

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

Consolidated Financial Report
March 31, 2020

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RSM US LLP

Independent Auditor's Report

Board of Directors
American Civil Liberties Union, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of American Civil Liberties Union, Inc. and consolidated entities (collectively, the American Civil Liberties Union or the ACLU), which comprise the consolidated statement of financial position as of March 31, 2020, 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).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Civil Liberties Union, Inc. and consolidated entities as of March 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the American Civil Liberties Union's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is 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 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 financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

RSM US LLP

New York, New York
September 30, 2020

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Financial Position

March 31, 2020

(With Summarized Comparative Information as of March 31, 2019)

	2020	2019
Assets		
Cash and cash equivalents	\$ 160,891,943	\$ 95,150,102
Pledges and contributions receivable, net	30,799,848	44,816,768
Investments	417,639,966	448,007,036
Other assets	11,025,199	9,782,895
Due from affiliates	4,096,856	3,486,250
Due from affiliates – allocated share of pension liability	29,441,113	22,164,774
Beneficial interest in trusts	976,819	1,536,737
Property and equipment, net of accumulated depreciation and amortization	30,466,611	31,976,581
Total assets	\$ 685,338,355	\$ 656,921,143
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 19,178,940	\$ 14,944,937
Due to affiliates	52,289,305	44,263,510
Liabilities under split-interest agreements	15,410,910	13,863,928
Bill of Rights Trust held for affiliates	32,134,914	35,219,224
Accrued pension liability	54,432,511	36,795,002
Total liabilities	173,446,580	145,086,601
Commitments and contingencies		
Net assets:		
Net assets without donor restrictions:		
Board-designated	174,461,294	189,263,953
Undesignated	175,677,784	175,516,507
Net assets without donor restrictions	350,139,078	364,780,460
Net assets with donor restrictions	161,752,697	147,054,082
Total net assets	511,891,775	511,834,542
Total liabilities and net assets	\$ 685,338,355	\$ 656,921,143

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Activities

Year Ended March 31, 2020

(With Summarized Comparative Information for the Year Ended March 31, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenue:				
Support:				
Current member contributions	\$ 97,861,168	\$ -	\$ 97,861,168	\$ 101,062,368
New member contributions	13,985,998	-	13,985,998	18,633,390
Grants and contributions	109,555,577	66,899,018	176,454,595	142,643,784
Donated legal services	14,902,284	-	14,902,284	14,477,401
Bequests	25,784,188	835,090	26,619,278	29,817,727
Total support	262,089,215	67,734,108	329,823,323	306,634,670
Revenue:				
List rentals	302,041	-	302,041	304,597
Rental income	1,287,960	-	1,287,960	950,240
Merchandise and book sales	727,405	-	727,405	468,001
Other income	58,949	-	58,949	666,476
Total revenue	2,376,355	-	2,376,355	2,389,314
Net assets released from restrictions	46,498,116	(46,498,116)	-	-
Total support and revenue	310,963,686	21,235,992	332,199,678	309,023,984
Expenses:				
Program services:				
Legislative	25,612,318	-	25,612,318	32,488,643
Legal	73,016,684	-	73,016,684	68,912,165
Public education	42,771,371	-	42,771,371	40,865,881
Civil liberties policy formulation	2,289,473	-	2,289,473	1,610,509
Affiliate support	117,115,574	-	117,115,574	124,624,406
Total program services	260,805,420	-	260,805,420	268,501,604
Supporting services:				
Management and general	18,359,015	-	18,359,015	12,196,677
Fundraising	21,334,671	-	21,334,671	19,976,161
Total supporting services	39,693,686	-	39,693,686	32,172,838
Total expenses	300,499,106	-	300,499,106	300,674,442
Change in net assets before other changes	10,464,580	21,235,992	31,700,572	8,349,542
Other changes in net assets:				
Legal expenses awarded, net	5,989,673	-	5,989,673	3,917,156
Net investment income, gains and (losses)	(19,501,962)	(5,947,436)	(25,449,398)	14,227,539
Changes in value of split-interest agreements	(1,143,390)	(589,942)	(1,733,332)	(1,420,881)
Recognition of affiliates' share of minimum pension liability adjustment	8,276,339	-	8,276,339	(1,221,946)
Minimum pension liability adjustment	(18,726,622)	-	(18,726,622)	(3,739,544)
Total other changes in net assets	(25,105,962)	(6,537,378)	(31,643,340)	11,762,324
Change in net assets	(14,641,382)	14,698,614	57,232	20,111,866
Net assets:				
Beginning of year	364,780,460	147,054,083	511,834,543	491,722,676
End of year	\$ 350,139,078	\$ 161,752,697	\$ 511,891,775	\$ 511,834,542

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Functional Expenses

Year Ended March 31, 2020

(With Summarized Comparative Information for the Year Ended March 31, 2019)

