

**American Civil Liberties Union, Inc.
and Consolidated Entities**

Consolidated Financial Report
March 31, 2022

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Independent Auditor's Report

RSM US LLP

Audit Committee
American Civil Liberties Union, Inc.

Report on Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of American Civil Liberties Union, Inc. and its subsidiaries (collectively, the American Civil Liberties Union or the ACLU), which comprise the consolidated statement of financial position as of March 31, 2022, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ACLU as of March 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited the ACLU's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating 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.

RSM US LLP

New York, New York
October 3, 2022

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Financial Position

March 31, 2022

(With Summarized Comparative Information as of March 31, 2021)

	2022	2021
Assets		
Cash and cash equivalents	\$ 174,298,775	\$ 169,368,569
Pledges, bequests and contributions receivable, net	81,313,901	46,178,399
Investments	702,657,920	657,921,299
Other assets	2,909,407	2,572,877
Due from affiliates	1,975,427	389,402
Due from affiliates—allocated share of pension liability	12,238,654	15,294,633
Beneficial interest in trusts	1,336,698	2,525,898
Property and equipment, net of accumulated depreciation and amortization	27,508,480	25,903,880
Total assets	\$ 1,004,239,262	\$ 920,154,957
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 20,429,085	\$ 18,616,597
Grants payable	5,834,000	-
Funds received in advance	2,000,000	-
Due to affiliates	52,400,804	61,680,247
Liabilities under split-interest agreements	20,422,939	20,621,687
Bill of Rights Trust held for affiliates	55,983,664	43,045,682
Accrued pension liability	22,353,606	27,881,042
Total liabilities	179,424,098	171,845,255
Commitments and contingencies		
Net assets:		
Net assets without donor restrictions:		
Board-designated	307,894,694	296,468,452
Undesignated	251,899,031	239,130,679
Net assets without donor restrictions	559,793,725	535,599,131
Net assets with donor restrictions	265,021,439	212,710,571
Total net assets	824,815,164	748,309,702
Total liabilities and net assets	\$ 1,004,239,262	\$ 920,154,957

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Activities

Year Ended March 31, 2022

(With Summarized Comparative Information for the Year Ended March 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue:				
Support:				
Current member contributions	\$ 104,066,309	\$ -	\$ 104,066,309	\$ 117,657,478
New member contributions	7,660,708	-	7,660,708	21,526,671
Grants, bequests and contributions	159,197,470	101,455,150	260,652,620	256,127,342
Donated legal services	25,253,603	-	25,253,603	23,748,513
Total support	296,178,090	101,455,150	397,633,240	419,060,004
Revenue:				
List rentals	229,431	-	229,431	245,844
Rental income	1,123,838	-	1,123,838	850,119
Merchandise and book sales	862,053	-	862,053	1,192,193
Other income	1,954,297	-	1,954,297	516,259
Total revenue	4,169,619	-	4,169,619	2,804,415
Net assets released from restrictions	60,853,986	(60,853,986)	-	-
Total support and revenue	361,201,695	40,601,164	401,802,859	421,864,419
Expenses:				
Program services:				
Legislative	26,945,082	-	26,945,082	32,287,881
Legal	94,420,621	-	94,420,621	106,572,587
Public education	48,827,173	-	48,827,173	42,872,015
Civil liberties policy formulation	2,215,579	-	2,215,579	2,106,276
Affiliate support	139,376,863	-	139,376,863	125,757,470
Total program services	311,785,318	-	311,785,318	309,596,229
Supporting services:				
Management and general	19,817,046	-	19,817,046	19,304,924
Fundraising	26,426,854	-	26,426,854	23,227,125
Total supporting services	46,243,900	-	46,243,900	42,532,049
Total expenses	358,029,218	-	358,029,218	352,128,278
Change in net assets before other changes	3,172,477	40,601,164	43,773,641	69,736,141
Other changes in net assets:				
Legal expenses awarded, net	2,459,308	-	2,459,308	3,046,610
Net investment income	10,290,095	11,922,085	22,212,180	152,387,431
Changes in value of split-interest agreements	-	(212,381)	(212,381)	1,564,290
Recognition of affiliates' share of minimum pension liability adjustment	(3,055,979)	-	(3,055,979)	(15,146,480)
Other components of postretirement benefit cost	11,328,693	-	11,328,693	24,829,935
Total other changes in net assets	21,022,117	11,709,704	32,731,821	166,681,786
Change in net assets	24,194,594	52,310,868	76,505,462	236,417,927
Net assets:				
Beginning of year	535,599,131	212,710,571	748,309,702	511,891,775
End of year	\$ 559,793,725	\$ 265,021,439	\$ 824,815,164	\$ 748,309,702

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Functional Expenses

Year Ended March 31, 2022

(With Summarized Comparative Information for the Year Ended March 31, 2021)

	2022										2021
	Program Services					Supporting Services					Summarized Comparative Information
	Legislative	Legal	Civil Liberties Public Education	Policy Formulation	Affiliate Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	
Salaries	\$ 7,938,150	\$ 25,442,189	\$ 10,497,376	\$ 989,677	\$ 9,915,001	\$ 54,782,393	\$ 8,083,244	\$ 8,871,259	\$ 16,954,503	\$ 71,736,896	\$ 69,276,150
Employee benefits	1,984,020	7,070,590	2,797,611	513,679	4,467,483	16,833,383	5,860,795	2,478,840	8,339,635	25,173,018	24,886,959
Rent and occupancy	639,536	2,240,288	552,063	58,337	613,279	4,103,503	276,424	616,495	892,919	4,996,422	4,943,716
Books	22,924	310,352	29,287	2,130	24,386	389,079	26,233	112,276	138,509	527,588	470,599
Building depreciation	-	952,505	159,383	-	132,796	1,244,684	-	318,776	318,776	1,563,460	1,426,406
Other depreciation and amortization	104,895	621,201	224,561	41,627	190,810	1,183,094	159,845	632,027	791,872	1,974,966	5,061,031
Equipment rental and maintenance	742,167	2,204,069	557,234	143,327	1,163,620	4,810,417	1,004,153	1,075,127	2,079,280	6,889,697	7,689,696
Grants to affiliates	2,356,915	9,444,021	-	-	15,801,136	27,602,072	-	-	-	27,602,072	22,687,849
Shared portion of contributions	1,248,002	10,746,988	-	-	85,622,854	97,617,844	-	-	-	97,617,844	103,576,304
Shared portion of bequest	64,083	873,339	-	-	6,982,131	7,919,553	-	-	-	7,919,553	13,795,699
Meetings/conferences	20,407	67,925	20,653	4,008	226,759	339,752	33,235	77,816	111,051	450,803	68,584
Legal fees	80,495	1,565,904	117,277	25,250	205,863	1,994,789	276,485	168,141	444,626	2,439,415	1,083,795
Donated legal services	-	25,253,603	-	-	-	25,253,603	-	-	-	25,253,603	23,748,513
Accounting fees	-	-	-	-	-	-	418,263	-	418,263	418,263	349,751
Other professional services	5,091,265	4,360,659	5,790,093	304,704	2,671,306	18,218,027	2,637,981	6,362,704	9,000,685	27,218,712	28,600,513
Postage and supplies	181,534	34,296	12,293,727	1,552	53,922	12,565,031	12,853	2,543,601	2,556,454	15,121,485	12,177,843
Publishing, printing and outreach	9,259	19,268	11,408,547	3,671	10,410	11,451,155	50,903	1,713,292	1,764,195	13,215,350	7,485,543
Special affiliate subsidies	67,930	679,300	-	-	8,452,770	9,200,000	-	-	-	9,200,000	6,900,000
Telephone	465,079	413,280	138,340	20,252	220,415	1,257,366	104,694	126,212	230,906	1,488,272	2,474,986
Telemarketing	-	-	998,621	-	-	998,621	-	267,373	267,373	1,265,994	1,062,265
Travel	87,392	116,476	13,942	10,048	63,718	291,576	16,601	67,182	83,783	375,359	436,959
Other grants and awards	5,465,657	150,000	7,072	-	1,281,683	6,904,412	537	-	537	6,904,949	5,388,956
Other expenses	375,372	1,854,368	3,221,386	97,317	1,276,521	6,824,964	854,800	995,733	1,850,533	8,675,497	8,536,161
Total expenses per statement of activities	26,945,082	94,420,621	48,827,173	2,215,579	139,376,863	311,785,318	19,817,046	26,426,854	46,243,900	358,029,218	
Net periodic cost other than service cost	(241,888)	(847,091)	(438,162)	(19,916)	(1,250,238)	(2,797,295)	(177,963)	(237,070)	(415,033)	(3,212,328)	
Total expenses—2022	\$ 26,703,194	\$ 93,573,530	\$ 48,389,011	\$ 2,195,663	\$ 138,126,625	\$ 308,988,023	\$ 19,639,083	\$ 26,189,784	\$ 45,828,867	\$ 354,816,890	
Total—2021	\$ 32,287,881	\$ 106,572,587	\$ 42,872,015	\$ 2,106,276	\$ 125,757,470	\$ 309,596,229	\$ 19,304,924	\$ 23,227,125	\$ 42,532,049	\$ 352,128,278	

