American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Financial Report
March 31, 2016

Contents

Independent Auditor's Report

To the Board of Directors
American Civil Liberties Union, Inc.
New York, New York

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, 2016, and 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, 2016, 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 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2015 is consistent, in all material respects, with the audited consolidated 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 14, 2016

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Financial Position
March 31, 2016 and 2015

	2016	2015
Assets		
Cash and cash equivalents	**$ 33,192,258**	$ 22,476,148
Pledges and contributions receivable, net	**41,616,065**	35,370,999
Investments	**247,796,963**	256,142,386
Other assets	**2,299,951**	1,892,872
Due from affiliates	**11,541,404**	11,366,276
Due from affiliates - allocated share of pension liability	**32,541,804**	34,559,117
Beneficial interest in trusts	**1,620,520**	1,853,475
Property and equipment, net of accumulated depreciation and amortization	**29,247,326**	28,738,908
Total assets	**$ 399,856,291**	$ 392,400,181
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 5,522,743**	$ 6,126,728
Due to affiliates	**10,021,441**	8,539,231
Liabilities under split-interest agreements	**14,259,287**	13,615,080
IDA bond	**14,220,000**	14,735,000
Bill of Rights Trust held for affiliates	**26,776,638**	28,363,158
Accrued pension liability	**54,249,517**	56,244,657
Total liabilities	**125,049,626**	127,623,854
Commitments and contingency		
Net assets:		
Unrestricted:		
Board-designated	**124,768,015**	132,680,116
Undesignated	**29,190,590**	19,599,908
Total unrestricted	**153,958,605**	152,280,024
Temporarily restricted:		
Bill of Rights Trust and other endowments	**12,382,636**	17,801,954
Other time and purpose restrictions	**61,834,397**	52,411,827
Total temporarily restricted	**74,217,033**	70,213,781
Permanently restricted - Bill of Rights Trust and other endowments	**46,631,027**	42,282,522
Total net assets	**274,806,665**	264,776,327
Total liabilities and net assets	**$ 399,856,291**	$ 392,400,181

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Activities
Year Ended March 31, 2016
(with summarized comparative information for the year ended March 31, 2015)

	2016				2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support and revenue:					
Support:					
Current member contributions	$ 20,355,837	$ -	$ -	**$ 20,355,837**	$ 20,010,203
New member contributions	3,994,198	-	-	**3,994,198**	4,645,744
Grants and contributions	34,389,737	47,359,577	529,032	**82,278,346**	90,310,825
Donated legal services	5,604,509	-	-	**5,604,509**	6,840,383
Bequests	18,564,726	2,777,425	3,819,473	**25,161,624**	14,873,107
Total support	82,909,007	50,137,002	4,348,505	**137,394,514**	136,680,262
Revenue:					
List rentals	101,767	-	-	**101,767**	101,217
Rental income	584,730	-	-	**584,730**	685,519
Pamphlet and book sales	83,746	-	-	**83,746**	6,161
Other income	21,401	-	-	**21,401**	19,901
Total revenue	791,644	-	-	**791,644**	812,798
Net assets released from restrictions	42,648,455	(42,648,455)	-	**-**	-
Total support and revenue	126,349,106	7,488,547	4,348,505	**138,186,158**	137,493,060
Expenses:					
Program services:					
Legislative	8,344,909	-	-	**8,344,909**	11,549,409
Legal	36,239,655	-	-	**36,239,655**	36,972,769
Public education	21,686,654	-	-	**21,686,654**	24,751,747
Civil liberties policy formulation	758,234	-	-	**758,234**	835,900
Affiliate support	42,766,671	-	-	**42,766,671**	39,209,501
Total program services	109,796,123	-	-	**109,796,123**	113,319,326
Supporting services:					
Management and general	5,796,567	-	-	**5,796,567**	7,533,590
Fund-raising	11,835,932	-	-	**11,835,932**	12,704,014
Total supporting services	17,632,499	-	-	**17,632,499**	20,237,604
Total expenses	127,428,622	-	-	**127,428,622**	133,556,930
Change in net assets before other changes	(1,079,516)	7,488,547	4,348,505	**10,757,536**	3,936,130
Other changes in net assets:					
Legal expenses awarded, net	5,422,660	-	-	**5,422,660**	3,842,201
Net investment income, gains and losses	(3,167,135)	(3,261,534)	-	**(6,428,669)**	10,179,070
Changes in value of split-interest agreements	(800,245)	(223,761)	-	**(1,024,006)**	(2,376,868)
Recognition of affiliates' share of minimum pension liability adjustment	(2,017,313)	-	-	**(2,017,313)**	34,559,117
Minimum pension liability adjustment	3,320,130	-	-	**3,320,130**	(23,013,481)
Total other changes in net assets	2,758,097	(3,485,295)	-	**(727,198)**	23,190,039
Change in net assets	1,678,581	4,003,252	4,348,505	**10,030,338**	27,126,169
Net assets:					
Beginning of year	152,280,024	70,213,781	42,282,522	**264,776,327**	237,650,158
End of year	$153,958,605	$ 74,217,033	$ 46,631,027	**$274,806,665**	$264,776,327

See notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Functional Expenses
Year Ended March 31, 2016
(with summarized comparative information for the year ended March 31, 2015)

