

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

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

ACLU of Ohio Foundation, Inc.

TABLE OF CONTENTS

	Page No.
Independent Auditor's Report.....	1
Consolidated Financial Statements:	
Consolidated Statements of Financial Position.....	2
Consolidated Statements of Activities	3-4
Consolidated Statements of Functional Expenses	5-6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	8-25

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

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, 2019 and 2018, and the related consolidated statements of activities and consolidated statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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, 2019 and 2018, 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.

Zinner & Co. LLP

Beachwood, Ohio

November 16, 2019

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2019 AND 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 1,412,247	\$ 1,206,942
Investments	867,812	602,586
Unconditional promises to give		
Without donor restrictions	84,829	123,312
With donor restrictions	576,734	743,167
Accounts receivable - ACLU National	417,541	392,489
Accounts receivable	8,486	9,889
Investments - Board designated	1,712,232	1,554,888
Prepaid expenses	33,802	33,042
Land	205,400	205,400
Building	1,086,377	1,086,377
Building improvements	160,831	160,831
Furniture and equipment	191,333	177,116
Accumulated depreciation	(684,701)	(650,453)
Restricted cash - IOLTA account	21	21
Investments restricted for permanent endowment	4,148,824	4,216,840
	\$ 10,221,768	\$ 9,862,447
Total Assets		
Liabilities		
Accounts payable	\$ 75,041	\$ 31,764
Accounts payable - ACLU National	1,147	10,290
Accrued payroll	23,333	22,257
Accrued expenses	133,969	120,937
Grant advance	0	20,000
	233,490	205,248
Total Liabilities		
Net Assets		
Without donor restrictions		
Undesignated	3,207,224	2,746,846
Designated by Board for building & facilities expenses	872,379	854,192
Designated by Board for litigation	436,749	436,749
Designated by Board for reserves	403,104	263,947
	4,919,456	4,301,734
Total Net Assets Without Donor Restrictions		
With donor restrictions	5,068,822	5,355,465
Total Net Assets	9,988,278	9,657,199
Total Liabilities and Net Assets	\$ 10,221,768	\$ 9,862,447

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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Support			
Contributions - Foundation	\$ 701,733	\$ 17,500	\$ 719,233
Contributions - Affiliate	173,500	0	173,500
Grants	172,500	238,671	411,171
Total Support	1,047,733	256,171	1,303,904
Revenues			
Bequests	73,390	0	73,390
Events and sales of materials	6	0	6
Membership shares	1,022,778	0	1,022,778
National reconciliation income	375,180	0	375,180
Donated services	214,891	0	214,891
Total Revenues	1,686,245	0	1,686,245
Net Assets Released from Restrictions			
Satisfaction of purpose restrictions	474,800	(474,800)	0
Total Reclassifications	474,800	(474,800)	0
Total Support and Revenues	3,208,778	(218,629)	2,990,149
Expenses			
Program Services:			
Education & Advocacy	1,420,015	0	1,420,015
Litigation	632,216	0	632,216
Supporting Services:			
Fundraising	352,232	0	352,232
Administration	404,854	0	404,854
Total Expenses	2,809,317	0	2,809,317
Changes in Net Assets from Operations	399,461	(218,629)	180,832
Investment Activity			
Interest and dividend income	224,981	0	224,981
Investment fees	(13,208)	0	(13,208)
Endowment fund loss and allocation	0	(27,078)	(27,078)
Realized gain on investments	31,144	674,476	705,620
Unrealized loss on investments	(24,656)	(715,412)	(740,068)
Total Investment Activity	218,261	(68,014)	150,247
Changes in Net Assets	617,722	(286,643)	331,079
Net Assets, Beginning of Year	4,301,734	5,355,465	9,657,199
Net Assets, End of Year	\$ 4,919,456	\$ 5,068,822	\$ 9,988,278