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Cash Flows

Year Ended March 31, 2022

(With Summarized Comparative Information for the Year Ended March 31, 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 76,505,462	\$ 236,417,927
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,538,426	6,487,437
Discount on pledges receivable	280,107	1,480,050
Changes in value of split-interest agreements	212,381	(1,564,290)
Net realized and unrealized gains on investments, net of adjustments for affiliate holdings	(25,676,195)	(152,199,221)
Changes in benefit obligations other than net periodic cost	(8,116,365)	(24,829,935)
Affiliates' allocated share of pension liability adjustment	3,055,979	15,294,633
Cash received on contributions restricted for endowment	(733,564)	(1,752,669)
Contributions subject to split-interest agreements	(1,101,424)	(2,702,306)
Changes in operating assets and liabilities:		
(Decrease) increase in due to/from affiliates	(10,865,468)	11,950,243
Increase in pledges, bequests and contributions receivable	(35,415,609)	(16,858,601)
(Increase) decrease in other assets	(336,530)	8,452,322
Increase (decrease) in accounts payable and accrued expenses	1,812,488	(562,343)
Increase in grants payable	5,834,000	-
Increase in funds received in advance	2,000,000	-
Increase (decrease) in Bill of Rights Trust held for affiliates, net of unrealized	11,488,945	(1,714,926)
Increase (decrease) in accrued pension liability	2,588,929	(1,721,534)
Net cash provided by operating activities	25,071,562	76,176,787
Cash flows from investing activities:		
Proceeds from sale of investments	410,719,559	266,877,777
Purchase of investments	(428,330,948)	(342,334,195)
Purchase of property and equipment	(5,143,026)	(1,924,706)
Net cash used in investing activities	(22,754,415)	(77,381,124)
Cash flows from financing activities:		
Cash received on contributions restricted for endowment	733,564	1,752,669
Contributions subject to split-interest agreements	1,101,424	2,702,306
Payments on split-interest agreements	(2,186,411)	(1,817,715)
Purchase of new annuities	2,964,482	7,043,703
Net cash provided by financing activities	2,613,059	9,680,963
Net change in cash and cash equivalents	4,930,206	8,476,626
Cash and cash equivalents:		
Beginning cash and cash equivalents	169,368,569	160,891,943
Ending cash and cash equivalents	\$ 174,298,775	\$ 169,368,569
Supplemental disclosures of cash flow information:		
Donated legal services	\$ 25,253,603	\$ 23,748,513
Change in investments for Bill of Rights Trust held for affiliates	\$ 1,449,037	\$ 12,625,694

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 1. Organization

The American Civil Liberties Union, Inc. (the Union) and the American Civil Liberties Union Foundation, Inc. (the Foundation), collectively, the American Civil Liberties Union or the ACLU, were established as nonprofit corporations to preserve and promote individual civil rights and civil liberties as guaranteed by the United States Constitution and the nation's civil rights laws.

The ACLU is affiliated with 50 nonprofit, tax-exempt organizations and has a presence in every state in the United States and in the District of Columbia and Puerto Rico. All affiliates include reference to the American Civil Liberties Union or some variation thereof in their names (the affiliates). The affiliates also operate through related Section 501(c)(3) and Section 501(c)(4) organizations. The affiliates share the same overall mission and purpose as the ACLU, but their programs focus more on local or regional issues, while the ACLU's program activities are focused on overarching civil liberties issues and initiatives. Although the ACLU plays no direct role in the governance of and, except in very limited instances, does not share employees with, the affiliates, the organizations jointly fundraise and work together on certain programs and the ACLU, through either the Union or Foundation, as appropriate, at its sole discretion provides targeted financial and other support to the affiliates.

Summary of significant accounting policies:

Basis of presentation: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of consolidation: The accompanying consolidated financial statements include the accounts and activities of the Union, the Foundation and 915 15th Street, LLC (the LLC). Certain members of the board of directors of the Union comprise the board of directors of the Foundation. The LLC is a single-member limited liability company of which the Foundation is the sole member. All significant inter-organizational accounts and transactions have been eliminated in consolidation.

The accounts and activities of the affiliates are not included in these consolidated financial statements.

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

Cash and cash equivalents: The ACLU considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held temporarily in the investment portfolio are included in investments.

Investments and related income, gains and losses: Investments are reported at fair value in the consolidated statement of financial position. The consolidated statement of activities includes net investment income consisting of interest and dividend income, realized and unrealized gains and losses. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains and losses on sale of investments are calculated on the basis of specific identification of the securities sold. Purchases and sales of securities are recognized on a trade-date basis. The ACLU's policy is to sell donated securities immediately, and accordingly, for purposes of the consolidated statement of cash flows, donated securities and the proceeds generated from their sale are included within operating activities. For the years ended March 31, 2022 and 2021, net investment income, gains and losses, is reported net of direct investment expenses of \$2,609,239 and \$2,022,939, respectively.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fair value measurements: Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1:** Inputs that reflect unadjusted quoted market prices in active markets for identical assets or liabilities that the ACLU has the ability to access at the measurement date. The types of investments in Level 1 generally include listed equities, mutual funds, U.S. treasury bills and exchange-traded funds.
- Level 2:** Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active. Investments in this category generally include corporate debt, U.S. government debt, and less liquid securities such as securities traded on certain foreign exchanges. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.
- Level 3:** Inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimates. Investments in this category generally include equity and debt positions in private companies.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Fair value of financial instruments: The following methods and assumptions were used in estimating the fair values of significant financial instruments:

Cash and cash equivalents: The carrying amount approximates fair value because the instruments are liquid in nature and have short-term maturities.

Investments: The fair value is determined as described in Note 5.

Concentration of market and credit risk: The ACLU's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments.

Exposure to credit risk is reduced by the placement of such funds in high credit quality financial institutions and financial instruments. At March 31, 2022, the majority of the ACLU's money market accounts were in funds that invest in short-term direct government obligations, such as U.S. Treasury Bills, that are backed by the full faith and credit of the U.S. government.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

In order to control market risk, the ACLU has an investment committee that reviews and updates investment policy statements for the organization's various investment portfolios, oversees its investment portfolio and engages the services of investment advisors and managers to invest and manage the assets within the guidelines of the respective investment policy statements and perform ongoing due diligence and reporting. The ACLU monitors the market risk of its investment portfolio via ongoing review of asset allocation formulas and analysis of investment values as reported by investment custodians and managers.

The clearing and depository operations for the ACLU's portfolio of investments held in managed accounts are provided principally by three financial institutions that held approximately 94% of the total portfolio at March 31, 2022 and 2021.

Property and equipment: Property and equipment (consisting of office buildings, furniture, fixtures, office equipment and intangible assets) are carried at cost, less accumulated depreciation or amortization. Minor costs or repairs and maintenance are expensed as incurred. Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of the respective assets. Land is not depreciated. Amortization of leasehold improvements is provided using the straight-line method over the estimated useful lives of the improvements or the remaining lives of the leases, whichever is shorter.

Impairment of long-lived assets: Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. There were no triggering events during fiscal years 2022 or 2021 requiring management to test for impairment that would require any adjustments to property and equipment. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

Net assets: The ACLU reports information regarding its financial position and activities in two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions consist of amounts that can be spent at the discretion of the ACLU and have no donor restrictions associated with them. A portion of net assets without donor restrictions has been designated by the board of directors for certain purposes. Net assets with donor restrictions consist of contributions that are restricted by donors for a specific time period and/or purpose. Generally, the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purpose.