	2016										
	Program Services						Supporting Services				
	Legislative	Legal	Public Education	Civil Liberties Policy Formulation	Affiliate Support	Total Program Services	Management and General	Fund-raising	Total Supporting Services	Total Expenses	2015 Summarized Comparative Information
Salaries	$ 2,203,637	$13,927,942	$ 5,234,154	$ 386,270	$ 3,829,804	$ 25,581,807	$ 2,489,685	$ 4,789,339	$ 7,279,024	**$ 32,860,831**	$ 34,937,691
Employee benefits	725,490	4,265,365	1,576,661	169,452	1,676,157	8,413,125	1,447,793	1,426,000	2,873,793	**11,286,918**	10,690,913
Rent and occupancy	166,565	1,055,346	769,711	11,964	191,622	2,195,208	122,983	234,532	357,515	**2,552,723**	2,771,638
Books	55,914	182,396	122,123	1,340	15,746	377,519	5,650	74,662	80,312	**457,831**	497,017
Building depreciation	13,562	1,682,152	354,506	-	171,913	2,222,133	87,611	215,906	303,517	**2,525,650**	2,948,400
Other depreciation and amortization	9,293	1,062,703	157,978	-	102,220	1,332,194	46,464	120,806	167,270	**1,499,464**	1,194,876
Equipment rental and maintenance	171,256	1,164,131	307,255	12,373	160,842	1,815,857	160,135	497,656	657,791	**2,473,648**	1,165,458
Grants to affiliates	995,400	381,386	-	-	4,064,928	5,441,714	-	-	-	**5,441,714**	7,340,389
Shared portion of contributions	176,000	1,816,160	-	-	20,283,287	22,275,447	-	-	-	**22,275,447**	19,948,357
Shared portion of bequest	375,901	512,990	-	-	4,654,828	5,543,719	-	-	-	**5,543,719**	4,249,738
Meetings/conferences	22,673	68,079	59,752	9,853	247,904	408,261	39,954	53,150	93,104	**501,365**	537,061
Legal fees	775	-	16,093	18,345	51,302	86,515	109,606	80,407	190,013	**276,528**	366,074
Donated legal services	-	5,604,509	-	-	-	5,604,509	-	-	-	**5,604,509**	6,840,383
Accounting fees	-	-	-	-	-	-	263,910	-	263,910	**263,910**	240,936
Professional fund-raising services	-	-	-	-	-	-	-	1,387,697	1,387,697	**1,387,697**	1,701,991
Other professional services	2,640,301	2,437,794	2,807,392	42,532	522,518	8,450,537	382,875	554,409	937,284	**9,387,821**	12,410,303
Interest expense	6,050	62,325	15,421	419	8,652	92,867	7,015	14,638	21,653	**114,520**	212,987
Postage and supplies	3,410	25,424	4,108,552	2,851	18,576	4,158,813	23,672	792,672	816,344	**4,975,157**	4,392,704
Publishing, printing and outreach	2,192	43,711	4,975,294	-	7,935	5,029,132	-	759,709	759,709	**5,788,841**	3,520,433
Special affiliate subsidies	-	-	-	-	6,040,279	6,040,279	-	-	-	**6,040,279**	6,099,350
Telephone	166,107	482,469	102,234	2,907	59,068	812,785	36,285	79,425	115,710	**928,495**	971,685
Telemarketing	-	-	13,289	-	-	13,289	-	166,178	166,178	**179,467**	1,198,253
Travel	244,404	901,442	268,999	57,446	377,038	1,849,329	186,914	297,441	484,355	**2,333,684**	2,342,040
Other grants and awards	299,850	-	-	-	40,000	339,850	-	-	-	**339,850**	4,100,000
Other expenses	66,129	563,331	797,240	42,482	242,052	1,711,234	386,015	291,305	677,320	**2,388,554**	2,878,253
Total - 2016	$ 8,344,909	$36,239,655	$21,686,654	$ 758,234	$42,766,671	$ 109,796,123	$ 5,796,567	$11,835,932	$17,632,499	**$ 127,428,622**	
Total - 2015	$ 11,549,409	$36,972,769	$24,751,747	$ 835,900	$39,209,501	$ 113,319,326	$ 7,533,590	$12,704,014	$20,237,604		$ 133,556,930

See Notes to Consolidated Financial Statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Cash Flows
Years Ended March 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Change in net assets	**$ 10,030,338**	$ 27,126,169
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	**4,025,114**	4,143,276
Discount on pledges receivable	**707,168**	1,224,426
New beneficial interests in trusts	**-**	(513,916)
Changes in value of split-interest agreements	**1,024,006**	2,376,868
Net realized and unrealized losses (gains) on investments, net of adjustments for affiliate holdings	**11,508,117**	(3,835,923)
Minimum pension liability adjustment	**(3,320,130)**	23,013,481
Affiliates' allocated share of pension liability adjustment	**2,017,313**	(34,559,117)
Cash received on contributions restricted for endowment	**(3,352,705)**	(1,343,481)
Contributions subject to split-interest agreements	**(1,010,069)**	(485,634)
Changes in operating assets and liabilities:		
Due from/to affiliates	**1,307,082**	860,259
Pledges and contributions receivable	**(6,952,234)**	(21,981,628)
Other assets	**(407,079)**	311,389
Accounts payable and accrued expenses	**(603,985)**	(501,770)
Accrued pension liability	**1,324,990**	(824,620)
Bill of Rights Trust held for affiliates	**284,505**	320,785
Net cash provided by (used in) operating activities	**16,582,431**	(4,669,436)
Cash flows from investing activities		
Proceeds from sale of investments	**82,633,219**	169,288,521
Purchase of investments	**(87,666,938)**	(154,703,175)
Purchase of property and equipment	**(4,533,532)**	(3,166,635)
Net cash (used in) provided by investing activities	**(9,567,251)**	11,418,711
Cash flows from financing activities		
Cash received on contributions restricted for endowment	**3,352,705**	1,343,481
Contributions subject to split-interest agreements	**1,010,069**	485,634
Payments on split-interest agreements	**(1,534,461)**	(1,588,778)
New annuities	**1,387,617**	525,034
Principal payments on IDA bonds	**(515,000)**	(495,000)
Net cash provided by financing activities	**3,700,930**	270,371
Net change in cash and cash equivalents	**10,716,110**	7,019,646
Cash and cash equivalents:		
Beginning	**22,476,148**	15,456,502
Ending	**$ 33,192,258**	$ 22,476,148
Supplemental disclosures of cash flow information:		
Interest paid	**$ 114,520**	$ 212,987
Change in investments for Bill of Rights Trust held for affiliates	**$ (1,871,025)**	$ 609,534
Amount payable for investment purchased at year-end	**$ -**	$ 175,000

See 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.

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 accounting principles generally accepted in the United States of America 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.

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, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. 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. Inputs include quoted market prices for similar assets or liabilities in markets that are not active, markets in which there are few transactions, prices are not current, or prices vary substantially over time. Investments in this category generally include corporate debt, U.S. government debt, and less liquid securities such as securities traded on certain foreign exchanges, as well as alternative investments that can be redeemed in the near term. 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 and real estate and ownership interests in alternative investments that cannot be redeemed in the near term.

