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

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

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

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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, 2023 and 2022, 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, 2023 and 2022, 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

December 2, 2023

zinner&co.
Certified Public Accountants
Management Consultants
Since 1938

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2023 AND 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 3,066,570	$ 3,050,347
Investments	2,315,554	2,382,169
Unconditional promises to give		
Without donor restrictions	25,000	0
With donor restrictions	783,675	927,902
Accounts receivable - ACLU National	923,882	703,821
Accounts receivable - ACLU National - Restricted	75,000	0
Accounts receivable	7,447	8,468
Investments - Board designated	5,632,329	5,788,130
Prepaid expenses	53,043	79,333
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	(824,606)	(789,931)
Operating right of use assets	520,260	0
Restricted cash - IOLTA account	21	21
Investments restricted for endowment	4,765,093	5,224,168
Total Assets	$18,999,611	$19,030,771
Liabilities		
Accounts payable	$ 57,149	$ 154,775
Accounts payable - ACLU National	8,529	381,927
Accrued payroll	82,556	68,974
Accrued expenses	163,592	154,082
Operating lease obligations	521,960	0
Total Liabilities	833,786	759,758
Net Assets		
Without donor restrictions		
Undesignated	6,538,576	6,161,894
Designated by Board for building & facilities expenses	982,368	1,042,996
Designated by Board for litigation	869,149	869,149
Designated by Board for reserves	3,780,812	3,875,984
Total Net Assets Without Donor Restrictions	12,170,905	11,950,023
With donor restrictions	5,994,920	6,320,990
Total Net Assets	18,165,825	18,271,013
Total Liabilities and Net Assets	$18,999,611	$19,030,771

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Support			
Contributions to Foundation	$ 792,221	$ 290,773	$ 1,082,994
Contributions to Affiliate	125,020	0	125,020
Bequests	510,000	0	510,000
Grants	459,844	371,156	831,000
Total Support	1,887,085	661,929	2,549,014
Revenues			
Membership shares	1,189,804	0	1,189,804
National reconcilation income	466,506	0	466,506
Donated services	396,068	0	396,068
Total Revenues	2,052,378	0	2,052,378
Net Assets Released from Restrictions			
Satisfaction of purpose restrictions	458,924	(458,924)	0
Expiration of time restrictions	70,000	(70,000)	0
Total Reclassifications	528,924	(528,924)	0
Total Support and Revenues	4,468,387	133,005	4,601,392
Expenses			
Program Services:			
Education & Advocacy	2,198,457	0	2,198,457
Litigation	1,077,882	0	1,077,882
Supporting Services:			
Fundraising	412,779	0	412,779
Administration	531,701	0	531,701
Total Expenses	4,220,819	0	4,220,819
Changes in Net Assets from Operations	247,568	133,005	380,573
Investment Activity			
Interest and dividend income	303,132	0	303,132
Investment fees	(20,657)	0	(20,657)
Endowment fund loss and allocation	0	(164,974)	(164,974)
Realized gain (loss) on investments	3,275	(25,164)	(21,889)
Unrealized loss on investments	(312,436)	(268,937)	(581,373)
Total Investment Activity	(26,686)	(459,075)	(485,761)
Changes in Net Assets	220,882	(326,070)	(105,188)
Net Assets, Beginning of Year	11,950,023	6,320,990	18,271,013
Net Assets, End of Year	$ 12,170,905	$ 5,994,920	$ 18,165,825