Endowment: When the ACLU receives a contribution and the donor restricts the ACLU from spending the principal, the contribution is classified as an endowment, with the amount of the gift recorded as with donor restrictions. The majority of the ACLU's endowment funds are held pursuant to the terms of the agreement for the establishment of the Bill of Rights Trust.

The ACLU is subject to the New York Prudent Management of Institutional Funds Act (NYPMIFA), and has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The remaining portion of the endowment fund that is not classified as held in perpetuity are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the ACLU in a manner consistent with the standard of prudence prescribed by NYPMIFA.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Contributions and related receivables: The ACLU reports contributions as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Unconditional promises to give are recorded as pledges and contributions receivable in the period the promise is received. Payments received in subsequent periods on unconditional promises to give, such as payments on multi-year gifts, are not recognized as revenue; rather, these are recorded as decreases in the corresponding pledges receivable balance. Pledges and contributions receivable due within one year are recorded at their net realizable value. Pledges and contributions receivable due in more than one year are recorded at the present value of their net realizable value, using applicable risk-adjusted interest rates to discount the amounts. Allowances for doubtful pledges and contributions receivable are provided by management based on the ACLU's experience with the donors and their ability to pay. No allowance for doubtful accounts was deemed necessary as of March 31, 2022 and 2021.

Contributions of cash and other assets are reported as with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Contributions that are to be maintained in perpetuity are recorded as with donor restrictions support.

Contributions of noncash assets are recorded at fair value in the period received.

Certain contributions and bequests revenue are subject to revenue sharing agreements with affiliates. The ACLU's sharing rules specify the circumstances under which revenue shall be shared and the methodology for determining the specific portion of various categories of revenue that will be shared among the ACLU and the affiliates. Shared revenues are reported at gross amounts and the affiliates' share of the revenues are included as affiliate support expense in the consolidated statement of activities. The ACLU reports the affiliates' share of revenues as expenses when cash is received from the donor.

Donated services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require specialized skills and are provided by individuals possessing such specialized skills.

Due to the nature of the ACLU's civil liberties litigation, in-kind professional legal services are from time to time provided on a pro bono basis by outside attorneys. These services are recorded as revenue and expenses at fair value based on the attorneys' records of time spent and applicable billing rates.

A number of individuals have made a contribution of their time to serve on the ACLU's board. The value of their contributed time is not reflected in these consolidated financial statements inasmuch as those services would not typically be purchased had they not been provided by donation.

Bequests: The ACLU is a beneficiary under various wills and trust agreements, the total realizable amounts of which are not determinable at present. The ACLU's share of such bequests is recorded when the probate courts declare the testamentary instrument valid and the proceeds are measurable. For the years ended March 31, 2022 and 2021, bequest contributions amounted to \$35,615,712 and \$34,757,327, respectively.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Donor concentration: Approximately 13% and 10% of the total grants, contributions and bequests revenue of \$372,379,637 and \$395,311,491 for the years ended March 31, 2022 and 2021, were provided by three donors, respectively. In addition, approximately 42% and 56% of the gross pledges and contributions receivable of \$83,767,603 and \$48,351,994 were due from two and three donors at March 31, 2022 and 2021, respectively.

Accrued vacation: Accrued vacation represents the ACLU's obligation for the cost of unused employee vacation time that would be payable in the event that all employees leave the ACLU. As of March 31, 2022 and 2021, the accrued vacation obligation was approximately \$5,199,000 and \$6,279,000 respectively, and is reported as part of accounts payable and accrued expenses in the consolidated statement of financial position.

Functional expenses: The costs of providing various program and supporting services of the ACLU have been summarized on a functional basis in the accompanying consolidated financial statements. Each department within the ACLU will be allocated to its programmatic or supporting services based on a total analysis of their respective FTE's and a determination of what functions they perform. Certain departments, such as legal department expenses, are determined to be 100% programmatic and are reflected, therefore, under legal programs. Other departments, such as executive or administrative/finance, are largely supportive in nature and reflected largely under management and general. Each year, the functional allocations are reviewed and modified based on initiatives and organizational changes to best reflect the activities within the ACLU for a specified year.

In addition, certain expenses, predominantly salaries and employee benefits, are shared between the Union and the Foundation. Expenses paid by the Union and allocated to the Foundation during the years ended March 31, 2022 and 2021 amounted to \$25,234,647 and \$23,614,140, respectively.

Measure of operations: The ACLU includes, in its definition of operations, all revenues and expenses that are an integral part of its programs and supporting activities. Investment income, including net realized and unrealized gains and losses is reported as part of non-operating activities, as are: (i) legal contribution, net; (ii) changes in value of split-interest agreements; (iii) recognition of affiliates share of minimum pension liability adjustment; (iv) net periodic cost other than service cost, (v) changes in benefits other than net periodic cost; and (vi) all other nonrecurring items of revenue and expenses.

Grants and awards: Unconditional grants and awards are recognized as expenses in the consolidated financial statements at the time of approval. Unconditional grants and awards approved, but not yet paid, are recognized as grants payable at each year-end. As of March 31, 2022 grants payable amounted to \$5,834,000. There were no grants payable as of March 31, 2021.

Funds received in advance: ACLU has received funding related to a certain contract prior to the ACLU satisfying the conditions stipulated in the agreement, which include providing the related services as required by the contract. Revenue for this agreement is recognized as the related conditions are satisfied. At March 31, 2022, funds received in advance was \$2,000,000. There were no funds received in advance as of March 31, 2021.

Legal awards: Pursuant to the Civil Rights Attorneys Fee Awards Act of 1976 and similar laws, legal fees and expenses may be awarded in certain legal actions. The amounts of these awards are the result of court determinations and/or negotiations between the parties to the matters. Management anticipates that the ACLU will be the recipient of legal awards of a substantial amount, but is unable to determine the amounts receivable with any degree of accuracy. Accordingly, the ACLU's accounting policy is to accrue an award only when, in management's judgment, the amount appears relatively certain of collection.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Defined benefit pension plan: The ACLU reports the funded status of, and discloses other information about, its sponsored defined benefit pension plan in accordance with Financial Accounting Standards Board (FASB) ASC 715, Compensation—Retirement Benefits (see Note 12).

Income taxes: The Union and the Foundation are nonprofit organizations exempt from income taxes under Section 501(c)(4) and Section 501(c)(3), respectively, of the U.S. Internal Revenue Code (IRC). Both the Union and the Foundation are subject to taxes on unrelated business income, as applicable. The LLC is treated as a disregarded (tax) entity.

The Union and the Foundation file tax and information returns with the Internal Revenue Service (IRS) and with various states.

Management evaluated the Union's and the Foundation's tax positions and concluded that each organization had taken no uncertain tax positions that require additional adjustment or disclosure to the accompanying consolidated financial statements. Generally, the Union and the Foundation are no longer subject to income tax examinations by U.S. federal, state or local tax authorities for tax years before 2019, which is the standard statute of limitations look-back period.

Prior-year summarized comparative information: The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset or by functional expense classifications. Such information does not include sufficient detail to constitute a presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the ACLU's consolidated financial statements as of and for the year ended March 31, 2021, from which the summarized information was derived.

Evaluation of subsequent events: The ACLU evaluates events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the consolidated financial statements. Such evaluation is performed through the date the consolidated financial statements are issued, which is October 3, 2022.

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of society throughout the world. The continued spread of COVID-19 may adversely impact the local, regional, national and world economies. The extent to which COVID-19 impacts the ACLU's activities will depend on future developments, which are highly uncertain and cannot be predicted. Although to date, COVID-19 has not had a material impact on the ACLU, management cannot presently estimate the overall long-term operational and financial impact to the ACLU.

Recently issued accounting pronouncements: In February 2016, the FASB issued Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842)*, as amended, which supersedes the current leasing guidance and upon adoption, will require lessees to recognize right-of-use assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard is effective for ACLU for the annual period beginning after December 15, 2021 and can be early adopted. Upon the adoption of the guidance, operating leases are capitalized on the consolidated statement of financial position at the present value of lease payments. The consolidated statement of financial position amount recorded for existing leases at the date of adoption of ASU 2016-02 will be calculated using the applicable incremental borrowing rate at the date of adoption. The impact on ACLU's financial statements is currently being evaluated. The ACLU is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, if utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. The ACLU is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

Reclassification: Certain information in the prior-year's consolidated financial statements has been reclassified to conform to the current-year's consolidated financial-statement presentation.

