The Humane Society of the United States and Affiliates

Consolidated Financial Statements and Supplemental Schedules
Year Ended December 31, 2020

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Contents

Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive
Suite 800
McLean, VA 22102

Independent Auditor's Report

Board of Directors
The Humane Society of the United States
Washington, D.C.

We have audited the accompanying consolidated financial statements of The Humane Society of the United States and Affiliates (the Society), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Humane Society of the United States and Affiliates as of December 31, 2020, and their change in net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Humane Society of the United States and Affiliates and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

May 6, 2021

Consolidated Financial Statements

The Human Society of the United States and Affiliates

Consolidated Statement of Financial Position

As of December 31,	2020
Assets	
Cash and cash equivalents	$ 27,857,029
Investments	287,162,889
Investments to fund deferred compensation liability	298,075
Accrued interest receivable	150,062
Prepaid expenses and other assets	1,856,457
Contributions, bequests and other receivables, net	13,375,452
Property and equipment, net	20,639,483
Conservation property	10,215,551
Total assets	$ 361,554,998
Liabilities and net assets	
Liabilities	
Accounts payable and accrued expenses	$ 23,223,771
Annuities and unitrusts	11,735,894
Deferred rent and related lease incentives	3,400,750
Accrued severance obligation	539,871
Deferred compensation liability	298,075
Total liabilities	39,198,361
Commitments and contingencies (Note 15 and 16)	
Net assets	
Without donor restrictions	
Board designated	99,456,932
Undesignated	121,896,035
Total net assets without donor restrictions	221,352,967
With donor restrictions	101,003,670
Total net assets	322,356,637
Total liabilities and net assets	$ 361,554,998

See accompanying notes to the consolidated financial statements.

The Human Society of the United States and Affiliates

Consolidated Statement of Activities and Change in Net Assets

Year ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	$ 113,110,865	$ 29,563,194	$ 142,674,059
Bequests	25,495,959	9,737,731	35,233,690
Royalty income	152,883	41,003	193,886
Event income	541,137	345,018	886,155
Other income	1,910,449	3,960,954	5,871,403
Net assets released from restrictions	42,629,207	(42,629,207)	-
Total support and revenue	183,840,500	1,018,693	184,859,193
Expenses			
Program services	141,405,514	-	141,405,514
Management and general	12,862,438	-	12,862,438
Fundraising	39,145,297	-	39,145,297
Total expenses	193,413,249	-	193,413,249
Change in net assets from operations	(9,572,749)	1,018,693	(8,554,056)
Investment return, net	23,738,619	6,907,280	30,645,899
Change in net assets before annuity and foreign currency adjustment	14,165,870	7,925,973	22,091,843
Annuity liability change in valuation	(787,567)	49,784	(737,783)
Foreign currency gain	47,852	-	47,852
Change in net assets	13,426,155	7,975,757	21,401,912
Net assets, beginning of the year	207,926,812	93,027,913	300,954,725
Net assets, end of the year	$ 221,352,967	$ 101,003,670	$ 322,356,637

See accompanying notes to the consolidated financial statements.

The Human Society of the United States and Affiliates

Consolidated Statement of Functional Expenses

Year ended December 31, 2020	Program Services: Direct Care	Public Policy	Corporate Policy	Education	Total Program	Support Services: Management and General	Fundraising	Total
Salaries	$ 10,544,644	$ 14,608,878	$ 2,404,462	$ 10,711,036	$ 38,269,020	$ 5,750,468	$ 4,834,767	$ 48,854,255
Employee benefits	2,066,646	3,016,809	476,359	2,177,009	7,736,823	1,332,366	972,243	10,041,432
Total compensation	12,611,290	17,625,687	2,880,821	12,888,045	46,005,843	7,082,834	5,807,010	58,895,687
Education material, publications and campaigns	1,057,622	1,455,511	377,840	17,123,440	20,014,413	47,767	9,234,954	29,297,134
Mailing costs	3,883,010	5,053,400	849,630	4,110,006	13,896,046	50	10,325,181	24,221,277
Consultant and contracted services	6,745,388	5,238,225	1,256,493	5,842,808	19,082,914	2,140,921	9,875,922	31,099,756
Professional fees	477,853	2,535,279	78,658	307,454	3,399,244	249,026	231,874	3,880,144
Contributions and grants	18,587,791	4,425,712	214,528	651,999	23,880,030	-	-	23,880,030
Travel and events	756,319	319,796	89,087	430,654	1,595,856	13,557	77,385	1,686,798
Supplies and field expenses	5,337,104	1,417,980	174,181	1,696,799	8,626,064	942,203	672,427	10,240,694
Bank and trustee fees	-	-	-	-	-	853,184	2,376,250	3,229,434
Occupancy and building expenses	1,061,400	838,774	38,633	375,074	2,313,881	682,131	169,785	3,165,797
Depreciation and amortization	766,360	84,813	-	18,833	870,006	491,145	396	1,361,547
Postal and shipping	74,626	141,205	3,387	45,610	264,828	16,789	18,688	300,305
Telephone	120,540	137,325	24,000	91,583	373,448	105,562	95,231	574,241
Insurance and bonds	348,908	253,881	42,467	188,430	833,686	219,910	206,468	1,260,064
Real estate and other taxes	164,572	40,467	10,576	33,640	249,255	17,359	53,726	320,341
Total expenses	$ 51,992,783	$ 39,568,055	$ 6,040,301	$ 43,804,375	$ 141,405,514	$ 12,862,438	$ 39,145,297	$ 193,413,249

See accompanying notes to the financial statements.

The Human Society of the United States and Affiliates

Consolidated Statement of Cash Flows

Year ended December 31,	2020
Cash flows from operating activities	
Change in net assets	$ 21,401,912
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in allowance for uncollectible contributions and bequests	(253,822)
Bad debt expense	149,799
Change in discount on multi-year contributions and bequests	(205,573)
Depreciation and amortization	1,361,547
Realized and unrealized gain or investments, net	(28,910,457)
Loss on disposal of property and equipment	1,599,026
Donated stock	(1,967,956)
Contributions restricted to perpetuity:	
Property	(346,265)
Cash	(4,697,314)
Change in assets and liabilities:	
(Increase) decrease in:	
Accrued interest receivable	46,082
Prepaid expenses and other assets	493,480
Contributions, bequests, and other receivables, gross	9,353,812
Increase (decrease) in:	
Accounts payable and accrued expenses	3,390,833
Actuarial gain on annuities and unitrusts	1,069,091
Deferred rent and related lease incentives	(114,964)
Accrued severance obligation	(120,437)
Net cash provided by operating activities	2,248,794
Cash flows from investing activities	
Net increase in cash and cash equivalents held in investments	21,886,733
Proceeds from the sale of investments	46,295,402
Purchases of investments	(65,856,329)
Purchases of property and equipment	(855,144)
Net cash provided by investing activities	1,470,662
Cash flows from financing activities:	
Investments subject to annuity agreements	296,755
Payments on annuity agreements	(1,202,638)
Contributions restricted to perpetuity	4,697,314
Net cash provided by financing activities	3,791,431
Net change in cash and cash equivalents	7,510,887
Cash and cash equivalents	
Beginning of year	20,346,143
End of year	$ 27,857,029

See accompanying notes to the financial statements.

1. The Organization and Summary of Significant Accounting Policies

The Humane Society of the United States and Affiliates (collectively, the Society) is a not-for-profit organization whose primary purpose is the worldwide advancement of humane treatment of animals through public education, awareness, and direct animal care programs. The accompanying consolidated financial statements include the activities of the following entities:

The Humane Society of the United States (The HSUS)

The HSUS seeks to prevent and bring an end to animal cruelty in all of its forms, and to celebrate and strengthen the human-animal bond. The HSUS is the nation's most influential animal protection organization, with a distinct mission, helping animals through direct care, corporate reform, education, disaster response, emergency relief and rescue, fieldwork, investigations, litigation, research, scientific and technical analysis, media outreach, public advocacy, and legislative and policy initiatives. From its founding in 1954, the HSUS has complemented and enhanced the work of local and regional humane societies, promoting the protection of animals at the national (and global) level, tackling issues whose scope and magnitude exceed the capacity of local organizations, and working to expand the humane movement throughout the United States and abroad. The founders of the HSUS did not seek to replicate the activities of local groups but chose instead to be a national voice in the fight against cruelty and the celebration of the human-animal bond. Today, The HSUS confronts large-scale national and international problems, such as animal fighting, puppy mills, companion animal overpopulation, seal killing, commercial trade in wildlife and wildlife parts and products, trophy hunting, trapping and raising of animals for fur, suffering of horses via soring and other abuses, and inhumane slaughter and factory farming of animals raised for food.

