

*ACLU Nebraska
Lincoln, Nebraska*

March 31, 2022

*Consolidating Financial Statements
and
Independent Auditor's Report*



CPAs & Consultants | Wealth Management

ACLU Nebraska

Year ended March 31, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
ACLU Nebraska
Lincoln, Nebraska

Report on the Audit of the Consolidating Financial Statements

Opinion

We have audited the consolidating financial statements of ACLU Nebraska, which comprise the consolidating statements of financial position as of March 31, 2022, and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Consolidating Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidating Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The supplemental Schedule of Expenses – Union and Schedule of Expenses – Foundation are presented for purposes of additional analysis and is not a required part of the consolidating 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 consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating 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 consolidating financial statements as a whole.

ABE LLP

Lincoln, Nebraska
October 6, 2022

ACLU Nebraska

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

March 31, 2022

ASSETS

	<u>Union</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents (note A)	\$ 239,699	\$ 2,409,932	\$ -	\$ 2,649,631
Investments (notes A, B and C)	-	222,244	-	222,244
Prepaid expenses	-	14,238	-	14,238
Receivables (notes A and D)	24,384	357,833	(23,803)	358,414
Promises to give (notes A and E)	-	300,000	-	300,000
	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total current assets	264,083	3,304,247	(23,803)	3,544,527
PROPERTY AND EQUIPMENT (notes A and G)				
	<u>-</u>	<u>81,234</u>	<u>-</u>	<u>81,234</u>
Total assets	<u>\$ 264,083</u>	<u>\$ 3,385,481</u>	<u>\$ (23,803)</u>	<u>\$ 3,625,761</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 23,803	\$ 53,328	\$ (23,803)	\$ 53,328
Accrued salaries	-	28,787	-	28,787
Payroll tax liabilities	-	288	-	288
Accrued vacation	-	75,090	-	75,090
	<u>-</u>	<u>75,090</u>	<u>-</u>	<u>75,090</u>
Total current liabilities	23,803	157,493	(23,803)	157,493
NET ASSETS (note A)				
Without donor restrictions	240,280	2,348,527	-	2,588,807
With donor restrictions (note H)	-	879,461	-	879,461
	<u>-</u>	<u>879,461</u>	<u>-</u>	<u>879,461</u>
Total net assets	240,280	3,227,988	-	3,468,268
Total liabilities and net assets	<u>\$ 264,083</u>	<u>\$ 3,385,481</u>	<u>\$ (23,803)</u>	<u>\$ 3,625,761</u>

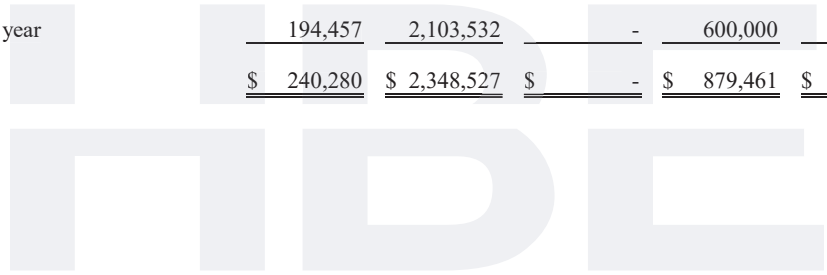
See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended March 31, 2022