Note 3. Related-Party Transactions

Amounts due from and to affiliates represent receivables and payables related to affiliate support and revenue sharing.

Amounts due to affiliates include the portion of contributions that are shared in accordance with the ACLU sharing rules and payments related to certain affiliate subsidy programs. Amounts due from affiliates include income generated by the affiliates that is subject to the application of the ACLU sharing rules, and reimbursement to the ACLU for expenses paid by the ACLU on behalf of the affiliates, including contributions payable to the employee pension plan totaling \$1,417,446 and \$3,992,730 for the years ended March 31, 2022 and 2021, respectively.

Also included in the amounts due from affiliates are notes receivable of \$9,622 at March 31, 2021, due from certain affiliates. There were no notes receivable as of March 31, 2022. The remaining notes matured June 30, 2021, and accrues interest at the prime rate.

Amounts due from affiliates—allocated share of pension liability of \$12,238,654 and \$15,294,633 at March 31, 2022 and 2021, respectively, represent the estimated aggregate amount due from affiliates in connection with employer withdrawal liability provision stipulated in the amended and restated ACLU Retirement Plan effective January 1, 2015 (see Note 12) in the event of withdrawal from the plan.

During the years ended March 31, 2022 and 2021, the ACLU had expenses to affiliates for grants to affiliates, the shared portion of contributions and bequests and the special affiliate subsidies of \$142,339,469 and \$146,959,852, respectively.

During the years ended March 31, 2022 and 2021, the Foundation received approximately \$293,000 for both years from the New York Civil Liberties Union, Inc. and the New York Civil Liberties Union Foundation, Inc. in payments for the use of space occupied at the Foundation's offices at 125 Broad Street. These payments include charges for cleaning and other customary services.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 4. Pledges, Bequests and Contributions Receivable

Pledges, bequests and contributions receivable which are expected to be collected after one year have been discounted to net present value at rates ranging from 3.02% to 4.10% and are reflected in the consolidated financial statements at their net realizable value.

Pledges, bequests and contributions receivable are comprised of the following at March 31:

	2022	2021
Receivable due within one year or less	\$ 42,063,176	\$ 25,116,159
Receivable due in more than one year to five years	41,704,427	23,235,835
	<u>83,767,603</u>	<u>48,351,994</u>
Less discount to present value	(2,453,702)	(2,173,595)
	<u>\$ 81,313,901</u>	<u>\$ 46,178,399</u>

Approximately \$31,035,000 and \$13,600,000 of pledges, bequests and contributions receivable as of March 31, 2022 and 2021, respectively, are the affiliates' share of these revenues which are based on ACLU's revenue sharing rules; these amounts will be recognized as expenses by the ACLU upon the receipt of cash from donors.

For the year ended March 31, 2022, the ACLU received approximately \$3,000,000 in new conditional contributions. For the year ended March 31, 2022, the ACLU recognized approximately \$1,125,000 in revenue from conditional contributions as barriers were met. At March 31, 2022, there is approximately \$5,500,000 in conditional contributions which have not met the barriers to be recognized as revenue. Revenues on these grants and contributions will be recognized by the ACLU in future periods as the barriers are met.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value Measurement

The following tables present the ACLU's investments that are measured at fair value on a recurring basis.

	Fair Value Measurements at March 31, 2022			
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 14,111,621	\$ 14,111,621	\$ -	\$ -
Equities	154,186,007	154,186,007	-	-
Corporate Bonds (by S&P rating):				
AAA—A-	25,858,417	-	25,858,417	-
BBB—B-	202,326	-	202,326	-
Total corporate bonds	26,060,743	-	26,060,743	-
U.S. Treasury Notes, agency and related	3,230,130	-	3,230,130	-
Mutual funds:				
Large-cap U.S. equity	2,980,119	2,980,119	-	-
Small-/mid-cap U.S. equity	323,261	323,261	-	-
International equity	1,568,265	1,568,265	-	-
Short-term bond	12,737,056	12,737,056	-	-
Intermediate-term bond	4,580,469	4,580,469	-	-
High-Yield bond	214,506	214,506	-	-
International fixed income	1,548,311	1,548,311	-	-
Other bond	799,953	799,953	-	-
Total mutual funds	24,751,940	24,751,940	-	-
Common trust funds ⁽¹⁾ :				
Large-cap U.S. equity	6,118,656	-	-	-
Small-/mid-cap U.S. equity	2,395,060	-	-	-
International equity	5,588,811	-	-	-
Intermediate-term bond	1,410,609	-	-	-
High-Yield and others bonds	2,654,823	-	-	-
Real estate and hard assets (commodities)	2,206,905	-	-	-
Total common trust funds	20,374,864	-	-	-
Exchange-traded funds:				
Large-cap U.S. equity	1,819,658	1,819,658	-	-
Small-/mid-cap U.S. equity	1,975,657	1,975,657	-	-
International equity	1,653,693	1,653,693	-	-
Short-term, long-term, and intermediate-term bonds	30,923,882	30,923,882	-	-
Real estate and hard assets (commodities)	18,408,525	18,408,525	-	-
Total exchange-traded funds	54,781,415	54,781,415	-	-
Certificates of deposit	704,794	704,794	-	-
Private equity funds—multi-strategy ⁽¹⁾	123,164,788	-	-	-
Proprietary equity funds—multi-strategy ⁽¹⁾	281,291,618	-	-	-
Total investment	702,657,920	248,535,777	29,290,873	-
Beneficial Interest In Trust	1,336,698	-	-	1,336,698
Total	\$ 703,994,618	\$ 248,535,777	\$ 29,290,873	\$ 1,336,698

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value Measurement (Continued)

	Fair Value Measurements at March 31, 2021			
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 25,175,815	\$ 25,175,815	\$ -	\$ -
Equities	163,927,018	163,927,018	-	-
Corporate Bonds (by S&P rating):				
AAA—A-	19,255,752	-	19,255,752	-
BBB—B-	546,572	-	546,572	-
Total corporate bonds	19,802,324	-	19,802,324	-
U.S. Treasury Notes, agency and related	20,647,881	-	20,647,881	-
Mutual funds:				
Large-cap U.S. equity	3,019,197	3,019,197	-	-
Small-/mid-cap U.S. equity	416,088	416,088	-	-
International equity	1,744,745	1,744,745	-	-
Short-term bond	24,921,382	24,921,382	-	-
Intermediate-term bond	4,132,910	4,132,910	-	-
High-Yield bond	429,478	429,478	-	-
International fixed income	1,440,979	1,440,979	-	-
Other bond	662,972	662,972	-	-
Total mutual funds	36,767,751	36,767,751	-	-
Common trust funds ⁽¹⁾ :				
Large-cap U.S. equity	6,686,251	-	-	-
Small-/mid-cap U.S. equity	2,672,528	-	-	-
International equity	6,034,401	-	-	-
Intermediate-term bond	1,567,151	-	-	-
High-Yield and others bonds	2,823,217	-	-	-
Real estate and hard assets (commodities)	1,525,022	-	-	-
Total common trust funds	21,308,570	-	-	-
Exchange-traded funds:				
Large-cap U.S. equity	1,970,553	1,970,553	-	-
Small-/mid-cap U.S. equity	1,295,729	1,295,729	-	-
International equity	2,196,477	2,196,477	-	-
Short-term, long-term, and intermediate-term bonds	13,586,968	13,586,968	-	-
Real estate and hard assets (commodities)	585,837	585,837	-	-
Total exchange-traded funds	19,635,564	-	-	-
Certificates of deposit	1,110,162	1,110,162	-	-
Private equity funds—multi-strategy ⁽¹⁾	73,693,950	-	-	-
Proprietary equity funds—multi-strategy ⁽¹⁾	275,852,264	-	-	-
Total investment	657,921,299	226,980,746	40,450,205	-
Beneficial Interest In Trust	2,525,898	-	-	2,525,898
	\$ 660,447,197	\$ 226,980,746	\$ 40,450,205	\$ 2,525,898

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value Measurement (Continued)

In accordance with the Fair Value measurements topic, certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified 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 consolidated statement of financial position.

Below are the valuation techniques used by the ACLU to measure different financial instruments at fair value and the level within the fair value hierarchy in which the financial instrument is categorized.

Equities, money market funds and exchange-traded funds listed on a national securities exchange or reported on the NASDAQ global market are stated at the last reported sales or trade price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

U.S. government debt, corporate bonds and certificates of deposits are valued based on the last reported bid price provided by broker-dealers, and are reported as Level 2 in the fair value hierarchy.

