

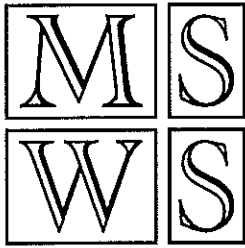
**AMERICAN CIVIL LIBERTIES
UNION OF MARYLAND, INC.
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
MARCH 31, 2013**



MULLEN SONDBERG WIMBISH & STONE, PA
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	<u>Page</u>
Independent auditor's report	1-2
Financial statements	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7 - 16
Supplementary information	
Consolidating schedules of financial positions	17 - 18
Consolidating schedules of activities	19 - 20
Consolidating schedules of expenses	21 - 22



MULLEN & SONDBERG
WIMBISH & STONE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

2553 Housley Road • Suite 200 • Annapolis, Maryland 21401

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, 2013, 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.

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, 2013, 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 2012 consolidated financial statements, and our report dated August 8, 2012 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, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mullen Sondberg Wimbish & Stone

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

Annapolis, Maryland
September 3, 2013

American Civil Liberties Union of Maryland, Inc.
STATEMENT OF FINANCIAL POSITION
March 31, 2013

ASSETS

	2013	2012
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,200,831	\$ 589,216
Investments	3,468,849	3,407,646
Contributions receivable	311,977	231,000
Due from National Affiliate	31,765	19,876
Prepaid health insurance	9,354	-
Total current assets	5,022,776	4,247,738
PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	11,915	21,668
OTHER ASSETS		
Contributions receivable	-	20,000
Deposits	8,882	8,882
Total other assets	8,882	28,882
Total assets	\$ 5,043,573	\$ 4,298,288

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 25,268	\$ 16,933
Accrued expenses	66,057	71,567
Accrued pension expense	135,321	129,202
Due to National Affiliate	37,575	35,175
Total current liabilities	264,221	252,877
NET ASSETS		
Unrestricted - available for general activities	4,047,962	3,575,457
Temporarily restricted	731,390	469,954
Total net assets	4,779,352	4,045,411
Total liabilities and net assets	\$ 5,043,573	\$ 4,298,288

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, 2013
 With Summarized Financial Information for the Years Ended March 31, 2012

	Unrestricted	Temporarily Restricted	Totals	
			2013	2012
REVENUES, GAINS AND OTHER SUPPORT				
Received directly:				
Grants	\$ 544,210	\$ 809,642	\$ 1,353,852	\$ 910,099
Donations	365,614	-	365,614	443,090
Bequests	29,110	-	29,110	129,928
	<u>938,934</u>	<u>809,642</u>	<u>1,748,576</u>	<u>1,483,117</u>
Donated legal services	<u>1,460,712</u>	<u>-</u>	<u>1,460,712</u>	<u>1,443,489</u>
Total direct support	<u>2,399,646</u>	<u>809,642</u>	<u>3,209,288</u>	<u>2,926,606</u>
Other revenue:				
Membership dues	255,673	-	255,673	258,833
Investment income	64,351	-	64,351	62,292
Realized and unrealized gain (loss) on investments	152,661	-	152,661	63,775
Attorney fees	719,034	-	719,034	37,209
Other revenue	12,782	-	12,782	19,442
	<u>1,204,501</u>	<u>-</u>	<u>1,204,501</u>	<u>441,551</u>
Net assets released from restrictions	<u>548,206</u>	<u>(548,206)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>4,152,353</u>	<u>261,436</u>	<u>4,413,789</u>	<u>3,368,157</u>
EXPENSES				
Program services	<u>3,172,273</u>	<u>-</u>	<u>3,172,273</u>	<u>2,905,320</u>
Supporting services:				
Management and general	267,673	-	267,673	228,767
Fundraising	239,902	-	239,902	196,848
Total supporting services	<u>507,575</u>	<u>-</u>	<u>507,575</u>	<u>425,615</u>
Total expenses	<u>3,679,848</u>	<u>-</u>	<u>3,679,848</u>	<u>3,330,935</u>
Change in net assets	472,505	261,436	733,941	37,222
Net assets - beginning of the year	<u>3,575,457</u>	<u>469,954</u>	<u>4,045,411</u>	<u>4,008,189</u>
Net assets - end of the year	<u>\$ 4,047,962</u>	<u>\$ 731,390</u>	<u>\$ 4,779,352</u>	<u>\$ 4,045,411</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, 2013