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, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Support			
Contributions - Foundation	\$ 712,205	\$ 849,733	\$ 1,561,938
Contributions - Affiliate	167,000	123,000	290,000
Grants	176,500	62,500	239,000
Total Support	1,055,705	1,035,233	2,090,938
Revenues			
Bequests	97,374	0	97,374
Events and sales of materials	559	0	559
Membership shares	849,257	0	849,257
National reconciliation income	302,762	0	302,762
Donated services	196,214	0	196,214
Total Revenues	1,494,996	0	1,494,996
Net Assets Released from Restrictions			
Satisfaction of purpose restrictions	17,500	(17,500)	0
Total Reclassifications	17,500	(17,500)	0
Total Support and Revenues	2,568,201	1,017,733	3,585,934
Expenses			
Program Services:			
Education & Advocacy	1,213,798	0	1,213,798
Litigation	569,822	0	569,822
Supporting Services:			
Fundraising	301,839	0	301,839
Administration	356,710	0	356,710
Total Expenses	2,442,169	0	2,442,169
Changes in Net Assets from Operations	126,032	1,017,733	1,143,765
Investment Activity			
Interest and dividend income	196,899	0	196,899
Investment fees	(12,668)	0	(12,668)
Endowment fund loss and allocation	0	(47,461)	(47,461)
Realized gain (loss) on investments	65,864	(31,721)	34,143
Unrealized gain on investments	3,126	262,776	265,902
Total Investment Activity	253,221	183,594	436,815
Changes in Net Assets	379,253	1,201,327	1,580,580
Net Assets, Beginning of Year	3,922,481	4,154,138	8,076,619
Net Assets, End of Year	\$ 4,301,734	\$ 5,355,465	\$ 9,657,199

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, 2019

	Program Services			Supporting Services			Total All Funds
	Education & Advocacy	Litigation	Total	Fundraising	Administration	Total	
Salaries and wages	\$ 743,791	\$ 243,422	\$ 987,213	\$ 162,282	\$ 202,852	\$ 365,134	\$ 1,352,347
Employee benefits	118,237	38,696	156,933	25,797	32,247	58,044	214,977
Payroll taxes	56,586	18,519	75,105	12,346	15,432	27,778	102,883
Retirement	43,005	14,074	57,079	9,383	11,729	21,111	78,190
Donated services	0	214,891	214,891	0	0	0	214,891
Professional services	176,552	2,419	178,970	33,859	29,022	62,882	241,852
Subscriptions, dues and fees	10,435	12,276	22,711	4,297	3,683	7,980	30,691
Postage	4,853	633	5,487	13,927	1,688	15,615	21,102
Printing	38,142	778	38,920	33,471	5,449	38,920	77,840
Conferences and meetings	15,482	563	16,045	2,815	16,013	18,828	34,873
Travel	56,217	28,958	85,175	19,863	49,698	69,561	154,736
Office expense	37,622	13,679	51,301	8,208	8,891	17,099	68,400
Information technology	4,979	1,810	6,789	1,086	1,177	2,263	9,052
Insurance	8,237	2,995	11,233	1,797	1,947	3,744	14,977
Occupancy	87,042	31,652	118,694	18,991	20,574	39,565	158,258
Depreciation and amortization	18,836	6,850	25,686	4,110	4,452	8,562	34,248
Total Expenses	\$ 1,420,015	\$ 632,216	\$ 2,052,231	\$ 352,232	\$ 404,854	\$ 757,086	\$ 2,809,317
Percent of Total	50%	23%	73%	13%	14%	27%	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, 2018