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Support			
Contributions to Foundation	$ 3,074,554	$ 256,030	$ 3,330,584
Contributions to Affiliate	492,096	49,504	541,600
Bequests	1,217,641	0	1,217,641
Grants	484,124	89,420	573,544
Total Support	5,268,415	394,954	5,663,369
Revenues			
Legal fees	211,993	0	211,993
Membership shares	1,120,804	0	1,120,804
National reconcilation income	421,906	0	421,906
Donated services	256,028	0	256,028
Total Revenues	2,010,731	0	2,010,731
Net Assets Released from Restrictions			
Satisfaction of purpose restrictions	464,904	(464,904)	0
Total Reclassifications	464,904	(464,904)	0
Total Support and Revenues	7,744,050	(69,950)	7,674,100
Expenses			
Program Services:			
Education & Advocacy	1,815,860	0	1,815,860
Litigation	1,102,797	0	1,102,797
Supporting Services:			
Fundraising	486,952	0	486,952
Administration	543,914	0	543,914
Total Expenses	3,949,523	0	3,949,523
Changes in Net Assets from Operations	3,794,527	(69,950)	3,724,577
Investment Activity			
Interest and dividend income	253,134	0	253,134
Investment fees	(21,737)	0	(21,737)
Endowment fund loss and allocation	0	(164,132)	(164,132)
Realized gain on investments	884,671	123,090	1,007,761
Unrealized gain (loss) on investments	(1,049,561)	42,355	(1,007,206)
Total Investment Activity	66,507	1,313	67,820
Changes in Net Assets	3,861,034	(68,637)	3,792,397
Net Assets, Beginning of Year	8,088,989	6,389,627	14,478,616
Net Assets, End of Year	$ 11,950,023	$ 6,320,990	$ 18,271,013

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, 2023

	Program Services			Supporting Services			
	Education & Advocacy	Litigation	Total	Fundraising	Administration	Total	Total All Funds
Salaries and wages	$ 1,107,101	$ 438,662	$ 1,545,763	$ 229,775	$ 313,330	$ 543,105	$ 2,088,868
Employee benefits	200,833	79,576	280,409	41,682	56,840	98,522	378,931
Payroll taxes	84,776	33,591	118,367	17,595	23,993	41,588	159,955
Retirement	78,613	31,149	109,762	16,316	22,249	38,565	148,327
Donated services	0	396,068	396,068	0	0	0	396,068
Professional services	244,037	2,712	246,749	0	24,404	24,404	271,153
Subscriptions, dues and fees	19,932	15,503	35,435	443	8,416	8,859	44,294
Postage	2,946	421	3,367	37,453	1,262	38,715	42,082
Printing	184,194	2,093	186,287	20,931	2,093	23,024	209,311
Conferences and meetings	16,083	965	17,048	1,287	13,831	15,118	32,166
Travel	42,659	2,936	45,595	8,428	12,278	20,706	66,301
Office expense	59,789	23,690	83,479	12,409	16,922	29,331	112,810
Information technology	20,999	8,320	29,319	4,358	5,943	10,301	39,620
Insurance	11,915	4,721	16,636	2,473	3,372	5,845	22,481
Occupancy	76,201	30,193	106,394	15,815	21,566	37,381	143,775
Depreciation and amortization	18,379	7,282	25,661	3,814	5,202	9,016	34,677
Contributions to other organizations	30,000	0	30,000	0	0	0	30,000
Total Expenses	$ 2,198,457	$ 1,077,882	$ 3,276,339	$ 412,779	$ 531,701	$ 944,480	$ 4,220,819
Percent of Total	52%	26%	78%	10%	12%	22%	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, 2022