With Summarized Financial Information for the Years Ended March 31, 2012

	Program Services	Supporting Services		Total Supporting Services	Total	
		Management and General	Fundraising		2013	2012
Payroll and related expenses	\$ 1,214,991	\$ 186,921	\$ 155,769	\$ 342,690	\$ 1,557,681	\$ 1,414,872
Donated legal services	1,460,712	-	-	-	1,460,712	1,443,489
Professional fees	157,583	39,984	20,204	60,188	217,771	63,059
Occupancy	152,666	23,487	19,573	43,060	195,726	187,936
Travel and meetings	39,168	5,289	1,512	6,801	45,969	57,765
Legislative	55,240	-	-	-	55,240	32,940
Telephone and communications	26,303	3,404	12,833	16,237	42,540	37,651
Printing and publications	23,798	3,662	3,859	7,521	31,319	32,882
Office expense	17,141	2,645	2,197	4,842	21,983	28,487
Fundraising and membership events	-	-	16,471	16,471	16,471	-
Depreciation	9,293	1,430	1,191	2,621	11,914	15,493
Grant expenses	5,000	-	-	-	5,000	-
Bank service charges	-	-	5,583	5,583	5,583	3,678
Postage	4,190	644	537	1,181	5,371	3,056
Library and dues	4,842	-	-	-	4,842	7,511
Miscellaneous	1,346	207	173	380	1,726	2,116
Total expenses	\$ 3,172,273	\$ 267,673	\$ 239,902	\$ 507,575	\$ 3,679,848	\$ 3,330,935

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, 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 733,941	\$ 37,222
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	11,914	15,493
Realized and unrealized (gain) loss on investments	(152,661)	(63,775)
Donated stock	(45,498)	(86,273)
(Increase) decrease in operating assets:		
Contributions receivable	(60,977)	(71,000)
Due from National Affiliate	(11,889)	16,027
Prepaid health insurance	(9,354)	-
Increase (decrease) in operating liabilities:		
Accounts payable	8,335	(15,825)
Accrued expenses	(5,510)	5,210
Accrued pension expense	6,119	21,847
Due to National Affiliate	2,400	35,175
	476,820	(105,899)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments and reinvested dividends	(63,044)	(480,445)
Proceeds from sale of investments	200,000	433,596
Purchase of equipment	(2,161)	(10,085)
	134,795	(56,934)
Net cash provided (used) by investing activities	134,795	(56,934)
Net change in cash and cash equivalents	611,615	(162,833)
Cash and cash equivalents at beginning of year	589,216	752,049
Cash and cash equivalents at end of year	\$ 1,200,831	\$ 589,216

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, 2013

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, 2013 and 2012. 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, 2013

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, 2012, 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.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2013

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

Concentration of Cash Balances

At March 31, 2013 and 2012 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. Amounts held in non-interest-bearing transaction accounts from December 31, 2010 through December 31, 2012 are fully insured under the provisions of Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which provides unlimited deposit insurance coverage for non-interest-bearing transaction accounts. The amounts held in excess of FDIC insurance coverage as of March 31, 2013 and 2012 were approximately \$675,355 and -0-, 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.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give 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 promises to give. Amortization of the discounts is included in contribution revenue. Conditional promises to give 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, 2013

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

Income Tax Position

The Organization follows the guidance of ASC 740-10, "*Account 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, 2010 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, 2013

Note 2 - Investments

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

	March 31, 2013		
	Cost	Fair Market Value	Gross Unrealized Gain (Loss)
Cash and cash equivalents	\$ 58,530	\$ 58,530	\$ -
Certificates of deposit	534,170	534,170	-
Mutual funds:			
Blend funds	1,333,435	1,557,600	224,165
Bond funds	1,306,759	1,318,549	11,790
	\$ 3,232,894	\$ 3,468,849	\$ 235,955
	March 31, 2012		
	Cost	Fair Market Value	Gross Unrealized Gain (Loss)
Cash and cash equivalents	\$ 212,421	\$ 212,421	\$ -
Certificates of deposit	529,672	529,672	-
Mutual funds:			
Blend funds	1,251,883	1,377,891	126,008
Bond funds	1,274,347	1,287,662	13,315
	\$ 3,268,323	\$ 3,407,646	\$ 139,323

