

**AMERICANS UNITED FOR SEPARATION
OF CHURCH AND STATE
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

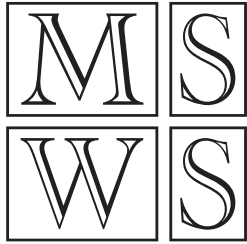


MULLEN SONDBERG WIMBISH & STONE, PA

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 cash flows | 5 |
| Notes to financial statements | 6 - 26 |
| Supplemental information | |
| Detail schedule of expenses | 27 |



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
Americans United for Separation
of Church and State
Washington D.C.

We have audited the accompanying financial statements of Americans United for Separation of Church and State (a non-profit Organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

To the Board of Directors of
Americans United for Separation of Church and State

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 financial statements referred to above present fairly, in all material respects, the financial position of Americans United for Separation of Church and State as of September 30, 2015, 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 financial statements as a whole. The detail schedule of expenses on page 27 is presented for purposes of additional analysis and is 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 the Americans United for Separation of Church and State's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 12, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 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
March 3, 2016

Americans United for Separation of Church and State
STATEMENT OF FINANCIAL POSITION
September 30, 2015

ASSETS

| | 2015 | 2014 |
|--|---------------|---------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 738,675 | \$ 661,411 |
| Investments | 9,350,193 | 9,271,049 |
| Bequests receivable | 89,733 | 189,251 |
| Interest receivable | 31,448 | 22,770 |
| Pledges receivable | 50,000 | 50,000 |
| Other receivables | 401 | 107,441 |
| Inventory | 4,827 | 3,716 |
| Prepaid expenses | 88,631 | 89,839 |
| Deposits | 9,097 | 247,401 |
| Total current assets | 10,363,005 | 10,642,878 |
| PROPERTY AND EQUIPMENT | | |
| Net of accumulated depreciation | 268,028 | 130,482 |
| OTHER ASSETS | | |
| Cash and cash equivalents, remainder trust | - | 6,750 |
| Investments restricted for remainder trust | 258,188 | 293,444 |
| Pledges receivable, long-term, net | 60,139 | 101,279 |
| Deposits | 27,595 | - |
| Total other assets | 345,922 | 401,473 |
| Total assets | \$ 10,976,955 | \$ 11,174,833 |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------------|---------------|---------------|
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 89,683 | \$ 108,176 |
| Accrued expenses | 259,187 | 260,366 |
| Accrued pension | 1,259,422 | 1,002,670 |
| Deferred revenue | - | 50,380 |
| Deferred rent | 1,914 | 8,289 |
| Capital lease obligations | 19,385 | 18,611 |
| Charitable annuities payable | 159,782 | 167,359 |
| Total current liabilities | 1,789,373 | 1,615,851 |
| LONG-TERM LIABILITIES | | |
| Deferred rent | 2,026 | - |
| Charitable annuities payable | 739,084 | 801,700 |
| Capital lease obligations | 37,188 | 56,573 |
| Remainder trust payable | 150,405 | 178,063 |
| Total long-term liabilities | 928,703 | 1,036,336 |
| Total liabilities | 2,718,076 | 2,652,187 |
| NET ASSETS | | |
| Unrestricted | 1,619,215 | 1,294,640 |
| Unrestricted, Board designated | 6,421,742 | 6,914,513 |
| Temporarily restricted | 217,922 | 313,493 |
| Total net assets | 8,258,879 | 8,522,646 |
| Total liabilities and net assets | \$ 10,976,955 | \$ 11,174,833 |

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

Americans United for Separation of Church and State
STATEMENT OF ACTIVITIES
Year Ended September 30, 2015
With Summarized Financial Information for the Year Ended September 30, 2014

| | Unrestricted | Temporarily Restricted | 2015 | 2014 |
|--|---------------------|---------------------------|---------------------|---------------------|
| REVENUES, GAINS AND OTHER SUPPORT | | | | |
| Contributions | \$ 3,495,487 | \$ - | \$ 3,495,487 | \$ 3,564,218 |
| Bequests | 1,593,024 | - | 1,593,024 | 1,752,843 |
| Legal settlement | 1,300,749 | - | 1,300,749 | - |
| Trust and foundation grants | 435,057 | - | 435,057 | 374,564 |
| Investment income, net of expenses | 389,824 | - | 389,824 | 379,944 |
| Special events | 156,305 | - | 156,305 | 92,869 |
| Other revenue | 30,355 | - | 30,355 | 55,702 |
| Gift annuity income | 9,866 | - | 9,866 | 199,621 |
| Contributions - chapters | 9,687 | - | 9,687 | 4,591 |
| Sales of literature | 3,814 | - | 3,814 | 5,732 |
| Contributions - local churches | 1,965 | - | 1,965 | 1,986 |
| Loss on disposal of property and equipment | (2,959) | - | (2,959) | - |
| Change in value of split interest agreements | (81,440) | (14,348) | (95,788) | (98,028) |
| Realized and unrealized gain/(loss) on investments | (1,148,562) | - | (1,148,562) | 570,581 |
| | <u>6,193,172</u> | <u>(14,348)</u> | <u>6,178,824</u> | <u>6,904,623</u> |
| Net assets released from restriction | 81,223 | (81,223) | - | - |
| Total revenues, gains, and other support | <u>6,274,395</u> | <u>(95,571)</u> | <u>6,178,824</u> | <u>6,904,623</u> |
| EXPENSES | | | | |
| Program services | | | | |
| Educational and publication division | 1,509,255 | - | 1,509,255 | 1,464,474 |
| Field services division | 1,110,362 | - | 1,110,362 | 924,320 |
| Legal division | 1,281,429 | - | 1,281,429 | 1,132,680 |
| Trustees and national advisory council meetings | 37,749 | - | 37,749 | 41,798 |
| Total program services | <u>3,938,795</u> | <u>-</u> | <u>3,938,795</u> | <u>3,563,272</u> |
| Supporting services | | | | |
| Management and general | 889,673 | - | 889,673 | 891,646 |
| Fundraising | 1,357,371 | - | 1,357,371 | 1,272,210 |
| Total supporting services | <u>2,247,044</u> | <u>-</u> | <u>2,247,044</u> | <u>2,163,856</u> |
| Total expenses | <u>6,185,839</u> | <u>-</u> | <u>6,185,839</u> | <u>5,727,128</u> |
| Change in net assets before other items | 88,556 | (95,571) | (7,015) | 1,177,495 |
| OTHER ITEMS | | | | |
| Adjustment on termination of deferred rent | - | - | - | 50,618 |
| Minimum pension liability adjustment | (256,752) | - | (256,752) | 134,657 |
| Change in net assets | <u>(168,196)</u> | <u>(95,571)</u> | <u>(263,767)</u> | <u>1,362,770</u> |
| NET ASSETS AT BEGINNING OF YEAR | <u>8,209,153</u> | <u>313,493</u> | <u>8,522,646</u> | <u>7,159,876</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 8,040,957</u> | <u>\$ 217,922</u> | <u>\$ 8,258,879</u> | <u>\$ 8,522,646</u> |

