American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Financial Report

March 31, 2012

Contents

McGladrey

Independent Auditor's Report

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

We have audited the accompanying consolidated statement of financial position of American Civil Liberties Union, Inc. (the "Union") and consolidated entities (collectively, the "American Civil Liberties Union" or the "ACLU") as of March 31, 2012, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the ACLU's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior-year summarized comparative information has been derived from the ACLU's 2011 financial statements and, in our report dated October 19, 2011 we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the American Civil Liberties Union, Inc. and consolidated entities as of March 31, 2012, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the consolidated 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The consolidating information as of and for the year ended March 31, 2011 was derived from the ACLU's 2011 consolidated financial statements and, in our report dated October 19, 2011, we expressed an unqualified opinion on such information in relation to the basic consolidated financial statements as a whole.

McGladrey LLP

New York, New York
September 28, 2012

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Financial Position
March 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and Cash Equivalents (including cash and cash equivalents restricted for the Bill of Rights Trust of $1,938,993 and $2,136,907 at March 31, 2012 and 2011, respectively)	**$ 32,421,580**	$ 26,612,623
Pledges and Contributions Receivable, net	**17,572,711**	37,897,339
Investments	**264,186,023**	275,476,996
Other Assets	**2,381,922**	2,354,242
Due From Affiliates	**9,500,225**	9,787,974
Beneficial Interest in Trusts	**545,490**	555,174
Office Buildings, Furniture, Fixtures and Office Equipment, net of accumulated depreciation	**32,576,710**	34,650,633
Total assets	**$ 359,184,661**	$ 387,334,981
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 4,098,685**	$ 4,047,301
Due to affiliates	**8,256,287**	15,219,513
Liabilities under split-interest agreements	**11,895,316**	11,203,259
IDA bond	**16,170,000**	17,865,000
Mortgage payable	**-**	3,908,089
Bill of Rights Trust held for affiliates	**24,109,829**	24,521,136
Accrued pension liability	**42,266,513**	29,025,037
Total liabilities	**106,796,630**	105,789,335
Commitments and Contingency		
Net Assets:		
Unrestricted:		
Board-designated	**137,732,353**	144,478,997
Cumulative minimum pension liability adjustment	**(38,717,632)**	(23,570,224)
Undesignated	**48,551,512**	52,791,068
Total unrestricted	**147,566,233**	173,699,841
Temporarily restricted:		
Bill of Rights Trust and other endowment	**12,667,820**	14,002,225
Other time and purpose restrictions	**51,800,643**	54,841,371
Total temporarily restricted	**64,468,463**	68,843,596
Permanently restricted - Bill of Rights Trust and other endowment	**40,353,335**	39,002,209
Total net assets	**252,388,031**	281,545,646
Total liabilities and net assets	**$ 359,184,661**	$ 387,334,981

See Notes to Consolidated Financial Statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Activities
Year Ended March 31, 2012
(with summarized comparative information for the year ended March 31, 2011)

	2012				2011
	Unrestricted	**Temporarily Restricted**	**Permanently Restricted**	**Total**	Total
Support and Revenue:					
Support:					
Current member contributions	$ 21,687,212	$ -	$ -	**$ 21,687,212**	$ 20,574,298
New member contributions	4,367,598	-	-	**4,367,598**	3,506,308
Grants and contributions	27,040,872	22,653,367	151,126	**49,845,365**	53,217,587
Donated legal services	7,960,818	-	-	**7,960,818**	10,581,619
Bequests	15,538,331	287,500	-	**15,825,831**	17,848,990
Total support	76,594,831	22,940,867	151,126	**99,686,824**	105,728,802
Revenue:					
List rentals	138,380	-	-	**138,380**	61,128
Rental income	1,005,407	-	-	**1,005,407**	524,366
Pamphlet and book sales	8,482	-	-	**8,482**	14,816
Other income	56,649	-	-	**56,649**	55,078
Total revenue	1,208,918	-	-	**1,208,918**	655,388
Net Assets Released From Restrictions	26,237,226	(26,237,226)	-	**-**	-
Total support and revenue	104,040,975	(3,296,359)	151,126	**100,895,742**	106,384,190
Expenses:					
Program services:					
Legislative	5,205,384	-	-	**5,205,384**	2,003,632
Legal	31,644,009	-	-	**31,644,009**	32,890,954
Public education	20,443,766	-	-	**20,443,766**	20,709,602
Civil liberties policy formulation	739,053	-	-	**739,053**	1,764,347
Affiliate support	37,980,541	-	-	**37,980,541**	38,423,804
Total program services	96,012,753	-	-	**96,012,753**	95,792,339
Supporting services:					
Management and general	5,506,496	-	-	**5,506,496**	5,001,579
Fund-raising	9,198,916	-	-	**9,198,916**	8,174,809
Total supporting services	14,705,412	-	-	**14,705,412**	13,176,388
Total expenses	110,718,165	-	-	**110,718,165**	108,968,727
Change in net assets before other changes	(6,677,190)	(3,296,359)	151,126	**(9,822,423)**	(2,584,537)
Other Changes in Net Assets:					
Legal expenses awarded, net	2,374,888	-	-	**2,374,888**	2,189,804
Net investment income, gains and losses	(5,920,012)	275,076	-	**(5,644,936)**	29,039,127
Changes in value of split-interest agreements	(763,886)	(153,850)	-	**(917,736)**	(225,626)
Loss on uncollectible pledge	-	-	-	**-**	(250,000)
Reclassification of net assets		(1,200,000)	1,200,000	**-**	-
Minimum pension liability adjustment	(15,147,408)	-		**(15,147,408)**	(437,161)
Total other changes in net assets	(19,456,418)	(1,078,774)	1,200,000	**(19,335,192)**	30,316,144
Change in net assets	(26,133,608)	(4,375,133)	1,351,126	**(29,157,615)**	27,731,607
Net Assets:					
Beginning	173,699,841	68,843,596	39,002,209	**281,545,646**	253,814,039
Ending	$ 147,566,233	$ 64,468,463	$ 40,353,335	**$ 252,388,031**	$ 281,545,646

See Notes to Consolidated Financial Statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Functional Expenses
Year Ended March 31, 2012
(with summarized comparative information for the year ended March 31, 2011)

