

AMERICAN CIVIL LIBERTIES UNION
OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION
- NJ FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2017 AND 2016

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
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YEARS ENDED MARCH 31, 2017 AND 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
American Civil Liberties Union of New Jersey
American Civil Liberties Union - NJ Foundation

I have audited the accompanying consolidated statements of the American Civil Liberties Union of New Jersey and the American Civil Liberties Union - NJ Foundation (collectively referenced as the ACLU) which comprise the statements of financial position as of March 31, 2017 and 2016, and the related statements of activities, functional expenses, and 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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, I 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 financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Civil Liberties Union of New Jersey and the American Civil Liberties Union - NJ Foundation as of March 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

My audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated information is presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

James M. Wood

August 15, 2017
Hillsborough, NJ

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2017 AND 2016

	2017			2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total
Assets							
Cash & cash equivalents	\$ 1,029,123	\$ -	\$ -	\$ 1,029,123	\$ 779,544	\$ -	\$ 779,544
Investment securities							
Operating	781,092	-	719,499	1,500,591	834,923	-	834,923
Designated reserve	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
	<u>2,781,092</u>	<u>-</u>	<u>719,499</u>	<u>3,500,591</u>	<u>2,834,923</u>	<u>-</u>	<u>2,834,923</u>
Accounts receivable	990,726	-	30,501	1,021,227	307,878	-	307,878
Pledges receivable	-	1,938,988	-	1,938,988	-	1,774,331	1,774,331
Prepaid expenses	<u>32,720</u>	<u>-</u>	<u>-</u>	<u>32,720</u>	<u>31,297</u>	<u>-</u>	<u>31,297</u>
	<u>4,833,661</u>	<u>1,938,988</u>	<u>750,000</u>	<u>7,522,649</u>	<u>3,953,642</u>	<u>1,774,331</u>	<u>5,727,973</u>
Property & equipment	248,740	-	-	248,740	227,057	-	227,057
Less accumulated depreciation	<u>213,796</u>	<u>-</u>	<u>-</u>	<u>213,796</u>	<u>197,481</u>	<u>-</u>	<u>197,481</u>
	<u>34,944</u>	<u>-</u>	<u>-</u>	<u>34,944</u>	<u>29,576</u>	<u>-</u>	<u>29,576</u>
	<u>\$ 4,868,605</u>	<u>\$ 1,938,988</u>	<u>\$ 750,000</u>	<u>\$ 7,557,593</u>	<u>\$ 3,983,218</u>	<u>\$ 1,774,331</u>	<u>\$ 5,757,549</u>
Liabilities & Net Assets							
Liabilities							
Accounts payable & accrued expenses	\$ 68,947	\$ -	\$ -	\$ 68,947	\$ 19,476	\$ -	\$ 19,476
	<u>\$ 68,947</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,947</u>	<u>\$ 19,476</u>	<u>\$ -</u>	<u>\$ 19,476</u>
Net assets							
Unrestricted							
Undesignated	2,799,658	-	-	2,799,658	1,963,742	-	1,963,742
Board-designated	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
	<u>4,799,658</u>	<u>-</u>	<u>-</u>	<u>4,799,658</u>	<u>3,963,742</u>	<u>-</u>	<u>3,963,742</u>
Temporarily restricted	-	1,938,988	-	1,938,988	-	1,774,331	1,774,331
Permanently restricted	<u>4,799,658</u>	<u>1,938,988</u>	<u>750,000</u>	<u>7,488,646</u>	<u>3,963,742</u>	<u>1,774,331</u>	<u>5,738,073</u>
	<u>\$ 4,868,605</u>	<u>\$ 1,938,988</u>	<u>\$ 750,000</u>	<u>\$ 7,557,593</u>	<u>\$ 3,983,218</u>	<u>\$ 1,774,331</u>	<u>\$ 5,757,549</u>

See accompanying notes to consolidated financial statements.

