

AAUP FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2017

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DECEMBER 31, 2017 AND 2016

CONTENTS

	PAGE
Report of Independent Auditors	1
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information	
Schedules of Functional Expenses	15



REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of
AAUP Foundation

We have audited the accompanying financial statements of AAUP Foundation, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities 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.

Auditors' 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 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 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 AAUP Foundation as of December 31, 2017 and 2016, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 15 and 16 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.

Calibre CPA Group, PLLC

Bethesda, MD
May 25, 2018

AAUP FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	2017			2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS							
Cash and cash equivalents	\$ 65,106	\$ 179,710	\$ -	\$ 355,713	\$ 169,900	\$ -	\$ 525,613
Investments	-	821,003	40,000	-	874,558	40,000	914,558
Due from AAUP-CBC	-	-	-	140	-	-	140
Accounts receivable	-	-	-	2,758	-	-	2,758
Total assets	\$ 65,106	\$ 1,000,713	\$ 40,000	\$ 358,611	\$ 1,044,458	\$ 40,000	\$ 1,443,069
LIABILITIES AND NET ASSETS							
LIABILITIES							
Due to AAUP	\$ 65,106	-	-	\$ 358,611	-	-	\$ 358,611
NET ASSETS	-	1,000,713	40,000	-	1,044,458	40,000	1,084,458
Total liabilities and net assets	\$ 65,106	\$ 1,000,713	\$ 40,000	\$ 358,611	\$ 1,044,458	\$ 40,000	\$ 1,443,069

See accompanying notes to financial statements.

AAUP FOUNDATION

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016			
	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted		Total
		Restricted	Permanently Restricted		Restricted	Permanently Restricted	
REVENUE							
Contributions	\$ 359,285	\$ 22,264	\$ -	\$ 98,311	\$ 18,642	\$ -	\$ 116,953
Net investment income	-	83,795	-	13,897	56,596	-	70,493
Other income	-	-	-	454	-	-	454
Subtotal	359,285	106,059	-	112,662	75,238	-	187,900
Net assets released from restriction	149,804	(149,804)	-	162,495	(162,495)	-	-
Total revenue	509,089	(43,745)	-	275,157	(87,257)	-	187,900
EXPENSES							
Program services							
Communication	36,095	-	-	15,103	-	-	15,103
Academic Freedom	120,977	-	-	130,623	-	-	130,623
Legal Defense	11,235	-	-	6,000	-	-	6,000
Other grants	43,817	-	-	41,871	-	-	41,871
Total program services	212,124	-	-	193,597	-	-	193,597
Supporting services							
Administration	209,091	-	-	187,349	-	-	187,349
Governance	24,020	-	-	28,834	-	-	28,834
Fundraising	63,854	-	-	54,764	-	-	54,764
Total supporting services	296,965	-	-	270,947	-	-	270,947
Total expenses	509,089	-	-	464,544	-	-	464,544
CHANGE IN NET ASSETS BEFORE TRANSFERS	-	(43,745)	-	(189,387)	(87,257)	-	(276,644)
TRANSFERS							
Transfer of net assets	-	-	-	55,751	(55,751)	-	-
CHANGE IN NET ASSETS	-	(43,745)	-	(133,636)	(143,008)	-	(276,644)
NET ASSETS							
Beginning of year	-	1,044,458	40,000	133,636	1,187,466	40,000	1,361,102
End of year	-	\$ 1,000,713	\$ 40,000	\$ -	\$ 1,044,458	\$ 40,000	\$ 1,084,458

See accompanying notes to financial statements.

AAUP FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (43,745)	\$ (276,644)
Adjustments to reconcile change in net assets to cash used for operating activities		
Net investment gains	(70,523)	(24,402)
Change in assets and liabilities		
Accounts receivable	2,758	(1,471)
Due from AAUP-CBC	140	(140)
Due to AAUP	<u>(293,505)</u>	<u>(53,182)</u>
Net cash used for operating activities	<u>(404,875)</u>	<u>(355,839)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment purchases	(273,397)	(153,496)
Proceeds from sale or redemption of investments	<u>397,475</u>	<u>444,394</u>
Net cash provided by investing activities	<u>124,078</u>	<u>290,898</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(280,797)	(64,941)
CASH		
Beginning of year	<u>525,613</u>	<u>590,554</u>
End of year	<u>\$ 244,816</u>	<u>\$ 525,613</u>

See accompanying notes to financial statements.