	2012										2011
	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**	Summarized Comparative Information
Salaries	$2,848,490	$ 11,153,433	$ 4,160,028	$ 358,139	$ 2,459,892	$ 20,979,982	$ 2,277,876	$3,609,202	$ 5,887,078	**$ 26,867,060**	$ 24,522,899
Employee benefits	960,238	4,105,111	1,419,658	109,958	836,499	7,431,464	740,481	1,151,174	1,891,655	**9,323,119**	8,462,761
Rent and occupancy	378,294	1,210,847	402,109	20,107	181,337	2,192,694	353,322	285,857	639,179	**2,831,873**	2,983,155
Books	80,542	164,091	47,650	1,481	6,324	300,088	5,783	32,914	38,697	**338,785**	292,287
Building depreciation	37,909	860,153	509,013	29,968	290,395	1,727,438	607,971	426,243	1,034,214	**2,761,652**	2,702,511
Equipment depreciation	11,404	258,748	153,119	9,014	87,355	519,640	69,577	128,221	197,798	**717,438**	520,286
Equipment rental and maintenance	68,094	190,426	70,263	3,984	37,614	370,381	32,233	54,122	86,355	**456,736**	417,861
Grants to affiliates	-	1,487,546	-	-	4,154,781	5,642,327	-	-	-	**5,642,327**	4,404,815
Shared portion of contributions	-	553,458	-	-	16,249,214	16,802,672	-	-	-	**16,802,672**	16,817,459
Shared portion of bequest	-	40,000	-	-	6,069,673	6,109,673	-	-	-	**6,109,673**	7,900,878
Meetings/conferences	28,493	46,898	22,978	6,414	275,314	380,097	19,882	50,718	70,600	**450,697**	797,585
Legal fees	1,251	10,000	22,770	37,786	70,625	142,432	179,035	48,837	227,872	**370,304**	1,384,720
Donated legal services	-	7,960,818	-	-	-	7,960,818	-	-	-	**7,960,818**	10,581,619
Accounting fees	-	-	-	-	-	-	229,154	-	229,154	**229,154**	219,667
Professional fund-raising services	-	-	-	-	-	-	-	1,209,048	1,209,048	**1,209,048**	1,321,991
Other professional services	309,905	1,436,929	5,274,108	73,403	451,140	7,545,485	602,586	106,836	709,422	**8,254,907**	6,350,323
Interest expense	14,160	64,963	37,148	2,055	19,916	138,242	22,715	29,218	51,933	**190,175**	548,710
Postage and supplies	19,916	128,551	2,666,718	5,131	29,718	2,850,034	41,031	638,383	679,414	**3,529,448**	3,309,454
Publishing, printing and outreach	3,718	63,705	3,027,557	1,571	11,948	3,108,499	4,714	568,314	573,028	**3,681,527**	3,129,280
Special affiliate subsidies	-	-	-	-	6,401,531	6,401,531	-	-	-	**6,401,531**	6,219,906
Telephone	167,494	361,199	136,916	6,471	68,406	740,486	44,237	92,154	136,391	**876,877**	729,224
Telemarketing	-	-	1,652,473	-	-	1,652,473	-	228,320	228,320	**1,880,793**	2,102,051
Travel	141,791	923,604	202,934	59,909	159,561	1,487,799	189,458	199,664	389,122	**1,876,921**	1,731,680
Other expenses	133,685	623,529	638,324	13,662	119,298	1,528,498	86,441	339,691	426,132	**1,954,630**	1,517,605
Total - 2012	$5,205,384	$ 31,644,009	$ 20,443,766	$ 739,053	$ 37,980,541	$ 96,012,753	$ 5,506,496	$9,198,916	$ 14,705,412	**$110,718,165**	
Total - 2011	$2,003,632	$ 32,890,954	$ 20,709,602	$1,764,347	$ 38,423,804	$ 95,792,339	$ 5,001,579	$8,174,809	$ 13,176,388		$108,968,727

See Notes to Consolidated Financial Statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Cash Flows
Years Ended March 31, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities:		
Change in net assets	**$ (29,157,615)**	$ 27,731,607
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**3,479,090**	3,222,797
Loss on uncollectible pledge	**-**	250,000
Discount on pledges receivable	**(51,886)**	(105,832)
Changes in value of split-interest agreements	**1,036,437**	1,022,605
Net realized and unrealized loss (gains) on investments, net of adjustments for affiliate holdings	**11,760,249**	(23,167,550)
Contributions restricted for endowment	**(151,126)**	(214,555)
Contributions subject to split-interest agreements	**(857,595)**	(560,442)
Changes in operating assets and liabilities:		
Due from/to affiliates	**(6,675,477)**	(839,060)
Pledges and contributions receivable	**20,376,514**	(6,423,574)
Other assets	**(27,680)**	243,454
Beneficial interest in trusts	**9,684**	(267,690)
Accounts payable and accrued expenses	**51,384**	781,571
Accrued pension liability	**13,241,476**	3,768,361
Bill of Rights Trust held for affiliates	**(283,810)**	23,819
Net cash provided by operating activities	**12,749,645**	5,465,511
Cash Flows From Investing Activities:		
Proceeds from sale of investments	**432,799,298**	8,653,220
Purchase of investments	**(433,396,071)**	(10,563,926)
Purchase of office buildings, furniture, fixtures and office equipment	**(1,405,167)**	(1,602,712)
Net cash used in investing activities	**(2,001,940)**	(3,513,418)
Cash Flows From Financing Activities:		
Contributions restricted for endowment	**151,126**	214,555
Contributions subject to split-interest agreements	**857,595**	560,442
Payments on split-interest agreements	**(1,533,673)**	(1,427,956)
New annuities	**1,317,678**	876,385
Terminated split-interest agreements	**(128,385)**	(529,289)
Mortgage payments	**(3,908,089)**	(68,474)
Principal payments on IDA bonds	**(1,695,000)**	(425,000)
Net cash used in financing activities	**(4,938,748)**	(799,337)
Net increase in cash and cash equivalents	**5,808,957**	1,152,756
Cash and Cash Equivalents:		
Beginning	**26,612,623**	25,459,867
Ending	**$ 32,421,580**	$ 26,612,623
Supplemental Disclosures of Cash Flow Information:		
Interest paid	**$ 190,175**	$ 548,710
Change in investments for Bill of Rights Trust held for affiliates	**$ (127,497)**	$ 2,002,027

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 Union is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code, and the Foundation is exempt from federal income tax under Section 501(c)(3).

The ACLU is affiliated with 50 nonprofit, tax-exempt organizations in several states in the United States, all of which 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 fund-raise 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

<u>Basis of Presentation</u>: 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>Principles of Consolidation</u>: 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.

<u>Use of Estimates</u>: The preparation of 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.

<u>Cash and Cash Equivalents</u>: The ACLU considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

<u>Investments and Related Income, Gains and Losses</u>: Investments are reported at fair value in the consolidated statements of financial position. The consolidated statements of activities include 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: The ACLU follows Financial Accounting Standards Board ("FASB"), Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures.* FASB ASC 820 provides a framework for measuring fair value under accounting principles generally accepted in the United States of America, and applies to all financial instruments that are being measured and reported on a fair value basis. FASB ASC 820 sets out a fair value hierarchy and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is 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.

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.

In accordance with Accounting Standards Update ("ASU") No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the ACLU estimates the fair value of certain investments in investment companies using the reported net asset value per share and classifying those investments within the fair value hierarchy.

The ACLU assesses the 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 in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no significant transfers among Levels 1, 2 and 3 during the year.

In May 2011, the FASB issued ASU 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards.* This ASU represents the converged guidance of the FASB and the International Accounting Standards Board ("IASB") on fair value measurement. The amendments in ASU 2011-04 are effective to the ACLU's consolidated financial statements for annual periods beginning after December 15, 2011.

Fair Value of Financial Instruments: The estimated fair values of the ACLU's financial instruments, including receivables and payables arising in the ordinary course of business, approximate their individual carrying amounts. The following methods and assumptions were used in estimating the fair values of significant financial instruments at March 31, 2012:

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.

Note 2. Summary of Significant Accounting Policies (Continued)

Pledges and contributions receivable - The carrying amount is based on estimated present value of the anticipated cash inflows 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.

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

IDA bond - The carrying amount approximates fair value because the interest rates are variable and reflect market conditions.

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.

The ACLU maintains its cash and cash equivalents in bank deposits and money market accounts. All of the ACLU’s bank deposits are held in "noninterest-bearing transaction accounts" that are insured in full by the Federal Deposit Insurance Corporation (the "FDIC") from December 31, 2010, through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least $250,000 available to depositors under the FDIC's general deposit insurance rules.

Exposure to credit risk is also reduced by the placement of such funds in high credit quality financial institutions and financial instruments. At March 31, 2012, the majority of 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 independent investment advisors and consultants to perform due diligence services and ongoing evaluation of investment managers. 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.

The clearing and depository operations for the ACLU's portfolio of investments held in managed accounts are provided principally by two financial institutions that hold approximately 93% of the total portfolio at March 31, 2012. Notwithstanding a change in custodial arrangements implemented during fiscal year 2012, two financial institutions held approximately 93% of the organization’s investment portfolio as of March 31, 2011 as well.

Office Buildings, Furniture, Fixtures and Office Equipment: Office buildings, furniture, fixtures and office equipment are carried at cost, less accumulated depreciation. Depreciation is 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.

