

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Financial Statements
Years Ended March 31, 2025 and 2024
and Supplementary Information
Year Ended March 31, 2025

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



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Independent Auditor's Report

The Audit Committee
American Civil Liberties Union, Inc. and Consolidated Entities
New York, New York

Opinion

We have audited the consolidated financial statements of American Civil Liberties Union, Inc. and its subsidiaries (collectively, the American Civil Liberties Union or the ACLU), which comprise the consolidated statement of financial position as of March 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of ACLU as of March 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ACLU 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 ACLU'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 ACLU'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 ACLU's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position and consolidating schedule of activities are 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 audits of the consolidated supplementary 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, P.C.

October 31, 2025

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Financial Position

March 31,	2025	2024
Assets		
Cash and cash equivalents	\$ 258,292,266	\$ 125,471,490
Pledges, bequests, and contributions receivable, net	72,269,254	45,154,618
Investments, at fair value	816,278,782	773,499,882
Other assets	15,084,065	6,937,234
Due from affiliates	7,907,574	11,784,859
Due from affiliates - allocated share of pension liability	-	461,430
Net pension assets	1,320,976	-
Right-of-use assets, operating leases	3,518,911	4,336,234
Property and equipment, net of accumulated depreciation and amortization	21,512,323	27,297,455
Total Assets	\$1,196,184,151	\$ 994,943,202
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 20,873,046	\$ 19,897,814
Grants payable	9,417,572	7,679,087
Due to affiliates	96,836,438	40,194,091
Liabilities under split-interest agreements	25,271,053	23,644,944
Bill of Rights Trust held for affiliates	65,531,468	61,997,939
Lease liabilities, operating leases	3,607,398	4,403,240
Accrued pension liability	-	912,252
Total Liabilities	221,536,975	158,729,367
Commitments and Contingencies		
Net Assets		
Net assets without donor restrictions:		
Board-designated	348,589,903	318,359,658
Undesignated	321,207,239	235,660,542
Net Assets Without Donor Restrictions	669,797,142	554,020,200
Net assets with donor restrictions	304,850,034	282,193,635
Total Net Assets	974,647,176	836,213,835
Total Liabilities and Net Assets	\$1,196,184,151	\$ 994,943,202

See accompanying notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Activities

Year ended March 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Support:			
Current member contributions	\$ 119,059,883	\$ -	\$ 119,059,883
New member contributions	17,061,590	-	17,061,590
Grants, bequests, and contributions	250,730,543	122,631,105	373,361,648
Donated legal services	42,651,996	-	42,651,996
Total Support	429,504,012	122,631,105	552,135,117
Revenue:			
List rentals	160,896	-	160,896
Rental income	289,278	-	289,278
Merchandise and book sales	1,165,759	-	1,165,759
Other income	822,347	-	822,347
Total Revenue	2,438,280	-	2,438,280
Net assets released from restrictions	113,357,799	(113,357,799)	-
Total Operating Support and Revenue	545,300,091	9,273,306	554,573,397
Operating Expenses			
Program services:			
Legislative	35,913,538	-	35,913,538
Legal	122,397,226	-	122,397,226
Public education	49,942,372	-	49,942,372
Civil liberties policy formulation	3,233,795	-	3,233,795
Affiliate support	195,956,038	-	195,956,038
Total Program Services	407,442,969	-	407,442,969
Supporting services:			
Management and general	29,397,812	-	29,397,812
Fundraising	44,929,072	-	44,929,072
Total Supporting Services	74,326,884	-	74,326,884
Total Operating Expenses	481,769,853	-	481,769,853
Change in Net Assets, before non-operating activities	63,530,238	9,273,306	72,803,544
Other Changes in Net Assets from Non-Operating Activities			
Legal awards, net	7,815,748	-	7,815,748
Net investment income	43,041,268	13,135,889	56,177,157
Changes in value of split-interest agreements	(871,707)	247,204	(624,503)
Recognition of affiliates' share of minimum pension liability adjustment	2,606,465	-	2,606,465
Other components of postretirement benefit cost	(345,070)	-	(345,070)
Total Other Changes in Net Assets from Non-Operating Activities	52,246,704	13,383,093	65,629,797
Increase in Net Assets	115,776,942	22,656,399	138,433,341
Net Assets, beginning of year	554,020,200	282,193,635	836,213,835
Net Assets, end of year	\$ 669,797,142	\$ 304,850,034	\$ 974,647,176

See accompanying notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statement of Activities

Year ended March 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Support:			
Current member contributions	\$ 93,276,789	\$ -	\$ 93,276,789
New member contributions	5,775,714	-	5,775,714
Grants, bequests, and contributions	142,561,054	69,493,106	212,054,160
In-kind donated property	4,400,000	-	4,400,000
Donated legal services	39,504,757	-	39,504,757
Total Support	285,518,314	69,493,106	355,011,420
Revenue:			
List rentals	161,737	-	161,737
Rental income	717,155	-	717,155
Merchandise and book sales	598,066	-	598,066
Other income	601,269	-	601,269
Total Revenue	2,078,227	-	2,078,227
Net assets released from restrictions	89,768,663	(89,768,663)	-
Total Operating Support and Revenue	377,365,204	(20,275,557)	357,089,647
Operating Expenses			
Program services:			
Legislative	26,973,666	-	26,973,666
Legal	120,598,711	-	120,598,711
Public education	54,409,676	-	54,409,676
Civil liberties policy formulation	3,096,907	-	3,096,907
Affiliate support	114,516,961	-	114,516,961
Total Program Services	319,595,921	-	319,595,921
Supporting services:			
Management and general	27,964,608	-	27,964,608
Fundraising	35,971,555	-	35,971,555
Total Supporting Services	63,936,163	-	63,936,163
Total Operating Expenses	383,532,084	-	383,532,084
Change in Net Assets, before non-operating activities	(6,166,880)	(20,275,557)	(26,442,437)
Other Changes in Net Assets from Non-Operating Activities			
Legal awards, net	7,009,067	-	7,009,067
Net investment income	63,042,318	13,405,330	76,447,648
Changes in value of split-interest agreements	(2,528,035)	260,192	(2,267,843)
Recognition of affiliates' share of minimum pension liability adjustment	1,938,722	-	1,938,722
Other components of postretirement benefit cost	(227,242)	-	(227,242)
Total Other Changes in Net Assets from Non-Operating Activities	69,234,830	13,665,522	82,900,352
Change in Net Assets	63,067,950	(6,610,035)	56,457,915
Net Assets, beginning of year	490,952,250	288,803,670	779,755,920
Net Assets, end of year	\$ 554,020,200	\$ 282,193,635	\$ 836,213,835

See accompanying notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities
Consolidated Statement of Functional Expenses

Year ended March 31, 2025

	Program Services					Supporting Services				Total Expenses
	Legislative	Legal	Civil Liberties Public Education	Policy Formulation	Affiliate Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 11,331,172	\$ 37,120,276	\$ 9,091,364	\$ 1,659,991	\$ 13,988,345	\$ 73,191,148	\$ 13,500,554	\$ 11,785,711	\$ 25,286,265	\$ 98,477,413
Employee benefits	3,120,043	9,623,672	2,430,505	672,052	5,540,575	21,796,847	7,100,790	3,270,931	10,371,721	32,168,568
Rent and occupancy	286,622	2,744,076	432,462	24,543	550,323	4,038,026	222,369	582,709	805,078	4,843,104
Books	3,447	417,201	40,041	3,538	23,846	488,073	32,630	96,015	128,645	616,718
Building depreciation	-	1,158,533	194,228	-	161,856	1,514,617	2,161	388,456	390,617	1,905,234
Other depreciation and amortization	921,316	239,242	69,988	10,228	271,833	1,512,607	53,620	69,455	123,075	1,635,682
Equipment rental and maintenance	873,892	2,822,243	1,218,441	237,393	1,553,913	6,705,882	2,015,022	975,954	2,990,976	9,696,858
Grants to affiliates	1,320,205	2,550,400	-	-	27,912,930	31,783,535	-	-	-	31,783,535
Shared portion of contributions	656,757	11,772,611	50,800	-	109,547,347	122,027,515	-	1,520	1,520	122,029,035
Shared portion of bequest	127,265	2,935,899	48,629	-	16,082,645	19,194,438	-	92,396	92,396	19,286,834
Meetings/conferences	200,561	234,664	1,181,280	58,791	1,363,703	3,038,999	270,649	76,981	347,630	3,386,629
Legal fees	29,376	42,651,996	19,864	118,850	638,240	806,330	1,381,549	15,764	1,397,313	2,203,643
Donated legal services	-	-	-	-	-	42,651,996	-	-	-	42,651,996
Accounting fees	-	-	-	-	-	-	430,461	-	430,461	430,461
Other professional services	8,650,528	2,429,938	11,068,546	262,936	5,029,063	27,441,011	2,976,360	21,353,775	24,330,135	51,771,146
Postage and supplies	541,212	169,403	9,665,824	1,822	168,693	10,546,954	32,055	2,090,857	2,122,912	12,669,866
Publishing, printing, and outreach	1,191,196	347,235	7,332,875	1,510	350,571	9,223,387	53,501	1,526,974	1,580,475	10,803,862
Special affiliate subsidies	56,083	560,833	-	-	8,583,084	9,200,000	-	-	-	9,200,000
Telephone	695,382	417,403	163,910	24,029	289,326	1,590,050	137,697	129,207	266,904	1,856,954
Telemarketing	105,220	-	1,684,059	-	24,681	1,813,960	-	422,762	422,762	2,236,722
Travel	384,197	890,589	376,583	56,979	420,192	2,128,540	199,462	196,404	395,866	2,524,406
Other grants and awards	5,152,134	290,404	251,193	3,750	1,276,445	6,973,926	19,750	94,828	114,578	7,088,504
Provision for doubtful allowances	-	1,736,940	644,236	-	1,537,743	3,918,919	-	682,226	682,226	4,601,145
Other expenses	266,930	1,283,668	3,567,544	97,383	640,684	5,856,209	969,182	1,076,147	2,045,329	7,901,538
Total Expenses, per consolidated statement of activities	35,913,538	122,397,226	49,942,372	3,233,795	195,956,038	407,442,969	29,397,812	44,929,072	74,326,884	481,769,853
Net periodic cost other than service cost	(231,141)	(788,361)	(321,735)	(20,787)	(1,261,810)	(2,623,834)	(189,256)	(289,469)	(478,725)	(3,102,559)
Total Expenses, Net	\$ 35,682,397	\$ 121,608,865	\$ 49,620,637	\$ 3,213,008	\$ 194,694,228	\$ 404,819,135	\$ 29,208,556	\$ 44,639,603	\$ 73,848,159	\$ 478,667,294