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.

Pledges and contributions receivable - The carrying amount is based on estimated present value of the anticipated cash inflows and allowances for doubtful accounts on contributions receivable, if any, and approximates fair value.

Other assets, due to/from affiliates, and accounts payable and accrued expenses - The carrying amounts approximate fair values because of the short-term nature of the instruments.

Beneficial interest in trusts - The carrying amount is based on estimated present value of the anticipated cash inflows and approximates fair value.

Note 2. Summary of Significant Accounting Policies (Continued)

Liabilities under split-interest agreements - The carrying amount is based on estimated present value of the expected payments to beneficiaries and approximates fair value.

Industrial Development Agency (IDA) bond - The carrying amount approximates fair value because the interest rate is variable and reflects market conditions.

There have been no changes in the methodologies used for estimating fair values of significant financial instruments as of March 31, 2016 and 2015.

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, 2016, 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 99% of the total portfolio at March 31, 2016.

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 three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets consist of amounts that can be spent at the discretion of the ACLU and have no donor restrictions associated with them. A portion of unrestricted net assets has been designated by the board of directors for certain purposes. Temporarily restricted net assets consist of contributions that are restricted by donors for a specific time period and/or purpose. Permanently restricted net assets consist of endowment funds to be held in perpetuity.

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 permanently restricted. 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.

Note 2. Summary of Significant Accounting Policies (Continued)

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 permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the ACLU in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Contributions and related receivables: The ACLU reports contributions as unrestricted, temporarily restricted or permanently restricted 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.

Contributions of cash and other assets are reported as temporarily restricted 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, temporarily restricted net assets are reclassified to unrestricted net assets 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 permanently restricted 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.

Note 2. Summary of Significant Accounting Policies (Continued)

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 17% and 32% of the total grants, contributions and bequests revenue for the years ended March 31, 2016 and 2015, respectively, were provided by three donors. In addition, approximately 64% and 82% of the gross pledges and contributions receivable at March 31, 2016 and March 31, 2015, respectively, were due from three donors each year.

Functional expenses: The cost of providing the various program and supporting services of the ACLU have been summarized on a functional basis in the accompanying consolidated financial statements. Certain costs and expenses have been allocated between program services and supporting services on a reasonable basis as determined by management.

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, 2016 and 2015 amounted to $8,552,091 and $8,137,164, 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.

Income taxes: The Union and the Foundation are not-for-profit organizations exempt from income taxes under Section 501(c)(4) and Section 501(c)(3), respectively, of the U.S. Internal Revenue Code. 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 (the 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 2012, 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the ACLU's consolidated financial statements as of and for the year ended March 31, 2015, from which the summarized information was derived.

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 14, 2016.

Recently issued accounting pronouncements: In August, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier application is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. Management has not evaluated the impact of this ASU on the consolidated financial statements.

In February 2016, the FASB issued 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 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 expenses recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The ACLU is currently evaluating the impact of the adoption of the new standard on its consolidated financial statements.

In January 2016, FASB issued ASU 2016-1, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU 2016-1 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 amendments in this update are effective for the ACLU for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The ACLU has not yet determined the effect on the consolidated financial statements of adopting the other amendments included in ASU 2016-1.

In May 2015, the FASB issued ASU 2015-07 *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* This ASU removes the requirement to categorize within the fair value hierarchy investments for which fair values are measured at NAV using the practical expedient. The ASU also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient. Although the investments are not categorized within the fair value hierarchy, a reporting entity shall provide the amount measured using the net asset value per share (or its equivalent) practical expedient to permit reconciliation of the fair value of investments included in the fair value hierarchy to the line items presented in the consolidated statements of financial position. The amendments in this update will generally be effective for fiscal periods beginning after December 15, 2016 for nonpublic entities. Early adoption is permitted and the ACLU adopted ASU 2015-07 during the year ended March 31, 2015.

Note 2. Summary of Significant Accounting Policies (Continued)

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. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. 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.

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 $4,550,560 and $3,307,015 for the years ended March 31, 2016 and 2015, respectively. In fiscal year 2014, the ACLU made an additional contribution of $4,200,000 to the employee pension plan and the plan purchased annuities on behalf of certain retirees. The balance owed by the affiliates for this contribution is $0 and $492,157 as of March 31, 2016 and 2015, respectively.

Also included in the amounts due from affiliates are notes receivable of $305,000 at March 31, 2016 and $483,381 at March 31, 2015 due from certain affiliates. The remaining notes mature between August 15, 2015 and June 30, 2021 and accrue interest at the prime rate.

Amounts due from affiliates – allocated share of pension liability of $32,541,804 and $34,599,117 at March 31, 2016 and 2015, 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 each of the years ended March 31, 2016 and 2015, the Foundation received approximately $252,000 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 2.71% to 3.72% and are reflected in the consolidated financial statements at their net realizable value.

Note 4. Pledges and Contributions Receivable (Continued)

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

	2016	2015
Receivable due within one year or less	$ 17,094,439	$ 19,178,725
Receivable due in more than one year to five years	25,650,440	15,613,920
Receivable due in over five years	1,000,000	2,000,000
	43,744,879	36,792,645
Less discount to present value	(2,128,814)	(1,421,646)
	$ 41,616,065	$ 35,370,999

Management believes that pledges and contributions receivable will be collected in full when due. Accordingly, no provision for uncollectible pledges and contributions receivable is recognized in the accompanying consolidated financial statements.

Approximately $17,500,000 and $10,000,000 of pledges and contributions receivable as of March 31, 2016 and 2015, respectively, are subject to the ACLU's revenue-sharing rules with affiliates. The affiliates'' share of these revenues will be recognized as expenses by the ACLU upon the receipt of cash from donors.