Investments in mutual funds are stated at fair value based on the last quoted evaluation price or NAV. To the extent these securities are actively traded and valuation adjustments are not applied, they are classified as Level 1 in the fair value hierarchy.

Investments in common trust funds, proprietary equity funds and private equity are valued at fair value based on the applicable percentage ownership of the underlying net assets on the measurement date. In determining fair value, the ACLU utilizes, as a practical expedient, the NAV or equivalent provided by the fund managers (NAV of funds). The underlying common trust funds and proprietary equity funds value securities and other financial instruments on a fair value. The estimated fair values of certain investments of the underlying common trust funds or proprietary equity funds, which may include private placements and other securities for which prices are not readily available, are determined by the trustee of the common trust funds or sponsor of the proprietary equity funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

Investments that use the practical expedient are not classified within the fair value hierarchy.

The ACLU assesses the fair value hierarchy levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no significant transfers among Levels 1, 2 and 3 during fiscal year 2022 or 2021.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value Measurement (Continued)

ACLU has the ability to redeem its investments in common trust funds on a daily or monthly basis. The objectives of the investments in common trust funds are to approximate as closely as practicable or to provide total investment returns that are in excess of the performance of the following benchmarks over time with certain risk parameters:

	Benchmark
Large-cap U.S. equity	S&P 500 Index
Small-/mid-cap U.S. equity	Russell 2000 Index, S&P Mid-Cap 400 Index
International equity	MSCI EAFE Index, MSCI Emerging Markets, JP Morgan CEMBI Broad Diversified Index
Intermediate-term bond	Barclays U.S. Aggregate Bond Index, Barclays U.S. Intermediate Bond Index
High-yield and other bonds	Barclays U.S. Treasury Inflation Protected Securities Index, Barclays Corporate High-Yield 2% Issuer Cap Index, Bloomberg Global High Yield Index, S&P/LSTA Leverage Loan Index
Real estate and hard assets (commodities)	Dow Jones U.S. Select REIT Index, Dow Jones-UBS Commodity Total Return Index

The investment in private equity funds which ACLU does not have the ability to redeem the investments on March 31, 2022, or in the near term, which is defined as 90 days or less from March 31, 2022. The investment objective of the private equity funds are to generate consistent capital appreciation over the long term, with relatively low volatility and a low correlation with traditional equity and fixed income markets.

The following table summarizes the investment strategies and liquidity provision of investments in the private equity and proprietary funds valued at the NAV as provided by the fund managers as of March 31, 2022 and 2021, respectively:

	Fair Value at March 31, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity:					
Sequoia	\$ 44,831,657	\$ -	Annual	NA	NA*
SRA III	34,936,395	8,087,297	None	NA	NA
SRA IV	32,471,936	12,709,647	None	NA	NA
SRA V	10,924,800	51,083,390	None	NA	NA
Common Trust	20,374,864	-	Daily	NA	NA
Multi strategy	255,241,543	-	Monthly	7 business days	None
Multi strategy	26,050,075	-	Monthly	15 business days	None
	<u>\$ 424,831,270</u>	<u>\$ 71,880,334</u>			

*While 5% can be drawn down annually, full amount cannot be transferred until donor stipulation met.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value Measurement (Continued)

	Fair Value at March 31, 2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity:					
Sequoia	\$ 37,162,341	\$ -	Annual	NA	NA*
SRA III	23,202,283	11,246,158	None	NA	NA
SRA IV	13,329,326	25,236,161	None	NA	NA
Common Trust	21,308,570	-	Daily	NA	NA
Multi strategy	275,852,264	-	Monthly	7 business days	None
	<u>\$ 370,854,784</u>	<u>\$ 36,482,319</u>			

*While 5% can be drawn down annually, full amount cannot be transferred until donor stipulation met.

The investments are held for the following purposes:

	2022	2021
Bill of Rights Trust, inclusive of endowments held in perpetuity of \$52,917,633 and \$52,184,069 at March 31, 2022 and 2021, respectively (Note 9)	\$ 137,595,447	\$ 122,751,832
Split-interest agreements (Note 7)	39,139,728	38,651,923
Other endowment, special projects, program support and operating reserves	525,922,745	496,517,544
	<u>\$ 702,657,920</u>	<u>\$ 657,921,299</u>

Note 6. Property and Equipment

Property and equipment consist of the following:

	2022	2021	Range of Estimated Useful Life
Land, office buildings and office condominium	\$ 61,395,786	\$ 58,298,383	10 to 50 years
Furniture, fixtures and office equipment	5,634,595	5,465,648	3 to 5 years
Software	21,780,665	19,946,105	3 to 15 years
	<u>88,811,046</u>	<u>83,710,136</u>	
Less accumulated depreciation and amortization	(61,302,566)	(57,806,256)	
	<u>\$ 27,508,480</u>	<u>\$ 25,903,880</u>	

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 7. Split-Interest Agreements

The Foundation receives contributions through its charitable gift annuity program whereby in exchange for gifts of cash or securities, the Foundation promises to pay a fixed annual amount for life to the annuitant.

The difference between the fair value of the assets received and the present value of the future distributions to the annuitant is recognized as contribution revenue.

Upon the death of the annuitant, any balance of the amount in the split-interest account reverts to the Foundation.

The Foundation has received gifts under this program on which it is obligated to make annual annuity payments of approximately \$2,186,411 and \$2,093,953 in accordance with the agreements as of March 31, 2022 and 2021, respectively.

In addition, the Foundation has nine unitrust agreements on which the income is paid to the donor for life. Upon the death of the donor, the balance in the trust account shall be distributed to the Foundation for its general purposes.

Assets and liabilities related to the Foundation's split-interest agreements are as follows:

	2022	2021
Assets—investments	\$ 39,139,728	\$ 38,651,923
Liabilities under split-interest agreements	20,422,939	20,621,687
	<u>\$ 18,716,789</u>	<u>\$ 18,030,236</u>

Asset balances at March 31, 2022 and 2021, exceeded the reserve requirements of the New York State Insurance Commission as well as the reserve requirements of the relevant regulatory bodies in all other states that require a reserve fund and in which the Foundation issues gift annuities. Reserves are included in liabilities under split-interest agreements on the accompanying consolidated statement of financial position.

The present value of obligations under split-interest agreements was calculated using interest rates ranging from 1.25% to 8.25% and applicable Annuity Mortality Tables (either 1983A, 2000 or 2012AR).

Beneficial interests in trusts (BITs) are recorded based on the present value of the estimated future receipts from the trusts, using discount rates ranging from 1.32% to 5.34%. These rates approximate the rates of return on the assets held in the trusts, and are commensurate with the risks that management associates with the ultimate collection of the trusts. The initial gift and any subsequent adjustments to the non-perpetual BITs' carrying value are recognized as contributions with donor restrictions. With donor restrictions relates to the extended time period over which the gift is expected to be received and may also include purpose restrictions to benefit specific Foundation programs.

Adjustments to reflect revaluations of the present value of estimated future payments and changes in actuarial assumptions are recognized in the consolidated statement of activities as changes in value of split-interest agreements.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 8. Liquidity and Availability of Resources

The ACLU regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of the balance sheet date, the ACLU holds approximately 15 months of operating expenses in cash, cash equivalents and liquid investment assets. The following chart reflects the ACLU's financial assets available as of the balance sheet date for general expenditures over the next 12 months.

	2022	2021
Financial assets at year-end:		
Cash, cash equivalents, investment assets and pledges without donor restrictions due within one year	\$ 899,470,582	\$ 842,648,027
Less investments unavailable within one year due to restrictions on funds by donors or other commitments	(653,554,887)	(528,283,570)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 245,915,695</u>	<u>\$ 314,364,457</u>

The ACLU has board designated funds totaling \$307,894,694 and \$296,468,452 as of March 31, 2022 and 2021, respectively. Although the ACLU does not intend to spend from its board designated funds other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its board designated funds could be made available if necessary.

