

**AMERICAN CIVIL LIBERTIES UNION OF  
OHIO FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES  
UNION OF OHIO, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**TABLE OF CONTENTS**

	<b>Page No.</b>
Independent Auditor's Report.....	1-2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities .....	4-5
Consolidated Statements of Functional Expenses .....	6-7
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements.....	9-27



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
American Civil Liberties Union of Ohio  
Foundation, Inc. and American Civil Liberties Union of Ohio, Inc.  
Cleveland, Ohio

### **Opinion**

We have audited the accompanying consolidated financial statements of American Civil Liberties Union of Ohio Foundation, Inc. and American Civil Liberties Union of Ohio, Inc. (nonprofit organizations) which comprise the consolidated statements of financial position as of March 31, 2025 and 2024, and the related consolidated statements of activities and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Civil Liberties Union of Ohio Foundation, Inc. and American Civil Liberties Union of Ohio, Inc. as of March 31, 2025 and 2024, and the changes in their net assets and their 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of American Civil Liberties Union of Ohio Foundation, Inc. and American Civil Liberties Union of Ohio, Inc. 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Civil Liberties Union of Ohio Foundation, Inc. and American Civil Liberties Union of Ohio, Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 American Civil Liberties Union of Ohio Foundation, Inc. and American Civil Liberties Union of Ohio, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Civil Liberties Union of Ohio Foundation, Inc. and American Civil Liberties Union of Ohio, Inc.'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.

*Zinner & Co. LLP*

Beachwood, Ohio

September 20, 2025

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**MARCH 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,710,471	\$ 2,582,950
Investments	1,889,088	2,279,299
Unconditional promises to give		
Without donor restrictions	10,909	45,000
With donor restrictions	100,000	407,000
Accounts receivable - ACLU National	1,137,359	419,988
Accounts receivable	1,930	8,140
Investments - Board designated	7,571,687	6,255,427
Prepaid expenses	30,299	38,165
Land	205,400	205,400
Building	1,086,377	1,086,377
Building improvements	160,831	160,831
Furniture and equipment	203,735	203,735
Accumulated depreciation	(893,901)	(859,255)
Operating right of use assets	302,431	394,667
Restricted cash - IOLTA account	21	21
Investments restricted for endowment	5,335,575	5,136,894
Total Assets	<u>\$18,852,212</u>	<u>\$18,364,639</u>
<b>Liabilities</b>		
Accounts payable	\$ 23,532	\$ 41,238
Accounts payable - ACLU National	73,206	23,705
Accrued payroll	14,515	102,863
Accrued expenses	206,339	171,513
Operating lease obligations	303,331	395,967
Total Liabilities	620,923	735,286
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	4,867,527	5,151,324
Designated by Board for building & facilities expenses	1,142,244	1,087,858
Designated by Board for litigation	1,043,885	869,150
Designated by Board for reserves	5,385,558	4,298,419
Total Net Assets Without Donor Restrictions	12,439,214	11,406,751
With donor restrictions	<u>5,792,075</u>	<u>6,222,602</u>
Total Net Assets	<u>18,231,289</u>	<u>17,629,353</u>
Total Liabilities and Net Assets	<u>\$18,852,212</u>	<u>\$18,364,639</u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED MARCH 31, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues</b>			
Support			
Contributions to Foundation	\$ 1,532,850	\$ 191,000	\$ 1,723,850
Contributions to Affiliate	26,395	108,632	135,027
Bequests	19,244	0	19,244
Grants	<u>330,544</u>	<u>156,873</u>	<u>487,417</u>
Total Support	1,909,033	456,505	2,365,538
Revenues			
Legal fees	174,736	0	174,736
Membership shares	1,337,283	0	1,337,283
National reconciliation income	742,597	0	742,597
Donated services	799,796	0	799,796
Miscellaneous revenues	<u>21,305</u>	<u>0</u>	<u>21,305</u>
Total Revenues	3,075,717	0	3,075,717
Net Assets Released from Restrictions			
Satisfaction of purpose restrictions	1,070,713	(1,070,713)	0
Expiration of time restrictions	<u>15,000</u>	<u>(15,000)</u>	<u>0</u>
Total Reclassifications	1,085,713	(1,085,713)	0
Total Support and Revenues	6,070,463	(629,208)	5,441,255
<b>Expenses</b>			
Program Services:			
Education & Advocacy	2,743,675	0	2,743,675
Litigation	1,671,133	0	1,671,133
Supporting Services:			
Fundraising	595,302	0	595,302
Administration	<u>705,713</u>	<u>0</u>	<u>705,713</u>
Total Expenses	5,715,823	0	5,715,823
<b>Changes in Net Assets from Operations</b>	354,640	(629,208)	(274,568)
<b>Investment Activity</b>			
Interest and dividend income	481,557	0	481,557
Investment fees	(26,204)	0	(26,204)
Endowment fund loss and allocation	0	(157,855)	(157,855)
Realized gain on investments	90,498	4,444	94,942
Unrealized gain on investments	<u>131,972</u>	<u>352,092</u>	<u>484,064</u>
Total Investment Activity	677,823	198,681	876,504
<b>Changes in Net Assets</b>	1,032,463	(430,527)	601,936
<b>Net Assets, Beginning of Year</b>	<u>11,406,751</u>	<u>6,222,602</u>	<u>17,629,353</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 12,439,214</u></u>	<u><u>\$ 5,792,075</u></u>	<u><u>\$ 18,231,289</u></u>