In addition to the pledges and contributions receivable recognized in the consolidated financial statements, a certain ACLU donor confirmed, in fiscal year 2011, his intentions to recommend annual contributions aggregating approximately $10,000,000 over a period of two to eight years from donor-advised funds. Through March 31, 2016 the ACLU has received $8,000,000 in contributions (from donor-advised funds) towards the intention to support in the amount of $10,000,000, of which $1,000,000 was recognized as revenue for the year ended March 31, 2016. In fiscal year 2016, another donor confirmed their intention of contributing $5,000,000 over a period of five years from donor-advised funds. Through March 31, 2016 the ACLU has received $1,000,000 in contributions (from donor-advised funds) towards the intention to support in the amount of $5,000,000, which was recognized as revenue for the year ended March 31, 2016. These anticipated contributions have not been recognized in the accompanying consolidated financial statements as they do not meet the criteria for recognition of contributions revenue under accounting principles generally accepted in the United States of America until payments from the donor-advised funds are received.

As of March 31, 2016, the ACLU has received approximately $47,800,000 of conditional commitments to make matching grants and contributions that have not been recognized in these consolidated financial statements. Approximately $6,400,000 of these conditions have been met and recognized as support during the year ended March 31, 2016. Revenues on these grants and contributions will be recognized by the ACLU in future periods as the matching requirements are met.

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, 2016 Using		
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 4,082,905	$ 4,082,905	$ -	$ -
Equities	19,413,584	19,413,584	-	-
Corporate Bonds (by S&P rating):				
AAA - A-	11,310,077	-	11,310,077	-
BBB+ - B-	10,437,622	-	10,437,622	-
CCC	89,050	-	89,050	-
Total corporate bonds	21,836,749	-	21,836,749	-
U.S. Treasury Notes, agency and related	4,304,750	-	4,304,750	-
Mutual Funds				
Large-cap U.S. equity	23,863,287	23,863,287	-	-
Small-/mid-cap U.S. equity	7,206,460	7,206,460	-	-
International equity	37,475,749	37,475,749	-	-
Short-term bond	17,519,005	17,519,005	-	-
Intermediate-term bond	22,188,592	22,188,592	-	-
High-yield bond	12,215,186	12,215,186	-	-
International fixed income	526,050	526,050	-	-
Other bond	5,544,199	5,544,199	-	-
Real estate and commodities	3,559,563	3,559,563	-	-
Total mutual funds	130,098,091	130,098,091	-	-
Common Trust Funds[(1)]				
Large-cap U.S. equity	3,462,281	-	-	-
Small-/mid-cap U.S. equity	1,548,976	-	-	-
International equity	2,974,964	-	-	-
Intermediate-term bond	2,351,420	-	-	-
High-yield and other bonds	1,173,924	-	-	-
Real estate and hard assets (commodities)	967,409	-	-	-
Total common trust funds	12,478,974	-	-	-
Exchange-Traded Funds				
Large-cap U.S. equity	12,400,665	12,400,665	-	-
Small-/mid-cap U.S. equity	7,531,521	7,531,521	-	-
International equity	7,127,916	7,127,916	-	-
Short-term, long-term and intermediate-term bonds	75,505	75,505	-	-
Real estate and hard assets (commodities)	7,610,489	7,610,489	-	-
Total exchange-traded funds	34,746,096	34,746,096	-	-
Certificates of Deposit	2,817,455	-	2,817,455	-
Hedge Funds[(1)]	18,018,359	-	-	-
	$ 247,796,963	$ 188,340,676	$ 28,958,954	$ -

Note 5. Investments and Fair Value Measurement (Continued)

	Total	Fair Value Measurements at March 31, 2015 Using: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	$ 6,846,146	$ 6,846,146	$ -	$ -
Equities	18,406,308	18,406,308	-	-
Corporate Bonds (by S&P rating):				
AAA - A-	6,498,159	-	6,498,159	-
BBB+ - B-	6,990,837	-	6,990,837	-
Total corporate bonds	13,488,996	-	13,488,996	-
U.S. Treasury Notes, agency and related	4,505,709	-	4,505,709	-
Mutual Funds				
Large-cap U.S. equity	26,773,416	26,773,416	-	-
Small-/mid-cap U.S. equity	6,600,072	6,600,072	-	-
International equity	35,212,187	35,212,187	-	-
Short-term bond	26,294,170	26,294,170	-	-
Intermediate-term bond	18,691,956	18,691,956	-	-
High-yield bond	12,444,544	12,444,544	-	-
International fixed income	1,928,666	1,928,666	-	-
Other bond	8,118,672	8,118,672	-	-
Real estate and commodities	5,410,193	5,410,193	-	-
Total mutual funds	141,473,876	141,473,876	-	-
Common Trust Funds(1)				
Large-cap U.S. equity	3,892,218	-	-	-
Small-/mid-cap U.S. equity	1,576,488	-	-	-
International equity	3,596,604	-	-	-
Intermediate-term bond	1,574,001	-	-	-
High-yield and other bonds	1,920,866	-	-	-
Real estate and hard assets (commodities)	728,707	-	-	-
Total common trust funds	13,288,884	-	-	-
Exchange-Traded Funds				
Large-cap U.S. equity	12,457,431	12,457,431	-	-
Small-/mid-cap U.S. equity	7,889,867	7,889,867	-	-
International equity	2,468,359	2,468,359	-	-
Short-term, long-term and intermediate-term bonds	5,354,300	5,354,300	-	-
Real estate and hard assets (commodities)	6,290,208	6,290,208	-	-
Total exchange-traded funds	34,460,165	34,460,165	-	-
Certificates of Deposit	3,115,051	-	3,115,051	-
Hedge Funds(1)	20,557,251	-	-	-
	$ 256,142,386	$ 201,186,495	$ 21,109,756	$ -

(1) In accordance with the guidance provided by FASB ASU 2015-07, Subtopic 820-10, certain investments that are measured at fair value using the net asset value 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 statements of financial position.

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, structured notes, 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 net asset value. 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 and hedge funds 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 net asset value (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 2016 or 2015.

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 MidCap 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

Note 5. Investments and Fair Value Measurement (Continued)

The investment in hedge funds include two funds for which ACLU does not have the ability to redeem the investments on March 31, 2016 or in the near term, which is defined as 90 days or less from March 31, 2016. The investment objective of the hedge fund is 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 ACLU has no unfunded commitments on these investments as of March 31, 2016.