	2020										2019 Summarized Comparative Information
	Program Services					Supporting Services					
	Legislative	Legal	Public Education	Civil Liberties Policy Formulation	Affiliate Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	
Salaries	\$ 7,969,424	\$ 23,260,695	\$ 8,566,805	\$ 847,834	\$ 8,056,066	\$ 48,700,824	\$ 6,700,776	\$ 8,315,323	\$ 15,016,099	\$ 63,716,923	\$ 55,429,171
Employee benefits	2,529,918	8,097,567	3,025,338	268,621	2,348,108	16,269,552	2,139,958	2,783,080	4,923,038	21,192,590	16,494,910
Rent and occupancy	550,081	2,401,081	622,987	57,234	674,787	4,306,170	448,067	731,155	1,179,222	5,485,392	4,725,227
Books	37,665	223,023	54,300	2,135	24,907	342,030	18,470	152,212	170,682	512,712	534,969
Building depreciation	-	812,565	120,866	3,127	119,492	1,056,050	43,636	241,730	285,366	1,341,416	1,338,298
Other depreciation and amortization	2,985	10,462	3,309	271,496	1,629,301	1,917,553	3,528,704	3,135	3,531,839	5,449,392	4,823,797
Equipment rental and maintenance	680,750	1,953,694	456,431	120,031	811,280	4,022,186	781,494	1,021,210	1,802,704	5,824,890	5,163,277
Grants to affiliates	3,126,813	2,846,773	150	-	8,941,034	14,914,770	-	-	-	14,914,770	13,066,010
Shared portion of contributions	1,010,496	10,286,595	-	-	74,392,330	85,689,421	-	-	-	85,689,421	85,491,215
Shared portion of bequest	46,186	334,361	-	-	5,990,056	6,370,603	-	-	-	6,370,603	8,971,595
Meetings/conferences	254,046	209,724	324,216	186,132	1,697,478	2,671,596	700,761	308,168	1,008,929	3,680,525	8,707,962
Legal fees	997	103,080	9,102	22,882	145,493	281,554	292,918	33,510	326,428	607,982	430,793
Donated legal services	-	14,902,284	-	-	-	14,902,284	-	-	-	14,902,284	14,477,401
Accounting fees	-	-	-	-	-	-	286,216	-	286,216	286,216	309,888
Professional fund-raising services	-	-	-	-	-	-	-	891,807	891,807	891,807	2,250,759
Other professional services	5,585,897	3,734,228	7,455,488	303,474	3,133,787	20,212,874	1,847,026	1,861,332	3,708,358	23,921,232	25,969,423
Interest expense	-	-	-	-	-	-	-	-	-	-	-
Postage and supplies	36,166	49,639	9,284,314	4,004	34,295	9,408,418	32,234	1,752,917	1,785,151	11,193,569	9,454,394
Publishing, printing and outreach	102,028	15,424	8,516,163	1,551	31,665	8,666,831	28,137	1,496,864	1,525,001	10,191,832	11,029,409
Special affiliate subsidies	73,933	577,330	-	443	6,405,779	7,057,485	2,330	9,252	11,582	7,069,067	6,975,692
Telephone	227,102	352,933	156,628	18,020	146,682	901,365	83,619	115,749	199,368	1,100,733	1,042,372
Telemarketing	-	-	1,292,007	-	-	1,292,007	-	225,093	225,093	1,517,100	1,518,373
Travel	746,705	1,467,991	352,485	70,445	713,801	3,351,427	283,859	356,133	639,992	3,991,419	4,465,323
Other grants and awards	1,745,899	380,300	1,132	1,500	986,233	3,115,064	4,514	1,502	6,016	3,121,080	9,195,513
Other expenses	885,227	996,935	2,529,650	110,544	833,000	5,355,356	1,136,296	1,034,499	2,170,795	7,526,151	8,808,671
Total – 2020	\$ 25,612,318	\$ 73,016,684	\$ 42,771,371	\$ 2,289,473	\$ 117,115,574	\$ 260,805,420	\$ 18,359,015	\$ 21,334,671	\$ 39,693,686	\$ 300,499,106	
Total – 2019	\$ 32,488,643	\$ 68,912,165	\$ 40,865,881	\$ 1,610,509	\$ 124,624,406	\$ 268,501,604	\$ 12,196,677	\$ 19,976,161	\$ 32,172,838		\$ 300,674,442