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Total
Support & Revenue						
Public Support						
Dues	\$ 475,769	\$ -	\$ -	\$ 475,769	\$ -	\$ 475,769
Contributions	1,387,709	539,657	-	1,927,366	-	1,927,366
Bequests	138,486	-	750,000	888,486	-	888,486
Special events, net of						
Gross income	50,724	-	-	50,724	-	50,724
Direct expenses	(8,719)	-	-	(8,719)	-	(8,719)
	42,005	-	-	42,005	-	42,005
	2,043,969	539,657	750,000	3,333,626	-	3,333,626
Revenue						
Legal case awards	11,319	-	-	11,319	-	11,319
Interest & dividends	64,835	-	-	64,835	-	64,835
Grants	260,000	-	-	260,000	-	260,000
Other income	50	-	-	50	-	50
	336,204	-	-	336,204	-	336,204
Net assets released from restrictions	375,000	(375,000)	-	-	(169,312)	(169,312)
Total support & revenue	2,755,173	164,657	750,000	3,669,830	(169,312)	3,500,518
Expenses						
Functional expenses						
Program services	1,462,761	-	-	1,462,761	-	1,462,761
Management & general	332,029	-	-	332,029	-	332,029
Fund raising	380,262	-	-	380,262	-	380,262
Total expenses	2,175,052	-	-	2,175,052	-	2,175,052
Increase (decrease) in net assets before investment securities valuation	580,121	164,657	750,000	1,494,778	(169,312)	1,325,466
Valuation gain (loss) on investment securities	255,795	-	-	255,795	-	255,795
Increase (decrease) in net assets	835,916	164,657	750,000	1,750,573	(169,312)	1,581,261
Unrestricted net assets						
Beginning of year	3,963,742	1,774,331	-	5,738,073	1,943,643	7,681,716
End of year	\$ 4,799,658	\$ 1,938,988	\$ 750,000	\$ 7,488,646	\$ 1,774,331	\$ 9,263,000

See accompanying notes to consolidated financial statements.

2016

See accompanying notes to consolidated financial statements.

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 1,750,573	\$ (827,242)
Adjustments to reconcile increase (decrease) in net assets to cash provided by operating activities:		
Depreciation	16,315	17,591
(Gain) loss on investment securities	(255,795)	102,349
Pledge received with time-imposed temporary restriction	(539,657)	-
(Increase) decrease in:		
Accounts receivable	(713,349)	187,149
Inter-company funds	-	-
Prepaid expenses	(1,423)	(3,047)
Increase (decrease) in:		
Accounts payable & accrued expenses	49,471	(64,820)
	<u>306,135</u>	<u>(588,020)</u>
Cash flows from investing activities		
Acquisition of investment securities	(894,873)	(60,745)
Proceeds from sales of investments	485,000	584,208
Acquisition of property and equipment	(21,683)	(11,617)
	<u>(431,556)</u>	<u>511,846</u>
Cash flows from financing activities		
Collections on pledges receivable	<u>375,000</u>	<u>169,312</u>
Increase in cash & cash equivalents	249,579	93,138
Cash & cash equivalents		
Beginning of year	<u>779,544</u>	<u>686,406</u>
End of year	<u>\$ 1,029,123</u>	<u>\$ 779,544</u>

See accompanying notes to consolidated financial statements.

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2017 AND 2016

(1) **Summary of Significant Accounting Policies**

Nature of activities

The American Civil Liberties Union of New Jersey and the American Civil Liberties Union - NJ Foundation (collectively referenced as the ACLU) are two not-for-profit organizations whose mission is to protect and promote civil liberty principles in the State of New Jersey. The executive committee of the American Civil Liberties Union of New Jersey serves as the board of directors for the American Civil Liberties Union - NJ Foundation.

The American Civil Liberties Union of New Jersey is a tax-exempt organization under §501(c)(4) of the Internal Revenue Code. The American Civil Liberties Union - NJ Foundation is a tax-exempt public charity under §501(c)(3) of the Internal Revenue Code. Accordingly, the mission and activities of each organization are separate and distinct in order to comply with related laws and tax requirements.

Financial statement presentation

In accordance with generally accepted accounting principles, the ACLU reports its statements of financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The ACLU has unrestricted, temporarily restricted and permanently restricted net assets as of March 31, 2017. The ACLU has unrestricted and temporarily restricted net assets as of March 31, 2016.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

Unconditional promises to give are recorded as pledge contributions and contributions receivable in the period the promise is received. Payments received in subsequent periods, such as payments on multi-year gifts, are recorded as decreases in the corresponding pledges receivable balance. Pledges receivable due in more than one year are recorded at the present value of their net realizable value, using applicable risk-adjusted interest rates to discount the amounts. Allowances for doubtful pledges are provided by management based on past experience with individual donors.