Note 2. Summary of Significant Accounting Policies (Continued)

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.

Endowment: When the Foundation receives a contribution and the donor restricts the Foundation from spending the principal, the contribution is classified as an endowment, with the amount of the gift recorded as permanently restricted. The ACLU historically recorded investment returns as temporarily restricted or unrestricted based on the purpose for which the endowment was created. 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. During 2012, the ACLU reclassified approximately $1,700,000 in temporarily restricted net assets as endowment net assets to more accurately reflect a donor's intention.

On September 17, 2010, the State of New York enacted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The ACLU is subject to the enacted version of New York UPMIFA ("NYPMIFA"). The ACLU 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. As a result of this interpretation, the ACLU reclassified $9,616,373 of accumulated income from unrestricted net assets to temporarily restricted net assets during 2011.

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 when the promise is received. 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 statements of activities as net assets released from restrictions.

Contributions that are to be maintained in perpetuity by the Foundation are recorded as permanently restricted support.

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

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 operations, in-kind professional 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.

Note 2. Summary of Significant Accounting Policies (Continued)

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 23% of the total grants, contributions and bequests revenue for the year ended March 31, 2012 were provided by five donors. In addition, approximately 41% of the pledges and contributions receivable at March 31, 2012 were due from three donors.

Approximately 17% of the total grants, contributions and bequests revenue for the year ended March 31, 2011 were provided by one donor. In addition, approximately 64% of the pledges and contributions receivable at March 31, 2011 were due from two donors.

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, 2012 and 2011 amounted to $5,225,480 and $6,314,047, respectively.

Legal Awards: Pursuant to the Civil Rights Attorneys Fee Awards Act of 1976, 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 follows FASB ASC 715, *Compensation - Retirement Benefits*, which requires an employer that sponsors a defined benefit pension or postretirement plan to report the funded status of each plan in its statement of financial position and to include enhanced disclosures about each plan in its notes to the financial statements. In addition, FASB ASC 715 requires the measurement of plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position.

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. 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 adjustment to the consolidated financial statements to comply with the provisions of this guidance. 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 2008, which is the standard statute of limitations look-back period.

Note 2. Summary of Significant Accounting Policies (Continued)

At March 31, 2012, the Union has no unrecognized tax benefits and has recognized no interest or penalties related to taxes during either of the years ended March 31, 2012 and 2011. The Foundation has unrecognized tax benefits and implemented a settlement with the IRS during 2012 (see Note 8).

Reclassifications: Certain accounts and amounts reported in the 2011 consolidated financial statements have been reclassified to conform to the 2012 consolidated financial statement presentation. The reclassifications had no effect on the reported assets, liabilities, net assets and changes in net assets as of and for the year ended March 31, 2011.

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, 2011, from which the summarized information was derived.

Evaluation of Subsequent Events: The ACLU evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation is performed through the date the consolidated financial statements are available for issuance, which was September 28, 2012.

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 specifying the circumstances under which income shall be shared and the methodology for determining the specific portion of various categories of revenue that will be shared by the ACLU and the affiliates. Also included in amounts due to affiliates are 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, as well as contributions payable to the employee pension plan totaling $5,022,496 and $5,390,466 for the years ended March 31, 2012 and 2011, respectively.

Also included in the amounts due from affiliates at March 31, 2012, is a note receivable of $1,605,308 due from a certain affiliate. The note matures on December 31, 2017 and accrues interest at prime rate.

During the years ended March 31, 2012 and 2011, the Foundation received approximately $256,000 and $252,000, respectively, 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 the use of certain building services, such as issuance of one-time visitor passes and acceptance of deliveries.

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 3.0% to 8.0% 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:

	2012	2011
Receivable in less than one year	**$ 13,128,634**	$ 35,089,191
Receivable in one to five years	**4,786,000**	3,451,957
	17,914,634	38,541,148
Less loss on uncollectible pledge	**-**	(250,000)
Less discount to present value	**(341,923)**	(393,809)
Total	**$ 17,572,711**	$ 37,897,339

In addition to the contributions receivable noted above, a certain ACLU donor has confirmed his intentions to recommend annual contributions aggregating approximately $10,000,000 at March 31, 2011 over a period of two to eight years from donor-advised funds. 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 FASB ASC 958-605. During the year ended March 31, 2012, the ACLU received $2,000,000 in contributions (from donor-advised funds) towards this commitment of support.

Note 5. Investments and Cash Equivalents

The following tables present the fair value hierarchy of the ACLU's investments and cash equivalents that are measured on a recurring basis.

		Fair Value Measurements at March 31, 2012 Using		
	Total	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equities	$ 10,745,304	$ 10,745,304	$ -	$ -
Corporate Bonds (by S&P rating):				
AAA	1,513,590	-	1,513,590	-
AA+	2,458,982	-	2,458,982	-
AA	347,586	-	347,586	-
AA-	1,458,093	-	1,458,093	-
A+	1,000,165	-	1,000,165	-
A	4,807,168	-	4,807,168	-
A-	7,037,901	-	7,037,901	-
BBB+	3,522,966	-	3,522,966	-
BBB	1,413,474	-	1,413,474	-
BBB-	1,125,624	-	1,125,624	-
BB+	700,402	-	700,402	-
BB	528,748	-	528,748	-
BB-	799,140	-	799,140	-
B+	480,325	-	480,325	-
B	322,569	-	322,569	-
B-	202,713	-	202,713	-
Total corporate bonds	27,719,446	-	27,719,446	-
U.S. Treasury Notes, agency and related	9,436,793	-	9,436,793	-
Mutual Funds:				
Large-cap U.S. equity	25,412,148	25,412,148	-	-
Small-/mid-cap U.S. equity	717,280	717,280	-	-
International equity	11,229,498	11,229,498	-	-
Balanced fund	2,025,831	2,025,831	-	-
Short-term bond	66,623,693	66,623,693	-	-
Intermediate-term bond	41,490,335	41,490,335	-	-
U.S. bond fund	3,008,166	3,008,166	-	-
High-yield bond	4,349,346	4,349,346	-	-
International fixed income	14,363,333	14,363,333	-	-
Other bond	4,884,531	4,884,531	-	-
Real estate	510,913	510,913	-	-
Total mutual funds	174,615,074	174,615,074	-	-

(continued)

Note 5. Investments and Cash Equivalents (Continued)

		Fair Value Measurements at March 31, 2012 Using		
	Total	**Quoted Prices in Active Markets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Common Trust Funds:				
Large-cap U.S. equity	$ 6,327,169	$ -	$ 6,327,169	$ -
Small-/mid-cap U.S. equity	1,368,225	-	1,368,225	-
International equity	1,390,017	-	1,390,017	-
Intermediate-term bond	4,654,344	-	4,654,344	-
Total common trust funds	13,739,755	-	13,739,755	-
Exchange-Traded Funds:				
Large-cap U.S. equity	991,901	991,901	-	-
Small-/mid-cap U.S. equity	2,232,659	2,232,659	-	-
International equity	1,772,848	1,772,848	-	-
Short-term bond	19,693,732	19,693,732		
Hard assets (commodities)	986,636	986,636	-	-
Total exchange-traded funds	25,677,776	25,677,776	-	-
Structured Notes	2,251,875	-	2,251,875	-
Total investments	264,186,023	211,038,154	53,147,869	-
Money market accounts held in investment accounts and reported as cash and cash equivalents	5,533,179	5,533,179	-	-
Total	$ 269,719,202	$ 216,571,333	$ 53,147,869	$ -

Note 5. Investments and Cash Equivalents (Continued)