The investments are held for the following purposes:

	2016	2015
Bill of Rights Trust, inclusive of endowments held in perpetuity of $44,087,901 and $40,735,196 at March 31, 2016 and 2015, respectively (Note 9)	$ 82,425,964	$ 85,877,770
Split-interest agreements (Note 7)	20,349,545	20,749,820
Other endowment, special projects, program support and operating reserves	145,021,454	149,514,796
	$ 247,796,963	$ 256,142,386

Net investment income, losses and gains reported in the accompanying consolidated statement of activities consist of the following:

	2016	2015
Interest and dividends	$ 5,852,130	$ 7,254,247
Net realized and unrealized (losses) gains on investments	(13,379,142)	4,445,457
	(7,527,012)	11,699,704
Adjustment for allocation to affiliates holding units in the Trust for the Bill of Rights	1,098,343	(1,520,634)
Net investment income, losses and gains	$ (6,428,669)	$ 10,179,070

Investment management and custodial fees amounted to approximately $701,000 for 2016 and $730,000 for 2015, and are included as other professional services in the consolidated statement of functional expenses.

Note 6. Property and Equipment

Property and equipment consist of the following:

	2016	2015	Range of Estimated Useful Life
Land, office buildings and office condominium	$ 52,087,444	$ 51,101,848	10 to 50 years
Furniture, fixtures and office equipment	4,487,351	4,013,232	3 to 5 years
Software	3,187,563	3,389,534	3 to 15 years
Website, work-in-process	3,275,788	-	N/A
	63,038,146	58,504,614	
Less accumulated depreciation and amortization	(33,790,820)	(29,765,706)	
	$ 29,247,326	$ 28,738,908	

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 $1,529,000 in accordance with the agreements as of March 31, 2016.

In addition, the Foundation has 8 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:

	2016	2015
Assets - investments	$ 20,349,545	$ 20,749,820
Liabilities under split-interest agreements	14,259,287	13,615,080
	$ 6,090,258	$ 7,134,740

Asset balances at March 31, 2016 and 2015 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 statements 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 the 1983A and 2000 Annuity Mortality Tables.

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 2.29% to 5%. 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 temporarily restricted contributions. The temporary restriction 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. IDA Bond Financing

In June 1997, the Foundation received financing of $6,000,000 as a result of the New York City Industrial Development Agency's (IDA) issuance of bonds in that amount, which money was used to finance a portion of the cost of the acquisition, renovation, improvement, equipping and furnishing of its office building condominium units constituting the 17th and 18th floors of 125 Broad Street, New York, New York which units are collateral for the debt (the 1997 IDA bonds). On January 5, 2005, the 1997 IDA bonds were redeemed and new bonds in the amount of $20,000,000 were issued by the IDA, the proceeds of which were delivered to the Foundation in order for the Foundation to pay for the redemption of the 1997 bonds, to purchase the 19th floor condominium unit and a proportional common interest in the land associated with the 17th, 18th and 19th floor condominium units at 125 Broad Street, New York, New York (together with the 17th and 18th floor condominium units, the Realty) and to finance renovation, improvements, equipping and furnishing of the 19th floor condominium unit (the Realty and all property financed with the 2005 IDA bonds are referred to herein as the Premises). The 2005 IDA bonds mature on June 1, 2035. In November 2011, the Foundation redeemed $1,250,000 of IDA bonds.

Pursuant to the 2005 IDA bond agreements, an irrevocable direct pay letter of credit was established with a bank in order to secure payments of principal and interest on the 2005 IDA bonds on the scheduled due dates and on redemption, and to provide a facility for payment of the purchase price of the bonds upon the mandatory or optional tender thereof. Among other agreements, the Foundation also entered into a remarketing agreement with a certain financial institution to act as exclusive remarketing agent in connection with the offering and sale from time to time of the bonds in the secondary market after the initial offering, issuance and sale of the bonds.

Interest on the bonds is variable, is computed based on predetermined factors set forth in the 2005 IDA bond agreements, and may not exceed a maximum rate of 10% per annum. The letter of credit was amended March 1, 2010 to terminate on the earlier of January 4, 2013 or upon the occurrence of certain events set forth in the letter of credit agreement, including redemption of the 2005 IDA bonds. On July 1, 2013, the letter of credit was amended and restated to terminate on the earlier of July 4, 2016 or upon the occurrence of certain events set forth in the letter of credit agreement, including the redemption of the 2005 IDA bonds. On December 1, 2013, the letter of credit was amended for certain financial reporting requirements and covenants. On May 26, 2016, the letter of credit was amended and restated to terminate on the earlier of July 1, 2018 or upon the occurrence of certain events set forth in the letter of credit agreement, including the redemption of the 2005 IDA bonds. Interest and other charges including letter of credit charges related to the 2005 IDA bonds were approximately $115,000 and $213,000 for the years ended March 31, 2016 and 2015, respectively.

The letter of credit agreement, as amended and restated, includes various covenants which, among other matters, require the Foundation to maintain a specified level of unrestricted net assets, maintain a specified ratio of cash and cash equivalents to total commitment, and not incur any new indebtedness except as defined. The Foundation has agreed to various additional covenants and entered into various guarantees and pledges in connection with the issuance of the 2005 IDA bonds and the letter of credit. The Foundation is currently in compliance with these covenants.

In connection with the issuance of the 2005 IDA bonds, the Foundation entered into a lease agreement to lease the Premises to the IDA. Concurrently with the execution of the lease agreement, the IDA agreed to sell and assign its leasehold interest in the Premises to the Foundation on an installment basis as the Foundation makes payments due on the bonds. A failure by the Foundation to pay principal and interest as due under the terms of the 2005 IDA bonds and to pay amounts due under the letter of credit could lead to the Foundation being required to surrender the Premises.

Note 8. IDA Bond Financing (Continued)

Principal payments under the above obligation in each of the five years subsequent to March 31, 2016 and thereafter are as follows:

Years ending March 31:	
2017	$ 530,000
2018	555,000
2019	575,000
2020	595,000
2021	615,000
Thereafter	11,350,000
	$ 14,220,000

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, 2016 and 2015, 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, 2015 and 2014, 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. Actual distributions during the years ended March 31, 2016 and 2015 amounted to $2,142,655 and $2,178,262, 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.

