

**THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
(Nebraska Nonprofit Corporations)**

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**CONSOLIDATED FINANCIAL STATEMENTS**

**as of December 31, 2020 and 2019  
together with Independent Auditor's Report**

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	2
Consolidated Statements of Activities	3
Consolidated Statements of Functional Expenses	4-7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9-23
Independent Auditor's Report on Consolidating Information	24
Schedule I – Supplemental Statement of Consolidating Statements of Financial Position	25
Schedule II – Supplemental Statement of Consolidating Statements of Activities	26

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Nebraska Humane Society and  
Nebraska Humane Society Foundation:

We have audited the accompanying consolidated financial statements of The Nebraska Humane Society and Nebraska Humane Society Foundation (two Nebraska nonprofit corporations), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and 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.

### **Management's Responsibility for the 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Nebraska Humane Society and Nebraska Humane Society Foundation as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Maurice, Magnuson & Associates, P.C.*

Omaha, Nebraska  
September 22, 2021

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

ASSETS	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 5,136,143	4,840,564
Short-term investments	2,444,573	2,186,671
Promises to give	225,606	254,178
Accounts receivable	30,846	40,889
Prepaid expenses	112,572	138,878
Inventory	18,321	28,640
Total current assets	<u>7,968,061</u>	<u>7,489,820</u>
Investments	437,880	443,600
Promises to give	-	17,969
Foundation investments:		
Cash and cash equivalents	686,852	522,140
Investments	18,691,927	17,416,614
Cash restricted for investment in building	-	592,455
Promises to give restricted for investment in building	1,243,573	2,449,055
Investments restricted for investment in building	1,344,032	3,633,758
Other assets	-	3,080
Intangible assets, net of amortization	4,169	4,169
Land, buildings and equipment at cost - net of accumulated depreciation	<u>24,225,743</u>	<u>20,634,838</u>
Total other assets	<u>46,634,176</u>	<u>45,717,678</u>
 Total assets	 <u>\$ 54,602,237</u>	 <u>\$ 53,207,498</u>

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

LIABILITIES AND NET ASSETS	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 260,820	\$ 2,361,403
Accrued liabilities	444,749	540,834
Prepaid licenses and other deferred revenue	147,842	79,647
SBA Loan - Paycheck Protection Program	1,390,620	-
	2,244,031	2,981,884
Total current liabilities		
Deferred compensation payable	-	3,080
Total other liabilities	-	3,080
Total liabilities	2,244,031	2,984,964
Net assets:		
Without donor restrictions	46,710,941	34,984,184
With donor restrictions	5,647,265	15,238,350
	52,358,206	50,222,534
Total net assets		
Total liabilities and net assets	\$ 54,602,237	\$ 53,207,498

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
City and county services	5,438,830	\$ -	\$ 5,438,830
Program fees	2,027,054	-	2,027,054
Contributions	3,846,824	441,502	4,288,326
Special events	597,214	-	597,214
Less: Costs of direct benefits to donors	-	-	-
Gift shop sales	42,970	-	42,970
Less: Cost of sales	(21,708)	-	(21,708)
Other operating expenses	(31,211)	-	(31,211)
Investment income, net	212,735	35,454	248,189
Realized and unrealized gains on investments	2,068,774	372,317	2,441,091
Other income	68,021	-	68,021
Loss on disposal of assets	(33,419)	-	(33,419)
Net assets released from restrictions	10,440,358	(10,440,358)	-
	<u>24,656,442</u>	<u>(9,591,085)</u>	<u>15,065,357</u>
<b>EXPENSES:</b>			
Program services			
Animal control	5,574,860	-	5,574,860
Animal welfare services	4,936,588	-	4,936,588
Community outreach	1,012,119	-	1,012,119
Supporting activities			
Management and general	505,970	-	505,970
Fundraising	900,148	-	900,148
	<u>12,929,685</u>	<u>-</u>	<u>12,929,685</u>
Change in net assets	11,726,757	(9,591,085)	2,135,672
<b>NET ASSETS:</b>			
Balances, beginning of year	34,984,184	15,238,350	50,222,534
Balances, end of year	<u>\$ 46,710,941</u>	<u>\$ 5,647,265</u>	<u>\$ 52,358,206</u>

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THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>			
City and county services	5,400,445	\$ -	\$ 5,400,445
Program fees	2,275,172	-	2,275,172
Contributions	4,427,518	2,990,916	7,418,434
Special events	442,665	-	442,665
Less: Costs of direct benefits to donors	(17,216)	-	(17,216)
Gift shop sales	144,570	-	144,570
Less: Cost of sales	(70,276)	-	(70,276)
Other operating expenses	(70,932)	-	(70,932)
Investment income	352,508	55,922	408,430
Realized and unrealized gains on investments	2,769,526	563,109	3,332,635
Other income	33,923	-	33,923
Net assets released from restrictions	3,991,805	(3,991,805)	-
	<u>19,679,708</u>	<u>(381,858)</u>	<u>19,297,850</u>
<b>EXPENSES:</b>			
Program services			
Animal control	5,577,010	-	5,577,010
Animal welfare services	4,889,136	-	4,889,136
Community outreach	950,932	-	950,932
Supporting activities			
Management and general	829,692	-	829,692
Fundraising	854,865	-	854,865
	<u>13,101,635</u>	<u>-</u>	<u>13,101,635</u>
Change in net assets	6,578,073	(381,858)	6,196,215
<b>NET ASSETS:</b>			
Balances, beginning of year	28,406,111	15,620,208	44,026,319
Balances, end of year	<u>\$ 34,984,184</u>	<u>\$ 15,238,350</u>	<u>\$ 50,222,534</u>

The accompanying notes are an integral part of these financial statements.



THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<u>Program Services</u>	2020			
	Animal Control	Animal Welfare	Community Outreach	Total
Salaries and wages	\$ 2,588,617	\$ 2,026,788	\$ 431,056	\$ 5,046,461
Payroll taxes	191,574	151,490	31,975	375,039
Other employee benefits	577,030	393,957	72,562	1,043,549
Pension plan contributions	39,727	32,889	9,539	82,155
Advertising and outreach	87,900	-	153,471	241,371
Animal care	56,068	93,275	359	149,702
Animal feed	243,762	251,021	171	494,954
Animal medical	232,104	467,581	64	699,749
Auto	130,634	8,121	684	139,439
Bad debt	5,276	5,296	344	10,916
Banking expense	72,510	33,126	2,904	108,540
Computer support and maintenance	96,445	75,933	58,841	231,219
Conferences	1,436	3,807	43	5,286
Contracted services	49,789	68,472	5,481	123,742
Depreciation	354,863	527,225	101,389	983,477
Dues and subscriptions	8,239	8,022	167	16,428
Equipment rental	2,333	3,449	672	6,454
Humane education materials	118	2,071	1,474	3,663
Insurance	134,781	99,880	20,293	254,954
Legal and accounting	61,185	20,594	2,064	83,843
License printing and postage	137,113	17	11	137,141
Occupancy	238,512	382,312	45,600	666,424
Pet tag expense	4,439	-	-	4,439
Postage and shipping	15,349	2,339	20,445	38,133
Printing	3,595	4,565	36,275	44,435
Repairs and maintenance	45,735	81,563	7,896	135,194
Security	98,198	16,704	1,599	116,501
Special event expenses	-	-	-	-
Supplies	56,379	171,000	3,319	230,698
Telephone	36,912	3,783	1,651	42,346
Uniforms	3,915	182	-	4,097
Volunteer expense	322	1,126	1,770	3,218
	<u>\$ 5,574,860</u>	<u>\$ 4,936,588</u>	<u>\$ 1,012,119</u>	<u>\$ 11,523,567</u>

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<u>Program Services</u>	2019			
	Animal Control	Animal Welfare	Community Outreach	Total
Salaries and wages	\$ 2,600,015	\$ 1,963,823	\$ 396,859	\$ 4,960,697
Payroll taxes	197,083	149,796	29,902	376,781
Other employee benefits	545,146	400,960	66,892	1,012,998
Pension plan contributions	45,244	39,972	10,912	96,128
Advertising and outreach	89,053	-	158,570	247,623
Animal care	38,185	69,992	-	108,177
Animal feed	219,599	229,535	1,436	450,570
Animal medical	327,575	633,505	409	961,489
Auto	137,688	7,700	929	146,317
Bad debt	3,698	8,323	1,057	13,078
Banking expense	76,168	36,905	3,347	116,420
Computer support and maintenance	149,707	86,798	50,098	286,603
Conferences	11,449	5,691	688	17,828
Contracted services	45,920	34,020	4,604	84,544
Depreciation	289,303	429,480	82,592	801,375
Dues and subscriptions	6,892	9,956	198	17,046
Equipment rental	3,196	3,950	670	7,816
Humane education materials	-	-	6,300	6,300
Insurance	137,469	89,322	17,245	244,036
Legal and accounting	41,362	5,778	3,639	50,779
License printing and postage	127,771	122	82	127,975
Occupancy	233,622	376,830	45,513	655,965
Pet tag expense	1,870	-	-	1,870
Postage and shipping	5,480	2,440	12,438	20,358
Printing	3,327	7,187	30,248	40,762
Repairs and maintenance	55,739	92,039	9,967	157,745
Security	92,858	5,843	608	99,309
Special event expenses	-	614	-	614
Supplies	43,539	189,112	4,577	237,228
Telephone	39,264	2,593	1,304	43,161
Uniforms	6,990	472	16	7,478
Volunteer expense	1,798	6,378	9,832	18,008
	<u>\$ 5,577,010</u>	<u>\$ 4,889,136</u>	<u>\$ 950,932</u>	<u>\$ 11,417,078</u>

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THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<u>Gift Shop</u>	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 9,616	\$ 36,968
Payroll taxes	709	2,953
Other employee benefits	2,514	5,243
Pension plan contributions	229	623
Auto	72	44
Bad debt expense	344	-
Banking expense	186	3,263
Computer support and maintenance	2,704	2,167
Conferences	6	16
Contracted services	1,478	2,146
Depreciation	-	2,073
Dues and subscriptions	24	10
Equipment rental	-	41
Insurance	970	2,718
Legal and accounting	268	433
Miscellaneous	42	-
Occupancy	9,640	8,989
Postage and shipping	20	174
Repairs and maintenance	1,692	2,136
Security	361	181
Supplies	295	725
Telephone	41	26
Uniforms	-	3
	<u>\$ 31,211</u>	<u>\$ 70,932</u>