Note 9. The Bill of Rights Trust and Other Endowments

In 1997, the Foundation and the Section 501(c)(3) arms of the affiliates (the Affiliate Foundations) established the Bill of Rights Trust (BORT). The purpose of BORT, a portion of which is an endowment fund of the Foundation, is to build an enduring endowment to carry out the work of the ACLU and its affiliates in protecting, preserving and expanding the civil liberties of all persons in the United States of America. BORT has 100,000,000 authorized units, which are issued to or among the Foundation and Affiliate Foundations based upon their respective interests in BORT. Unit shares have a unit value based upon the fair value of the net assets of BORT divided by the total number of unit shares outstanding. BORT permits for annual distributions to the Foundation and Affiliate Foundations in accordance with the Foundation's approved spending policy, prorated in accordance with the percentage of the fair value of each unit share. For the years ended March 31, 2022 and 2021, BORT allowed for a potential distribution amount equal to 4% of the average month-end value of total funds over the preceding 36 months through December 31, 2021 and 2020, respectively. Each unit holder, including the Foundation and the participating Affiliate Foundations, must establish that it has determined the appropriation to be prudent before the distribution is disbursed. In the years ended March 31, 2022 and 2021, there was a distribution of \$1,090,000 and \$770,000, respectively.

The investment goal of the endowment fund is to invest assets in a prudent manner that will balance reasonable annual distributions to the Foundation and Affiliate Foundations with long-term growth in the value of the assets of BORT.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 9. The Bill of Rights Trust and Other Endowments (Continued)

At March 31, 2022 and 2021, BORT comprised the following accounts and amounts that are included in the consolidated statement of financial position:

	2022	2021
Assets:		
Investments	\$ 137,595,447	\$ 122,751,832
Other assets	348,443	230,003
Pledge receivable	20,000,000	-
	<u>\$ 157,943,890</u>	<u>\$ 122,981,835</u>
Liabilities and net assets:		
Held for affiliate foundations	\$ 55,983,664	\$ 43,045,682
Net assets with donor restrictions	29,042,593	27,752,084
Net assets with donor restrictions—held in perpetuity	72,917,633	52,184,069
	<u>\$ 157,943,890</u>	<u>\$ 122,981,835</u>

In October 2016, an endowment fund was established for the Union. The endowment-related activities of the ACLU, which is comprised principally of the endowment-related activities of BORT, are summarized below:

	2022			2021		
	With Donor Restrictions	Held In Perpetuity	Total With Donor Restrictions	With Donor Restrictions	Held In Perpetuity	Total With Donor Restrictions
Endowment net assets, beginning of year	\$ 46,849,609	\$ 73,579,069	\$ 120,428,678	\$ 20,121,348	\$ 71,826,400	\$ 91,947,748
Investment return:						
Interest and dividends	523,001	-	523,001	534,945	-	534,945
Net realized and unrealized gains on investments	12,009,235	-	12,009,235	27,785,534	-	27,785,534
Investment fees and expenses	(694,208)	-	(694,208)	(712,218)	-	(712,218)
Net investment return	<u>11,838,028</u>	<u>-</u>	<u>11,838,028</u>	<u>27,608,261</u>	<u>-</u>	<u>27,608,261</u>
Other changes during the year:						
Contributions	-	20,733,564	20,733,564	-	1,752,669	1,752,669
Appropriation of endowment assets for expenditures	(2,348,259)	-	(2,348,259)	(880,000)	-	(880,000)
Total	<u>(2,348,259)</u>	<u>20,733,564</u>	<u>18,385,305</u>	<u>(880,000)</u>	<u>1,752,669</u>	<u>872,669</u>
Endowment net assets, end of year	<u>\$ 56,339,378</u>	<u>\$ 94,312,633</u>	<u>\$ 150,652,011</u>	<u>\$ 46,849,609</u>	<u>\$ 73,579,069</u>	<u>\$ 120,428,678</u>

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 10. Commitments and Contingencies

The Foundation entered into a long-term lease for a new office space in October 2017. This lease agreement expires on July 31, 2025, with four months' rent credit provided. Below is the future aggregate minimum commitment under the lease.

Years ending March 31:	
2023	\$ 683,698
2024	683,698
2025	683,698
2026 and thereafter	227,899
	<u>\$ 2,278,993</u>

Deferred rent consists of the excess of the rental expenses on a straight-line basis over the payments required by the lease. As of March 31, 2022 and 2021, there was \$96,977 and \$126,071 of deferred rent included in accounts payable and accrued expenses, respectively.

The ACLU is involved in other legal actions arising in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters would not have a material adverse impact on the consolidated financial position of the ACLU or the consolidated results of its activities.

Note 11. Line of Credit Agreements

On October 1, 2020, the American Civil Liberties Union Foundation, Inc. entered into a revolving line of credit agreement with JPMorgan Chase Bank for a secured committed line in the amount of \$30,000,000 secured by a blanket lien on all assets. The facility can be drawn and paid down at any time until February 14, 2023, when it matures and any amounts outstanding will be payable. The facility has a variable interest rate of LIBOR plus 175 basis points for LIBOR-based loans or prime rate for CB Floating Rate Advance rate-based loans. There were no loans outstanding under this facility at March 31, 2022.

The credit facility requires that the organization maintain unrestricted cash and investments to funded debt of a least 2.0 to 1.0. The organization is not aware of any instances of noncompliance with financial and non-financial covenants as of March 31, 2022.

Note 12. Retirement Plans

American Civil Liberties Union Retirement Plan: The ACLU sponsors the American Civil Liberties Union Retirement Plan (the Pension Plan) which it accounted for as a single-employer plan. The Pension Plan covers eligible employees of the ACLU and its unconsolidated affiliates.

The Pension Plan is a defined benefit plan covering those employees who have at least one year of service or at least 1,000 hours worked per year and are at least 21 years of age. Benefits are based on service to date on an average of career earnings. The ACLU's policy is to fund pension costs by contributing at least the minimum amount required by the Employee Retirement Income Security Act of 1974 (ERISA). The Pension Plan is covered under the Pension Benefit Guaranty Corporation (PBGC) termination insurance program. On January 1, 2015, the Pension Plan was amended and restated to include, among other things, a provision for additional contribution due on withdrawal or freezing of benefits by an employer.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 12. Retirement Plans (Continued)

The liability attributed to the employer or former employer is determined based upon the sum of the present value of the accrued benefits for each of the participants associated with the employer or former employer determined as of the last day of the plan year preceding the date as of which the withdrawal contribution is calculated. Accordingly, as of March 31, 2022 and 2021, the ACLU recognized a receivable of \$12,238,654 and \$15,294,633, respectively, representing the allocated share of pension liability due from the affiliates participating in the Pension Plan (see Note 3).

All funds of the Pension Plan were held by JPMorgan Chase, N.A. (JPMCB), the Custodian, under an investment management agreement with JPMorgan Investment Management Inc. (the Investment Adviser). When benefits commence for any participant, the Plan pays the monthly payments from the Pension Plan assets instead of purchasing annuity contracts.

The following table sets forth the funded status of the ACLU Pension Plan, the change in funded status and amounts recognized in the accompanying consolidated financial statements:

	2022	2021
Change in benefit obligation:		
Obligation, beginning of year	\$ 203,896,673	\$ 185,596,793
Service cost	5,801,257	6,168,549
Interest cost	6,617,488	6,554,935
Actuarial (gain) loss	(12,424,297)	10,927,026
Benefit payments and expected expenses	(5,518,352)	(5,350,630)
Obligation, end of year	<u>198,372,769</u>	<u>203,896,673</u>
Change in Plan assets:		
Fair value of Plan assets, beginning of year	176,015,631	131,164,282
Actual return on Plan assets	5,754,401	40,910,573
Employer contributions	-	9,000,000
Benefit payments and actual expenses	(5,750,869)	(5,059,224)
Fair value of Plan assets, end of year	<u>176,019,163</u>	<u>176,015,631</u>
Funded status, end of year	<u>\$ (22,353,606)</u>	<u>\$ (27,881,042)</u>
Amounts recognized as liabilities in the consolidated statements of financial position	<u>\$ (22,353,606)</u>	<u>\$ (27,881,042)</u>
Amounts recognized as cumulative changes in pension other than net periodic costs:		
Net loss	<u>\$ (24,359,551)</u>	<u>\$ (32,475,916)</u>

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 12. Retirement Plans (Continued)

	2022	2021
Components of net benefit cost:		
Components of net periodic pension cost:		
Service cost	\$ 5,801,257	\$ 6,168,549
Interest cost	6,617,488	6,554,935
Expected return on Plan assets	(10,814,485)	(8,866,151)
Amortization of net loss	984,669	3,421,133
Net periodic pension cost	<u>2,588,929</u>	<u>7,278,466</u>
Changes in pension costs other than net periodic cost:		
Net gain	(7,131,696)	(21,408,802)
Amortization of net loss	(984,669)	(3,421,133)
Other than net periodic cost	<u>(8,116,365)</u>	<u>(24,829,935)</u>
Net periodic pension cost (income)	<u>\$ (5,527,436)</u>	<u>\$ (17,551,469)</u>

The net periodic pension costs of \$2,588,929 and \$7,278,466 for the years ended March 31, 2022 and 2021, respectively, comprise service cost of \$5,801,257 and \$6,168,549 which are recognized as expenses by the ACLU and \$1,417,446 and \$3,992,730 which are charged to the affiliates for net periodic pension costs associated with affiliates' employees participating in the Plan during 2022 and 2021, respectively, (see Note 3).