	Program Services			Supporting Services			Total All Funds
	Education & Advocacy	Litigation	Total	Fundraising	Administration	Total	
Salaries and wages	\$ 667,613	\$ 218,491	\$ 886,104	\$ 145,661	\$ 182,076	\$ 327,737	\$ 1,213,841
Employee benefits	111,902	36,623	148,525	24,415	30,519	54,934	203,459
Payroll taxes	51,098	16,723	67,821	11,149	13,936	25,084	92,905
Retirement	30,325	9,924	40,249	6,616	8,270	14,887	55,136
Donated services	0	196,214	196,214	0	0	0	196,214
Professional services	96,605	1,323	97,929	18,527	15,880	34,407	132,336
Subscriptions, dues and fees	10,483	12,332	22,815	4,316	3,700	8,016	30,831
Postage	3,577	467	4,043	10,263	1,244	11,507	15,550
Printing	35,167	718	35,885	30,861	5,024	35,885	71,770
Conferences and meetings	12,873	468	13,341	2,341	14,602	16,942	30,283
Travel	40,691	20,732	61,423	14,206	35,181	49,387	110,810
Office expense	40,500	14,728	55,228	8,837	9,573	18,410	73,638
Information technology	14,320	5,207	19,528	3,124	3,385	6,509	26,037
Insurance	8,296	3,017	11,312	1,810	1,961	3,771	15,083
Occupancy	71,727	26,082	97,809	15,649	16,954	32,603	130,412
National reconciliation expense	0	0	0	0	10,004	10,004	10,004
Depreciation and amortization	18,623	6,772	25,395	4,063	4,402	8,465	33,860
Total Expenses	<u>\$ 1,213,798</u>	<u>\$ 569,822</u>	<u>\$ 1,783,620</u>	<u>\$ 301,839</u>	<u>\$ 356,710</u>	<u>\$ 658,549</u>	<u>\$ 2,442,169</u>
Percent of Total	50%	23%	73%	12%	15%	27%	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, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities		
Changes in net assets	\$ 331,079	\$ 1,580,580
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	34,248	33,860
Unrealized gain on investments	740,068	(265,902)
Realized gain on investments	(705,620)	(34,143)
(Increase) decrease in:		
Unconditional promises to give		
Without donor restrictions	38,483	8,135
With donor restrictions	166,433	(644,070)
Accounts receivable - ACLU National	(25,052)	(29,497)
Accounts receivable	1,403	(4,977)
Prepaid expenses	(760)	(6,553)
Deposits	0	2,000
Increase (decrease) in:		
Accounts payable	43,277	(7,189)
Accounts payable - ACLU National	(9,143)	419
Accrued payroll	1,076	2,130
Accrued expenses	13,032	5,152
Grant advance	(20,000)	(32,000)
Net Cash Provided by Operating Activities	608,524	607,945
Cash Flows from Investing Activities		
Purchase of fixed assets	(14,217)	(17,498)
Proceeds from sale of investments	393,700	667,142
Purchase of investments	(782,702)	(1,288,978)
Net Cash Used by Investing Activities	(403,219)	(639,334)
Net Increase (Decrease) in Cash and Cash Equivalents	205,305	(31,389)
Cash and Cash Equivalents, Beginning of Year	1,206,942	1,238,331
Cash and Cash Equivalents, End of Year	\$ 1,412,247	\$ 1,206,942

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, 2019 AND 2018

**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., which is a 501(c)(3) organization and American Civil Liberties Union of Ohio, Inc., 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. Their primary purpose is to preserve and expand rights and liberties guaranteed by the Constitution and Bill of Rights on behalf of individuals and groups who have been subjected to deprivations. 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 Organization is 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 Organization reports 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.

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 an increases net assets with donor restrictions. When a restriction expires, net assets with donor 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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

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

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 2019 and 2018.

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.

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, 2019 and 2018.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

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

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.

Cash and Cash Equivalents

For purposes of the 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 Statement of Cash Flows.

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, 2019 and 2018, the Organizations had no other significant concentrations of credit risk.

Advertising

Advertising costs are expensed when incurred.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

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

Recently Adopted Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities. The ASU amends the current reporting model for nonprofit organizations and requires enhanced disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring that all not-for-profit organizations present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (d) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (e) presenting investment returns net of external and direct expenses, and (f) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of the financial statements.

The ASU was effective for the Organization’s financial statements for fiscal years beginning after December 15, 2017. The provisions of the ASU were applied on a retrospective basis for all years presented.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standards will replace most existing revenue recognition guidance within the accounting principles generally accepted in the United States of America when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. Management has not yet selected a transition method and is evaluating the impact of adopting this guidance on its financial statements.

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).