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<u>Management and General:</u>	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 261,284	\$ 470,260
Payroll taxes	18,086	33,428
Other employee benefits	55,540	67,790
Pension plan contributions	3,941	11,917
Auto	48	42
Bad debt expense	15,944	-
Banking expense	8,347	8,130
Computer support and maintenance	16,643	20,187
Conferences	80	334
Contracted services	8,493	53,630
Depreciation	20,278	16,518
Dues and subscriptions	289	518
Equipment rental	167	123
Insurance	23,598	24,701
Legal and accounting	55,211	99,686
Miscellaneous	12	555
Occupancy	6,668	6,706
Postage and shipping	873	1,350
Printing	612	161
Repairs and maintenance	1,128	1,424
Security	465	2,036
Supplies	7,371	10,593
Telephone	892	(399)
Uniforms	-	2
	<u>\$ 505,970</u>	<u>\$ 829,692</u>

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<u>Fundraising:</u>	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 528,776	\$ 488,907
Payroll taxes	37,282	34,787
Other employee benefits	67,597	52,676
Pension plan contributions	12,264	13,363
Advertising and promotion	-	1,793
Auto	105	220
Bad debt	4,384	4,256
Banking	21,968	23,874
Computer support and maintenance	75,482	54,905
Conferences	189	615
Contracted services	5,177	2,269
Depreciation	10,139	8,259
Dues and subscriptions	2,084	2,898
Equipment rental	95	75
Fundraising expenses	33,151	65,114
Insurance	21,881	23,008
Legal	5,205	9,839
Miscellaneous	12	264
Occupancy	6,591	6,349
Postage	20,440	12,474
Printing	36,575	29,571
Repairs and maintenance	1,128	1,424
Security	345	87
Special events	3,411	12,870
Supplies	5,126	5,317
Telephone	741	(349)
	<u>\$ 900,148</u>	<u>\$ 854,865</u>

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 2,135,672	\$ 6,196,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,013,894	828,225
(Gain) loss on disposal of fixed assets	33,418	8,469
Realized (gains) losses on investments	(395,912)	(560,826)
Unrealized (gains) losses on investments	(2,045,179)	(2,780,278)
Amortization of discount on promises to give	51,319	73,911
Contributions restricted for long term purposes	(10,000)	(206,607)
Changes in assets and liabilities:		
(Increase) decrease in promises to give	1,200,704	355,363
(Increase) decrease in accounts receivable	10,043	(22,407)
(Increase) decrease in prepaid expenses	26,306	39,051
(Increase) decrease in inventory	10,319	6,201
Increase (decrease) in accounts payable	(2,100,583)	1,890,262
Increase (decrease) in accrued liabilities	(96,085)	(252,178)
Increase (decrease) in prepaid licenses and other deferred revenue	68,195	9,231
Total adjustments	<u>(2,233,561)</u>	<u>(611,583)</u>
Net cash (used in) provided by operating activities	<u>(97,889)</u>	<u>5,584,632</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(1,876,872)	(3,789,419)
Sale of investments	5,080,194	4,958,275
Purchase of depreciable property	<u>(4,638,217)</u>	<u>(8,516,155)</u>
Net cash used in investing activities	<u>(1,434,895)</u>	<u>(7,347,299)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from contributions restricted for long term purposes	10,000	206,607
Proceeds from SBA loan - Paycheck Protection Program	1,390,620	-
Net cash provided by financing activities	<u>1,400,620</u>	<u>206,607</u>
Net increase (decrease) in cash and cash equivalents	(132,164)	(1,556,060)
Cash, cash equivalents and restricted cash - beginning of year	5,955,159	7,511,219
Cash, cash equivalents and restricted cash - end of year	<u>\$ 5,822,995</u>	<u>\$ 5,955,159</u>
Cash, cash equivalents and restricted cash presented on statement of financial position as:		
Current assets	\$ 5,136,143	\$ 4,840,564
Foundation investments	686,852	522,140
Cash restricted for investment in building	-	592,455
	<u>\$ 5,822,995</u>	<u>\$ 5,955,159</u>

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 1 – THE ENTITY:

The Nebraska Humane Society (the Society) is a nonprofit corporation committed to the protection of animals. The Society provides education, gives sanctuary to animals, encourages adoption of animals, and promotes responsible pet ownership. Service to the citizens and animals of the community is provided by upholding the laws enacted for their protection. The Society’s mission statement states “The Nebraska Humane Society protects, saves, and enriches the lives of animals in the communities we serve”.

The Society acts as the animal control and animal licensing agency for the City of Omaha, Sarpy County and all municipalities in Sarpy County. Animal welfare services provided include medical treatment as needed, spay/neuter services, behavior training, behavior modification, foster care and adoption. Community outreach provides a wide range of educational programs and opportunities for schools, religious and civic groups, businesses, hospitals and nursing homes, and boys and girls clubs.

Effective January 1, 2000, a nonprofit foundation, Nebraska Humane Society Foundation (the Foundation), was formed for the express purpose of raising funds and holding assets for the Society. The Foundation is considered to be controlled by the Society by virtue of the fact that the board of directors of the Society has the power to appoint the members of the board of directors for the Foundation. The Foundation was not granted any variance power.

