

AMERICANS UNITED FOR LIFE, INC.

JUNE 30, 2020 AND 2019

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in their entirety.**

AMERICANS UNITED FOR LIFE, INC.

JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Americans United for Life, Inc.
Washington, DC

Scope

We have audited the accompanying financial statements of Americans United for Life, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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.

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

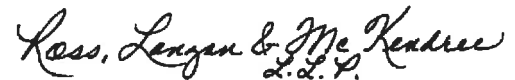
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Americans United for Life, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Americans United for Life, Inc.
Washington, DC

Change in Accounting Principles

As discussed in Note 11 to the financial statements, in the year ended June 30, 2020, Americans United for Life, Inc. implemented Accounting Standards Update No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU No. 2014-09, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to these matters.



CERTIFIED PUBLIC ACCOUNTANTS

January 4, 2021

AMERICANS UNITED FOR LIFE, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,603,573	\$ 1,442,034
Cash held by third party	-	13,200
Investments, fair value	1,671	-
Contributions receivable	259,799	495,748
Other receivables	5,725	1,848
Prepaid expenses	70,808	51,600
Total current assets	1,941,576	2,004,430
PROPERTY AND EQUIPMENT, NET	14,336	5,651
OTHER ASSETS		
Security deposits	31,555	43,843
TOTAL ASSETS	\$ 1,987,467	\$ 2,053,924
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 36,729	\$ 114,782
Accrued compensated absences	100,001	83,460
Accrued wages	44,237	23,424
Total current liabilities	180,967	221,666
OTHER LIABILITIES		
Deferred rent	100,731	17,512
TOTAL LIABILITIES	281,698	239,178
NET ASSETS		
Without donor restrictions	1,661,052	1,670,029
With donor restrictions	44,717	144,717
TOTAL NET ASSETS	1,705,769	1,814,746
TOTAL LIABILITIES AND NET ASSETS	\$ 1,987,467	\$ 2,053,924

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

AMERICANS UNITED FOR LIFE, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Without Donor Restrictions	With Donor Restrictions	Total 2019
REVENUE						
Contributions and grants	\$ 3,180,583	\$ -	\$ 3,180,583	\$ 2,811,360	\$ 100,000	\$ 2,911,360
Investment income, net	779	-	779	2,615	-	2,615
Other revenue	19,555	-	19,555	12,667	-	12,667
Net assets released from restrictions	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>3,300,917</u>	<u>(100,000)</u>	<u>3,200,917</u>	<u>2,826,642</u>	<u>100,000</u>	<u>2,926,642</u>
EXPENSES						
Program services						
Litigation and legal affairs	937,213	-	937,213	978,696	-	978,696
Public affairs and education	1,150,625	-	1,150,625	758,322	-	758,322
Government affairs and education	<u>359,364</u>	<u>-</u>	<u>359,364</u>	<u>266,424</u>	<u>-</u>	<u>266,424</u>
Total program services	<u>2,447,202</u>	<u>-</u>	<u>2,447,202</u>	<u>2,003,442</u>	<u>-</u>	<u>2,003,442</u>
Supporting services						
Management and general	306,076	-	306,076	338,575	-	338,575
Development and fundraising	<u>556,616</u>	<u>-</u>	<u>556,616</u>	<u>573,385</u>	<u>-</u>	<u>573,385</u>
Total supporting services	<u>862,692</u>	<u>-</u>	<u>862,692</u>	<u>911,960</u>	<u>-</u>	<u>911,960</u>
Total expenses	<u>3,309,894</u>	<u>-</u>	<u>3,309,894</u>	<u>2,915,402</u>	<u>-</u>	<u>2,915,402</u>
CHANGE IN NET ASSETS	(8,977)	(100,000)	(108,977)	(88,760)	100,000	11,240
NET ASSETS, BEGINNING OF PERIOD	<u>1,670,029</u>	<u>144,717</u>	<u>1,814,746</u>	<u>1,758,789</u>	<u>44,717</u>	<u>1,803,506</u>
NET ASSETS, END OF PERIOD	<u>\$ 1,661,052</u>	<u>\$ 44,717</u>	<u>\$ 1,705,769</u>	<u>\$ 1,670,029</u>	<u>\$ 144,717</u>	<u>\$ 1,814,746</u>