Doris Day Animal League (DDAL)

DDAL, founded in 1987 by the actress and animal advocate, Doris Day, is a nonprofit, national, citizen's lobbying organization working for the humane treatment of animals. Since its inception, DDAL, a 501(c)(4) entity, has been a leader on animal welfare legislation and public policy. DDAL works with the U.S. Congress, government agencies, state and local officials, and other policy stakeholders to secure the passage of new laws and the enforcement of existing laws that reduce or eliminate the suffering of animals. See Note 23.

The Fund for Animals (FFA)

FFA, since 2005, has been the entity responsible for most HSUS animal care facilities, including the Cleveland Amory Black Beauty Ranch (TX), the Duchess Sanctuary (OR), and the Fund for Animals Wildlife Center (CA). These facilities focus on rehabilitation and release, and other hands-on care and rescue of injured, orphaned, and abandoned animals, as well as promoting the humane treatment of all animals and the prevention of cruelty through education and advocacy. The Cleveland Amory Black Beauty Ranch in Murchison, Texas is a 1,437-acre sanctuary that cares for approximately 1,000 animals year-round, representing 42 species, rescued from abuse or abandonment. The 1,120-acre Duchess Sanctuary in Oakland, Oregon cares for about 200 formerly abused, abandoned, and neglected horses. The Fund for Animals Wildlife Center in Ramona, California is a 13-acre facility that provides medical treatment, care, and rehabilitation of native wildlife, and releases them back into the wild. FFA no longer manages the Fund for Animals Wildlife Center as of August 31, 2020. A local unaffiliated nonprofit organization has taken on FFA's prior role and is continuing the rehabilitation and release, and animal care work at the facility. FFA also includes RAVS (Rural Area Veterinary Services), which offers veterinary medical treatment for animals on Native American reservations in the United States and remote locations abroad.

Humane Society International, Inc. (HSI)

HSI, founded in 1991, educates audiences worldwide about compassion toward animals, carries out direct animal care, rescue, and disaster response; provides technical and scientific support to local partners; and seeks to increase the priority given to animal protection issues by policymakers, industry, and civil society worldwide. HSI's core campaigns focus on the humane management of street animals via sterilization and vaccination in much of Asia, Latin America, and South America; the elimination of the dog meat trade in Asia; an end to the confinement of farm animals in battery cages and gestation crates in India, Brazil, Mexico, and elsewhere; a phase-out of animal testing for human and environmental hazard and risk assessment; a halt to the killing of seals for commercial purposes; the cessation of shark finning and shark fin soup consumption; and the restriction of mercy release programs that encourage the capture and subsequent release of wild animals. HSI works aggressively against the illicit global wildlife trade, advances efforts to stop commercial whaling (via the International Whaling Commission) and seeks to improve wildlife protection mechanisms in international trade negotiations. HSI also campaigns against the trapping and ranching of animals for fur garments and promotes wildlife contraception as a humane way to manage wildlife populations (particularly elephants) without the stress of capture and translocation or culling. In addition, HSI responds to cases of companion animal suffering (e.g., rescuing dogs from the dog meat trade in Asia or from puppy mills in Canada) and to major disasters that affect animals by sending skilled responders and funding support when disasters occur. HSI encompasses the below related affiliates throughout the world:

- Humane Society International (UK)
- Humane Society International Latin America
- Humane Society International / Canada
- Friends of Humane Society International for the Protection and Conservation of Animals
- Humane Society International - India
- Humane Society International – Europe
- Humane Society International - Mexico
- Humane Society International – Africa
- Humane Society International – Korea

Humane Society Veterinary Medical Association Inc. (HSVMA)

The HSVMA, incorporated in 1982, promotes and provides veterinary leadership in animal advocacy, public education and direct care to aid animals in need. HSVMA's main program areas include communication, educational, legislative and regulatory efforts to promote animal welfare, continuing education events focusing on animal welfare issues, and advocating for humane alternatives in veterinary education.

South Florida Wildlife Center, Inc. (SFWC)

SFWC, incorporated in 1969, helps animals in South Florida's tri-county region (Palm Beach, Broward, and Miami-Dade). Staff members rescue, rehabilitate, and release harmed or displaced native wildlife; treat and place domestic, exotic and farm animals in need; and teach the public about living alongside our wild neighbors. The SFWC daily performs field rescues of injured, orphaned, and imperiled animals. SFWC personnel restore mobility and function to injured wildlife, provide rehabilitative care in enriched, species-specific habitats, and release rehabilitated animals back into the wild. SFWC disaffiliated with the HSUS on June 30, 2020. See Note 21.

Humane Society Wildlife Land Trust (HSWLT)

HSWLT, founded in 1993, celebrates and protects wild animals by creating and managing permanent sanctuaries; by preserving and enhancing natural habitat; and by confronting cruelty. HSWLT protects natural habitat in perpetuity and seeks to ensure that animals living on protected lands are not hunted or trapped. HSWLT maintains a portfolio of more than 117 permanent wildlife sanctuaries comprising over 21,085 acres. HSWLT has also been involved in the protection and conservation of habitat in nearly 40 states and 9 countries, sanctuaries where recreational and commercial hunting and a variety of practices threatening to animals and their habitat will always be prohibited. HSWLT also works in collaboration with other non-governmental organizations throughout the United States and abroad to promote and advance the protection of habitat and wildlife. HSWLT has been involved in 30 such projects, involving over three million acres.

Project Chimps (PC)

Founded in 2014, PC seeks to end the use of chimpanzees in invasive biomedical research and provide lifetime sanctuary care to chimpanzees in need. As part of this mission, PC has retired 80 chimpanzees coming out of biomedical research to a sanctuary on 236 acres in Georgia. PC has an agreement with University of Louisiana-Lafayette New Iberia Research Center (NIRC) to move nearly all 200 NIRC chimpanzees to sanctuary, bringing an end to chimpanzee research at that facility.

The significant policies followed by the Society are described below.

Basis of accounting

The accompanying consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of consolidation

The consolidated financial statements include the accounts of the Humane Society of the United States, Doris Day Animal League, the Fund for Animals, Humane Society International, Inc. and its related international affiliates, Humane Society Veterinary Medical Association, South Florida Wildlife Center, Inc. (through its disaffiliation on June 30, 2020), Humane Society Wildlife Land Trust, and Project Chimps. All significant inter-organizational balances and transactions have been eliminated in consolidation.

Basis of presentation

The Society follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification ("ASC") ASC 958-605 *Not-for-Profit Entities – Presentation of Financial Statements*. The Society is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting year. Actual results could differ from estimates under different assumptions and conditions.

Revenue recognition

Contribution revenue

Contributions, including unconditional promises to give, are recognized in the period received. Contributions received are considered to be available for use unless specifically restricted by the donor. Amounts received that are designated for a future period, or are restricted by the donor for specific purposes are reported as contributions with donor restrictions. These contributions also increase net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions. Contributions with donor restrictions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. The Society uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on experience as well as management's analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. Contributions, including multi-year pledges and split interest agreements, to be received after one year, are recorded at the present value of the estimated future cash flows. Subsequent changes in this discount resulting from the passage of time are accounted for as contributions in subsequent years. Revenue under charitable gift annuity arrangements is reduced by the estimated annuities to be paid by the Society over the beneficiary's lifetime. Irrevocable split-interest agreements, including charitable remainder trusts, charitable lead trusts and perpetual trusts, are recorded as revenue when the trust agreements become irrevocable.

Conditional promises to give, including those received under multi-year grant agreements are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Society is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. A transfer of assets from a donor that contains donor conditions is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor.

As of December 31, 2020, the Society has conditional promises to give in the amount of $200,000, conditioned upon the building of a new structure at a care center. The Society plans to meet this condition over the next fiscal year.