		Fair Value Measurements at March 31, 2011 Using		
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	$ 2,583,385	$ 2,583,385	$ -	$ -
Corporate Bonds (by S&P rating):				
AAA	1,274,430	-	1,274,430	-
AA+	529,410	-	529,410	-
AA	251,538	-	251,538	-
A+	365,621	-	365,621	-
A	1,555,718	-	1,555,718	-
A-	502,415	-	502,415	-
BBB+	1,009,202	-	1,009,202	-
Total corporate bonds	5,488,334	-	5,488,334	-
U.S. Treasury Notes, agency and related	18,584,695	-	18,584,695	-
Mutual Funds:				
Large-cap U.S. equity	118,683,388	118,683,388	-	-
Small-/mid-cap U.S. equity	17,199,927	17,199,927	-	-
International equity	30,353,198	30,353,198	-	-
World stock	6,404,787	6,404,787	-	-
Balanced fund	1,288,658	1,288,658	-	-
Intermediate-term bond	38,761,779	38,761,779	-	-
Short-term bond	15,523,480	15,523,480	-	-
Total mutual funds	228,215,217	228,215,217	-	-
Common Trust Funds:				-
Large-cap U.S. equity	5,862,739	-	5,862,739	-
Small-/mid-cap U.S. equity	1,448,882	-	1,448,882	-
International equity	1,801,351	-	1,801,351	-
Intermediate-term bond	4,846,610	-	4,846,610	-
Total common trust funds	13,959,582	-	13,959,582	-
Exchange-Traded Funds:				
Large-cap U.S. equity	964,708	964,708	-	-
Small-/mid-cap U.S. equity	227,738	227,738	-	-
International equity	280,453	280,453	-	-
Short-term bond	5,172,884	5,172,884	-	-
Total exchange-traded funds	6,645,783	6,645,783	-	-
Total investments	275,476,996	237,444,385	38,032,611	-
Money market accounts held in investment accounts and reported as cash and cash equivalents	6,111,363	6,111,363	-	-
Total	$ 281,588,359	$ 243,555,748	$ 38,032,611	$ -

Note 5. Investments and Cash Equivalents (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The ACLU's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. 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.

Investments in equity securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are stated at the last quoted bid price. U.S. government debt, corporate bonds and structured notes are valued based on the last reported bid price provided by broker-dealers.

Investments in mutual funds and exchange traded funds are stated at fair value based on quoted market or bid prices.

Investments in common trust funds are valued at fair value based on the applicable percentage ownership of the underlying net assets as of the measurement date, as determined by the ACLU. In determining fair value, the ACLU utilizes valuations provided by the underlying common trust funds. The underlying common trust funds value securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the underlying common trust 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 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. The fair value of the ACLU's investments in common trust funds generally represents the amount the ACLU would expect to receive if it were to liquidate its investment in the common trust fund excluding any redemption charges that may apply. In accordance with ASU 2009-12, the ACLU categorizes its investments in common trust funds as a Level 2 fair value measurement because the ACLU had the ability to redeem the investments daily or monthly.

The investments and cash equivalents are held for the following purposes:

	2012	2011
Bill of Rights Trust, inclusive of endowments of $39,153,335 and $39,002,209 at March 31, 2012 and 2011, respectively (Note 10)	**$ 75,314,042**	$ 77,136,877
Split-interest agreements (Note 7)	**18,736,298**	18,111,298
Other endowment, special projects, program support and operating reserves	**175,668,862**	186,340,184
	$269,719,202	$281,588,359

Note 5. Investments and Cash Equivalents (Continued)

Net investment gains and losses reported in the accompanying consolidated statements of activities consist of the following:

	2012	2011
Interest and dividends	**$ 6,484,864**	$ 6,358,286
Net realized and unrealized gains (losses) on investments	**(11,924,351)**	25,101,220
Total	**(5,439,487)**	31,459,506
Adjustment for allocation to affiliates holding units in the Trust for the Bill of Rights	**(205,449)**	(2,420,379)
Net investment income, gains and losses	**$ (5,644,936)**	$ 29,039,127

Investment management and custodial fees amounted to approximately $303,500 for 2012 and $222,000 for 2011, and are included as professional fees in the consolidated statement of functional expenses.

Note 6. Office Buildings, Furniture, Fixtures and Office Equipment

Office buildings, furniture, fixtures and office equipment consist of the following:

	2012	2011	Range of Estimated Useful Life
Office buildings and office condominium	**$ 47,908,200**	$ 47,239,622	10 to 50 years
Furniture, fixtures and office equipment	**3,168,221**	2,431,632	3 to 15 years
	51,076,421	49,671,254	
Less accumulated depreciation	**(18,499,711)**	(15,020,621)	
	$ 32,576,710	$ 34,650,633	

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 donor is recognized as contribution revenue.

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

Note 7. Split-Interest Agreements (Continued)

The Foundation has received gifts under this program on which it is obligated to make annual annuity payments of approximately $1,484,000 in accordance with the agreements.

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

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

	2012	2011
Cash and cash equivalents	**$ 233,666**	$ 274,921
Investments	**18,502,632**	17,836,377
Total assets	**18,736,298**	18,111,298
Liabilities under split-interest agreements	**11,895,316**	11,203,259
Net assets	**$ 6,840,982**	$ 6,908,039

Asset balances at March 31, 2012 and 2011 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 1.6% to 9.50% 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 trust discounted at 5%. This rate approximates the rates of return on U.S. government securities of similar duration and is commensurate with the risk that management associates with the ultimate collection of the trust. 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 statements 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 IDA's 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.

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 a portion of the interest on the 2005 IDA 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. Interest and other charges related to the 2005 IDA bonds were approximately $164,000 and $242,000 for the years ended March 31, 2012 and 2011, respectively.

The letter of credit agreement, as amended, includes various covenants which, among other matters, require the Foundation to maintain a specified debt service coverage ratio, 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 is currently in compliance with these covenants. 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.

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.

In November 2011, the Foundation redeemed $1,250,000 of IDA bonds outstanding to implement a settlement with the IRS and to ensure that the portion of the New York premises used to conduct Section 501(c)(4) activities, including spaces occupied by the Union and the New York Civil Liberties Union, that are in excess of permissible limits are not financed by tax-exempt bond proceeds. The settlement also involved the payment of a penalty in the amount of approximately $19,000, the estimated value of taxes that the IRS would have collected from bondholders over a three-year period in connection with the impermissible use of the premises for non-tax exempt purposes. The value of the IDA bonds redeemed exceed the minimum amount required to address the current use of space in support of Section 501(c)(4) activities and was intended to ensure that the Foundation would remain in full compliance with rules and bond covenants in the event that the use of space in connection with Section 501(c)(4) activities were to increase.

Note 8. IDA Bond Financing (Continued)

Principal payments under the above obligation in each of the five years subsequent to March 31, 2012 and thereafter are as follows:

Year ending March 31,	Amount
2013	$ 460,000
2014	480,000
2015	495,000
2016	515,000
2017	530,000
Thereafter	13,690,000
	$ 16,170,000

Note 9. Mortgage Payable

The LLC, of which the Foundation is the sole member, assumed a mortgage payable to a financial institution for the purchase of property in Washington, D.C. at 915 15th Street. The mortgage was collateralized by the property in Washington, D.C. and was payable in monthly installments of $31,249, including interest at 7.66%. On April 1, 2011, the ACLU made a final payment of $3,934,699 on this mortgage, consisting of the principal balance of $3,908,089 and interest of $26,610. Interest expense for the year ended March 31, 2011 was $307,000.

Note 10. The Bill of Rights Trust Endowment

In 1997, the Foundation and the Section 501(c)(3) arms of the affiliates (the "Affiliate Foundations") established the Bill of Rights Trust (the "Trust"). The purpose of the Trust, 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. The Trust has 100,000,000 authorized units, which are issued to or among the Foundation and Affiliate Foundations based upon their respective interests in the Trust. Unit shares held by the affiliates have a unit value based upon the fair value of the net assets of the Trust divided by the total number of unit shares outstanding. The Trust provides 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, 2012 and 2011, the approved distribution amount was equal to 4% of the average month-end value of total funds over the preceding 36 months through December 31, 2011 and 2010, 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 the Trust.

