. The donated services that the Organization recorded were contributed services from clinic professionals based on current rates for similar animal related medical services with no donor restrictions. The amount recorded was approximately $1,400,000 for the years ended December 31, 2024 and 2023, which are included in both revenue and expenses.

Note 9 - Special Events

The Organization sponsors fundraising efforts at public events in New York City. A special event was not held in the current year, therefore activities resulted in revenues of $0 and $2,558 for the years ended December 31, 2024 and 2023, respectively, which is reflected in the accompanying statements of activities.

Note 10 - Contingencies

The Organization from time to time may become involved in legal claims arising in the ordinary course of their activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Organization’s insurance policies, subject to normal deductibles, and accordingly, would not have a material effect on its financial position or changes in net assets.

Note 11 - Subsequent Events

The Organization has evaluated subsequent events for potential recognition or disclosure through August 5, 2025, the date the financial statements were available to be issued.