

ACLU Nebraska
Lincoln, Nebraska

March 31, 2018

Consolidating Financial Statements
and
Report of Independent Certified Public Accountants



CPAs & Consultants | Wealth Management

ACLU Nebraska

Year ended March 31, 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
ACLU Nebraska
Lincoln, Nebraska

We have audited the accompanying consolidating financial statements of ACLU Nebraska, which comprise the consolidating statement of financial position as of March 31, 2018 and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

Management's Responsibility for the Consolidating Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating 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 consolidating 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 consolidating 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 consolidating financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidating 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 consolidating 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 consolidating 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 consolidating financial statements referred to above present fairly, in all material respects, the consolidating financial position of ACLU Nebraska as of March 31, 2018 and the changes in its net assets and its cash flows for the year then ended in accordance 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 consolidating financial statements as a whole. The supplemental schedule of expenses – Union and schedule of expenses - Foundation are presented for purposes of additional analysis and are not a required part of the consolidating 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 consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating 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 consolidating financial statements as a whole.

ABE LLP

September 15, 2018



ACLU Nebraska

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

March 31, 2018

ASSETS

	<u>Union</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents (note A)	\$ 90,465	\$ 940,914	\$ -	\$ 1,031,379
Investments (notes A, B and C)	-	187,181	-	187,181
Prepaid expenses	-	2,955	-	2,955
Receivables (notes A and D)	8,274	189,458	(8,622)	189,110
Pledges receivable (notes A and E)	-	75,000	-	75,000
	<u>98,739</u>	<u>1,395,508</u>	<u>(8,622)</u>	<u>1,485,625</u>
Total current assets	98,739	1,395,508	(8,622)	1,485,625
PROPERTY AND EQUIPMENT (notes A and F)				
	<u>-</u>	<u>23,505</u>	<u>-</u>	<u>23,505</u>
PROPERTY AND EQUIPMENT (notes A and F)	-	23,505	-	23,505
Total assets	<u>\$ 98,739</u>	<u>\$ 1,419,013</u>	<u>\$ (8,622)</u>	<u>\$ 1,509,130</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 8,622	\$ 25,656	\$ (8,622)	\$ 25,656
Accrued salaries	-	7,798	-	7,798
Payroll tax liabilities	-	91	-	91
Accrued pension	340	3,065	-	3,405
Accrued vacation	-	20,964	-	20,964
	<u>8,962</u>	<u>57,574</u>	<u>(8,622)</u>	<u>57,914</u>
Total current liabilities	8,962	57,574	(8,622)	57,914
NET ASSETS (note A)				
Unrestricted	89,777	1,282,832	-	1,372,609
Temporarily restricted (note G)	-	78,607	-	78,607
	<u>89,777</u>	<u>1,361,439</u>	<u>-</u>	<u>1,451,216</u>
Total net assets	89,777	1,361,439	-	1,451,216
Total liabilities and net assets	<u>\$ 98,739</u>	<u>\$ 1,419,013</u>	<u>\$ (8,622)</u>	<u>\$ 1,509,130</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended March 31, 2018

	<u>Union</u>	<u>Foundation</u>	<u>Total</u>
CHANGES IN UNRESTRICTED NET ASSETS			
Revenue and support			
ACLU membership	\$ 4,193	\$ -	\$ 4,193
ACLU GMI	90,000	210,000	300,000
ACLU shared revenue	-	163,337	163,337
Contributions, unrestricted	-	126,641	126,641
External giving program	-	55,771	55,771
Unrestricted grant income	-	618,386	618,386
Unrealized gain on investments	-	11,664	11,664
Interest income	-	6,508	6,508
Realized loss on sale of investments	-	(1,408)	(1,408)
Events income	-	27,145	27,145
In-kind contributions	-	3,837	3,837
Other income	-	4,411	4,411
	<u>94,193</u>	<u>1,226,292</u>	<u>1,320,485</u>
Total revenue and support			
	94,193	1,226,292	1,320,485
Net assets released from restrictions	<u>-</u>	<u>91,893</u>	<u>91,893</u>
Total unrestricted revenue and support	<u>94,193</u>	<u>1,318,185</u>	<u>1,412,378</u>
Expenses			
Program services	34,335	593,912	628,247
Support services	14,191	225,244	239,435
	<u>48,526</u>	<u>819,156</u>	<u>867,682</u>
Total expenses			
	48,526	819,156	867,682
Increase in unrestricted net assets	<u>45,667</u>	<u>499,029</u>	<u>544,696</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS			
Temporarily restricted grant income	-	95,500	95,500
Satisfaction of restrictions	<u>-</u>	<u>(91,893)</u>	<u>(91,893)</u>
	<u>-</u>	<u>3,607</u>	<u>3,607</u>
Increase in temporarily restricted net assets			
	-	3,607	3,607
INCREASE IN NET ASSETS	45,667	502,636	548,303
Net assets at beginning of year	<u>44,110</u>	<u>858,803</u>	<u>902,913</u>
Net assets at end of year	<u>\$ 89,777</u>	<u>\$ 1,361,439</u>	<u>\$ 1,451,216</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES

Year ended March 31, 2018

	<u>Union</u>	<u>Foundation</u>	<u>Total Program Services</u>
Salaries	\$ 5,222	\$ 280,414	\$ 285,636
Employee benefits	1,993	60,968	62,961
Payroll taxes	414	21,767	22,181
Contract labor	1,650	30,909	32,559
Litigation expenses	-	11,268	11,268
Lobbying	14,102	73,268	87,370
Professional fees	987	9,581	10,568
Office expenses	3,199	21,718	24,917
Printing	514	3,498	4,012
Telephone	332	2,983	3,315
Insurance	747	4,904	5,651
Rent	2,295	22,866	25,161
Postage	221	2,376	2,597
Professional development	455	4,099	4,554
Travel	205	4,066	4,271
Bank fees	185	1,961	2,146
Public education	1,671	35,657	37,328
Miscellaneous	<u>143</u>	<u>1,609</u>	<u>1,752</u>
Total expenses	<u>\$ 34,335</u>	<u>\$ 593,912</u>	<u>\$ 628,247</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - SUPPORT SERVICES

Year ended March 31, 2018

	Union			Foundation			Total Support Services
	Management and General	Fund Raising	Support Services	Management and General	Fund Raising	Support Services	
Salaries	\$ 1,510	\$ 779	\$ 2,289	\$ 81,116	\$ 41,828	\$ 122,944	\$ 125,233
Employee benefits	577	297	874	17,637	9,094	26,731	27,605
Payroll taxes	120	62	182	6,297	3,247	9,544	9,726
Professional fees	286	147	433	2,770	1,429	4,199	4,632
Office expenses	925	477	1,402	6,282	3,239	9,521	10,923
Printing	149	77	226	1,011	522	1,533	1,759
Telephone	96	49	145	863	445	1,308	1,453
Insurance	216	110	326	1,419	731	2,150	2,476
Rent	664	342	1,006	6,615	3,411	10,026	11,032
Postage	64	33	97	688	354	1,042	1,139
Board expenses	6,777	-	6,777	4,996	-	4,996	11,773
Event expenses	-	-	-	-	20,711	20,711	20,711
Professional development	132	68	200	1,185	611	1,796	1,996
Travel	60	31	91	1,176	607	1,783	1,874
Bank fees	53	28	81	567	292	859	940
Miscellaneous	41	21	62	465	240	705	767
Total expenses before depreciation	11,670	2,521	14,191	133,087	86,761	219,848	234,039
Depreciation	-	-	-	5,396	-	5,396	5,396
Total expenses	<u>\$ 11,670</u>	<u>\$ 2,521</u>	<u>\$ 14,191</u>	<u>\$ 138,483</u>	<u>\$ 86,761</u>	<u>\$ 225,244</u>	<u>\$ 239,435</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended March 31, 2018