Note 10. The Bill of Rights Trust Endowment (Continued)

At March 31, 2012 and 2011, the Trust was comprised of the following accounts and amounts that are included in the consolidated statements of financial position:

	2012	2011
Assets:		
Cash and cash equivalents	**$ 1,938,993**	$ 2,136,907
Investments	**73,375,049**	74,999,970
Pledges and contributions receivable	**-**	152,548
Other assets	**112,416**	236,145
	$ 75,426,458	$ 77,525,570
Liabilities and Net Assets:		
Held for Affiliate Foundations	**$ 24,109,829**	$ 24,521,136
Temporarily restricted net assets (Note 2)	**12,163,294**	14,002,225
Permanently restricted net assets	**39,153,335**	39,002,209
	$ 75,426,458	$ 77,525,570

Note 10. The Bill of Rights Trust Endowment (Continued)

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

	2012			2011			
	Temporarily Restricted	**Permanently Restricted**	**Total**	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	**$14,002,225**	**$ 39,002,209**	**$53,004,434**	$ 9,616,373	$ -	$38,787,654	$ 48,404,027
Investment Return:							
Interest and dividends	**1,438,404**	**-**	**1,438,404**	-	1,251,539	-	1,251,539
Net realized and unrealized gains on investments	**(1,307,416)**	**-**	**(1,307,416)**	-	4,972,293	-	4,972,293
Investment fees and expenses	**(151,712)**	**-**	**(151,712)**	-	(81,277)	-	(81,277)
Net investment return	**(20,724)**	**-**	**(20,724)**	-	6,142,555	-	6,142,555
Other changes during the year:							
Contributions	**-**	**151,126**	**151,126**	-	-	214,555	214,555
Transfer from non-endowment net assets (Note 2)	**532,888**	**1,200,000**	**1,732,888**	-	-	-	-
Appropriation of endowment assets for expenditures	**(1,846,569)**	-	**(1,846,569)**	-	(1,756,703)	-	(1,756,703)
Effect of NYPMIFA enactment - reclassification of unappropriated earnings on endowment (Note 2)	**-**	**-**	**-**	(9,616,373)	9,616,373	-	-
Total	**(1,313,681)**	**1,351,126**	**37,445**	(9,616,373)	7,859,670	214,555	(1,542,148)
Endowment net assets, end of year	**$12,667,820**	**$ 40,353,335**	**$53,021,155**	$ -	$ 14,002,225	$39,002,209	$ 53,004,434

Note 11. Commitments and Contingency

The Foundation leases office space in various locations under various operating leases.

The ACLU is involved in 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 12. Retirement Plans

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

Note 12. Retirement Plans (Continued)

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").

All funds of the Pension Plan are held by Principal Financial Group Life Insurance Company ("Principal") under a flexible pension investment contract administered by Principal. When benefits commence for any participant, the full single premium required to purchase the participant's annuity may be charged against the fund or the benefit may be paid monthly from the fund directly. Effective January 1, 1991, the Pension Plan elected to provide benefits under a benefit index option plan for most retirees rather than purchase annuity contracts.

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

	2012	2011
Change in Benefit Obligation:		
Obligation, beginning of year	**$ 84,248,237**	$ 72,956,245
Service cost	**4,380,593**	4,237,984
Interest cost	**4,797,428**	4,453,950
Actuarial loss	**14,864,185**	4,369,305
Benefit payments and expected expenses	**(2,111,089)**	(1,769,247)
Obligation, end of year	**106,179,354**	84,248,237
Change in Plan Assets:		
Fair value of plan assets, beginning of year	**55,223,200**	47,699,569
Actual return on plan assets	**3,264,302**	6,754,075
Employer contributions	**7,545,156**	2,566,938
Benefit payments and actual expenses	**(2,119,817)**	(1,797,382)
Fair value of plan assets, end of year	**63,912,841**	55,223,200
Funded status, end of year	**$ (42,266,513)**	$ (29,025,037)
Amounts Recognized as Liabilities in the Consolidated Statements of Financial Position	**$ (42,266,513)**	$ (29,025,037)
Amounts Recognized as Cumulative Changes in Pension Other than Net Periodic Costs:		
Net loss	**$ (38,717,632)**	$ (23,570,224)

Note 12. Retirement Plans (Continued)

	2012	2011
Components of Net Benefit Cost:		
Components of net periodic pension cost:		
Service cost	**$ 4,380,593**	$ 4,237,984
Interest cost	**4,797,428**	4,453,950
Expected return on plan assets	**(4,398,208)**	(3,688,413)
Amortization of net loss	**859,411**	894,617
Net periodic pension cost	**5,639,224**	5,898,138
Changes in Pension Costs Other than Net Periodic Cost:		
Net loss	**16,006,819**	1,331,778
Amortization of net loss	**(859,411)**	(894,617)
Other than net periodic cost	**15,147,408**	437,161
Net benefit cost	**$ 20,786,632**	$ 6,335,299

The net periodic pension costs of $5,639,224 for the year ended March 31, 2012 include $3,499,921 of net periodic pension costs of affiliates' employees participating in the plan. For the plan year ended March 31, 2011, net periodic pension costs of $5,898,138 include $3,506,952 of net periodic pension cost of affiliates' employees participating in the plan (see Note 3).

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

	2012	2011
Weighted-average assumptions to determine benefit obligation as of March 31:		
Discount rate	**4.84%**	5.87%
Expected return on plan assets	**7.75%**	7.75%
Rate of compensation increase	**5.00%**	5.00%
Weighted-average assumptions to determine net benefit cost for the year ended March 31:		
Discount rate	**5.87%**	6.24%
Expected return on plan assets	**7.75%**	7.75%
Rate of compensation increase	**5.00%**	5.00%

As of March 31, 2012 and 2011, the accumulated benefit obligation of the Pension Plan was $91,701,322 and $73,193,302, respectively.

Note 12. Retirement Plans (Continued)

The ACLU expects to contribute approximately $5,800,000 to the Pension Plan during the fiscal year ending March 31, 2013.

Estimated future benefit payments attributable to estimated future employee service in each of the five years subsequent to March 31, 2012 and in the aggregate subsequent to 2017 are as follows:

Year ending March 31,	Amount
2013	$ 3,070,548
2014	3,462,190
2015	3,735,695
2016	4,000,282
2017	4,342,429
Thereafter	28,192,351

An investment policy has been established to consider both the current and projected financial requirements of the plan. The plan has relied on a total return strategy in which investment returns are to be achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The plan has used a balanced asset allocation including both equity-based and fixed income investments to achieve its long-term objectives of providing for long-term growth while maintaining an acceptable level of risk and sufficient liquidity to meet benefit payment obligations on a timely basis. The expected long-term rate of return on assets is 7.75%. The assumption is based on future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class. 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 plan.