The accompanying notes are an integral part of these financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED MARCH 31, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues</b>			
Support			
Contributions to Foundation	\$ 1,148,190	\$ 389,325	\$ 1,537,515
Contributions to Affiliate	128,800	0	128,800
Bequests	336,569	0	336,569
Grants	<u>790,000</u>	<u>395,000</u>	<u>1,185,000</u>
Total Support	2,403,559	784,325	3,187,884
Revenues			
Membership shares	960,424	0	960,424
National reconciliation income	154,915	0	154,915
Donated services	<u>280,470</u>	<u>0</u>	<u>280,470</u>
Total Revenues	1,395,809	0	1,395,809
Net Assets Released from Restrictions			
Satisfaction of purpose restrictions	728,443	(728,443)	0
Expiration of time restrictions	<u>200,000</u>	<u>(200,000)</u>	<u>0</u>
Total Reclassifications	<u>928,443</u>	<u>(928,443)</u>	<u>0</u>
Total Support and Revenues	4,727,811	(144,118)	4,583,693
<b>Expenses</b>			
Program Services:			
Education & Advocacy	4,372,151	0	4,372,151
Litigation	844,109	0	844,109
Supporting Services:			
Fundraising	473,782	0	473,782
Administration	<u>600,809</u>	<u>0</u>	<u>600,809</u>
Total Expenses	6,290,851	0	6,290,851
<b>Changes in Net Assets from Operations</b>	<b>(1,563,040)</b>	<b>(144,118)</b>	<b>(1,707,158)</b>
<b>Investment Activity</b>			
Interest and dividend income	400,389	0	400,389
Investment fees	(22,112)	0	(22,112)
Endowment fund loss and allocation	0	(167,108)	(167,108)
Realized gain (loss) on investments	18,500	(6,525)	11,975
Unrealized gain on investments	<u>402,109</u>	<u>545,433</u>	<u>947,542</u>
Total Investment Activity	798,886	371,800	1,170,686
<b>Changes in Net Assets</b>	<b>(764,154)</b>	<b>227,682</b>	<b>(536,472)</b>
<b>Net Assets, Beginning of Year</b>	<b>12,170,905</b>	<b>5,994,920</b>	<b>18,165,825</b>
<b>Net Assets, End of Year</b>	<b>\$ 11,406,751</b>	<b>\$ 6,222,602</b>	<b>\$ 17,629,353</b>

The accompanying notes are an integral part of these financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED MARCH 31, 2025**

	Program Services			Supporting Services			<b>Total</b>	
	Education &		<b>Total</b>	<b>Fundraising</b>	<b>Administration</b>	<b>Total</b>		
	<b>Advocacy</b>	<b>Litigation</b>						
Salaries and wages	\$ 1,327,723	\$ 494,006	\$ 1,821,729	\$ 341,308	\$ 377,247	\$ 718,555	\$ 2,540,284	
Employee benefits	218,759	81,394	300,153	56,235	62,156	118,391	418,544	
Payroll taxes	108,018	40,190	148,208	27,767	30,691	58,458	206,666	
Retirement	99,367	36,971	136,338	25,544	28,233	53,777	190,115	
Donated services	0	799,796	799,796	0	0	0	799,796	
Professional services	432,685	68,142	500,827	304	77,846	78,150	578,977	
Subscriptions, dues and fees	24,447	15,883	40,330	318	3,047	3,365	43,695	
Postage	2,618	19	2,637	33,960	3,560	37,520	40,157	
Printing	95,612	563	96,175	13,968	3,433	17,401	113,576	
Conferences and meetings	18,404	197	18,601	918	4,382	5,300	23,901	
Travel	66,428	13,193	79,621	11,534	22,886	34,420	114,041	
Office expense	176,197	65,558	241,755	45,294	50,063	95,357	337,112	
Information technology	33,140	12,330	45,470	8,519	9,416	17,935	63,405	
Insurance	10,644	3,960	14,604	2,736	3,024	5,760	20,364	
Occupancy	86,524	32,193	118,717	22,242	24,584	46,826	165,543	
Depreciation and amortization	18,109	6,738	24,847	4,655	5,145	9,800	34,647	
Contributions to other organizations	25,000	0	25,000	0	0	0	25,000	
<b>Total Expenses</b>	<b>\$ 2,743,675</b>	<b>\$ 1,671,133</b>	<b>\$ 4,414,808</b>	<b>\$ 595,302</b>	<b>\$ 705,713</b>	<b>\$ 1,301,015</b>	<b>\$ 5,715,823</b>	
Percent of Total	48%	29%	77%	11%	12%	23%	100%	

The accompanying notes are an integral part of these financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED MARCH 31, 2024**