	Without Donor Restrictions		With Donor Restrictions		Eliminations	Total
	Union	Foundation	Union	Foundation		
REVENUE AND SUPPORT						
ACLU membership	\$ 5,981	\$ -	\$ -	\$ -	\$ -	\$ 5,981
ACLU GMI	152,337	260,000	-	-	-	412,337
ACLU shared revenue	-	312,363	-	-	-	312,363
Contributions	555	161,272	-	-	-	161,827
External giving program	-	59,768	-	-	-	59,768
Grant income	15,000	667,500	-	989,500	-	1,672,000
Interest income	5	178	-	-	-	183
Investment return, net	-	8,002	-	-	-	8,002
Attorney fees	-	36,818	-	-	-	36,818
Net assets released from restriction	-	710,039	-	(710,039)	-	-
Total revenue and support	<u>173,878</u>	<u>2,215,940</u>	<u>-</u>	<u>279,461</u>	<u>-</u>	<u>2,669,279</u>
EXPENSES						
Program services	113,120	1,548,883	-	-	-	1,662,003
Support services	<u>14,935</u>	<u>422,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,997</u>
Total expenses	<u>128,055</u>	<u>1,970,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,099,000</u>
INCREASE IN NET ASSETS	45,823	244,995	-	279,461	-	570,279
Net assets at beginning of year	<u>194,457</u>	<u>2,103,532</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>2,897,989</u>
Net assets at end of year	<u>\$ 240,280</u>	<u>\$ 2,348,527</u>	<u>\$ -</u>	<u>\$ 879,461</u>	<u>\$ -</u>	<u>\$ 3,468,268</u>



See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES

Year ended March 31, 2022

	<u>Union</u>	<u>Foundation</u>	<u>Total Program Services</u>
Salaries	\$ 17,330	\$ 774,214	\$ 791,544
Employee benefits	4,068	157,206	161,274
Payroll taxes	1,304	56,636	57,940
Contract labor	13,057	51,355	64,412
Litigation expenses	-	94,921	94,921
Lobbying	-	102,531	102,531
Office expenses	3,163	41,109	44,272
Printing	169	3,382	3,551
Insurance	801	16,583	17,384
Rent	2,537	44,255	46,792
Postage	319	38,338	38,657
Professional development	95	1,797	1,892
Travel	257	4,877	5,134
Bank fees	160	1,696	1,856
Public education	69,046	114,430	183,476
Loss on disposal of assets	-	59	59
Miscellaneous	814	45,494	46,308
Total expenses	<u>\$ 113,120</u>	<u>\$ 1,548,883</u>	<u>\$ 1,662,003</u>

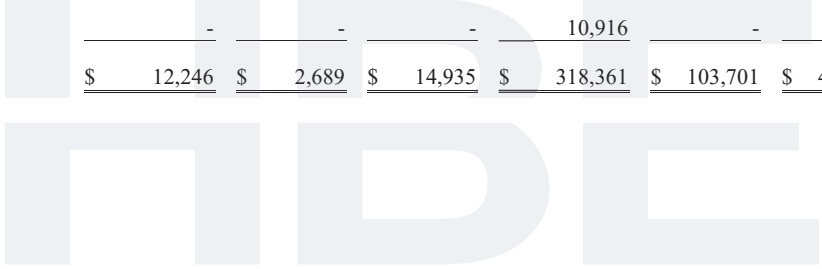
See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - SUPPORT SERVICES

Year ended March 31, 2022

	Union			Foundation			Total Support Services
	Management and General	Fund Raising	Support Services	Management and General	Fund Raising	Support Services	
Salaries	\$ 3,822	\$ 1,502	\$ 5,324	\$ 170,732	\$ 67,099	\$ 237,831	\$ 243,155
Employee benefits	897	353	1,250	34,668	13,625	48,293	49,543
Payroll taxes	287	113	400	12,489	4,908	17,397	17,797
Professional fees	3,058	-	3,058	45,212	-	45,212	48,270
Office expenses	697	274	971	9,066	3,563	12,629	13,600
Printing	37	15	52	746	293	1,039	1,091
Insurance	176	69	245	3,657	1,437	5,094	5,339
Rent	560	220	780	9,759	3,835	13,594	14,374
Postage	70	28	98	8,454	3,323	11,777	11,875
Board expenses	2,349	-	2,349	1,800	-	1,800	4,149
Event expenses	-	-	-	-	944	944	944
Professional development	21	8	29	396	156	552	581
Travel	57	22	79	1,075	423	1,498	1,577
Bank fees	35	14	49	374	147	521	570
Loss on disposal of assets	-	-	-	13	5	18	18
Miscellaneous	180	71	251	9,004	3,943	12,947	13,198
Total expenses before depreciation	12,246	2,689	14,935	307,445	103,701	411,146	426,081
Depreciation	-	-	-	10,916	-	10,916	10,916
Total expenses	\$ 12,246	\$ 2,689	\$ 14,935	\$ 318,361	\$ 103,701	\$ 422,062	\$ 436,997