Bequest revenue

The Society is the beneficiary under various wills. Legacy and bequest income is recognized when the Society has an irrevocable right to the gift and the proceeds of the gift are readily measurable.

Individual bequests without donor restriction in excess of $25,000 are recognized as revenue in the undesignated net assets at the rate of 20% and in the board designated investment fund net assets at the rate of 80% in the year of recognition. The 80% reported as revenue in the board designated net assets is transferred to the undesignated net assets equally over the following four years. The effect of this policy is to apportion individual bequests to the undesignated net assets over a five-year period. This policy applies only to The Humane Society of the United States entity.

In-kind contributions

Contributed services and in-kind contributions are recognized if they create or enhance non-financial assets or require specialized skills and would need to be purchased if not provided by donation.

The Society produces and distributes public service television, radio, and newspaper announcements that focus attention on Companion Animal and Wildlife issues. These public service announcements (PSAs) are distributed to radio stations and newspapers nationwide and are presented free of charge. The Society has contracted with an independent outside agency to track the date and time that each PSA is presented. The estimated value of the PSA and related placement is based on the date, time, and market of the placement. For the year ended December 31, 2020, the Society recorded $15,190,862 of contributed PSAs and other advertising related expenses. These amounts are recorded in contributions revenue and program expenses in the consolidated financial statements.

The Society also receives donations of in-kind services, as well as donations of equipment and supplies in the daily operations of its programs. For the year ended December 31, 2020, the Society received $2,769,377 in donated services and $3,551,454 in donated equipment and supplies. These amounts are recorded in contributions revenue and program expenses in the consolidated financial statements.

Event income and other revenue

Revenue from contracts with customers consists of event registrations and related exhibit fees recorded as event income as well as publication subscriptions and advertising and sales of products recorded as other revenue. Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Society expects to be entitled to in exchange for those goods or services. Revenue is recognized net of discounts, waivers, and refunds. Revenue is recognized using the five-step approach, as follows:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, performance obligations are satisfied

Performance Obligations and Significant Judgments

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good or service and recognized as revenue when, or as, the performance obligation is satisfied. If a distinct good or service does not have an observable standalone selling price, then the primary method used to estimate the standalone selling price is the adjusted market assessment approach, under which the Society evaluates the market and estimates a price that a customer would be willing to pay for the goods and services provided.

Event revenue is recognized at a point in time when the related events are held. Attendees are required to pay in advance of attending an event. Publication subscriptions and related advertising revenue are recognized over time using the output method as periodical issues are published and distributed. Subscription payments are required in advance of the subscription period; advertisers are billed on terms of net 30 days. Sales of products are recognized as revenue at a point in time when the products are handed to or shipped to customers and must be paid for in advance of shipping. Transaction prices are based on gross prices, net of discounts or refunds.

Contract Balances

The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities reported in the statement of financial position as contributions, bequests and other receivables and accounts payable and accrued expenses, respectively. Contract assets consist primarily of advertising receivables, which are recognized only to the extent that it is probable that the Society will collect substantially all of the consideration to which it is entitled in exchange for the goods or services that will be or have been transferred. Contract liabilities consist entirely of deferred revenue that results when the Society receives advance payments from customers before revenue is recognized. Contract assets and liabilities are considered immaterial to the consolidated financial statements as of December 31, 2020.

Costs to Obtain a Contract

The Society has elected the practical expedient available, in which any incremental costs of obtaining a contract are recognized as an expense when incurred if the amortization period of the asset that would have been recognized is one year or less.

Cash and cash equivalents

Cash and cash equivalents include all short-term, highly liquid instruments purchased with an original maturity of three months or less. At December 31, 2020, cash and cash equivalents consisted of checking accounts and depository accounts.

Investments

The Society generally reports investments at fair value. Investment return reported in the statement of activities and changes in net assets is net of all external and direct internal investment management expenses. Interest and dividend income is accounted for on the accrual basis. Gains and losses on investments, including changes in market value, are reported in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

Investments in equity securities with readily determinable fair values as well as investments in mutual and exchange-traded funds are reported at quoted market prices. Investments in debt securities are reported at estimated fair value based on quoted interest rates for securities of similar terms and risks.

Investments in hedge funds, funds of funds, equity funds and private equity funds are reported at fair values as estimated by their respective investment managers, unless the investments report at net asset value, in which case net asset value is used as the basis for determining fair value. In all instances, the estimated fair values for these types of investments reflect the Society's interest in the fair values of the underlying investments.

Contributions, bequests and other receivables

Contributions, bequests and other receivables are carried at original amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a quarterly basis and discounts for any long-term receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using the historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The provision for doubtful accounts was $353,147 at December 31, 2020. Total bad debts of $149,799 were written off for the year ended December 31, 2020.

Property and equipment

Property and equipment with a cost of $5,000 or more are capitalized. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation and amortization is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Donated property is recorded at fair value at the time of donation. Improvements to property and equipment that extend the useful lives of the assets are also capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from (i) 10 to 40 years for building and improvements, and (ii) up to 5 years for automobiles, and office furniture and equipment. Depreciation is not calculated on land and construction-in-progress.

Conservation Property

The Society records conservation land acquisitions at cost at the time of purchase. Donated land is recorded at fair value at the time of donation. Fair value is generally determined by appraisal. Values are primarily based on independent professional appraisals performed for the Society or on appraised values determined or adopted by public agencies. Where a current appraisal is available from a professionally qualified independent appraiser retained by a third party, such value may be adopted when the Society is satisfied that the appraisal is reasonable as the appraiser is adequately certified.

Charitable gift annuities

Annuity obligations arising from split-interest gifts are recognized as annuities and unitrusts in the accompanying consolidated statement of financial position. The initial liabilities resulting from these gifts are measured at fair value using the present value of the future payments to be made to beneficiaries. These liabilities are subsequently remeasured at the present value of future payments to beneficiaries based on changes in life expectancy and other actuarial assumptions. The Society holds the underlying annuity assets in a separate investment account.

Net assets

Net assets are classified into the two categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – undesignated

Undesignated net assets without donor restrictions are those net assets that are not subject to donor-imposed stipulations or board designations.

Net assets without donor restrictions – board designated

The Society's board of directors has set aside a portion of net assets without donor restrictions as board designated fund assets and has implemented an investment policy that includes an annual discretionary transfer of amounts to undesignated net assets to support operations.

Net assets with donor restrictions

Net assets with donor restrictions generally result from net contributions and other inflows of assets whose use by the Society is limited by donor-imposed stipulations that either expire by passage of time or are fulfilled and the restriction removed by actions of the Society pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statements of activities and changes in net assets as net assets released from restrictions. Donor contributions with restrictions that will be fulfilled in the same fiscal year that contributions are received are reported in the accompanying consolidated statements of activities and change in net assets as contributions without donor restrictions.

The Society also has net assets with donor restrictions that generally result from contributions and other inflows of assets whose use by the Society is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the Society. Generally, the donors of these assets permit the Society to use the income earned on related investments for general or specific purposes.

Tax status

The HSUS, FFA, HSI, HSVMA, SFWC, HSWLT, and PC qualify under Section 501(c)(3) of the Internal Revenue Code (IRC) and are classified as organizations that are not private foundations. DDAL qualifies under Section 501(c)(4) of the IRC. Therefore, the Society is generally not subject to tax under present income tax laws; however, any unrelated business income may be subject to federal and state income taxes. Total unrelated business income tax for the year ended December 31, 2020 was not material to the consolidated financial statements.

Humane Society International (UK) is a company limited by guarantee, registered in England and Wales, as a registered charity. The organization was incorporated on December 5, 2002 and was registered as a charity on August 11, 2003.

Humane Society International Latin America is an association, registered in San Jose, Costa Rica. The organization was incorporated on February 2, 2004.

Humane Society International / Canada was incorporated on September 14, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-Profit Act and is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

Friends of Humane Society International for the Protection and Conservation of Animals was incorporated on October 6, 2005 under the Canada Corporations Act as a corporation without share capital. The organization is continued under the Canada Not-for-Profit Act and is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

Humane Society International - India was incorporated on October 23, 2012 under Section 25 of the Companies Act (India), 1956 (No. 1 of 1956). The company is a private limited entity.

Humane Society International - Europe is a non-profit association without lucrative purpose governed by the Act of June 27, 1921 (Belgium) incorporated in Belgium on May 16, 2014.