	Program Services			Supporting Services			<b>Total</b>	
	Education &		<b>Total</b>	<b>Fundraising</b>	<b>Administration</b>	<b>Total</b>		
	<b>Advocacy</b>	<b>Litigation</b>						
Salaries and wages	\$ 1,438,758	\$ 365,786	\$ 1,804,544	\$ 268,243	\$ 365,786	\$ 634,029	\$ 2,438,573	
Employee benefits	251,767	64,009	315,776	46,940	64,009	110,949	426,725	
Payroll taxes	107,755	27,395	135,150	20,090	27,395	47,485	182,635	
Retirement	93,094	23,668	116,762	17,356	23,668	41,024	157,786	
Donated services	0	280,470	280,470	0	0	0	280,470	
Professional services	357,384	0	357,384	0	39,709	39,709	397,093	
Subscriptions, dues and fees	21,135	19,814	40,949	440	2,642	3,082	44,031	
Postage	403	201	604	17,324	2,216	19,540	20,144	
Printing	255,413	0	255,413	28,379	0	28,379	283,792	
Conferences and meetings	13,605	986	14,591	1,775	3,352	5,127	19,718	
Travel	73,881	1,929	75,810	5,640	12,181	17,821	93,631	
Office expense	87,820	22,327	110,147	16,373	22,327	38,700	148,847	
Information technology	22,954	5,836	28,790	4,280	5,836	10,116	38,906	
Insurance	9,718	2,471	12,189	1,812	2,471	4,283	16,472	
Occupancy	94,477	24,020	118,497	17,614	24,020	41,634	160,131	
Depreciation and amortization	20,442	5,197	25,639	3,811	5,197	9,008	34,647	
Contributions to other organizations	1,523,545	0	1,523,545	0	0	0	1,523,545	
National reconciliation expense	0	0	0	23,705	0	23,705	23,705	
<b>Total Expenses</b>	<b>\$ 4,372,151</b>	<b>\$ 844,109</b>	<b>\$ 5,216,260</b>	<b>\$ 473,782</b>	<b>\$ 600,809</b>	<b>\$ 1,074,591</b>	<b>\$ 6,290,851</b>	
Percent of Total	70%	13%	83%	7%	10%	17%	100%	

The accompanying notes are an integral part of these financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 601,936	\$ (536,472)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	34,647	34,647
Unrealized gain on investments	(484,064)	(947,542)
Realized gain on investments	(94,942)	(11,975)
Change in measurement of operating leases	(400)	(400)
(AIncrease) decrease in:		
Unconditional promises to give		
Without donor restrictions	34,091	(20,000)
With donor restrictions	307,000	376,675
Accounts receivable - ACLU National	(717,371)	578,894
Accounts receivable	6,210	(693)
Prepaid expenses	7,866	14,878
Increase (decrease) in:		
Accounts payable	(17,706)	(15,911)
Accounts payable - ACLU National	49,501	15,176
Accrued payroll	(88,348)	20,307
Accrued expenses	34,825	7,923
Net Cash Used by Operating Activities	<hr style="border-top: 1px solid black;"/> (326,755)	<hr style="border-top: 1px solid black;"/> (484,493)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	3,021,646	1,691,737
Purchase of investments	<hr style="border-top: 1px solid black;"/> (3,567,370)	<hr style="border-top: 1px solid black;"/> (1,690,864)
Net Cash Provided (Used) by Investing Activities	<hr style="border-top: 1px solid black;"/> (545,724)	<hr style="border-top: 1px solid black;"/> 873
<b>Net Decrease in Cash, Cash Equivalents and Restricted Cash</b>	(872,479)	(483,620)
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<hr style="border-top: 1px solid black;"/> 2,582,971	<hr style="border-top: 1px solid black;"/> 3,066,591
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<hr style="border-top: 1px solid black;"/> \$ 1,710,492	<hr style="border-top: 1px solid black;"/> \$ 2,582,971

The accompanying notes are an integral part of these financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING  
POLICIES**

Nature of the Organizations

The accompanying consolidated financial statements include the accounts of American Civil Liberties Union of Ohio Foundation, Inc. (ACLU of Ohio Foundation), which is a 501(c)(3) organization and American Civil Liberties Union of Ohio, Inc. (ACLU of Ohio), which is a 501(c)(4) organization (the Organizations). Intercompany transactions and balances have been eliminated in consolidation. The Organizations were incorporated as nonprofit corporations in July 1971.

The mission of the organizations is to champion and expand constitutional and other fundamental rights and to pursue racial, economic, gender, and social equity for all Ohioans using all the tools of integrated advocacy without political partisanship; to fight in both principle and practice for the best ideals of fairness, freedom, and justice; and to advance the mission through an anti-racist, intersectional lens with determination, agility, practicality, and hope. The Organizations are affiliates of the national American Civil Liberties Union Foundation and American Civil Liberties Union. Revenue is shared between the national organizations and their affiliates according to rules and formulas established to benefit the organizations involved.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, the Organizations are required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

ASC 958-205 requires board-designated funds to be reported as part of net assets without donor restrictions; accordingly, the Organizations report designations of voluntary board-approved segregations of net assets without donor restrictions for specific purposes as a classification of net assets without donor restrictions.

Basis of Accounting

The financial statements of the Organizations have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the Consolidated Statement of Cash Flows, the Organizations consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the Consolidated Statement of Cash Flows.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Cash and Cash Equivalents (Continued)**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Statements of Financial Position to the Consolidated Statements of Cash Flows as of March 31, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$1,710,471	\$2,582,950
Restricted cash - IOLTA account	21	21
	<b><u>\$1,710,492</u></b>	<b><u>\$2,582,971</u></b>

**Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organizations use the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

**Investments**

Investments are valued at market. Donated investments are reflected as contributions at their market values at date of receipt. Dividend and interest income and gains and losses on investments are reflected in current activities without donor restrictions unless restricted, either by law or explicit donor stipulation, in which case they would be reported as activities with donor restriction.