	<u>Union</u>	<u>Foundation</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from operations	\$ 92,084	\$ 1,434,483	\$ 1,526,567
Cash paid to suppliers and employees	(52,592)	(791,268)	(843,860)
Interest received	-	1,162	1,162
	<u>39,492</u>	<u>644,377</u>	<u>683,869</u>
Net cash provided by operating activities			
Cash flows from investing activities			
Proceeds from sale of investments	-	7,146	7,146
Purchase of property and equipment	-	(18,503)	(18,503)
	<u>-</u>	<u>(11,357)</u>	<u>(11,357)</u>
Net cash used by investing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS	39,492	633,020	672,512
Cash and cash equivalents at beginning of year	<u>50,973</u>	<u>307,894</u>	<u>358,867</u>
Cash and cash equivalents at end of year	<u>\$ 90,465</u>	<u>\$ 940,914</u>	<u>\$ 1,031,379</u>
Reconciliation of increase in net assets to net cash provided by operating activities			
Increase in net assets	<u>\$ 45,667</u>	<u>\$ 502,636</u>	<u>\$ 548,303</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities			
Depreciation	-	5,396	5,396
Unrealized gain on investments	-	(11,664)	(11,664)
Realized loss on sale of investments	-	1,408	1,408
Reinvested interest income, net of investment fees	-	(5,040)	(5,040)
(Increase) decrease in assets			
Receivables	(2,109)	129,455	127,346
Prepaid expenses	-	(1,627)	(1,627)
Increase (decrease) in liabilities			
Accounts payable	(4,110)	20,659	16,549
Accrued wages	-	2,935	2,935
Payroll tax liabilities	-	(905)	(905)
Accrued vacation	-	723	723
	<u>(6,175)</u>	<u>141,741</u>	<u>135,566</u>
Total adjustments to increase in net assets			
Net cash provided by operating activities	<u>\$ 39,492</u>	<u>\$ 644,377</u>	<u>\$ 683,869</u>

See accompanying notes to consolidating financial statements.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

ACLU Nebraska (the Union) was organized to further the objectives of the American Civil Liberties Union and to advance the causes of civil liberties in the State of Nebraska, including the rights of free speech, free press, free assemblage, equality before the law, and other civil liberties, and to take all legitimate action in the furtherance and defense of such purposes. The Union's objective is sought wholly without political partisanship. ACLU Nebraska Foundation (the Foundation) was organized to support the activities of the Union.

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying consolidating financial statements follows:

Method of Accounting. The accompanying consolidating financial statements have been prepared on the accrual method of accounting.

Principles of Consolidation. The accompanying consolidating financial statements for the year ended March 31, 2018 include the accounts of the Foundation and the Union. All significant intercompany investments, transactions and account balances have been eliminated in consolidation.

Cash and Cash Equivalents. For purposes of the consolidating statement of cash flows, the Foundation and the Union consider all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

Net Asset Classification. The Union and Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets. Net assets that are not subject to outside restrictions.

Temporarily Restricted Net Assets. Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidating statement of activities as "net assets released from restrictions." Temporarily restricted net assets consist of a time restricted pledge receivable.

Permanently Restricted Net Assets. Net assets whose funds must be held indefinitely. The Union and Foundation have not received any funds that would be classified as permanently restricted net assets as of March 31, 2018.

Receivables and Pledges Receivable. Receivables and pledges receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with the organizations having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidating statement of financial position. Unrealized gains and losses are included in the change in net assets.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Fair Value Measurements. The Financial Accounting Standards Board has issued guidance defining fair value, establishing a framework for measuring fair value and expanding disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes a fair value hierarchy to prioritize 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 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest priority level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Property and Equipment. Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. It is the Foundation's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. The estimated lives by asset class follow:

Building and leasehold improvements	15-39 years
Office equipment	3-10 years

Leave Policy. During the first three years of employment, an employee earns 80 hours of vacation leave per year. Beginning with the fourth and through the fifth year, an employee earns the maximum amount of vacation per year at 120 hours. After the fifth year, an employee earns a maximum of 160 vacation hours per year. Employees may accumulate vacation leave up to 320 hours. The Foundation's policy is to pay this liability upon termination of employment as required by Nebraska law.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Income Taxes. The Union is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purposes is not subject to income tax, except on net income derived from unrelated business activities. For the year ended March 31, 2018, the Union and the Foundation had no tax liability on unrelated business activity. The Union and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

The Union and the Foundations' federal Returns of Organization Exempt from Income Tax (Form 990) for March 31, 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Membership dues paid to the Union are not deductible on the individual members' personal income tax returns. Contributions to the Foundation, however, are deductible on the individual donors' personal income tax returns.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - INVESTMENTS

Investments as of March 31, 2018 consist of the following:

	<u>Cost</u>	<u>Market Value</u>
Total investments	<u>\$ 114,575</u>	<u>\$ 187,181</u>
Gross unrealized gain		<u>\$ 72,606</u>

NOTE C - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the year ended March 31, 2018.