The organizations’ revenues are derived from contributions, service contracts with various cities and counties, primarily in eastern Nebraska, to provide animal control, and other program service fees. These fees include adoption fees and other shelter fees charged to animal owners.

In June 2010, Humane Enterprises, Inc., a for-profit corporation, was formed for the purpose of providing licensing services for other governmental entities in the country. Operations related to obtaining contracts with other entities began in 2011 and ended in 2014. Humane Enterprises, Inc. is a wholly-owned subsidiary of the Society and, therefore, consolidation of the financial statements is required under generally accepted accounting principles. Humane Enterprises, Inc. maintains a separate Board of Directors.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES:

A. Basis of Financial Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting in conformity with generally accepted accounting principles in the United States of America.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES, Continued:

B. Revenue Recognition

With regard to revenues, the Society evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets or services transferred, or (2) a nonreciprocal transfer (a contribution), where no value is exchanged.

Exchange transactions

The Society's revenue from contracts with customers, which comes from contracts with city and county governments in the metropolitan area to provide animal control and licensing services, is recognized over time based on the transfer of control. The contracts are renewed annually. These contracts generally extend across one calendar year and are considered to contain one performance obligation that is satisfied over time. In addition, the Society's contracts do not contain variable consideration, and contract modifications are generally minimal.

Revenues from program services include shelter fees, adoptions, cremation, spay and neuter services, training and education. These revenues are generally recognized at the time of service delivery.

License receipts are recorded as revenue in the year for which the license is issued. License receipts received in advance are treated as unearned revenue until the year for which issued.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed 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 statements of activities as net assets released from restrictions.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions; the restriction is met when the assets are placed in service.

C. Use of Estimates

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



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and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES, Continued:

D. Principles of Consolidation

The consolidated financial statements include the accounts of The Nebraska Humane Society, The Nebraska Humane Society Foundation and the wholly owned subsidiary, Humane Enterprises, Inc. All material intra-entity transactions have been eliminated.

E. Non-Cash Contributions

Contributions of donated non-cash assets (in-kind) are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donations, are recorded at their fair values in the period received.

F. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Society considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents for purposes of the statements of cash flows include a Foundation money market account (see Note 1).

G. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are carried at fair value in the statement of financial position. Whenever available, quotations from organized security exchanges are used as the basis for fair value. For investments not traded on organized exchanges, fair value estimates are provided by investment managers. Net investment return, which includes both current return (interest and dividend income, and gains and losses on the sale of investments), as well as unrealized gains and losses, is included in the statement of activities, net of investment expenses.

H. Promises to Give

Management considers promises to give to be fully collectible and, accordingly, an allowance for doubtful accounts has not been recorded. If promises to give become uncollectible, they will be charged to expense when that determination is made. Bad debt expense was \$ 31,589 and \$17,545 in 2020 and 2019, respectively.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES, Continued:

I. Inventories

Inventory for the gift shop is stated at cost or estimated value at date contributed for donated items included in inventory.

J. Property and Equipment

The Society capitalizes property and equipment over \$2,500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to forty years.

K. Income Taxes

The Society and the Foundation are exempt from federal income taxes on their related activities under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes related to the Society and the Foundation are to be paid only on the net revenue not related to their tax-exempt activities. Humane Enterprises is a for-profit C corporation. The Society and the Foundation qualify to receive tax-deductible contributions as provided by the Internal Revenue Code. At December 31, 2020, the Society and Humane Enterprises had net operating loss carry-forwards resulting from its unrelated business activities and for-profit operations which could be applied against future years' taxable income. The net operating loss carry-forwards expire at various dates through December 2035.

L. Accounting for Uncertain Tax Positions

In accordance with ASC 740, *Income Taxes*, the Society has evaluated its tax positions and determined that its tax positions are more-likely-than-not to be sustained upon examination. Accordingly, the Society believes there are no unrecognized benefits or applicable interest and penalties that should be recorded. Tax returns are subject to review and examination by federal, state and local authorities. The Society and the Foundation are no longer subject to examination for years before 2018.

M. Functional Allocation of Expenses

Certain categories of expenses reported in the statements of functional expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy costs, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of time and effort studies. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES, Continued:

N. Advertising Costs

Advertising costs are expensed as incurred.

O. Allocation of Joint Costs

The Society has incurred joint costs that include fundraising appeals in the cost of producing and mailing a semi-annual newsletter and maintaining a website. These costs, which total \$224,583 have been allocated 50% to program services and 50% to fundraising.

P. Net Asset Classifications

Financial position and activities are reported according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Society's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Society or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS:

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, the Society and the Foundation account for its financial instruments at fair value. Fair value is defined as the price that would be paid in an orderly transaction, or exit price, between market participants to sell the asset or transfer the liability in the principal or most advantageous market for the asset or liability.

FASB ASC 820 establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. The three levels of the fair value hierarchy are described below:

*Level 1* – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments which would generally be included in Level 1 includes listed equities and listed derivatives.

*Level 2* - Valuation is based upon inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS, Continued:

*Level 3* - Valuation is based upon significant unobservable inputs.