Note 12. Retirement Plans (Continued)

The fair value of the plan's investments at March 31, 2012 and 2011 by asset category is as follows:

	% Allocation	Total	Fair Value Measurements at March 31, 2012 Using: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled Commingled Funds - Separate Accounts					
Equities:					
Large-cap U.S. equitiy [(b)]	37%	$ 23,762,510	$ -	$ 23,762,510	$ -
Small-/mid-cap U.S. equities [(b)]	9%	5,753,230	-	5,753,230	-
International equity [(b)]	14%	8,737,417	-	8,737,417	-
Real Estate:					
Real estate securities [(b)]	2%	1,435,413	-	1,435,413	-
Direct-owned U.S. commercial properties [(a)]	6%	4,014,228	-	-	4,014,228
Fixed Income:					
High-yield bonds [(b)]	3%	2,204,287	-	2,204,287	-
Intermediate-term bonds [(b)]	23%	14,632,621	-	14,632,621	-
Inflation-protected bonds [(b)]	6%	3,373,135	-	3,373,135	-
	100%	$ 63,912,841	$ -	$ 59,898,613	$ 4,014,228

Note 12. Retirement Plans (Continued)

	% Allocation	Total	Fair Value Measurements at March 31, 2011 Using: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pooled Commingled Funds - Separate Accounts					
Equities:					
Large-cap U.S. equity [b]	36%	$ 19,770,794	$ -	$ 19,770,794	$ -
Small-/mid-cap U.S. equity [b]	9%	5,075,450	-	5,075,450	-
International equity [b]	15%	8,206,392	-	8,206,392	-
Real Estate:					
Real estate securities [b]	2%	1,211,734	-	1,211,734	-
Direct-owned U.S. commercial properties [a]	4%	2,021,256	-	-	2,021,256
Fixed Income:					
High-yield bonds [b]	3%	1,900,165	-	1,900,165	-
Intermediate-term bonds [b]	26%	14,194,874	-	14,194,874	-
Inflation-protected bonds [b]	5%	2,842,535	-	2,842,535	-
	100%	$ 55,223,200	$ -	$ 53,201,944	$ 2,021,256

(a) This category consists of real estate investment options that seek favorable long-term returns primarily through rental income and appreciation of real estate investments owned by the account. The account purchases direct ownership interests in income-producing real estate, such as office, industrial, retail and multi-family residential properties. It may also hold other real estate or real estate related investments through joint ventures, real estate partnerships or real estate investment trusts. Redemption or withdrawal of funds is determined based on whether the account has sufficient liquidity available to make distributions. There are no known or anticipated redemptions, no unfunded commitments and no notice is required to sell the shares/units at any given time.

(b) There are no known or anticipated redemptions, no unfunded commitments and no notice is required to sell the shares/units at any given time.

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended March 31, 2012 and 2011.

	2012	2011
Balance, beginning of year	**$ 2,021,256**	$ 1,695,001
Additions during the year	**1,576,944**	-
Net investment gain	**416,028**	326,255
Balance, end of year	**$ 4,014,228**	$ 2,021,256

Note 12. 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 the National Office and the 44 affiliates that elected to participate in the soft freeze 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, and does not affect current plan participants, or employees hired before March 31, 2009 but not yet in the plan. Employer contributions to the DC plan during the years ended March 31, 2012 and 2011 were $315,486 and $161,755, respectively.

Eligible ACLU employees may also participate in the ACLU 401(k) plan (the "401(k) Plan"), which is a 401(k) salary-reduction plan covering substantially all employees of the Union, the Foundation, and their affiliates, hired on or before March 31, 2009. Under the 401(k) Plan, employees may voluntarily contribute up to 20% of their pre-tax compensation to the 401(k) Plan subject to IRS dollar limits. There is no employer match or other contributions.

Note 13. Net Assets

Net assets are comprised of the following:

	2012	2011
Unrestricted:		
Undesignated	**$ 48,551,512**	$ 52,791,068
Cumulative minimum pension liability adjustment	**(38,717,632)**	(23,570,224)
Board-designated:		
Litigation Fund	**13,251,800**	13,901,824
California Annuity Fund	**494,131**	550,176
Annuity Reserve	**5,359,561**	5,658,584
Development Fund	**28,001,161**	25,257,531
Jacobs Affiliate Development Fund	**17,141,599**	18,394,706
Dividend Distribution Fund	**62,125,195**	69,198,208
John Adams Fund	**11,358,906**	11,517,968
Total board-designated	**137,732,353**	144,478,997
Total unrestricted	**147,566,233**	173,699,841
Temporarily Restricted:		
Bill of Rights Trust and other endowment	**12,667,820**	14,002,225
Trusts	**1,532,779**	1,251,239
Other time and purpose restrictions	**50,267,864**	53,590,132
Total temporarily restricted	**64,468,463**	68,843,596
Permanently Restricted - Bill of Rights Trust and other endowment	**40,353,335**	39,002,209
Total net assets	**$ 252,388,031**	$ 281,545,646

Note 14. Net Assets Released From Restrictions

Net assets were released from donor restrictions during the year ended March 31, 2012 by incurring expenses satisfying restricted purposes or by the occurrence of other events specified by donors as follows:

Special Projects:	
Capital Punishment Project	$ 59,504
Prisoners' Rights	631,138
Immigrants' Rights	2,768,506
Reproductive Freedom	1,411,805
Women's Rights	79,132
Drug Litigation Reform	677,059
Gay Rights	1,771,252
Voting Rights	887,833
Other special projects	7,095,010
Total special projects	15,381,239
Bill of Rights Trust	1,796,569
Time-Restricted Gifts	9,059,418
Total released from restrictions	$ 26,237,226

American Civil Liberties Union, Inc. and Consolidated Entities

Supplementary Information

Consolidating Statement of Financial Position
March 31, 2012
See Independent Auditor's Report

	American Civil Liberties Union, Inc.	American Civil Liberties Union Foundation, Inc.	915 15th Street, LLC	Eliminations	Consolidated
ASSETS					
Cash and Cash Equivalents (including cash and cash equivalents restricted for the Bill of Rights Trust of $1,938,993)	$ 9,748,389	$ 22,306,393	$ 366,798	$ -	$ 32,421,580
Pledges and Contributions Receivable, net	3,192,838	14,379,873	-	-	17,572,711
Investments	443,171	263,742,852	-	-	264,186,023
Other Assets	552,282	1,829,640	-	-	2,381,922
Due From Affiliates	4,183,588	5,316,637	-	-	9,500,225
Due to the ACLU From the ACLU Foundation	7,280,663	-	-	(7,280,663)	-
Due to the ACLU Foundation From the LLC	-	9,652,123	-	(9,652,123)	-
Investment in 915 15th Street, LLC	-	(556,162)	-	556,162	-
Beneficial Interest in Trusts	-	545,490	-	-	545,490
Office Buildings, Furniture, Fixtures and Office Equipment, net of accumulated depreciation	-	23,758,712	8,817,998	-	32,576,710
Total assets	$ 25,400,931	$ 340,975,558	$ 9,184,796	$ (16,376,624)	$ 359,184,661
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued expenses	$ 1,250,370	$ 2,759,480	$ 88,835	$ -	$ 4,098,685
Due from the LLC to the ACLU Foundation	-		9,652,123	(9,652,123)	-
Due from the ACLU Foundation to the ACLU	-	7,280,663	-	(7,280,663)	-
Due to affiliates	2,368,845	5,887,442	-	-	8,256,287
Liabilities under split-interest agreements	-	11,895,316	-	-	11,895,316
IDA bond	-	16,170,000	-	-	16,170,000
Mortgage payable	-	-	-	-	-
Bill of Rights Trust held for affiliates	-	24,109,829	-	-	24,109,829
Accrued pension liability	42,266,513	-	-	-	42,266,513
Total liabilities	45,885,728	68,102,730	9,740,958	(16,932,786)	106,796,630
Commitments and Contingency					
Net Assets:					
Unrestricted:					
Board-designated	12,203,920	125,528,433	-	-	137,732,353
Cumulative minimum pension liability adjustment	(38,717,632)	-	-	-	(38,717,632)
Undesignated	1,269,691	47,281,821	(556,162)	556,162	48,551,512
Total unrestricted	(25,244,021)	172,810,254	(556,162)	556,162	147,566,233
Temporarily restricted:					
Bill of Rights Trust and other endowment	-	12,667,820	-	-	12,667,820
Other time and purpose restrictions	4,759,224	47,041,419	-	-	51,800,643
Total temporarily restricted	4,759,224	59,709,239	-	-	64,468,463
Permanently restricted - Bill of Rights Trust and other endowment	-	40,353,335	-	-	40,353,335
Total net assets	(20,484,797)	272,872,828	(556,162)	556,162	252,388,031
Total liabilities and net assets	$ 25,400,931	$ 340,975,558	$ 9,184,796	$ (16,376,624)	$ 359,184,661

