

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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and Supplementary Information
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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 | | | |
|---|------------------|----------------|------------------|--------------|----------------|---------------------|---------------|------------------|----------------|
| | Legislative | Legal | Civil Liberties | Policy | Total Program | Management | Fundraising | Total Supporting | Total Expenses |
| | | | Public Education | Formulation | Services | and General | | Services | |
| Salaries | \$ 11,331,172 | \$ 37,120,276 | \$ 9,091,364 | \$ 1,659,991 | \$ 73,191,148 | \$ 13,500,554 | \$ 11,785,711 | \$ 25,286,265 | \$ 98,477,413 |
| Employee benefits | 3,120,043 | 9,623,672 | 2,840,505 | 672,052 | 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 | 4,038,026 | 222,369 | 582,709 | 805,078 | 4,843,104 |
| Books | 3,447 | 417,201 | 40,041 | 3,538 | 488,073 | 32,630 | 96,015 | 128,645 | 616,718 |
| Building depreciation | - | 1,158,533 | 194,228 | - | 1,514,617 | 2,161 | 388,456 | 390,617 | 1,905,234 |
| Other depreciation and amortization | 921,316 | 239,242 | 69,988 | 10,228 | 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 | 6,705,882 | 2,015,022 | 975,954 | 2,990,976 | 9,696,858 |
| Grants to affiliates | 1,320,205 | 2,550,400 | - | - | 31,783,535 | - | - | - | 31,783,535 |
| Shared portion of contributions | 656,757 | 11,772,611 | 50,800 | - | 122,027,515 | - | 1,520 | 1,520 | 122,029,035 |
| Meetings/conferences | 127,265 | 2,935,899 | 48,629 | - | 19,194,438 | - | 92,396 | 92,396 | 19,286,834 |
| Legal fees | 200,561 | 234,664 | 1,181,280 | 58,791 | 3,038,999 | 270,649 | 76,981 | 347,630 | 3,386,629 |
| Donated legal services | 29,376 | - | 19,864 | 118,850 | 806,330 | 1,381,549 | 15,764 | 1,397,313 | 2,203,643 |
| Accounting fees | - | 42,651,996 | - | - | 42,651,996 | - | - | - | 42,651,996 |
| Other professional services | 8,650,528 | 2,429,938 | 11,068,546 | 262,936 | 27,441,011 | 430,461 | - | 430,461 | 51,771,146 |
| Postage and supplies | 541,212 | 169,403 | 9,665,824 | 1,822 | 10,546,954 | 2,976,360 | 21,353,775 | 24,330,135 | 12,669,866 |
| Publishing, printing, and outreach | 1,191,196 | 347,235 | 7,332,875 | 1,510 | 9,223,387 | 32,055 | 2,090,857 | 2,122,912 | 10,803,862 |
| Special affiliate subsidies | 56,083 | 560,833 | - | - | 350,571 | 53,501 | 1,526,974 | 1,580,475 | 9,200,000 |
| Telephone | 695,382 | 417,403 | - | - | 8,583,084 | - | - | - | 9,200,000 |
| Telemarketing | 105,220 | - | 163,910 | 24,029 | 1,590,050 | 137,697 | 129,207 | 266,904 | 1,856,954 |
| Travel | 384,197 | 890,589 | 1,684,059 | - | 24,681 | - | 422,762 | 422,762 | 2,236,722 |
| Other grants and awards | 5,152,134 | 290,404 | 376,583 | 56,979 | 2,128,540 | 199,462 | 196,404 | 395,866 | 2,524,406 |
| Provision for doubtful allowances | - | 1,736,940 | 251,193 | 3,750 | 6,973,926 | 19,750 | 94,828 | 114,578 | 7,088,504 |
| Other expenses | - | 1,736,940 | 644,236 | - | 3,918,919 | - | 682,226 | 682,226 | 4,601,145 |
| | 266,930 | 1,283,668 | 3,567,544 | 97,383 | 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 | 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) | (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 | \$ 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 | | | |