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2013

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: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

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 Federation. The Federation 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 Federation'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 traced in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect liquidity and/or nontransferability, which are generally based on available market information.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2013

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, 2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 58,530	\$ -	\$ -	\$ 58,530
Certificates of deposit	-	534,170	-	534,170
Mutual funds:				
Blend funds	1,557,600	-	-	1,557,600
Bond funds	1,318,549	-	-	1,318,549
 Total assets	<u>\$ 2,934,679</u>	<u>\$ 534,170</u>	<u>\$ -</u>	<u>\$ 3,468,849</u>

	March 31, 2012			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 212,421	\$ -	\$ -	\$ 212,421
Certificates of deposit	-	529,672	-	529,672
Mutual funds:				
Blend funds	1,377,891	-	-	1,377,891
Bond funds	1,287,662	-	-	1,287,662
 Total assets	<u>\$ 2,877,974</u>	<u>\$ 529,672</u>	<u>\$ -</u>	<u>\$ 3,407,646</u>

Note 4 - Contributions Receivable

Contributions receivable consist of unconditional promises to give as follows:

	2013	2012
Amounts due in 1 year or less	\$ 311,977	\$ 231,000
Amounts due in 1 - 5 years	-	20,000
 Total	<u>\$ 311,977</u>	<u>\$ 251,000</u>

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2013

Note 5 - Property and Equipment

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

	Estimated Lives	2013	2012
Furniture and equipment	3-7 years	\$ 123,891	\$ 121,730
Less accumulated depreciation		(111,976)	(100,062)
Net property and equipment		\$ 11,915	\$ 21,668

Depreciation expense for the years ended March 31, 2013 and 2012 was \$11,914 and \$15,493, 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:

	2013	2012
Donated hours	3,786	3,130
Total	\$ 1,460,712	\$ 1,443,489

Note 7 - Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at March 31, 2013 and 2012:

	2013	2012
Education	\$ 360,140	\$ 469,954
Baltimore Regional Housing Partnership	371,250	-
	\$ 731,390	\$ 469,954

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2013

Note 8 - Operating Lease

The ACLU Foundation entered into a new 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 \$160,944 and \$154,739 for the years ended March 31, 2013 and 2012, respectively. The summary of future minimum lease payments are as follows for the years ending March 31:

2014	\$ 151,800
2015	153,318
2016	157,918
2017	162,655
2018	<u>110,584</u>
	<u>\$ 736,275</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 \$(37,629) and \$(35,175) at March 31, 2013 and 2012, respectively. The amount due (to)/from the national ACLU, Inc. was \$6,083 and \$-0- at March 31, 2013 and 2012, 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, 2013 and 2012, the ACLU Foundation received \$-0- and \$21,188, respectively and ACLU, Inc. received \$163,250 and \$46,062, 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 from the national ACLU for membership dues was \$31,765 and \$19,971 at March 31, 2013 and 2012.

American Civil Liberties Union of Maryland, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Cont.)
March 31, 2013

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 \$132,712 and \$129,202 for the years ended March 31, 2013 and 2012, 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 \$13,182 and \$11,011 for the years ended March 31, 2013 and 2012, respectively.

Note 11 - Subsequent Events

Subsequent events and transactions have been evaluated for potential recognition in the financial statements through September 3, 2013, 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, 2013