The following tables set forth by level, within the fair value hierarchy, the investments carried at fair value as of December 31:

ASSETS AT FAIR VALUE AS OF DECEMBER 31, 2020

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Money market held in brokerage account for investment	\$ 1,344,032	\$ 1,344,032	\$ -
Equities	602,862	602,862	-
Equity funds	13,620,714	13,620,714	-
Fixed income funds	4,430,683	4,430,683	-
Corporate bonds	333,609	-	333,609
Foreign equities	2,586,512	2,586,512	-
Total	<u>\$ 22,918,412</u>	<u>\$ 22,584,803</u>	<u>\$ 333,609</u>

ASSETS AT FAIR VALUE AS OF DECEMBER 31, 2019

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Money market held in brokerage account for investment	\$ 3,633,757	\$ 3,633,757	\$ -
Equities	14,317,770	14,317,770	-
Equity funds	1,168,984	1,168,984	-
Fixed income funds	3,565,990	3,565,990	-
Corporate bonds	650,758	-	650,758
Foreign equities	343,384	343,384	-
Total	<u>\$ 23,680,643</u>	<u>\$ 23,029,885</u>	<u>\$ 650,758</u>

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS, Continued:

The investments are reported as follows:

	<u>2020</u>	<u>2019</u>
Short-term investments	\$ 2,444,573	\$ 2,186,671
Investments	437,880	443,600
Foundation investments	18,691,927	17,416,614
Investments restricted for investment in building	1,344,032	3,633,758
Total	<u>\$ 22,918,412</u>	<u>\$ 23,680,643</u>

Net investment income consists of the following:

	<u>2020</u>	<u>2019</u>
Realized gains	\$ 395,912	\$ 552,357
Unrealized gains (losses)	2,045,179	2,780,278
Interest and dividend income	363,624	537,996
Investment fees	(115,435)	(129,566)
Total	<u>\$ 2,689,280</u>	<u>\$ 3,741,065</u>

NOTE 4 – PROMISES TO GIVE:

Promises to give extend over a period of five years and have therefore been discounted to present value using rates ranging from 2% to 5.5%.

Promises to give at December 31 consist of:

	<u>2020</u>	<u>2019</u>
Promises due in less than 1 year	\$ 26,950	\$ 1,152,606
Promises due in 1 to 5 years	1,481,888	1,664,193
Promises due in more than 5 years	-	-
Discount to present value	(39,659)	(95,597)
Total	<u>\$ 1,469,179</u>	<u>\$ 2,721,202</u>

At December 31, 2020 and 2019, promises to give are comprised of \$225,605 and \$267,921, respectively, of gifts restricted as to time. The remainder of the promises to give are restricted as to purpose.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 5 – LAND, BUILDINGS AND EQUIPMENT:

Land, buildings and equipment at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,270,868	\$ 1,270,868
Buildings and improvements	33,413,310	23,593,491
Vehicles and equipment	<u>2,650,018</u>	<u>2,146,975</u>
	37,334,196	27,011,334
Less: Accumulated depreciation	<u>(13,108,453)</u>	<u>(12,126,683)</u>
	24,225,743	14,884,651
Construction in progress	<u>-</u>	<u>5,750,187</u>
	<u>\$ 24,225,743</u>	<u>\$ 20,634,838</u>

Depreciation expense was \$1,013,894 and \$828,226 for 2020 and 2019, respectively.

NOTE 6 – DEFERRED COMPENSATION AGREEMENTS:

The Society had a deferred compensation agreement with a member of the Society’s management. Under this agreement, the Society established a deferred compensation account in the form of an annuity. The balance in the account was paid out in 2020. There were no premiums paid on this annuity in 2020 and 2019. The assets set aside for this purpose were shown on statements of financial position as other assets.

NOTE 7 – NOTES PAYABLE:

The Society has a demand bank line of credit totaling \$2,000,000, under which the Society may borrow on an unsecured basis at the bank’s prime rate. There were no amounts outstanding under this line of credit at December 31, 2020 and 2019. The credit agreement matures on October 31, 2021.

SBA Loan -Paycheck Protection Program

In April 2020, the Society received loan proceeds in the amount of \$1,390,600 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses and nonprofit organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying entity. The loan and accrued interest are forgivable after the measurement period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, employee benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness is reduced if the borrower terminates employees or reduces salaries during the measurement period.

The Society used the proceeds for purposes consistent with the PPP loan requirements, and subsequent to year-end received forgiveness for the entire loan.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of gifts contributed for a specified purpose, gifts restricted due to time, or gifts that have been designated by the donor to be held in perpetuity. As of December 31, 2020 and 2019, net assets with donor restrictions consisted of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specific purpose:		
Program activities	\$ 64,352	\$ 66,851
Capital improvements	<u>1,243,572</u>	<u>10,789,842</u>
	<u>1,307,924</u>	<u>10,856,693</u>
Subject to the passage of time:		
General unrestricted use in future periods as received	<u>225,605</u>	<u>267,921</u>
Not subject to appropriation or expenditure:		
Donor-restricted endowment fund		
General activities	1,458,875	1,458,875
Humane education	77,572	77,572
Animal welfare and outreach	1,577,289	1,577,289
JVAEC facility maintenance	<u>1,000,000</u>	<u>1,000,000</u>
	<u>4,113,736</u>	<u>4,113,736</u>
Total net assets with donor restrictions	<u>\$ 5,647,265</u>	<u>\$ 15,238,350</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2020</u>	<u>2019</u>
Purpose restrictions accomplished:		
Programs		
Various programs	<u>\$ 2,500</u>	<u>\$ 16,973</u>
Capital Projects		
Judy Varner Capital Campaign	<u>9,887,512</u>	<u>3,296,535</u>
Total purpose restrictions released	<u>9,890,012</u>	<u>3,313,508</u>
Time restrictions expired	<u>142,575</u>	<u>260,969</u>
Earnings on donor-restricted endowment fund released by Board	<u>407,771</u>	<u>417,328</u>
Total restrictions released	<u>\$ 10,440,358</u>	<u>\$ 3,991,805</u>