See accompanying notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities
Consolidated Statement of Functional Expenses

Year ended March 31, 2024

	Program Services						Supporting Services			Total Expenses
	Legislative	Legal	Civil Liberties Public Education	Policy Formulation	Affiliate Support	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 9,598,334	\$ 33,966,337	\$ 10,875,900	\$ 1,490,221	\$ 13,494,943	\$ 69,425,735	\$ 12,420,533	\$ 11,490,363	\$ 23,910,896	\$ 93,336,631
Employee benefits	1,941,320	8,772,701	3,221,660	584,515	4,860,744	19,380,940	6,134,355	3,331,507	9,465,862	28,846,802
Rent and occupancy	635,955	1,712,655	635,863	64,931	671,273	3,720,677	1,139,590	728,107	1,867,697	5,588,374
Books	7,609	314,223	2,612	2,661	-	339,916	12,834	56,366	69,200	409,116
Building depreciation	-	861,983	190,620	-	158,850	1,211,453	270,363	381,240	651,603	1,863,056
Other depreciation and amortization	98,871	490,124	148,469	16,478	138,704	892,646	82,857	267,180	350,037	1,242,683
Equipment rental and maintenance	1,227,218	3,187,816	930,041	207,273	1,531,594	7,083,942	1,506,472	1,314,885	2,821,357	9,905,299
Grants to affiliates	1,767,284	12,683,290	-	-	12,343,079	26,793,653	-	-	-	26,793,653
Shared portion of contributions	601,888	9,753,057	2,500	-	56,416,217	66,773,662	-	-	-	66,773,662
Shared portion of bequest	68,217	800,779	-	-	9,353,342	10,222,338	-	-	-	10,222,338
Meetings/conferences	212,198	220,932	2,507,891	29,901	616,626	3,587,548	153,479	55,746	209,225	3,796,773
Legal fees	-	63,506	55,334	99,450	609,777	828,067	1,292,851	150,626	1,443,477	2,271,544
Donated legal services	-	39,504,757	-	-	-	39,504,757	-	-	-	39,504,757
Accounting fees	-	-	-	-	-	-	465,796	-	465,796	465,796
Other professional services	4,690,516	3,826,464	14,341,726	392,639	3,228,048	26,479,393	3,145,469	12,685,990	15,831,459	42,310,852
Postage and supplies	12,343	53,325	10,101,143	1,922	29,621	10,198,354	18,991	1,750,034	1,769,025	11,967,379
Publishing, printing, and outreach	648,756	69,076	7,383,190	268	186,058	8,287,348	40,078	767,853	807,931	9,095,279
Special affiliate subsidies	65,690	656,900	-	-	8,477,410	9,200,000	-	-	-	9,200,000
Telephone	306,688	414,535	141,030	19,926	185,066	1,067,245	106,517	129,882	236,399	1,303,644
Telemarketing	-	-	320,524	-	-	320,524	-	1,225,339	1,225,339	1,545,863
Travel	220,119	937,363	194,707	73,936	341,405	1,767,530	237,964	212,852	450,816	2,218,346
Other grants and awards	4,455,494	382,448	40,000	-	1,060,185	5,938,127	-	-	-	5,938,127
Provision for doubtful allowances	76,399	241,931	249,007	12,733	82,766	662,836	63,666	468,433	532,099	1,194,935
Other expenses	338,767	1,684,509	3,067,459	100,053	718,442	5,909,230	872,793	955,152	1,827,945	7,737,175
Total Expenses, per consolidated statement of activities	26,973,666	120,598,711	54,409,676	3,096,907	114,516,961	319,595,921	27,964,608	35,971,555	63,936,163	383,532,084
Net periodic cost other than service cost	(323,859)	(1,448,382)	(653,706)	(37,315)	(1,375,593)	(3,838,855)	(335,836)	(432,119)	(767,955)	(4,606,810)
Total Expenses, Net	\$ 26,649,807	\$ 119,150,329	\$ 53,755,970	\$ 3,059,592	\$ 113,141,368	\$ 315,757,066	\$ 27,628,772	\$ 35,539,436	\$ 63,168,208	\$ 378,925,274

See accompanying notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidated Statements of Cash Flows

Year ended March 31,	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ 138,433,341	\$ 56,457,915
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,540,916	3,105,739
In-kind donated property	-	(4,400,000)
Discount on pledges receivable	599,890	(1,259,736)
Provisions for doubtful allowances	4,601,145	1,194,935
Non-cash lease expense	1,566,696	1,424,818
Changes in value of split-interest agreements	624,503	2,267,843
Net realized and unrealized gains on investments, net of adjustments for affiliate holdings	(51,838,493)	(77,661,022)
Loss on the sale of fixed assets	292,254	-
Donated investments	(30,303,690)	(6,329,294)
Changes in benefit obligations other than net periodic benefit cost	3,447,628	4,834,052
Affiliates' allocated share of pension liability adjustment	461,430	1,989,263
Cash received on contributions restricted for endowment	(94,952)	(203,061)
Changes in operating assets and liabilities:		
(Increase) decrease in pledges, bequests, and contributions receivable	(32,315,671)	15,463,673
Increase in other assets	(8,146,831)	(3,282,058)
Increase in net pension assets	(1,320,976)	-
Increase in accounts payable and accrued expenses	975,232	1,790,941
Increase in grants payable	1,738,485	1,807,271
Increase (decrease) in due to affiliates, net	60,519,632	(22,564,845)
Increase in Bill of Rights Trust held for affiliates, net of unrealized	3,533,529	9,593,926
Principal reduction in operating lease liabilities	(1,545,215)	(1,426,884)
Decrease in accrued pension liability	(4,359,880)	(8,467,737)
Net Cash Provided by (Used in) Operating Activities	90,408,973	(25,664,261)
Cash Flows from Investing Activities		
Proceeds from the sale of investments	175,103,691	129,343,402
Purchase of investments	(135,740,408)	(123,465,552)
Proceeds from the sale of fixed assets	4,107,746	-
Purchase of property and equipment	(2,155,784)	(2,633,578)
Net Cash Provided by Investing Activities	41,315,245	3,244,272
Cash Flows from Financing Activities		
Cash received on contributions restricted for endowment	94,952	203,061
Contributions subject to split-interest agreements	4,950,017	4,324,234
Payments on split-interest agreements	(3,894,705)	(2,515,387)
Payments of new annuities	(53,706)	(165,287)
Net Cash Provided by Financing Activities	1,096,558	1,846,621
Net Change in Cash and Cash Equivalents	132,820,776	(20,573,368)
Cash and Cash Equivalents, beginning of year	125,471,490	146,044,858
Cash and Cash Equivalents, end of year	\$ 258,292,266	\$ 125,471,490
Supplemental Disclosures of Cash Flow Information		
Donated legal services	\$ 42,651,996	\$ 39,504,757
Investment in right-of-use assets - operating leases through operating lease liabilities	749,373	3,389,925
Taxes paid on unrelated business income	82,046	130,000
Change in investments for Bill of Rights Trust held for affiliates	4,202,325	6,689,363

See accompanying notes to consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

1. Organization

The American Civil Liberties Union, Inc. (the Union) and the American Civil Liberties Union Foundation, Inc. (the Foundation), collectively, the American Civil Liberties Union or the ACLU, were established as nonprofit corporations to preserve and promote individual civil rights and civil liberties as guaranteed by the United States Constitution and the nation's civil rights laws. The Union and the Foundation share common Board of Directors and management.

In November 2023, the ACLU Voter Education Fund (the Fund) was formed by the ACLU to solicit and receive voluntary political contributions. The Fund was subsequently registered with the Federal Election Commission. The Union is the sole member of the Fund.

In October 2023, the Foundation received a property as a donation. In November 2023, the Foundation formed 104 Greenwich Ave LLC (Greenwich) to hold title of the Foundation's real property. During the fiscal year, the Foundation sold the building and filed for dissolution of Greenwich on January 24, 2025.

The ACLU is affiliated with 50 nonprofit, tax-exempt organizations and has a presence in every state in the United States and in the District of Columbia and Puerto Rico. All affiliates include reference to the American Civil Liberties Union or some variation thereof in their names (the affiliates). The affiliates also operate through related Section 501(c)(3) and Section 501(c)(4) organizations. The affiliates share the same overall mission and purpose as the ACLU, but their programs focus more on local or regional issues, while the ACLU's program activities are focused on overarching civil liberties issues and initiatives. Although the ACLU plays no direct role in the governance of and, except in very limited instances, does not share employees with, the affiliates, the organizations jointly fundraise and work together on certain programs and the ACLU, through either the Union or Foundation, as appropriate, at its sole discretion provides targeted financial and other support to the affiliates.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts and activities of the Union; the Foundation; 915 15th Street, LLC (the LLC); Greenwich; and the Fund. Certain members of the Board of Directors of the Union comprise the Board of Directors of the Foundation. The LLC and Greenwich are both single-member limited liability companies of which the Foundation is the sole member. All significant inter-organizational accounts and transactions have been eliminated in consolidation.

The accounts and activities of the affiliates are not included in these consolidated financial statements.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Use of Estimates

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

Cash and Cash Equivalents

The ACLU considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held temporarily in the investment portfolio are included in investments.

Investments and Related Income, Gains, and Losses

Investments are reported at fair value in the consolidated statements of financial position. The consolidated statements of activities include net investment income consisting of interest and dividend income and realized and unrealized gains and losses. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Realized gains and losses on sale of investments are calculated on the basis of specific identification of the securities sold. Purchases and sales of securities are recognized on a trade-date basis.

Donated securities are recorded at their estimated fair values as determined by the ACLU's management on the dates of donation. The ACLU's policy is to sell donated securities immediately, and accordingly, for purposes of the consolidated statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

For the fiscal years ended March 31, 2025 and 2024, net investment income, gains, and losses are reported net of direct investment expenses of approximately \$2,832,012 and \$2,459,951, respectively.