**Valuation of Long-Lived Assets**

The Organizations review for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. An impairment loss is recognized when the estimated future net cash flows are less than the carrying amount of the asset. No impairment losses were recognized in fiscal 2025 and 2024.

**Property and Equipment**

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Donated Equipment**

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. It is the Organizations' policy to imply a time restriction, based on the estimated useful lives of the assets, on donations of property and equipment that are not accompanied by a donor restriction. Accordingly, those donations are recorded as support increasing net assets with donor restriction. The Organizations reclassify net assets with donor restriction to net assets without donor restriction each year for the amount of the donated property and equipment's depreciation expense. There was no donated equipment during the years ended March 31, 2025 and 2024.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from the balances outstanding at year end. The Organizations establish an allowance based on the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the assets. If management determines that a balance is no longer collectable it is written-off to credit loss expense at that time. Accounts receivable are reported net of allowance for credit losses. As of March 31, 2025 and 2024 management has determined that an allowance for credit losses is not necessary. The opening balance of accounts receivable as of April 1, 2023 totaled \$7,447.

**Revenue and Support With and Without Donor Restrictions**

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Funds received related to conditional grants are classified as refundable advances until expended for the purposes of the grants.

**Net Assets Without Donor Restrictions**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. The Board has designated a portion of net assets without donor restrictions for use for building and facilities expenses, for litigation purposes, and to establish reserves for the purpose of helping to secure the Organizations' long-term financial viability.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organizations report gifts of cash and other assets as revenue with donor restrictions 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, the net assets are reclassified as net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

**Board Designated Funds**

Board designated funds contain funds categorized by the Board of Directors as follows: Foundation Fund, established as a reserve account; Litigation Fund, created to support significant litigation; and Building Fund, designated for selected building and facilities expenses.

**Revenue Recognition for Contracts with Customers**

The Organizations' revenue streams under contracts with customers consists primarily of revenues under the following categories:

Legal fees - At times ACLU of Ohio Foundation receives proceeds from legal settlements. Revenue is recognized at the point in time that both a legal judgement is awarded and ACLU of Ohio Foundation's collectible portion is known.

Events and sales of materials – ACLU of Ohio Foundation and ACLU of Ohio at times will charge fees for events, programmatic materials or other resources, designed to cover the approximate cost to ACLU of Ohio Foundation and ACLU of Ohio. Revenues are recognized at the point in time that an event occurs or the material/resource is transferred/made available to the customer.

Membership shares – National ACLU uses a number of tools and techniques to recruit ACLU members. Funds raised through those means are shared with state ACLU affiliates. All revenues are recognized over time on a monthly basis.

Revenue recognition for each of the revenue streams identified above are subject to the satisfaction of performance obligations. Revenue is recognized when performance obligations are satisfied over a period of time or at a point in time. Revenue is measured as the amount of consideration the Organizations expect to receive in exchange for providing services. Any payments received in advance of satisfaction of performance obligations are recorded as deferred revenue until the obligation is met.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Functional Allocation of Expenses**

Costs of providing various programs and supporting services are allocated based on specific identification, if practical. Certain categories of expenses are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, employee benefits, payroll taxes, and retirement are allocated based on estimates of time and effort. Expenses such as occupancy, insurance, information technology, and depreciation and amortization are allocated based on management's estimate of usage.

**Advertising**

Advertising costs are expensed when incurred.

**Pervasiveness of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organizations to concentrations of credit risk consist primarily of cash and cash equivalents. The Organizations maintain their cash and cash equivalents with financial institutions and although they have invested amounts in excess of the federal insurance limits, the Board of Directors does not feel that the Organizations are exposed to any substantial credit risk. As of March 31, 2025 and 2024, the Organizations had no other significant concentrations of credit risk.

**Recently Adopted Accounting Pronouncements**

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the Consolidated Statements of Activities as the amounts expected to be collected change. ASU 2016-13 was effective for fiscal years beginning after December 15, 2022. The Organizations adopted this standard on April 1, 2023 using a modified-retrospective approach. The adoption of this standard did not have any significant impact on the consolidated financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE A - NATURE OF THE ORGANIZATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

The Organizations evaluated their March 31, 2025 financial statements for subsequent events through September 20, 2025, the date the consolidated financial statements were available to be issued, and all relevant subsequent information is included within the applicable notes to the consolidated financial statements.

**NOTE B - INVESTMENTS**

The following is a summary of aggregate costs and market values of investments and certificates of deposit at March 31, 2025 and 2024.