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 9 –ENDOWMENT FUND:

The endowment fund includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The donor-restricted endowment fund consists of gifts which were restricted by donors such that the original value be maintained permanently but permit use of the income derived from the assets.

Investment income from the assets is classified as net assets with donor restrictions until either the purpose restriction is satisfied or, in the case of endowment funds which support general activities, the Board has appropriated the earnings for expenditure.

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless the donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. In accordance with donor stipulations, spending is not allowed from underwater funds.

In accordance with SPMIFA, the Board of Directors considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the organization and the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Society, and (7) the Foundation's investment policies.

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration.



THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 9 – ENDOWMENT FUND, Continued:

Endowment composition by type of fund at December 31, 2020 is as follows:

	Net Assets without Donor <u>Restrictions</u>	Net Assets with Donor <u>Restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 16,265,040	\$ -	\$ 16,265,040
Donor-restricted endowment funds			
Original donor-restricted gift amounts required to be maintained in perpetuity by donor	-	4,113,736	4,113,736
Gift amounts restricted by time or purpose	-	18,958	18,958
Total endowment funds	<u>\$ 16,265,040</u>	<u>\$ 4,132,694</u>	<u>\$ 20,397,734</u>

Changes in endowment net assets held by the Nebraska Humane Society Foundation for the year ended December 31, 2020 are as follows:

	Net Assets without Donor <u>Restrictions</u>	Net Assets with Donor <u>Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of the year	<u>\$ 14,825,016</u>	<u>\$ 4,150,663</u>	<u>\$ 18,975,679</u>
Investment return:			
Investment income	168,800	35,454	204,254
Realized and unrealized gains on investments	<u>1,772,665</u>	<u>372,317</u>	<u>2,144,982</u>
Total investment activity	<u>1,941,465</u>	<u>407,771</u>	<u>2,349,236</u>
Contributions	174,788	2,031	176,819
Appropriation of endowment assets for expenditure	407,771	(407,771)	-
Reclassifications	16,000	(16,000)	-
Transfer to Society accounts	(1,100,000)	-	(1,100,000)
Other changes	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
Endowment net assets, end of year	<u>\$ 16,265,040</u>	<u>\$ 4,132,694</u>	<u>\$ 20,397,734</u>

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 9 – ENDOWMENT FUND, Continued:

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return 7.5%, net of investment fees. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation 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). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

A. Appropriation Policy and How the Investment Objectives Relate to Appropriation Policy

The spending rate for the portfolio is 5% per year of the average of the market value of the Endowment Portfolio over the prior 3 years. The spending policy is based on two key assumptions: the inflation rate over time has averaged about 2%, and the total return on the endowment fund over time will average 7%. The total annual distribution of spendable income does not exceed 10% nor is it less than 5% of the average market value based on a rolling three year average.

B. Strategies Employed for Achieving Objectives

The primary investment objectives, portfolio spending rate, average annual total return objective and resulting target allocation rate indicate a substantial ability to tolerate volatility over time, but reasonable precautions are taken to not subject the portfolio to short term volatility. The portfolio's target or equilibrium asset allocation is 30% fixed income and 70% common stock.

NOTE 10– ANIMAL CONTROL CONTRACTS:

The Society has animal control contracts with the City of Omaha, Sarpy County, and Offutt Air Force Base. The Sarpy County contract includes a provision which requires the Society to provide animal control services to the cities of Bellevue, Gretna, LaVista, Papillion, Springfield and Ralston, to the extent that said services are required by Sarpy County's Interlocal Cooperation Agreement with each city. The Society is entitled to 100% of the license and impound fees collected in accordance with the provisions of the contracts.

In addition to the license and impound fees, the City of Omaha contract provided for direct payments of \$765,131 and \$742,846 for the years 2020 and 2019, respectively.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 11 – CONTRIBUTED SERVICES:

The Society receives a significant amount of donated services from unpaid volunteers who assist in special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958 have not been satisfied. The Society received approximately 34,600 volunteer hours during 2020, which are valued at approximately \$358,200.

In addition, the Society received professional donated services during 2020 and 2019. Non-cash contributions have been recognized related to these services as follows:

	<u>2020</u>	<u>2019</u>
Professional services	\$ 23,296	\$ 31,425
Veterinary services	<u>31,601</u>	<u>35,828</u>
	<u>\$ 54,897</u>	<u>\$ 67,253</u>

NOTE 12 – 401K SAVINGS PLAN:

The Society has a defined contribution plan covering all employees who are 21 years of age and have completed 90 days of service. Under the plan, eligible employees can make salary reduction contributions up to the maximum allowed by current tax laws. The Society matches these contributions to the extent of 3% of covered compensation. Plan expense was \$98,588 and \$121,896 for 2020 and 2019, respectively.