AMERICANS UNITED FOR LIFE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			Total Expenses
	Litigation and Legal Affairs	Public Affairs and Education	Government Affairs and Education	Management and General	Development and Fundraising	Total	
Salaries	\$ 447,197	\$ 371,926	\$ 202,033	\$ 1,021,156	\$ 132,380	\$ 269,211	\$ 1,290,367
Employee benefits	81,694	16,902	33,334	131,930	22,257	39,628	171,558
Payroll taxes	30,098	27,773	14,118	71,989	8,965	18,298	90,287
Temporary help	-	-	-	-	300	300	300
Professional fees	45,824	86,149	11,245	143,218	68,027	87,064	298,309
Occupancy	105,015	21,727	42,851	169,593	25,935	22,331	217,859
Telecommunications	8,815	1,824	3,597	14,236	2,128	1,875	18,239
Office expense	23,480	4,077	3,347	30,904	19,684	1,875	52,463
Postage and shipping	3,195	865	1,211	5,271	1,054	975	7,300
Insurance	12,811	2,650	5,227	20,688	3,099	2,724	26,511
Meetings and travel	102,566	27,961	7,621	138,148	7,550	10,276	155,974
Research	38,597	4,347	21,311	64,255	2,853	2,548	69,656
Publications	4,848	27,717	374	32,939	1,187	809	34,935
Direct mail	-	490,790	-	490,790	-	226,922	717,712
Marketing	31,696	65,632	12,533	109,861	10,324	23,882	144,067
State filing fees	-	-	-	-	-	11,507	11,507
Depreciation	1,377	285	562	2,224	333	626	2,850
Total expenses	\$ 937,213	\$ 1,150,625	\$ 359,364	\$ 2,447,202	\$ 306,076	\$ 556,616	\$ 3,309,894

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

AMERICANS UNITED FOR LIFE, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services			Total Expenses
	Litigation and Legal Affairs	Public Affairs and Education	Government Affairs and Education	Management and General	Development and Fundraising	Total	
Salaries	\$ 479,148	\$ 248,693	\$ 166,269	\$ 167,550	\$ 169,080	\$ 336,630	\$ 1,230,740
Employee benefits	90,033	34,002	18,198	22,202	18,198	40,400	182,633
Payroll taxes	32,820	18,443	11,732	8,742	13,085	21,827	84,822
Temporary help	792	-	-	100	-	100	892
Professional fees	93,123	142,834	6,622	76,060	106,732	182,792	425,371
Occupancy	60,584	23,490	15,629	20,809	16,667	37,476	137,179
Telecommunications	11,638	4,427	3,052	2,633	3,308	5,941	25,058
Office expense	14,853	8,859	1,539	14,578	4,496	19,074	44,325
Postage and shipping	3,732	8,358	924	996	68,373	69,369	82,383
Insurance	12,599	4,927	3,499	3,031	3,792	6,823	27,848
Meetings and travel	143,597	31,249	11,439	10,909	15,127	26,036	212,321
Research	13,358	4,602	18,368	2,125	2,503	4,628	40,956
Publications	1,625	25,706	-	-	66	66	27,397
Direct mail	3,818	172,523	-	-	107,255	107,255	283,596
Marketing	15,695	29,709	8,803	8,534	27,979	36,513	90,720
State filing fees	-	-	-	-	16,345	16,345	16,345
Depreciation	1,281	500	350	306	379	685	2,816
Total expenses	\$ 978,696	\$ 758,322	\$ 266,424	\$ 338,575	\$ 573,385	\$ 911,960	\$ 2,915,402