Balances below include amounts held and maintained by National ACLU in the Trust for the Bill of Rights Endowment Fund (See Note G):

	2025		
	Cost	Market Value	Unrealized Gain (Loss)
Cash and cash equivalents	\$ 594,922	\$ 594,922	\$ 0
Mutual funds	1,155,909	1,301,625	145,716
Equities	1,373,055	2,971,387	1,598,332
Exchange traded funds	139,473	583,574	444,100
US treasury notes	1,780,907	2,053,196	272,290
Fixed income CD Funds	3,842,628	3,802,675	(39,953)
Private equity - Multi strategy	140,888	1,129,419	988,530
Proprietary equity funds - Multi strategy	288,821	2,359,552	2,070,730
	<u>\$ 9,316,604</u>	<u>\$ 14,796,350</u>	<u>\$ 5,479,746</u>
2024			
	Cost	Market Value	Unrealized Gain (Loss)
Cash and cash equivalents	\$ 734,684	\$ 734,684	\$ 0
Mutual funds	1,038,462	1,155,322	116,860
Equities	1,228,824	2,667,586	1,438,762
Exchange traded funds	143,355	510,485	367,130
US treasury notes	95,558	314,969	219,411
Fixed income CD Funds	5,005,000	4,916,324	(88,676)
Private equity - Multi strategy	143,721	926,091	782,370
Proprietary equity funds - Multi strategy	380,438	2,446,159	2,065,721
	<u>\$ 8,770,042</u>	<u>\$ 13,671,620</u>	<u>\$ 4,901,578</u>

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE C - PROMISES TO GIVE**

Promises to give extending beyond one year are discounted at rates that approximate the Prime Rate in effect at the time the gift was made by the donor. No promises to give require discounting as of both March 31, 2025 and 2024.

Unconditional promises to give at March 31, 2025 and 2024 consist of:

	<b>2025</b>	<b>2024</b>
Promises without donor restrictions	\$ 10,909	\$ 45,000
Restricted for Ohio legal issues	0	250,000
Restricted for criminal justice issues	0	142,000
Restricted for subsequent years' operations	<u>100,000</u>	<u>15,000</u>
Gross unconditional promises to give	110,909	452,000
Less: Unamortized discount	0	0
Net unconditional promises to give	<u>\$ 110,909</u>	<u>\$ 452,000</u>
Amounts due in:		
Less than one year	\$ 110,909	\$ 452,000
One to five years	0	0
Total Amounts Due	<u>\$ 110,909</u>	<u>\$ 452,000</u>

**NOTE D - FAIR VALUE OF FINANCIAL ASSETS**

The Organizations use fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with ASC 820-10, the Organizations have categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy:

**Level 1** – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organizations have the ability to access. These include investments that are recorded at fair value on a recurring basis and fair value measurement is based upon quoted prices, if available. Securities valued using Level 1 inputs include those traded on an active exchange, such as the New York Stock Exchange and other exchange trade securities.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE D - FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)**

**Level 2** – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for subsequently the full term of the asset or liability.

**Level 3** – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

In accordance with the guidance provided by FASB ASU 2015-07, Subtopic 820-10, investments in hedge funds, private equity funds and proprietary equity funds are valued at fair value based on the applicable percentage ownership of the underlying net assets on the measurement date. In determining fair value, ACLU utilizes, as a practical expedient, the NAV (or equivalent) provided by the fund managers (NAV of funds). The underlying hedge funds, private equity fund and proprietary equity funds value securities and other financial instruments on a fair value.

The estimated fair values of certain investments of the underlying hedge funds, private equity fund and proprietary equity funds, which may include private placements and other securities for which prices are not readily available, are determined by the sponsor of the hedge funds, private equity fund and proprietary equity funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair value may differ significantly from the values that would have been used had a readily available market existed for these investments. These include private equity funds in the amount of \$1,129,419 and \$926,091 as of March 31, 2025 and 2024, respectively, and proprietary equity funds in the amount of \$2,359,552 and \$2,446,159 as of March 31, 2025 and 2024, respectively, which are only reflected in the fair value column in the accompanying table. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE D - FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)**

The following tables present the Organizations' fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of March 31, 2025 and 2024.

Balances include amounts held and maintained by National ACLU in the Trust for the Bill of Rights Endowment Fund (See Note G):

	2025					Funds Valued at NAV
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
Cash and cash equivalents	\$ 594,922	\$ 594,922	\$ 0	\$ 0	\$ 0	\$ 0
Certificates of Deposit	3,802,675	3,802,675	0	0	0	0
Equities						
Consumer discretionary	138,527	138,527	0	0	0	0
Consumer services	87,999	87,999	0	0	0	0
Energy	52,060	52,060	0	0	0	0
Finance	197,739	197,739	0	0	0	0
Health care	142,955	142,955	0	0	0	0
Industrials	146,439	146,439	0	0	0	0
Materials	56,524	56,524	0	0	0	0
Real estate	34,294	34,294	0	0	0	0
Staples	80,087	80,087	0	0	0	0
Technology	284,720	284,720	0	0	0	0
Utilities	30,418	30,418	0	0	0	0
Exchange traded funds	583,574	583,574	0	0	0	0
Private equity - Multi strategy	1,129,419	0	0	0	0	1,129,419
Proprietary equity funds -						
Multi strategy	2,359,552	0	0	0	0	2,359,552
Equity securities	1,719,625	1,719,625	0	0	0	0
US Treasury Notes	2,053,196	0	2,053,196	0	0	0
Mutual funds	213,895	213,895	0	0	0	0
Fixed Income						
Mutual funds	1,087,730	1,087,730	0	0	0	0
	<u>\$14,796,350</u>	<u>\$ 9,254,183</u>	<u>\$2,053,196</u>	<u>\$ 0</u>	<u>\$3,488,971</u>	