Pledges received with multi-year payment schedules are recorded as temporarily restricted net assets, i.e. pledges with time-imposed restrictions. Payments received in subsequent periods are reflected as a release of the time-imposed restriction.

Certain contributions, pledges and bequests are subject to a revenue sharing agreement with the national organization. The ACLU records its actual or estimated share of income.

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2017 AND 2016

Grants received in advance

Grant revenue is recorded during the period for which the funds are intended or in which the related activities are performed. Amounts received in advance are recognized as revenue during the intended period.

Investment securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities.

Donated services

Legal services are donated by numerous attorneys as an integral part of the ACLU's services. The estimated value of these professional services is undetermined.

Functional expenses

Expenses are charged to programs, management & general, or fund raising based on direct expenses incurred. Any expenses not directly chargeable are allocated to programs based on applicable rates determined by management.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash & cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents include demand deposits in financial institutions, highly liquid money market investments, and time deposits or debt instruments with initial maturities of 90 days or less.

Property & equipment

Acquisitions of office furniture and equipment with estimated useful lives in excess of one year are capitalized and depreciated over the estimated useful life of each asset using the straight line method.

Income taxes

The American Civil Liberties Union of New Jersey is a tax-exempt organization under Section 501(c)(4) of the Internal Revenue Code. The American Civil Liberties Union - New Jersey Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, there is no provision for income taxes.

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2017 AND 2016

Fair value of financial instruments

Financial instruments are carried at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined using three levels of inputs:

- Level 1 Valuations based on quoted prices in active markets for identical assets.
- Level 2 Valuations based on one or more quoted price for investments that are not exchange-traded but for which all significant inputs are observable.
- Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurements.

The following valuation techniques are used for assets measured at fair value:

Mutual and index funds - Investments in exchange-traded mutual funds are measured at fair value using quoted market prices and are classified as Level 1. Investments in mutual funds traded over the counter are classified as Level 2.

ACLU Pooled Fund - The investment in the ACLU Pooled Fund is classified as Level 2 due to the nature of the underlying assets.

Concentrations of credit and market risk

Financial instruments that potentially expose the ACLU to concentrations of credit and market risk consist primarily of cash and investments. Cash is maintained at high-quality financial institutions, and credit exposure is limited to any one institution. The ACLU has not experienced any losses on its cash or cash equivalents. The ACLU's investment securities do not represent significant concentrations of market risk.

Accounting for uncertainty in income taxes

The ACLU's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of tax status or exposure to uncertain tax positions that could require accrual or which could affect its liquidity or future cash flows. The ACLU's exempt organization filings for the years ended March 31, 2014 through 2017 are subject to examination by the Internal Revenue Service and the State of New Jersey. Further, the Internal Revenue Service may examine the ACLU's financial activities for income and unrelated business tax for those years.

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YEARS ENDED MARCH 31, 2017 AND 2016

New accounting pronouncements

The Financial Accounting Standards Board (FASB) issued Update No. 2016-02, *Leases* (Topic 842), in February 2016. Under this guidance lessees are required to record most leases on their balance sheets but recognize expenses in the income statement. All entities will classify leases to determine how to recognize lease-related revenue and expense. In applying this guidance, entities must also determine whether an arrangement contains a lease or service agreement. Disclosures are required by lessees and lessors to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The amendments in this Update are effective for fiscal years beginning after December 15, 2019 and interim periods within fiscal years beginning after December 15, 2020. Management is evaluating the impact of this updated guidance on its financial statements.

The Financial Accounting Standards Board (FASB) issued Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), in August 2016. Under this guidance, not-for-profit entities will report *net assets with donor restrictions* and *net assets without donor restrictions* instead of the currently-required three classes. Not-for-profit entities will also provide enhanced disclosures regarding board designations, composition of net assets with donor restrictions, management of liquid resources available to meet cash needs, cost allocation among program and support functions, and underwater endowment funds. Further, the guidance requires reporting of investment returns net of investment expenses and clarifies accounting and disclosure for gifts restricted to the acquisition or construction of long-lived assets. The amendments in this Update are effective for years beginning after December 15, 2017 and for interim periods within fiscal years beginning after December 15, 2018. Management is evaluating the impact of this updated guidance on its financial statements.