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Cash Flows

Year Ended March 31, 2020

(With Summarized Comparative Information for the Year Ended March 31, 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 57,232	\$ 20,111,866
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	6,790,808	6,162,095
Discount on pledges receivable	(692,214)	(216,391)
New beneficial interests in trusts	-	-
Changes in value of split-interest agreements	1,733,332	1,420,881
Net realized and unrealized losses (gains) on investments, net of adjustments for affiliate holdings	31,031,207	(8,302,995)
Minimum pension liability adjustment	18,726,622	3,739,544
Affiliates' allocated share of pension liability adjustment	(8,276,339)	1,221,946
Cash received on contributions restricted for endowment	(196,644)	(15,258,488)
Contributions subject to split-interest agreements	(2,614,905)	(935,323)
Changes in operating assets and liabilities:		
Decrease in due from/to affiliates	749,456	17,977,500
Decrease (increase) in pledges and contributions receivable	14,709,134	(5,370,647)
Increase in other assets	(1,242,304)	(4,564,116)
Increase in accounts payable and accrued expenses	4,234,003	1,679,180
(Decrease) increase in Bill of Rights Trust held for affiliates	(112,108)	1,043,179
Increase (decrease) in accrued pension liability	7,187,226	(7,037,560)
Net cash provided by operating activities	72,084,506	11,670,671
Cash flows from investing activities:		
Proceeds from sale of investments	193,275,520	1,140,863,866
Purchase of investments	(196,911,860)	(1,086,309,580)
Transfer of fixed assets	(1,445,901)	-
Purchase of property and equipment	(3,885,623)	(4,792,930)
Net cash (used in) provided by investing activities	(8,967,864)	49,761,356
Cash flows from financing activities:		
Cash received on contributions restricted for endowment	196,644	15,258,488
Contributions subject to split-interest agreements	2,614,905	935,323
Payments on split-interest agreements	(1,650,878)	(1,639,271)
New annuities	1,464,528	613,066
Net cash provided by financing activities	2,625,199	15,167,606
Net change in cash and cash equivalents	65,741,841	76,599,633
Cash and cash equivalents:		
Beginning	95,150,102	18,550,469
Ending	\$ 160,891,943	\$ 95,150,102
Supplemental disclosures of cash flow information:		
Change in investments for Bill of Rights Trust held for affiliates	\$ (2,972,203)	\$ 718,429

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.

Note 2. 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 investments portfolio are included in investments.

Investments and related income, gains and losses: Investments are reported at fair value in the consolidated statements 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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fair value measurements: Assets and liabilities recorded at fair value in the consolidated statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Pursuant to Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 820, Fair Value Measurement, level inputs are defined as follows:

- 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 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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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, 2020, 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.

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 two financial institutions that held approximately 93% and 94% of the total portfolio at March 31, 2020 and 2019, respectively.

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. Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of the respective assets.

Impairment of long-lived assets: The ACLU reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of any asset may not be recoverable and, if so, the carrying value is reduced to the estimated fair value.

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, 2020 and 2019.

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.

Donor concentration: Approximately 11% and 14% of the total grants, contributions and bequests revenue of \$314,921,039 and \$292,157,269 for the years ended March 31, 2020 and 2019, were provided by three donors, respectively. In addition, approximately 38% and 41% of the gross pledges and contributions receivable of \$31,493,393 and \$46,202,527 at March 31, 2020 and 2019, respectively, were due from three donors both years.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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, 2020 and 2019 amounted to \$18,995,682 and \$12,766,552, respectively.

Grants to affiliates: The ACLU recognizes grants to affiliates as expense when a formal agreement has been signed by both the ACLU and the affiliate and any conditions set forth are met by the affiliate.

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.

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 FASB ASC 715, Compensation - Retirement Benefits (see Note 11).

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 2017, 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, 2019, from which the summarized information was derived.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 September 30, 2020.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be to the ACLU.

Recently issued accounting pronouncements: In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements 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 statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The ACLU is currently evaluating the impact of the adoption of the new standard on the consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. All other entities should apply the guidance in update 2014-09 to annual reporting periods beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020. The ACLU has not yet selected a transition method and is currently evaluating the effect that the standard will have on the consolidated financial statements.

Recently adopted accounting pronouncements: In January 2016, FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU 2016-01 includes a number of amendments that address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. One of the amendments eliminates the requirements to disclose the fair value of financial instruments measured at amortized cost for entities that are not public business entities. The ACLU adopted the guidance in ASU 2016-01 in the current fiscal year with no impact other than minor updates to footnote verbiage in Note 2.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 provides guidance on how certain cash receipts and cash payments should be presented and classified in the statement of cash flows with the objective of reducing existing diversity in practice with respect to these items. The ACLU adopted the guidance in ASU 2016-15 in the current fiscal year with no impact.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. The ACLU adopted the guidance in 2016-18 in the current fiscal year with no impact.

In March 2017, the FASB issued ASU 2017-07, *Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. ASU 2017-07 addresses how employers that sponsor defined benefit pension and/or other postretirement benefit plans present the net periodic benefit cost in the income statement. Employers are required to present the service cost component of net periodic benefit cost in the same income statement line item as other employee compensation costs arising from services rendered during the period. Employers present the other components of the net periodic benefit cost separately from the line item that includes the service cost and outside of any subtotal of operating income, if one is presented. Adoption of ASU 2017-07 requires the ACLU to include the service cost component of net periodic benefit cost related to its defined benefit plan and other postretirement benefit plan within salaries and wages expense on the consolidated statement of activities and to present all other components in a separate line item excluded from the subtotal for other changes in net assets.

In August 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 2018-08 clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The ACLU adopted the guidance in this standard in the current fiscal year using the modified prospective basis. The amendments in this ASU were applied only to the portion of revenue not yet recognized before the effective date and did not have a material impact on the financial statements.

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 \$3,305,632 and \$3,712,163 for the years ended March 31, 2020 and 2019, respectively.

Also included in the amounts due from affiliates are notes receivable of \$67,083 at March 31, 2020, and \$124,667 at March 31, 2019, due from certain affiliates. The remaining notes matures June 30, 2021, and accrues interest at the prime rate.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 3. Related Party Transactions (Continued)

Amounts due from affiliates – allocated share of pension liability of \$29,441,113 and \$22,164,774 at March 31, 2020 and 2019, 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 (Note 11) in the event of withdrawal from the plan.