Fair Value Measurements

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 - This level consists of inputs that reflect unadjusted quoted market prices in active markets for identical assets or liabilities that the ACLU has the ability to access at the measurement date. The types of investments in Level 1 generally include listed equities, mutual funds, and exchange-traded funds.

Level 2 - This level consists of inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active. Investments in this category generally include corporate debt, U.S. government debt, and less liquid securities, such as securities traded on certain foreign exchanges. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

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Level 3 - This level consists of inputs that are unobservable for the asset or liability and that include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimates. Investments in this category generally include equity and debt positions in private companies.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Fair Value of Financial Instruments

The following methods and assumptions were used in estimating the fair values of significant financial instruments:

Cash and Cash Equivalents - The carrying amount approximates fair value because the instruments are liquid in nature and have short-term maturities.

Investments - The fair value is determined as described in Note 5.

Concentration of Market and Credit Risk

The ACLU's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments.

Exposure to credit risk is reduced by the placement of such funds in high-credit quality financial institutions and financial instruments. At March 31, 2025 and 2024, the majority of the ACLU's money market accounts were in funds that invest in short-term direct government obligations, such as U.S. Treasury Bills, that are backed by the full faith and credit of the U.S. government.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of the ACLU's investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

In order to control market risk, the ACLU has an investment committee that reviews and updates investment policy statements for the organization's various investment portfolios, oversees its investment portfolio, and engages the services of investment advisors and managers to invest and manage the assets within the guidelines of the respective investment policy statements and perform ongoing due diligence and reporting. The ACLU monitors the market risk of its investment portfolio through ongoing review of asset allocation formulas and analysis of investment values as reported by investment custodians and managers.

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The clearing and depository operations for the ACLU's portfolio of investments held in managed accounts are provided principally by three financial institutions that held approximately 91% and 84% of the total portfolio at March 31, 2025 and 2024, respectively.

Property and Equipment

Property and equipment (consisting of office buildings, furniture, fixtures, office equipment, and software) are carried at cost, less accumulated depreciation or amortization. Donations of property and equipment are stated at the estimated fair value at the date of the donation.

Minor costs or repairs and maintenance are expensed as incurred. Depreciation and amortization are provided for using the straight-line method over the estimated useful lives of the respective assets. Land is not depreciated. Amortization of leasehold improvements is provided using the straight-line method over the estimated useful lives of the improvements or the remaining lives of the leases, whichever is shorter.

Impairment of Long-Lived Assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. There were no triggering events during fiscal years 2025 or 2024 requiring management to test for impairment that would require any adjustments to property and equipment. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

Accrued Vacation

Accrued vacation represents the ACLU's obligation for the cost of unused employee vacation time that would be payable in the event that all employees leave the ACLU. As of March 31, 2025, and 2024, the accrued vacation obligation was approximately \$6,344,000 and \$6,639,000, respectively, and is reported as part of accounts payable and accrued expenses in the consolidated statements of financial position.

Grants Payable

Unconditional grants and awards are recognized as expenses in the consolidated financial statements at the time of approval. Unconditional grants and awards approved, but not yet paid, are recognized as grants payable at each year-end. As of March 31, 2025 and 2024, grants payable amounted to approximately \$9,418,000 and \$7,679,000, respectively.

Leases

The ACLU determines if an arrangement is a lease or a service contract at inception. Where an arrangement is a lease, the ACLU determines if it is an operating lease or a finance lease. The ACLU currently does not have any finance leases. Subsequently, if the arrangement is modified, the ACLU reevaluates the classification. At lease commencement, the ACLU records a right-of-use (ROU) asset and a corresponding lease liability. ROU assets represent the ACLU's right to control the use of the leased asset during the lease and are recognized in an amount equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Lease liabilities represent the present value of the future lease payments over the expected lease term, which includes options

American Civil Liberties Union, Inc. and Consolidated Entities

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to extend or terminate the lease when it is reasonably certain those options will be exercised. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less are considered short-term leases and are accounted for as rent expense on a straight-line basis over the lease term.

Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless the ACLU is reasonably certain to exercise the option to extend the lease. The ACLU has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by GAAP. As such, the ACLU accounts for the applicable non-lease components together with the related lease components when determining the ROU assets and liabilities.

Net Assets

The ACLU reports information regarding its financial position and activities in two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions - These assets represent those resources for which there are no restrictions by donors as to their use and are, therefore, available for current operations. ACLU's board-designated funds represent the portion of expendable funds that are available for support of the ACLU's operations, at the discretion of the Board of Directors.

Net Assets with Donor Restrictions - These assets represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specific period of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the New York's Prudent Management of Institutional Funds Act (NYPMIFA). These donors have stipulated that those resources be maintained in perpetuity, with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors.

When a donor restriction expires—that is, when a stipulated time restriction ends, a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Directors—net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restrictions.

Endowment Funds

The ACLU's endowment is subject to the provision of the New York Prudent Management of Institutional Funds Act (NYPMIFA). The ACLU classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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 held in perpetuity is classified as net assets with donor restrictions until appropriated for expenditure.

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Notes to Consolidated Financial Statements

Revenue Recognition

Grants, Bequests, Contributions, and Related Receivables

The ACLU reports contributions as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Unconditional promises to give are recorded as pledges and contributions receivable in the period the promise is received. Payments received in subsequent periods on unconditional promises to give, such as payments on multi-year gifts, are not recognized as revenue; rather, these are recorded as decreases in the corresponding pledges and contributions receivable balance. Pledges and contributions receivable due within one year are recorded at their net realizable value. Pledges and contributions 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 and contributions receivable are provided by management based on the ACLU's experience with the donors and their ability to pay.

Conditional promises to give are those with measurable performance or other barriers and right of return or release. Conditional promises to give are recognized when the donor's conditions have been met by requisite actions of the ACLU's management or necessary events have taken place.

Contributions of cash and other assets are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Contributions that are to be maintained in perpetuity are recorded as with donor restrictions support.

The ACLU is a beneficiary under various wills and trust agreements, the total realizable amounts of which are not determinable at present. The ACLU's share of such bequests is recorded when the amounts and timing of the distributions can be estimated with reasonable certainty and the probate court declares the will valid. For the fiscal years ended March 31, 2025 and 2024, bequest contributions amounted to approximately \$70,513,000 and \$47,040,000, respectively.

There was no donor concentration of the total grants, bequests, and contributions revenue for the fiscal years ended March 31, 2025 and 2024. In addition, approximately 26% and 31% of the gross pledges, bequests, and contributions receivable of approximately \$77,292,000 and \$48,016,000 were due from two donors at March 31, 2025 and 2024, respectively.

Certain grants, bequests, and contributions revenue are subject to revenue-sharing agreements with affiliates. The ACLU's sharing rules specify the circumstances under which revenue shall be shared and the methodology for determining the specific portion of various categories of revenue that will be shared among the ACLU and the affiliates. Shared revenues are reported at gross amounts and the affiliates' share of the revenues are included as affiliate support expense in the consolidated statements of activities. The ACLU reports the affiliates' share of revenues as expenses when cash is received from the donor.

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Notes to Consolidated Financial Statements

Contributions of Nonfinancial Assets

The ACLU received contributions of nonfinancial assets and recognized within the consolidated statements of activities as follows:

<i>Year ended March 31,</i>	2025	2024
Donated Legal Services		
Program - State Supreme Court Initiative	\$ 30,738	\$ 176,921
Program - Racial Justice Project	921,477	470,374
Program - National Prison Project	1,103,944	1,778,015
Program - Criminal Law Reform Project	4,779,891	2,184,646
Program - Capital Punishment Project	908,768	1,052,710
Program - Women's Rights Project	291,717	618,813
Program - Freedom of Religion and Belief	1,797,458	516,412
Program - Disability Rights Project	886,831	703,684
Program - Reproductive Freedom Project	4,925,244	2,925,042
Program - LGBT	7,272,380	7,755,223
Program - Voting Rights Project	11,555,667	15,938,843
Program - Speech Privacy and Technology	1,313,931	1,343,675
Program - Human Rights Project	-	162,972
Program - Immigration Rights Project	3,922,119	2,805,025
Program - Abortion Criminal Defense	232,638	-
Program - Supreme Court	785,389	-
Program - National Security Project	1,923,804	1,072,402
	42,651,996	39,504,757
Donated Property	-	4,400,000
Total	\$ 42,651,996	\$ 43,904,757

Donated legal services are valued at the estimated fair value based on current hourly rates by type of services used by the law firm that provide similar legal services. Donated personnel services are valued at fair market rates for the services performed. Donated property is valued based on the appraised value provided by a certified appraiser.

The ACLU recognizes contributions of nonfinancial assets at their estimated fair value at the date of donation. The ACLU recognizes contributions of services received if the services received create or enhance nonfinancial assets or if the services require specialized skills and would typically need to be purchased if not provided by donation.

Contributed nonfinancial assets did not have donor-imposed restrictions for the fiscal years ended March 31, 2025 and 2024.

A number of individuals have made contributions of their time to serve on the ACLU's board. The value of their contributed time is not reflected in the consolidated financial statements in as much as those services would not typically be purchased had they not been provided by donation.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Functional Expenses

The costs of providing various program and supporting services of the ACLU have been summarized on a functional basis in the accompanying consolidated financial statements. Each department within the ACLU is allocated to its program or supporting services based on a total analysis of its respective full-time equivalents and a determination of what functions it performs. Certain departments, such as legal, are determined to be 100% programmatic and are reflected, therefore, under legal programs. Other departments, such as executive or administrative/finance, are largely supportive in nature and reflected largely under management and general. Each year, the functional allocations are reviewed and modified based on initiatives and organizational changes to best reflect the activities within the ACLU for a specified year.

In addition, certain expenses, predominantly salaries and employee benefits, are shared between the Union and the Foundation. Expenses paid by the Union and allocated to the Foundation during the fiscal years ended March 31, 2025 and 2024 amounted to \$35,564,077 and \$40,695,523, respectively.