Humane Society International - Mexico is a Civil Association incorporated in Mexico on July 30, 2015.

Humane Society International - Africa is a Trust organized in the Republic of South Africa on June 13, 2016.

Humane Society International - Korea is a foundation (non-profit organization) established under the laws of the Republic of Korea on August 29, 2018.

Humane Society International - Liberia, Inc. is a non for profit established under the laws of the Republic of Liberia on June 23, 2020.

In accordance with FASB ASC 740 *Income Taxes*, the Society recognizes tax liabilities for uncertain tax positions when it is more likely than not that a tax position will not be sustained upon examination and settlement with various taxing authorities. Liabilities for uncertain tax positions are measured based upon the largest amount of benefit that is greater than 50% likely of being realized upon settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. With a few exceptions, the Society is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years ended December 31, 2016 and prior. Management has evaluated the Society's tax positions and has concluded that the Society has taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance.

Donated securities

Donated securities are reported at their fair value as of the date of donation. Sales are reflected on a trade-date basis.

Valuation of long-lived assets

The Society reviews the valuation of its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No indicators of impairment were identified as of December 31, 2020.

Functional allocation of expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the consolidated statement of activities and change in net assets and consolidated statement of functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Certain categories of expenses that are attributable to one or more program or supporting functions of the organization are allocated. The method of allocation is listed below by allocation name. Management and general costs include the Office of the President, Office of General Counsel, Information Technology and other general costs such as insurance.

The table below provide details around each functional expense allocation of the Society:

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

Fair value of financial instruments

The carrying amounts of cash and cash equivalents, annuities and unitrusts, accrued severance obligation, deferred compensation liability and accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. Investments are generally reported at fair value.

Concentrations of credit risk

The Society's assets that are exposed to credit risk consist primarily of cash and cash equivalents; investments; and contributions, bequests and other receivables. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Society has historically not experienced losses related to these balances. Amounts on deposit in excess of federally insured limits approximate $24.8 million at December 31, 2020. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the investment balances and the amounts reported in the consolidated statement of financial position. The Society's contributions, bequests and other receivables balance consists primarily of amounts due from individuals and corporations. Historically, the Society has not experienced significant losses related to the bequests and contributions receivable balances and, therefore, believes that the credit risk related to them is minimal.

The Society records foreign currency translation in accordance with FASB ASC 830 *Foreign Currency Matters*. The financial statements and transactions of various international subsidiaries are generally maintained in the respective local currencies. For the consolidated financial statements, foreign entities' assets and liabilities are translated at exchange rates in effect as of the date of the consolidated statement of financial position. Revenue and expenses are translated at the exchange rates in effect at the end of the reporting period, which approximates translation at the average exchange rate during each period. Translation adjustments, which result from the process of translating the consolidated financial statements into U.S. dollars, are accumulated in net assets without donor restriction. Gains and losses from foreign currency transactions are included in the consolidated statements of activities as changes in net assets in the period in which they are realized.

Recently adopted authoritative guidance

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU will assist in the determination of the nature of the transaction which will then govern the expense recognition methodology and timing of the transaction. The Society adopted ASU 2018-08 in 2020 under the modified prospective basis. The adoption of this update did not materially impact contributions and grants expense in the consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, *Fair Value Measurement*. The ASU is effective for the Society's consolidated financial statements for fiscal years beginning after December 15, 2019. The adoption of the new standard updated the disclosure of fair value investments in Note 4.

The Society has adopted the ASU and there was no effect on the change in net assets reported in 2020.

Recent accounting pronouncements not yet adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842*). ASU 2016-02 requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. The guidance is effective for the Society for the fiscal year ending December 31, 2022. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. The Society continues to evaluate the effect that adoption of ASU 2016-02 will have on the Society's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-03, *Financial instruments - Credit Losses*. This ASU was issued to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by an entity. The ASU changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments from an incurred loss model to an expected loss model. Entities will be required to estimate credit losses over the entire contractual term of an instrument. The ASU includes financial assets recorded at amortized cost basis such as loan receivables, trade and certain other receivables as well as certain off-balance sheet credit exposures such as loan commitments and financial guarantees. The ASU does not apply to financial assets measured at fair value, promises to give (pledges receivable) and loans and receivables between entities under common control. The ASU is effective for the Society's consolidated financial statements for the fiscal year ending December 31, 2023. Early adoption may be selected for fiscal years beginning after December 15, 2018. Management is evaluating the potential impact of this guidance on its consolidated financial statements.

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

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU improves the transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. The ASU requires that a nonprofit present contributed nonfinancial assets as a separate line item in the statement of activities apart from contributions of cash or other financial assets. Information that shows the contributed nonfinancial assets disaggregated by category will be required to be disclosed. In addition, the ASU requires that for each type of contributed nonfinancial asset the following will be disclosed: (a) policy (if any) on liquidating rather than using the contributed nonfinancial assets, (b) qualitative considerations on whether the contributed nonfinancial assets were liquidated or used during the reporting period and, if used, a description of how the asset was employed should be included, (c) any donor imposed restrictions related to contributed nonfinancial assets, (d) valuation methods and inputs utilized to determine a fair value measure at initial recognition, and (e) the principal or most advantageous market utilized to calculate fair value if it is a market in which the NFP is restricted by the donor from selling or utilizing the contributed nonfinancial assets. The amendments in the ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption of the ASU is permitted. The Society is evaluating the effect that adoption of this new standard will have on the Society's consolidated financial statements.

2. Liquidity and Availability of Resources

The following table represent the Society's financial assets available to meet cash needs for general expenditures within one year following December 31, 2020.

Total assets, December 31, 2020		$ 361,554,998
Less: Non-financial assets		
Prepaid expenses and other assets	$ (1,856,457)	
Net property and equipment	(20,639,483)	
Conservation property	(10,215,551)	(32,711,491)
Financial assets, December 31, 2020		328,843,507
Adjustment for amounts not available for general expenditures		
Mission-related investments	(930,000)	
Investments to fund deferred compensation liability	(298,075)	
Investments to fund liability for charitable annuities and remainder unitrusts	(14,122,088)	
Investment to fund severance and retirement obligations	(539,871)	
Net assets with donor restrictions less non-income producing assets	(91,051,745)	
Receivables not collectible within one year	(3,596,491)	
Board designated net assets	(99,456,932)	
Financial assets not available for general expenditures within one year		(209,995,202)
Financial assets available for general expenditures within one year		$ 118,848,305

As part of the Society's liquidity management policy, its financial assets are structured to be available as its general expenditures, liabilities, and other obligations are due. Cash in excess of daily requirements are invested in a portfolio of investments designed to maximize earnings with acceptable risk to the investment principal.

To help manage unanticipated liquidity needs, the Society designated a portion of its net assets without donor restriction as a reserve to be invested long-term. Although the Society does not intend to spend from this reserve, the designation is voluntary and may be reversed by the governing board at any time to meet immediate cash requirements. Other items not available for general expenditures within one year include mission-related investments not readily liquidated, deferred compensation and severance obligations set aside by Board action, investments to fund annuities and unitrusts as well as endowments and net assets with donor-imposed restrictions extending beyond one year, and receivables not collectible within one year.

To further supplement liquidity, the Society also has a $20 million line-of-credit with the Bank of New York Mellon, which it can draw upon if conditions dictate (See Note 13).

3. Investments

Investments consist of the following:

December 31,	2020
Investments measured at fair value (Note 4)	$ 258,810,887
Charitable annuities (Note 4 and Note 9)	26,205,452
Charitable remainder unitrusts (Note 4 and Note 9)	1,216,550
Total investments measured at fair value	286,232,889
Mission-related investments	930,000
Total investments	$ 287,162,889

Mission-related investments are the Society's direct investments in various entities whose purpose aligns with the Society's mission. The Society records these investments using the equity method, reviewing the investment annually for impairment. No indicators of impairment were identified as of December 31, 2020.