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

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

Recent Accounting Pronouncements (Continued)

ASU 2016-02 is effective for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021. Early adoption of ASU 2016-02 is permitted. Management will be evaluating the potential impact of adopting this guidance on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this update clarify and improve current guidance about whether a transfer of assets is a contribution or an exchange transaction. In addition, an entity is required to determine whether a contribution is conditional on the basis of whether the agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. For resource recipients, this new standard is effective for annual periods beginning after December 15, 2018. For resource providers, this new standard is effective for annual periods beginning after December 15, 2019. Management is evaluating the impact this statement will have on its financial statements.

In August 2018, the FASB issued ASU 2018-13, Changes to Disclosure Requirements for Fair Value Measurement. The objective of this statement is to modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. The statement is effective for all entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. Management is currently evaluating the impact this statement will have on its 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, 2019 AND 2018

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

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.

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.

Subsequent Events

The Organizations have evaluated subsequent events through November 16, 2019, the date the consolidated financial statements were available to be issued, and all such events have been properly disclosed in these 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, 2019 AND 2018

NOTE B - INVESTMENTS

The following is a summary of aggregate costs and market values of investments and certificates of deposit at March 31, 2019 and 2018:

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

	2019		
	Cost	Market Value	Unrealized Gain
Cash and cash equivalents	\$ 598,357	\$ 598,357	\$ 0
Mutual funds	630,074	709,092	79,018
Equities	1,086,530	2,152,313	1,065,783
Exchange traded funds	22,990	99,999	77,009
US treasury notes	58,528	156,779	98,251
Certificates of deposit	681,000	683,226	2,226
Corporate bonds	2,804	2,851	47
Private equity - Multi strategy	11,495	48,063	36,568
Proprietary equity funds - Multi strategy	655,219	2,278,188	1,622,969
	<u>\$3,746,997</u>	<u>\$ 6,728,868</u>	<u>\$ 1,322,287</u>
	2018		
	Cost	Market Value	Unrealized Gain (Loss)
Cash and cash equivalents	\$ 295,693	\$ 295,693	\$ 0
Mutual funds	1,441,047	3,399,833	1,958,786
Equities	664,538	1,017,890	353,352
Exchange traded funds	124,764	413,380	288,616
Hedge funds	137,420	425,776	288,356
	<u>\$3,483,462</u>	<u>\$ 6,374,314</u>	<u>\$ 2,890,852</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE C - PROMISES TO GIVE

Promises to give extending beyond one year have been discounted between 3.50% to 4.5%, which approximates the Prime Rate in effect at the time the gift was made by the donor. Unconditional promises to give at March 31, 2019 and 2018 consist of:

	2019	2018
Promises without donor restrictions	\$ 66,650	\$ 125,726
Restricted for Ohio legal issues	500,000	750,000
Restricted for women's rights	25,000	25,000
Restricted for bail reform	50,000	0
Restricted for reproductive rights	12,500	0
Gross unconditional promises to give	654,150	900,726
Less: Unamortized discount	11,489	34,247
Net unconditional promises to give	\$ 642,661	\$ 866,479
Amounts due in:		
Less than one year	\$ 384,150	\$ 380,726
One to five years	270,000	520,000
Total Amounts Due	\$ 654,150	\$ 900,726

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.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE D - FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

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 hedge funds in the amount of \$0 and \$425,776 as of March 31, 2019 and 2018, private equity fund in the amount of \$48,063 and \$0 as of March 31, 2019 and 2018 and proprietary equity funds in the amount of \$2,278,188 and \$0, which are only reflected in the fair value column below. 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.

The following table presents the Organizations' fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of March 31, 2019 and 2018. Balances include amounts held and maintained by National in the Trust for the Bill of Rights Endowment Fund (See Note G).

