



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021



Independent Auditors' Report

The Board of Directors
Americans United for Life, Inc.
Washington, D.C.

Report on the Financial Statements

We have audited the accompanying financial statements of Americans United for Life, Inc., (AUL) which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 auditors consider internal control relevant to AUL'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 AUL'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.

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The Board of Directors
Americans United for Life, Inc.
Washington, D.C.

Report on the Financial Statements (Continued)

Auditors' Responsibility (Continued)

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, 2021, 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.

Report on Summarized Comparative Information

The 2020 financial statements of Americans United for Life, Inc. was audited by other auditors whose report dated January 4, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the 2020 audited financial statements from which it has been derived.



Bethesda, Maryland
October 21, 2021

Certified Public Accountants

Americans United for Life, Inc.

**Consolidated Statement of Financial Position
June 30, 2021
With Comparative Totals As of June 30, 2020**

	Assets	
	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 1,541,964	\$ 1,603,573
Investments - Fair Value	5,526	1,671
Contributions Receivable - Net	36,977	259,799
Other Receivables	-	5,725
Prepaid Expenses and Security Deposit	81,249	102,363
Property and Equipment - Net	<u>40,045</u>	<u>14,336</u>
Total Assets	<u>\$ 1,705,761</u>	<u>\$ 1,987,467</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 159,636	\$ 180,967
Deferred Rent	<u>112,289</u>	<u>100,731</u>
Total Liabilities	<u>271,925</u>	<u>281,698</u>
Net Assets		
Without Donor Restrictions	1,398,208	1,661,052
With Donor Restrictions	<u>35,628</u>	<u>44,717</u>
Total Net Assets	<u>1,433,836</u>	<u>1,705,769</u>
Total Liabilities and Net Assets	<u>\$ 1,705,761</u>	<u>\$ 1,987,467</u>

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

**Consolidated Statement of Activities
For the Year Ended June 30, 2021
With Comparative Totals For the Year Ended June 30, 2020**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Unrestricted
Support and Revenues				
Contributions and Grants	\$ 2,336,884	\$ -	\$ 2,336,884	\$ 3,180,583
Investment Income	1,511	-	1,511	779
Other Income	11,176	-	11,176	19,555
Net Assets Released From Restrictions	9,089	(9,089)	-	-
Total Support and Revenues	<u>2,358,660</u>	<u>(9,089)</u>	<u>2,349,571</u>	<u>3,200,917</u>
Expenses				
Program Services				
Litigation and Legal Services	810,610	-	810,610	937,213
Public Affairs and Education	876,803	-	876,803	1,150,625
Government Affairs and Education	295,495	-	295,495	359,364
Total Program Services	<u>1,982,908</u>	<u>-</u>	<u>1,982,908</u>	<u>2,447,202</u>
Supporting Services				
General and Administrative	323,824	-	323,824	306,076
Development and Fundraising	314,772	-	314,772	556,616
Total Supporting Services	<u>638,596</u>	<u>-</u>	<u>638,596</u>	<u>862,692</u>
Total Expenses	<u>2,621,504</u>	<u>-</u>	<u>2,621,504</u>	<u>3,309,894</u>
Changes in Net Assets	(262,844)	(9,089)	(271,933)	(108,977)
Net Assets, Beginning of Period	<u>1,661,052</u>	<u>44,717</u>	<u>1,705,769</u>	<u>1,814,746</u>
Net Assets, End of Period	<u>\$ 1,398,208</u>	<u>\$ 35,628</u>	<u>\$ 1,433,836</u>	<u>\$ 1,705,769</u>

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

**Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021
With Comparative Totals For the Year Ended June 30, 2020**

	2021					2020	
	Litigation and Legal Services	Public Affairs and Education	Government Affairs and Education	General and Administrative	Development and Fundraising	Total	Total
Personnel Costs	\$ 621,395	\$ 528,353	\$ 215,762	\$ 131,470	\$ 154,533	\$ 1,651,513	\$ 1,552,512
Professional Services	21,211	7,251	4,589	65,359	8,881	107,291	298,310
Meetings and Travel	34,247	22,154	5,730	71,934	1,517	135,582	155,974
Telecommunications	2,696	1,918	1,406	1,753	712	8,485	18,240
Office	16,974	11,133	3,952	7,581	2,388	42,028	59,763
Research	27,178	5,721	27,131	3,208	1,688	64,926	69,656
Insurance	9,205	6,992	5,252	4,658	2,729	28,836	26,511
Occupancy	68,223	62,604	28,137	34,521	20,218	213,703	217,858
State Filing Fees	6,100	3,571	2,050	2,166	1,251	15,138	11,507
Marketing and Promotion	-	52,084	-	-	45,257	97,341	144,067
Publications	1,248	29,140	375	95	1,340	32,198	34,935
Direct Mail	-	144,155	-	-	73,625	217,780	717,712
Depreciation	2,133	1,727	1,111	1,079	633	6,683	2,850
Total Expenses	\$ 810,610	\$ 876,803	\$ 295,495	\$ 323,824	\$ 314,772	\$ 2,621,504	\$ 3,309,895