At March 31, 2016 and 2015, BORT comprised the following accounts and amounts that are included in the consolidated statements of financial position:

	2016	2015
Assets:		
Investments	$ 82,425,964	$ 85,877,770
Other assets	100,461	145,204
	$ 82,526,425	$ 86,022,974
Liabilities and net assets:		
Held for Affiliate Foundations	$ 26,776,638	$ 28,363,158
Temporarily restricted net assets	11,661,886	16,924,620
Permanently restricted net assets	44,087,901	40,735,196
	$ 82,526,425	$ 86,022,974

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

The endowment-related activities of the Foundation, which is comprised principally of the endowment-related activities of BORT, are summarized below.

	2016			2015		
	Temporarily Restricted	Permanently Restricted	Total	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 17,801,954	$ 42,105,196	$ 59,907,150	$ 17,090,961	$40,761,715	$ 57,852,676
Investment return:						
Interest and dividends	1,439,116	-	1,439,116	2,195,073	-	2,195,073
Net realized and unrealized (losses) gains on investments	(4,468,840)	-	(4,468,840)	1,010,228	-	1,010,228
Investment fees and expenses	(156,939)	-	(156,939)	(244,616)	-	(244,616)
Net investment (loss) return	(3,186,663)	-	(3,186,663)	2,960,685	-	2,960,685
Other changes during the year:						
Contributions	-	3,352,705	3,352,705	-	1,343,481	1,343,481
Appropriation of endowment assets for expenditures	(2,232,655)	-	(2,232,655)	(2,249,692)	-	(2,249,692)
Total	(2,232,655)	3,352,705	1,120,050	(2,249,692)	1,343,481	(906,211)
Endowment net assets, end of year	$ 12,382,636	$ 45,457,901	$ 57,840,537	$ 17,801,954	$42,105,196	$ 59,907,150

Note 10. Commitments and Contingency

The Foundation leases office space in various locations under various short-term operating leases.

The ACLU is currently in litigation with the insurers of 125 Broad Street offices in connection with the damages caused to the building by Hurricane Sandy in October 2012. The amounts recoverable cannot be determined at present.

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. 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 Corportaiton (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, 2016 and 2015, the ACLU recognized a receivable of $32,541,804 and $34,559,117, 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 JP Morgan Chase, N.A. (JPMCB) or the Custodian under an investment management agreement with J.P. Morgan Investement Management Inc. (the Investement Adviser). When benefits commence for any participant, the Plan pays the monthly payments from the Pension Plan assets instead of purchasing annuity contracts.

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:

	2016	2015
Change in benefit obligation		
Obligation, beginning of year	$ 140,690,830	$ 104,104,561
Service cost	6,189,123	5,098,352
Interest cost	5,372,621	4,808,202
Actuarial (gain) loss	(8,510,268)	27,788,460
Benefit payments and expected expenses	(1,638,431)	(1,108,745)
Obligation, end of year	142,103,875	140,690,830
Change in Plan assets:		
Fair value of Plan assets, beginning of year	84,446,173	70,048,765
Actual return on Plan assets	(550,751)	9,472,617
Employer contributions	6,261,118	6,206,752
Benefit payments and actual expenses	(2,302,182)	(1,281,961)
Fair value of Plan assets, end of year	87,854,358	84,446,173
Funded status, end of year	$ (54,249,517)	$ (56,244,657)
Amounts recognized as liabilities in the consolidated statements of financial position	$ (54,249,517)	$ (56,244,657)
Amounts recognized as cumulative changes in pension other than net periodic costs		
Net loss	$ (46,736,024)	$ (50,056,154)

Note 11. Retirement Plans (Continued)

	2016	2015
Components of net benefit cost		
Components of net periodic pension cost:		
Service cost	$ 6,189,123	$ 5,098,352
Interest cost	5,372,621	4,808,202
Expected return on Plan assets	(6,463,392)	(5,628,029)
Amortization of net loss	2,487,756	1,103,607
Net periodic pension cost	7,586,108	5,382,132
Changes in pension costs other than net periodic cost		
Net (gain) loss	(832,374)	24,117,088
Amortization of net loss	(2,487,756)	(1,103,607)
Other than net periodic cost	(3,320,130)	23,013,481
Net benefit cost	$ 4,265,978	$ 28,395,613

The net periodic pension costs of $7,586,108 and $5,382,132 for the years ended March 31, 2016 and 2015, respectively, comprises $3,035,548 and $2,075,117 which are recognized as expenses by the ACLU and $4,550,560 and $3,307,015 which are charged to the affiliates for net periodic pension costs associated with affiliates' employees participating in the Plan during 2016 and 2015, respectively (see Note 3).

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

	2016	2015
Weighted-average assumptions to determine benefit obligation as of March 31:		
Discount rate	4.09%	3.86%
Expected long-term rate of return on plan assets	7.25%	7.50%
Rate of compensation increase	4.00%	4.00%
Weighted-average assumptions to determine net benefit cost for the year ended March 31:		
Discount rate	3.86%	4.63%
Expected long-term rate of return on Plan assets	7.50%	7.75%
Rate of compensation increase	4.00%	5.00%

The mortality tables used were RP-2014 Mortality Tables projected with Scale MP-2014 for male and females, and RP-2014 Mortality Tables adjusted backwards to 2006 with scale MP-2014 and projected with improvement scale MP-2015, for 2016 and 2015, respectively.

Note 11. Retirement Plans (Continued)

As of March 31, 2016 and 2015, the accumulated benefit obligation of the Pension Plan was $124,664,491 and $121,927,620, respectively.

The ACLU expects to contribute approximately $6,300,000 to the Pension Plan during the fiscal year ending March 31, 2017 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, 2016 and in the aggregate subsequent to 2021 are as follows:

Years ending March 31:	
2017	$ 3,147,129
2018	3,648,962
2019	4,095,913
2020	4,525,152
2021	4,991,022
Thereafter	29,653,326

An investment policy has been established that takes into consideration both the current and projected financial requirements of the Pension Plan. In fiscal year 2015, the investment management of Pension Plan assets was transitioned from Principal Financial Advisors to JP Morgan Investment Management to pursue a dynamic liability driven investment strategy that focuses on total return and volatility, while maintaining an acceptable level of risk and sufficient liquidity to meet benefit payment obligations on a timely basis. 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, 2016 and 2015, 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.

