

**AMERICAN CIVIL LIBERTIES
UNION OF MARYLAND, INC.
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
MARCH 31, 2015**



MULLEN SONDBERG WIMBISH & STONE, PA
CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
American Civil Liberties Union
of Maryland, Inc.
Baltimore, Maryland

We have audited the accompanying consolidated financial statements of American Civil Liberties Union of Maryland, Inc. and American Civil Liberties Union Foundation of Maryland, Inc. (non-profit Organizations) which comprise the consolidated statement of financial position as of March 31, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

American Civil Liberties Union
of Maryland, Inc.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Civil Liberties Union of Maryland, Inc. and American Civil Liberties Union Foundation of Maryland, Inc., as of March 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules on pages 17 - 22 are presented for purpose of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited American Civil Liberties Union of Maryland, Inc. and American Civil Liberties Union Foundation of Maryland, Inc.'s 2014 consolidated financial statements, and our report dated September 8, 2014 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.



MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
August 27, 2015

American Civil Liberties Union of Maryland, Inc.
STATEMENT OF FINANCIAL POSITION
March 31, 2015

ASSETS

	2015	2014
CURRENT ASSETS		
Cash and cash equivalents	\$ 638,965	\$ 638,828
Investments	6,558,343	4,366,457
Accounts receivable	421	200,500
Contributions receivable	613,277	362,500
Due from National Affiliate	31,927	23,347
Prepaid expenses	-	15,030
Total current assets	7,842,933	5,606,662
PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	34,000	11,883
OTHER ASSETS		
Deposits	9,757	9,817
Total other assets	9,757	9,817
Total assets	\$ 7,886,690	\$ 5,628,362

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 141,230	\$ 20,414
Accrued expenses	79,363	71,608
Accrued pension expense	164,722	159,444
Due to National Affiliate	69,005	125,692
Total current liabilities	454,320	377,158
NET ASSETS		
Unrestricted - available for general activities	6,082,279	4,448,484
Temporarily restricted	1,350,091	802,720
Total net assets	7,432,370	5,251,204
Total liabilities and net assets	\$ 7,886,690	\$ 5,628,362

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

American Civil Liberties Union of Maryland, Inc.
STATEMENT OF ACTIVITIES
Year Ended March 31, 2015
With Summarized Financial Information for the Years Ended March 31, 2014

	Unrestricted	Temporarily Restricted	Totals	
			2015	2014
REVENUES, GAINS AND OTHER SUPPORT				
Received directly:				
Grants	\$ 926,781	\$ 546,023	\$ 1,472,804	\$ 1,246,420
Donations	463,313	2,750	466,063	500,679
Bequests	40,000	-	40,000	1,567
	<u>1,430,094</u>	<u>548,773</u>	<u>1,978,867</u>	<u>1,748,666</u>
Donated legal services	<u>697,659</u>	<u>-</u>	<u>697,659</u>	<u>927,367</u>
Total direct support	<u>2,127,753</u>	<u>548,773</u>	<u>2,676,526</u>	<u>2,676,033</u>
Other revenue:				
Attorney fees	2,186,910	-	2,186,910	605,127
Membership dues	235,290	-	235,290	252,881
Realized and unrealized gain (loss) on investments	177,379	-	177,379	254,297
Investment income	92,321	-	92,321	64,257
Other revenue	13,574	-	13,574	12,693
	<u>2,705,474</u>	<u>-</u>	<u>2,705,474</u>	<u>1,189,255</u>
Net assets released from restrictions	<u>1,402</u>	<u>(1,402)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,834,629</u>	<u>547,371</u>	<u>5,382,000</u>	<u>3,865,288</u>
EXPENSES				
Program services	<u>2,699,634</u>	<u>-</u>	<u>2,699,634</u>	<u>2,938,836</u>
Supporting services:				
Management and general	283,921	-	283,921	233,719
Fundraising	217,279	-	217,279	220,881
Total supporting services	<u>501,200</u>	<u>-</u>	<u>501,200</u>	<u>454,600</u>
Total expenses	<u>3,200,834</u>	<u>-</u>	<u>3,200,834</u>	<u>3,393,436</u>
Change in net assets	1,633,795	547,371	2,181,166	471,852
Net assets - beginning of the year	<u>4,448,484</u>	<u>802,720</u>	<u>5,251,204</u>	<u>4,779,352</u>
Net assets - end of the year	<u>\$ 6,082,279</u>	<u>\$ 1,350,091</u>	<u>\$ 7,432,370</u>	<u>\$ 5,251,204</u>