|---|----------------------|-----------------------|----------------------|---------------------|-----------------------|------------------------|----------------------|---------------------------|-----------------------|
| | Legislative | Legal | Civil Liberties | Policy | Total Program | Management and General | Fundraising | Total Supporting Services | Total Expenses |
| Salaries | \$ 9,598,334 | \$ 33,966,337 | \$ 10,875,900 | \$ 1,490,221 | \$ 13,494,943 | \$ 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 | 6,134,355 | 3,331,507 | 9,465,862 | 28,846,802 |
| Rent and occupancy | 635,955 | 1,712,655 | 635,863 | 64,931 | 720,677 | 1,139,590 | 728,107 | 1,867,697 | 5,588,374 |
| Books | 7,609 | 314,223 | 2,612 | 2,661 | 12,811 | 339,916 | 56,366 | 69,200 | 409,116 |
| Building depreciation | - | 861,983 | 190,620 | - | 158,850 | 1,211,453 | 381,240 | 651,603 | 1,863,056 |
| Other depreciation and amortization | 98,871 | 490,124 | 148,469 | 16,478 | 138,704 | 892,646 | 267,180 | 350,037 | 1,242,683 |
| Equipment rental and maintenance | 1,227,218 | 3,187,816 | 930,041 | 207,273 | 1,531,594 | 82,857 | 1,314,885 | 2,821,357 | 9,905,299 |
| Grants to affiliates | 1,767,284 | 12,683,290 | - | - | 12,343,079 | 1,506,472 | - | - | 26,793,653 |
| Shared portion of contributions | 601,888 | 9,753,057 | 2,500 | - | 56,416,217 | - | - | - | 66,773,662 |
| Meetings/conferences | 68,217 | 800,779 | - | - | 9,353,342 | - | - | - | 10,222,338 |
| Legal fees | 212,198 | 220,932 | 2,507,891 | 29,901 | 3,587,548 | 153,479 | 55,746 | 209,225 | 3,796,773 |
| Donated legal services | - | 63,506 | 55,334 | 99,450 | 828,067 | 1,292,851 | 150,626 | 1,443,477 | 2,271,544 |
| Accounting fees | - | 39,504,757 | - | - | 39,504,757 | - | - | - | 39,504,757 |
| Other professional services | 4,690,516 | 3,826,464 | 14,341,726 | 392,639 | 26,479,393 | 465,796 | - | 465,796 | 465,796 |
| Postage and supplies | 12,343 | 53,325 | 10,101,143 | 1,922 | 10,198,354 | 3,145,469 | 12,685,990 | 15,831,459 | 42,310,852 |
| Publishing, printing, and outreach | 648,756 | 69,076 | 7,383,190 | 268 | 8,287,348 | 18,991 | 1,750,034 | 1,769,025 | 11,967,379 |
| Special affiliate subsidies | 65,690 | 656,900 | - | - | 186,058 | 40,078 | 767,853 | 807,931 | 9,095,279 |
| Telephone | 306,688 | 414,535 | 141,030 | 19,926 | 8,477,410 | - | - | - | 9,200,000 |
| Telemarketing | - | - | 320,524 | 19,926 | 185,066 | 106,517 | 129,882 | 236,399 | 1,303,644 |
| Travel | 220,119 | 937,363 | 194,707 | 73,936 | 320,524 | - | 1,225,339 | 1,225,339 | 1,545,863 |
| Other grants and awards | 4,455,494 | 382,448 | 40,000 | - | 341,405 | 237,964 | 212,852 | 450,816 | 2,218,346 |
| Provision for doubtful allowances | 76,399 | 241,931 | 249,007 | 12,733 | 1,060,185 | - | - | - | 5,938,127 |
| Other expenses | 338,767 | 1,684,509 | 3,067,459 | 100,053 | 82,766 | 63,666 | 468,433 | 532,099 | 1,194,935 |
| | | | | | 718,442 | 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 | 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) | (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 | \$ 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