Measure of Operations

The ACLU includes, in its definition of operations, all revenues and expenses that are an integral part of its program and supporting activities. Net investment income, including net realized and unrealized gains and losses is reported as part of non-operating activities, as are: (i) legal awards; (ii) changes in value of split-interest agreements; (iii) recognition of affiliates' share of minimum pension liability adjustment; and (iv) other components of postretirement benefit cost.

Legal Awards

Pursuant to the Civil Rights Attorneys Fee Awards Act of 1976 and similar laws, legal fees and expenses may be awarded in certain legal actions. The amounts of these awards are the result of court determinations and/or negotiations between the parties to the matters. Management anticipates that the ACLU will be the recipient of legal awards of a substantial amount but is unable to determine the amounts receivable with any degree of accuracy. Accordingly, the ACLU's accounting policy is to accrue an award only when, in management's judgment, the amount appears relatively certain of collection.

Defined Benefit Pension Plan

The ACLU reports the funded status of, and discloses other information about, its sponsored defined benefit pension plan in accordance with Financial Accounting Standards Board (FASB) ASC 715, *Compensation - Retirement Benefits* (see Note 12).

Income Taxes

The Union, Foundation, and Fund are nonprofit organizations exempt from income taxes under Section 501(c)(4), Section 501(c)(3), and Section 527, respectively, of the U.S. Internal Revenue Code (IRC). The Union, Foundation, and Fund are subject to taxes on unrelated business income, as applicable. The LLC and Greenwich are treated as disregarded (tax) entities.

The Union, Foundation, and Fund file tax and information returns with the Internal Revenue Service (IRS) and with various states.

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Notes to Consolidated Financial Statements

Management evaluated the Union's, Foundation's, and Fund's tax positions and concluded that each organization had taken no uncertain tax positions that require additional adjustment or disclosure to the accompanying consolidated financial statements. Generally, the Union, Foundation, and Fund are no longer subject to income tax examinations by U.S. federal, state, or local tax authorities for tax years before 2022, which is the standard statute of limitations look-back period.

Evaluation of Subsequent Events

The ACLU evaluates events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the consolidated financial statements. Such evaluation is performed through the date the consolidated financial statements are issued, which is October 31, 2025. There were no significant subsequent events requiring adjustment to the consolidated financial statements or disclosures.

Reclassification

Certain information in the prior year's consolidated financial statements has been reclassified to conform to the current year's consolidated financial statement presentation.

Adoption of Issued Accounting Pronouncements

Financial Instruments - Credit Losses (Topic 326)

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-03, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended. The new credit loss standard changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying *Revenue from Contracts with Customers (Topic 606)*, loans, and certain other instruments, entities are required to use a new forward-looking "expected-loss" model that generally results in earlier recognition of credit losses than under the incurred-loss model. ASU 2016-03 is effective for fiscal years beginning after December 15, 2022. The ACLU adopted this ASU on April 1, 2023 prospectively, and there was no impact on the consolidated financial statements.

3. Related Party Transactions

Amounts due from and to affiliates represent receivables and payables related to affiliate support and revenue sharing.

Amounts due from affiliates include income generated by the affiliates that is subject to the application of the ACLU sharing rules, reimbursement to the ACLU for expenses paid by the ACLU on behalf of the affiliates, and receivables for affiliate health insurance, which amounted to approximately \$7,908,000 and \$11,785,000 for the fiscal years ended March 31, 2025 and 2024, respectively.

Amounts due to affiliates include the portion of contributions that are shared in accordance with the ACLU sharing rules, and payments related to certain affiliate subsidy programs. For the fiscal years ended March 31, 2025 and 2024, approximately \$96,836,000 and \$40,194,000 was due to affiliates, respectively.

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Amounts due from affiliates includes allocated share of pension liability of \$461,430 at March 31, 2024, which represent the estimated aggregate amount due from affiliates in connection with the employer withdrawal liability provision stipulated in the amended and restated ACLU Retirement Plan effective January 1, 2015 (see Note 12) in the event of withdrawal from the plan. Amounts due to affiliates related to the over-funded status of the plan as of March 31, 2025 was \$560,507.

During the fiscal years ended March 31, 2025 and 2024, the ACLU had expenses to affiliates for grants to affiliates, the shared portion of contributions and bequests, and the special affiliate subsidies of approximately \$182,300,000 and \$112,990,000, respectively.

During both fiscal years ended March 31, 2025 and 2024, the Foundation received approximately and \$172,000 and \$390,000 from the New York Civil Liberties Union, Inc. and the New York Civil Liberties Union Foundation, Inc. in payments for the use of space occupied at the Foundation's offices at 125 Broad Street. These payments include charges for cleaning and other customary services.

As of March 31, 2025, expected future receipts from the New York Civil Liberties Union, Inc. and New York Civil Liberties Union Foundation, Inc. for the use of space occupied are as follows:

Year ending March 31,

2026	\$	390,264
	\$	390,264

4. Pledges, Bequests, and Contributions Receivable

Pledges, bequests, and contributions receivable that are expected to be collected after one year have been discounted to net present value at rates ranging from 3.04% to 4.59% and are reflected in the consolidated financial statements at their net realizable value.

Pledges, bequests, and contributions receivable are comprised of the following:

<i>March 31,</i>	2025	2024
Receivable due within one year or less	\$ 66,703,114	\$ 45,271,869
Receivable due in more than one year to five years	10,589,188	2,744,421
	77,292,302	48,016,290
Less: discount to present value	(854,512)	(254,623)
Less: allowance for uncollectible accounts	(4,168,536)	(2,607,049)
	\$ 72,269,254	\$ 45,154,618

Approximately \$16,964,000 and \$8,679,000 of pledges, bequests, and contributions receivable as of March 31, 2025 and 2024, respectively, are the affiliates' share of these revenues that are based on ACLU's revenue-sharing rules. These amounts will be recognized as expenses by the ACLU upon the receipt of cash from donors.

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Notes to Consolidated Financial Statements

For the fiscal years ended March 31, 2025 and 2024, the ACLU received approximately \$3,187,000 and \$3,450,000, respectively, in new conditional contributions. For the fiscal years ended March 31, 2025 and 2024, the ACLU recognized approximately \$1,468,000 and \$1,200,000, respectively, in revenue from conditional contributions as barriers were met. At March 31, 2025 and 2024, there was approximately \$5,469,000 and \$3,750,000, respectively, in conditional contributions, which did not meet the barriers to be recognized as revenue. Revenues on these grants and contributions will be recognized by the ACLU in future periods as the barriers are met.

5. Investments and Fair Value Measurement

The following tables present the ACLU's investments that are measured at fair value on a recurring basis.

March 31, 2025

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 6,354,243	\$ -	\$ -	\$ 6,354,243
Equities	170,661,919	-	-	170,661,919
Corporate Bonds (by S&P rating)				
AAA-A-	-	815,446	-	815,446
U.S. Treasury Notes, Agency, and Related	-	36,338,359	-	36,338,359
Mutual Funds				
Large-cap U.S. equity	12,272,776	-	-	12,272,776
Small-/mid-cap U.S. equity	4,043,162	-	-	4,043,162
International equity	11,927,378	-	-	11,927,378
Short-term bond	16,112,255	-	-	16,112,255
Intermediate-term bond	9,710,022	-	-	9,710,022
High-yield bond	973,973	-	-	973,973
Other bond	2,381,466	-	-	2,381,466
International fixed income	2,298,895	-	-	2,298,895
International real estate	1,130,191	-	-	1,130,191
U.S. real estate	4,729,947	-	-	4,729,947
Total Mutual Funds	65,580,065	-	-	65,580,065
Exchange-Traded Funds				
Short-term, long-term, and intermediate-term bonds	36,369,998	-	-	36,369,998
Real estate and hard assets (commodities)	22,050,038	-	-	22,050,038
Total Exchange-Traded Funds	58,420,036	-	-	58,420,036
Total	\$ 301,016,263	\$ 37,153,805	\$ -	338,170,068
Private Equity Funds - Multi-Strategy⁽¹⁾				188,041,092
Proprietary Equity Funds - Multi-Strategy⁽¹⁾				290,067,622
Total Investments				\$ 816,278,782

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Notes to Consolidated Financial Statements

March 31, 2024

	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 13,962,916	\$ -	\$ -	\$ 13,962,916
Equities	156,161,992	-	-	156,161,992
Corporate Bonds (by S&P rating)				
AAA-A-	-	908,038	-	908,038
U.S. Treasury Notes, Agency, and Related	-	34,545,378	-	34,545,378
Mutual Funds				
Large-cap U.S. equity	11,882,602	-	-	11,882,602
Small-/mid-cap U.S. equity	3,694,596	-	-	3,694,596
International equity	10,056,254	-	-	10,056,254
Short-term bond	16,580,772	-	-	16,580,772
Intermediate-term bond	9,419,911	-	-	9,419,911
High-yield bond	922,152	-	-	922,152
Other bond	2,091,485	-	-	2,091,485
International fixed income	2,218,013	-	-	2,218,013
International real estate	2,382,728	-	-	2,382,728
U.S. real estate	4,472,569	-	-	4,472,569
Total Mutual Funds	63,721,082	-	-	63,721,082
Exchange-Traded Funds				
Short-term, long-term, and intermediate-term bonds	32,853,995	-	-	32,853,995
Real estate and hard assets (commodities)	20,680,095	-	-	20,680,095
Total Exchange-Traded Funds	53,534,090	-	-	53,534,090
Total	\$ 287,380,080	\$ 35,453,416	\$ -	322,833,496
Private Equity Funds - Multi-Strategy⁽¹⁾				156,422,115
Proprietary Equity Funds - Multi-Strategy⁽¹⁾				294,244,271
Total Investments				\$ 773,499,882

⁽¹⁾ In accordance with the fair value measurements topic, certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Below are the valuation techniques used by the ACLU to measure different financial instruments at fair value and the level within the fair value hierarchy in which the financial instrument is categorized.

Equities, money market funds, exchange-traded funds listed on a national securities exchange or reported on the National Association of Securities Dealers Automated Quotations (NASDAQ) global market, and certificates of deposit maturing, within a year or less, are stated at the last reported sales or trade price on the day of valuation. These financial instruments are classified as Level 1 in the fair value hierarchy.

Investments in mutual funds are stated at fair value based on the last quoted evaluation price or NAV. To the extent these securities are actively traded, and valuation adjustments are not applied, they are classified as Level 1 in the fair value hierarchy.