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

American Civil Liberties Union of Maryland, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2015
With Summarized Financial Information for the Years Ended March 31, 2014

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Payroll and related expenses	\$ 1,299,041	\$ 231,406	\$ 172,322	\$ 403,728	\$ 1,702,769
Donated legal services	697,659	-	-	-	697,659
Grant expenses	240,777	-	-	-	240,777
Occupancy	154,593	27,538	20,507	48,045	202,638
Litigation	115,242	-	-	-	115,242
Telephone and communications	49,125	8,751	6,517	15,268	64,393
Travel and meetings	48,302	4,259	3,171	7,430	55,732
Professional fees	33,820	6,024	4,486	10,510	44,330
Office expense	20,384	3,632	2,704	6,336	26,720
Printing and publications	15,722	293	219	512	16,234
Library and dues	7,675	31	23	54	7,729
Depreciation	5,090	907	675	1,582	6,672
Legislative	6,133	-	-	-	6,133
Miscellaneous	3,842	684	510	1,194	5,036
Bank service charges	-	-	4,351	4,351	4,351
Postage	2,229	396	296	692	2,921
Fundraising and membership events	-	-	1,498	1,498	1,498
Total expenses	\$ 2,699,634	\$ 283,921	\$ 217,279	\$ 501,200	\$ 3,200,834
					\$ 3,393,436

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

American Civil Liberties Union of Maryland, Inc.
STATEMENT OF CASH FLOWS
Year Ended March 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,181,166	\$ 471,852
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	6,672	5,891
Realized and unrealized gain on investments	(177,379)	(254,297)
(Increase) decrease in operating assets:		
Accounts receivable	200,079	(200,500)
Contributions receivable	(250,777)	(50,523)
Due from National Affiliate	(8,580)	8,418
Deposits	60	(935)
Prepaid health insurance	-	9,354
Prepaid expenses	15,030	(15,030)
Increase (decrease) in operating liabilities:		
Accounts payable	120,816	(4,854)
Accrued expenses	7,755	5,551
Accrued pension expense	5,278	24,123
Due to National Affiliate	(56,687)	88,117
	<u>2,043,433</u>	<u>87,167</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments and reinvested dividends	(2,354,507)	(721,311)
Proceeds from sale of investments	340,000	78,000
Purchase of equipment	(28,789)	(5,859)
	<u>(2,043,296)</u>	<u>(649,170)</u>
Net cash used by investing activities		
	137	(562,003)
Net change in cash and cash equivalents		
Cash and cash equivalents at beginning of year	<u>638,828</u>	<u>1,200,831</u>
Cash and cash equivalents at end of year	<u>\$ 638,965</u>	<u>\$ 638,828</u>

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

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015

Note 1 - Summary of Significant Accounting Policies

Nature of Organization

The American Civil Liberties Union of Maryland, Inc. (the ACLU) is a non-profit Organization that provides education and lobbies regarding civil rights and liberties. The ACLU is funded by membership dues and public support. Membership dues are forwarded to the National ACLU office and allocations are made to the various affiliates in accordance with revenue sharing policies.

The American Civil Liberties Union Foundation of Maryland, Inc. (the ACLU Foundation) is a non-profit Organization that provides legal services for persons threatened with, or involved in civil or criminal litigation in which questions of civil liberties or civil rights have arisen, as well as provides public education and advocacy regarding civil rights and liberties. The ACLU Foundation is funded by public support and attorney fees.

Consolidation of Related Entity

The ACLU has adopted the provision of FASB ASC 958-810 *Not-for-Profit Entities – Consolidation*. The ACLU has included its related entity, the ACLU Foundation, in its financial statements for the years ended March 31, 2015 and 2014. FASB ASC 958-810 states that a not-for-profit organization should consolidate another not-for-profit organization if the report not-for-profit organization has both control of the other not-for-profit organization, as evidenced by either majority ownership or a majority voting interest in the Board of the other not-for-profit organization, and an economic interest in the other not-for-profit organization.