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability between market participants in an orderly transaction on the measurement date. The market in which the reporting entity would sell the asset or transfer the liability with the greatest volume and level of activity for the asset or liability is known as the principal market. When no principal market exists, the most advantageous market is used. This is the market in which the reporting entity would sell the asset or transfer the liability with the price that maximizes the amount that would be received or minimizes the amount that would be paid. Fair value is based on assumptions market participants would make in pricing the asset or liability. Generally, fair value is based on observable quoted market prices or derived from observable market data when such market prices or data are available. When such prices or inputs are not available, the reporting entity should use valuation models.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the use of observable inputs when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- **Level 1** - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

- **Level 2** - Inputs to the valuation methodology include:

  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
  - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The Society reports certain investments using the net asset value per share (NAV) as determined by investment managers under the so-called "practical expedient". The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

Fair value on a recurring basis - assets

The table below presents of assets measured at fair value on a recurring basis by level within the hierarchy:

	As of December 31, 2020				
	Assets Measured at Net Asset	Fair Value Hierarchy Level			
Description	Value*	Level 1	Level 2	Level 3	Total
Hedge funds					
Equity long/short	$ 52,551,657	$ -	$ -	$ -	$ 52,551,657
Fund of funds					
Equity long/short	15,985,523	-	-	-	15,985,523
Equity funds					
International long/short	26,215,379	-	-	-	26,215,379
Domestic	25,687,209	-	-	-	25,687,209
Other	22,289,841	-	-	-	22,289,841
Private equity funds					
Energy and real estate	1,907,554	-	-	-	1,907,554
Global opportunities	15,868,852	-	-	-	15,868,852
Other	33,250,907	-	-	-	33,250,907
Fixed income securities					
U.S. government and agency obligations	-	-	59,850	-	59,850
Asset-backed fixed income securities (AAA)	-	-	3,476,294	-	3,476,294
Equity mutual funds					
Commodities	-	205,869	-	-	205,869
Large cap blend	-	7,596,705	-	-	7,596,705
Emerging markets	-	1,661,634	-	-	1,661,634
Global opportunities	-	6,967	-	-	6,967
Midcap	-	689,321	-	-	689,321
International long/short	-	14,711,279	-	-	14,711,279
Balanced	-	21,925	-	-	21,925
Small cap blend	-	1,028,074	-	-	1,028,074
Real estate	-	228,441	-	-	228,441
Other	-	15,612	-	-	15,612
Fixed income	-	9,384,748	-	-	9,384,748
Exchange traded	-	37,854,868	-	-	37,854,868
Equity securities	-	604,660	-	-	604,660
Cash and cash equivalents	-	14,929,720	-	-	14,929,720
Total fair value investments	$193,756,922	$ 88,939,823	$ 3,536,144	$ -	$ 286,232,889

*Certain investments that are measured at fair value using net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the accompanying consolidated statements of financial position.

In accordance with the guidance for fair value measurements, the Society maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively quoted market prices, if available. In the absence of actively quoted market prices, price information from external sources, including broker quotes and industry publications is used. If pricing information from external sources is not available, or if observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases, the Society estimates prices based on available historical and near-term future price information that reflects its market assumptions.

For contracts with unique characteristics, the Society estimates fair value using a discounted cash flow approach deemed appropriate in the circumstances and applied consistently from period to period.

Changes in fair value levels

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. The Society's management evaluates the significance of transfers between levels based upon the nature of the investment. In 2020, management made a change in accounting policy related to its investments, resulting in the reclassification of certain investments from Level 3 to NAV. The change in accounting policy was made to more accurately reflect industry categorizations of similar investments. Management retroactively applied the change in the accounting policy.

The major categories of the Society's investments that are valued at net asset value or its equivalent, including general information related to each category, are as follows at December 31, 2020:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds - Equity long/short (a)	$ 52,551,657	$ 2,587,563	Monthly, Quarterly, Annually	30-60 days
Fund of funds - Equity long/short (b)	15,985,523	-	Quarterly, Monthly	30 days
Private equity funds (c)	51,027,313	4,681,003	Quarterly, Semi-Annually	30-90 days
Equity funds (d)	74,912,429	-	Monthly, Semi-Annually	60 days
	$ 193,756,922	$ 7,268,566		

(a) This category includes investments in hedge funds that invest both long and short in various domestic and international common stocks. Management of the hedge fund have the ability to shift from value to growth strategies, from small to large capitalization, and from a net short position to a net long position. The fair value of the investments in this category have been estimated using the net asset value per share of the investments or the Society's ownership interest in the partners' capital. The redemption policies of each alternative investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective alternative investment.

(b) This category includes investment funds that invest both long and short in various domestic and international common stocks. The fair value of the investments in this category have been estimated using the net asset value per share of the investments. The redemption policies of each alternative investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective alternative investment.

(c) These are investments in private equity funds that invest in various instruments that hold the majority of the funds' investments in common stocks, debt instruments and diversified currencies. The fair value of the investments in this category has been estimated using the net asset value per share of the investments, or the Society's ownership interest in partners' capital. The redemption policies of each alternative investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective alternative investment.

(d) This category includes investments in international equities invested to seek both long and short-term growth. The fair value of the investments in this category has been estimated using net asset value per share of the investment. The redemption policies of each alternative investment vary within the terms stated as to the conditions set forth within the offering memorandum of the respective alternative investment.

5. Contributions, Bequests and Other Receivables

Contributions, bequests, and other receivables consist of the following at December 31, 2020:

Bequests	$ 2,935,125
Contributions and other receivables	9,911,367
Grants	945,434
	13,791,926
Less: allowance for uncollectible contributions and bequests (5%, and 7% respectively)	(353,147)
Less: discount on multi-year contributions and bequests (1.62% to 3.30%)	(63,327)
Total contributions, bequests and other receivables, net	$ 13,375,452

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

Less than one year	$ 9,778,961
One to five years	3,596,491
	$ 13,375,452

6. Property and Equipment

Property and equipment consists of the following at December 31, 2020:

Land	$ 8,440,843
Buildings and improvements	19,268,697
Tenant leasehold improvements	2,257,921
Office furniture and equipment	2,327,940
Automobiles	2,605,128
Construction-in-progress	502,790
	35,403,319
Less: accumulated depreciation and amortization	(14,763,836)
	$ 20,639,483

Depreciation and amortization expense totaled $1,361,547 for the year ended December 31, 2020.

7. Conservation Property

Conservation Property consists of $10,215,551 of land as of December 31, 2020. The Humane Society Wildlife Land Trust conserves more than 20,000 acres of rapidly disappearing land with the wills of landowners whose property includes critical wildlife habitat. These landowners know that refusing to sell to those who would destroy or exploit the land is admirable but provides only temporary safety. These landowners donate or sell a conservation interest in their land, such as development rights or full ownership, to the Humane Society Wildlife Land Trust. HSWLT has provided a way to create permanent protection for both lands and the animals living there. HSWLT manages the land under a stewardship plan and, if necessary, legally defends its conservation values.

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following at December 31, 2020:

Accounts payable and other accrued expenses	$ 19,793,795
Accrued vacation	2,781,431
Accrued wages	648,545
	$ 23,223,771

9. Annuities and Unitrusts

The annuities and unitrusts liability represents the future annuity payments due under charitable gift annuities and charitable remainder unitrusts determined by an actuary.

For charitable gift annuities, donors make contributions to the Society, for which they receive an annuity from the Society. Contributions revenue is recognized as the excess of the fair value of assets received over the net present value of the future annuity payments due. For the year ended December 31, 2020, the Society has reported $296,755 of contributions revenue from annuities. As of December 31, 2020, the amount of assets held in charitable annuities, which is restricted for the payment of related annuities, is $26,205,452.

The liability was determined by an actuary using the Annuity Table of Mortality IAR-2012 and assumed interest rates of 0.4% to 10.20%. A portion of the monies received from these split-interest agreements is required by law to be reserved for making the annuity payments. At December 31, 2020, the actuarial calculated liability was $11,121,924, resulting in an increase in the liability of $188,066 for the year ended December 31, 2020.

For charitable remainder unitrusts, donors make contributions to trusts that provide an income stream to the donor until a stipulated event, at which time the remaining account balance conveys to the Society. The gifts are valued at their fair market value at the time of the gift. In consideration of the gifts, donors receive an annuity from the trust based on the lesser of (a) the trust principal multiplied by a stated interest rate or (b) the actual earnings of the trust. At December 31, 2020 the future liability in the amount of $613,970 was calculated using assumed interest rates of 5.0% to 11.6%, resulting in a decrease in the liability of $24,858 for the year ended December 31, 2020. The amount of assets held in charitable unitrusts, which is restricted for the payment of related annuities, is $1,216,550 as of December 31, 2020. The net assets of the trusts of $379,074 are included in net assets with donor restrictions in the accompanying statement of financial position.