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

Americans United for Separation of Church and State
STATEMENT OF CASH FLOWS
Year Ended September 30, 2015

| | 2015 | 2014 |
|--|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ (263,767) | \$ 1,362,770 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 73,839 | 107,081 |
| Realized and unrealized loss/(gain) on investments | 1,148,562 | (570,581) |
| Change in value of split interest agreements | 95,788 | 98,028 |
| Loss on disposal of property and equipment | 2,959 | - |
| Change in present value discount and allowance on pledges | (8,860) | 6,221 |
| Contributions and grants restricted for long-term purposes | - | (232,500) |
| Donated securities | (82,673) | (61,666) |
| (Increase) decrease in operating assets: | | |
| Bequests receivable | 99,518 | (32,114) |
| Interest receivable | (8,678) | (4,496) |
| Other receivables | 107,040 | (77,892) |
| Inventory | (1,111) | (987) |
| Prepaid expenses | 1,208 | (25,309) |
| Deposits | 210,709 | (101,261) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | (18,493) | 36,289 |
| Accrued expenses | (1,179) | (97,095) |
| Accrued pension | 256,752 | (134,657) |
| Deferred revenue | (50,380) | 44,705 |
| Deferred rent | (4,349) | (62,150) |
| Net cash provided by operating activities | 1,556,885 | 254,386 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investments, including income reinvested | (11,515,934) | (9,448,877) |
| Proceeds from sales of investments | 10,406,157 | 9,313,230 |
| Purchase of equipment | (214,344) | (9,220) |
| Net cash used by investing activities | (1,324,121) | (144,867) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Collections of contributions restricted for long-term purposes | 50,000 | 75,000 |
| Change in cash restricted by remainder trust | 6,750 | 149 |
| Increase in annuities payable from new gifts | 10,134 | 160,055 |
| Investment income/(loss) on annuity funds | (26,519) | 6,723 |
| Principal payments on capital lease obligations | (18,611) | (16,700) |
| Payments on annuities payable | (177,254) | (162,971) |
| Net cash provided (used) by financing activities | (155,500) | 62,256 |
| Net change in cash and cash equivalents | 77,264 | 171,775 |
| Cash and cash equivalents at beginning of year | 661,411 | 489,636 |
| Cash and cash equivalents at end of year | \$ 738,675 | \$ 661,411 |
| SUPPLEMENTARY DISCLOSURES: | | |
| Cash paid during the year for interest | \$ 2,769 | \$ 3,093 |
| Noncash investing and financing activities | | |
| Purchase of equipment | \$ 214,344 | \$ 21,608 |
| Less amount financed | - | (12,388) |
| Cash paid to acquire property and equipment | \$ 214,344 | \$ 9,220 |

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

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

Note 1 - Summary of Significant Accounting Policies

Nature of Organization

Americans United for Separation of Church and State (the Organization) is organized as a non-profit educational Organization, and is granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The objective of the Organization is to defend, maintain, and promote religious liberty and the constitutional principle of the separation of church and state. The Organization's primary sources of support and revenues are contributions and investment income.

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.

Basis of Presentation

The financial statements include certain prior year 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 year ended September 30, 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 restrictions. 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 to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

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.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

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

Income Tax Status

The Organization qualifies as a tax-exempt organization 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. No provision has been made for income taxes as the Organization has had no significant unrelated business income.

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 Washington, D.C. 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 September 30, 2012 remain subject to examination by federal and State authorities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents represent deposits in checking and savings accounts and certificates of deposit with maturities of ninety days or less.

Investments

Investments are presented in the financial statements at 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 various debt and equity investment vehicles, and cash and money market funds held by a broker.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

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

Accounts Receivable

Accounts receivable are stated at the full amount, an allowance for doubtful accounts is not deemed necessary by management.

Pledges Receivable

Unconditional promises to give are included in the financial statements as pledges receivable. Generally, the Organization records pledges receivable as temporarily restricted contributions revenue. Upon collection of the pledge, the assets are transferred to the appropriate net asset category based on the donor's intent. Conditional pledges are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Bequests

The Organization has been named as beneficiary of various estates. Revenue is recognized when the Organization is notified and the amount of the bequest is known.