| <i>Year ended March 31,</i> | 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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

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

Notes to Consolidated Financial Statements

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.

American Civil Liberties Union, Inc. and Consolidated Entities

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.

American Civil Liberties Union, Inc. and Consolidated Entities

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.

American Civil Liberties Union, Inc. and Consolidated Entities

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.

American Civil Liberties Union, Inc. and Consolidated Entities

Notes to Consolidated Financial Statements

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.

American Civil Liberties Union, Inc. and Consolidated Entities

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 |

American Civil Liberties Union, Inc. and Consolidated Entities

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 | <u>\$ 287,380,080</u> | <u>\$ 35,453,416</u> | <u>\$ -</u> | 322,833,496 |
| Private Equity Funds - Multi-Strategy⁽¹⁾ | | | | 156,422,115 |
| Proprietary Equity Funds - Multi-Strategy⁽¹⁾ | | | | <u>294,244,271</u> |
| Total Investments | | | | <u>\$ 773,499,882</u> |

⁽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.

American Civil Liberties Union, Inc. and Consolidated Entities

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:

| March 31, | 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 |
|-----------------------------|-------------|-------------|
|-----------------------------|-------------|-------------|

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 |
|--|--------------|--------------|

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

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| 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

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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 | - | - | (4,832,877) | - | 4,832,877 | - |
| Net pension assets | 813,141 | - | 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 | Total | 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 | 56,994,389 | 26,911,275 | 83,905,664 | 1,545,001 | - | 1,545,001 |
| In-kind donated property and services | - | - | - | 201,110 | - | 201,110 |
| Donated legal services | - | - | - | - | - | - |
| Total Support | 193,115,862 | 26,911,275 | 220,027,137 | 1,746,111 | - | 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 | - | 1,746,111 |
| Operating Expenses | | | | | | |
| Program services: | | | | | | |
| Legislative | 21,538,267 | - | 21,538,267 | 5,197,416 | - | 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 | - | 1,219,147 |
| Total Program Services | 151,099,390 | - | 151,099,390 | 6,416,563 | - | 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 | - | 6,416,563 |
| Change in Net Assets (Deficit), before non-operating activities | 21,779,306 | 11,547,045 | 33,326,351 | (4,670,452) | - | (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) | - | (4,670,452) |
| Net Assets (Deficit), beginning of year | 135,998,184 | 15,003,456 | 151,001,640 | 5,100,000 | - | 5,100,000 |
| Net Assets (Deficit), end of year | \$ 167,816,738 | \$ 26,710,737 | \$ 194,527,475 | \$ 429,548 | \$ - | \$ 429,548 |

American Civil Liberties Union, Inc. and Consolidated Entities

Consolidating Schedule of Activities

Year ended March 31, 2025

| | American Civil Liberties Union Foundation, Inc. | | | 915 15 th Street, LLC | | | Consolidated | |
|--|---|-------------------------|-----------------------|----------------------------------|---------------------|----------------------------|-------------------------|-----------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | Eliminations | 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 | 192,191,153 | 95,719,830 | 287,910,983 | - | - | 250,730,543 | 122,631,105 | 373,361,648 |
| In-kind donated property and services | - | - | - | - | (201,110) | - | - | - |
| Donated legal services | 42,651,996 | - | 42,651,996 | - | - | 42,651,996 | - | 42,651,996 |
| Total Support | 234,843,149 | 95,719,830 | 330,562,979 | - | (201,110) | 429,504,012 | 122,631,105 | 552,135,117 |
| Revenue: | | | | | | | | |
| List rentals | - | - | - | - | - | 160,896 | - | 160,896 |
| Rental income | 177,010 | - | 177,010 | - | - | 289,278 | - | 289,278 |
| Merchandise and book sales | 1,165,759 | - | 1,165,759 | - | (396,000) | 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) | - | - | - | 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 | - | 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 | - | 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 | - | - | - | - | - | 2,606,465 | - | 2,606,465 |
| Other components of postretirement benefit cost | (132,658) | - | (132,658) | - | - | (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.