The ACLU Foundation is a tax-exempt not-for-profit Entity incorporated in the State of Maryland. The ACLU Foundation qualifies as a related Entity of the ACLU under FASB ASC 958-810 and, accordingly, the accompanying financial statements present the financial information of both entities.

The Organization is also required to comply with the provisions of FASB ASC 850 *Related Party Disclosure*. Under this provision, all material related party transactions have been eliminated in the consolidating process and substantive disclosure of these amounts is not required.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 1 - Summary of Significant Accounting Policies (Cont.)

Basis of Presentation

The financial statements include certain prior years summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the years ended March 31, 2014, from which the summarized information was derived.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor-imposed restriction. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Unexpended grant awards are classified as refundable advances until expended for the purposes of the grants since they are considered conditional promises to give.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The costs of providing various program and supporting services has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents except those held in an investment portfolio.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 1 - Summary of Significant Accounting Policies (Cont.)

Concentration of Cash Balances

At March 31, 2015 and 2014 and at various times during the fiscal years then ended, the Organization maintained cash balances in excess of the federally insured limit. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amounts held in excess of FDIC insurance coverage as of March 31, 2015 and 2014 were approximately \$112,000 and \$139,000, respectively.

Investments

Investments are presented in the financial statements as quoted fair value. The net realized and unrealized appreciation (depreciation) in market value of investments is reflected in the statement of activities. Investments consist of cash and cash equivalents, certificates of deposit, and mutual funds held by a broker.

Contributions Receivable

Unconditional contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates applicable to the rate and circumstances applicable to each of the contributions receivable. Amortization of the discounts is included in contribution revenue. Conditional contributions receivable are not included as support until the conditions are substantially met.

Property and Equipment

Property and equipment acquisitions over \$3,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Income Tax Status

The ACLU is exempt from income tax under Section 501(c)(4) of the Internal Revenue Code. The ACLU Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. It is exempt from paying federal income tax on any income except unrelated business income.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income Tax Position

The Organization follows the guidance of ASC 740-10, "*Accounting for Uncertainty in Income Taxes*" which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than not in order for the benefit of those tax positions to be recognized in the Organization's financial statements.

The Organization analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c) to qualify as a tax exempt organization, activities performed by volunteers and Board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland State statute. The Organization does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Organization's financial position or changes in net assets as a result of analyzing its tax positions. Fiscal years ending on or after March 31, 2012 remain subject to examination by federal and State authorities.

Donated Services

The ACLU and the ACLU Foundation recognize donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Reclassification of Prior Year Balances

Certain reclassifications of the prior year balances have been made to conform to current year presentation.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 2 - Investments

Investments, carried at fair market value, are summarized as follows:

	March 31, 2015		
	Cost	Fair Market Value	Gross Unrealized Gain (Loss)
Cash and cash equivalents	\$ 46,610	\$ 46,610	\$ -
Certificates of deposit	540,367	540,367	-
Mutual funds:			
Blend funds	2,412,097	3,126,194	714,097
Bond funds	2,584,871	2,591,509	6,638
Floating rate fund	256,605	253,663	(2,942)
	\$ 5,840,550	\$ 6,558,343	\$ 717,793

	March 31, 2014		
	Cost	Fair Market Value	Gross Unrealized Gain (Loss)
Cash and cash equivalents	\$ 123,266	\$ 123,266	\$ -
Certificates of deposit	537,711	537,711	-
Mutual funds:			
Blend funds	1,359,450	1,909,969	550,519
Bond funds	1,803,603	1,795,511	(8,092)
	\$ 3,824,030	\$ 4,366,457	\$ 542,427

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 3 - Fair Value Measurement

ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets, and are, therefore classified as Level 1, include cash and cash equivalents and active listed mutual funds.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations, or alternative pricing sources supported by observable inputs are classified with Level 2. These include certificates of deposit. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or non-transferability, which are generally based on available market information.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 3 - Fair Value Measurement (Cont.)