Inventory

Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

Property and Equipment

Organization policy dictates capitalization of property, plant and equipment costing \$1,000 or more. Property and equipment are stated at cost. Gifts of long-lived assets such as land, buildings, or equipment are recorded at their fair value. Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets.

Advertising

The Organization expenses advertising costs when incurred. Advertising expenses were \$8,948 and \$523 for the years ended September 30, 2015 and 2014, respectively.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 2 - Concentration of Cash Balances

At September 30, 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. Amounts held in excess of FDIC insurance coverage as of September 30, 2015 and 2014 were approximately \$158,000 and \$328,000, respectively.

Note 3 - Investments

Investments are presented in the financial statements at market value. Donated securities are recorded at fair market value on the date of the gift. Investments consisted of the following for the years ended September 30:

| | 2015 | | |
|------------------------------------|----------------------|---------------------|---|
| | Cost | Market | Cumulative Unrealized Gain (Loss) |
| Corporate stocks | \$ 6,919,335 | \$ 5,894,833 | \$ (1,024,502) |
| Preferred stocks | 1,157,968 | 1,217,906 | 59,938 |
| Mortgage backed assets | 46 | 312 | 266 |
| Exchange traded funds | 529,143 | 548,744 | 19,601 |
| Mutual funds | 476 | 476 | - |
| Bonds | 1,742,746 | 1,687,922 | (54,824) |
| | 10,349,714 | 9,350,193 | (999,521) |
| Restricted investments - annuities | 326,255 | 258,188 | (68,067) |
| | <u>\$ 10,675,969</u> | <u>\$ 9,608,381</u> | <u>\$ (1,067,588)</u> |
| | 2014 | | |
| | Cost | Market | Cumulative Unrealized Gain (Loss) |
| Corporate stocks | \$ 5,572,424 | \$ 5,588,252 | \$ 15,828 |
| Preferred stocks | 11,735 | 11,400 | (335) |
| Fixed rate capital securities | 1,705,624 | 1,663,248 | (42,376) |
| Mortgage backed assets | 90 | 90 | - |
| Exchange traded funds | 354,744 | 418,798 | 64,054 |
| Mutual funds | 482 | 482 | - |
| Bonds | 1,555,064 | 1,588,779 | 33,715 |
| | 9,200,163 | 9,271,049 | 70,886 |
| Restricted investments - annuities | 341,742 | 293,444 | (48,298) |
| | <u>\$ 9,541,905</u> | <u>\$ 9,564,493</u> | <u>\$ 22,588</u> |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 3 - Investments (Cont.)

Realized and unrealized loss on the value of investments for the years ended September 30, 2015 amounted to \$1,148,562. For the year ended September 30, 2014, realized and unrealized gain on the value of investments amount to \$570,581.

Investment income is reported net of related expenses of \$111,677 and \$94,382 for the years ended September 30, 2015 and 2014, respectively.

Note 4 - Fair Value Measurement

ASC 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Organization measures fair value as 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 Organization also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability at the measurement date.

The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- 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's management with the consultation of its investment advisors. Management considers observable data to be 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 classification of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument.

At September 30, 2015 and 2014, investments were classified by the level of input as stipulated by the fair value hierarchy using the market value approach.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 4 - Fair Value Measurement (Cont.)

Investment whose values are based on quoted market prices in active markets, and are, therefore classified with Level 1, include corporate equities, preferred stocks, fixed rate capital securities, exchange traded funds, mutual funds, and bonds.

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 certain mortgage backed assets, and unit investment trust annuities. 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.

Liabilities classified within Level 3 have significant unobservable inputs. Level 3 liabilities include pledges receivable, charitable gift annuities payable and remainder trusts. Pledges receivable are reflected at present value of estimated future cash flows using a discount rate of 3.25% based on the prime rate at September 30, 2015 and 2014. The Organization uses the actuarial method of recording annuity contracts. Under this method, when a gift is received, the present value of the aggregate annuity payable is recorded as a liability, based upon life expectancy tables. The charitable gift annuity liability account is credited with investment income and gains and is charged with investment losses and payments to the beneficiary. Periodic adjustments are made between the liability account and the net asset account for actuarial gains and losses.

There have been no changes in investment valuation techniques or inputs.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 4 - Fair Value Measurement (Cont.)

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis by level within the hierarchy:

| <u>September 30, 2015</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------|---------------------|---------------------|
| Assets | | | | |
| Investments | | | | |
| Corporate stocks | | | | |
| Financial services | \$ 1,210,344 | \$ - | \$ - | \$ 1,210,344 |
| Basic materials | 970,764 | - | - | 970,764 |
| Communication services | 913,338 | - | - | 913,338 |
| Energy | 578,666 | - | - | 578,666 |
| Industrials | 541,707 | - | - | 541,707 |
| Healthcare | 480,767 | - | - | 480,767 |
| Real estate | 382,835 | - | - | 382,835 |
| Consumer cyclical | 381,377 | - | - | 381,377 |
| Technology | 293,120 | - | - | 293,120 |
| Utilities | 141,917 | - | - | 141,917 |
| Perferred stocks: financial services | 1,217,906 | - | - | 1,217,906 |
| Mortgage backed assets | - | 312 | - | 312 |
| Exchange traded funds | | | | |
| China region | 548,744 | - | - | 548,744 |
| Mutual funds | | | | |
| Balanced funds | 476 | - | - | 476 |
| Bonds | | | | |
| Corporate bonds | 1,687,920 | - | - | 1,687,920 |
| Restricted annuities | - | 258,188 | - | 258,188 |
| Total investments | 9,349,881 | 258,500 | - | 9,608,381 |
| Pledges receivable | - | - | 110,139 | 110,139 |
| Total assets | <u>\$ 9,349,881</u> | <u>\$ 258,500</u> | <u>\$ 110,139</u> | <u>\$ 9,718,520</u> |
| Liabilities | | | | |
| Charitable annuities payable | \$ - | \$ - | \$ 898,866 | \$ 898,866 |
| Remainder trust payable | - | - | 150,405 | 150,405 |
| Total liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,049,271</u> | <u>\$ 1,049,271</u> |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 4 - Fair Value Measurement (Cont.)