Equities and money market accounts: Valued at the last reported sales price on the day of valuation.

Mutual funds and exchange-traded funds: Valued at fair value based on quoted market or bid prices.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS - CONTINUED

Hedge funds: Valued at fair value based on the applicable percentage ownership of the underlying net assets on the measurement date. In determining fair value, the entity utilizes, as a practical expedient, the net asset value (or equivalent) provided by the fund managers (“NAV of funds”). The underlying common trust funds and hedge funds value securities and other financial instruments on a fair value. The estimated fair values of certain investments of the underlying hedge funds, which may include private placements and other securities for which prices are not readily available, are determined by the sponsor of the hedge 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 preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 14,622	\$ 14,622	\$ -	\$ -
Mutual funds				
Large-cap U.S. equity	34,534	34,534	-	-
Small/mid-cap U.S. equity	7,379	7,379	-	-
International equity	38,040	38,040	-	-
Short-term bond	5,333	5,333	-	-
Intermediate-term bond	17,753	17,753	-	-
High-yield bond	3,655	3,655	-	-
Other bond	10,358	10,358	-	-
Real estate and commodities	9,554	9,554	-	-
Total mutual funds	<u>126,606</u>	<u>126,606</u>	<u>-</u>	<u>-</u>
Exchange-traded funds				
Large-cap U.S. equity	1,624	1,624	-	-
Small/mid-cap U.S. equity	575	575	-	-
International equity	10,414	10,414	-	-
Real estate and hard assets (commodities)	5,736	5,736	-	-
Total exchange-traded funds	<u>18,349</u>	<u>18,349</u>	<u>-</u>	<u>-</u>
Hedge funds (a)	<u>18,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
Money market accounts held in investment	<u>8,705</u>	<u>8,705</u>	<u>-</u>	<u>-</u>
	<u>\$ 187,181</u>	<u>\$ 168,282</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS - CONTINUED

- (a) In accordance with the guidance provided by FASB ASU 2015-07, Subtopic 820-10, certain investments that are measured at fair value using the net asset value 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 the consolidated statements of financial position.

Total realized gains or losses and the change in unrealized gains or losses are included in the Consolidating Statement of Activities.

NOTE D - TRANSACTIONS WITH NATIONAL OFFICE

The American Civil Liberties Union Foundation (ACLU Foundation) supports the activities of the Foundation with a subsidy and revenue sharing. The ACLU Foundation remits the subsidy on a monthly basis and the revenue sharing is calculated annually. The ACLU Foundation also provides group insurance and pension administration to the Foundation on a cost reimbursement basis. The pension plan is a defined benefit multiemployer plan. The Foundation incurred an expense of \$10,893 and the Union an expense of \$1,393 for their share of the plan costs, which is included in employee benefits in the Consolidating Statements of Functional Expenses.

The American Civil Liberties Union, Inc. (ACLU) collects the dues from the membership of the Union. The ACLU allocates and remits the Union's portion of the membership dues monthly.

The ACLU Foundation and ACLU owe the Foundation and Union, \$180,836 and \$8,274, respectively. These amounts are shown in receivables on the Consolidating Statement of Financial Position.

NOTE E - PLEDGES RECEIVABLE

Pledges receivable consist of a grant for operations of \$75,000 for the year ended March 31, 2018. All pledges receivable are expected to be collected in the subsequent year.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Office equipment	\$ 40,443
Less accumulated depreciation	<u>(16,938)</u>
	<u>\$ 23,505</u>

The financial statements included depreciation expense of \$5,396 for the year ended March 31, 2018.

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consists of:

Weitz Family Foundation	\$ 75,000
Nebraska Religious Coalition Against Torture	<u>3,607</u>
	<u>\$ 78,607</u>

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE H - LEASES

On September 15, 2015, ACLU Nebraska entered into a 7-year lease agreement for office space in Lincoln for \$2,513 per month commencing December 1, 2015 and expiring November 30, 2022. The rent payments will increase (\$0.50 per square foot) at the end of years 2 and 4 of the 7-year contract.

On October 1, 2017, ACLU Nebraska entered into a 60-month lease agreement for a copier. Under the terms of the lease, monthly rent payments are \$215 expiring September 30, 2022.