During the years ended March 31, 2020 and 2019, the ACLU had expenses to affiliates for grants to affiliates and the shared portion of contributions and bequests of \$106,974,794 and \$107,528,820, respectively.

During the years ended March 31, 2020 and 2019, the Foundation received approximately \$377,000 for the 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.

Note 4. Pledges and Contributions Receivable

Pledges and contributions receivable which are expected to be collected after one year have been discounted to net present value at rates ranging from 3.52% to 4.10% and are reflected in the consolidated financial statements at their net realizable value.

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

	2020	2019
Receivable due within one year or less	\$ 20,290,866	\$ 26,095,000
Receivable due in more than one year to five years	10,702,527	19,607,527
Receivable due in over five years	500,000	500,000
	<u>31,493,393</u>	<u>46,202,527</u>
Less discount to present value	(693,545)	(1,385,759)
	<u>\$ 30,799,848</u>	<u>\$ 44,816,768</u>

Accordingly, the provision for uncollectible pledges and contributions receivable is recognized in the accompanying consolidated financial statements.

Approximately \$10,800,000 and \$13,055,000 of pledges and contributions receivable as of March 31, 2020 and 2019, 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 ending March 31, 2020, the ACLU received approximately \$375,000 in new conditional contributions. For the year ending March 31, 2020, the ACLU recognized approximately \$8,800,000 in revenue from conditional contributions as barriers were met. At March 31, 2020, there is approximately \$4,200,000 in conditional contributions which has 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, 2020			
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 29,995,258	\$ 29,995,258	\$ -	\$ -
Equities	104,593,029	104,593,029	-	-
Corporate Bonds (by S&P rating):				
AAA - A-	2,896,881	-	2,896,881	-
BBB - B-	2,110,046	-	2,110,046	-
Total corporate bonds	5,006,927	-	5,006,927	-
U.S. Treasury Notes, agency and related	26,607,893	-	26,607,893	-
Mutual funds:				
Large-cap U.S. equity	2,054,816	2,054,816	-	-
Small-/mid-cap U.S. equity	72,190	72,190	-	-
International equity	368,162	368,162	-	-
Short-term bond	17,896,623	17,896,623	-	-
Intermediate-term bond	1,520,221	1,520,221	-	-
High-Yield bond	103,267	103,267	-	-
International fixed income	856,889	856,889	-	-
Other bond	120,945	120,945	-	-
Total mutual funds	22,993,113	22,993,113	-	-
Common trust funds ⁽¹⁾ :				
Large-cap U.S. equity	3,616,126	-	-	-
Small-/mid-cap U.S. equity	1,305,030	-	-	-
International equity	3,567,243	-	-	-
Intermediate-term bond	357,824	-	-	-
High-Yield and others bonds	3,402,194	-	-	-
Real estate and hard assets (commodities)	1,232,330	-	-	-
Total common trust funds	13,480,747	-	-	-
Exchange-traded funds:				
Large-cap U.S. equity	422,710	422,710	-	-
Small-/mid-cap U.S. equity	569,630	569,630	-	-
International equity	1,310,373	1,310,373	-	-
Short-term, long-term, and intermediate-term bonds	4,915,451	4,915,451	-	-
Real estate and hard assets (commodities)	560,358	560,358	-	-
Total exchange-traded funds	7,778,522	7,778,522	-	-
Certificates of deposit	1,617,719	1,617,719	-	-
Private equity funds - multi-strategy ⁽¹⁾	34,127,986	-	-	-
Proprietary equity funds - multi-strategy ⁽¹⁾	171,438,772	-	-	-
	\$ 417,639,966	\$ 166,977,641	\$ 31,614,820	\$ -

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, 2019 Using			
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 29,397,222	\$ 29,397,222	\$ -	\$ -
Equities	114,708,714	114,708,714	-	-
Corporate bonds (by S&P rating):				
AAA – A-	2,747,755	-	2,747,755	-
BBB+ – B-	2,580,238	-	2,580,238	-
Total corporate bonds	5,327,993	-	5,327,993	-
U.S. Treasury Notes, agency and related	29,856,295	-	29,856,295	-
Mutual funds:				
Large-cap U.S. equity	2,262,069	2,262,069	-	-
Small-/mid-cap U.S. equity	98,230	98,230	-	-
International equity	468,121	468,121	-	-
Intermediate-term bond	15,500,628	15,500,628	-	-
International fixed income	117,082	117,082	-	-
Other bond	929,521	929,521	-	-
Real estate and commodities	5,841,416	5,841,416	-	-
Total mutual funds	27,788,037	27,788,037	-	-
Common trust funds ⁽¹⁾ :				
Large-cap U.S. equity	4,167,527	-	-	-
Small-/mid-cap U.S. equity	1,638,516	-	-	-
International equity	3,805,833	-	-	-
Intermediate-term bond	322,718	-	-	-
High-yield and other bonds	3,192,314	-	-	-
Real estate and hard assets (commodities)	1,211,992	-	-	-
Total common trust funds	14,338,900	-	-	-
Exchange-traded funds:				
Large-cap U.S. equity	528,520	528,520	-	-
Small-/mid-cap U.S. equity	756,310	756,310	-	-
International equity	1,504,265	1,504,265	-	-
Short-term, long-term and intermediate-term bonds	8,538,015	8,538,015	-	-
Real estate and hard assets (commodities)	612,055	612,055	-	-
Total exchange-traded funds	11,939,165	11,939,165	-	-
Certificates of deposit	1,904,035	1,904,035	-	-
Private equity funds – multi strategy ⁽¹⁾	26,296,221	-	-	-
Proprietary equity funds – multi strategy ⁽¹⁾	186,450,454	-	-	-
	\$ 448,007,036	\$ 185,737,173	\$ 35,184,288	\$ -