	Program Services			Supporting Services			
	Education & Advocacy	Litigation	Total	Fundraising	Administration	Total	Total All Funds
Salaries and wages	$ 915,943	$ 384,696	$ 1,300,639	$ 238,145	$ 293,102	$ 531,247	$ 1,831,886
Employee benefits	151,267	63,532	214,799	39,329	48,405	87,734	302,533
Payroll taxes	70,650	29,673	100,323	18,369	22,608	40,977	141,300
Retirement	57,850	24,297	82,147	15,041	18,512	33,553	115,700
Donated services	0	256,028	256,028	0	0	0	256,028
Professional services	104,835	192,761	297,596	3,382	37,200	40,582	338,178
Subscriptions, dues and fees	19,360	13,181	32,541	1,236	7,414	8,650	41,191
Postage	6,766	1,015	7,781	25,372	677	26,049	33,830
Printing	183,935	0	183,935	16,721	8,361	25,082	209,017
Conferences and meetings	4,641	379	5,020	1,799	2,652	4,451	9,471
Travel	5,055	2,345	7,400	1,517	3,349	4,866	12,266
Office expense	44,950	18,879	63,829	11,687	14,384	26,071	89,900
Information technology	17,372	7,296	24,668	4,517	5,559	10,076	34,744
Insurance	10,240	4,301	14,541	2,662	3,277	5,939	20,480
Occupancy	73,203	30,745	103,948	19,033	23,425	42,458	146,406
Depreciation and amortization	17,182	7,364	24,546	5,260	5,260	10,520	35,066
National reconciliation expense	132,611	66,305	198,916	82,882	49,729	132,611	331,527
Total Expenses	$ 1,815,860	$ 1,102,797	$ 2,918,657	$ 486,952	$ 543,914	$ 1,030,866	$ 3,949,523
Percent of Total	46%	28%	74%	12%	14%	26%	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, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities		
Changes in net assets	$ (105,188)	$ 3,792,397
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	34,677	35,066
Unrealized loss on investments	581,373	1,007,206
Realized loss (gain) on investments	21,889	(1,007,761)
Uncollectible pledges	30,000	0
Change in measurement of operating leases	1,700	0
(Increase) decrease in:		
Unconditional promises to give		
Without donor restrictions	(55,000)	42,500
With donor restrictions	144,227	65,866
Accounts receivable - ACLU National	(295,061)	532,868
Accounts receivable	1,021	(8,468)
Prepaid expenses	26,290	(31,504)
Increase (decrease) in:		
Accounts payable	(97,626)	122,154
Accounts payable - ACLU National	(373,398)	378,170
Accrued payroll	13,582	11,336
Accrued expenses	9,508	(39,931)
Net Cash Provided (Used) by Operating Activities	(62,006)	4,899,899
Cash Flows from Investing Activities		
Proceeds from sale of investments	1,726,290	2,394,963
Purchase of investments	(1,648,061)	(5,967,621)
Net Cash Provided (Used) by Investing Activities	78,229	(3,572,658)
Net Increase in Cash, Cash Equivalents and Restricted Cash	16,223	1,327,241
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	3,050,368	1,723,127
Cash, Cash Equivalents and Restricted Cash, End of Year	$ 3,066,591	$ 3,050,368

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

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.

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, 2023 and 2022:

	2023	**2022**
Cash and cash equivalents	$3,066,570	$3,050,347
Restricted cash - IOLTA account	21	21
	$3,066,591	$3,050,368

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 2023 and 2022.

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.

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, 2023 and 2022.

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.

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.

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

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 – Individuals can pay an annual fee to be a member of ACLU of Ohio, which entitles them to certain resources, information, communications and events. 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.

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.

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

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, 2023 and 2022, the Organizations had no other significant concentrations of credit risk.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”). The objective of ASU 2016-02 is to recognize lease assets and lease liabilities by leases for those leases classified as operating leases under previous generally accepted accounting principles (GAAP). In June 2020, the FASB issued ASU 2020-05 as a limited deferral of the effective dates of two Updates, one of which is ASU 2016-02. Lease rules will now be applied for fiscal years beginning after December 15, 2021. During 2023, the Organizations adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). The adoption of the standard resulted in new recognition, presentation and disclosure requirements for lease assets and lease liabilities by entities for those leases classified as operating leases under previous generally accepted accounting principles (GAAP). The ASU was adopted prospectively for fiscal 2023 and as such fiscal year 2022 is presented under previous GAAP, as permitted. The adoption of this standard had significant impacts throughout the consolidated financial statements and footnote disclosures, as further described in Note I.