	2016				
	% Allocation	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Collective investment trust fund	100%	$ 87,854,358	-	Daily	None / 60 days*

	2015				
	% Allocation	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Collective investment trust fund	100%	$ 84,446,173	$ -	Daily	None / 60 days*

Note 11. Retirement Plans (Continued)

*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 sixty (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 directly 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, 2016 and 2015.

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 elected to participate in the soft freeze do not participate in the Pension Plan (employees who already are plan participants are not impacted by the election to institute a soft freeze). Two affiliates that had not originally elected to participate in the soft freeze subsequently elected to do so, meaning that only two affiliates, Illinois and Louisiana, continue to admit new employees into 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 new 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%. The soft freeze applies only to employees hired on or after April 1, 2009, or those who do not work for the Illinois or the Louisiana affiliates, and does not affect current Pension Plan participants. Employer contributions to the DC plan during the years ended March 31, 2016 and 2015 were $811,250 and $724,683, 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:

	2016	2015
Unrestricted:		
Undesignated	$ 29,190,590	$ 19,599,908
Board-designated:		
Litigation Fund	10,332,203	8,073,468
California Annuity Fund	544,246	2,187,223
Annuity Reserve	4,903,274	4,351,806
Organizational Fund	19,746,276	22,985,742
Jacobs Affiliate Development Fund	13,106,301	13,040,006
Dividend Distribution Fund	67,022,088	72,337,133
John Adams Fund	9,113,627	9,704,738
Total board-designated	124,768,015	132,680,116
Total unrestricted	153,958,605	152,280,024
Temporarily restricted:		
Bill of Rights Trust and other endowments	12,382,636	17,801,954
Trusts	2,738,898	2,989,852
Other time and purpose restrictions	59,095,499	49,421,975
Total temporarily restricted	74,217,033	70,213,781
Permanently restricted:		
Bill of Rights Trust and other endowments	46,631,027	42,282,522
	$ 274,806,665	$ 264,776,327

Note 13. Net Assets Released From Restrictions

Net assets were released from donor restrictions during the year ended March 31, 2016 by incurring expenses satisfying restricted purposes or by the occurrence of other events specified by donors as follows:

Special projects:	
Speech, Privacy and Technology and National Security	$ 2,169,277
Prisoners' Rights and Smart Justice	4,776,902
Immigrants' Rights	2,904,973
Reproductive Freedom	3,572,381
Women's Rights	350,848
Criminal Law Reform	104,427
LGBT/Marriage Equality	5,217,312
Voting Rights	1,999,549
Racial Justice	908,276
Other special projects	9,261,855
Total special projects	31,265,800
Bill of Rights Trust and other endowments	2,232,655
Time-restricted gifts	9,150,000
Total released from restrictions	$ 42,648,455

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidating Statement of Financial Position
March 31, 2016

	American Civil Liberties Union, Inc.	American Civil Liberties Union Foundation, Inc.	915 15th Street, LLC	Eliminations	Consolidated
Assets					
Cash and cash equivalents	$ 12,057,163	$ 21,125,058	$ 10,037	$ -	$ 33,192,258
Pledges and contributions receivable, net	2,473,073	39,142,992	-	-	41,616,065
Investments	3,414,587	244,382,376	-	-	247,796,963
Other assets	971,767	1,653,184	-	(325,000)	2,299,951
Due from affiliates	7,040,731	4,500,673	-	-	11,541,404
Due from affiliates - allocated share of pension liability	32,541,804	-	-	-	32,541,804
Due from ACLU Foundation - allocated share of pension liability	14,417,954	-	-	(14,417,954)	-
Due to the ACLU from the ACLU Foundation	15,041,529	-	-	(15,041,529)	-
Due to the ACLU Foundation from the LLC	-	9,544,711	-	(9,544,711)	-
Investment in 915 15th Street, LLC	-	(1,830,035)	-	1,830,035	-
Beneficial interest in trusts	-	1,620,520	-	-	1,620,520
Property and equipment, net of accumulated depreciation and amortization	-	21,490,672	7,756,654	-	29,247,326
Total assets	$ 87,958,608	$ 341,630,151	$ 7,766,691	$ (37,499,159)	$ 399,856,291
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	$ 2,149,081	$ 3,646,647	$ 52,015	$ (325,000)	$ 5,522,743
Due from the LLC to the ACLU Foundation	-	-	9,544,711	(9,544,711)	-
Due to the American Civil Liberties Union, Inc.	-	15,041,529	-	(15,041,529)	-
Due to the American Civil Liberties Union, Inc. - Allocated share of pension liability	-	14,417,954	-	(14,417,954)	-
Due to affiliates	2,402,132	7,619,309	-	-	10,021,441
Liabilities under split-interest agreements	-	14,259,287	-	-	14,259,287
IDA bond	-	14,220,000	-	-	14,220,000
Bill of Rights Trust held for affiliates	-	26,776,638	-	-	26,776,638
Accrued pension liability	54,249,517	-	-	-	54,249,517
Total liabilities	58,800,730	95,981,364	9,596,726	(39,329,194)	125,049,626
Commitments and contingency					
Net assets:					
Unrestricted:					
Board-designated	12,603,965	112,164,050	-	-	124,768,015
Undesignated	4,285,527	24,905,063	(1,830,035)	1,830,035	29,190,590
Total unrestricted	16,889,492	137,069,113	(1,830,035)	1,830,035	153,958,605
Temporarily restricted:					
Bill of Rights Trust and other endowments	-	12,382,636	-	-	12,382,636
Other time and purpose restrictions	12,098,231	49,736,166	-	-	61,834,397
Total temporarily restricted	12,098,231	62,118,802	-	-	74,217,033
Permanently restricted - Bill of Rights Trust and other endowments	170,155	46,460,872	-	-	46,631,027
Total net assets	29,157,878	245,648,787	(1,830,035)	1,830,035	274,806,665
Total liabilities and net assets	$ 87,958,608	$ 341,630,151	$ 7,766,691	$ (37,499,159)	$ 399,856,291