(1) 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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value Measurement (Continued)

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, hedge 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 hedge 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 hedge 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 hedge 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 2020 or 2019.

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
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
Real estate and hard assets (commodities)	Dow Jones U.S. Select REIT Index, Dow Jones-UBS Commodity Total Return Index

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 5. Investments and Fair Value Measurement (Continued)

The investment in private equity funds which ACLU does not have the ability to redeem the investments on March 31, 2020, or in the near term, which is defined as 90 days or less from March 31, 2020. 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, 2020:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity:					
Sequoia	\$ 21,882,327	\$ -	Annual	NA	NA*
SRA III	11,025,667	14,438,645	None	NA	NA
SRA IV	1,219,992	23,929,466	None	NA	NA
Multi strategy	171,438,772	-	Monthly	7 Business days	None
	<u>\$ 205,566,758</u>	<u>\$ 38,368,111</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:

	2020	2019
Bill of Rights Trust, inclusive of endowments held in perpetuity of \$50,431,400 and \$50,234,756 at March 31, 2020 and 2019, respectively (Note 9)	\$ 98,994,711	\$ 108,978,840
Split-interest agreements (Note 7)	23,769,613	24,958,131
Other endowment, special projects, program support and operating reserves	294,875,642	314,070,065
	<u>\$ 417,639,966</u>	<u>\$ 448,007,036</u>

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 6. Property and Equipment

Property and equipment consist of the following:

	2020	2019	Estimated Useful Life
Land, office buildings and office condominium	\$ 57,410,345	\$ 55,627,888	10 to 50 years
Furniture, fixtures and office equipment	5,351,605	5,173,035	3 to 5 years
Software	19,017,933	13,814,866	3 to 15 years
Software, work-in-process	-	1,216,590	N/A
	<u>81,779,883</u>	<u>75,832,379</u>	
Less accumulated depreciation and amortization	<u>(51,313,272)</u>	<u>(43,855,798)</u>	
	<u>\$ 30,466,611</u>	<u>\$ 31,976,581</u>	

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 \$1,650,879 in accordance with the agreements as of March 31, 2020.

In addition, the Foundation has seven 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:

	2020	2019
Assets – investments	\$ 23,769,613	\$ 24,958,131
Liabilities under split-interest agreements	15,410,910	13,863,928
	<u>\$ 8,358,703</u>	<u>\$ 11,094,203</u>

Asset balances at March 31, 2020 and 2019, 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 2.5% to 8.5% and applicable Annuity Mortality Tables (either 1983A, 2000 or 2012AR).

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 7. Split-Interest Agreements (Continued)

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.

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.

	2020	2019
Financial assets at year-end:		
Cash, cash equivalents, investment assets, and pledges without donor restrictions due within one year	\$589,748,451	\$562,031,710
Less investments unavailable within one year due to restrictions on funds by donors or other commitments	<u>(360,122,909)</u>	<u>(353,050,144)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$229,625,542</u>	<u>\$208,981,566</u>

The ACLU has a board designated endowment totaling \$174,461,294 as of March 31, 2020. Although the ACLU does not intend to spend from its board designated endowment other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its board designated endowment could be made available if necessary.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

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, 2020 and 2019, 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, 2019 and 2018, 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. There were no actual distributions during the years ended March 31, 2019 and 2020.

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.

At March 31, 2020 and 2019, BORT comprised the following accounts and amounts that are included in the consolidated statements of financial position:

	2020	2019
Assets:		
Investments	\$ 98,994,711	\$ 108,978,840
Other assets	230,003	221,020
	<u>\$ 99,224,714</u>	<u>\$ 109,199,860</u>
Liabilities and net assets:		
Held for affiliate foundations	\$ 32,134,914	\$ 35,219,224
Net assets with donor restrictions	16,658,400	23,745,880
Net assets with donor restrictions – held in perpetuity	50,431,400	50,234,756
	<u>\$ 99,224,714</u>	<u>\$ 109,199,860</u>

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

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

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:

	2020			2019		
	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	\$ 26,688,799	\$ 71,629,756	\$ 98,318,555	\$ 22,927,016	\$ 56,371,268	\$ 79,298,284
Investment return:						
Interest and dividends	923,577	-	923,577	1,045,465	-	1,045,465
Net realized and unrealized gains on investments	(6,036,551)	-	(6,036,551)	3,269,973	-	3,269,973
Investment fees and expenses	(596,477)	-	(596,477)	(493,655)	-	(493,655)
Net investment return	(5,709,451)	-	(5,709,451)	3,821,783	-	3,821,783
Other changes during the year:						
Contributions	-	196,644	196,644	-	15,258,488	15,258,488
Appropriation of endowment assets for expenditures	(858,000)	-	(858,000)	(60,000)	-	(60,000)
Total	(858,000)	196,644	(661,356)	(60,000)	15,258,488	15,198,488
Endowment net assets, end of year	\$ 20,121,348	\$ 71,826,400	\$ 91,947,748	\$ 26,688,799	\$ 71,629,756	\$ 98,318,555

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:	
2021	\$ 683,698
2022	683,698
2023	683,698
2024	683,698
2025	683,698
Thereafter	227,899
	<u>\$ 3,646,389</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, 2020, there was \$155,165 of deferred rent included in accounts payable and accrued expenses.

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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 11. 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.

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, 2020 and 2019, the ACLU recognized a receivable of \$29,441,113 and \$22,164,774, 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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 11. Retirement Plans (Continued)

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:

	2020	2019
Change in benefit obligation:		
Obligation, beginning of year	\$ 163,020,696	\$ 153,503,433
Service cost	5,819,205	5,796,481
Interest cost	6,292,402	6,032,767
Actuarial gain (loss)	15,288,622	3,207,335
Benefit payments and expected expenses	(4,824,132)	(5,519,320)
Obligation, end of year	185,596,793	163,020,696
Change in Plan assets:		
Fair value of Plan assets, beginning of year	126,225,694	113,410,415
Actual return on Plan assets	2,850,628	5,234,049
Employer contributions	7,000,000	13,200,000
Benefit payments and actual expenses	(4,912,040)	(5,618,770)
Fair value of Plan assets, end of year	131,164,282	126,225,694
Funded status, end of year	\$ (54,432,511)	\$ (36,795,002)
Amounts recognized as liabilities in the consolidated statements of financial position	\$ (54,432,511)	\$ (36,795,002)
Amounts recognized as cumulative changes in pension other than net periodic costs:		
Net loss	\$ 57,305,851	\$ (38,579,229)
Components of net benefit cost:		
Components of net periodic pension cost:		
Service cost	\$ 5,819,205	\$ 5,796,481
Interest cost	6,292,402	6,032,767
Expected return on Plan assets	(7,988,875)	(7,169,839)
Amortization of net loss	1,788,155	1,503,031
Net periodic pension cost	5,910,887	6,162,440
Changes in pension costs other than net periodic cost:		
Net gain	20,514,777	5,242,575
Amortization of net loss	(1,788,155)	(1,503,031)
Other than net periodic cost	18,726,622	3,739,544
Net periodic benefit cost	\$ 24,637,509	\$ 9,901,984

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 11. Retirement Plans (Continued)

The net periodic pension costs of \$5,910,887 and \$6,162,440 for the years ended March 31, 2020 and 2019, respectively, comprise \$2,605,255 and \$2,450,277 which are recognized as expenses by the ACLU and \$3,305,632 and \$3,712,163 which are charged to the affiliates for net periodic pension costs associated with affiliates' employees participating in the Plan during 2020 and 2019, respectively, (see Note 3).

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

	2020	2019
Weighted-average assumptions to determine benefit obligation as of March 31:		
Discount rate	3.49%	3.91%
Expected long-term rate of return on Plan assets	6.75%	6.50%
Rate of compensation increase	4.00%	4.00%
Weighted-average assumptions to determine net benefit cost for the year ended March 31:		
Discount rate	3.91%	4.01%
Expected long-term rate of return on Plan assets	6.25%	6.25%
Rate of compensation increase	4.00%	4.00%

The mortality tables used were RP-2014 Mortality Tables adjusted backwards to 2006 with scale MP-2014 and projected with improvement scale MP-2018 for males and females for expense. PRI-2012 Private Pension Plans Mortality Tables projected with improvement scale MP-2019 for males and females disclosures.

As of March 31, 2020 and 2019, the accumulated benefit obligation of the Pension Plan was \$170,671,404 and \$144,727,597, respectively.

The ACLU expects to contribute approximately \$6,300,000 to the Pension Plan during the fiscal year ending March 31, 2020, and may consider further contributions as well.

Estimated future benefit payments attributable to estimated future employee service in each of the five years subsequent to March 31, 2020, and in the aggregate subsequent to 2024 are as follows:

Years ending March 31:	
2021	\$ 4,422,590
2022	4,985,066
2023	5,389,808
2024	5,806,911
2025	6,246,086
2026 – 2030	37,168,908

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 11. Retirement Plans (Continued)

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, 2020 and 2019, 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.

	2020				
	Percent Allocation	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Collective investment trust fund	100%	\$131,164,282	\$ -	Daily	None / 60 days*

	2019				
	Percent Allocation	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Collective investment trust fund	100%	\$126,225,694	\$ -	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.

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, 2020 and 2019.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 11. Retirement Plans (Continued)

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, 2020 and 2019, were \$2,033,904 and \$1,923,405, 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.