American Civil Liberties Union, Inc. and Consolidated Entities

Supplementary Information

Consolidating Statement of Financial Position
March 31, 2011
See Independent Auditor's Report

	American Civil Liberties Union, Inc.	American Civil Liberties Union Foundation, Inc.	915 15th Street, LLC	Eliminations	Consolidated
ASSETS					
Cash and Cash Equivalents (including cash and cash equivalents restricted for the Bill of Rights Trust of $2,136,907)	$ 2,130,023	$ 24,355,649	$ 126,951	$ -	$ 26,612,623
Pledges and Contributions Receivable, net	2,089,963	35,807,376	-	-	37,897,339
Investments	436,125	275,040,871	-	-	275,476,996
Other Assets	614,456	1,739,786	-	-	2,354,242
Due From Affiliates	5,940,315	3,847,659	-	-	9,787,974
Due From the ACLU Foundation, Inc. and 915 15th Street, LLC	14,633,619	-	-	(14,633,619)	-
Investment in 915 15th Street, LLC	-	(1,129,221)	-	1,129,221	-
Beneficial Interest in Trusts	-	555,174	-	-	555,174
Office Buildings, Furniture, Fixtures and Office Equipment, net of accumulated depreciation	-	25,458,040	9,192,593	-	34,650,633
Total assets	$ 25,844,501	$ 365,675,334	$ 9,319,544	$ (13,504,398)	$ 387,334,981
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable and accrued expenses	$ 1,556,814	$ 2,443,283	$ 47,204	$ -	$ 4,047,301
Due to the American Civil Liberties Union, Inc.	-	8,140,147	6,493,472	(14,633,619)	-
Due to affiliates	2,553,977	12,665,536	-	-	15,219,513
Liabilities under split-interest agreements	-	11,203,259	-	-	11,203,259
IDA bond	-	17,865,000	-	-	17,865,000
Mortgage payable	-	-	3,908,089	-	3,908,089
Bill of Rights Trust held for affiliates	-	24,521,136	-	-	24,521,136
Accrued pension liability	29,025,037	-	-	-	29,025,037
Total liabilities	33,135,828	76,838,361	10,448,765	(14,633,619)	105,789,335
Commitments and Contingency					
Net Assets:					
Unrestricted:					
Board-designated	10,032,447	134,446,550	-	-	144,478,997
Cumulative minimum pension liability adjustment	(23,570,224)	-	-	-	(23,570,224)
Undesignated	3,096,523	49,694,545	(1,129,221)	1,129,221	52,791,068
Total unrestricted	(10,441,254)	184,141,095	(1,129,221)	1,129,221	173,699,841
Temporarily restricted:					
Bill of Rights Trust	-	14,002,225	-	-	14,002,225
Other time and purpose restrictions	3,149,927	51,691,444	-	-	54,841,371
Total temporarily restricted	3,149,927	65,693,669	-	-	68,843,596
Permanently restricted - Bill of Rights Trust	-	39,002,209	-	-	39,002,209
Total net assets	(7,291,327)	288,836,973	(1,129,221)	1,129,221	281,545,646
Total liabilities and net assets	$ 25,844,501	$ 365,675,334	$ 9,319,544	$ (13,504,398)	$ 387,334,981

American Civil Liberties Union, Inc. and Consolidated Entities

Supplementary Information

Consolidating Statement of Activities
Year Ended March 31, 2012
See Independent Auditor's Report

	American Civil Liberties Union, Inc.			American Civil Liberties Union Foundation, Inc.				915 15th Street, LLC		Consolidated			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:													
Support:													
Current member contributions	$ 21,687,212	$ -	$ 21,687,212	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,687,212	$ -	$ -	$ 21,687,212
New member contributions	4,367,598	-	4,367,598	-	-	-	-	-	-	4,367,598	-	-	4,367,598
Grants and contributions	1,165,722	2,153,184	3,318,906	25,915,150	20,500,183	151,126	46,566,459	-	(40,000)	27,040,872	22,653,367	151,126	49,845,365
Donated legal services	-	-	-	7,960,818	-	-	7,960,818	-	-	7,960,818	-	-	7,960,818
Bequests	4,317,717	-	4,317,717	11,220,614	287,500	-	11,508,114	-	-	15,538,331	287,500	-	15,825,831
Total support	31,538,249	2,153,184	33,691,433	45,096,582	20,787,683	151,126	66,035,391	-	(40,000)	76,594,831	22,940,867	151,126	99,686,824
Revenue:													
List rentals	138,380	-	138,380	-	-	-	-	-	-	138,380	-	-	138,380
Rental income	-	-	-	792,523	-	-	792,523	1,155,234	(942,350)	1,005,407	-	-	1,005,407
Pamphlet and book sales	-	-	-	8,482	-	-	8,482	-	-	8,482	-	-	8,482
Other income	16,425	-	16,425	40,224	-	-	40,224	-	-	56,649	-	-	56,649
Total revenue	154,805	-	154,805	841,229	-	-	841,229	1,155,234	(942,350)	1,208,918	-	-	1,208,918
Net Assets Released From Restrictions	543,887	(543,887)	-	25,693,339	(25,693,339)	-	-	-	-	26,237,226	(26,237,226)	-	-
Total support and revenue	32,236,941	1,609,297	33,846,238	71,631,150	(4,905,656)	151,126	66,876,620	1,155,234	(982,350)	104,040,975	(3,296,359)	151,126	100,895,742
Expenses:													
Program services:													
Legislative	2,126,509	-	2,126,509	3,345,627	-	-	3,345,627	-	(266,752)	5,205,384	-	-	5,205,384
Legal	253,963	-	253,963	31,517,481	-	-	31,517,481	-	(127,435)	31,644,009	-	-	31,644,009
Public education	13,606,854	-	13,606,854	7,159,225	-	-	7,159,225	-	(322,313)	20,443,766	-	-	20,443,766
Civil liberties policy formulation	200,458	-	200,458	550,751	-	-	550,751	-	(12,156)	739,053	-	-	739,053
Affiliate support	12,143,868	-	12,143,868	25,909,717	-	-	25,909,717	-	(73,044)	37,980,541	-	-	37,980,541
Total program services	28,331,652	-	28,331,652	68,482,801	-	-	68,482,801	-	(801,700)	96,012,753	-	-	96,012,753
Supporting services:													
Management and general	1,335,721	-	1,335,721	3,682,894	-	-	3,682,894	582,175	(94,294)	5,506,496	-	-	5,506,496
Fund-raising	2,232,370	-	2,232,370	7,052,902	-	-	7,052,902	-	(86,356)	9,198,916	-	-	9,198,916
Total supporting services	3,568,091	-	3,568,091	10,735,796	-	-	10,735,796	582,175	(180,650)	14,705,412	-	-	14,705,412
Total expenses	31,899,743	-	31,899,743	79,218,597	-	-	79,218,597	582,175	(982,350)	110,718,165	-	-	110,718,165
Change in net assets before other changes	337,198	1,609,297	1,946,495	(7,587,447)	(4,905,656)	151,126	(12,341,977)	573,059	-	(6,677,190)	(3,296,359)	151,126	(9,822,423)
Other Changes in Net Assets:													
Legal expenses awarded, net	-	-	-	2,374,888	-	-	2,374,888	-	-	2,374,888	-	-	2,374,888
Net investment income, gains and losses	7,443	-	7,443	(5,927,455)	275,076	-	(5,652,379)	-	-	(5,920,012)	275,076	-	(5,644,936)
Changes in value of split-interest agreements	-	-	-	(763,886)	(153,850)	-	(917,736)	-	-	(763,886)	(153,850)	-	(917,736)
Net gain/loss on investment in 915 15th Street, LLC	-	-	-	573,059	-	-	573,059	-	(573,059)	-	-	-	-
Reclassification of net assets	-	-	-	-	(1,200,000)	1,200,000	-	-	-	-	(1,200,000)	1,200,000	-
Minimum pension liability adjustment	(15,147,408)	-	(15,147,408)	-	-	-	-	-	-	(15,147,408)	-	-	(15,147,408)
Total other changes in net assets	(15,139,965)	-	(15,139,965)	(3,743,394)	(1,078,774)	1,200,000	(3,622,168)	-	(573,059)	(19,456,418)	(1,078,774)	1,200,000	(19,335,192)
Change in net assets	(14,802,767)	1,609,297	(13,193,470)	(11,330,841)	(5,984,430)	1,351,126	(15,964,145)	573,059	(573,059)	(26,133,608)	(4,375,133)	1,351,126	(29,157,615)
Net Assets:													
Beginning	(10,441,254)	3,149,927	(7,291,327)	184,141,095	65,693,669	39,002,209	288,836,973	(1,129,221)	1,129,221	173,699,841	68,843,596	39,002,209	281,545,646
Ending	$ (25,244,021)	$ 4,759,224	$ (20,484,797)	$ 172,810,254	$ 59,709,239	$ 40,353,335	$ 272,872,828	$ (556,162)	$ 556,162	$ 147,566,233	$ 64,468,463	$ 40,353,335	$ 252,388,031