| September 30, 2014 | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------------------|-------------------|---------------------|---------------------|
| Assets | | | | |
| Investments | | | | |
| Corporate stocks | | | | |
| Financial services | \$ 1,529,891 | \$ - | \$ - | \$ 1,529,891 |
| Basic materials | 1,020,538 | - | - | 1,020,538 |
| Communication services | 909,047 | - | - | 909,047 |
| Utilities | 630,274 | - | - | 630,274 |
| Energy | 464,195 | - | - | 464,195 |
| Consumer cyclical | 418,215 | - | - | 418,215 |
| Healthcare | 408,376 | - | - | 408,376 |
| Industrials | 188,682 | - | - | 188,682 |
| Technology | 19,035 | - | - | 19,035 |
| Preferred stocks: financial services | 11,400 | - | - | 11,400 |
| Fixed-rate capital securities | 1,663,246 | - | - | 1,663,246 |
| Mortgage backed assets | - | 90 | - | 90 |
| Exchange traded funds | | | | |
| China region | 418,798 | - | - | 418,798 |
| Mutual funds | | | | |
| Balanced funds | 482 | - | - | 482 |
| Bonds | | | | |
| U. S. government bonds | 374 | - | - | 374 |
| Corporate bonds | 1,588,406 | - | - | 1,588,406 |
| Restricted annuities | - | 293,444 | - | 293,444 |
| Total investments | 9,270,959 | 293,534 | - | 9,564,493 |
| Pledges receivable | - | - | 151,279 | 151,279 |
| Total assets | <u>\$ 9,270,959</u> | <u>\$ 293,534</u> | <u>\$ 151,279</u> | <u>\$ 9,715,772</u> |
| Liabilities | | | | |
| Charitable annuities payable | \$ - | \$ - | \$ 969,059 | \$ 969,059 |
| Remainder trust payable | - | - | 178,063 | 178,063 |
| Total liabilities | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,147,122</u> | <u>\$ 1,147,122</u> |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 4 - Fair Value Measurement (Cont.)

The following table is a roll forward of the statement of financial position amounts for financial instruments classified within Level 3. Fair value measurement as of September 30, 2015 and 2014 using Level 3 inputs is as follows:

| | Pledges Receivable | Charitable Annuities Payable | Remainder Trust Payable | Total |
|---|-----------------------|------------------------------------|----------------------------|---------------------|
| Balance as of September 30, 2013 | \$ - | \$ 858,980 | \$ 186,307 | \$ 1,045,287 |
| Investment gain | - | - | 6,723 | 6,723 |
| Contributions | 250,000 | 160,055 | - | 410,055 |
| Collections | (75,000) | - | - | (75,000) |
| Change in allowance for doubtful accounts | (17,500) | - | - | (17,500) |
| Change in present value discount | (6,221) | - | - | (6,221) |
| Payments to annuitants | - | (147,731) | (15,240) | (162,971) |
| Actuarial adjustment | - | 97,755 | 273 | 98,028 |
| Balance as of September 30, 2014 | <u>\$ 151,279</u> | <u>\$ 969,059</u> | <u>\$ 178,063</u> | <u>\$ 1,298,401</u> |
| Balance as of September 30, 2014 | \$ 151,279 | \$ 969,059 | \$ 178,063 | \$ 1,298,401 |
| Investment loss | - | - | (26,519) | (26,519) |
| Contributions | - | 10,134 | - | 10,134 |
| Collections | (50,000) | - | - | (50,000) |
| Change in allowance for doubtful accounts | 5,000 | - | - | 5,000 |
| Change in present value discount | 3,860 | - | - | 3,860 |
| Payments to annuitants | - | (161,767) | (15,487) | (177,254) |
| Actuarial adjustment | - | 81,440 | 14,348 | 95,788 |
| Balance as of September 30, 2015 | <u>\$ 110,139</u> | <u>\$ 898,866</u> | <u>\$ 150,405</u> | <u>\$ 1,159,410</u> |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 5 - Pledges Receivable

Pledges receivable consist of the following at September 30:

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|
| Pledges receivable in less than one year | \$ 50,000 | \$ 50,000 |
| Pledges receivable due in one to five years | <u>75,000</u> | <u>125,000</u> |
| Total pledges receivable | 125,000 | 175,000 |
| Less: discounts to net present value | (2,361) | (6,221) |
| Less: allowance for doubtful accounts | <u>(12,500)</u> | <u>(17,500)</u> |
| | <u>\$ 110,139</u> | <u>\$ 151,279</u> |

The Organization has elected to follow ASC 825 to account for changes in fair value of pledges receivable. As of September 30, 2015 and 2014 pledges receivable are reflected at present value of estimated future cash flows using a discount rate of 3.25% based on the prime rate at September 30, 2015 and 2014.