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE D - FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)**

	2024					Funds Valued at NAV
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
Cash and cash equivalents	\$ 734,684	\$ 734,684	\$ 0	\$ 0	\$ 0	0
Certificates of Deposit	4,916,324	4,916,324	0	0	0	0
Equities						
Consumer discretionary	117,002	117,002	0	0	0	0
Consumer services	74,330	74,330	0	0	0	0
Energy	43,979	43,979	0	0	0	0
Finance	167,039	167,039	0	0	0	0
Health care	120,772	120,772	0	0	0	0
Industrials	123,676	123,676	0	0	0	0
Materials	47,741	47,741	0	0	0	0
Real estate	28,945	28,945	0	0	0	0
Staples	67,656	67,656	0	0	0	0
Technology	240,489	240,489	0	0	0	0
Utilities	25,693	25,693	0	0	0	0
Exchange traded funds	510,485	510,485	0	0	0	0
Private equity - Multi strategy	926,091	0	0	0	0	926,091
Proprietary equity funds -						
Multi strategy	2,446,159	0	0	0	0	2,446,159
Equity securities	1,610,264	1,610,264	0	0	0	0
US Treasury Notes	314,969	0	314,969	0	0	0
Mutual funds	210,516	210,516	0	0	0	0
Fixed Income						
Mutual funds	944,806	944,806	0	0	0	0
	<u>\$13,671,620</u>	<u>\$ 9,984,401</u>	<u>\$ 314,969</u>	<u>\$ 0</u>	<u>\$3,372,250</u>	

ACLU assesses the fair value hierarchy levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no significant transfers among Levels 1, 2, and 3 during fiscal 2025 and 2024. The investments in private equity funds are funds which ACLU does not have the ability to redeem the investments on March 31, 2025 and 2024, or in the near term, which is defined as 90 days or less from March 31, 2025 and 2024. The investment objective of the private equity funds is to generate consistent capital appreciation over the long term, with relatively low volatility and a low correlation with traditional equity and fixed income markets.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE D - FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)**

The following table summarizes the investment strategies and liquidity provisions of investments in the private equity and proprietary funds valued at the NAV as provided by the fund managers as of March 31, 2025 and 2024:

	2025				
	NAV Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
<b>Private equity - Multi strategy</b>					
Summit Rock Private Equity III	\$ 276,588	\$ 38,115	None	N/A	N/A
Summit Rock Private Equity IV	364,390	21,217	None	N/A	N/A
Summit Rock Private Equity V	384,922	127,851	None	N/A	N/A
Summit Rock Private Equity VI	103,520	334,645	None	N/A	N/A
Proprietary equity funds - Multi strategy	2,194,801	0	Monthly	7 Business Days	None
Proprietary equity funds - Multi strategy	<u>164,751</u>	<u>0</u>	Monthly	15 Business Days	None
	<u><u>\$ 3,488,971</u></u>	<u><u>\$ 521,828</u></u>			
<b>2024</b>					
	NAV Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
<b>Private equity - Multi strategy</b>					
Summit Rock Private Equity III	\$ 268,193	\$ 39,565	None	N/A	N/A
Summit Rock Private Equity IV	361,888	26,130	None	N/A	N/A
Summit Rock Private Equity V	270,830	217,457	None	N/A	N/A
Summit Rock Private Equity VI	25,180	410,367	None	N/A	N/A
Proprietary equity funds - Multi strategy	2,215,003	0	Monthly	7 Business Days	None
Proprietary equity funds - Multi strategy	<u>231,156</u>	<u>0</u>	Monthly	15 Business Days	None
	<u><u>\$ 3,372,250</u></u>	<u><u>\$ 693,520</u></u>			

**NOTE E - INVESTMENTS RESTRICTED FOR PERMANENT ENDOWMENT**

The American Civil Liberties Union (National ACLU) and its separately incorporated affiliates are cooperatively raising and sharing in a *Trust for the Bill of Rights* Endowment Fund. Endowment gifts are generally shared equally between National ACLU and the affiliate of the area in which the donor resides unless otherwise restricted by the donor. Each affiliate holds unit shares commensurate with its ownership of endowment fund gifts received. These endowment gifts are held by an outside firm that is charged with management of the endowment funds. At March 31, 2025 and 2024, \$5,335,575 and \$5,136,894, respectively, was held through National ACLU on behalf of the ACLU of Ohio Foundation as its proportional interest in the Endowment Fund.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE F - RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions at March 31, 2025 and 2024 are available for the following purposes or periods:

	2025	2024
Ohio legal program	\$ 0	\$ 250,000
Drug policy reform	0	100,000
Speech, privacy and technology	0	100,000
Racial equality	0	50,000
Criminal justice	75,000	182,000
Voting rights and election issues	145,500	372,708
LGBTQ rights	31,000	16,000
Advance Activist training	45,000	0
Reproductive rights	60,000	0
Subsequent fiscal years	100,000	15,000
Permanent endowment	<u>5,335,575</u>	<u>5,136,894</u>
	<u><u>\$ 5,792,075</u></u>	<u><u>\$ 6,222,602</u></u>

**NOTE G - ENDOWMENT NET ASSETS**

National ACLU and its separately incorporated affiliates cooperatively established a Trust for the Bill of Rights Endowment Fund. Gifts to the Fund are generally shared equally between National ACLU and the affiliate of the state in which the donor resides unless otherwise restricted by the donor. Each affiliate holds unit shares commensurate with its ownership of endowment funds received. While these endowment gifts are held by National ACLU in a single independent account, financial data on each affiliate's shares is tracked separately.