	2019			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash and cash equivalents	\$ 598,357	\$ 598,357	\$ 0	\$ 0
Certificates of Deposit	683,226	683,226	0	0
Equities				
Consumer discretionary	77,204	77,204	0	0
Consumer services	23,449	23,449	0	0
Energy	36,512	36,512	0	0
Finance	114,695	114,695	0	0
Health care	76,681	76,681	0	0

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE D - FAIR VALUE OF FINANCIAL ASSETS (CONTINUED)

	2018			
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Equities				
Industrials	76,697	76,697	0	0
Materials	38,486	38,486	0	0
Real estate	24,097	24,097	0	0
Staples	57,901	57,901	0	0
Technology	117,937	117,937	0	0
Telecommunications	24,303	24,303	0	0
Utilities	21,235	21,235	0	0
Exchange traded funds	413,380	413,380	0	0
Hedge funds	425,776	0	0	0
Equity securities	329,408	329,408	0	0
Mutual funds	2,852,170	2,852,170	0	0
Fixed Income				
Mutual funds	547,663	547,663	0	0
	<u>\$6,374,314</u>	<u>\$5,948,538</u>	<u>\$ 0</u>	<u>\$ 0</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 2019 and 2018. The investments in private equity funds are funds which ACLU does not have the ability to redeem the investments on March 31, 2019, or in the near term, which is defined as 90 days or less from March 31, 2019. The investment objective of the private equity funds are to generate consistent capital appreciation over the long term, with relatively low volatility and a low correlation with traditional equity and fixed income markets.

The 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, 2019:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity - Multi strategy					
Summit Rock Private Equity III	\$ 48,063	\$ 0	None	N/A	N/A
Proprietary equity funds - Multi strategy	<u>2,278,188</u>	<u>0</u>	Monthly	7 Business Days	None
	<u>\$2,326,251</u>	<u>\$ 0</u>			

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE E - INVESTMENTS RESTRICTED FOR PERMANENT ENDOWMENT

The American Civil Liberties Union Foundation (National) and its separately incorporated affiliate foundations are cooperatively raising and sharing in a *Trust for the Bill of Rights* Endowment Fund. Endowment gifts are shared equally between National and the affiliate foundation of the area in which the donor resides unless otherwise restricted by the donor. Each foundation 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, 2019 and 2018, \$4,148,723 and \$4,216,840, respectively, was held through National on behalf of the Foundation as the Foundation's proportional interest in the Endowment Fund.

NOTE F - RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at March 31, 2019 and 2018 are available for the following purposes or periods:

	2019	2018
Women's rights	\$ 193,163	\$ 199,963
Internships and education	17,500	17,500
Ohio legal program	489,230	718,162
Transgender advocacy	0	43,000
Bail reform	50,000	125,000
Mayor's courts	10,000	15,000
Branding	0	2,500
Reproductive rights	160,105	17,500
Permanent endowment	4,148,824	4,216,840
	\$ 5,068,822	\$ 5,355,465

NOTE G - ENDOWMENT NET ASSETS

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE G - ENDOWMENT NET ASSETS (CONTINUED)

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 Board of the ACLU on October 25, 1997 and amended on November 1, 2002)
- American Civil Liberties Union Foundation (ACLU) Investment Policy Statement (adopted by ACLU Executive Committee/Foundation Board on November 30, 2018.)

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	40.0%	55.0%	70.0%
Marketable alternative investments	5.0%	20.0%	35.0%
Fixed income & Cash	10.0%	25.0%	40.0%

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE G - ENDOWMENT NET ASSETS (CONTINUED)

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. Affiliate foundations cannot exceed this distribution. The Agreement does provide for the withdrawal of unit shares in certain crisis situations.

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 Foundation's endowment funds. The Board of Directors of the 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 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 Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA the 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 Foundation, and (7) the 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, 2019 AND 2018

NOTE G - ENDOWMENT NET ASSETS (CONTINUED)

Funds with Deficiencies (continued)

Endowment net asset composition by type of fund as of March 31, 2019 and 2018 is as follows:

	2019		Total Net Endowment Assets
	With Donor Restrictions		
	Donor- Restricted	Donor-Restricted In Perpetuity	
Donor-restricted endowment funds	\$ 0	\$ 4,148,824	\$4,148,824
	2018		
	2018		Total Net Endowment Assets
	With Donor Restrictions		
	Donor- Restricted	Donor-Restricted In Perpetuity	
Donor-restricted endowment funds	\$ 0	\$ 4,216,840	\$4,216,840