Note 6 - Property and Equipment

Property and equipment consisted of the following for the years ended September 30:

| | <u>Estimated Lives</u> | <u>2015</u> | <u>2014</u> |
|-------------------------------|------------------------|-------------------|-------------------|
| Land | -- | \$ 2,400 | \$ 2,400 |
| Mineral rights | -- | 2,970 | 2,970 |
| Leasehold improvements | 7 years | 17,213 | 88,079 |
| Furniture and equipment | 5-7 years | 639,928 | 630,981 |
| Vehicles | 5 years | 28,567 | 28,567 |
| Website development | 3-5 years | <u>117,190</u> | <u>117,190</u> |
| | | 808,268 | 870,187 |
| Less accumulated depreciation | | <u>(540,240)</u> | <u>(739,705)</u> |
| Net property and equipment | | <u>\$ 268,028</u> | <u>\$ 130,482</u> |

Depreciation and amortization expense for the years ended September 30, 2015 and 2014 amounted to \$73,839 and \$107,081, respectively.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 7 - Defined Benefit Plan

The Organization has a defined benefit pension Plan that covers those employees who have been employed with the Organization for at least one year in which 1,000 or more hours of service were rendered and had not attained 65 years of age at the date of employment. The Plan calls for benefits to be paid to eligible employees at retirement, based primarily upon years of service with the Organization and compensation rates near retirement. Effective October 1, 2008, the Plan was frozen. Existing employees will no longer accrue benefits and the pension Plan is no longer available to new employees.

The Organization contributes to the Plan based on the actuarially determined amounts necessary to provide assets sufficient to meet benefits to be paid to Plan members. Plan assets consist of a deposit administration contract with Principal Financial Group. The annual measurement date is September 30 for the pension benefit. Contributions to the Plan for the years ended September 30, 2015 and 2014 were \$190,000 and \$105,000, respectively. The Organization expects to contribute \$170,000 to the Plan during the year ended September 30, 2016. No plan assets are expected to be returned to the Organization during the year ended September 30, 2016.

The following tables set forth further information about the Organization's defined benefit pension Plan as of and for the years ended September 30:

| | <u>2015</u> | <u>2014</u> |
|---|-----------------------|-----------------------|
| Change in projected benefit obligation | | |
| Projected benefit obligation, beginning of year | \$ 3,953,503 | \$ 3,799,723 |
| Interest cost | 213,468 | 205,616 |
| Actuarial loss/(gain) | 27,533 | 82,225 |
| Benefits paid | (144,550) | (134,061) |
| Projected benefit obligation, end of year | <u>4,049,954</u> | <u>3,953,503</u> |
| Change in Plan assets | | |
| Fair value of Plan assets, beginning of year | 2,950,833 | 2,662,396 |
| Actual return on Plan assets | (205,751) | 317,498 |
| Employer contributions | 190,000 | 105,000 |
| Benefits paid | (144,550) | (134,061) |
| Fair value of Plan assets, end of year | <u>2,790,532</u> | <u>2,950,833</u> |
| Funded status | <u>\$ (1,259,422)</u> | <u>\$ (1,002,670)</u> |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 7 - Defined Benefit Plan (Cont.)

The change in the defined benefit pension Plan deferrals is comprised of the following for the years ended September 30:

| | 2015 | 2014 |
|------------------------------------|------------|------------|
| Interest cost | \$ 213,468 | \$ 205,616 |
| Expected return on Plan assets | (158,321) | (143,063) |
| Net amortization/deferral | | |
| Amortization of prior service cost | 768 | 768 |
| Amortization of net loss | 30,039 | 39,557 |
| Net periodic benefit cost | \$ 85,954 | \$ 102,878 |

The amounts that have not yet been recognized as a component of net periodic benefit cost are as follows as of September 30:

| | 2015 | 2014 |
|----------------------------------|--------------|--------------|
| Deferred net loss on Plan assets | \$ 1,453,528 | \$ 1,091,962 |
| Deferred prior service costs | 6,138 | 6,906 |
| Net deferred cost | \$ 1,459,666 | \$ 1,098,868 |

The estimated net loss and prior service cost that will be amortized from changes in unrestricted net assets into net periodic benefit cost for the years ended September 30, 2015 and 2014 are \$30,039 and \$39,557, respectively.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 7 - Defined Benefit Plan (Cont.)

The underlying rates used to determine the net periodic benefit cost were as follows:

| | <u>2015</u> | <u>2014</u> |
|-----------------------------------|-------------|-------------|
| Weighted average discount rate | 5.50% | 5.50% |
| Rate of compensation increase | 0.00% | 0.00% |
| Expected long-term rate of return | 5.50% | 5.50% |

The investment policy is conservative, intended to preserve principal. This is accomplished by investing in select account assets managed by Raymond James. The primary allocation of Plan assets is in stocks. The management and diversification processes are the direct responsibility of the investment manager.

The IRS required interest rate factors for valuing benefit obligations result in currently higher benefit obligations, while relatively low (but increasing) plan yields inhibit the growth in the value of the plan assets. However, the Organization has effectively determined that principal preservation is paramount at this time, even if that goal results in a temporarily larger mismatch between the growth of Plan benefit obligations in relation to the growth of the plan assets. The Organization currently views the risk associated with other investments, such as equities, as too high as a significant loss in principal would be difficult to overcome in what are uncertain economic and equity market conditions.

The expected long-term rate of return on assets was determined by reference to the anticipated long-term returns on a conservative investment portfolio, determined with guidance from the professionals working with the Organization on the Plan matters.