The following table provides the weighted-average assumptions and certain other information:

	2022	2021
Weighted-average assumptions to determine benefit obligation as of March 31:		
Discount rate	3.69%	3.30%
Expected long-term rate of return on Plan assets	5.75%	6.25%
Rate of compensation increase	4.00%	4.00%
Weighted-average assumptions to determine net benefit cost for the year ended March 31:		
Discount rate	3.30%	3.49%
Expected long-term rate of return on Plan assets	6.25%	6.75%
Rate of compensation increase	4.00%	4.00%

The mortality improvement scale was updated to MP-2021 as of March 31, 2022 for disclosure. The previous mortality improvement scale was MP-2020. PRI-2012 Private Pension Plans Mortality Tables projected with improvement scale MP-2020 for males and females for expense. PRI-2012 Private Pension Plans Mortality Tables projected with improvement scale MP-2021 for males and females for disclosure.

As of March 31, 2022 and 2021, the accumulated (expected) benefit obligation of the Pension Plan was \$183,881,796 and \$187,248,685, respectively.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 12. Retirement Plans (Continued)

The ACLU expects to contribute approximately \$8,000,000 to the Pension Plan during the fiscal year ending March 31, 2023, and may consider further contributions as well.

Estimated future benefit payments attributable to estimated future employee service in each of the five years and thereafter subsequent to March 31, 2022, in the aggregate are as follows:

Years ending March 31:

2023	\$ 5,798,085
2024	6,170,179
2025	6,664,666
2026	7,192,020
2027	7,552,804
2028-2032	43,391,438

An investment policy has been established that takes into consideration both the current and projected financial requirements of the Pension Plan. The ACLU is continuing to undertake a thorough review of the Pension Plan with a focus on its overall economic health. All investments are chosen with prudence and due diligence by investment managers to ensure that results over time meet the goals and objectives of the Pension Plan.

The Pension Plan's assets are comprised principally of investments in the collective investment trust fund. The following tables set forth the fair value of the Pension Plan's investments at March 31, 2022 and 2021, which is estimated using NAV (practical expedient) or its equivalent, and are not classified within the fair value hierarchy in accordance with FASB ASU 2015-07.

		2022			
	Percent Allocation	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Collective investment trust fund	100%	\$ 176,019,163	\$ -	Daily	None / 60 days*
		2021			
	Percent Allocation	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Collective investment trust fund	100%	\$ 176,015,631	\$ -	Daily	None / 60 days*

* Units of the fund may generally be redeemed daily, provided such withdrawals are to facilitate the payment of plan benefits or to make distributions in connection with the Pension Plan's termination if participants are not covered by a replacement or other eligible plan. A request made by a plan for complete or partial withdrawal from the fund for any purpose other than for benefit payments will have a 60-day redemption notice period.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 12. Retirement Plans (Continued)

As of July 1, 2014, the Pension Plan's assets are maintained by the Investment Adviser under an investment management agreement. Based on this agreement, the Investment Adviser invests in other commingled pension trust funds, which may be affiliated or unaffiliated with JPMCB, and may also invest in unaffiliated exchange-traded funds and individual securities. The JPMCB portfolio will be categorized into two portions. The growth-oriented portion, which comprises at least 50% of the portfolio, invests directly or indirectly via underlying funds in a broad mix of equity, U.S. credit, emerging market debt, and real estate securities including: (1) U.S. equity securities, such as common stock, preferred and convertible securities and real estate investment trusts, (2) international equity securities, including both developed and emerging markets, (3) U.S. credit, including high yield securities (rated below investment grade by one or more nationally recognized statistical rating organizations at the time of purchase), leverage loans, mortgage backed securities, mortgage dollar rolls and other mortgage-related securities, asset-backed securities and emerging market debt, and (4) direct real estate. The remaining portion of the portfolio, up to 50% of the portfolio, invests directly or indirectly via underlying funds in investment grade corporate bonds, securities issued by the U.S. Treasury and its agencies or instrumentalities, and securities issued by foreign governments or supranational organizations.

Assets of the Pension Plan are included in a collective investment trust fund with JPMCB and earnings are based on its proportionate share of the accounts. Fair value of the collective investment trust fund, which approximates market value, are allocated to the Pension Plan.

There have been no changes in the methodologies used at March 31, 2022 and 2021.

The ACLU implemented a soft freeze of the Pension Plan effective March 31, 2009. Employees hired on or after April 1, 2009 by ACLU and the 46 affiliates that initially elected to participate in the soft freeze do not participate in the Pension Plan (employees hired prior to this date are not impacted by the election to institute a soft freeze). The four affiliates that had not originally elected to participate in the soft freeze subsequently elected to do so. Employees hired on or after the subsequent soft freeze dates for these affiliates also do not participate in the Pension Plan (employees from these affiliates hired after April 1, 2009 but prior to the affiliate's soft freeze date participate in the Pension Plan).

Employees of ACLU National and affiliates who are not admitted into the Pension Plan instead are enrolled in a new Defined Contribution (DC) 401(k) plan. The DC plan includes an employer contribution of 2% and an employer match of 100% of the first 1% of the employee's contribution and 50% of the next 5% of an employee's contribution, for a total match of 3.5% and a total employer contribution of 5.5%. Employer contributions to the DC plan during the years ended March 31, 2022 and 2021, were \$2,960,191 and \$2,661,818, respectively.

Eligible ACLU employees who are participants in the Pension Plan may also participate in the ACLU 401(k) plan (the 401(k) Plan), which is a 401(k) salary-reduction plan. Under the 401(k) Plan, employees may voluntarily contribute up to 80% of their pre-tax compensation to the 401(k) Plan subject to IRS dollar limits. There is no employer match or other contributions.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 13. Net Assets

Net assets comprise the following:

	2022	2021
Without donor restrictions:		
Undesignated	\$ 251,899,031	\$ 239,130,679
Board-designated:		
Litigation Fund	32,684,390	30,237,809
California Annuity Fund	3,447,397	3,538,186
Annuity Reserve	12,855,860	12,221,652
Organizational Fund	42,651,613	41,837,936
Development Fund	24,596,549	27,422,643
Dividend Distribution Fund	186,628,751	175,403,474
John Adams Fund	5,030,134	5,806,752
Total board-designated	307,894,694	296,468,452
Total without donor restrictions	559,793,725	535,599,131
With donor restrictions:		
Bill of Rights Trust and other endowments	56,339,378	46,849,609
Trusts	4,413,867	5,508,945
Other time and purpose restrictions	109,955,561	86,772,948
Bill of Rights Trust—unconditional promise to give—held in perpetuity	20,000,000	-
Bill of Rights Trust and other endowments—held in perpetuity	74,312,633	73,579,069
Total with donor restrictions	265,021,439	212,710,571
	\$ 824,815,164	\$ 748,309,702

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 14. Net Assets Released From Restrictions

Net assets were released from donor restrictions during the year ended March 31, 2022, by incurring expenses satisfying restricted purposes or by the occurrence of other events specified by donors as follows:

	2022	2021
Special projects:		
Voting Rights	\$ 11,345,431	\$ 12,126,978
Capital Punishment	1,195,852	1,679,897
National Prison	2,420,795	2,103,026
Disability Rights	522,837	54,403
Criminal Law Reform and Smart Justice	5,788,237	7,672,214
Immigrants' Rights	8,510,176	8,265,272
Reproductive Freedom	4,479,388	3,340,600
Women's Rights	1,845,517	1,896,732
National Security	450,000	571,894
LGBT/Marriage Equality	6,627,162	6,369,660
Racial Justice	4,230,647	3,973,363
Other special projects	5,323,593	3,248,522
Total special projects	52,739,635	51,302,561
Bill of Rights Trust and other endowments	2,348,259	880,000
Time-restricted gifts	5,766,092	5,139,000
Total released from restrictions	\$ 60,853,986	\$ 57,321,561