NOTE 13 – COMMITMENTS AND CONTINGENCIES:

The Society has a self-insured health insurance for all its employees. The Society has purchased stop-loss insurance in order to limit its exposure, which will reimburse the Society for individual claims in excess of \$ 35,000 annually or aggregate claims exceeding \$ 770,000 annually. Self-insurance losses are accrued based on the Society’s estimates of the aggregate liability for uninsured claims incurred using certain actuarial assumptions followed in the insurance industry. At December 31, 2020, the accrued liability for self-insured losses is included in accrued expenses and approximates \$106,361.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 14 - AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Society's financial assets available within one year of the balance sheet for general expenditure:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 5,822,995	\$ 5,955,159
Short term investments	3,788,605	5,820,429
Promises to give	1,469,179	2,721,202
Accounts receivable	30,846	40,889
Investments	<u>19,129,807</u>	<u>17,860,214</u>
Total financial assets	30,241,432	32,397,893
Less amounts unavailable for general expenditure within one year due to:		
Restricted by donors with purpose restrictions	(1,307,924)	(5,106,506)
Restricted by donors with time restrictions	(225,605)	(267,921)
Restricted by donors in perpetuity	<u>(4,113,736)</u>	<u>(4,113,736)</u>
Total amounts unavailable for general expenditures within one year	(5,647,265)	(9,488,163)
Less amounts unavailable to management without Board approval	<u>(16,265,043)</u>	<u>(14,861,943)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 8,329,124</u>	<u>\$ 8,047,787</u>

The Society's endowment funds consist of donor-restricted endowments and a quasi-endowment. As described in Footnote 8, income from certain donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. Income from certain other donor-restricted funds is available for general expenditure when appropriated by the Board of Trustees. As described in Footnote 9, the quasi-endowment has an average spending rate of 5%; it is anticipated that these funds will be appropriated by the Board of Trustees and available within the next twelve months. The appropriation for 2020 was \$1,100,000.

As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Society invests cash in excess of daily requirements in short-term investments.

To help manage unanticipated liquidity needs, the Society has a committed line of credit of \$2,000,000 which it could draw upon. In addition to the above amounts, the Society received a loan commitment for \$1,390,600 on April 15, 2020 from the Payroll Protection Program. These funds are available for payroll and certain other general expenditures.

THE NEBRASKA HUMANE SOCIETY  
and  
NEBRASKA HUMANE SOCIETY FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2020 and 2019

NOTE 15 – CONCENTRATIONS:

The Society maintains cash accounts in several commercial banks located in Omaha, Nebraska. The total cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The Society's cash account balances occasionally exceed federally insurable balances.

The Society invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. Investment securities and limited amounts of cash are held in brokerage accounts that are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account with a limit of \$250,000 for claims of uninvested cash balances. The insurance does not protect against market losses on investments.

At December 31, 2020, approximately 73% of the outstanding promises to give was due from two charitable trusts and foundations.

NOTE 16 – SUBSEQUENT EVENTS:

The Society has evaluated subsequent events through September 22, 2021, which is the date the financial statements were available to be issued.

On March 14, 2020, the President of the United States declared a National Emergency following a worldwide outbreak of the coronavirus. Multiple jurisdictions in the U.S., including the city of Omaha, have since declared a public health state of emergency, ordering the public to stay at home, closing specified businesses, and requiring social distancing measures for most public and private facilities. This has had an immediate impact on the Society, resulting in reduced operations and fundraising. It is anticipated that the effects of these events will continue for some time. At the present time, the ultimate future effects of these issues are unknown.

**MASIMORE,  
MAGNUSON & ASSOCIATES, P.C.**  
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INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATING INFORMATION

To the Board of Directors  
The Nebraska Humane Society and  
Nebraska Humane Society Foundation:

We have audited the consolidated financial statements of the Nebraska Humane Society and Nebraska Humane Society Foundation as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated September 22, 2021 which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements taken as a whole.

The consolidating information in Schedules I and II is presented for purposes of additional analysis of the consolidated financial statements and it is not a required part of the consolidated financial statements. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Omaha, Nebraska  
September 22, 2021

*Masimore, Magnuson & Associates, P.C.*

THE NEBRASKA HUMANE SOCIETY AND NEBRASKA HUMANE SOCIETY FOUNDATION  
SCHEDULE I - SUPPLEMENTAL STATEMENT OF CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020