(2) Investment Securities

As of March 31, 2017 and 2016 investment securities consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
March 31, 2017		
ACLU Pooled Fund	\$ 809,057	\$ 861,210
Mutual funds	<u>2,276,489</u>	<u>2,639,381</u>
	<u>\$3,085,546</u>	<u>\$3,500,591</u>
March 31, 2016		
ACLU Pooled Fund	\$ 93,386	\$ 89,359
Mutual funds	<u>2,476,405</u>	<u>2,745,564</u>
	<u>\$2,569,791</u>	<u>\$2,834,923</u>

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2017 AND 2016

(3) **Pledges Receivable**

Pledges receivable which are expected to be collected after one year have been discounted to net present value at rates ranging from 2.0% to 2.74% and are reflected in the consolidated financial statements at their net realizable value.

As of March 31, 2017 and 2016, long term pledges receivable are comprised of the following:

	<u>2017</u>	<u>2016</u>
Gross pledges receivable	\$2,125,000	\$2,000,000
Less discount to present value	<u>(186,012)</u>	<u>(225,669)</u>
	<u>\$1,938,988</u>	<u>\$1,774,331</u>

Management believes that pledges receivable will be collected in full when due. Accordingly, no provision for uncollectible pledges receivable is recognized in the accompanying consolidated financial statements.

As of March 31, 2017, anticipated future payments on pledges receivable are as follows for the years ending March 31:

2018	\$ 250,000
2019	250,000
2020	250,000
2021	250,000
2022	250,000
Thereafter	<u>875,000</u>
	<u>\$2,125,000</u>

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
 AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED MARCH 31, 2017 AND 2016

(4) Pension

Defined Benefit Plan

The ACLU-NJ participates in a defined benefit pension plan sponsored by the American Civil Liberties Union - National which covers substantially all employees who were employed through March 31, 2009. Eligible participants continue in the defined benefit plan through date of separation or retirement. Annual consolidated contributions made to the plan totaled \$96,914 and \$88,093 for the years ended March 31, 2017 and 2016, respectively, representing less than 5% of total Plan contributions each year. The required contributions determined by the American Civil Liberties Union - National approximate the expense computed in accordance with generally accepted accounting principles. Plan information is as follows:

Name of Plan: The American Civil Liberties Union Retirement Plan
 Employer ID: 13-4921750
 Plan Number: 001

	March 31,	
	2017	2016
Total Plan assets	\$ 98,668,960	\$ 87,854,358
Accumulated benefit obligation	<u>135,453,128</u>	<u>142,103,875</u>
Funded status	<u>\$(36,784,168)</u>	<u>\$(54,249,517)</u>
Funded %	73%	62%

As of March 31, 2017 no funding improvement or rehabilitation plan, as defined by the Employee Retirement Income Security Act of 1974, has been implemented or is pending. There were no employer surcharges paid on the plan for the years ended March 31, 2017 and 2016. The American Civil Liberties Union - National expects to contribute \$6,300,000 to the Plan for the fiscal year ending March 31, 2018.

Defined Contribution Plan

The ACLU-NJ participates in a defined contribution pension plan sponsored by the American Civil Liberties Union - National which covers substantially all employees who become employed on or after April 1, 2009. Participants may contribute to the plan under a salary deferral arrangement; the ACLU-NJ matches those deferrals at a rate of 100% for the first 1% of pay and 50% of the next 5% of pay. Additionally, the ACLU-NJ contributes 2% of compensation for all participants. ACLU-NJ contributions are fully vested after participants attain 2 years of service. For the years ended March 31, 2017 and 2016, consolidated contributions to the plan totaled \$43,331 and \$28,600, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2017 AND 2016

(5) **Operating Lease Commitments**

The ACLU leases office space in Newark, NJ. The following is a schedule for future lease commitments as of March 31, 2017:

Year ending March 31,

2018	\$ 57,934
2019	87,480
2020	89,404
2021	91,342
2022	93,294
Thereafter	<u>574,920</u>
	<u>\$994,374</u>

(6) **Fair Value of Financial Instruments**

The ACLU's assets recorded at fair value have been categorized based upon a fair value hierarchy as described in Note 1. The table below presents the balances of assets measured on a recurring basis as of March 31, 2017 and 2016.