See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended March 31, 2022

	<u>Union</u>	<u>Foundation</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from operations	\$ 166,206	\$ 2,422,626	\$ 2,588,832
Cash paid to suppliers and employees	(151,152)	(1,903,901)	(2,055,053)
Interest received	5	178	183
	<u>15,059</u>	<u>518,903</u>	<u>533,962</u>
Net cash provided by operating activities			
Cash flows from investing activities			
Purchase of property and equipment	-	(15,417)	(15,417)
	<u>-</u>	<u>(15,417)</u>	<u>(15,417)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,059	503,486	518,545
Cash and cash equivalents at beginning of year	<u>224,640</u>	<u>1,906,446</u>	<u>2,131,086</u>
Cash and cash equivalents at end of year	<u>\$ 239,699</u>	<u>\$ 2,409,932</u>	<u>\$ 2,649,631</u>
Reconciliation of increase in net assets to net cash provided by operating activities			
Increase in net assets	<u>\$ 45,823</u>	<u>\$ 524,456</u>	<u>\$ 570,279</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities			
Depreciation	-	10,916	10,916
Loss on disposal of assets	-	77	77
Investment return, net	-	(8,002)	(8,002)
(Increase) decrease in assets			
Receivables	(7,667)	110,405	102,738
Pledges receivable	-	(175,000)	(175,000)
Prepaid expenses	-	(1,499)	(1,499)
Increase (decrease) in liabilities			
Accounts payable	(23,097)	39,511	16,414
Accrued wages	-	4,495	4,495
Payroll tax liabilities	-	168	168
Accrued vacation	-	13,376	13,376
	<u>(30,764)</u>	<u>(5,553)</u>	<u>(36,317)</u>
Total adjustments to increase in net assets			
Net cash provided by operating activities	<u>\$ 15,059</u>	<u>\$ 518,903</u>	<u>\$ 533,962</u>

See accompanying notes to consolidating financial statements.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

ACLU Nebraska (the Union) was organized to further the objectives of the American Civil Liberties Union and to advance the causes of civil liberties in the State of Nebraska, including the rights of free speech, free press, free assemblage, equality before the law, and other civil liberties, and to take all legitimate action in the furtherance and defense of such purposes. The Union's objective is sought wholly without political partisanship. ACLU Nebraska Foundation (the Foundation) was organized to support the activities of the Union.

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying consolidating financial statements follows:

Method of Accounting. The accompanying consolidating financial statements have been prepared on the accrual method of accounting.

Principles of Consolidation. The accompanying consolidating financial statements for the year ended March 31, 2022 include the accounts of the Union and Foundation. All significant intercompany investments, transactions and account balances have been eliminated in consolidation.

Cash and Cash Equivalents. For purposes of the consolidating statement of cash flows, the Union and Foundation consider all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Net Asset Classification. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions. Net assets available for use in general operations and not subject to donor or grantor restrictions.

With donor restrictions. Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

Receivables. Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with the organizations having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Promises to Give. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows. Management provides for probable uncollectible unconditional promises receivable through a charge to net assets and a credit to a valuation allowance based on prior years' experience and management's analysis of specific promises made. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises receivable.