10. Severance Pay Plan (Employment Longevity Retirement Enhancement Benefit)

The Society established the Humane Society of the United States Severance Pay Plan (Severance Pay Plan) on September 13, 1997, to grant severance benefits to eligible employees. These benefits and related expenses are paid from the general assets of the Society. Only employees hired in full-time or part-time positions before January 1, 1998, who have completed a minimum of 15 years of continuous full-time employment with the HSUS, are eligible to become participants in the Severance Pay Plan. Upon termination of employment (for reasons other than gross misconduct), a participant receives a lump sum equal to 2% of the average of his or her annual base salary for the three calendar years before cessation of employment, multiplied by the number of years of continuous full-time employment accrued by the employee, subject to a maximum benefit of two years base salary. The benefit obligation of the Severance Pay Plan as of December 31, 2020, was calculated by an actuary, based on a census provided by the Society, using an assumed discount rate of 1.692%. There was no assumed compensation increase. The amount of the liability related to the Severance Pay Plan was $539,871 as of December 31, 2020.

11. Deferred Compensation Plan

In 1983, the Society established the Humane Society of the United States Deferred Compensation Plan (Deferred Compensation Plan) for certain executive employees. The Society and the participants may elect to defer a portion of the compensation that the participants would otherwise be entitled to receive in cash, and those deferrals are invested in various mutual funds. The Society owns the mutual funds, subject to the claims of its general creditors. The obligation of the Society under the Deferred Compensation Plan is purely contractual and is not secured. All income earned by the mutual funds is added to the deferred compensation liability. The were no amounts deferred by participants of the Deferred Compensation Plan during the year ended December 31, 2020.

The Deferred Compensation Plan assets and the related liability totaled $298,075 at December 31, 2020.

12. Retirement Plans

Pension

The Society previously provided pension benefits through the Humane Society of the United States Pension Plan (the Plan), a qualified participating defined benefit pension plan subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as amended. Employees hired on or after January 1, 2008, were not eligible to participate in the Plan and, effective December 31, 2015, the Plan was fully frozen, with no additional benefits accruing after that date.

On June 14, 2017, the Board of Directors of the Society resolved to terminate the Plan effective September 1, 2017. The Society fully funded the Plan on July 17, 2017 and distributions to participants began on November 1, 2017. All participant distributions were completed by December 31, 2018 and the benefit obligation as of December 31, 2018 was zero. The Board of Directors of the Society also determined that the likelihood is remote that the Plan will return from liquidation. During 2020 the remaining Plan assets of $68,230 were liquidated and returned to the Society as a refund of excess contributions made into the Plan.

Defined Contribution

The Society adopted the Humane Society of the United States 401(k) Savings Plan (the 401(k) Plan), a defined contribution retirement plan qualified under Sections 401(k) and 402(a) of the IRC, as amended, effective January 1, 2008. Employees hired are eligible to participate in the 401(k) Plan on an automatic enrollment basis. Eligible participants are automatically enrolled to contribute 3% of pay their first year. This amount is automatically increased by 1% until a 6% salary deferral is achieved. Participants may elect to contribute higher amounts, up to 80% of pay, subject to annual dollar limitations.

The Society makes a matching contribution each pay period at a rate of 100% of the first 1% of the participant's salary deferred into the 401(k) Plan and 50% of the next 5% of the participant’s salary deferral.

The Society makes an annual fixed contribution for all eligible participants employed on the last day of the 401(k) Plan year, based on years of service, up to 6% of compensation. The Society contributed $2,698,720 to the 401(k) Plan during the year ended December 31, 2020.

13. Line-of-Credit

The HSUS has a $20 million line-of-credit with Bank of New York Mellon. The line-of-credit accrues interest at the LIBOR Market Index Rate for one-month U.S. dollars plus 65 basis points (2.41% as of December 31, 2020). The line of credit is secured by certain investments of the HSUS and is subject to certain covenants, as defined in the line-of-credit agreement. There was no outstanding balance on the line-of-credit at December 31, 2020 and no advances were drawn during 2020. The line-of-credit can be terminated upon demand. The Society was in compliance with all related covenants at December 31, 2020.

14. Medical and Prescription Insurance Plans

Under the medical and prescription partially self-funded insurance plan for current employees, the Society is responsible for claims up to $135,000 (specific) per participant annually. In addition to the $135,000 specific, the Society has added a layer of coverage whereby individual claims are not reimbursed until another $100,000 is paid on any combination of individual claims exceeding the $135,000 specific, with no lifetime maximum. The Society has accrued for the expected cost of unpaid, reported claims and claims incurred but not reported. The accrual is based on historical claims experience and the number of employees. Aggregate claims for the $135,000 specific and $100,000 additional layer of coverage (combined) are currently capped at $6,006,678 annually.

As of December 31, 2020, the accrual for the unpaid claims, net of insurance recoveries, totaled $500,000 that was included in accounts payable and accrued expenses on the consolidated statement of financial position.

15. Commitments

Leases

The Society leases certain office space and equipment under long-term, non-cancelable operating leases. The leases provide for payment of increases in operating expenses, sales and use taxes, and insurance.

In March 2016, the Society entered into a 15-year operating lease agreement for the office in Washington, D.C. The lease agreement commenced on July 1, 2016 and will expire on June 30, 2031. The lease agreement provides for monthly lease payments subject to annual rent escalations. Rental expense for the year ended December 31, 2020 was $1,525,826.

Future minimum lease commitments under non-cancelable operating leases are the following:

Years Ended December 31,	
2021	$ 1,463,836
2022	1,332,646
2023	1,334,185
2024	1,334,236
2025	1,367,525
Thereafter	8,213,879
	$ 15,046,307

Sale of Headquarters

On February 25, 2020, the HSUS entered into a Purchase and Sale Agreement (the Agreement) to sell the Gaithersburg, Maryland property. The sales price is $14,750,000. The settlement date will be no earlier than 12 months from the date of the Agreement and no later than 21 months from the date of the Agreement. The HSUS has the option to lease back the property for up to 9 months.

16. Contingencies

The Society is a defendant in various lawsuits wherein amounts are claimed. In the opinion of the Society's legal counsel and management, these suits are without substantial merit and are not expected to result in judgments, which, in the aggregate, would have a material adverse effect on the Society's consolidated financial statements.

17. Net Assets Without Donor Restrictions

Net assets without donor restrictions are available to finance the general operations of the Society. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Society, the environment in which it operates, and the purposes specified in its articles of incorporation. Voluntary resolutions by the Society's directors to designate a portion of its net assets without donor restrictions for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the governing board at any time, designated net assets are included with net assets without donor restrictions.

In 1977 and again in 1983, the Board of Directors of the Society established two donor funds using contributions without donor restrictions of approximately $1,000,000 from two major donors to establish investment fund operating reserves. The Board resolved that the corpus of the funds would be maintained indefinitely except that the Board may at its discretion utilize the corpus for major or exceptional programs consistent with the intent and purpose of the fund. Income from the funds may be used for programs and administration of humane education. To date the Board has determined not to use the funds and they most likely would be drawn upon in the event of financial distress or an immediate liquidity need.

In 1977, the Board established the Bequest Reserve Fund, a quasi-endowment fund comprising bequests without donor restrictions, to equalize income from bequests. The entire amount of each bequest totaling $25,000 or greater is placed in this account. Twenty percent of the total annual bequests for each calendar year is credited to the total annual bequest revenue in the year of receipt and sequentially over the next four succeeding years. The Bequest Reserve Fund is held in long-term income-producing investments.

Net assets without donor restrictions are held by the following funds at December 31, 2020:

Board designated	
Investment fund	$ 97,928,052
Endowment fund (Note 19)	397,036
Special purpose funds	1,131,844
Total board designated	99,456,932
Undesignated	121,896,035
Total net assets without donor restrictions	$ 221,352,967

18. Net Assets with Donor Restrictions

Net assets with donor restrictions result from gifts of cash and other assets with donor-imposed restrictions to (a) support particular operating activities, (b) invest for a specified term, (c) use in a specified future period, or (d) acquire long-lived assets.