The table below presents the fair value of financial instruments carried on the statement of financial position and by level within the hierarchy as of year-end:

	March 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 46,610	\$ -	\$ -	\$ 46,610
Certificates of deposit	-	540,367	-	540,367
Mutual funds:				
Blend funds	3,126,194	-	-	3,126,194
Bond funds	2,591,509	-	-	2,591,509
Floating rate fund	253,663	-	-	253,663
Total assets	\$ 6,017,976	\$ 540,367	\$ -	\$ 6,558,343

	March 31, 2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 123,266	\$ -	\$ -	\$ 123,266
Certificates of deposit	-	537,711	-	537,711
Mutual funds:				
Blend funds	1,909,969	-	-	1,909,969
Bond funds	1,795,511	-	-	1,795,511
Total assets	\$ 3,828,746	\$ 537,711	\$ -	\$ 4,366,457

Note 4 - Contributions Receivable

Contributions receivable consist of unconditional promises to give for \$613,277 and \$362,500 for the years ended March 31, 2015 and 2014, respectively. All contributions receivable are due in one year or less.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 5 - Property and Equipment

The carrying values of each class of property and equipment were as follows at March 31:

	Estimated Lives	2015	2014
Furniture and equipment	3-7 years	\$ 158,539	\$ 129,750
Less accumulated depreciation		(124,539)	(117,867)
Net property and equipment		\$ 34,000	\$ 11,883

Depreciation expense for the years ended March 31, 2015 and 2014 was \$6,672 and \$5,891, respectively.

Note 6 - Donated Legal Services

The ACLU Foundation received the following donated legal services benefiting all aspects of the mission for the years ended March 31:

	2015	2014
Donated hours	1,329	2,194
Total	\$ 697,659	\$ 927,367

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at March 31, 2015 and 2014:

	2015	2014
Education	\$ 1,062,987	\$ 792,491
Immigration	8,827	10,229
Criminal justice	37,500	-
Baltimore Regional Housing Partnership	240,777	-
	\$ 1,350,091	\$ 802,720

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 8 - Operating Lease

The ACLU Foundation entered into a lease agreement starting December 2012 to lease office space under an agreement expiring November 2017. The monthly rent was \$12,650 and increases by approximately 3% every year. Rent expense was \$172,605 and \$161,106 for the years ended March 31, 2015 and 2014, respectively. The summary of future minimum lease payments are as follows for the years ending March 31:

2016	\$ 157,918
2017	162,655
2018	<u>110,584</u>
	<u>\$ 431,157</u>

Note 9 - Affiliated Organizations

The ACLU and the ACLU Foundation are local affiliates of the national American Civil Liberties Union, Inc. and the national American Civil Liberties Union Foundation, Inc., respectively. Contributions are allocated between the ACLU national headquarters and affiliates in accordance with revenue sharing policies determined by the national office. The amount due (to)/from the national ACLU Foundation, Inc. was \$(69,005) and \$(125,692) at March 31, 2015 and 2014, respectively. The amount due (to)/from the national ACLU, Inc. was \$40,000 and \$902 at March 31, 2015 and 2014, respectively.

In addition to the revenue sharing, the national ACLU and the national ACLU Foundation awards grants to the Maryland entities. During the years ended March 31, 2015 and 2014, ACLU, Inc. received \$0 and \$3,920, respectively.

The ACLU forwards membership dues to the national ACLU office and allocations are made to the various affiliates in accordance with revenue sharing policies. The amount due (to)/from the national ACLU for membership dues was \$(8,073) and \$18,525 at March 31, 2015 and 2014, respectively.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2015

Note 10 - Retirement Plan

A defined benefit pension plan was provided through the national ACLU for all employees hired on or before March 31, 2010 who were 21 years of age and had one year and 1,000 hours of service. The related pension expense was \$164,722 and \$159,495 for the years ended March 31, 2015 and 2014, respectively.

Effective April 1, 2009, new employees were no longer eligible to participate in the defined benefit pension plan. A new defined contribution plan was started in which all employees 21 year and older are eligible to participate. The ACLU will match 100% of contributions up to 1% of salary plus 50% of contributions from 1% to 6% of salary. Pension expense for the match was \$23,438 and \$14,867 for the years ended March 31, 2015 and 2014, respectively.