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

AMERICANS UNITED FOR LIFE, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$(.....108,977)	\$.....11,240
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation and amortization	2,850	2,816
Net realized and unrealized loss on investments	350	-
Noncash donation of stock	(2,020)	-
Change in assets and liabilities:		
Contributions receivable	235,949	(81,128)
Other receivable	(3,877)	(1,848)
Security deposits	12,288	15,420
Prepaid expenses and other assets	(19,208)	28,279
Accounts payable	(78,053)	73,543
Accrued compensated absences	16,541	16,832
Accrued wages	20,813	2,405
Sublease liability	-	(54,834)
Deferred rent	83,219	(8,080)
Security deposits - sublease	-	(19,653)
	<u>268,852</u>	<u>(26,248)</u>
Total adjustments		
Net change in cash from operating activities159,875	..(.....15,008)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment acquisitions	<u>(11,536)</u>	<u>(1,944)</u>
Net change in cash from investing activities	<u>(11,536)</u>	<u>(1,944)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	148,339	(16,952)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>1,455,234</u>	<u>1,472,186</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 1,603,573</u>	<u>\$ 1,455,234</u>

AMERICANS UNITED FOR LIFE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Americans United for Life, Inc. (AUL) is a not-for-profit organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). AUL is a national public interest law and educational foundation, organized in the District of Columbia in 1971 for the purpose of defending human right to life from conception to natural death. A majority of the revenue for AUL comes from contributions and grants.

The accompanying financial statements are those of AUL only. The financial statements of AUL have been consolidated with AUL Action, NFP (AULA) in accordance with accounting principles generally accepted in the United States of America and are presented in a separate report.

Program Descriptions

Litigation and Legal Affairs

AUL works through the courts to defend life and protect the First Amendment Freedom of Conscience. AUL has a combined litigation and legislation strategy; drafting, advising, and providing model pro-life legislation to legislators, working to help it get passed, and then assisting Attorneys General in defending pro-life laws, including filing amicus curiae briefs in support of laws based on our models.

Government Affairs and Education

AUL works with legislators across the country to enact pro-life legislation by providing and consulting on pro-life model bills. AUL makes its legal knowledge accessible to pro-life legislators and the public through its annual Defending Life publication, a state-by-state legal guide to abortion, bioethics, and the end of life.

Public Affairs and Education

AUL utilizes national media coverage, publications, speaking engagements, online outreach, and other educational resources to provide educational services. These opportunities also support AUL's legislative strategy.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting following the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which is the sole source of authoritative accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

AMERICANS UNITED FOR LIFE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classes of Net Assets

AUL classifies its resources for accounting and reporting purposes into two net asset categories according to the existence or absence of donor-imposed restrictions. A description of the two net asset categories are as follows:

Without donor restrictions - Net assets without donor restrictions are available for use in the AUL's operations and include undesignated net assets. Undesignated net assets consists of revenue and expenses associated with the principle mission of AUL, which are not restricted by donor stipulations, including contributions, fundraising, grants, and interest revenue.

With donor restrictions - Net assets with donor restrictions include grants or gifts for which donor imposed restrictions have not been met. Contributions that are due in the future are also included in this category. Expiration of donor restrictions on net assets (i.e., the donor imposed purpose has been fulfilled or the imposed time period has elapsed) are reported as net assets released from restrictions in the statement of activities. Amounts received with donor-imposed restrictions that are met in the same year in which the amounts were received, are classified as net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, AUL considers all separately held money market accounts with an original maturity date of three months or less to be cash equivalents. Cash held by third party as of June 30, 2020 and 2019, was \$0 and \$13,200, respectively, is classified in current assets and represented amounts held separately from other funds based on the caging and escrow agreement with HSP Direct, LLC (HSP).

Contributions Receivable

Contributions receivable are reported at their outstanding balances and consists of contributions collected but not received from AUL's professional fundraisers. Management periodically evaluates the collectability of contributions receivable by considering AUL's past receivables loss experience, known and inherent risks in the contributions receivable population, adverse situations that may affect a client's ability to pay, and current economic conditions. Contributions receivable are charged off based on management's determination that they are uncollectible. Management believes all significant contributions receivable are collectible in less than one year. As of June 30, 2020 and 2019, no allowance for doubtful accounts was considered necessary by management.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values obtained from published sources in the accompanying statement of financial position. Unrealized gains and losses are included in investment income in the accompanying statement of activities.