Changes in net assets with donor restrictions for the year ended December 31, 2020 were as follows:

	Balance at December 31, 2019	Additions	Released From Restriction	Balance at December 31, 2020
Subject to expenditure for a specified purpose:				
Unitrusts	$ 329,290	$ 49,784	$ -	$ 379,074
Education, training and disaster relief	23,736,818	12,488,300	16,289,122	19,935,996
Scholarships	23,088	3,670	616	26,142
Liberia chimp maintenance	5,826,200	771,114	613,905	5,983,409
Wildlife Land Trust	4,871,683	3,332,872	1,588,927	6,615,628
Endangered species	2,229,136	297,494	918,800	1,607,830
Doris Day Animal League	3,734,207	1,765,354	1,726,144	3,773,417
Fund for Animals	298,044	9,674,125	8,171,052	1,801,117
South Florida Wildlife Center (Note 21)	831,701	-	831,701	-
Humane Society Veterinary Medical Association	-	20,000	20,000	-
Project Chimps	1,681,324	-	78,093	1,603,231
Humane Society Liberia	-	500	-	500
Humane Society International	9,409,370	11,852,462	10,490,281	10,771,551
Subject to the passage of time:				
Support other humane organizations	890,465	-	890,465	-
Fund for Animals	861,684	-	358,543	503,141
Endowments (Note 19):				
Donor-restricted endowment funds	38,304,903	10,349,289	651,558	48,002,635
Total net assets with donor restrictions	$ 93,027,913	$ 50,604,964	$ 42,629,207	$ 101,003,670

During the year ended December 31, 2020, assets were released from donor restrictions by the Society incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors, as follows:

Donor-specified program expenses of the Society	$ 41,380,199
Time and purpose restricted program expenses of the Society	1,249,008
	$ 42,629,207

19. Endowments

The FASB Codification defines an endowment as an established fund of cash, securities, or other assets to provide income for the maintenance of a not-for-profit organization. Management has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of original contributions with donor restrictions as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation of the State of Delaware Act, the Society classifies as net assets with donor restrictions (a) the original value of contributions with donor restrictions, (b) the discounted value of future contributions with donor restrictions, net of allowance for uncollectible pledges, and (c) the remaining portion of contributions with donor restrictions. They are classified as such until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate contributions with donor restrictions:

- The purposes of the endowment fund
- The duration and preservation of the fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources
- Investment policies

Investment and spending policies: The Society has adopted investment and spending policies for cash contributions with donor restrictions that attempt to provide a predictable stream of funding to programs while maintaining purchasing power. All earnings from these funds are reflected as net assets with donor restrictions, until appropriated for program expenditures.

The Society's endowment funds consist of the following as of December 31, 2020:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 39,352,045	$ 39,352,045
Accumulated investment gains	-	8,650,590	8,650,590
Board designated endowment funds	397,036	-	397,036
	$ 397,036	$ 48,002,635	$ 48,399,671

The endowment fund net asset activity consists of the following for the year ended December 31, 2020:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of the year	$ 355,909	$ 38,304,903	$ 38,660,812
Investment return, net	41,127	5,305,711	5,346,838
Amounts appropriated for expenditure	-	(651,558)	(651,558)
Contributions	-	5,043,579	5,043,579
Endowment net assets, end of year	$ 397,036	$ 48,002,635	$ 48,399,671

Endowment net assets-fund categories resulting from donor restrictions at December 31, 2020:

Income producing assets; income is expendable to support the following:	
To defray the Society's operating expenses	$ 4,007,325
To award scholarships to Connecticut secondary school students	51,301
To be used for the best interests of the Society	17,800,713
To support other humane organizations	2,768,510
20% of income to be used to support the Norma Terris Human Education and Nature Center, and 80% of income to be used for general purposes	4,455,704
To be used for the State of New Hampshire wildlife	167,671
To be used for the betterment of song birds	1,451,167
To be used for stewardship of land and easements held to preserve natural habitats for wildlife	2,472,439
To be used to publicize mistreatment of exotic animals	4,875,880
	38,050,710
Non-income producing assets:	
Land and easements held to preserve natural habitats for wildlife	9,951,925
Total donor-restricted endowment net assets	$ 48,002,635

Income earned on investments in endowment is reported in the accompanying consolidated statement of activities and change in net assets as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the nature of donor-imposed restrictions on such earnings.

The Society considers an endowment fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Society has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. The Society has no underwater endowment funds as of the year ended December 31, 2020.

20. Allocation of Joint Costs

For many years, the Society has relied on direct mail, email, telephone, Face to Face and other means of solicitation to recruit, expand and maintain its membership. Direct marketing and other donor channels allow the Society to share specific details about recent accomplishments and to provide information about current campaigns and priorities to its supporters. The HSUS also uses postal mail and other channels to educate and call to action the public to advance its mission and lifesaving work for animals.

The Society complies with FASB ASC 950-205 *Not-for-Profit Entities – Presentation of Consolidated Financial Statements* and FASB ASC 958-720 *Not-for-Profit Entities – Other Expenses* requirements by allocating a portion of its direct mail, email, phone and other communication costs to program services and to fundraising. Such costs are allocated to each major program, including:

1) Education and Engagement – The Society reaches tens of millions of people through its website and social media platforms, award-winning videos and magazines, training and educational conferences for animal advocates, national media coverage and more.

2) Public Policy and Enforcement – The Society seeks to strengthen legal protections for animals at the local, state and national levels. The Society defends its victories in court and trains thousands of law enforcement officers to investigate and prosecute animal cruelty.

3) Direct Care and Service – The Society and its affiliates provide hands-on care for more than 100,000 animals every year, including horses, companion animals and wildlife. The Society responds to major cruelty cases, saves animals from the dog meat trade, takes in wild exotics confiscated from irresponsible persons, provides relief to animals during disaster, rescues animals from animal fighting rings, arranges veterinary care and spay/neuter for pets in underserved communities and much more.

4) Corporate Policy – The Society works with the world's biggest food companies, cosmetics manufacturers, fashion brands, and other industry leaders to improve the treatment of animals in their sectors.

Since only those activities that include both programmatic and fundraising components are included in this allocation, the amounts below do not include all of the expenses presented in the consolidated statement of functional expenses. This allocation is based upon the percentage of material in each mailing or television advertising related to the particular services as determined by content analysis. Total costs for mailing pieces and television advertising spots that requested financial support and served other program or management functions were allocated as follows for the year ended December 31, 2020:

Programs	$ 30,448,347
Fundraising	35,014,319
	$ 65,462,666

21. Disaffiliated Operation

On May 1, 2020, the HSUS Board of Directors approved a resolution to disaffiliate SFWC from the HSUS. On June 24, 2020, the SFWC was officially disaffiliated from the HSUS. As part of the agreement, the HSUS provided SFWC a one-time grant totaling approximately $4.7 million and transferred to SFWC all the remaining unused restricted net assets as of June 30, 2020, subject to specific use for SFWC purposes. The Society recorded this as contributions and grants expense in the accompanying statement of functional expense.

22. Risk and Uncertainties- COVID-19 Outbreak

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

In an effort to ensure the health and well-being of the Society's global staff, the majority of staff moved to a mandatory telework status for all locations beginning in March 2020, except for those considered essential to operations. All in-person events for the Society were either moved to a virtual setting, postponed, or cancelled. All Society related travel, domestic or international, was cancelled except for limited essential needs. The Society pursued refunds for cancelled event space rentals. There were no major conferences cancelled during fiscal year 2020. The Society did not experience a decrease in donor funding as a result of the pandemic during fiscal year 2020. There were no employee lay-offs during the year related to the pandemic. The Society is closely monitoring the Centers for Disease Control and Prevention (CDC) and other national authority guidelines for all of the localities of its offices to determine the timing to reopen the offices. At this stage, the Society anticipates a phased return based on the health and safety conditions of each locality.