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Notes to Consolidated Financial Statements

U.S. government debt and corporate bonds are valued based on the last reported bid price provided by broker-dealers and are reported as Level 2 in the fair value hierarchy.

Investments in common trust funds, proprietary equity funds, and private 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, the ACLU utilizes, as a practical expedient, the NAV or equivalent provided by the fund managers (NAV of funds). The underlying common trust funds, proprietary equity funds, and private equity funds value securities and other financial instruments on a fair value basis. The estimated fair values of certain investments of the underlying common trust funds, proprietary equity funds, or private equity funds, which may include private placements and other securities for which prices are not readily available, are determined by the trustee of the common trust funds or sponsor of the proprietary equity funds or private equity funds and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

The 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 year 2025 or 2024.

The ACLU has the ability to redeem its investments in common trust funds on a daily or monthly basis. The objectives of the investments in common trust funds are to approximate as closely as practicable or to provide total investment returns that are in excess of the performance of the following benchmarks over time with certain risk parameters:

Investment	Benchmark
Large-cap U.S. equity	S&P 500 Index
Small-/mid-cap U.S. equity	Russell 2000 Index, S&P Mid-Cap 400 Index
International equity	MSCI EAFE Index, MSCI Emerging Markets, JP Morgan CEMBI Broad Diversified Index
Intermediate-term bond	Barclays U.S. Aggregate Bond Index, Barclays U.S. Intermediate Bond Index
High-yield and other bonds	Barclays U.S. Treasury Inflation Protected Securities Index, Barclays Corporate High-Yield 2% Issuer Cap Index, Bloomberg Global High Yield Index, S&P/LSTA Leverage Loan Index
Real estate and hard assets (commodities)	Dow Jones U.S. Select REIT Index, Dow Jones-UBS Commodity Total Return Index

During fiscal year 2024, all certificates of deposit were redeemed.

The ACLU did not have the ability to redeem the investments in private equity funds and proprietary equity funds on March 31, 2025, or in the near term, which is defined as 90 days or less from March 31, 2025. The investment objective of the private equity funds and proprietary equity funds is to generate consistent capital appreciation over the long term, with relatively low volatility and a low correlation with traditional equity and fixed-income markets.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

The following tables summarize the investment strategies and liquidity provision of investments in the private equity and proprietary funds valued at NAV as provided by the fund:

March 31, 2025

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock-Up Period
Private equity:					
Sequoia	\$ 44,683,761	\$ -	Annual	NA	NA*
SRA III	36,766,334	5,066,510	None	NA	NA
SRA IV	44,959,450	2,617,432	None	NA	NA
SRA V	49,762,368	16,528,482	None	NA	NA
SRA VI	11,869,180	38,378,166	None	NA	NA
Multi-strategy	269,391,645	-	Monthly	7 business days	None
Multi-strategy	20,675,976	-	Monthly	15 business days	None
	\$ 478,108,714	\$ 62,590,590			

March 31, 2024

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock-Up Period
Private equity:					
Sequoia	\$ 40,896,358	\$ -	Annual	NA	NA*
SRA III	34,921,052	5,151,734	None	NA	NA
SRA IV	43,736,900	3,157,677	None	NA	NA
SRA V	34,296,320	27,537,458	None	NA	NA
SRA VI	2,571,485	41,908,468	None	NA	NA
Multi-strategy	266,183,830	-	Monthly	7 business days	None
Multi-strategy	28,060,441	-	Monthly	15 business days	None
	\$ 450,666,386	\$ 77,755,337			

* While 5% can be drawn down annually, the full amount cannot be transferred until donor stipulations have been met.

The investments are held for the following purposes:

March 31,	2025	2024
Bill of Rights Trust (BORT), inclusive of endowments held in perpetuity of \$78,656,177 and \$78,561,225 at March 31, 2025 and 2024, respectively (Note 9)	\$ 174,061,030	\$ 161,036,011
Split-interest agreements (Note 7)	48,701,622	45,798,067
Other endowment, special projects, program support, and operating reserves	593,516,130	566,665,804
	\$ 816,278,782	\$ 773,499,882

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

6. Property and Equipment

Property and equipment consist of the following:

March 31,

	2025	2024	Range of Estimated Useful Life (Years)
Land, property, office buildings, and office condominium	\$ 63,439,633	\$ 67,155,784	10-50
Furniture, fixtures, and office equipment	6,869,783	6,565,306	3-5
Software	24,134,044	22,966,588	3-15
	94,443,460	96,687,678	
Less: accumulated depreciation and amortization	(72,931,137)	(69,390,223)	
	\$ 21,512,323	\$ 27,297,455	

7. Split-Interest Agreements

The Foundation receives contributions through its charitable gift annuity program whereby in exchange for gifts of cash or securities, the Foundation promises to pay a fixed annual amount for life to the annuitant.

The difference between the fair value of the assets received and the present value of the future distributions to the annuitant is recognized as contribution revenue.

Upon the death of the annuitant, any balance of the amount in the split-interest account reverts to the Foundation.

The Foundation has received gifts under this program on which it is obligated to make annual annuity payments of \$3,894,705 and \$2,515,387 in accordance with the agreements as of March 31, 2025 and 2024, respectively.

In addition, the Foundation has 12 unitrust agreements on which the income is paid to the donor for life. Upon the death of the donor, the balance in the trust account shall be distributed to the Foundation for its general purposes.

Assets and liabilities related to the Foundation's split-interest agreements are as follows:

<i>March 31,</i>	2025	2024
Assets - investments	\$ 48,701,622	\$ 45,798,067
Liabilities under split-interest agreements	25,271,053	23,644,944
Net	\$ 23,430,569	\$ 22,153,123

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Reserve asset balances at March 31, 2025 and 2024 were held in separate accounts and exceeded the reserve requirements of the New York State Insurance Commission, as well as the reserve requirements of the relevant regulatory bodies in all other states that require a reserve fund and in which the Foundation issues gift annuities. Reserves are included in liabilities under split-interest agreements on the accompanying consolidated statements of financial position.

The present value of obligations under split-interest agreements was calculated using interest rates of 5% and applicable Annuity Mortality Tables (either 1983A, 2000, or 2012AR).

Adjustments to reflect revaluations of the present value of estimated future payments and changes in actuarial assumptions are recognized in the consolidated statements of activities as changes in value of split-interest agreements.

8. Liquidity and Availability of Resources

The ACLU regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of the consolidated statements of financial position's dates, the ACLU holds several months of operating expenses in cash, cash equivalents, and liquid investment assets. The following table reflects the ACLU's financial assets available as of the consolidated statements of financial position's dates for general expenditures over the next 12 months:

<i>March 31,</i>	2025	2024
Cash and cash equivalents	\$ 258,292,266	\$ 125,471,490
Pledges, bequest, and contribution receivable, net	72,269,254	45,154,618
Other miscellaneous receivables	11,281,263	3,274,207
Investments (excluding private equity investments, private equity unfunded commitments, and BORT held for affiliates)	544,799,392	518,220,850
Total Financial Assets Available Within One Year	886,642,175	692,121,165
Less: amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with:		
Purpose and time restrictions	(171,654,938)	(167,590,696)
Trust accounts	(5,418,919)	(5,171,714)
Perpetual in nature	(98,656,177)	(98,561,225)
Total Amounts Unavailable for General Expenditures Within One Year	(275,730,034)	(271,323,635)
Amounts unavailable to management without board approval:		
Board-designated endowment funds	(348,589,903)	(318,359,658)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 262,322,238	\$ 102,437,872

The ACLU has board-designated funds totaling \$348,589,903 and \$318,359,658 as of March 31, 2025 and 2024, respectively. Although the ACLU does not intend to spend from its board-designated funds other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its board-designated funds could be made available if necessary.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

9. The Bill of Rights Trust and Other Endowments

In 1997, the ACLU and its affiliates established the BORT. The purpose of the BORT, a portion of which is an endowment fund of the ACLU, is to build an enduring endowment to carry out the work of the ACLU and its affiliates in protecting, preserving, and expanding the civil liberties of all persons in the United States of America. The BORT has 100,000,000 authorized units, which are issued to or among the ACLU and its affiliates based upon their respective interests in the BORT. Unit shares have a unit value based upon the fair value of the net assets of the BORT divided by the total number of unit shares outstanding.

The BORT permits for annual distributions to the ACLU and its affiliates in accordance with the ACLU's approved spending policy, prorated in accordance with the percentage of the fair value of each unit share. For the fiscal years ended March 31, 2025 and 2024, the BORT allowed for a potential distribution amount equal to 4% of the average month-end value of total funds over the preceding 36 months through December 31, 2024 and 2023, respectively. Each unit holder, including the ACLU and the participating affiliates, must establish that they have determined the appropriation to be prudent before the distribution is disbursed. In the fiscal years ended March 31, 2025 and 2024, there was a distribution from the BORT of approximately \$1,854,000 and \$15,281,000, respectively.

The BORT comprised the following accounts and amounts that are included in the consolidated statements of financial position:

<i>March 31,</i>	2025	2024
Assets		
Investments	\$ 174,061,030	\$ 161,036,011
Pledge receivable	5,000,000	10,000,000
Other assets	302,959	170,946
	\$ 179,363,989	\$ 171,206,957
Liabilities and Net Assets		
Held for affiliate foundations	\$ 65,531,468	\$ 61,997,939
Net assets with donor restrictions	35,176,344	30,647,793
Net assets with donor restrictions - held in perpetuity	78,656,177	78,561,225
	\$ 179,363,989	\$ 171,206,957

The ACLU's endowment consists of numerous funds, established for a variety of purposes and consisting of donor-restricted and board-designated funds.

The ACLU's Board of Directors has adopted an investment policy for endowment assets that provides continued financial stability for the ACLU and a revenue stream for spending on the ACLU's mission. The ACLU relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yield (interest and dividends). The investment goal of the endowment fund is to invest assets in a prudent manner that will balance reasonable annual distributions to the ACLU with long-term growth in the value of the assets of BORT.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

The ACLU has a policy of annually appropriating for expenditure an amount of up to 4% of the average month-end value of total funds over the preceding 36 months through December 31. Accumulated earnings appropriated for expenditure during fiscal year 2025 and 2024 amounted to approximately \$4,820,000 and \$4,422,000, respectively.

