



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022



Independent Auditors' Report

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

Opinion

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, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AUL as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AUL and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AUL's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AUL's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the 2021 financial statements of Americans United for Life, Inc., and our report dated October 21, 2021 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, 2021, is consistent, in all material respects, with the 2021 audited financial statements from which it has been derived.



Bethesda, Maryland
November 1, 2022

Certified Public Accountants

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Americans United for Life, Inc.

**Consolidated Statement of Financial Position
June 30, 2022
With Comparative Totals As of June 30, 2021**

	Assets	
	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 1,332,337	\$ 1,541,964
Investments - Fair Value	199,714	5,526
Contributions Receivable - Net	336,575	36,977
Prepaid Expenses and Security Deposit	82,699	81,249
Property and Equipment - Net	<u>37,181</u>	<u>40,045</u>
Total Assets	<u>\$ 1,988,506</u>	<u>\$ 1,705,761</u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 269,813	\$ 159,636
Deferred Rent	<u>5,753</u>	<u>112,289</u>
Total Liabilities	<u>275,566</u>	<u>271,925</u>
Net Assets		
Without Donor Restrictions	1,377,312	1,398,208
With Donor Restrictions	<u>335,628</u>	<u>35,628</u>
Total Net Assets	<u>1,712,940</u>	<u>1,433,836</u>
Total Liabilities and Net Assets	<u>\$ 1,988,506</u>	<u>\$ 1,705,761</u>

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

**Consolidated Statement of Activities
For the Year Ended June 30, 2022
With Comparative Totals For the Year Ended June 30, 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenues				
Contributions and Grants	\$ 2,663,337	\$ 450,000	\$ 3,113,337	\$ 2,336,884
Investment Income (Loss) - Net	(809)	-	(809)	1,511
Other Income	18,867	-	18,867	11,176
Net Assets Released From Restrictions	150,000	(150,000)	-	-
Total Support and Revenues	<u>2,831,395</u>	<u>300,000</u>	<u>3,131,395</u>	<u>2,349,571</u>
Expenses				
Program Services				
Litigation and Legal Services	938,137	-	938,137	810,610
Public Affairs and Education	965,713	-	965,713	876,803
Government Affairs and Education	293,131	-	293,131	295,495
Total Program Services	<u>2,196,981</u>	<u>-</u>	<u>2,196,981</u>	<u>1,982,908</u>
Supporting Services				
General and Administrative	205,231	-	205,231	323,824
Development and Fundraising	450,079	-	450,079	314,772
Total Supporting Services	<u>655,310</u>	<u>-</u>	<u>655,310</u>	<u>638,596</u>
Total Expenses	<u>2,852,291</u>	<u>-</u>	<u>2,852,291</u>	<u>2,621,504</u>
Changes in Net Assets	(20,896)	300,000	279,104	(271,933)
Net Assets, Beginning of Period	<u>1,398,208</u>	<u>35,628</u>	<u>1,433,836</u>	<u>1,705,769</u>
Net Assets, End of Period	<u>\$ 1,377,312</u>	<u>\$ 335,628</u>	<u>\$ 1,712,940</u>	<u>\$ 1,433,836</u>

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

**Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022
With Comparative Totals For the Year Ended June 30, 2021**

	2022					2021	
	Litigation and Legal Services	Public Affairs and Education	Government Affairs and Education	General and Administrative	Development and Fundraising	Total	Total
Personnel Costs	\$ 678,581	\$ 584,702	\$ 251,279	\$ 105,100	\$ 270,094	\$ 1,889,756	\$ 1,651,513
Professional Services	20,713	11,745	3,511	61,522	7,688	105,179	107,291
Meetings and Travel	122,852	32,602	5,536	18,631	24,799	204,420	135,582
Telecommunications	1,971	1,803	853	586	820	6,033	8,485
Office	16,065	18,224	3,432	4,333	3,128	45,182	42,028
Research	39,650	4,034	4,916	1,116	1,977	51,693	64,926
Insurance	9,597	9,260	4,380	2,372	4,203	29,812	28,836
Occupancy	31,678	30,566	14,457	8,284	13,426	98,411	213,703
State Filing Fees	7,238	3,485	1,648	928	1,590	14,889	15,138
Marketing and Promotion	2,426	129,773	155	797	54,748	187,899	97,341
Publications	1,917	16,817	477	221	1,216	20,648	32,198
Direct Mail	-	117,444	-	-	63,998	181,442	217,780
Depreciation & Amortization	5,449	5,258	2,487	1,341	2,392	16,927	6,683
Total Expenses	\$ 938,137	\$ 965,713	\$ 293,131	\$ 205,231	\$ 450,079	\$ 2,852,291	\$ 2,621,504