Concentration of Credit Risk

AUL maintains cash and investments in a federally insured bank and broker-managed accounts and has credit risk on those amounts to the extent they exceed federal insurance limits. AUL had cash in a federally insured bank in excess of Federal Deposit Insurance Corporation limits of \$1,290,395 and \$1,007,213 as of June 30, 2020 and 2019, respectively. AUL believes its credit risk is not significant. During the year ended June 30, 2020, 96 percent of contribution receivables were due from two contributors. During the year ended June 30, 2019, 81 percent of contribution receivables were due from two contributors.

AMERICANS UNITED FOR LIFE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Furniture and equipment are stated at cost and depreciated using the straight-line method over estimated useful lives ranging from five to seven years.

Expenditures for additions, improvements, and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statement of activities. It is AUL's policy to capitalize assets purchased with a cost in excess of \$1,000.

Revenue Recognition

Contributions are received from AUL's board members, or from the public and recorded as revenue in the period in which they are received. All contributions are considered to be available for the general programs of AUL and AULA unless restricted by the donor. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions. When a restriction expires or is satisfied, net assets are reported as released from restrictions in the statement of activities. Contributions on donated noncash assets are recorded at their fair values in the period received. Grant revenue, received from private foundations, is recorded as donor restricted at the time of the grant and then released from restrictions when the grant requirements are satisfied.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have 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. Direct expenses are coded to their related department(s). Any non-direct expenses are allocated across all five departments based on the annual salary allocation.

Income Taxes

AUL received a determination letter from the Internal Revenue Service (IRS) that it has been granted an exemption from federal and state income taxes and it qualifies as a publicly supported organization under Section 501(c)(3) of the IRC. AUL has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC. AUL believes its operations are consistent with the nature of their exemption granted by the IRS. AUL has recorded no current liability for income taxes on unrelated business income or corporate income taxes and no temporary differences resulting in deferred taxes as of June 30, 2020 and 2019.

AUL is required to measure, recognize, present, and disclose in its financial statements uncertain income tax positions AUL has taken in the tax years that remain subject to examination or expects to take on an income tax return. AUL recognizes the tax benefits from uncertain income tax positions only if it is more likely than not the tax position will be sustained on examination by tax authorities. Prior year income tax returns may be subject to audit in various tax jurisdictions, most of which define open tax years as three years from the later of the due date or the date the return was filed. AUL recorded no liability for uncertain income tax positions for any open tax years.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

AMERICANS UNITED FOR LIFE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Marketing

Marketing costs are expensed as they are incurred. Marketing expenses were \$144,067 and \$90,720, for the years ended June 30, 2020 and 2019, respectively.

Subsequent Events

In the year ended June 30, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen that are likely to impact most businesses. The full potential impact to the AUL is unknown at this time.

AUL has evaluated subsequent events through January 4, 2021, which is the date the financial statements were available to be issued.

NOTE 3 - RETIREMENT PLAN

AUL offers to its employees the opportunity to participate in a tax deferred account under Section 403(b) of the IRC for the benefit of its employees. An employee becomes eligible to participate in the plan immediately after becoming an employee and attaining age 18. AUL does not provide an employer contribution.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 12,072	\$ 12,072
Computer equipment	52,473	43,641
Leasehold improvements	2,704	-
Less: accumulated depreciation	<u>(52,913)</u>	<u>(50,062)</u>
Property and equipment, net	<u>\$ 14,336</u>	<u>\$ 5,651</u>

AUL recorded total depreciation expenses of \$2,850 and \$2,816, in the year ended June 30, 2020 and 2019, respectively.

NOTE 5 - CONTINGENCIES

AUL receives grants, which may be audited by donors for compliance with terms of the grant award. AUL has not made any provisions in these financial statements for contingent liabilities that may occur as a result of such audits. Management does not anticipate that such amount, if any, will be significant.