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historic dollar value of the donor's original, restricted contribution, or by the amount required to be retained by state law. As of March 31, 2025, deficiencies existed in one of the ACLU's donor-restricted endowment funds, which had a combined original contribution value totaling \$195,000 and a current fair value of \$32,954, resulting in a deficiency of \$162,046. As of March 31, 2024, deficiencies existed in two of the ACLU's donor-restricted endowment funds, which had a combined original contribution value totaling \$695,000 and a current fair value of \$522,332, resulting in a deficiency of \$172,668. Under the terms of NYPMIFA, the ACLU has no responsibility to restore such decreases in value.

Endowment net asset composition by type of fund is as follows:

March 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total With Donor Restrictions
Donor-restricted funds	\$ -	\$ 61,728,170	\$ 98,656,177	\$ 160,384,347
Board-designated funds	348,589,903	-	-	-
Total Endowment Funds	\$ 348,589,903	\$ 61,728,170	\$ 98,656,177	\$ 160,384,347

March 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total With Donor Restrictions
Donor-restricted funds	\$ -	\$ 53,412,151	\$ 98,561,225	\$ 151,973,376
Board-designated funds	318,359,658	-	-	-
Total Endowment Funds	\$ 318,359,658	\$ 53,412,151	\$ 98,561,225	\$ 151,973,376

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American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Changes in endowment net assets are as follows:

March 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total With Donor Restrictions
Endowment Net Assets, beginning of year	\$ 318,359,658	\$ 53,412,151	\$ 98,561,225	\$ 151,973,376
Investment return:				
Interest and dividends, net	3,104,837	-	-	-
Net realized and unrealized gains on investments	26,063,003	13,135,889	-	13,135,889
Net Investment Return	29,167,840	13,135,889		13,135,889
Other changes during the year:				
Contributions	25,345,930	-	94,952	94,952
Appropriation of endowment assets for expenditures	(24,283,525)	(4,819,870)	-	(4,819,870)
Total	1,062,405	(4,819,870)	94,952	(4,724,918)
Endowment Net Assets, end of year	\$ 348,589,903	\$ 61,728,170	\$ 98,656,177	\$ 160,384,347

March 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total With Donor Restrictions
Endowment Net Assets, beginning of year	\$ 281,070,182	\$ 44,428,500	\$ 98,453,625	\$ 142,882,125
Investment return:				
Interest and dividends, net	3,262,700	209,632	-	209,632
Net realized and unrealized gains on investments	38,473,963	13,195,699	-	13,195,699
Net Investment Return	41,736,663	13,405,331	-	13,405,331
Other changes during the year:				
Contributions	18,100,228	-	112,600	112,600
Adjustment	-	-	(5,000)	(5,000)
Appropriation of endowment assets for expenditures	(22,547,415)	(4,421,680)	-	(4,421,680)
Total	(4,447,187)	(4,421,680)	107,600	(4,314,080)
Endowment Net Assets, end of year	\$ 318,359,658	\$ 53,412,151	\$ 98,561,225	\$ 151,973,376

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

10. Leases

The ACLU is obligated under various noncancelable operating lease agreements for office space and equipment expiring at various dates through October 2033.

As of March 31, 2025, ROU assets and lease liabilities were \$3,518,911 and \$3,607,398, respectively. As of March 31, 2024, ROU assets and lease liabilities were \$4,336,234 and \$4,403,240, respectively. The weighted-average discount rate used to calculate the present value of future lease payment was 4.06% and 3.79% and the weighted-average lease term was 23.10 years and 16.64 years for fiscal years 2025 and 2024, respectively.

Aggregate remaining maturities or operating lease liabilities as of March 31, 2025 are as follows:

Year ending March 31,

2026	\$	831,039
2027		536,964
2028		470,488
2029		426,631
2030		421,304
Thereafter		1,613,794
Total Minimum Lease Payments		4,300,220
Less: imputed interest		(692,822)
Present Value of Minimum Lease Payments	\$	3,607,398

Lease expenses consist of the following:

<i>Year ended March 31,</i>	2025	2024
Operating lease expense	\$ 1,762,017	\$ 1,560,685
Net Lease Expense	\$ 1,762,017	\$ 1,560,685

<i>Year ended March 31,</i>	2025	2024
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Other information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 1,740,537	\$ 1,562,750
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Aggregate rent expense under the above leases for the years ended March 31, 2025 and 2024 was \$1,412,691 and \$1,680,201, respectively, which is included as rent and occupancy on the consolidated statements of functional expenses.

The ACLU receives payments for the use of space occupied at the 915 15th Street building and the Foundation building in relation to lease agreements expiring at various dates through October 2033.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

As of March 31, 2025, expected future receipts from tenants for the use of space occupied are as follows:

Year ending March 31,

2026	\$	912,675
2027		130,203
2028		134,109
2029		138,132
2030		142,276
Thereafter		545,212
	\$	2,002,607

Aggregate rental income under the above leases for the years ended March 31, 2025 and 2024 was \$289,278 and \$717,155, respectively, which is recorded on the consolidated statements of activities.

11. Commitments and Contingencies

Litigation and Claims

The ACLU is involved in other legal actions arising in the ordinary course of business. Management is of the opinion that the ultimate outcome of these matters would not have a material adverse impact on the consolidated financial position of the ACLU or the consolidated results of its activities.

Collective Bargaining Agreement

At both March 31, 2025 and 2024, approximately 6% and 7% of the ACLU salaried employees were unionized and employed under Collective Bargaining Agreements between the ACLU and Local 2110. ACLU's Collective Bargaining Agreement expired on March 31, 2023. In June 2023, the ACLU signed an agreement for five years, expiring in 2028.

On October 31, 2024, the ACLU signed a collective bargaining agreement with the Nonprofit Professional Employees Union (NPEU) Local 70 of the International Federation of Professional and Technical Engineers (IFPTE), AFL-CIO for the period April 1, 2024, through March 31, 2028. As of March 31, 2025, approximately 57% of the ACLU salaried employees were unionized and employed under this agreement.

12. Retirement Plans

American Civil Liberties Union Retirement Plan

The ACLU sponsors the American Civil Liberties Union Retirement Plan (the Pension Plan), which is accounted for as a single-employer plan. The Pension Plan covers eligible employees of the ACLU and its unconsolidated affiliates.

The Pension Plan is a defined benefit plan covering those employees who have at least one year of service or at least 1,000 hours worked per year and are at least 21 years of age. Benefits are based on service to date on an average of career earnings. The ACLU's policy is to fund pension costs by contributing at least the minimum amount required by the Employee Retirement Income Security

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Act of 1974 (ERISA). The Pension Plan is covered under the Pension Benefit Guaranty Corporation (PBGC) termination insurance program. On January 1, 2015, the Pension Plan was amended and restated to include, among other things, a provision for additional contributions due on withdrawal or freezing of benefits by an employer.

The liability attributed to the employer or former employer is determined based upon the sum of the present value of the accrued benefits for each of the participants associated with the employer or former employer, determined as of the last day of the plan year preceding the date as of which the withdrawal contribution is calculated. Accordingly, as of March 31, 2025, the ACLU recognized a payable of \$560,507 due to the affiliates representing the over-funded status of the pension assets. As of March 31, 2024, the ACLU recognized a receivable of \$461,430, representing the allocated share of pension liability due from the affiliates participating in the Pension Plan (see Note 3).

All funds of the Pension Plan were held by Principal Bank (Principal), the Custodian, under an investment management agreement with JPMorgan Investment Management Inc. (the Investment Adviser). When benefits commence for any participant, the plan pays the monthly payments from the Pension Plan assets instead of purchasing annuity contracts.

The following table sets forth the funded status of the ACLU Pension Plan, the change in funded status, and amounts recognized in the accompanying consolidated financial statements:

<i>March 31,</i>	2025	2024
Change in Benefit Obligation		
Obligation , beginning of year	\$ 163,368,146	\$ 167,771,632
Service cost	4,421,702	4,139,073
Interest cost	8,570,706	8,315,298
Actuarial gain	(2,503,013)	(3,965,505)
Benefit payments and expected expenses	(7,437,570)	(12,892,352)
Obligation , end of year	166,419,971	163,368,146
Change in Plan Assets		
Fair Value of Plan Assets , beginning of year	162,455,894	163,225,695
Actual return on plan assets	5,656,821	3,660,092
Employer contributions	7,000,000	8,000,000
Benefit payments and actual expenses	(7,371,768)	(12,429,893)
Fair Value of Plan Assets , end of year	167,740,947	162,455,894
Funded Status , end of year	\$ 1,320,976	\$ (912,252)
Amounts Recognized as Liabilities in the Consolidated Statements of Financial Position	\$ 1,320,976	\$ (912,252)
Amounts Recognized as Cumulative Changes in Pension Other Than Net Periodic Costs		
Net loss	\$ (27,034,146)	\$ (23,586,518)

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

March 31,	2025	2024
Components of net benefit cost (income):		
Components of net periodic pension cost:		
Service cost	\$ 4,421,702	\$ 4,139,073
Interest cost	8,570,706	8,315,298
Expected return on plan assets	(12,611,958)	(13,165,816)
Amortization of net loss	938,694	243,708
Net Periodic Pension Cost (Income)	1,319,144	(467,737)
Changes in pension costs other than net periodic cost (income):		
Net loss	4,386,322	5,077,760
Amortization of net loss	(938,694)	(243,708)
Other Than Net Periodic Cost	3,447,628	4,834,052
Net Periodic Pension Cost	\$ 4,766,772	\$ 4,366,315

The net periodic pension cost (income) costs of \$1,319,144 and \$(467,737) for the fiscal years ended March 31, 2025 and 2024, respectively, comprise service costs of \$4,421,702 and \$4,139,073, respectively, which are recognized as expenses by the ACLU, and \$559,730 and \$(236,585), respectively, which are (paid to) charged to the affiliates for net periodic pension costs (income) associated with affiliates' employees participating in the plan during 2025 and 2024 (see Note 3).