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

**Consolidated Statement of Cash Flows
For the Year Ended June 30, 2022**

With Comparative Totals For the Year Ended June 30, 2021

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	\$ 279,104	\$ (271,933)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	16,927	6,683
(Gains) Losses on Investments	958	(1,299)
Noncash Donation of Stock	(11,133)	(2,556)
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable - Net	(299,598)	222,822
Other Receivables	-	5,725
Prepaid Expenses and Security Deposit	(1,450)	21,114
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable and Accrued Expenses	110,177	(21,331)
Deferred Rent	(106,536)	11,558
Net Cash Provided by (Used in) Operating Activities	(11,551)	(29,217)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(14,063)	(32,392)
Purchases of Investments	(189,825)	-
Proceeds from Sale of Investments	5,812	-
Net Cash Provided By (Used) in Investing Activities	(198,076)	(32,392)
Net Increase (Decrease) in Cash	(209,627)	(61,609)
Cash, Beginning of Period	1,541,964	1,603,573
Cash, End of Period	\$ 1,332,337	\$ 1,541,964

See Accompanying Notes to Financial Statements

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2022

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.

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 AUL's fiscal year 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 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, 2022

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 AUL have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which requires 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 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 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. 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, 2022, no allowance for doubtful accounts was considered necessary by management.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2022

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.

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.

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, 2022.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (Continued)

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 2023.

Subsequent Events

Management has evaluated subsequent events through November 1, 2022 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's balances did not exceed the federally-insured limits as of June 30, 2022. AUL believes its credit risk is not significant.

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2022, are as follows:

	Level 1
Fixed Income Securities	<u>\$ 199,714</u>

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2022

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets measured using Level 1 inputs are based on unadjusted quoted market prices in active markets for identical assets. Financial assets measured using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive assets. Financial assets valued using Level 3 inputs are valued using unobservable inputs to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs are developed based on the best information available in the circumstances, which might include AUL's own data and assumptions.

The components of total investment return for the year ended June 30, 2022 are reflected below:

Dividends and Interest	\$ 149
Net Unrealized Gains (Losses)	<u>(958)</u>
Total	<u>\$ (809)</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2022:

Furniture and Equipment	\$ 12,072
Computer Equipment	58,577
Website Development	40,350
Leasehold Improvements	<u>2,704</u>
Total	113,703
Less Accumulated Depreciation and Amortization	<u>(76,522)</u>
Property and Equipment, Net	<u>\$ 37,181</u>

AUL recorded total depreciation and amortization expense of \$16,927 for the year ended June 30, 2022.

6. NET ASSETS

Net assets with donor restrictions as of and for the year ended June 30, 2022 were:

	<u>2021</u>	<u>Contributions</u>	<u>Releases</u>	<u>2022</u>
Purpose:				
National Christian Foundation	\$ -	\$ 450,000	\$ (150,000)	\$ 300,000
Prosecutor's Conference	<u>35,628</u>	<u>-</u>	<u>-</u>	<u>35,628</u>
Total	<u>\$ 35,628</u>	<u>\$ 450,000</u>	<u>\$ (150,000)</u>	<u>\$ 335,628</u>

Net assets without donor restrictions as of June 30, 2022 were undesignated.

Americans United for Life, Inc.

Notes to Financial Statements June 30, 2022

7. 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.

8. COMMITMENTS

During 2022, AUL amended its 92 month lease agreement for office space in the District of Columbia, expiring on January 31, 2027. The amended lease calls for monthly payments of \$14,498 per month with no rental escalations. 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.

Future minimum rental payments under the leases are:

2023	\$ 173,978
2024	173,978
2025	173,978
2026	173,978
2027	101,487
Total	<u>\$ 797,399</u>

The following schedule shows the composition of occupancy expense for the year ended June 30, 2022:

Minimum Rentals	\$ 201,290
Deferred Rent	(106,536)
Other Fees and Expenses	3,657
Total	<u>\$ 98,411</u>

9. 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 started offering an employer contribution in January 2022. During the year ended June 30, 2022, the employer contribution was \$16,069.

Americans United for Life, Inc.

**Notes to Financial Statements
June 30, 2022**

10. 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 \$181,442 of joint costs for the year ended June 30, 2022, 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, 2022:

Public Affairs and Education	\$ 128,659
Development and Fundraising	52,783
Total	<u>\$ 181,442</u>

11. LIQUIDITY AND AVAILABILITY

The following represents AUL's financial assets at June 30, 2022:

Financial Assets at Year End:

Cash	\$ 1,332,337
Contributions Receivable - Net	336,575
Investments - Fair Value	<u>199,714</u>
Total Financial Assets	1,868,626
Less: Restricted Amounts Not Available To Be Used Within One Year:	
Donor-Restricted	335,628
Donor-Restricted To Be Used in Next Twelve Months	(150,000)
Board-Designated	<u>-</u>
	<u>185,628</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 1,682,998</u>

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

12. 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, 2022, were \$100,063.