Note 12. Net Assets

Net assets comprise the following:

	2020	2019
Without donor restrictions:		
Undesignated	\$ 175,677,784	\$ 175,516,507
Board-designated:		
Litigation Fund	27,074,346	21,084,672
California Annuity Fund	1,799,313	2,192,040
Annuity Reserve	7,268,556	9,392,177
Organizational Fund	26,702,750	26,702,750
Jacobs Affiliate Development Fund	22,631,741	20,205,256
Dividend Distribution Fund	82,922,160	102,710,595
Presidential prize temp	(10,000)	-
John Adams Fund	6,072,428	6,976,463
Total board-designated	174,461,294	189,263,953
Total without donor restrictions	350,139,078	364,780,460
With donor restrictions:		
Bill of Rights Trust and other endowments	20,121,348	26,688,799
Trusts	1,974,314	2,802,243
Other time and purpose restrictions	67,830,635	45,933,284
Bill of Rights Trust and other endowments – held in perpetuity	71,826,400	71,629,756
Total with donor restrictions	161,752,697	147,054,082
	<u>\$ 511,891,775</u>	<u>\$ 511,834,542</u>

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Note 13. Net Assets Released From Restrictions

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

	<u>2020</u>
Special projects:	
Speech, Privacy and Technology and National Security	\$ 1,296,721
Prisoners' Rights and Smart Justice	1,505,455
Immigrants' Rights	8,871,825
Reproductive Freedom	4,287,994
Women's Rights	1,663,568
Criminal Law Reform	7,709,171
LGBT/Marriage Equality	1,608,561
Voting Rights	3,933,626
Racial Justice	1,967,918
Other special projects	<u>4,537,777</u>
Total special projects	37,382,616
Bill of Rights Trust and other endowments	858,000
Time-restricted gifts	8,257,500
Total released from restrictions	<u>\$ 46,498,116</u>

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidating Statement of Financial Position

March 31, 2020

	American Civil Liberties Union, Inc.	American Civil Liberties Union Foundation, Inc.	915 15th Street, LLC	Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 37,166,831	\$ 123,486,228	\$ 238,884	\$ -	\$ 160,891,943
Pledges and contributions receivable, net	2,470,000	28,329,848	-	-	30,799,848
Investments	102,596,201	315,043,765	-	-	417,639,966
Other assets	9,318,615	1,671,189	35,395	-	11,025,199
Due from affiliates	829,948	3,266,908	-	-	4,096,856
Due from affiliates – allocated share of pension liability	29,441,113	-	-	-	29,441,113
Due from ACLU Foundation – allocated share of pension liability	16,321,254	-	-	(16,321,254)	-
Due to the ACLU from the ACLU Foundation	2,352,889	-	-	(2,352,889)	-
Due to the ACLU Foundation from the LLC	-	10,151,763	-	(10,151,763)	-
Investment in 915 15th Street, LLC	-	(2,168,042)	-	2,168,042	-
Beneficial interest in trusts	-	976,819	-	-	976,819
Property and equipment, net of accumulated depreciation and amortization	1,854,369	20,836,889	7,775,353	-	30,466,611
Total assets	\$ 202,351,220	\$ 501,595,367	\$ 8,049,632	\$ (26,657,864)	\$ 685,338,355
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 12,323,765	\$ 6,789,264	\$ 65,911	\$ -	\$ 19,178,940
Due to the ACLU Foundation	-	-	10,151,763	(10,151,763)	-
Due to the American Civil Liberties Union, Inc.	-	2,352,889	-	(2,352,889)	-
Due to the American Civil Liberties Union, Inc. – allocated share of pension liability	-	16,321,254	-	(16,321,254)	-
Due to affiliates	12,167,336	40,121,969	-	-	52,289,305
Liabilities under split-interest agreements	-	15,410,910	-	-	15,410,910
Bill of Rights Trust held for affiliates	1,064,221	31,070,693	-	-	32,134,914
Accrued pension liability	54,432,511	-	-	-	54,432,511
Total liabilities	79,987,833	112,066,979	10,217,674	(28,825,906)	173,446,580
Commitments and contingencies					
Net assets:					
Net assets without donor restrictions:					
Board-designated	22,517,504	151,943,790	-	-	174,461,294
Undesignated	92,768,667	82,909,117	(2,168,042)	2,168,042	175,677,784
Net assets without donor restrictions	115,286,171	234,852,907	(2,168,042)	2,168,042	350,139,078
Net assets with donor restrictions	7,077,216	154,675,481	-	-	161,752,697
Total net assets	122,363,387	389,528,388	(2,168,042)	2,168,042	511,891,775
Total liabilities and net assets	\$ 202,351,220	\$ 501,595,367	\$ 8,049,632	\$ (26,657,864)	\$ 685,338,355

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidating Statement of Activities Year Ended March 31, 2020