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

Recently Adopted Accounting Pronouncements (Continued)

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a not-for-profit to present contributed nonfinancial assets as a separate line item in the Statements of Activities, apart from contributions of cash and other financial assets, disclose contributed nonfinancial assets recognized within the Statements of Activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized include the following qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, to disclose a description of the programs or other activities in which those assets were used), the Organization's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a description of any donor imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used to arrive at a fair value measure if it is a market in which the recipient Organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The Organizations adopted ASU 2020-07 effective April 1, 2021 using the retrospective method. The adoption of the ASU had no impact on the Consolidated Financial Statements.

Subsequent Events

The Organizations evaluated their March 31, 2023 financial statements for subsequent events through December 2, 2023, 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, 2023 and 2022.

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

	2023		
	Cost	Market Value	Unrealized Gain (Loss)
Cash and cash equivalents	$ 829,941	$ 829,941	$ 0
Mutual funds	1,067,623	1,110,003	42,380
Equities	1,239,873	2,296,634	1,056,761
Exchange traded funds	173,345	513,327	339,982
US treasury notes	104,487	307,947	203,460
Certificates of deposit	4,837,000	4,613,750	(223,250)
Private equity - Multi strategy	150,556	761,460	610,904
Proprietary equity funds - Multi strategy	461,706	2,279,915	1,818,209
	$ 8,864,531	$ 12,712,977	$ 3,848,446

	2022		
	Cost	Market Value	Unrealized Gain (Loss)
Cash and cash equivalents	$ 564,980	$ 564,980	$ 0
Mutual funds	966,694	1,065,181	98,487
Equities	1,137,308	2,729,837	1,592,529
Exchange traded funds	114,110	517,649	403,539
US treasury notes	0	4,103	4,103
Certificates of deposit	5,007,000	4,882,181	(124,819)
Corporate bonds	59,126	272,236	213,110
Private equity - Multi strategy	159,265	720,320	561,055
Proprietary equity funds - Multi strategy	588,055	2,637,980	2,049,925
	$ 8,596,538	$ 13,394,467	$ 4,797,929

NOTE C - PROMISES TO GIVE

Promises to give extending beyond one year have been discounted at rates ranging from 3.25% to 7%, which approximates the Prime Rate in effect at the time the gift was made by the donor.

Unconditional promises to give at March 31, 2023 and 2022 consist of:

	2023	2022
Promises without donor restrictions	$ 25,000	$ 0
Restricted for Ohio legal issues	500,000	750,000
Restricted for capacity building	80,000	120,000
Restricted for criminal justice issues	100,000	15,000
Restricted for subsequent years' operations	120,000	70,000
Gross unconditional promises to give	825,000	955,000
Less: Unamortized discount	16,325	27,098
Net unconditional promises to give	$ 808,675	$ 927,902
Amounts due in:		
Less than one year	$ 425,000	$ 375,000
One to five years	400,000	580,000
Total Amounts Due	$ 825,000	$ 955,000

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.

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 $761,460 and $720,320 as of March 31, 2023 and 2022, respectively, and proprietary equity funds in the amount of $2,279,915 and $2,637,980 as of March 31, 2023 and 2022, 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.

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, 2023 and 2022.

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

	2023				
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Funds Valued at NAV
Cash and cash equivalents	$ 829,941	$ 829,941	$ 0	$ 0	$ 0
Certificates of Deposit	4,613,750	4,613,750	0	0	0
Equities					
Consumer discretionary	96,795	96,795	0	0	0
Consumer services	61,511	61,511	0	0	0
Energy	40,320	40,320	0	0	0
Finance	140,238	140,238	0	0	0
Health care	109,870	109,870	0	0	0
Industrials	99,010	99,010	0	0	0
Materials	45,288	45,288	0	0	0
Real estate	27,145	27,145	0	0	0
Staples	68,404	68,404	0	0	0
Technology	172,477	172,477	0	0	0
Utilities	25,201	25,201	0	0	0
Exchange traded funds	513,327	513,327	0	0	0
Private equity - Multi strategy	761,460	0	0	0	761,460
Proprietary equity funds - Multi strategy	2,279,915	0	0	0	2,279,915
Equity securities	1,410,375	1,410,375	0	0	0
US Treasury Notes	307,947	0	307,947	0	0
Mutual funds	210,368	210,368	0	0	0
Fixed Income					
Mutual funds	899,635	899,635	0	0	0
	$12,712,977	$ 9,363,655	$ 307,947	$ 0	$3,041,375