The following table provides the weighted-average assumptions and certain other information:

	2025 (%)	2024 (%)
Weighted-average assumptions to determine benefit obligation as of March 31:		
Discount rate	5.59	5.28
Expected long-term rate of return on plan assets	4.00	4.00
Cash balance interest crediting rate	N/A	N/A
Weighted-average assumptions to determine net benefit cost for the year ended March 31:		
Discount rate	5.28	5.06
Expected long-term rate of return on plan assets	8.00	8.25
Rate of compensation increase	4.00	4.00

The mortality improvement scale was updated to MP-2021 as of March 31, 2023 for disclosure. The previous mortality improvement scale was MP-2020. PRI-2012 Private Pension Plans Mortality Tables projected with improvement scale MP-2020 for males and females for expense. PRI-2012 Private Pension Plans Mortality Tables projected with improvement scale MP-2021 for males and females for disclosure.

As of March 31, 2025, and 2024, the accumulated (expected) benefit obligation of the Pension Plan was \$158,598,918 and \$153,954,577, respectively.

The ACLU expects to contribute approximately \$8,000,000 to the Pension Plan during the fiscal year ending March 31, 2026, and may consider further contributions as well.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

Estimated future benefit payments attributable to estimated future employee service in each of the five years and thereafter subsequent to March 31, 2025, in the aggregate are as follows:

Year ending March 31,

2026	\$ 7,515,805
2027	7,949,332
2028	8,335,144
2029	8,817,864
2030	9,155,239
2031-2035	51,277,976

An investment policy has been established that takes into consideration both the current and projected financial requirements of the Pension Plan. The ACLU is continuing to undertake a thorough review of the Pension Plan with a focus on its overall economic health. All investments are chosen with prudence and due diligence by investment managers to ensure that results over time meet the goals and objectives of the Pension Plan.

The summary of the Pension Plan's assets on a fair-value basis consists of the following:

March 31, 2025

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ -	\$ 2,589,390	\$ -	\$ 2,589,390
Total	\$ -	\$ 2,589,390	\$ -	2,589,390
Commingled investment trusts ⁽²⁾ :				
Global equity				18,449,688
U.S. government agency securities				27,246,506
Corporate credit				78,799,561
All capital equity				12,363,162
Large-/mid-capital equity				22,604
Emerging markets equity				4,895,924
International equity				4,138,228
U.S. Treasuries				3,694,091
Real estate investment trusts				13,358,507
Total Commingled Investment Trusts				162,968,271
Cash and Cash Equivalents ⁽¹⁾				2,183,286
Total Plan Assets				\$167,740,947

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

March 31, 2024

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ -	\$ 2,327,698	\$ -	\$ 2,327,698
Total	\$ -	\$ 2,327,698	\$ -	2,327,698
Commingled investment trusts ⁽²⁾ :				
Global equity				17,779,263
U.S. government agency securities				12,219,999
Corporate credit				90,490,988
All capital equity				10,044,838
Large-/mid-capital equity				20,884
Emerging markets equity				4,934,271
International equity				5,016,056
U.S. Treasuries				4,818,783
Real estate investment trusts				8,194,919
Large-capital equities				3,591,951
Total Commingled Investment Trusts				157,111,952
Cash and Cash Equivalents ⁽¹⁾				3,016,244
Total Plan Assets				\$162,455,894

(1) Cash and cash equivalents have not been classified in the fair value hierarchy table. The fair value amount presented in this table is intended to permit reconciliation of the fair value hierarchy table to the plan assets amounts presented in Note 12.

(2) In accordance with the fair value measurements topic, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in Note 12.

Below are descriptions of the valuation techniques applied to the ACLU's major categories of the Pension Plan's assets measured at fair value.

U.S. Treasuries - U.S. Treasuries are valued at the last reported bid price provided by broker-dealers and are reported as Level 2 in the fair value hierarchy.

Common Investment Trusts (CITs) - CITs are valued at the fair value based on the applicable percentage ownership of the underlying net assets on the measurement date. These investments are available only to qualified retirement plans and are not available to the general public. CITs invest in liquid, readily tradeable securities; however, may utilize options, future, swaps, and other derivatives to implement the trust's investment decisions in an efficient manner, to increase cost efficiency and/or liquidity. JP Morgan is the trustee of the fund and the day-to-day manager with full discretion over the investment decisions and may, in its discretion, suspend withdrawals from the fund due to market events or other circumstances affecting the operation of the fund. The trusts strike a daily NAV at the close of each day. In determining fair value, the ACLU utilizes, as a practical expedient, the NAV or equivalent provided by the fund managers (NAV of the funds).

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

The following table summarizes the investment strategies and liquidity provision of investments valued at NAV as provided by the fund:

March 31, 2025

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Commingled investment trusts	\$162,968,271	\$ -	Daily	None/60 days*

March 31, 2024

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Commingled investment trusts	\$157,111,952	\$ -	Daily	None/60 days*

* Units of the fund may generally be redeemed daily, provided such withdrawals are to facilitate the payment of plan benefits or to make distributions in connection with the Pension Plan's termination if participants are not covered by a replacement or other eligible plan. A request made by a plan for complete or partial withdrawal from the fund for any purpose other than for benefit payments will have a 60-day redemption notice period.

As of July 1, 2014, the Pension Plan's assets are maintained by the Investment Adviser under an investment management agreement. Based on this agreement, the Investment Adviser invests in other commingled pension trust funds, which may be affiliated or unaffiliated with Principal, and may also invest in unaffiliated exchange-traded funds and individual securities. The Principal portfolio is categorized into two portions. The growth-oriented portion, which comprises at least 50% of the portfolio, invests directly or indirectly via underlying funds in a broad mix of equity, U.S. credit, emerging market debt, and real estate securities, including: (1) U.S. equity securities, such as common stock, preferred and convertible securities, and real estate investment trusts; (2) international equity securities, including both developed and emerging markets; (3) U.S. credit, including high-yield securities (rated below investment grade by one or more nationally recognized statistical rating organizations at the time of purchase), leverage loans, mortgage-backed securities, mortgage dollar rolls and other mortgage-related securities, asset-backed securities, and emerging market debt; and (4) direct real estate. The remaining portion of the portfolio, up to 50% of the portfolio, invests directly or indirectly via underlying funds in investment-grade corporate bonds, securities issued by the U.S. Treasury and its agencies or instrumentalities, and securities issued by foreign governments or supranational organizations.

The ACLU implemented a soft freeze of the Pension Plan effective March 31, 2009. Employees hired on or after April 1, 2009 by the ACLU and the 46 affiliates that initially elected to participate in the soft freeze do not participate in the Pension Plan (employees hired prior to this date are not impacted by the election to institute a soft freeze). The four affiliates that had not originally elected to participate in the soft freeze subsequently elected to do so. Employees hired on or after the subsequent soft freeze dates for these affiliates also do not participate in the Pension Plan (employees from these affiliates hired after April 1, 2009 but prior to the affiliate's soft freeze date participate in the Pension Plan).

Employees of the ACLU and affiliates who are not admitted into the Pension Plan instead are enrolled in the Defined Contribution (DC) and 401(k) plan. The DC plan includes an employer contribution of 2% and an employer match of 100% of the first 1% of the employee's contribution and 50% of the next 5% of an employee's contribution, for a total match of 3.5% and a total employer

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

contribution of 5.5%. Employer contributions to the DC plan during the fiscal years ended March 31, 2025 and 2024 were \$4,690,204 and \$4,309,916, respectively.

Eligible ACLU employees who are participants in the Pension Plan may also participate in the ACLU 401(k) plan (the 401(k) Plan), which is a 401(k) salary-reduction plan. Under the 401(k) Plan, employees may voluntarily contribute up to 80% of their pre-tax compensation to the 401(k) Plan subject to IRS dollar limits. There is no employer match or other contributions.

Effective January 1, 2023, the ACLU Board Retirement Committee approved a resolution to move all participants from the 401(k) Plan into the DC plan. The 401(k) Plan was effectively terminated in December 2022. This resolution did not have a material effect on the consolidated financial statements.

13. Net Assets

Net assets comprise the following:

<i>March 31,</i>	2025	2024
Without donor restrictions:		
Undesignated	\$ 321,207,239	\$ 235,660,542
Board-designated:		
Litigation Fund	41,105,653	37,289,904
Annuity Fund and Annuity Reserve	21,766,572	18,988,761
Organizational Fund	41,654,384	42,749,051
Development Fund	25,528,954	21,747,933
Dividend Distribution Fund	215,094,816	193,700,652
John Adams Fund	3,439,524	3,883,357
Total Board-Designated	348,589,903	318,359,658
Total Without Donor Restrictions	669,797,142	554,020,200
With donor restrictions:		
BORT and other endowments	61,728,170	53,412,151
Trusts	5,418,919	5,171,714
Other time and purpose restrictions	139,046,768	125,048,545
BORT - unconditional promise to give - held in perpetuity	5,000,000	10,000,000
BORT and other endowments - held in perpetuity	93,656,177	88,561,225
Total with Donor Restrictions	304,850,034	282,193,635
	\$ 974,647,176	\$ 836,213,835

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

14. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by the occurrence of other events specified by donors as follows:

<i>Year ended March 31,</i>	2025	2024
Special projects:		
Voting Rights	\$ 11,219,120	\$ 6,904,459
Capital Punishment	1,650,000	1,000,050
National Prison	3,176,524	1,243,450
Disability Rights	1,319,187	106,650
Criminal Law Reform and Smart Justice	6,320,167	5,032,621
Immigrants' Rights	10,815,980	10,182,011
Reproductive Freedom	10,649,115	7,483,072
Women's Rights	936,148	1,161,082
National Security	1,548,077	410,000
LGBT	6,744,658	7,029,049
Racial Justice	5,023,022	4,757,629
Southern Collective	12,228,935	11,332,431
Advocacy Institute	1,957,610	2,605,209
Defending Democracy	1,655,301	6,293,535
Battleground States Initiative	479,464	-
Get Out The Vote (GOTV)	3,499,192	-
Other special projects	8,570,259	3,818,611
Total Special Projects	87,792,759	69,359,859
BORT and other endowments	4,819,870	4,426,680
Time-restricted gifts	20,745,170	15,982,124
Total Released from Restrictions	\$ 113,357,799	\$ 89,768,663

Supplementary Information

American Civil Liberties Union, Inc. and Consolidated Entities
Consolidating Schedule of Financial Position