Rent expense for the year ended March 31, 2018 was \$36,193, which includes rent, additional utilities expense and parking.

Minimum lease payments for the years following March 31, 2018 are as follows:

<u>Years ending March 31,</u>	
2019	\$ 35,751
2020	34,130
2021	34,823
2022	34,823
2023	<u>23,430</u>
	<u>\$ 162,957</u>

NOTE I - CONCENTRATIONS

See Note D for concentrations with the national office.

NOTE J - RETIREMENT PLANS

The Union offers retirement plans for all employees. Employees hired prior to April 1, 2009 participate in the American Civil Liberties Union Defined Benefit Retirement Plan. Employees hired after April 1, 2009 participate in the American Civil Liberties Union Defined Contribution Plan. After age 21 the Union contributes 2% of eligible employees pay and matches employee contributions 100% for first 1% plus 50% of the next 5% of employees pay. The Union contributed \$12,286 to the defined benefit plan and \$14,406 to the defined contribution plan for the year ended March 31, 2018.

NOTE K - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date that the consolidating financial statements were available to be issued.

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SUPPLEMENTAL INFORMATION

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ACLU Nebraska

SCHEDULE OF EXPENSES - UNION

Year ended March 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>Total Union Expenses</u>
Salaries	\$ 5,222	\$ 1,510	\$ 779	\$ 2,289	\$ 7,511
Employee benefits	1,993	577	297	874	2,867
Payroll taxes	414	120	62	182	596
Contract labor	1,650	-	-	-	1,650
Lobbying	14,102	-	-	-	14,102
Professional fees	987	286	147	433	1,420
Office expenses	3,199	925	477	1,402	4,601
Printing	514	149	77	226	740
Telephone	332	96	49	145	477
Insurance	747	216	110	326	1,073
Rent	2,295	664	342	1,006	3,301
Postage	221	64	33	97	318
Board expenses	-	6,777	-	6,777	6,777
Professional development	455	132	68	200	655
Travel	205	60	31	91	296
Bank fees	185	53	28	81	266
Public education	1,671	-	-	-	1,671
Miscellaneous	143	41	21	62	205
	<u>34,335</u>	<u>11,670</u>	<u>2,521</u>	<u>14,191</u>	<u>48,526</u>
Total expenses	<u>\$ 34,335</u>	<u>\$ 11,670</u>	<u>\$ 2,521</u>	<u>\$ 14,191</u>	<u>\$ 48,526</u>

ACLU Nebraska

SCHEDULE OF EXPENSES - FOUNDATION

Year ended March 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Support Services</u>	<u>Total Foundation Expenses</u>
Salaries	\$ 280,414	\$ 81,116	\$ 41,828	\$ 122,944	\$ 403,358
Employee benefits	60,968	17,637	9,094	26,731	87,699
Payroll taxes	21,767	6,297	3,247	9,544	31,311
Contract labor	30,909	-	-	-	30,909
Litigation expenses	11,268	-	-	-	11,268
Lobbying	73,268	-	-	-	73,268
Professional fees	9,581	2,770	1,429	4,199	13,780
Office expenses	21,718	6,282	3,239	9,521	31,239
Printing	3,498	1,011	522	1,533	5,031
Telephone	2,983	863	445	1,308	4,291
Insurance	4,904	1,419	731	2,150	7,054
Rent	22,866	6,615	3,411	10,026	32,892
Postage	2,376	688	354	1,042	3,418
Board expenses	-	4,996	-	4,996	4,996
Event expenses	-	-	20,711	20,711	20,711
Professional development	4,099	1,185	611	1,796	5,895
Travel	4,066	1,176	607	1,783	5,849
Bank fees	1,961	567	292	859	2,820
Public education	35,657	-	-	-	35,657
Miscellaneous	1,609	465	240	705	2,314
Total expenses before depreciation	<u>593,912</u>	<u>133,087</u>	<u>86,761</u>	<u>219,848</u>	<u>813,760</u>
Depreciation	<u>-</u>	<u>5,396</u>	<u>-</u>	<u>5,396</u>	<u>5,396</u>
Total expenses	<u>\$ 593,912</u>	<u>\$ 138,483</u>	<u>\$ 86,761</u>	<u>\$ 225,244</u>	<u>\$ 819,156</u>