NOTE D - FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

	2022				
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Funds Valued at NAV
Cash and cash equivalents	$ 564,980	$ 564,980	$ 0	$ 0	$ 0
Certificates of Deposit	4,882,181	4,882,181	0	0	0
Equities					
Consumer discretionary	117,378	117,378	0	0	0
Consumer services	79,242	79,242	0	0	0
Energy	46,346	46,346	0	0	0
Finance	168,850	168,850	0	0	0
Health care	134,538	134,538	0	0	0
Industrials	115,491	115,491	0	0	0
Materials	53,036	53,036	0	0	0
Real estate	38,895	38,895	0	0	0
Staples	81,855	81,855	0	0	0
Technology	200,767	200,767	0	0	0
Utilities	32,662	32,662	0	0	0
Exchange traded funds	517,649	517,649	0	0	0
Private equity - Multi strategy	720,320	0	0	0	720,320
Proprietary equity funds -					
Multi strategy	2,637,980	0	0	0	2,637,980
Equity securities	1,660,777	1,660,777	0	0	0
US Treasury Notes	4,103	0	4,103	0	0
Mutual funds	196,915	196,915	0	0	0
Fixed Income					
Corporate bonds	272,236	55,892	216,344	0	0
Mutual funds	868,266	868,266	0	0	0
	$13,394,467	$ 9,815,720	$ 220,447	$ 0	$3,358,300

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 2023 and 2022. The investments in private equity funds are funds which ACLU does not have the ability to redeem the investments on March 31, 2023 and 2022, or in the near term, which is defined as 90 days or less from March 31, 2023 and 2022. 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.

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, 2023 and 2022:

	2023				
	NAV Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity - Multi strategy					
Summit Rock Private Equity III	$ 278,403	$ 52,468	None	N/A	N/A
Summit Rock Private Equity IV	325,084	46,605	None	N/A	N/A
Summit Rock Private Equity V	157,973	334,819	None	N/A	N/A
Proprietary equity funds - Multi strategy	2,057,575	0	Monthly	7 Business Days	None
Proprietary equity funds - Multi strategy	222,339	0	Monthly	15 Business Days	None
	$ 3,041,375	$ 433,893			

	2022				
	NAV Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity - Multi strategy					
Summit Rock Private Equity III	$ 310,096	$ 71,783	None	N/A	N/A
Summit Rock Private Equity IV	310,518	121,550	None	N/A	N/A
Summit Rock Private Equity V	99,706	466,215	None	N/A	N/A
Proprietary equity funds - Multi strategy	2,637,980	0	Monthly	7 Business Days	None
	$ 3,358,300	$ 659,548			

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, 2023 and 2022, $4,765,093 and $5,224,168, respectively, was held through National ACLU on behalf of the ACLU of Ohio Foundation as its proportional interest in the Endowment Fund.

NOTE F - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at March 31, 2023 and 2022 are available for the following purposes or periods:

	2023	2022
Ohio legal program	$ 532,130	$ 726,639
Criminal justice	76,941	15,000
Capacity building	150,000	146,259
Systemic equality campaign	0	14,420
Voting rights	155,000	75,000
Bail reform	31,712	49,504
Reproductive rights	10,000	0
LGBTQ rights	27,500	0
Racial equality	96,729	0
Education	35,000	0
Subsequent fiscal years	114,815	70,000
Permanent endowment	4,765,093	5,224,168
	$ 5,994,920	$ 6,320,990

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 September 30, 2021)

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:

Asset Class	Minimum Allocation	Strategic Allocation	Maximum Allocation
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.