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<u>2017</u>			
Mutual & index funds	\$2,639,381	\$ -	\$2,639,381
ACLU Pooled Fund	<u>-</u>	<u>861,210</u>	<u>861,210</u>
	<u>\$2,639,381</u>	<u>\$ 861,210</u>	<u>\$3,500,591</u>
<u>2016</u>			
Mutual & index funds	\$2,745,564	\$ -	\$2,745,564
ACLU Pooled Fund	<u>-</u>	<u>89,359</u>	<u>89,359</u>
	<u>\$2,745,564</u>	<u>\$ 89,359</u>	<u>\$2,834,923</u>

(7) **Board Designated Reserve**

As of March 31, 2017 and 2016, the Board of Trustees designated \$2,000,000 of nonoperating funds to be used each year for (1) ensuring the stability of the ACLU's mission, programs, employment and ongoing operations; and (2) funding future strategic initiatives including, but not limited to, capital expenditures, development of new or existing programs, and emergency responses in support of the mission.

(8) **Insured Deposits**

As of March 31, 2017 and 2016, cash exceeding federally insured limits in one depository institution totaled \$22,782 and \$0 respectively. Management does not consider the solvency of the financial institution a concern as of March 31, 2017.

(9) **Evaluation of Subsequent Events**

Management has evaluated subsequent events through August 15, 2017, the date which the financial statements were available to be issued.

2017

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AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
MARCH 31, 2016

2016

	ACLU - NJ Foundation			Consolidated	
	ACLU - NJ	Unrestricted	Temporarily Restricted	Total	
Assets					
Cash & cash equivalents	\$ 189,464	\$ 590,080	\$ -	\$ 590,080	\$ 779,544
Investment securities					
Operating	749,165	85,758	-	85,758	834,923
Designated reserve	500,000	1,500,000	-	1,500,000	2,000,000
	1,249,165	1,585,758	-	1,585,758	2,834,923
Accounts receivable	12,200	295,678	-	295,678	307,878
Pledges receivable	-	-	1,774,331	1,774,331	1,774,331
Inter-company funds	(27,677)	27,677	-	27,677	-
Prepaid expenses	12,891	18,406	-	18,406	-
	1,436,043	2,517,599	1,774,331	4,291,930	31,297
					5,727,973
Property & equipment	53,748	173,309	-	173,309	227,057
Less accumulated depreciation	52,424	145,057	-	145,057	197,481
	1,324	28,252	-	28,252	29,576
	\$ 1,437,367	\$ 2,545,851	\$ 1,774,331	\$ 4,320,182	\$ 5,757,549
Liabilities & Net Assets					
Liabilities					
Accounts payable & accrued expenses	\$ 3,464	\$ 16,012	\$ -	\$ 16,012	\$ 19,476
Net assets					
Unrestricted					
Undesignated	933,903	1,029,839	-	1,029,839	1,963,742
Board-designated	500,000	1,500,000	-	1,500,000	2,000,000
	1,433,903	2,529,839	-	2,529,839	3,963,742
Temporarily restricted	-	-	1,774,331	1,774,331	1,774,331
	1,433,903	2,529,839	1,774,331	4,304,170	5,738,073
	\$ 1,437,367	\$ 2,545,851	\$ 1,774,331	\$ 4,320,182	\$ 5,757,549