Note 11 - Subsequent Events

Subsequent events and transactions have been evaluated for potential recognition in the financial statements through August 27, 2015, the day the financial statements were available to be issued.

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF STATEMENT OF FINANCIAL POSITION
March 31, 2015

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Eliminations	Consolidated Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 286,730	\$ 352,235	\$ -	\$ 638,965
Investments	2,876,727	3,681,616	-	6,558,343
Accounts receivable - trade	-	421	-	421
Contributions receivable	-	613,277	-	613,277
Due from National Affiliate	31,927	-	-	31,927
Due from ACLU Foundation of Maryland, Inc.	34,782	-	(34,782)	-
Total current assets	3,230,166	4,647,549	(34,782)	7,842,933
PROPERTY AND EQUIPMENT				
Net of accumulated depreciation	-	34,000	-	34,000
OTHER ASSETS				
Deposits	247	9,510	-	9,757
Total other assets	247	9,510	-	9,757
Total assets	\$ 3,230,413	\$ 4,691,059	\$ (34,782)	\$ 7,886,690
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ -	141,230	\$ -	\$ 141,230
Accrued expenses	760	78,603	-	79,363
Accrued pension expense	-	164,722	-	164,722
Due to National Affiliate	-	69,005	-	69,005
Due to ACLU of Maryland, Inc.	-	34,782	(34,782)	-
Total current liabilities	760	488,342	(34,782)	454,320
NET ASSETS				
Unrestricted - available for general activities	3,229,653	2,852,626	-	6,082,279
Temporarily restricted	-	1,350,091	-	1,350,091
Total net assets	3,229,653	4,202,717	-	7,432,370
Total liabilities and net assets	\$ 3,230,413	\$ 4,691,059	\$ (34,782)	\$ 7,886,690

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF STATEMENT OF FINANCIAL POSITION
March 31, 2014

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Eliminations	Consolidated Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 232,712	\$ 406,116	\$ -	\$ 638,828
Investments	2,527,025	1,839,432	-	4,366,457
Accounts receivable - trade	-	200,500	-	200,500
Contributions receivable	-	362,500	-	362,500
Due from National Affiliate	23,347	-	-	23,347
Due from ACLU Foundation of Maryland, Inc.	25,876	-	(25,876)	-
Prepaid expenses	-	15,030	-	15,030
Total current assets	2,808,960	2,823,578	(25,876)	5,606,662
PROPERTY AND EQUIPMENT				
Net of accumulated depreciation	-	11,883	-	11,883
OTHER ASSETS				
Deposits	247	9,570	-	9,817
Total other assets	247	9,570	-	9,817
Total assets	\$ 2,809,207	\$ 2,845,031	\$ (25,876)	\$ 5,628,362
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 20,414	\$ -	\$ 20,414
Accrued expenses	764	70,844	-	71,608
Accrued pension expense	-	159,444	-	159,444
Due to National Affiliate	-	125,692	-	125,692
Due to ACLU of Maryland, Inc.	-	25,876	(25,876)	-
Total current liabilities	764	402,270	(25,876)	377,158
NET ASSETS				
Unrestricted - available for general activities	2,808,443	1,640,041	-	4,448,484
Temporarily restricted	-	802,720	-	802,720
Total net assets	2,808,443	2,442,761	-	5,251,204
Total liabilities and net assets	\$ 2,809,207	\$ 2,845,031	\$ (25,876)	\$ 5,628,362

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF STATEMENT OF ACTIVITIES
March 31, 2015