AAUP FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 1. ORGANIZATION

The AAUP Foundation is operated exclusively as a not-for-profit public charity generally exempt from federal income tax under Internal Revenue Code Section 501(c)(3). The purpose of the AAUP Foundation is to establish and support the principles of academic freedom and the quality of higher education in a free and democratic society.

The predecessor American Association of University Professors was founded in 1915 and operated as a 501(c)(3) organization for the purpose of facilitating a more effective cooperation among teachers and research scholars in universities and colleges, and in professional schools of similar grade, for the promotion of the interests of higher education and research, and in general to increase the usefulness and advance the standards, ideals and welfare of the profession.

Effective January 1, 2013, the predecessor American Association of University Professors (the "AAUP Predecessor 501(c)(3) Organization") restructured into three related not-for-profit organizations exempt from income tax under Internal Revenue Code Sections 501(c)(3), 501(c)(5) and 501(c)(6).

The entities include the following:

- American Association of University Professors, a 501(c)(6) professional association.
- American Association of University Professors - Collective Bargaining Congress, a 501(c)(5) labor organization.
- AAUP Foundation, a 501(c)(3) public charity.

The three entities work in a coordinated manner to continue the mission of the AAUP Predecessor 501(c)(3) Organization. All assets and liabilities of the AAUP Predecessor 501(c)(3) Organization were transferred to the AAUP Foundation effective January 1, 2013 in accordance with a private letter ruling from the Internal Revenue Service.

Despite the separation into three entities, it is the intent of the entities to adhere to a shared commitment to academic freedom, shared governance in academic institutions, and related goals including collective bargaining and the building of advocacy chapters and state conferences. The three entities operate through independent boards and manage their operations through a coordinated system of dues collections and fundraising, and through the employment of staff members to aid in the implementation of programs and activities that reflect the entities' shared commitment. The American Association of University Professors (a 501(c)(6) professional association) serves as the paymaster for the three entities. Expenses are allocated to the AAUP Foundation based on a percentage of non-direct expenses. Other expenses are allocated in proportion to the benefit derived by each entity and in accordance with a Memorandum of Understanding ("MOU") and Cost-sharing Agreement.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The accompanying financial statements are prepared using the accrual basis of accounting.

Financial Statement Presentation - The financial statements have been presented in accordance with U.S. generally accepted accounting principles, which require AAUP Foundation to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Classification of net assets into these classes is based on the existence or absence of donor-imposed restrictions. AAUP Foundation's expenses are also required to be classified on a functional basis, which is presented in the supplementary information accompanying the financial statements.

Donor-Imposed Restrictions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted support which increases temporarily restricted net assets. When restrictions are fulfilled in the same time period as the contribution is received, the contribution is reported as temporarily restricted support and AAUP Foundation recognizes net assets released from restrictions.

Cash and Cash Equivalents - Demand deposits with financial institutions are classified as cash and cash equivalents.

Investments - Investments are recorded at fair market value as follows. Equities, certificates of deposit and mutual funds are valued based on quoted market prices. Corporate obligations are valued using the closing price reported of like assets, corroborated market data, indices and/or yield curves. Money market funds are valued at cost, which approximates fair value. Realized and unrealized gains and losses are included in net investment income on the statements of activities. Purchases and sales of investments are recorded on a trade date basis, dividend income is recognized as of the ex-dividend date. All other income from investments is recognized as earned on the accrual basis.

Use of Estimates - In preparing financial statements in conformity with U.S. generally accepted accounting principles (GAAP), management is required to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results may differ from the reported amounts.

NOTE 3. RESTRICTIONS ON NET ASSETS

Endowment Funds

The AAUP Foundation adheres to generally accepted accounting principles for Endowments of Not-for-Profit Organizations. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of donor-restricted funds absent explicit donor stipulations to the contrary.

NOTE 3. RESTRICTIONS ON NET ASSETS (CONTINUED)

As a result of this interpretation, AAUP Foundation classifies as permanently restricted net assets:

- a) the original value of gifts donated to a permanent endowment;
- b) the original value of subsequent gifts to a permanent endowment; and
- c) accumulation to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor-restricted funds that is not classified as permanently restricted is classified as an accumulated temporarily restricted fund until those funds are appropriated for expenditure by AAUP Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA. The total accumulated temporarily restricted funds as of December 31, 2017 and 2016 was \$12,282 and \$8,073, respectively. In accordance with UPMIFA, AAUP Foundation considers the following factors in making a determination to appropriate accumulated temporarily-restricted funds:

- a) Duration and preservation of the fund
- b) Mission of AAUP Foundation and purpose of the donor-restricted fund
- c) General economic conditions
- d) Possible effect of inflation and deflation on the fund
- e) Expected total return from income and appreciation of investments
- f) Other AAUP Foundation resources
- g) The AAUP Foundation investment policy

The AAUP Foundation's investment philosophy is to balance risk and reward in accordance with reasonable and prudent investment practices. The AAUP Foundation intends its investment program to take a long-term perspective and to recognize the spending needs of the AAUP Foundation as reflected in its spending policies. The AAUP Foundation expects its Investment Committee and those with direct responsibility for the management of AAUP Foundation assets to maintain that long-term perspective and to take account of those spending needs in their respective roles.

The AAUP Foundation contemplates annual distribution of a significant portion of investment returns. The AAUP Foundation expects that its net assets will be invested to provide a return greater than annual distributions so that excess returns may cover future inflation, and investment management and related fees, allowing the real value of the fund principal to be preserved.

The AAUP Foundation held the following permanently restricted fund as of December 31, 2017 and 2016:

Moses and Dorothy Passer Legal Defense Fund	\$40,000
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NOTE 3. RESTRICTIONS ON NET ASSETS (CONTINUED)

In the years ended December 31, 2017 and 2016, the AAUP Foundation had the following endowment related activities:

	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, January 1, 2016	\$ 5,564	\$ 40,000	\$ 45,564
Contributions	-	-	-
Investment income	<u>2,509</u>	<u>-</u>	<u>2,509</u>
Endowment Net Assets, December 31, 2016	8,073	40,000	48,073
Contributions	-	-	-
Investment income	<u>4,209</u>	<u>-</u>	<u>4,209</u>
Endowment Net Assets, December 31, 2017	<u>\$ 12,282</u>	<u>\$ 40,000</u>	<u>\$ 52,282</u>

Temporarily Restricted Funds

In accordance with UPMIFA, the AAUP Foundation considers the following factors in making a determination to appropriate from its temporarily restricted funds:

- a) General economic conditions
- b) The possible effect of inflation or deflation
- c) Expected tax consequences, if any, of investment decisions or strategies
- d) The role that each investment or course of action plays within the overall investment portfolio of the fund
- e) The expected total return from income and the appreciation of investments
- f) Other resources of the AAUP Foundation
- g) The needs of the AAUP Foundation and the fund to make distributions and to preserve capital; and
- h) An asset's special relationship or special value, if any, to the charitable purposes of the AAUP Foundation.

NOTE 3. RESTRICTIONS ON NET ASSETS (CONTINUED)

The AAUP Foundation holds donor-restricted funds as of December 31, 2017 and 2016 as detailed below.

	2017	2016
Academic Freedom Fund	\$ 683,832	\$ 756,232
Legal Defense Fund	233,590	216,753
Glick, Rappaport & Tristman Memorial Fund	28,488	26,194
Burgan Fund	15,443	13,850
Beatrice Konheim Fund	7,891	7,225
Contingent Faculty Fund	13,305	10,693
Moses and Dorothy Passer Legal Defense Fund	12,282	8,073
Industry and the Academy Fund	5,882	5,408
Hopper Travel Fund	-	30
	<u>\$ 1,000,713</u>	<u>\$ 1,044,458</u>

The following amounts were released from restriction during the years ended December 31, 2017 and 2016 as purpose restrictions were met.

	2017	2016
Academic Freedom Fund	\$ 138,616	\$ 130,623
Legal Defense Fund	9,530	6,000
Glick, Rappaport & Tristman Memorial Fund	-	15,000
Burgan Fund	-	6,125
Beatrice Konheim Fund	-	2,000
Contingent Faculty Fund	1,658	2,000
Hopper Travel Fund	-	747
	<u>\$ 149,804</u>	<u>\$ 162,495</u>

Included in the amounts released from restriction above are grants made to AAUP programs during the fiscal years ended December 31, 2017 and 2016 of \$148,146 and \$151,622, respectively.

NOTE 4. INVESTMENTS

The investment pool consists of the following investment classes as of December 31, 2017 and 2016.

	2017	2016
Cash equivalents	\$ 214,823	\$ 430,590
Certificates of deposit	125,960	-
Equities	406,838	516,275
Corporate obligations	328,205	398,283
	<u>\$ 1,075,826</u>	<u>\$ 1,345,148</u>

NOTE 4. INVESTMENTS (CONTINUED)

GAAP provides guidance for using fair value to measure assets and liabilities. Fair value measurements apply whenever standards require (or permit) assets or liabilities to be measured at fair value. Fair value measurements include provisions that require expanded disclosure of the effect on earnings for items measured using unobservable data.