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2017

	2017				2017			
	ACLU - NJ		ACLU - NJ Foundation		Consolidated			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Support & Revenue								
Public Support								
Dues	\$ 475,769	\$ -	\$ 475,769	\$ -	\$ -	\$ -	\$ 475,769	\$ 475,769
Contributions	65,752	98,208	163,960	1,321,957	441,449	-	1,763,406	1,927,366
Bequests	-	-	-	138,486	-	750,000	888,486	888,486
Special events, net of	-	-	-	50,724	-	-	50,724	50,724
Gross income	-	-	-	(8,719)	-	-	(8,719)	(8,719)
Direct expenses	-	-	-	42,005	-	-	42,005	42,005
	541,521	98,208	639,729	1,502,448	441,449	750,000	2,693,897	3,333,626
Revenue								
Legal case awards	-	-	-	11,319	-	-	11,319	11,319
Interest & dividends	30,836	-	30,836	33,999	-	-	64,835	64,835
Grants	-	-	-	260,000	-	-	260,000	260,000
Other income	-	-	-	50	-	-	50	50
	30,836	-	30,836	305,368	-	-	305,368	336,204
Net assets released from								
restrictions	25,000	(25,000)	-	350,000	(350,000)	-	375,000	-
Total support & revenue	597,357	73,208	670,565	2,157,816	91,449	750,000	2,999,265	3,669,830
Expenses								
Functional expenses								
Program services	230,102	-	230,102	1,232,659	-	-	1,462,761	1,462,761
Management & general	49,594	-	49,594	282,435	-	-	332,029	332,029
Fund raising	55,893	-	55,893	324,369	-	-	380,262	380,262
Total expenses	335,589	-	335,589	1,839,463	-	-	2,175,052	2,175,052
Increase (decrease) in								
net assets before investment	261,768	73,208	334,976	318,353	91,449	750,000	580,121	1,494,778
securities valuation								
Valuation gain (loss) on								
investment securities	104,215	-	104,215	151,580	-	-	255,795	255,795
Increase (decrease) in								
net assets	365,983	73,208	439,191	469,933	91,449	750,000	835,916	1,750,573
Unrestricted net assets								
Beginning of year	1,433,903	-	1,433,903	2,529,839	1,774,331	-	3,963,742	5,738,073
End of year	\$ 1,799,886	\$ 73,208	\$ 1,873,094	\$ 2,999,772	\$ 1,865,780	\$ 750,000	\$ 4,799,658	\$ 7,488,646

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2016

	2016				
	ACLU - NJ		ACLU - NJ Foundation		Consolidated
			Unrestricted	Temporarily Restricted	Total
Support & Revenue					
Public Support					
Dues	\$ 270,715	\$ -	\$ -	\$ -	\$ 270,715
Contributions	26,633	465,451	-	-	492,084
Bequests	-	-	-	-	-
Special events, net of					
Gross income	-	36,180	-	-	36,180
Direct expenses	-	(8,732)	-	-	(8,732)
	-	27,448	-	-	27,448
	<u>297,348</u>	<u>492,899</u>	<u>-</u>	<u>-</u>	<u>790,247</u>
Revenue					
Legal case awards	-	3,000	-	-	3,000
Interest & dividends	25,193	36,524	-	-	61,717
Grants	-	385,000	-	-	385,000
Other income	-	11	-	-	11
	<u>25,193</u>	<u>424,535</u>	<u>-</u>	<u>-</u>	<u>449,728</u>
Net assets released from restrictions	-	169,312	(169,312)	(169,312)	-
Total support & revenue	<u>322,541</u>	<u>1,086,746</u>	<u>(169,312)</u>	<u>(169,312)</u>	<u>1,239,975</u>
Expenses					
Functional expenses					
Program services	238,585	1,080,621	-	-	1,319,206
Management & general	50,246	310,611	-	-	360,857
Fund raising	39,693	245,112	-	-	284,805
Total expenses	<u>328,524</u>	<u>1,636,344</u>	<u>-</u>	<u>-</u>	<u>1,964,868</u>
Increase (decrease) in net assets before investment securities valuation	(5,983)	(549,598)	(169,312)	(169,312)	(724,893)
Valuation gain (loss) on investment securities	(39,626)	(62,723)	-	-	(102,349)
Increase (decrease) in net assets	(45,609)	(612,321)	(169,312)	(169,312)	(827,242)
Unrestricted net assets					
Beginning of year	1,479,512	3,142,160	1,943,643	1,943,643	6,565,315
End of year	<u>\$ 1,433,903</u>	<u>\$ 2,529,839</u>	<u>\$ 1,774,331</u>	<u>\$ 1,774,331</u>	<u>\$ 5,738,073</u>

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY &
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2017