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.

NOTE G - ENDOWMENT NET ASSETS (CONTINUED)

Funds with Deficiencies (continued)

Endowment net asset composition by type of fund as of March 31, 2023 and 2022 is as follows:

	2023		
	With Donor Restrictions		Total Net
	Donor-Restricted	Donor-Restricted In Perpetuity	Endowment Assets
Donor-restricted endowment funds	$ 0	$ 4,765,093	$4,765,093

	2022		
	With Donor Restrictions		Total Net
	Donor-Restricted	Donor-Restricted In Perpetuity	Endowment Assets
Donor-restricted endowment funds	$ 0	$ 5,224,168	$5,224,168

Changes in endowment net assets as of March 31, 2023 and 2022 are as follows:

	2023		
	With Donor Restrictions		Total Net
	Donor-Restricted	Donor-Restricted In Perpetuity	Endowment Assets
Endowment net assets, beginning of year	$ 0	$ 5,224,168	$5,224,168
Contributions	0	0	0
Investment activity	0	(25,164)	(25,164)
Net depreciation	0	(268,937)	(268,937)
Amounts appropriated and allocated	0	(164,974)	(164,974)
Endowment net assets, end of year	$ 0	$ 4,765,093	$4,765,093

	2022		
	With Donor Restrictions		Total Net
	Donor-Restricted	Donor-Restricted In Perpetuity	Endowment Assets
Endowment net assets, beginning of year	$ 3,533	$ 5,220,961	$5,224,494
Contributions	0	1,896	1,896
Investment activity	0	123,090	123,090
Net appreciation	0	42,353	42,353
Amounts appropriated and allocated	(3,533)	(164,132)	(167,665)
Endowment net assets, end of year	$ 0	$ 5,224,168	$5,224,168

NOTE H - DONATED SERVICES

The value of donated services included in the financial statements and the corresponding expenses for the year ended March 31, 2023 and 2022 are as follows:

	2023	2022
Donated professional services	$ 396,068	$ 256,028
Total	$ 396,068	$ 256,028

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 service 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 lease equipment, office space, and a vehicle. During 2023, the Organizations implemented Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02 related to leases. ASU 2016-02 requires the recognition of operating right of use assets and corresponding operating lease obligations, initially measured at the present value of the lease payments.

The Organizations adopted the ASU on April 1, 2022 using a prospective approach, and as such recorded operating right of use assets and operating lease obligations totaling $648,276. The net present value of the lease commitments were calculated using the risk free rate practical expedient resulting in a discount rate of 0.96%. The operating right of use assets and operating lease obligations are being amortized over the respective lives of the leases. As of March 31, 2023, the unamortized operating right of use assets were valued at $520,260 and the unamortized operating lease obligations were valued at $521,960.

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, 2023:

2024	$ 130,447
2025	127,147
2026	122,280
2027	122,280
2028	30,570
Thereafter	0
Total minimum future rental payments	532,723
Less: Amount representing imputed interest	10,763
Total minimum future rental payments	$ 521,960

Total rental expense amounted to $131,992 and $126,293 for the years ended March 31, 2023 and 2022, 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, 2023 and 2022 was $87,609 and $89,036, respectively.

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 charitable 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, 2023 and 2022, 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:

<u>Education and Advocacy</u>
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.

<u>Legal Program</u>
Through legal challenges and litigation, protect citizens' 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.

<u>Administration</u>
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.

<u>Fund Raising</u>
Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

NOTE M - LIQUIDTY

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

	2023	2022
Cash	$ 3,066,570	$ 3,050,347
Investments	2,315,554	2,382,169
Unconditional promises to give - Unrestricted	25,000	0
Accounts receivable - ACLU National	923,882	703,821
Accounts receivable	7,447	8,468
Investments - Board designated	5,632,329	5,788,130
	$ 11,970,782	$ 11,932,935

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.