	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	\$ 497,953	\$ 702,878	\$ -	\$ 1,200,831
Investments	1,799,306	1,669,543	-	3,468,849
Contributions receivable	-	311,977	-	311,977
Due from National Affiliate	31,765	-	-	31,765
Due from ACLU Foundation of Maryland, Inc.	15,105	-	(15,105)	-
Prepaid health insurance	-	9,354	-	9,354
Total current assets	<u>2,344,129</u>	<u>2,693,752</u>	<u>(15,105)</u>	<u>5,022,776</u>
PROPERTY AND EQUIPMENT				
Net of accumulated depreciation	-	11,915	-	11,915
OTHER ASSETS				
Contributions receivable	-	-	-	-
Deposits	247	8,635	-	8,882
Total other assets	<u>247</u>	<u>8,635</u>	<u>-</u>	<u>8,882</u>
Total assets	<u>\$ 2,344,376</u>	<u>\$ 2,714,302</u>	<u>\$ (15,105)</u>	<u>\$ 5,043,573</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 25,268	\$ -	\$ 25,268
Accrued expenses	745	65,312	-	66,057
Accrued pension expense	-	135,321	-	135,321
Due to National Affiliate	-	37,575	-	37,575
Due to ACLU of Maryland, Inc.	-	15,105	(15,105)	-
Total current liabilities	<u>745</u>	<u>278,581</u>	<u>(15,105)</u>	<u>264,221</u>
NET ASSETS				
Unrestricted - available for general activities	2,343,631	1,704,331	-	4,047,962
Temporarily restricted	-	731,390	-	731,390
Total net assets	<u>2,343,631</u>	<u>2,435,721</u>	<u>-</u>	<u>4,779,352</u>
Total liabilities and net assets	<u>\$ 2,344,376</u>	<u>\$ 2,714,302</u>	<u>\$ (15,105)</u>	<u>\$ 5,043,573</u>

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF STATEMENT OF FINANCIAL POSITION
March 31, 2012

	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	\$ 209,728	\$ 379,488	\$ -	\$ 589,216
Investments	1,667,961	1,739,685	-	3,407,646
Contributions receivable	-	231,000	-	231,000
Due from National Affiliate	19,876	-	-	19,876
Due from ACLU Foundation of Maryland, Inc.	62,580	-	(62,580)	-
Total current assets	<u>1,960,145</u>	<u>2,350,173</u>	<u>(62,580)</u>	<u>4,247,738</u>
PROPERTY AND EQUIPMENT				
Net of accumulated depreciation	<u>-</u>	<u>21,668</u>	<u>-</u>	<u>21,668</u>
OTHER ASSETS				
Contributions receivable	-	20,000	-	20,000
Deposits	247	8,635	-	8,882
Total other assets	<u>247</u>	<u>28,635</u>	<u>-</u>	<u>28,882</u>
Total assets	<u>\$ 1,960,392</u>	<u>\$ 2,400,476</u>	<u>\$ (62,580)</u>	<u>\$ 4,298,288</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ -	\$ 16,933	\$ -	\$ 16,933
Accrued expenses	694	70,873	-	71,567
Accrued pension expense	-	129,202	-	129,202
Due to National Affiliate	-	35,175	-	35,175
Due to ACLU of Maryland, Inc.	-	62,580	(62,580)	-
Total current liabilities	<u>694</u>	<u>314,763</u>	<u>(62,580)</u>	<u>252,877</u>
NET ASSETS				
Unrestricted - available for general activities	1,959,698	1,615,759	-	3,575,457
Temporarily restricted	-	469,954	-	469,954
Total net assets	<u>1,959,698</u>	<u>2,085,713</u>	<u>-</u>	<u>4,045,411</u>
Total liabilities and net assets	<u>\$ 1,960,392</u>	<u>\$ 2,400,476</u>	<u>\$ (62,580)</u>	<u>\$ 4,298,288</u>

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF STATEMENT OF ACTIVITIES
March 31, 2013