Changes in endowment net assets as of March 31, 2019 and 2018 are as follows:

	2019		Total Net Endowment Assets
	With Donor Restrictions		
	Donor- Restricted	Donor-Restricted In Perpetuity	
Endowment net assets, beginning of year	\$ 0	\$ 4,216,840	\$4,216,840
Contributions	0	0	0
Investment activity	0	674,476	674,476
Net appreciation	0	(715,414)	(715,414)
Amounts appropriated and allocated	0	(27,078)	(27,078)
Endowment net assets, end of year	\$ 0	\$ 4,148,824	\$4,148,824
	2018		
	2018		Total Net Endowment Assets
	With Donor Restrictions		
	Donor- Restricted	Donor-Restricted In Perpetuity	
Endowment net assets, beginning of year	\$ 0	\$ 4,033,246	\$4,033,246
Contributions	0	0	0
Investment activity	0	(31,721)	(31,721)
Net appreciation	0	262,776	262,776
Amounts appropriated and allocated	0	(47,461)	(47,461)
Endowment net assets, end of year	\$ 0	\$ 4,216,840	\$4,216,840

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE H - DONATED SERVICES

The value of donated services included in the financial statements and the corresponding expenses for the year ended March 31, 2019 and 2018 are as follows:

	2019	2018
Donated professional services	\$ 214,891	\$ 196,214
Total	\$ 214,891	\$ 196,214

These services are provided by attorneys and other professionals with specialized expertise. 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. 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, 2019:

2020	\$ 122,872
2021	116,032
2022	113,880
2023	28,470
2024	0
Total minimum payments required	\$ 381,254

Total rental expense amounted to \$111,965 and \$96,902 for the years ended March 31, 2019 and 2018, respectively.

NOTE J - PENSION PLAN

The ACLU of Ohio participates in a defined benefit plan as required by the National ACLU office. The National 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 Foundation makes annual contributions to the plan, as instructed by National ACLU, based on census information supplied to an actuary.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE J - PENSION PLAN (CONTINUED)

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 eligible to be enrolled in a new defined contribution 401K plan with automatic enrollment and 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, 2019 and 2018 was \$93,024 and \$81,844, respectively.

NOTE K - INCOME TAXES

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

As of April 1, 2017 and for the years ended March 31, 2019 and 2018, the Organizations had not engaged in any activity which management considers to be activity that could result in a loss of their 501(c)(3) or 501(c)(4) IRS designations. As well, management does not consider any of the activity of the Organizations to be considered unrelated business income that could result in income tax. For the years ended March 31, 2019 and 2018, there was no tax interest or penalties reflected in the consolidated statement of activities or in the consolidated statement of financial position. The Organizations are no longer subject to U.S. federal, state, and local income tax examinations by taxing authorities for years before 2015.

NOTE L - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following program and supporting services are included in the accompanying 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, communications and community organizing.

Legal Program

Through legal challenges and litigation, protect citizens' constitutional rights, including privacy, freedom of speech, due process, separation of church and state.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2019 AND 2018

NOTE L - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (CONTINUED)

Administration

Includes the functions necessary to maintain an equitable employment program; ensure an adequate 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.

NOTE M - LIQUIDTY

ACLU of Ohio Foundation, Inc.'s financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash	\$ 1,412,247
Investments - Certificates of deposit	867,812
Unconditional promises to give - Unrestricted	84,829
Accounts receivable - ACLU National	417,541
Accounts receivable	8,486
Investments - Board designated	<u>1,712,232</u>
	<u>\$ 4,503,147</u>

ACLU of Ohio Foundation, Inc. has set a minimum target of \$1.5 million to be maintained in its reserve funds. The reserve funds provide a stable source of liquidity and financial support to preserve the organization's ability to continuously carry out its 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. ACLU of Ohio Foundation, Inc. does not include net assets with donor restrictions as available for operating expenses, though donor restrictions closely align with the typical operating expenses of the Organization.

ACLU of Ohio Foundation, Inc. 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 31 of the three immediately preceding calendar years.