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidating Statement of Activities
Year Ended March 31, 2016

	American Civil Liberties Union, Inc.				American Civil Liberties Union Foundation, Inc.				915 15th Street, LLC		Consolidated			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:														
Support:														
Current member contributions	$ 20,355,837	$ -	$ -	$ 20,355,837	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,355,837	$ -	$ -	$ 20,355,837
New member contributions	3,994,198	-	-	3,994,198	-	-	-	-	-	-	3,994,198	-	-	3,994,198
Grants and contributions	4,749,076	7,928,978	170,155	12,848,209	29,965,661	39,430,599	358,877	69,755,137	-	(325,000)	34,389,737	47,359,577	529,032	82,278,346
Donated legal services	-	-	-	-	5,604,509	-	-	5,604,509	-	-	5,604,509	-	-	5,604,509
Bequests	5,442,669	2,051	-	5,444,720	13,122,057	2,775,374	3,819,473	19,716,904	-	-	18,564,726	2,777,425	3,819,473	25,161,624
Total support	34,541,780	7,931,029	170,155	42,642,964	48,692,227	42,205,973	4,178,350	95,076,550	-	(325,000)	82,909,007	50,137,002	4,348,505	137,394,514
Revenue:														
List rentals	101,767	-	-	101,767	-	-	-	-	-	-	101,767	-	-	101,767
Rental income	-	-	-	-	696,919	-	-	696,919	716,705	(828,894)	584,730	-	-	584,730
Pamphlet and book sales	-	-	-	-	83,746	-	-	83,746	-	-	83,746	-	-	83,746
Other income	9,525	-	-	9,525	11,876	-	-	11,876	-	-	21,401	-	-	21,401
Total revenue	111,292	-	-	111,292	792,541		-	792,541	716,705	(828,894)	791,644	-	-	791,644
Net assets released from restrictions	9,022,391	(9,022,391)	-	-	33,626,064	(33,626,064)	-	-	-	-	42,648,455	(42,648,455)	-	-
Total support and revenue	43,675,463	(1,091,362)	170,155	42,754,256	83,110,832	8,579,909	4,178,350	95,869,091	716,705	(1,153,894)	126,349,106	7,488,547	4,348,505	138,186,158
Expenses:														
Program services:														
Legislative	8,144,302	-	-	8,144,302	457,640	-	-	457,640	-	(257,033)	8,344,909	-	-	8,344,909
Legal	-	-	-	-	36,522,197	-	-	36,522,197	-	(282,542)	36,239,655	-	-	36,239,655
Public education	11,725,267	-	-	11,725,267	10,079,664	-	-	10,079,664	-	(118,277)	21,686,654	-	-	21,686,654
Civil liberties policy formulation	281,970	-	-	281,970	483,170	-	-	483,170	-	(6,906)	758,234	-	-	758,234
Affiliate support	11,817,964	-	-	11,817,964	31,298,070	-	-	31,298,070	-	(349,363)	42,766,671	-	-	42,766,671
Total program services	31,969,503	-	-	31,969,503	78,840,741	-	-	78,840,741	-	(1,014,121)	109,796,123	-	-	109,796,123
Supporting services:														
Management and general	1,999,428	-	-	1,999,428	2,473,834	-	-	2,473,834	1,375,485	(52,180)	5,796,567	-	-	5,796,567
Fund-raising	4,629,612	-	-	4,629,612	7,293,913	-	-	7,293,913	-	(87,593)	11,835,932	-	-	11,835,932
Total supporting services	6,629,040	-	-	6,629,040	9,767,747	-	-	9,767,747	1,375,485	(139,773)	17,632,499	-	-	17,632,499
Total expenses	38,598,543	-	-	38,598,543	88,608,488	-	-	88,608,488	1,375,485	(1,153,894)	127,428,622	-	-	127,428,622
Change in net assets before other changes	5,076,920	(1,091,362)	170,155	4,155,713	(5,497,656)	8,579,909	4,178,350	7,260,603	(658,780)	-	(1,079,516)	7,488,547	4,348,505	10,757,536
Other changes in net assets:														
Legal expenses awarded, net	-	-	-	-	5,422,660		-	5,422,660	-	-	5,422,660	-	-	5,422,660
Net investment income, gains and losses	79,914	-	-	79,914	(3,247,049)	(3,261,534)	-	(6,508,583)	-	-	(3,167,135)	(3,261,534)	-	(6,428,669)
Changes in value of split-interest agreements	-	-	-	-	(800,245)	(223,761)	-	(1,024,006)	-	-	(800,245)	(223,761)	-	(1,024,006)
Net loss on investment in 915 15th Street, LLC	-	-	-	-	(658,780)	-	-	(658,780)	-	658,780	-	-	-	-
Recognition of affiliates' share of minimum pension liability adjustment	(1,440,333)	-	-	(1,440,333)	(576,980)	-	-	(576,980)	-	-	(2,017,313)	-	-	(2,017,313)
Minimum pension liability adjustment	3,320,130	-	-	3,320,130	-	-	-	-	-	-	3,320,130	-	-	3,320,130
Total other changes in net assets	1,959,711	-	-	1,959,711	139,606	(3,485,295)	-	(3,345,689)	-	658,780	2,758,097	(3,485,295)	-	(727,198)
Change in net assets	7,036,631	(1,091,362)	170,155	6,115,424	(5,358,050)	5,094,614	4,178,350	3,914,914	(658,780)	658,780	1,678,581	4,003,252	4,348,505	10,030,338
Net assets:														
Beginning of year	9,852,861	13,189,593	-	23,042,454	142,427,163	57,024,188	42,282,522	241,733,873	(1,171,255)	1,171,255	152,280,024	70,213,781	42,282,522	264,776,327
End of year	$ 16,889,492	$ 12,098,231	$ 170,155	$ 29,157,878	$ 137,069,113	$ 62,118,802	$ 46,460,872	$ 245,648,787	$ (1,830,035)	$ 1,830,035	$ 153,958,605	$ 74,217,033	$ 46,631,027	$ 274,806,665