Americans United for Separation of Church and State
 NOTES TO FINANCIAL STATEMENTS (Cont.)
 September 30, 2015

Note 7 - Defined Benefit Plan (Cont.)

The Plan's weighted-average asset allocations by asset category are as follows at September 30:

| | 2015 | 2014 |
|----------------------|------|------|
| Cash and equivalents | 4% | 3% |
| Equities | 79% | 60% |
| Fixed income | 17% | 37% |
| | 100% | 100% |

The target is to maintain the following allocations:

| | Minimum | Maximum | Preferred |
|----------------------|---------|---------|-----------|
| Cash and equivalents | 0% | 100% | 5% |
| Equities | 25% | 85% | 70% |
| Fixed income | 5% | 65% | 30% |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 7 - Defined Benefit Plan (Cont.)

The following tables summarize the Organization's pension plan assets, by level, within the fair value hierarchy, by asset category at:

| | September 30, 2015 | | | Total |
|-----------------------------|-------------------------|-----------------|-----------------|-------------------------|
| | Level 1 | Level 2 | Level 3 | |
| Mutual funds | | | | |
| Cash and money market funds | \$ 111,355 | \$ - | \$ - | \$ 111,355 |
| Corporate stocks | | | | |
| Financial services | 317,176 | - | - | 317,176 |
| Basic materials | 274,656 | - | - | 274,656 |
| Communication services | 248,853 | - | - | 248,853 |
| Industrials | 155,406 | - | - | 155,406 |
| Energy | 148,011 | - | - | 148,011 |
| Consumer cyclical | 132,901 | - | - | 132,901 |
| Healthcare | 132,784 | - | - | 132,784 |
| Real estate | 104,128 | - | - | 104,128 |
| Technology | 69,092 | - | - | 69,092 |
| Utilities | 39,762 | - | - | 39,762 |
| Preferred stocks | 446,409 | - | - | 446,409 |
| Exchange traded funds | | | | |
| China region | 133,840 | - | - | 133,840 |
| Bonds | | | | |
| Corporate bonds | 476,159 | - | - | 476,159 |
| Total assets | <u>\$ 2,790,532</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,790,532</u> |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 7 - Defined Benefit Plan (Cont.)

| | September 30, 2014 | | | Total |
|--------------------------------------|--------------------|---------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Mutual funds | | | | |
| Cash and money market funds | \$ 90,917 | \$ - | \$ - | \$ 90,917 |
| Corporate stocks | | | | |
| Financial services | 375,939 | - | - | 375,939 |
| Communication services | 221,333 | - | - | 221,333 |
| Energy | 215,989 | - | - | 215,989 |
| Basic materials | 210,387 | - | - | 210,387 |
| Utilities | 181,569 | - | - | 181,569 |
| Healthcare | 108,787 | - | - | 108,787 |
| Real estate | 97,872 | - | - | 97,872 |
| Industrials | 95,226 | - | - | 95,226 |
| Consumer defensive | 37,249 | - | - | 37,249 |
| Technology | 21,150 | - | - | 21,150 |
| Preferred stocks: financial services | 78,930 | - | - | 78,930 |
| Exchange traded funds | | | | |
| China region | 111,815 | - | - | 111,815 |
| Bonds | | | | |
| Corporate bonds | 1,103,670 | - | - | 1,103,670 |
| Total assets | \$ 2,950,833 | \$ - | \$ - | \$ 2,950,833 |

The estimated future benefit payments are as follows for future years ending September 30:

| | |
|-----------|--------------|
| 2016 | \$ 223,141 |
| 2017 | 217,654 |
| 2018 | 226,529 |
| 2019 | 220,306 |
| 2020 | 229,086 |
| 2021-2025 | 1,283,999 |
| | \$ 2,400,715 |

Americans United for Separation of Church and State
 NOTES TO FINANCIAL STATEMENTS (Cont.)
 September 30, 2015

Note 8 - Retirement Plan

The Organization offers its staff the option to participate in a defined contribution retirement Plan pursuant to Section 401(k) of the Internal Revenue Code. The Organization has adopted this Plan as of January 1, 2010. Substantially all employees with at least 1,000 hours of service in any Plan year are eligible to participate and may contribute up to the maximum limitation imposed by the IRS. Beginning on January 1, 2012 the Organization has adopted a safe harbor matching contribution equal to a 100% match on the first 1% of employee deferrals and an additional 50% match on the next 5% of employee deferrals. Pension expense for the years ended September 30, 2015 and 2014 was \$67,305 and \$66,078, respectively and is included in employee benefits in the accompanying detail schedule of expenses.

Note 9 - Compensated Absences

Employees of the Organization are entitled to paid vacation, sick leave and personal days depending on job classification and length of service. Employees can carryover up to five vacation days at the end of the year. Paid sick leave can accrue up to 120 days although the Organization is not required to pay accumulated sick leave upon termination of employment. The liability for compensated absences at September 30, 2015 and 2014 was \$153,549 and \$156,143, respectively. The balance is included in accrued expenses on the statement of financial position.

Note 10 - Unrestricted, Board Designated Net Assets

The Organization has designated the proceeds from the sale of their office building and invested the funds into a Board designated investment account. Principal and earnings are designated for future endeavors that fall within the mission of the Organization at the discretion of the Board of Directors. The Board designated net assets at September 30, 2015 and 2014 totaled \$6,421,742 and \$6,914,513, respectively.