GAAP guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs that reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy establishes three levels based on the reliability of inputs.

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the AAUP Foundation has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments.

Level 2 - Valuations based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets or liabilities.

Level 3 - Valuations derived from other valuation methodologies, including pricing models, discounted cash flow models and similar techniques, and not based on market, exchange, dealer or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections that are not observable in the market and significant professional judgment is required in determining the fair value assigned to such assets or liabilities.

As of December 31, 2017 and 2016, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2017			Total Fair
	Level 1	Level 2	Level 3	Value
Cash equivalents	\$ -	\$ 214,823	\$ -	\$ 214,823
Certificates of deposit	-	125,960	-	125,960
Equities	406,838	-	-	406,838
Corporate obligations	-	328,205	-	328,205
	<u>\$ 406,838</u>	<u>\$ 668,988</u>	<u>\$ -</u>	<u>\$ 1,075,826</u>

	2016			Total Fair
	Level 1	Level 2	Level 3	Value
Cash equivalents	\$ -	\$ 430,590	\$ -	\$ 430,590
Equities	516,275	-	-	516,275
Corporate obligations	-	398,283	-	398,283
	<u>\$ 516,275</u>	<u>\$ 828,873</u>	<u>\$ -</u>	<u>\$ 1,345,148</u>

NOTE 4. INVESTMENTS (CONTINUED)

For the years ended December 31, 2017 and 2016, there have been no transfers in or out of Levels 1, 2 or 3.

Participants in the pool of invested assets share in the income and losses based on their percentage holdings. Participation percentages are adjusted at the beginning of each month based on the market value of each participant's investment balance.

The following restricted funds held positions in the investment pool at December 31, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
<u>Temporarily Restricted Funds</u>		
Academic Freedom Fund	\$ 683,832	\$ 756,232
Legal Defense Fund	233,590	216,753
Glick, Rappaport & Tristman Memorial Fund	28,488	26,194
Burgan Fund	15,443	13,850
Beatrice Konheim Fund	7,891	7,225
Contingent Faculty Fund	13,305	10,693
Moses and Dorothy Passer Legal Defense Fund	12,282	8,073
Industry and the Academy Fund	5,882	5,408
Hopper Travel Fund	-	30
	<u>1,000,713</u>	<u>1,044,458</u>
<u>Permanently Restricted Funds</u>		
Moses and Dorothy Passer Legal Defense Fund	<u>40,000</u>	<u>40,000</u>
Total Investment Pool	<u>\$ 1,040,713</u>	<u>\$ 1,084,458</u>

Investment income consists of the following components for the years ended December 31, 2017 and 2016.

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 14,635	\$ 46,091
Net investment gains	<u>69,160</u>	<u>24,402</u>
Total investment income	<u>\$ 83,795</u>	<u>\$ 70,493</u>

NOTE 5. RISKS AND UNCERTAINTIES

The AAUP Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported on the statement of financial position.

Financial instruments that subject the AAUP Foundation to concentrations of credit risk include cash and investments. While management of the AAUP Foundation attempts to limit any financial exposure by maintaining accounts at high quality financial institutions, cash and investment balances may, at times, exceed the federally insured limits. The AAUP Foundation has not experienced, nor do they expect to experience any losses on such accounts.

NOTE 6. DUE TO AAUP

At December 31, 2017 and 2016, the AAUP Foundation owed the AAUP \$65,106 and \$358,611, respectively, originating from the following activities.

	<u>2017</u>	<u>2016</u>
Funds to be Received from the AAUP		
Contributions	\$ 339,027	\$ 81,280
Total Funds to be Received from the AAUP	<u>339,027</u>	<u>81,280</u>
Funds Owed to the AAUP		
Beginning balance	358,611	411,793
Staffing expenses	185,553	110,500
Operating expenses	138,320	147,173
Fundraising	11,586	16,335
Legal and auditing	13,465	30,054
Grants	71,145	138,404
Other expenses	<u>-</u>	<u>2,947</u>
Total Funds Owed to the AAUP	<u>778,680</u>	<u>857,206</u>
Net Funds Owed to the AAUP Before Payments	439,653	775,926
Payments Made to the AAUP	<u>374,547</u>	<u>417,315</u>
Net Funds Owed to the AAUP After Payments	<u>\$ 65,106</u>	<u>\$ 358,611</u>