	ACLU - NJ				ACLU - NJ Foundation				Consolidated
	Program Services	Management & General	Fund Raising	Total	Program Services	Management & General	Fund Raising	Total	Total
Personnel									
Salaries	\$ 129,352	\$ 32,625	\$ 32,566	\$ 194,543	\$ 752,515	\$ 189,798	\$ 189,459	\$ 1,131,772	\$ 1,326,315
Payroll taxes	8,671	2,187	2,183	13,041	62,593	15,787	15,759	94,139	107,180
Pension	11,485	2,897	2,892	17,274	2,892	20,622	20,585	122,971	140,245
Health insurance	15,492	3,907	3,900	23,299	84,652	21,351	21,313	127,316	150,615
Other insurance	542	137	136	815	3,421	863	861	5,145	5,960
Malpractice insurance	3,905	-	-	3,905	3,905	-	-	3,905	7,810
Travel	4,646	1,172	1,170	6,988	26,016	6,562	6,550	39,128	46,116
	174,093	42,925	42,847	259,865	1,014,866	254,983	254,527	1,524,376	1,784,241
Program services									
Membership recruitment	-	-	-	-	-	-	-	-	-
Chapter costs	-	-	-	-	-	-	-	-	-
Litigation	174	-	-	174	7,168	-	-	7,168	7,342
Lobbying	-	-	-	-	-	-	-	-	-
Newsletter	9,828	-	-	9,828	42,311	-	-	42,311	52,139
Meetings & conferences	3,102	-	-	3,102	11,374	-	-	11,374	14,476
Public education	16,467	-	-	16,467	48,097	-	-	48,097	64,584
	29,571	-	-	29,571	108,950	-	-	108,950	138,521
Occupancy									
Rent	5,237	1,321	1,318	7,876	32,147	8,108	8,094	48,349	56,225
Utilities	1,476	373	371	2,220	8,363	2,110	2,105	12,578	14,798
Insurance	149	38	38	225	845	213	213	1,271	1,496
	6,862	1,732	1,727	10,321	41,355	10,431	10,412	62,198	72,519
Office & other									
Professional fees	9,631	2,429	2,425	14,485	11,972	3,019	3,014	18,005	32,490
Telecommunications	2,391	603	602	3,596	14,082	3,552	3,546	21,180	24,776
Equipment maintenance & rental	1,037	261	261	1,559	6,087	1,535	1,532	9,154	10,713
Equipment purchase	232	59	58	349	3,233	815	814	4,862	5,211
Publications & subscriptions	1,166	294	294	1,754	6,362	1,605	1,602	9,569	11,323
Postage	1,573	396	396	2,365	4,094	1,033	1,031	6,158	8,523
Stationery & supplies	1,133	286	285	1,704	6,674	1,683	1,680	10,037	11,741
Donations to other organizations	-	-	-	-	-	-	-	-	-
Donor data management	-	-	6,393	6,393	-	-	42,439	42,439	48,832
Miscellaneous	1,446	365	361	2,172	5,104	1,287	1,284	7,675	9,847
	18,609	4,693	11,075	34,377	57,608	14,529	56,942	129,079	163,456
Depreciation	967	244	244	1,455	9,880	2,492	2,488	14,860	16,315
Total functional expenses	\$ 230,102	\$ 49,594	\$ 55,893	\$ 335,589	\$ 1,232,659	\$ 282,435	\$ 324,369	\$ 1,839,463	\$ 2,175,052

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY &
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2016