Note 11 - Temporarily Restricted Net Assets

A summary of temporarily restricted net assets is as follows at September 30:

| | 2015 | 2014 |
|-----------------------|------------|------------|
| Pledges receivable | \$ 110,139 | \$ 151,279 |
| Hames Remainder Trust | 107,783 | 122,131 |
| Amicus Brief Program | - | 40,083 |
| Total | \$ 217,922 | \$ 313,493 |

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 12 - Charitable Gift Annuities Payable

The Organization has received cash donations under charitable gift annuity agreements. In consideration of the gifts, the Organization agrees to pay annuities to the donors, over the lives of the donors. Annuity payments and changes in the annuity payable for life expectancy changes of donors amounted to a decrease of \$81,440 and \$97,755 for the years ended September 30, 2015 and 2014, respectively.

Based on donor life expectancies and the use of discount rates ranging from 1.2% to 7.4%, the fair value of the charitable gift annuities is the present value of future obligations expected to be paid by the Organization and is estimated to be \$898,866, which is recorded as a current liability of \$159,782 and a long term liability of \$739,084 in the statement of financial position as of September 30, 2015. As of September 30, 2014 the present value of future obligations expected to be paid by the Organization was estimated to be \$969,059, which was recorded as a current liability of \$167,359 and a long term liability of \$801,700. Net contribution revenues recognized under these agreements were \$9,866 and \$199,621 for the years ended September 30, 2015 and 2014, respectively.

Note 13 - Allocation of Joint Costs

During the year ended September 30, 2015, the Organization incurred joint costs of \$915,255 for informational materials and direct-mail campaigns that included fundraising appeals. Of these costs, \$613,181 was allocated to fundraising expense, \$245,130 was allocated to the educational and publication division, and \$56,944 was allocated to management and general. In the prior year ended September 30, 2014, the Organization incurred joint costs of \$947,255 for informational materials and direct-mail campaigns that included fundraising appeals. Of these costs, \$530,752 was allocated to fundraising expense, \$286,108 was allocated to the educational and publication division, and \$130,395 was allocated to management and general.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 14 - Charitable Remainder Trust

The Organization administers a charitable remainder trust. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the Trust's term (usually the designated beneficiary's lifetime). At the end of the Trust's term, the remaining assets are available for the Organization's use. The portion of the Trust attributable to the present value of the future benefits to be received is recorded in the statement of activities as a temporarily restricted contribution in the period the trust is established. Such contributions totaled \$472,612 in the year ended September 30, 2007. Assets held in the charitable remainder Trust totaled \$258,188 and \$300,194 at September 30, 2015 and 2014, respectively and are reported at fair market value in the statement of financial position as restricted cash and investments. On an annual basis, the Organization revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments totaled \$150,405 and \$178,063 at September 30, 2015 and 2014, respectively and is calculated using a discount rate of 6% and applicable mortality tables.

Note 15 - Commitment

On November 1, 2014, the Organization entered into a two-year agreement with Craver, Mathew, Smith & Company (CMS), whereby CMS agrees to develop, implement, and assume responsibility for a direct response, public education, and fundraising program for and on behalf of the Organization. CMS receives a monthly consulting fee of \$8,500 for the agreement period. For the years ended September 30, 2015 and 2014, the consulting fee incurred by the Organization amounted to \$102,000.

Note 16 - Operating Lease

The Organization is obligated under a lease agreement for its current office premises in Washington, D.C. The lease was signed in January 2015 with a term of 22 months and will expire in December 2016. The lease calls for monthly payments of \$27,595 with an annual increase of 4.5%.

In November 2015, the Organization entered into an agreement to lease office space in Washington D.C. The lease will commence in January 2017 with a ten year term. The lease calls for initial monthly payments of \$42,360 beginning in October 2017 with annual increases of 2.5%.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 16 - Operating Lease (Cont.)

The Organization has a future minimum lease payments as follows:

Year Ending September 30:

| | |
|------------|---------------------|
| 2016 | \$ 339,805 |
| 2017 | 86,499 |
| 2018 | 475,473 |
| 2019 | 530,770 |
| 2020 | 544,049 |
| Thereafter | <u>4,377,179</u> |
| | <u>\$ 6,353,775</u> |

Rent expense for the years ended September 30, 2015 and 2014 was \$357,477 and \$384,896, respectively.

Note 17 - Capital Lease

The Organization leases equipment under agreements that have been accounted for as capital leases. The leases expire from May 2018 to April 2019. The capital lease obligations have been recorded in the financial statements at the present value of future minimum lease payments, discounted at an interest rate ranging from 3.897% to 5.5%. The capitalized cost of the leased equipment amounted to \$97,029, as of September 30, 2015 and 2014. At September 30, 2015 and 2014, the book value of the equipment was \$54,187 and \$73,475, respectively. Amortization expense attributable to the equipment for the years ended September 30, 2015 and 2014 amounted to \$19,288 and \$17,911, and is included in depreciation expense.

Americans United for Separation of Church and State
NOTES TO FINANCIAL STATEMENTS (Cont.)
September 30, 2015

Note 17 - Capital Lease (Cont.)

The following is a schedule of the minimum lease payments due on the capital lease:

| <u>Year Ending September 30:</u> | |
|---|-------------------------|
| 2016 | \$ 21,380 |
| 2017 | 21,380 |
| 2018 | 15,161 |
| 2019 | <u>2,269</u> |
| Total future minimum lease payments | 60,190 |
| Less amount representing interest | <u>(3,617)</u> |
| Present value of future minimum payments (including current portion of \$19,385) | <u><u>\$ 56,573</u></u> |

Note 18 - Subsequent Events

The Organization has evaluated the impact of significant subsequent events. Except for the following, there have been no subsequent events through March 3, 2016, the date the Organization's financial statements were available to be issued, that require recognition or disclosure.