American Civil Liberties Union, Inc. and Consolidated Entities

Supplementary Information

Consolidating Statement of Activities
Year Ended March 31, 2011
See Independent Auditor's Report

	American Civil Liberties Union, Inc.			American Civil Liberties Union Foundation, Inc.				915 15th Street, LLC		Consolidated			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue:													
Support:													
Current member contributions	$ 20,574,298	$ -	$ 20,574,298	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,574,298	$ -	$ -	$ 20,574,298
New member contributions	3,506,308	-	3,506,308	-	-	-	-	-	-	3,506,308	-	-	3,506,308
Grants and contributions	865,086	1,289,054	2,154,140	26,794,604	24,454,288	214,555	51,463,447	-	(400,000)	27,659,690	25,343,342	214,555	53,217,587
Donated legal services	-	-	-	10,581,619	-	-	10,581,619	-	-	10,581,619	-	-	10,581,619
Bequests	3,207,245	1,382,756	4,590,001	12,191,491	1,067,498	-	13,258,989	-	-	15,398,736	2,450,254	-	17,848,990
Total support	28,152,937	2,671,810	30,824,747	49,567,714	25,521,786	214,555	75,304,055	-	(400,000)	77,720,651	27,793,596	214,555	105,728,802
Revenue:													
List rentals	61,128	-	61,128	-	-	-	-	-	-	61,128	-	-	61,128
Rental income	-	-	-	969,565	-	-	969,565	1,299,944	(1,745,143)	524,366	-	-	524,366
Pamphlet and book sales	-	-	-	14,816	-	-	14,816	-	-	14,816	-	-	14,816
Other income	18,242	-	18,242	36,836	-	-	36,836	-	-	55,078	-	-	55,078
Total revenue	79,370	-	79,370	1,021,217	-	-	1,021,217	1,299,944	(1,745,143)	655,388	-	-	655,388
Net Assets Released From Restrictions	1,387,000	(1,387,000)	-	20,208,139	(20,208,139)	-	-	-	-	21,195,139	(21,195,139)	-	-
Total support and revenue	29,619,307	1,284,810	30,904,117	70,797,070	5,313,647	214,555	76,325,272	1,299,944	(2,145,143)	99,571,178	6,598,457	214,555	106,384,190
Expenses:													
Program services:													
Legislative	1,458,309	-	1,458,309	697,252	-	-	697,252	-	(151,929)	2,003,632	-	-	2,003,632
Legal	437,000	-	437,000	33,559,963	-	-	33,559,963	-	(1,106,009)	32,890,954	-	-	32,890,954
Public education	12,032,999	-	12,032,999	9,207,006	-	-	9,207,006	-	(530,403)	20,709,602	-	-	20,709,602
Civil liberties policy formulation	407,602	-	407,602	1,389,344	-	-	1,389,344	-	(32,599)	1,764,347	-	-	1,764,347
Affiliate support	11,938,918	-	11,938,918	26,579,400	-	-	26,579,400	-	(94,514)	38,423,804	-	-	38,423,804
Total program services	26,274,828	-	26,274,828	71,432,965	-	-	71,432,965	-	(1,915,454)	95,792,339	-	-	95,792,339
Supporting services:													
Management and general	1,242,110	-	1,242,110	2,320,863	-	-	2,320,863	1,529,267	(90,661)	5,001,579	-	-	5,001,579
Fund-raising	2,300,953	-	2,300,953	6,012,884	-	-	6,012,884	-	(139,028)	8,174,809	-	-	8,174,809
Total supporting services	3,543,063	-	3,543,063	8,333,747	-	-	8,333,747	1,529,267	(229,689)	13,176,388	-	-	13,176,388
Total expenses	29,817,891	-	29,817,891	79,766,712	-	-	79,766,712	1,529,267	(2,145,143)	108,968,727	-	-	108,968,727
Change in net assets before other changes	(198,584)	1,284,810	1,086,226	(8,969,642)	5,313,647	214,555	(3,441,440)	(229,323)	-	(9,397,549)	6,598,457	214,555	(2,584,537)
Other Changes in Net Assets:													
Legal expenses awarded, net	-	-	-	2,189,804	-	-	2,189,804	-	-	2,189,804	-	-	2,189,804
Net investment income, gains and losses	100,306	-	100,306	22,527,214	6,411,607	-	28,938,821	-	-	22,627,520	6,411,607	-	29,039,127
Changes in value of split-interest agreements	-	-	-	(262,586)	36,960	-	(225,626)	-	-	(262,586)	36,960	-	(225,626)
Net loss on investment in 915 15th Street, LLC	-	-	-	(229,323)	-	-	(229,323)	-	229,323	-	-	-	-
Loss on uncollectible pledge	-	-	-	-	(250,000)	-	(250,000)	-	-	-	(250,000)	-	(250,000)
Minimum pension liability adjustment	(437,161)	-	(437,161)	-	-	-	-	-	-	(437,161)	-	-	(437,161)
Total other changes in net assets	(336,855)	-	(336,855)	24,225,109	6,198,567	-	30,423,676	-	229,323	24,117,577	6,198,567	-	30,316,144
Change in net assets before the effect of NYPMIFA enactment	(535,439)	1,284,810	749,371	15,255,467	11,512,214	214,555	26,982,236	(229,323)	229,323	14,720,028	12,797,024	214,555	27,731,607
Effect of NYPMIFA enactment - reclassification of unappropriated earnings on endowment (Note 2)	-	-	-	(9,616,373)	9,616,373	-	-	-	-	(9,616,373)	9,616,373	-	-
Change in net assets	(535,439)	1,284,810	749,371	5,639,094	21,128,587	214,555	26,982,236	(229,323)	229,323	5,103,655	22,413,397	214,555	27,731,607
Net Assets:													
Beginning	(9,905,815)	1,865,117	(8,040,698)	178,502,001	44,565,082	38,787,654	261,854,737	(899,898)	899,898	168,596,186	46,430,199	38,787,654	253,814,039
Ending	$ (10,441,254)	$ 3,149,927	$ (7,291,327)	$ 184,141,095	$ 65,693,669	$ 39,002,209	$ 288,836,973	$ (1,129,221)	$ 1,129,221	$ 173,699,841	$ 68,843,596	$ 39,002,209	$ 281,545,646