Investments. Investments in marketable securities, including equity and debt securities, with readily determinable fair values are reported at their fair values in the consolidating statement of financial position. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting in observable price changes in orderly transactions for identical or similar investments. Unrealized gains and losses are included in the consolidating statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Fair Value Measurements. Fair value is 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 Foundation utilizes a fair value hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Investments measured at net asset value (NAV) per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance are not required to be categorized in the fair value hierarchy. The Foundation measures its investments in private and proprietary equity funds using this method, and therefore, they have not been categorized in the fair value hierarchy.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Property and Equipment and Depreciation. Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. It is the Foundation's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. The estimated lives by asset class follow:

Building and leasehold improvements	15-39 years
Office equipment	3-10 years

Leave Policy. During the first three years of employment, an employee earns 80 hours of vacation leave per year. Beginning with the fourth and through the fifth year, an employee earns the maximum amount of vacation per year at 120 hours. After the fifth year, an employee earns a maximum of 160 vacation hours per year. Employees may accumulate vacation leave up to 320 hours. The Foundation's policy is to pay this liability upon termination of employment as required by Nebraska law.

Revenue Recognition. The following is a description of the Union and Foundation's principal sources of revenue:

Grants: The Union and Foundation are the recipients of private grants to fund its primary programs. Grants are recorded as revenue when the related approved expenditures are made. Unearned grant revenue represents advances of grant funds received prior to the incurrence of related costs by the Union and Foundation.

Contributions: Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Union and Foundation have not received any conditional contributions.

ACLU GMI: The Union and the Foundation receive guaranteed minimum income (GMI) from ACLU National. The ACLU GMI is determined annually by ACLU National and paid on a monthly basis. The Union and Foundation consider the GMI payments as contributions for purposes of revenue recognition.

ACLU Shared Revenue: The Union and Foundation share revenue with ACLU National and other affiliate ACLU organizations annually by filing a Revenue Reconciliation Report based on total grants and contributions received during the fiscal year. ACLU shared revenue is considered a contribution for purposes of revenue recognition.

ACLU Memberships: Memberships in the Union are available to the general public and are non-refundable. Any benefits provided to members are negligible as the Union provides services to both members and non-members. Union memberships are considered contributions for purposes of revenue recognition.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Functionalized Expenses. The consolidating financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, payroll taxes, supplies, rent, and other expenses, which are allocated on the basis of estimates of time and effort.

Income Taxes. The Union is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purposes is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. For the year ended March 31, 2022, the Union and Foundation had no tax liability on unrelated business activity. The Union and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidating financial statements.

The Union and the Foundation's federal Returns of Organization Exempt from Income Tax (Form 990) for March 31, 2022, 2021, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Membership dues paid to the Union are not deductible on the individual members' personal income tax returns. Contributions to the Foundation, however, are deductible on the individual donors' personal income tax returns.

Use of Estimates. The preparation of consolidating 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.

NOTE B - INVESTMENTS

Investments as of March 31, 2022 consist of the following:

	<u>Cost</u>	<u>Market Value</u>
Total investments	<u>\$ 84,205</u>	<u>\$ 222,244</u>
Gross unrealized gain		<u>\$ 138,039</u>

Total realized gains or losses and the change in unrealized gains or losses are included in the Consolidating Statement of Activities.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the year ended March 31, 2022.

Equities and money market accounts: Valued at the last reported sales price on the day of valuation.

Mutual funds and exchange-traded funds: Valued at fair value based on quoted market or bid prices.

U.S. Treasury notes, agency and related: Valued using independent pricing models.

Private and Proprietary equity funds: Valued at fair value based on the applicable percentage ownership of the underlying net assets on the measurement date. In determining fair value, the entity utilizes, as a practical expedient, the net asset value (or equivalent) provided by the fund managers (“NAV of funds”).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain consolidating financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 52,734	\$ 52,734	\$ -	\$ -
Corporate Bonds				
AAA to A-	8,645	-	8,645	-
U.S. Treasury notes, agency and related	164	-	164	-
Mutual funds				
Short-term bond	4,760	4,760	-	-
Intermediate-term bond	1,495	1,495	-	-
Total mutual funds	6,255	6,255	-	-
Exchange-traded funds				
Intermediate-term bonds	17,132	17,132	-	-
Private equity funds, multi-strategy (a)	28,783	28,783	-	-
Proprietary equity funds, multi-strategy (a)	105,412	105,412	-	-
Money market accounts held in investment	3,119	3,119	-	-
	<u>\$ 222,244</u>	<u>\$ 79,240</u>	<u>\$ 8,809</u>	<u>\$ -</u>

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS - CONTINUED

- (a) 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 Consolidating Statement of Financial Position.

Investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient consist of the following:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity funds, multi-strategy (a)	\$ 28,783	\$ 26,355	None	N/A	N/A
Proprietary equity funds, multi-strategy (a)	<u>105,412</u>	<u>-</u>	Monthly	7 Business Days	None
	<u>\$ 134,195</u>	<u>\$ 26,355</u>			

NOTE D - TRANSACTIONS WITH NATIONAL OFFICE

The American Civil Liberties Union Foundation (ACLU Foundation) supports the activities of the Foundation with a subsidy and revenue sharing. The ACLU Foundation remits the subsidy on a monthly basis and the revenue sharing is calculated annually.

The American Civil Liberties Union, Inc. (ACLU) collects the dues from the membership of the Union. The ACLU allocates and remits the Union’s portion of the membership dues monthly.

The ACLU Foundation and ACLU owe the Foundation and Union, \$334,030 and \$24,384, respectively. These amounts are shown in receivables on the Consolidating Statement of Financial Position.

NOTE E - PROMISES TO GIVE

Promises to give consist of a grant for operations of \$300,000 for the year ended March 31, 2022. This grant is expected to be collected in three \$100,000 annual payments in 2022, 2023, and 2024

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE F - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidating statement of financial position date, comprise the following:

	<u>Union</u>	<u>Foundation</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 239,699	\$ 2,409,932
Investments	-	222,244
Receivables	24,384	357,833
Promises to give	-	<u>100,000</u>
Total financial assets	264,083	3,090,009
Less: amounts not available to be used within one year:		
With donor restrictions		
Subject to expenditure for a specified purpose	-	<u>(318,065)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 264,083</u>	<u>\$ 2,771,944</u>

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. The Board has a Reserve Policy to hold six months' worth of operating expenses in reserve. This reserve is to be held in cash and is calculated as half of one year's regular expenses. As of March 31, 2022, this requirement is half of budgeted operating expenses for fiscal year 2022-23 or \$1,121,145 for the Foundation and \$70,958 for the Union. The operating reserve is to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Office equipment	\$ 128,488
Less accumulated depreciation	<u>(47,254)</u>
	<u>\$ 81,234</u>

The consolidating financial statements included depreciation expense of \$10,916 for the year ended March 31, 2022.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE H - NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for a specified purpose:	
Gill Foundation	\$ 38,096
Nebraska Religious Coalition Against Torture	25,000
ACLU National - Gender Rights	21,834
ACLU National - immigrant rights	50,000
ACLU National - Indigenous Rights	20,051
ACLU National - Prisoner's Rights	54,750
ACLU National - Trans Rights	108,334
Woods Foundation	5,061
Omaha Charitable Foundation	6,335
Subject to the passage of time:	
Weitz Family Foundation	300,000
Sherwood Foundation	<u>250,000</u>
	<u>\$ 879,461</u>

NOTE I - LEASES

On December 12, 2018, the Foundation entered into a 57-month lease agreement for office space in Lincoln for \$3,730 per month commencing February 1, 2019 and expiring November 30, 2023. The rent payments will increase (\$0.50 per square foot) in the 10th and 34th months of the contract. On June 8, 2021 this lease was amended and rent payments were increased to \$4,945 as of December 1, 2021 through November 30, 2023.

On January 7, 2022, the Union entered into a 60-month lease agreement for a copier. Under the terms of the lease, monthly rent payments are \$197 expiring December 31, 2027.

Rent expense for the year ended March 31, 2022 was \$57,849 and \$3,317 for the Foundation and Union, respectively, which includes rent, additional utilities expense and parking.