In November 2015, the Organization entered into an agreement to lease office space as discussed in Note 16.

SUPPLEMENTARY INFORMATION

Americans United for Separation of Church and State
DETAIL SCHEDULE OF EXPENSES
Year Ended September 30, 2015
With Summarized Financial Information for the Year Ended September 30, 2014

| | Program Services | | | | Supporting Services | | | Total | | |
|-------------------------------------|---|-------------------------------|---------------------|---|---------------------------|---------------------------|---------------------|---------------------------------|---------------------|---------------------|
| | Educational and Publication Division | Field Services Division | Legal Division | Trustees and National Advisory Council Meetings | Total Program Services | Management and General | Fundraising | Total Supporting Services | 2015 | 2014 |
| Salaries | \$ 535,013 | \$ 576,552 | \$ 730,639 | \$ - | \$ 1,842,204 | \$ 468,693 | \$ 256,600 | \$ 725,293 | \$ 2,567,497 | \$ 2,372,468 |
| Direct mail | 245,130 | - | - | - | 245,130 | 56,944 | 613,181 | 670,125 | 915,255 | 947,255 |
| Employee benefits and payroll taxes | 183,818 | 198,751 | 243,196 | - | 625,765 | 184,905 | 96,969 | 281,874 | 907,639 | 723,986 |
| Office rent | 74,491 | 80,274 | 101,729 | - | 256,494 | 65,257 | 35,726 | 100,983 | 357,477 | 384,896 |
| Consulting fees | 63,313 | 11,505 | 15,936 | - | 90,754 | 9,354 | 135,406 | 144,760 | 235,514 | 285,607 |
| Professional fees | 21,197 | 72,554 | 49,395 | - | 143,146 | 18,570 | 10,167 | 28,737 | 171,883 | 46,176 |
| Printing and production | 151,609 | 739 | 2,287 | - | 154,635 | 810 | 448 | 1,258 | 155,893 | 140,296 |
| Postage and delivery | 110,168 | 3,537 | 2,397 | - | 116,102 | 1,977 | 27,423 | 29,400 | 145,502 | 132,232 |
| Dues and subscriptions | 4,313 | 47,156 | 28,402 | - | 79,871 | 7,581 | 24,097 | 31,678 | 111,549 | 100,086 |
| Special events | - | - | - | - | - | - | 74,145 | 74,145 | 74,145 | 41,877 |
| Depreciation and amortization | 17,248 | 16,053 | 20,343 | - | 53,644 | 13,050 | 7,145 | 20,195 | 73,839 | 107,081 |
| Travel and entertainment | 7,261 | 9,278 | 15,193 | - | 31,732 | 16,760 | 9,065 | 25,825 | 57,557 | 72,148 |
| Telephone, internet and website | 18,901 | 10,232 | 11,690 | - | 40,823 | 12,197 | 4,189 | 16,386 | 57,209 | 49,976 |
| Supplies | 8,030 | 12,434 | 12,437 | - | 32,901 | 15,209 | 4,082 | 19,291 | 52,192 | 40,148 |
| Meetings and conventions | 3,623 | 42,534 | 840 | - | 46,997 | - | 2,615 | 2,615 | 49,612 | 41,410 |
| Bank fees | 10,325 | 11,045 | 15,065 | - | 36,435 | 535 | 3,869 | 4,404 | 40,839 | 34,403 |
| Other / special projects | 18,719 | 2,713 | 1,387 | - | 22,819 | 2,204 | 13,295 | 15,499 | 38,318 | 30,449 |
| Trustees expenses | - | - | - | 37,749 | 37,749 | - | - | - | 37,749 | 41,798 |
| Data processing | - | - | - | - | - | - | 32,583 | 32,583 | 32,583 | 21,417 |
| Insurance | 4,237 | 4,565 | 11,981 | - | 20,783 | 3,711 | 2,032 | 5,743 | 26,526 | 26,826 |
| Accounting/audit | 5,444 | 5,867 | 7,434 | - | 18,745 | 4,769 | 2,611 | 7,380 | 26,125 | 30,471 |
| Writers and news services | 15,098 | - | - | - | 15,098 | - | - | - | 15,098 | 13,772 |
| Minor equipment | 1,509 | 1,626 | 2,061 | - | 5,196 | 4,096 | 724 | 4,820 | 10,016 | 14,401 |
| Advertising | 7,723 | - | - | - | 7,723 | 1,225 | - | 1,225 | 8,948 | 523 |
| Temporary help | - | - | 6,170 | - | 6,170 | - | - | - | 6,170 | - |
| Payroll services | 1,161 | 1,251 | 1,586 | - | 3,998 | 1,018 | 556 | 1,574 | 5,572 | 5,736 |
| Interest expense | 577 | 622 | 788 | - | 1,987 | 505 | 277 | 782 | 2,769 | 3,093 |
| Utilities | 347 | 374 | 473 | - | 1,194 | 303 | 166 | 469 | 1,663 | 597 |
| Grants | - | 700 | - | - | 700 | - | - | - | 700 | 500 |
| Bad debt expense (pledges) | - | - | - | - | - | - | - | - | - | 17,500 |
| Total expenses | \$ 1,509,255 | \$ 1,110,362 | \$ 1,281,429 | \$ 37,749 | \$ 3,938,795 | \$ 889,673 | \$ 1,357,371 | \$ 2,247,044 | \$ 6,185,839 | \$ 5,727,128 |