In June 2016 the AAUP and AAUP Foundation executed an agreement whereby the AAUP agreed to fund a portion of the Foundation's unrestricted expenses for the fiscal years 2016 through 2018. The total amount funded by the AAUP to the AAUP Foundation for 2017 and 2016 was \$261,442 and \$18,468 respectively, which amounts are reflected as grant expenses. Also in June 2016 the AAUP and the AAUP-CBC executed an agreement whereby the AAUP-CBC would provide a limited contribution amount to the AAUP to assist the AAUP with its support of the AAUP Foundation for the fiscal years 2017 and 2018. The total amount funded

NOTE 6. DUE TO AAUP (CONTINUED)

by the AAUP-CBC to the AAUP for 2017 was \$63,045, and is reflected as grants expenses. The combined total amount funded by the AAUP (and indirectly the AAUP-CBC) to the AAUP Foundation was \$324,467 for year ended December 31, 2017.

During the years ended December 31, 2017 and 2016, the AAUP Foundation made grants (assets released from restrictions) to AAUP programs totaling \$148,146 and \$151,622, respectively. These grant amounts were included in the calculation to determine the net amount due from the AAUP Foundation to the AAUP. For the fiscal year ended December 31, 2017, the net amount due from the AAUP Foundation to the AAUP is \$65,106, which represents accrued grants that have yet to be paid from the AAUP Foundation to the AAUP.

NOTE 7. TAX STATUS

The AAUP Foundation is generally exempt from federal income tax under Internal Revenue Code Section 501(c)(3), except for income taxes on any unrelated business income. The AAUP Foundation had no unrelated business income in 2017 and is not a private foundation.

The AAUP Foundation adopted the authoritative guidance relating to accounting for uncertainty in income taxes. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken in a tax return. The AAUP Foundation performed an evaluation of uncertain tax positions for the years ended December 31, 2017 and 2016, and determined that there were no matters that would require recognition in the financial statements. As of December 31, 2017, the statute of limitations for tax for years 2014 and 2016 remain open with the local jurisdiction which AAUP Foundation files returns. It is AAUP Foundation policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income AAUP Foundation tax expense.

NOTE 8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 25, 2018, which is the date the financial statements were available to be issued. The review and evaluation revealed no new material event or transaction which would require an additional adjustment to or disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

AAUP FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017

	Program Services				Supporting Services				Total
	Communication	Academic Freedom	Legal Defense	Other Grants	Administration	Governance	Fundraising		
Contracted services	\$ 35,893	\$ -	\$ -	42,639	\$ 138,992	\$ 23,952	\$ 53,370	\$ 294,846	
Facilities	-	-	-	-	24,892	-	-	24,892	
Grants	-	120,977	11,235	-	17,592	-	-	149,804	
Business expenses	-	-	-	882	18,090	-	8,014	26,986	
Meeting and travel expenses	-	-	-	296	772	-	-	1,068	
Office expenses	202	-	-	-	8,328	68	2,470	11,068	
Other expenses	-	-	-	-	425	-	-	425	
	<u>\$ 36,095</u>	<u>\$ 120,977</u>	<u>\$ 11,235</u>	<u>\$ 43,817</u>	<u>\$ 209,091</u>	<u>\$ 24,020</u>	<u>\$ 63,854</u>	<u>\$ 509,089</u>	

AAUP FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2016

	Program Services				Supporting Services				Total
	Communication	Academic Freedom	Legal Defense	Other Grants	Administration	Governance	Fundraising	Total	
Contracted services	\$ 14,757	\$ -	\$ -	15,945	\$ 129,642	\$ 27,151	\$ 44,088	\$ 231,583	
Facilities	-	-	-	-	23,026	-	-	23,026	
Grants	-	130,623	6,000	25,872	-	-	-	162,495	
Business expenses	-	-	-	-	22,895	-	8,762	31,657	
Meeting and travel expenses	-	-	-	23	324	1,598	-	1,945	
Office expenses	346	-	-	31	9,079	85	1,914	11,455	
Other expenses	-	-	-	-	2,383	-	-	2,383	
	<u>\$ 15,103</u>	<u>\$ 130,623</u>	<u>\$ 6,000</u>	<u>\$ 41,871</u>	<u>\$ 187,349</u>	<u>\$ 28,834</u>	<u>\$ 54,764</u>	<u>\$ 464,544</u>	