March 31, 2025	American Civil Liberties Union, Inc.	ACLU Voter Education Fund	American Civil Liberties Union Foundation, Inc.	915 15 th Street, LLC	Eliminations	Consolidated
Assets						
Cash and cash equivalents	\$ 71,518,099	\$ 438,279	\$ 186,268,180	\$ 67,708	\$ -	\$ 258,292,266
Pledges, bequests, and contributions receivable, net	38,979,104	-	33,290,150	-	-	72,269,254
Investments, at fair value	107,583,619	-	708,695,163	-	-	816,278,782
Other assets	9,150,526	-	5,866,490	67,049	-	15,084,065
Due from affiliates	3,686,136	-	4,221,438	-	-	7,907,574
Due to the ACLU from the ACLU Foundation	8,919,983	-	-	-	(8,919,983)	-
Due to the ACLU Foundation from the LLC	-	-	11,270,425	-	(11,270,425)	-
Investment in 915 15 th Street, LLC	813,141	-	(4,832,877)	-	4,832,877	-
Net pension assets	-	-	507,835	-	-	1,320,976
Right-of-use of assets, operating leases	-	-	3,518,911	-	-	3,518,911
Property and equipment, net of accumulated depreciation and amortization	2,161,986	-	13,004,142	6,346,195	-	21,512,323
Total Assets	\$ 242,812,594	\$ 438,279	\$ 961,809,857	\$ 6,480,952	\$ (15,357,531)	\$ 1,196,184,151
Liabilities and Net Assets						
Liabilities						
Accounts payable and accrued expenses	\$ 12,272,613	\$ 8,731	\$ 8,548,298	\$ 43,404	\$ -	\$ 20,873,046
Grants payable	-	-	9,417,572	-	-	9,417,572
Due to the ACLU Foundation	-	-	-	11,270,425	(11,270,425)	-
Due to the American Civil Liberties Union, Inc.	-	-	8,919,983	-	(8,919,983)	-
Due to affiliates	28,522,238	-	68,314,200	-	-	96,836,438
Liabilities under split-interest agreements	-	-	25,271,053	-	-	25,271,053
Bill of Rights Trust held for affiliates	7,490,268	-	58,041,200	-	-	65,531,468
Lease liabilities, operating leases	-	-	3,607,398	-	-	3,607,398
Total Liabilities	48,285,119	8,731	182,119,704	11,313,829	(20,190,408)	221,536,975
Commitments and Contingencies						
Net Assets						
Net assets without donor restrictions:						
Board-designated	47,760,520	-	300,829,383	-	-	348,589,903
Undesignated	120,056,218	429,548	200,721,473	(4,832,877)	4,832,877	321,207,239
Net Assets Without Donor Restrictions	167,816,738	429,548	501,550,856	(4,832,877)	4,832,877	669,797,142
Net assets with donor restrictions	26,710,737	-	278,139,297	-	-	304,850,034
Total Net Assets	194,527,475	429,548	779,690,153	(4,832,877)	4,832,877	974,647,176
Total Liabilities and Net Assets	\$ 242,812,594	\$ 438,279	\$ 961,809,857	\$ 6,480,952	\$ (15,357,531)	\$ 1,196,184,151

See independent auditor's report.

American Civil Liberties Union, Inc. and Consolidated Entities
Consolidating Schedule of Activities

Year ended March 31, 2025

	American Civil Liberties Union, Inc.		ACLU Voter Education Fund	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
Operating Support and Revenue				
Support:				
Current member contributions	\$ 119,059,883	\$ -	\$ 119,059,883	\$ -
New member contributions	17,061,590	-	17,061,590	-
Grants, bequests, and contributions	56,994,389	26,911,275	83,905,664	1,545,001
In-kind donated property and services	-	-	201,110	-
Donated legal services	-	-	-	-
Total Support	193,115,862	26,911,275	220,027,137	1,746,111
Revenue:				
List rentals	160,896	-	160,896	-
Rental income	-	-	-	-
Merchandise and book sales	-	-	-	-
Other income	74,722	-	74,722	-
Total Revenue	235,618	-	235,618	-
Net assets released from restrictions	15,364,230	(15,364,230)	-	-
Total Operating Support and Revenue	208,715,710	11,547,045	220,262,755	1,746,111
Operating Expenses				
Program services:				
Legislative	21,538,267	-	21,538,267	5,197,416
Legal	6,263,161	-	6,263,161	-
Public education	32,480,467	-	32,480,467	-
Civil liberties policy formulation	1,308,411	-	1,308,411	-
Affiliate support	89,509,084	-	89,509,084	1,219,147
Total Program Services	151,099,390	-	151,099,390	6,416,563
Supporting services:				
Management and general	12,375,878	-	12,375,878	-
Fundraising	23,461,136	-	23,461,136	-
Total Supporting Services	35,837,014	-	35,837,014	-
Total Operating Expenses	186,936,404	-	186,936,404	6,416,563
Change in Net Assets (Deficit), before non-operating activities	21,779,306	11,547,045	33,326,351	(4,670,452)
Other Changes in Net Assets (Deficit) from Non-Operating Activities				
Legal awards, net	-	-	-	-
Net investment income	7,645,195	160,236	7,805,431	-
Changes in value of split-interest agreements	-	-	-	-
Net loss on investment in 915 15 th Street, LLC	-	-	-	-
Recognition of affiliates' share of minimum pension liability adjustment	2,606,465	-	2,606,465	-
Other components of postretirement benefit cost	(212,412)	-	(212,412)	-
Total Other Changes in Net Assets (Deficit) from Non-Operating Activities	10,039,248	160,236	10,199,484	-
Change in Net Assets (Deficit)	31,818,554	11,707,281	43,525,835	(4,670,452)
Net Assets (Deficit), beginning of year	135,998,184	15,003,456	151,001,640	5,100,000
Net Assets (Deficit), end of year	\$ 167,816,738	\$ 26,710,737	\$ 194,527,475	\$ 429,548

American Civil Liberties Union, Inc. and Consolidated Entities
Consolidating Schedule of Activities

	American Civil Liberties Union Foundation, Inc.			915 15 th Street, LLC			Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue									
Support:									
Current member contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,059,883
New member contributions	192,191,153	95,719,830	287,910,983	-	-	-	17,061,590	-	17,061,590
Grants, bequests, and contributions	-	-	-	-	-	-	250,730,543	122,631,105	373,361,648
In-kind donated property and services	42,651,996	-	42,651,996	-	-	(201,110)	42,651,996	-	42,651,996
Donated legal services	234,843,149	95,719,830	330,562,979	-	-	(201,110)	429,504,012	122,631,105	552,135,117
Total Support									
Revenue:									
List rentals	-	-	-	-	-	-	160,896	-	160,896
Rental income	177,010	-	177,010	508,268	-	(396,000)	289,278	-	289,278
Merchandise and book sales	1,165,759	-	1,165,759	-	-	-	1,165,759	-	1,165,759
Other income	729,718	-	729,718	17,907	-	-	822,347	-	822,347
Total Revenue	2,072,487	-	2,072,487	526,175	-	(396,000)	2,438,280	-	2,438,280
Net assets released from restrictions	97,993,569	(97,993,569)	-	526,175	-	(597,110)	113,357,799	(113,357,799)	-
Total Operating Support and Revenue	334,909,205	(2,273,739)	332,635,466	526,175	-	(597,110)	545,300,091	9,273,306	554,573,397
Operating Expenses									
Program services:									
Legislative	9,381,047	-	9,381,047	-	-	(203,192)	35,913,538	-	35,913,538
Legal	116,402,633	-	116,402,633	-	-	(268,568)	122,397,226	-	122,397,226
Public education	17,490,986	-	17,490,986	-	-	(29,081)	49,942,372	-	49,942,372
Civil liberties policy formulation	1,925,479	-	1,925,479	-	-	(95)	3,233,795	-	3,233,795
Affiliate support	105,266,148	-	105,266,148	-	-	(38,341)	195,956,038	-	195,956,038
Total Program Services	250,466,293	-	250,466,293	-	-	(539,277)	407,442,969	-	407,442,969
Supporting services:									
Management and general	15,723,083	-	15,723,083	1,300,340	-	(1,489)	29,397,812	-	29,397,812
Fundraising	21,524,280	-	21,524,280	-	-	(56,344)	44,929,072	-	44,929,072
Total Supporting Services	37,247,363	-	37,247,363	1,300,340	-	(57,833)	74,326,884	-	74,326,884
Total Operating Expenses	287,713,656	-	287,713,656	1,300,340	-	(597,110)	481,769,853	9,273,306	481,769,853
Change in Net Assets (Deficit), before non-operating activities	47,195,549	(2,273,739)	44,921,810	(774,165)	-	-	63,530,238	9,273,306	72,803,544
Other Changes in Net Assets (Deficit) from Non-Operating Activities									
Legal awards, net	7,815,748	-	7,815,748	-	-	-	7,815,748	-	7,815,748
Net investment income	35,396,073	12,975,653	48,371,726	-	-	-	43,041,268	13,135,889	56,177,157
Changes in value of split-interest agreements	(871,707)	247,204	(624,503)	-	-	-	(871,707)	247,204	(624,503)
Net loss on investment in 915 15 th Street, LLC	(774,165)	-	(774,165)	-	-	774,165	-	-	-
Recognition of affiliates' share of minimum pension liability adjustment	(132,658)	-	(132,658)	-	-	-	2,606,465	-	2,606,465
Other components of postretirement benefit cost	-	-	-	-	-	-	(345,070)	-	(345,070)
Total Other Changes in Net Assets (Deficit) from Non-Operating Activities	41,433,291	13,222,857	54,656,148	-	-	774,165	52,246,704	13,383,093	65,629,797
Change in Net Assets (Deficit)	88,628,840	10,949,118	99,577,958	(774,165)	-	774,165	115,776,942	22,656,399	138,433,341
Net Assets (Deficit), beginning of year	412,922,016	267,190,179	680,112,195	(4,058,712)	-	4,058,712	554,020,200	282,193,635	836,213,835
Net Assets (Deficit), end of year	\$ 501,550,856	\$ 278,139,297	\$ 779,690,153	\$ (4,832,877)	\$ -	\$ 4,832,877	\$ 669,797,142	\$ 304,850,034	\$ 974,647,176

See independent auditor's report.