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Consolidated Total
REVENUES, GAINS AND OTHER SUPPORT			
Received directly:			
Grants	\$ -	\$ 1,472,804	\$ 1,472,804
Donations	-	466,063	466,063
Bequests	40,000	-	40,000
	<u>40,000</u>	<u>1,938,867</u>	<u>1,978,867</u>
Donated legal services	-	697,659	697,659
Total direct support	40,000	2,636,526	2,676,526
Other revenue:			
Attorney fees	-	2,186,910	2,186,910
Realized and unrealized gain (loss) on investments	102,615	74,764	177,379
Membership dues	235,290	-	235,290
Investment income	47,458	44,863	92,321
Other revenue	13,374	200	13,574
Total revenues, gains, and other support	<u>438,737</u>	<u>4,943,263</u>	<u>5,382,000</u>
EXPENSES			
Program services	13,418	2,686,216	2,699,634
Supporting services:			
Management and general	2,354	281,567	283,921
Fundraising	1,755	215,524	217,279
Total supporting services	<u>4,109</u>	<u>497,091</u>	<u>501,200</u>
Total expenses	<u>17,527</u>	<u>3,183,307</u>	<u>3,200,834</u>
Change in net assets	<u>421,210</u>	<u>1,759,956</u>	<u>2,181,166</u>
NET ASSETS AT BEGINNING OF YEAR	<u>2,808,443</u>	<u>2,442,761</u>	<u>5,251,204</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,229,653</u>	<u>\$ 4,202,717</u>	<u>\$ 7,432,370</u>

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF STATEMENT OF ACTIVITIES
March 31, 2014

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Consolidated Total
REVENUES, GAINS AND OTHER SUPPORT			
Received directly:			
Grants	\$ 3,920	\$ 1,242,500	\$ 1,246,420
Donations	3,500	497,179	500,679
Bequests	1,065	502	1,567
	8,485	1,740,181	1,748,666
Donated legal services	-	927,367	927,367
Total direct support	8,485	2,667,548	2,676,033
Other revenue:			
Attorney fees	-	605,127	605,127
Realized and unrealized gain (loss) on investments	172,876	81,421	254,297
Membership dues	252,881	-	252,881
Investment income	40,172	24,085	64,257
Other revenue	12,668	25	12,693
	487,082	3,378,206	3,865,288
EXPENSES			
Program services	18,587	2,920,249	2,938,836
Supporting services:			
Management and general	2,008	231,711	233,719
Fundraising	1,675	219,206	220,881
Total supporting services	3,683	450,917	454,600
Total expenses	22,270	3,371,166	3,393,436
Change in net assets	464,812	7,040	471,852
NET ASSETS AT BEGINNING OF YEAR	2,343,631	2,435,721	4,779,352
NET ASSETS AT END OF YEAR	\$ 2,808,443	\$ 2,442,761	\$ 5,251,204

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF EXPENSES
March 31, 2015

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Consolidated Total
Payroll and payroll related expenses	\$ 11,662	\$ 1,691,107	\$ 1,702,769
Donated legal services	-	697,659	697,659
Grant expenses	-	240,777	240,777
Occupancy	1,800	200,838	202,638
Litigation	-	115,242	115,242
Telephone and communications	2,666	61,727	64,393
Travel and meetings	13	55,719	55,732
Professional fees	415	43,915	44,330
Office expense	231	26,489	26,720
Printing and publications	237	15,997	16,234
Library and dues	226	7,503	7,729
Depreciation	-	6,672	6,672
Legislative	200	5,933	6,133
Miscellaneous	-	5,036	5,036
Bank service charges	-	4,351	4,351
Postage	77	2,844	2,921
Fundraising and membership events	-	1,498	1,498
Total expenses	<u>\$ 17,527</u>	<u>\$ 3,183,307</u>	<u>\$ 3,200,834</u>

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF EXPENSES
March 31, 2014

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Consolidated Total
Payroll and payroll related expenses	\$ 12,685	\$ 1,557,861	\$ 1,570,546
Donated legal services	-	927,367	927,367
Grant expenses	-	376,250	376,250
Occupancy	2,328	192,351	194,679
Professional fees	981	132,988	133,969
Telephone and communications	312	48,714	49,026
Travel and meetings	73	46,371	46,444
Office expense	247	29,133	29,380
Printing and publications	9	24,125	24,134
Legislative	5,300	11,323	16,623
Depreciation	-	5,891	5,891
Library and dues	229	4,866	5,095
Bank service charges	-	4,083	4,083
Litigation	-	3,230	3,230
Postage	95	2,989	3,084
Miscellaneous	11	2,273	2,284
Fundraising and membership events	-	1,351	1,351
Total expenses	\$ 22,270	\$ 3,371,166	\$ 3,393,436