	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	\$ 163,250	\$ 1,190,602	\$ 1,353,852
Donations	1,814	363,800	365,614
Bequests	13,048	16,062	29,110
	<u>178,112</u>	<u>1,570,464</u>	<u>1,748,576</u>
Donated legal services	-	1,460,712	1,460,712
Total direct support	178,112	3,031,176	3,209,288
Other revenue:			
Membership dues	255,673	-	255,673
Investment income	37,152	27,199	64,351
Realized and unrealized gain (loss) on investments	94,678	57,983	152,661
Attorney fees	-	719,034	719,034
Other revenue	12,781	1	12,782
	<u>578,396</u>	<u>3,835,393</u>	<u>4,413,789</u>
EXPENSES			
Program services	156,012	3,016,262	3,172,274
Supporting services:			
Management and general	21,306	246,367	267,673
Fundraising	17,145	222,756	239,901
Total supporting services	<u>38,451</u>	<u>469,123</u>	<u>507,574</u>
Total expenses	<u>194,463</u>	<u>3,485,385</u>	<u>3,679,848</u>
Change in net assets	<u>383,933</u>	<u>350,008</u>	<u>733,941</u>
NET ASSETS AT BEGINNING OF YEAR	<u>1,959,698</u>	<u>2,085,713</u>	<u>4,045,411</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,343,631</u>	<u>\$ 2,435,721</u>	<u>\$ 4,779,352</u>

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF STATEMENT OF ACTIVITIES
March 31, 2012

	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	\$ 46,062	\$ 864,037	\$ 910,099
Donations	-	443,090	443,090
Bequests	-	129,928	129,928
	<u>46,062</u>	<u>1,437,055</u>	<u>1,483,117</u>
Donated legal services	-	1,443,489	1,443,489
Total direct support	46,062	2,880,544	2,926,606
Other revenue:			
Attorney fees	-	37,209	37,209
Membership dues	258,833	-	258,833
Realized and unrealized gain (loss) on investments	38,115	25,660	63,775
Investment income	32,347	29,945	62,292
Other revenue	18,685	757	19,442
Total revenues, gains, and other support	<u>394,042</u>	<u>2,974,115</u>	<u>3,368,157</u>
EXPENSES			
Program services	49,700	2,855,620	2,905,320
Supporting services:			
Management and general	6,030	222,737	228,767
Fundraising	4,895	191,953	196,848
Total supporting services	<u>10,925</u>	<u>414,690</u>	<u>425,615</u>
Total expenses	<u>60,625</u>	<u>3,270,310</u>	<u>3,330,935</u>
Change in net assets	<u>333,417</u>	<u>(296,195)</u>	<u>37,222</u>
NET ASSETS AT BEGINNING OF YEAR	<u>1,626,281</u>	<u>2,381,908</u>	<u>4,008,189</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,959,698</u>	<u>\$ 2,085,713</u>	<u>\$ 4,045,411</u>

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF EXPENSES
March 31, 2013

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Consolidated Total
Donated legal services	\$ -	\$ 1,460,712	\$ 1,460,712
Payroll and payroll related expenses	50,753	1,506,928	1,557,681
Occupancy	7,773	187,953	195,726
Professional fees	108,539	109,232	217,771
Travel and meetings	3,614	58,826	62,440
Telephone and communications	699	41,841	42,540
Legislative	22,103	33,137	55,240
Printing and publications	1	31,318	31,319
Office expense	617	21,366	21,983
Depreciation	-	11,914	11,914
Grant expenses	-	5,000	5,000
Library and dues	187	4,655	4,842
Bank service charges	-	5,583	5,583
Postage	177	5,194	5,371
Miscellaneous	-	1,726	1,726
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 194,463</u>	<u>\$ 3,485,385</u>	<u>\$ 3,679,848</u>

American Civil Liberties Union of Maryland, Inc.
CONSOLIDATING SCHEDULE OF EXPENSES
March 31, 2012

	American Civil Liberties Union of Maryland, Inc.	American Civil Liberties Union Foundation of Maryland, Inc.	Consolidated Total
Donated legal services	\$ -	\$ 1,443,489	\$ 1,443,489
Payroll and payroll related expenses	24,601	1,390,271	1,414,872
Occupancy	1,847	186,089	187,936
Professional fees	20,397	42,662	63,059
Travel and meetings	1,479	56,286	57,765
Telephone and communications	181	37,470	37,651
Printing and publications	7	32,875	32,882
Legislative	10,400	22,540	32,940
Office expense	399	28,088	28,487
Depreciation	-	15,493	15,493
Library and dues	1,142	6,369	7,511
Bank service charges	-	3,678	3,678
Postage	172	2,884	3,056
Miscellaneous	-	2,116	2,116
Total expenses	\$ 60,625	\$ 3,270,310	\$ 3,330,935