Minimum lease payments for the years following March 31, 2022 are as follows:

<u>Years ending March 31,</u>	
2023	\$ 62,413
2024	42,733
2025	2,366
2026	2,366
2027	<u>1,775</u>
	<u>\$ 111,653</u>

NOTE J - CONCENTRATIONS

See Note D for concentrations with the national office.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE K - RETIREMENT PLANS

The Union and Foundation offer retirement plans for all employees. After age 21 the Union and Foundation contribute 2% of eligible employees pay and match employee contributions 100% for first 1% plus 50% of the next 5% of employees pay. The Union contributed \$1,019 while the Foundation contributed \$45,042 for the year ended March 31, 2022.

NOTE L - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date that the consolidating financial statements were available to be issued.



HIDE

SUPPLEMENTAL INFORMATION

HIDE

ACLU Nebraska

SCHEDULE OF EXPENSES - UNION

Year ended March 31, 2022

	Program Services	Support Services		Total Support Services	Total Union Expenses
		Management and General	Fundraising		
Salaries	\$ 17,330	\$ 3,822	\$ 1,502	\$ 5,324	\$ 22,654
Employee benefits	4,068	897	353	1,250	5,318
Payroll taxes	1,304	287	113	400	1,704
Contract labor	13,057	-	-	-	13,057
Professional fees	-	3,058	-	3,058	3,058
Office expenses	3,163	697	274	971	4,134
Printing	169	37	15	52	221
Insurance	801	176	69	245	1,046
Rent	2,537	560	220	780	3,317
Postage	319	70	28	98	417
Board expenses	-	2,349	-	2,349	2,349
Professional development	95	21	8	29	124
Travel	257	57	22	79	336
Bank fees	160	35	14	49	209
Public education	69,046	-	-	-	69,046
Miscellaneous	814	180	71	251	1,065
Total expenses	<u>\$ 113,120</u>	<u>\$ 12,246</u>	<u>\$ 2,689</u>	<u>\$ 14,935</u>	<u>\$ 128,055</u>

ACLU Nebraska

SCHEDULE OF EXPENSES - FOUNDATION

Year ended March 31, 2022

	Program Services	Support Services		Total Support Services	Total Foundation Expenses
		Management and General	Fundraising		
Salaries	\$ 774,214	\$ 170,732	\$ 67,099	\$ 237,831	\$ 1,012,045
Employee benefits	157,206	34,668	13,625	48,293	205,499
Payroll taxes	56,636	12,489	4,908	17,397	74,033
Contract labor	51,355	-	-	-	51,355
Litigation expenses	94,921	-	-	-	94,921
Lobbying	102,531	-	-	-	102,531
Professional fees	-	45,212	-	45,212	45,212
Office expenses	41,109	9,066	3,563	12,629	53,738
Printing	3,382	746	293	1,039	4,421
Insurance	16,583	3,657	1,437	5,094	21,677
Rent	44,255	9,759	3,835	13,594	57,849
Postage	38,338	8,454	3,323	11,777	50,115
Board expenses	-	1,800	-	1,800	1,800
Event expenses	-	-	944	944	944
Professional development	1,797	396	156	552	2,349
Travel	4,877	1,075	423	1,498	6,375
Bank fees	1,696	374	147	521	2,217
Public education	114,430	-	-	-	114,430
Loss on disposal of assets	59	13	5	18	77
Miscellaneous	45,494	9,004	3,943	12,947	58,441
Total expenses before depreciation	<u>1,548,883</u>	<u>307,445</u>	<u>103,701</u>	<u>411,146</u>	<u>1,960,029</u>
Depreciation	<u>-</u>	<u>10,916</u>	<u>-</u>	<u>10,916</u>	<u>10,916</u>
Total expenses	<u>\$ 1,548,883</u>	<u>\$ 318,361</u>	<u>\$ 103,701</u>	<u>\$ 422,062</u>	<u>\$ 1,970,945</u>