The Fund is governed according to the guidelines outlined in two documents:

- Agreement for the Establishment, Management and Operation of the Trust for the Bill of Rights (approved by the National ACLU Board of the ACLU on October 25, 1997 and amended on November 1, 2002)
- American Civil Liberties Union (ACLU) Investment Policy Statement (adopted by ACLU Executive Committee/Foundation Board on January 24, 2020 and again on October 5, 2024)

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE G - ENDOWMENT NET ASSETS (CONTINUED)**

Any contribution, bequest, planned gift or other transfer of property is deemed a gift of endowment if: (1) the donor states that the gift is for endowment, (2) the gift is given to provide permanent support by restricting its use to income derived from principal or (3) the gift is given to provide long-term support by restricting its use to income derived from principal and to a limited portion of the principal in any one year.

The Trust for the Bill of Rights is subject to an investment policy created by a National ACLU Investment Committee. Affiliate foundations may not make independent decisions on how their unit shares are invested, though a screened fund option has been made available.

The investment objective for the endowment is to preserve or enhance the real value of the endowment while providing funds to support designated organizational activities on an annual basis in accordance with agreed-upon spending rules. Investment guidelines will seek to maximize long-term total returns consistent with prudent levels of risk, and in consideration of liquidity needs. The endowment assets invested for the long term are expected to generate a total annualized return over a rolling five-year period, net of fees, equal to 5% plus the rate of inflation as measured by the Consumer Price Index.

The investment guidelines provide for allowable and prohibited assets and transactions. Target allocations for the endowment are established as follows:

<b>Asset Class</b>	<b>Minimum Allocation</b>	<b>Strategic Allocation</b>	<b>Maximum Allocation</b>
Traditional equities	5.0%	60.0%	50.0%
Marketable alternative investments	0.0%	30.0%	15.0%
Fixed income & Cash	0.0%	10.0%	14.0%

The Agreement provides for the expenditure of 4% of the average of the fair market value of each unit share of the Fund as of December 31 of the three immediately preceding calendar years. Affiliates cannot exceed this distribution. The Agreement does provide for the withdrawal of unit shares in certain crisis situations.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE G - ENDOWMENT NET ASSETS (CONTINUED)**

Interpretation of Relevant Law

Each foundation unit holder is responsible for determining the laws governing endowment funds in its state and whether such expenditures are in keeping with those laws. The state of Ohio passed the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) legislation in January 2009 as HB-522, and the legislation became effective on June 1, 2009. As such, as of March 31, 2010, UPMIFA applied to the ACLU of Ohio Foundation's endowment funds. The Board of Directors of the ACLU of Ohio Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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.

As a result of this interpretation, the ACLU of Ohio Foundation classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the ACLU of Ohio Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA the ACLU of Ohio Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the endowment funds, (2) purposes of the institution and the endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the ACLU of Ohio Foundation, and (7) the ACLU of Ohio Foundation's investment policies.

Funds with Deficiencies

From time to time, the fair market value of assets associated with individual donor restricted funds may fall below the level that the donor requires the Fund to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are to be reported in net assets without donor restrictions as of year-end.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE G - ENDOWMENT NET ASSETS (CONTINUED)**

Funds with Deficiencies (continued)

Endowment net asset composition by type of fund as of March 31, 2025 and 2024 is as follows:

	2025		
	With Donor Restrictions		Total Net Endowment Assets
	Donor-Restricted	Donor-Restricted In Perpetuity	
Donor-restricted endowment funds	\$ 0	\$ 5,335,575	<u>\$5,335,575</u>
2024			
	With Donor Restrictions		Total Net Endowment Assets
	Donor-Restricted	Donor-Restricted In Perpetuity	
	\$ 0	\$ 5,136,894	<u>\$5,136,894</u>

Changes in endowment net assets as of March 31, 2025 and 2024 are as follows:

	2025		
	With Donor Restrictions		Total Net Endowment Assets
	Donor-Restricted	Donor-Restricted In Perpetuity	
Endowment net assets, beginning of year	\$ 0	\$ 5,136,894	<u>\$5,136,894</u>
Contributions	0	0	0
Investment activity	0	4,444	4,444
Net appreciation	0	352,092	352,092
Amounts appropriated and allocated	0	(157,855)	<u>(157,855)</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 5,335,575</u>	<u>\$5,335,575</u>
2024			
	With Donor Restrictions		Total Net Endowment Assets
	Donor-Restricted	Donor-Restricted In Perpetuity	
	\$ 0	\$ 4,765,094	<u>\$4,765,094</u>
Endowment net assets, beginning of year	0	0	0
Contributions	0	(6,525)	(6,525)
Investment activity	0	545,433	545,433
Net appreciation	0	(167,108)	<u>(167,108)</u>
Endowment net assets, end of year	<u>\$ 0</u>	<u>\$ 5,136,894</u>	<u>\$5,136,894</u>

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE H - DONATED SERVICES**

The value of donated services included in the financial statements and the corresponding expenses for the year ended March 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Donated professional services	<u>\$ 799,796</u>	<u>\$ 280,470</u>
Total	<u>\$ 799,796</u>	<u>\$ 280,470</u>

These services are provided by attorneys and other professionals with specialized expertise. If such services are provided beyond ACLU of Ohio's normal operational capacity those services are not recorded and not included in the disclosure table above. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organizations with specific programs, development, and administration. These services do not meet the criteria for recognition under ASC 958-605.