AMERICANS UNITED FOR LIFE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Program restrictions:		
Reversing Roe	\$ 9,089	\$ 9,089
Prosecutor's Conference	<u>35,628</u>	<u>35,628</u>
Total program restrictions	44,717	44,717
Time restrictions:	<u>-</u>	<u>100,000</u>
Total	<u>\$ 44,717</u>	<u>\$ 144,717</u>

NOTE 7 - COMMITMENTS

On January 1, 2014, AUL entered into a 60 month lease agreement for office space in the District of Columbia that expired as of December 31, 2018. The lease had monthly payments of \$23,487 per month, increased two and a half percent annually. Effective December 15, 2016, AUL began subleasing their office space for the remaining 24 months of their lease in the District of Columbia. Monthly rent for the sublessee was \$19,653 per month, increased two and a half percent annually.

On December 13, 2016, AUL entered into a 30 month lease agreement for office space in Arlington, Virginia, that expired as of May 31, 2019. The lease had monthly payments of \$6,114 per month for the first ten months, \$12,288 per month for months 11 and 12, and increased three percent annually thereafter.

On May 6, 2019, AUL entered into a 92 month lease agreement for office space in the District of Columbia, expiring on January 31, 2027. The lease calls for monthly payments of \$15,777 per month, increased four and a half percent annually.

Future minimum rental payments under the leases are:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 198,591
2022	207,527
2023	216,866
2024	226,625
2025	236,823
Thereafter	<u>397,776</u>
Total	<u>\$ 1,484,208</u>

AMERICANS UNITED FOR LIFE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7 - COMMITMENTS (continued)

The following schedule shows the composition of occupancy expense for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Minimum rentals	\$ 126,929	\$ 141,502
Deferred rent	83,219	(8,080)
Other fees and expenses	<u>7,711</u>	<u>3,757</u>
Total occupancy expense	<u>\$ 217,859</u>	<u>\$ 137,179</u>

NOTE 8 - JOINT COSTS OF ACTIVITIES THAT INCLUDE A FUNDRAISING APPEAL

AUL achieves some of its programmatic and management and general goals in direct mail campaigns that include requests for contributions. The costs of conducting those campaigns included a total of \$717,712 and \$315,477, of joint costs for the years ended June 30, 2020 and 2019, respectively, that are not directly attributable to either the program or management and general components or the fundraising component of the activities. Those joint costs were allocated as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Public affairs and education	\$ 490,790	\$ 193,942
Development and fundraising	<u>226,922</u>	<u>121,535</u>
Total	<u>\$ 717,712</u>	<u>\$ 315,477</u>

NOTE 9 - FINANCIAL ASSETS AND LIQUIDITY

Financial assets available within one year for operations that are not subject to restrictions that make them unavailable for general operations as of June 30, were as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,603,573	\$ 1,442,034
Cash held by third party	-	13,200
Investments, fair value	1,671	-
Contribution receivable	259,799	495,748
Other receivable	<u>5,725</u>	<u>1,848</u>
Total financial assets available within one year for operations	<u>\$ 1,870,768</u>	<u>\$ 1,952,830</u>

The cash held by third party represents amounts held separately from other funds based on the caging and escrow agreement with HSP and is available to AUL upon request.

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due.

AMERICANS UNITED FOR LIFE, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 10 - COMPENSATED ABSENCES

Full-time employees are entitled to paid vacation depending on the length of service and other factors. Accrued compensated absences as of June 30, 2020 and 2019, were \$100,001 and \$83,460, respectively.

NOTE 11 - ADOPTION OF NEW ACCOUNTING STANDARDS

In the year ended June 30, 2020, AUL implemented Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and accounting guidance for contributions received and contributions made, including guidance to assist organizations to distinguish revenue as exchange transactions or contributions and to distinguish between conditional and unconditional contributions. Adopting this standard had no significant impact on AUL.

AUL also implemented ASU No. 2014-09, *Revenue from Contracts with Customers* for the year ended June 30, 2020. ASU No. 2014-09 provides the framework for recognizing revenue other than contributions and is intended to improve consistency of revenue recognition practices across for-profit and not-for-profit entities. The core principle of ASU No. 2014-09 is to recognize revenue to depict the transfer of goods or services to customers in an amount and at the time that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Adopting this standard had no significant impact on AUL.