	ACLU - NJ			Total	ACLU - NJ Foundation			Total
	Program Services	Management & General	Fund Raising		Program Services	Management & General	Fund Raising	
Personnel								
Salaries	\$ 108,445	\$ 33,534	\$ 25,272	\$ 167,251	\$ 701,131	\$ 216,806	\$ 163,388	\$ 1,081,325
Payroll taxes	7,846	2,426	1,828	12,100	57,199	17,687	13,329	88,215
Pension	6,983	2,159	1,627	10,769	68,681	21,238	16,005	105,924
Health insurance	13,424	4,151	3,128	20,703	70,779	21,887	16,494	109,160
Other insurance	485	150	113	748	4,064	1,257	947	6,268
Malpractice insurance	3,443	-	-	3,443	-	-	-	7,016
Travel	3,746	1,158	873	5,777	11,975	3,703	2,791	6,886
	144,372	43,578	32,841	220,791	917,272	282,578	212,954	1,412,804
Program services								
Membership recruitment	325	-	-	325	-	-	-	325
Chapter costs	-	-	-	-	136	-	-	136
Litigation	121	-	-	121	11,336	-	-	11,336
Lobbying	38,444	-	-	38,444	-	-	-	38,444
Newsletter	12,249	-	-	12,249	28,213	-	-	28,213
Meetings & conferences	12,192	-	-	12,192	18,245	-	-	40,462
Public education	8,864	-	-	8,864	14,764	-	-	30,437
	72,195	-	-	72,195	72,694	-	-	23,628
								144,889
Occupancy								
Rent	4,328	1,338	1,009	6,675	28,565	8,833	6,657	50,730
Utilities	1,308	405	304	2,017	8,108	2,507	1,890	14,522
Insurance	153	47	36	236	1,051	325	245	1,857
	5,789	1,790	1,349	8,928	37,724	11,665	8,792	67,109
Office & other								
Professional fees	10,027	3,101	2,337	15,465	11,337	3,506	2,642	32,950
Telecommunications	1,716	530	400	2,646	9,203	2,846	2,145	16,840
Equipment maintenance & rental	535	165	124	824	3,529	1,091	822	6,266
Equipment purchase	320	99	75	494	1,666	515	388	3,063
Publications & subscriptions	76	24	18	118	4,119	1,274	960	6,471
Postage	389	120	91	600	2,169	671	506	3,946
Stationery & supplies	771	239	179	1,189	5,091	1,574	1,186	9,040
Donations to other organizations	456	-	-	456	401	124	93	1,074
Donor data management	-	-	1,827	1,827	-	-	11,033	12,860
Miscellaneous	953	295	222	1,470	4,996	1,545	1,163	9,174
	15,243	4,573	5,273	25,089	42,511	13,146	20,938	101,684
Depreciation	986	305	230	1,521	10,420	3,222	2,428	17,591
Total functional expenses	\$ 238,585	\$ 50,246	\$ 39,693	\$ 328,524	\$ 1,080,621	\$ 310,611	\$ 245,112	\$ 1,964,868

AMERICAN CIVIL LIBERTIES UNION OF NEW JERSEY
AMERICAN CIVIL LIBERTIES UNION - NJ FOUNDATION
CONSOLIDATING STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2017 AND 2016

	2017			2016		
	ACLU - NJ	ACLU - NJ Foundation	Consolidated	ACLU - NJ	ACLU - NJ Foundation	Consolidated
Cash flows from operating activities						
Increase (decrease) in net assets	\$ 439,191	\$ 1,311,382	\$ 1,750,573	\$ (45,609)	\$ (781,633)	\$ (827,242)
Adjustments to reconcile increase (decrease) in net assets to cash provided by (used in) operating activities:						
Depreciation	1,455	14,860	16,315	1,521	16,070	17,591
(Gain) loss on investment securities	(104,215)	(151,580)	(255,795)	39,626	62,723	102,349
Pledge received with time-imposed temporary restriction	(98,208)	(441,449)	(539,657)	-	-	-
(Increase) decrease in:						
Accounts receivable	(53,302)	(660,047)	(713,349)	(6,980)	194,129	187,149
Inter-company funds	(2,819)	2,819	-	(4,982)	4,982	-
Prepaid expenses	(669)	(754)	(1,423)	(773)	(2,274)	(3,047)
Increase (decrease) in:						
Accounts payable & accrued expenses	24,256	25,215	49,471	(6,291)	(58,529)	(64,820)
	205,689	100,446	306,135	(23,488)	(564,532)	(588,020)
Cash flows from investing activities						
Acquisition of investment securities	(142,911)	(751,962)	(894,873)	(24,948)	(35,797)	(60,745)
Proceeds from sales of investments	-	485,000	485,000	-	584,208	584,208
Acquisition of property and equipment	(3,237)	(18,446)	(21,683)	(1,743)	(9,874)	(11,617)
	(146,148)	(285,408)	(431,556)	(26,691)	538,537	511,846
Cash flows from financing activities						
Collections on pledges receivable	25,000	350,000	375,000	-	169,312	169,312
Increase (decrease) in cash & cash equivalents	84,541	165,038	249,579	(50,179)	143,317	93,138
Cash & cash equivalents						
Beginning of year	189,464	590,080	779,544	239,643	446,763	686,406
End of year	\$ 274,005	\$ 755,118	\$ 1,029,123	\$ 189,464	\$ 590,080	\$ 779,544