The extent of the impact of the COVID-19 outbreak on the operational and financial performance of the Society will depend on certain developments, including the duration and spread of the outbreak. The Society's operations are dependent on donations from individuals, foundations, and corporations. The outbreak may have a material adverse impact on economic and market conditions, triggering a period of economic slowdown. This situation may lead to a decline in contributions or collections of existing receivables. Depending on the severity and length of the outbreak, this pandemic could present material uncertainty and risk with respect to the Society's investments including its performance and liquidity. The fluidity of this situation precludes any prediction as to the ultimate material adverse impact of COVID-19. Nevertheless, COVID-19 presents potential material uncertainty and risk with respect to the Society, its performance, and its financial results.

On March 27, 2020, the former President of the United States signed into law the "Coronavirus Aid, Relief and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

The Society continues to examine the impact that the CARES Act may have on its business and is currently not impacted by the CARES Act.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the Act) was passed, which includes $900 billion in stimulus relief as a result of the COVID-19 pandemic. The Society believes that the Act will have no impact on its operations.

23. Subsequent Events

The Society has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through May 6, 2021, the date the consolidated financial statements were issued. The Society is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements, other than as described below.

Disaffiliation with DDAL

On March 9, 2021, the DDAL Board of Directors approved a resolution to merge DDAL with the Humane Society Legislative Fund (HSLF), an affiliated organization. The transaction is scheduled to close in summer of 2021. DDAL will no longer be consolidated with the Society upon closing of the transaction.

American Rescue Plan Act of 2021

On March 11, 2021, the American Rescue Plan Act of 2021 (the 2021 Act) was passed, a $1.9 trillion stimulus relief package that is intended to provide support to individuals and businesses affected by COVID-19. The Society is currently evaluating the impact of the 2021 Act, if any.

Supplemental Schedules

Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive
Suite 800
McLean, VA 22102

Independent Auditor's Report on the Supplemental Schedules

To the Board of Directors
The Humane Society of the United States
Washington, D.C.

Our audit of the consolidated financial statements of The Humane Society of the United States and Affiliates included in the preceding section of this report were conducted for the purpose of forming an opinion on those consolidated statements as a whole. The supplemental schedules presented in the following section of this report are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

BDO USA, LLP

May 6, 2021

The Humane Society of the United States and Affiliates

Consolidating Schedule of Financial Position

As of December 31, 2020	HSUS	DDAL	FFA	HSI	HSVMA	PC	SFWC	HSWLT	Eliminations	Consolidated
Assets										
Cash and cash equivalents	$ 21,486,572	$ 5,635	$ 29,910	$ 6,102,418	$ 79	$ 224,918	$ -	$ 7,497	$ -	$ 27,857,029
Investments	280,941,506	728,161	-	1,104,524	-	-	-	6,554,630	(2,165,932)	287,162,889
Investments to fund deferred										
compensation liability	298,075	-	-	-	-	-	-	-	-	298,075
Accrued interest receivable	146,923	204	-	-	-	-	-	2,935	-	150,062
Prepaid expenses and other assets	1,436,501	294	18,213	243,790	1,469	153,547	-	2,643	-	1,856,457
Contributions, bequests and other										-
receivables, net	12,994,434	3,073,158	560,350	3,944,146	26,726	38,139	-	2,190,851	(9,452,352)	13,375,452
Property and equipment, net	8,154,256	-	6,189,128	206,596	-	6,005,129	-	84,374	-	20,639,483
Conservation property	-	-	-	-	-	-	-	10,215,551	-	10,215,551
Total assets	$ 325,458,267	$ 3,807,452	$ 6,797,601	$ 11,601,474	$ 28,274	$ 6,421,733	$ -	$ 19,058,481	$ (11,618,284)	$ 361,554,998
Liabilities and Net Assets										
Liabilities										
Accounts payable and accrued expenses	$ 25,174,987	$ 34,035	$ 4,493,343	$ 2,818,595	$ 3,311	$ 133,362	$ -	$ 18,490	$ (9,452,352)	$ 23,223,771
Annuities and unitrusts	11,735,894	-	-	-	-	-	-	-	-	11,735,894
Deferred rent and related lease incentives	3,400,750	-	-	-	-	-	-	-	-	3,400,750
Accrued severance obligation	539,871	-	-	-	-	-	-	-	-	539,871
Deferred compensation liability	298,075	-	-	-	-	-	-	-	-	298,075
Total liabilities	41,149,577	34,035	4,493,343	2,818,595	3,311	133,362	-	18,490	(9,452,352)	39,198,361
Net assets										
Without donor restrictions										
Board designated	99,456,932	-	-	-	-	-	-	-	-	99,456,932
Undesignated	121,340,536	-	-	(4,154,604)	24,963	4,685,140	-	-	-	121,896,035
	220,797,468	-	-	(4,154,604)	24,963	4,685,140	-	-	-	221,352,967
With donor restrictions	63,511,222	3,773,417	2,304,258	12,937,483	-	1,603,231	-	19,039,991	(2,165,932)	101,003,670
Total net assets	284,308,690	3,773,417	2,304,258	8,782,879	24,963	6,288,371	-	19,039,991	(2,165,932)	322,356,637
Total liabilities and net assets	$ 325,458,267	$ 3,807,452	$ 6,797,601	$ 11,601,474	$ 28,274	$ 6,421,733	$ -	$ 19,058,481	$ (11,618,284)	$ 361,554,998

*Eliminated in consolidation

See independent auditor's report on supplemental schedules.

The Humane Society of the United States and Affiliates

Consolidating Schedule of Activities and Change in Net Assets

Year ended December 31, 2020	HSUS	DDAL	FFA	HSI	HSVMA	PC	SFWC	HSWLT	Eliminations	Consolidated
Support and revenue										
Contributions	$ 107,084,099	$ 1,029,887	$ 3,321,089	$ 26,188,536	$ 123,988	$ 1,750,607	$ 262,122	$ 2,913,731	$ -	$ 142,674,059
Bequests	29,549,393	630,115	2,557,329	1,759,995	29,650	-	471,932	235,276	-	35,233,690
Royalty income	188,133	-	-	4,133	-	1,620	-	-	-	193,886
Event income	478,893	-	5,008	330,000	2,750	69,504	-	-	-	886,155
Other income	4,108,990	28,661	3,790,473	370,866	-	33,361	10,969	82,053	(2,553,970)	5,871,403
Program support	834,812	-	1,202,175	2,050,941	616,993	782,825	1,221,303	-	(6,709,049)	-
Total support and revenue	142,244,320	1,688,663	10,876,074	30,704,471	773,381	2,637,917	1,966,326	3,231,060	(9,263,019)	184,859,193
Expenses										
Program services	110,723,816	1,445,515	8,651,778	23,424,272	640,769	2,178,550	2,158,393	1,445,440	(9,263,019)	141,405,514
Management and general	9,710,859	12,018	726,543	1,914,547	111,992	304,483	192	81,804	-	12,862,438
Fundraising	32,895,850	268,612	353,404	5,537,969	13,792	12,068	1,916	61,686	-	39,145,297
Total expenses	153,330,525	1,726,145	9,731,725	30,876,788	766,553	2,495,101	2,160,501	1,588,930	(9,263,019)	193,413,249
Change in net assets from operations	(11,086,205)	(37,482)	1,144,349	(172,317)	6,828	142,816	(194,175)	1,642,130	-	(8,554,056)
Investment return, net	29,819,828	76,692	226	37,298	-	-	-	711,855	-	30,645,899
Change in net assets before annuity and foreign currency adjustment	18,733,623	39,210	1,144,575	(135,019)	6,828	142,816	(194,175)	2,353,985	-	22,091,843
Annuity liability change in valuation	(737,783)	-	-	-	-	-	-	-	-	(737,783)
Foreign currency (loss) gain	(2,355)	-	(45)	418,998	-	-	-	-	(368,746)	47,852
Change in net assets	17,993,485	39,210	1,144,530	283,979	6,828	142,816	(194,175)	2,353,985	(368,746)	21,401,912
Net assets, beginning of the year	266,315,205	3,734,207	1,159,728	8,498,900	18,135	6,145,555	194,175	16,686,006	(1,797,186)	300,954,725
Net assets, end of the year	$ 284,308,690	$ 3,773,417	$ 2,304,258	$ 8,782,879	$ 24,963	$ 6,288,371	$ -	$ 19,039,991	$ (2,165,932)	$ 322,356,637

See independent auditors report on supplemental schedules.