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidating Statement of Financial Position

March 31, 2022

See Independent Auditor's Report

	American Civil Liberties Union, Inc.	Liberties Union Foundation, Inc.	915 15th Street, LLC	Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 30,689,905	\$ 143,597,066	\$ 11,804	\$ -	\$ 174,298,775
Pledges, bequest and contributions receivable, net	20,059,467	61,254,434	-	-	81,313,901
Investments	112,037,947	590,619,973	-	-	702,657,920
Other assets	1,423,845	1,485,562	-	-	2,909,407
Due from affiliates	880,187	1,095,240	-	-	1,975,427
Due from affiliates—allocated share of pension liability	12,238,654	-	-	-	12,238,654
Due to the ACLU from the ACLU Foundation	39,353,784	-	-	(39,353,784)	-
Due to the ACLU Foundation from the LLC	-	10,199,367	-	(10,199,367)	-
Investment in 915 15th Street, LLC	-	(2,909,513)	-	2,909,513	-
Beneficial interest in trusts	-	1,336,698	-	-	1,336,698
Property and equipment, net of accumulated depreciation and amortization	2,096,739	18,067,780	7,343,961	-	27,508,480
Total assets	\$ 218,780,528	\$ 824,746,607	\$ 7,355,765	\$ (46,643,638)	\$ 1,004,239,262
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 13,987,920	\$ 6,375,254	\$ 65,911	\$ -	\$ 20,429,085
Grants Payable	1,967,433	3,866,567	-	-	5,834,000
Funds received in advance	-	2,000,000	-	-	2,000,000
Due to the ACLU Foundation	-	-	10,199,368	(10,199,368)	-
Due to the American Civil Liberties Union, Inc.	-	39,353,784	-	(39,353,784)	-
Due to affiliates	16,186,887	36,213,917	-	-	52,400,804
Liabilities under split-interest agreements	-	20,422,939	-	-	20,422,939
Bill of Rights Trust held for affiliates	5,167,314	50,816,350	-	-	55,983,664
Accrued pension liability	15,419,846	6,933,760	-	-	22,353,606
Total liabilities	52,729,400	165,982,571	10,265,279	(49,553,152)	179,424,098
Commitments and contingencies					
Net assets:					
Net assets without donor restrictions:					
Board-designated	48,078,115	259,816,579	-	-	307,894,694
Undesignated	100,904,004	150,995,027	(2,909,514)	2,909,514	251,899,031
Net assets without donor restrictions	148,982,119	410,811,606	(2,909,514)	2,909,514	559,793,725
Net assets with donor restrictions	17,069,009	247,952,430	-	-	265,021,439
Total net assets	166,051,128	658,764,036	(2,909,514)	2,909,514	824,815,164
Total liabilities and net assets	\$ 218,780,528	\$ 824,746,607	\$ 7,355,765	\$ (46,643,638)	\$ 1,004,239,262

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidating Statement of Activities
Year Ended March 31, 2022
See Independent Auditor's Report

	American Civil Liberties Union, Inc.			American Civil Liberties Union Foundation, Inc.			915 15th Street, LLC		Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:											
Support:											
Current member contributions	\$ 104,066,309	\$ -	\$ 104,066,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,066,309	\$ -	\$ 104,066,309
New member contributions	7,660,708	-	7,660,708	-	-	-	-	-	7,660,708	-	7,660,708
Grants, bequest and contributions	26,614,578	20,355,843	46,970,421	132,582,892	81,099,307	213,682,199	-	-	159,197,470	101,455,150	260,652,620
Donated legal services	-	-	-	25,253,603	-	25,253,603	-	-	25,253,603	-	25,253,603
Total support	138,341,595	20,355,843	158,697,438	157,836,495	81,099,307	238,935,802	-	-	296,178,090	101,455,150	397,633,240
Revenue:											
List rentals	229,431	-	229,431	-	-	-	-	-	229,431	-	229,431
Rental income	31,154	-	31,154	351,353	-	351,353	888,133	(146,802)	1,123,838	-	1,123,838
Merchandise and book sales	34,850	-	34,850	827,203	-	827,203	-	-	862,053	-	862,053
Other income	714,482	-	714,482	1,239,815	-	1,239,815	-	-	1,954,297	-	1,954,297
Total revenue	1,009,917	-	1,009,917	2,418,371	-	2,418,371	888,133	(146,802)	4,169,619	-	4,169,619
Net assets released from restrictions	9,032,832	(9,032,832)	-	51,821,154	(51,821,154)	-	-	-	60,853,986	(60,853,986)	-
Total support and revenue	148,384,344	11,323,011	159,707,355	212,076,020	29,278,153	241,354,173	888,133	(146,802)	361,201,695	40,601,164	401,802,859
Expenses:											
Program services:											
Legislative	24,057,213	-	24,057,213	2,888,781	-	2,888,781	-	(912)	26,945,082	-	26,945,082
Legal	5,837,207	-	5,837,207	88,674,366	-	88,674,366	-	(90,952)	94,420,621	-	94,420,621
Public education	34,682,534	-	34,682,534	14,157,969	-	14,157,969	-	(13,330)	48,827,173	-	48,827,173
Civil liberties policy formulation	1,067,448	-	1,067,448	1,148,175	-	1,148,175	-	(44)	2,215,579	-	2,215,579
Affiliate support	76,968,386	-	76,968,386	62,424,291	-	62,424,291	-	(15,814)	139,376,863	-	139,376,863
Total program services	142,612,788	-	142,612,788	169,293,582	-	169,293,582	-	(121,052)	311,785,318	-	311,785,318
Supporting services:											
Management and general	9,248,753	-	9,248,753	9,426,034	-	9,426,034	1,142,782	(523)	19,817,046	-	19,817,046
Fundraising	10,636,539	-	10,636,539	15,815,542	-	15,815,542	-	(25,227)	26,426,854	-	26,426,854
Total supporting services	19,885,292	-	19,885,292	25,241,576	-	25,241,576	1,142,782	(25,750)	46,243,900	-	46,243,900
Total expenses	162,498,080	-	162,498,080	194,535,158	-	194,535,158	1,142,782	(146,802)	358,029,218	-	358,029,218
Change in net assets before other changes	(14,113,736)	11,323,011	(2,790,725)	17,540,862	29,278,153	46,819,015	(254,649)	-	3,172,477	40,601,164	43,773,641
Other changes in net assets:											
Legal awards, net	-	-	-	2,459,308	-	2,459,308	-	-	2,459,308	-	2,459,308
Net investment income, net	2,608,748	(53,700)	2,555,048	7,681,347	11,975,785	19,657,132	-	-	10,290,095	11,922,085	22,212,180
Changes in value of split-interest agreements	-	-	-	-	(212,381)	(212,381)	-	-	-	(212,381)	(212,381)
Net loss on investment in 915 15th Street, LLC	-	-	-	(254,649)	-	(254,649)	-	254,649	-	-	-
Recognition of affiliates' share of minimum pension liability adjustment	(3,055,979)	-	(3,055,979)	-	-	-	-	-	(3,055,979)	-	(3,055,979)
Other components of postretirement benefit	7,847,183	-	7,847,183	3,481,510	-	3,481,510	-	-	11,328,693	-	11,328,693
Total other changes in net assets	7,399,952	(53,700)	7,346,252	13,367,516	11,763,404	25,130,920	-	254,649	21,022,117	11,709,704	32,731,821
Change in net assets	(6,713,784)	11,269,311	4,555,527	30,908,378	41,041,557	71,949,935	(254,649)	254,649	24,194,594	52,310,868	76,505,462
Net assets:											
Beginning of year	155,695,903	5,799,698	161,495,601	379,903,228	206,910,873	586,814,101	(2,654,865)	2,654,865	535,599,131	212,710,571	748,309,702
End of year	\$ 148,982,119	\$ 17,069,009	\$ 166,051,128	\$ 410,811,606	\$ 247,952,430	\$ 658,764,036	\$ (2,909,514)	\$ 2,909,514	\$ 559,793,725	\$ 265,021,439	\$ 824,815,164