	American Civil Liberties Union, Inc.			American Civil Liberties Union Foundation, Inc.			915 15th Street, LLC		Consolidated			
	Without Donor	With Donor	Total	Without Donor	With Donor	Total	Without Donor	Eliminations	Without Donor	With Donor	Total	
	Restrictions	Restrictions		Restrictions	Restrictions		Restrictions		Restrictions			
Support and revenue:												
Support:												
Current member contributions	\$ 97,861,168	\$ -	\$ 97,861,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,861,168	\$ -	\$ 97,861,168	
New member contributions	13,985,998	-	13,985,998	-	-	-	-	-	13,985,998	-	13,985,998	
Grants and contributions	6,501,509	10,369,617	16,871,126	103,054,068	56,529,401	159,583,469	-	-	109,555,577	66,899,018	176,454,595	
Donated legal services	-	-	-	14,902,284	-	14,902,284	-	-	14,902,284	-	14,902,284	
Bequests	9,740,635	25,000	9,765,635	16,043,553	810,090	16,853,643	-	-	25,784,188	835,090	26,619,278	
Total support	128,089,310	10,394,617	138,483,927	133,999,905	57,339,491	191,339,396	-	-	262,089,215	67,734,108	329,823,323	
Revenue:												
List rentals	302,041	-	302,041	-	-	-	-	-	302,041	-	302,041	
Rental income	-	-	-	383,451	-	383,451	1,137,611	(233,102)	1,287,960	-	1,287,960	
Merchandise and book sales	(200)	-	(200)	727,605	-	727,605	-	-	727,405	-	727,405	
Other income	(6,454)	-	(6,454)	65,403	-	65,403	-	-	58,949	-	58,949	
Total revenue	295,387	-	295,387	1,176,459	-	1,176,459	1,137,611	(233,102)	2,376,355	-	2,376,355	
Net assets released from restrictions	5,487,382	(5,487,382)	-	41,010,734	(41,010,734)	-	-	-	46,498,116	(46,498,116)	-	
Total support and revenue	133,872,079	4,907,235	138,779,314	176,187,098	16,328,757	192,515,855	1,137,611	(233,102)	310,963,686	21,235,992	332,199,678	
Expenses:												
Program services:												
Legislative	22,666,773	-	22,666,773	2,946,742	-	2,946,742	-	(1,197)	25,612,318	-	25,612,318	
Legal	6,146,200	-	6,146,200	67,007,235	-	67,007,235	-	(136,751)	73,016,684	-	73,016,684	
Public education	30,654,184	-	30,654,184	12,138,361	-	12,138,361	-	(21,174)	42,771,371	-	42,771,371	
Civil liberties policy formulation	1,135,358	-	1,135,358	1,154,159	-	1,154,159	-	(44)	2,289,473	-	2,289,473	
Affiliate support	70,339,737	-	70,339,737	46,800,594	-	46,800,594	-	(24,757)	117,115,574	-	117,115,574	
Total program services	130,942,252	-	130,942,252	130,047,091	-	130,047,091	-	(183,923)	260,805,420	-	260,805,420	
Supporting services:												
Management and general	8,063,077	-	8,063,077	9,379,900	-	9,379,900	923,007	(6,969)	18,359,015	-	18,359,015	
Fundraising	5,476,778	-	5,476,778	15,900,103	-	15,900,103	-	(42,210)	21,334,671	-	21,334,671	
Total supporting services	13,539,855	-	13,539,855	25,280,003	-	25,280,003	923,007	(49,179)	39,693,686	-	39,693,686	
Total expenses	144,482,107	-	144,482,107	155,327,094	-	155,327,094	923,007	(233,102)	300,499,106	-	300,499,106	
Change in net assets before other changes	(10,610,028)	4,907,235	(5,702,793)	20,860,004	16,328,757	37,188,761	214,604	-	10,464,580	21,235,992	31,700,572	
Other changes in net assets:												
Legal expenses awarded, net	-	-	-	5,989,673	-	5,989,673	-	-	5,989,673	-	5,989,673	
Net investment income, gains and losses	(3,572,843)	(23,171)	(3,596,014)	(15,929,119)	(5,924,265)	(21,853,384)	-	-	(19,501,962)	(5,947,436)	(25,449,398)	
Changes in value of split-interest agreements	-	-	-	(1,143,390)	(589,942)	(1,733,332)	-	-	(1,143,390)	(589,942)	(1,733,332)	
Net loss on investment in 915 15th Street, LLC	-	-	-	214,604	-	214,604	-	(214,604)	-	-	-	
Recognition of affiliates' share of minimum pension liability adjustment assets	10,048,684	-	10,048,684	(1,772,345)	-	(1,772,345)	-	-	8,276,339	-	8,276,339	
Total other changes in net assets	(12,250,781)	(23,171)	(12,273,952)	(12,640,577)	(6,514,207)	(19,154,784)	-	(214,604)	(25,105,962)	(6,537,378)	(31,643,340)	
Change in net assets	(22,860,809)	4,884,064	(17,976,745)	8,219,427	9,814,550	18,033,977	214,604	(214,604)	(14,641,382)	14,698,614	57,232	
Net assets:												
Beginning of year	138,146,980	2,193,152	140,340,132	226,633,480	144,860,931	371,494,411	(2,382,646)	2,382,646	364,780,460	147,054,083	511,834,543	
End of year	\$ 115,286,171	\$ 7,077,216	\$ 122,363,387	\$ 234,852,907	\$ 154,675,481	\$ 389,528,388	\$ (2,168,042)	\$ 2,168,042	\$ 350,139,078	\$ 161,752,697	\$ 511,891,775	