**NOTE I - OPERATING LEASES**

The Organizations leases equipment and office space through 2030, with a weighted-average remaining lease term in years of 2.42 as of March 31, 2025.

The net present value of the lease commitments were calculated using the risk free rate practical expedient resulting in discount rates ranging from 0.96% to 4.38%, with a weighted-average discount rate of 1.29%. The operating right of use assets and operating lease obligations are being amortized over the respective lives of the leases. As of March 31, 2025 and 2024, the unamortized operating right of use assets were valued at \$302,431 and \$394,667, respectively, and the unamortized operating lease obligations were valued at \$303,331 and \$395,967, respectively.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE I - OPERATING LEASES (CONTINUED)**

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of March 31, 2025:

2026	\$ 134,719
2027	128,125
2028	36,415
2029	5,845
2030	<u>3,896</u>
Total minimum future rental payments	309,000
Less: Amount representing imputed interest	<u>5,669</u>
Total minimum future rental payments	<u><u>\$ 303,331</u></u>

Total rental expense amounted to \$130,703 and \$130,447 for the years ended March 31, 2025 and 2024, respectively.

**NOTE J - PENSION PLAN**

The ACLU of Ohio participates in a defined benefit plan as required by the National ACLU office. The National ACLU office instructed all American Civil Liberties Unions to be included in the ACLU defined benefit plan in which eligible employees participate. Employees became vested at three years of service and fully vested at seven years. No contributions are required from plan participants. The ACLU of Ohio Foundation makes annual contributions to the plan, as instructed by National ACLU, based on census information supplied to an actuary.

In January 2009, the National ACLU Board of Directors voted to adopt a soft freeze of the defined benefit plan. Employees hired on April 1, 2009 or after are automatically enrolled in a defined contribution 401K plan with an employer match. No future employees will be enrolled in the defined benefit plan, however the liability for the employees currently in the plan will continue, along with the liability for future employees enrolling in the defined contribution plan. Pension expense for the years ended March 31, 2025 and 2024 was \$109,209 and \$75,554, respectively.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE K - INCOME TAXES**

The ACLU of Ohio Foundation qualifies as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and the ACLU of Ohio qualifies as a social welfare organization under Section 501(c)(4) of the Internal Revenue Code. Accordingly, both Organizations are exempt from income taxes.

For the years ended March 31, 2025 and 2024, there was no tax interest or penalties reflected in the consolidated statement of activities or in the consolidated statement of financial position.

**NOTE L - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES**

The following program and supporting services are included in the accompanying consolidated financial statements:

**Education and Advocacy**

Educate the public about their constitutional rights through education programs and forums, speakers bureau, website, resource materials, and internships. Promote systemic change to advance civil liberties through policy research, legislative advocacy, ballot initiatives and other electoral efforts, communications and community organizing.

**Legal Program**

Through legal challenges and litigation, protect individuals' constitutional rights, including fair application of the rule of law, freedom of speech, equal access to participation in our democracy, and personal autonomy and dignity.

**Administration**

Includes the functions necessary to maintain an equitable employment program; ensure a healthy, safe and supportive working environment; provide coordination and articulation of the Organizations' program strategy; secure proper administrative functioning of the Board of Directors; maintain competent professional services for the program administration of the Organizations and manage the financial and budgetary responsibilities of the Organizations.

**Fund Raising**

Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

**AMERICAN CIVIL LIBERTIES UNION OF OHIO FOUNDATION, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF OHIO, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2025 AND 2024**

**NOTE M - LIQUIDITY**

The Organizations' financial assets available within one year of the consolidated statement of financial position date for general expenditure are as follows:

	<u>2025</u>	<u>2024</u>
Cash	\$ 1,710,471	\$ 2,582,950
Investments	1,889,088	2,279,299
Unconditional promises to give - Unrestricted	10,909	45,000
Accounts receivable - ACLU National	1,137,359	419,988
Accounts receivable	1,930	8,140
Investments - Board designated	<u>7,571,687</u>	<u>6,255,427</u>
	<u>\$ 12,321,444</u>	<u>\$ 11,590,804</u>

The Organizations have set a minimum target of \$2 million to be maintained in reserve funds. The reserve funds provide a stable source of liquidity and financial support to preserve the Organizations' ability to continuously carry out their mission. Board designated investments can be undesignated by the Board at any time and made available for operating expenses, though the Board does not intend to undesignate any investments in the near future. The Organizations do not include net assets with donor restrictions as available for operating expenses, though donor restrictions closely align with the typical operating expenses of the Organizations.

ACLU of Ohio Foundation has endowment funds (Note G) that consist of donor-restricted endowments. The endowment annually provides funds for expenditure on general operations in an amount equal to 4% of the average fair market value of each unit share of the endowment fund as of December 31st of the three immediately preceding calendar years.