<u>ASSETS</u>	The Nebraska Humane Society	Nebraska Humane Society Foundation	Humane Enterprises, Inc.	Eliminating Entries	2020 Consolidated Total
Current assets:					
Cash and cash equivalents	\$ 5,136,143	\$ -	\$ -	\$ -	\$ 5,136,143
Short-term investments	2,444,573	-	-	-	2,444,573
Promises to give	206,648	18,958	-	-	225,606
Accounts receivable	30,846	-	-	-	30,846
Prepaid expenses	112,572	-	-	-	112,572
Inventory	18,321	-	-	-	18,321
Total current assets	<u>7,949,103</u>	<u>18,958</u>	<u>-</u>	<u>-</u>	<u>7,968,061</u>
Investments	437,880	-	-	-	437,880
Foundation investments:					
Cash and cash equivalents	-	686,852	-	-	686,852
Investments	-	18,691,927	-	-	18,691,927
Loan to NHS for building		1,000,000		(1,000,000)	-
Promises to give restricted for investment in building	1,243,573	-	-	-	1,243,573
Investments restricted for investment in building	1,344,032	-	-	-	1,344,032
Intangible assets, net of amortization	-	-	4,169	-	4,169
Beneficial interest in Foundation	20,397,737	-	-	(20,397,737)	-
Investment in Humane Enterprises, Inc.	4,169	-	-	(4,169)	-
Land, buildings and equipment at cost - net of accumulated depreciation	24,225,743	-	-	-	24,225,743
Total other assets	<u>47,653,134</u>	<u>20,378,779</u>	<u>4,169</u>	<u>(21,401,906)</u>	<u>46,634,176</u>
Total assets	<u>\$ 55,602,237</u>	<u>\$ 20,397,737</u>	<u>\$ 4,169</u>	<u>\$ (21,401,906)</u>	<u>\$ 54,602,237</u>

The accompanying notes are an integral part of these financial statements.

THE NEBRASKA HUMANE SOCIETY AND NEBRASKA HUMANE SOCIETY FOUNDATION  
SCHEDULE I - SUPPLEMENTAL STATEMENT OF CONSOLIDATING STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020

	The Nebraska Humane Society	Nebraska Humane Society Foundation	Humane Enterprises, Inc.	Eliminating Entries	2020 Consolidated Total
<u>LIABILITIES AND NET ASSETS</u>					
Current liabilities:					
Accounts payable	\$ 260,820	\$ -	\$ -	\$ -	\$ 260,820
Accrued liabilities	444,749	-	-	-	444,749
Prepaid licenses and other deferred revenue	147,842	-	-	-	147,842
SBA Loan - Payroll Protection Program	1,390,620				1,390,620
Loan from Foundation	1,000,000	-	-	(1,000,000)	-
Total current liabilities	<u>3,244,031</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>2,244,031</u>
NET ASSETS:					
Without donor restrictions	46,710,941	16,265,043	-	(16,265,043)	46,710,941
With donor restrictions	5,647,265	4,132,694	-	(4,132,694)	5,647,265
Total net assets	<u>52,358,206</u>	<u>20,397,737</u>	<u>-</u>	<u>(20,397,737)</u>	<u>52,358,206</u>
RETAINED EARNINGS:					
Common stock	-	-	50,000	(50,000)	-
Additional paid in capital	-	-	248,841	(248,841)	-
Retained earnings	-	-	(294,672)	294,672	-
	<u>-</u>	<u>-</u>	<u>4,169</u>	<u>(4,169)</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 55,602,237</u>	<u>\$ 20,397,737</u>	<u>\$ 4,169</u>	<u>\$ (21,401,906)</u>	<u>\$ 54,602,237</u>

The accompanying notes are an integral part of these financial statements.



THE NEBRASKA HUMANE SOCIETY AND NEBRASKA HUMANE SOCIETY FOUNDATION  
SCHEDULE II - SUPPLEMENTAL STATEMENT OF CONSOLIDATING STATEMENTS OF ACTIVITIES  
DECEMBER 31, 2020

	The Nebraska Humane Society	Nebraska Humane Society Foundation	Humane Enterprises, Inc.	Eliminating Entries	2020 Consolidated Total
<b>SUPPORT AND REVENUE</b>					
City and county services	\$ 5,438,830	\$ -	\$ -	\$ -	\$ 5,438,830
Program fees	2,027,054	-	-	-	2,027,054
Contributions	4,286,295	2,031	-	-	4,288,326
Special events, net	597,214	-	-	-	597,214
Gift shop sales, net	(9,949)	-	-	-	(9,949)
Investment income, net of fees	43,935	204,254	-	-	248,189
Realized and unrealized gains on investments	296,109	2,144,982	-	-	2,441,091
Other income	68,021	-	-	-	68,021
Loss on disposal of assets	(33,419)	-	-	-	(33,419)
Total support and revenue	<u>12,714,090</u>	<u>2,351,267</u>	<u>-</u>	<u>-</u>	<u>15,065,357</u>
<b>EXPENSES</b>					
Program services	11,523,567	-	-	-	11,523,567
Supporting activities:					
Management and general	505,970	-	-	-	505,970
Fundraising	896,148	4,000	-	-	900,148
Total expenses	<u>12,925,685</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>12,929,685</u>
Change in net assets before equity transfer	(211,595)	2,347,267	-	-	2,135,672
Equity transfers, net	-	(925,211)	-	925,211	-
Increase in beneficial interest	<u>2,347,267</u>	<u>-</u>	<u>-</u>	<u>(2,347,267)</u>	<u>-</u>
Change in net assets	<u>\$ 2,135,672</u>	<u>\$ 1,422,056</u>	<u>\$ -</u>	<u>\$ (1,422,056)</u>	<u>\$ 2,135,672</u>

The accompanying notes are an integral part of these financial statements.