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

**Consolidated Statement of Cash Flows
For the Year Ended June 30, 2021**

With Comparative Totals For the Year Ended June 30, 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	\$ (271,933)	\$ (108,977)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Deprecation and Amortization	6,683	2,850
(Gains) Losses on Investments	(1,299)	350
Noncash Donation of Stock	(2,556)	(2,020)
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable - Net	222,822	235,949
Other Receivables	5,725	(3,877)
Prepaid Expenses and Security Deposit	21,114	(6,920)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	(21,331)	(40,699)
Deferred Rent	11,558	83,219
Net Cash Provided by (Used in) Operating Activities	(29,217)	159,875
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(32,392)	(11,536)
Net Cash Provided By (Used) in Investing Activities	(32,392)	(11,536)
Net Increase (Decrease) in Cash	(61,609)	148,339
Cash, Beginning of Period	1,603,573	1,455,234
Cash, End of Period	\$ 1,541,964	\$ 1,603,573

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2021

1. ORGANIZATION AND PURPOSE

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 financial statements of AUL have been consolidated with AUL Action (AULA) in accordance with accounting principles generally accepted in the United States of America and are presented in a separate report. AULA was dissolved in February 2021.

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.

The coronavirus (COVID-19) outbreak in the United States commenced prior to the AUL's fiscal year-end and has directly impacted its operations since early spring 2020. The COVID-19 pandemic caused a broad and negative impact on commerce and financial markets around the world including travel restrictions and limits on in-person gatherings. AUL did not apply for funding under the Small Business Administration's Paycheck Protection Program.

Accordingly, the extent to which COVID-19 may impact the AUL's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

The financial statements of the AUL have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires the AUL to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the AUL. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the AUL or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of 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.

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, 2021, no allowance for doubtful accounts was considered necessary by management.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 other income in the accompanying statement of activities.

Property and Equipment

Property 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

Grants and contributions, including unconditional promises to give, are recognized as revenues in the period received or pledged. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the date of gift. Contributed services and materials are recorded at their estimated fair value if they would otherwise be purchased if not provided by donation and provided by professionals in their field. Management considers all outstanding contributions receivable amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Functional 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.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

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, 2021.

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.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statement of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2022.

Subsequent Events

Management has evaluated subsequent events through October 21, 2021 the date which the financial statements were available to be issued. The accompanying financial statements recognize the effects of subsequent events that provided evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. The accompanying financial statements do not recognize the effect of subsequent events with conditions that did not exist at the statement of financial position date, but disclosures of such events, if any, are included in the accompanying notes.

3. 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 approximately \$130,000 as of June 30, 2021. AUL believes its credit risk is not significant.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2021

4. PROPERTY AND EQUIPMENT

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

Furniture and Equipment	\$	12,072
Computer Equipment		54,600
Website Development		30,263
Leasehold Improvements		<u>2,704</u>
Total		99,639
Less Accumulated Depreciation and Amortization		<u>(59,594)</u>
Property and Equipment, Net	\$	<u>40,045</u>

AUL recorded total depreciation expense of \$6,683 for the year ended June 30, 2021.

5. NET ASSETS

Net assets with donor restrictions as of and for the year ended June 30, 2021 were:

	<u>2020</u>	<u>Contributions</u>	<u>Releases</u>	<u>2021</u>
Purpose:				
Reversing Roe	\$ 9,089	\$ -	\$ (9,089)	\$ -
Prosecutor's Conference	<u>35,628</u>	<u>-</u>	<u>-</u>	<u>35,628</u>
Total	<u>\$ 44,717</u>	<u>\$ -</u>	<u>\$ (9,089)</u>	<u>\$ 35,628</u>

Net assets without donor restrictions as of June 30, 2021 were undesignated.

6. 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.

7. COMMITMENTS

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. The lease has an early termination clause that allows the lease to be cancelled May 31, 2023 with proper notification. If the termination clause is executed, a termination fee equal to three months of the current base rent will be due.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2021

7. COMMITMENTS (CONTINUED)

Future minimum rental payments under the leases are:

2022	\$ 207,527
2023	216,866
2024	226,625
2025	236,823
2026	247,480
2027	150,296
Total	<u>\$ 1,285,617</u>

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

Minimum Rentals	\$ 198,591
Deferred Rent	10,533
Other Fees and Expenses	4,579
Total	<u>\$ 213,703</u>

8. 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.

9. JOINT COSTS

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 \$217,780 of joint costs for the year ended June 30, 2021, 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 year ended June 30:

Public Affairs and Education	\$ 144,155
Development and Fundraising	58,519
Total	<u>\$ 202,674</u>

Americans United for Life, Inc.

**Notes to Financial Statements
June 30, 2021**

10. LIQUIDITY AND AVAILABILITY

The following represents AUL's financial assets at June 30, 2021:

Financial Assets at Year End:

Cash	\$	1,541,964
Contributions Receivable - Net		36,977
Investments - Fair Value		<u>5,526</u>
Total Financial Assets		1,584,467

Less: Restricted Amounts Not Available To Be Used Within One Year:

Donor-Restricted		(35,628)
Donor-Restricted To Be Used in Next Twelve Months		-
Board-Designated		<u>-</u>
		<u>(35,628)</u>

Financial Assets Available to Meet General Expenditures

Over the Next Twelve Months	\$	<u>1,548,839</u>
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The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due.

11. 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, 2021, were \$87,570.