



**AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS
AND AAUP FOUNDATION
(A SUPPORTING ORGANIZATION)**

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2021





**AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS
AND AAUP FOUNDATION**

COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Council and Board of Directors of
American Association of University Professors and AAUP Foundation

Opinion

We have audited the accompanying combined financial statements of American Association of University Professors and AAUP Foundation (AAUP), which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of AAUP as of December 31, 2021 and 2020, and the combined changes in their net assets and their combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Combined Financial Statements section of our report. We are required to be independent of AAUP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Combined Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 combined 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 combined 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 combined 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 AAUP'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AAUP'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 Combining Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on pages 26 and 27 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities, and is not a required part of the combined 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

CalibreCPAGroup, PLLC

Bethesda, MD
May 9, 2022



AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

COMBINED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021	2020
Assets		
Assets		
Cash and cash equivalents	\$ 1,018,648	\$ 1,574,139
Investments	12,394,213	10,957,501
Accounts receivable, net	1,321,530	1,268,932
Prepaid expenses and deposits	7,007	26,072
Accrued interest	36,799	33,920
Property, equipment, and improvements - net	224,949	328,005
Total assets	\$ 15,003,146	\$ 14,188,569
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 482,359	\$ 492,472
Deferred membership revenue	605,617	693,035
Deferred rent	47,334	88,431
Postretirement benefit obligation	2,306,919	2,506,742
Refundable advance	71,863	86,534
Total liabilities	3,514,092	3,867,214
Net assets		
Without donor restrictions	10,925,416	9,737,559
With donor restrictions		
Temporary restrictions	523,638	543,796
Perpetual restrictions	40,000	40,000
Total with donor restrictions	563,638	583,796
Total net assets	11,489,054	10,321,355
Total liabilities and net assets	\$ 15,003,146	\$ 14,188,569

See accompanying notes to combined financial statements.

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021					2020				
	Without Donor Restrictions	With Donor Restrictions			Total	Without Donor Restrictions	With Donor Restrictions			Total
		Temporary	Perpetual	Total			Temporary	Perpetual	Total	
Revenue										
Membership dues	\$ 8,437,280	\$ -	\$ -	\$ -	\$ 8,437,280	\$ 7,845,032	\$ -	\$ -	\$ -	\$ 7,845,032
Contributions	72,759	19,992	-	19,992	92,751	31,718	28,792	-	28,792	60,510
Investment income, net	(33,966)	74,889	-	74,889	40,923	121,306	156,404	-	156,404	277,710
Publications	122,452	-	-	-	122,452	120,456	-	-	-	120,456
Miscellaneous income	49,064	-	-	-	49,064	80,813	-	-	-	80,813
Net assets released from restrictions	115,039	(115,039)	-	(115,039)	-	172,663	(172,663)	-	(172,663)	-
Total revenue	8,762,628	(20,158)	-	(20,158)	8,742,470	8,371,988	12,533	-	12,533	8,384,521
Expenses										
Program services										
Policy and legal advocacy	529,226	-	-	-	529,226	352,009	-	-	-	352,009
Member services	2,573,245	-	-	-	2,573,245	2,062,652	-	-	-	2,062,652
Communications	1,064,336	-	-	-	1,064,336	821,080	-	-	-	821,080
Research	431,315	-	-	-	431,315	359,824	-	-	-	359,824
Education	43,475	-	-	-	43,475	45,498	-	-	-	45,498
Conferences	83,304	-	-	-	83,304	84,858	-	-	-	84,858
Other grants	18,962	-	-	-	18,962	5,019	-	-	-	5,019
Total program services	4,743,863	-	-	-	4,743,863	3,730,940	-	-	-	3,730,940
Supporting services										
Leadership	390,906	-	-	-	390,906	406,264	-	-	-	406,264
General and administrative	2,619,244	-	-	-	2,619,244	2,270,403	-	-	-	2,270,403
Fundraising	10,231	-	-	-	10,231	6,485	-	-	-	6,485
Total supporting services	3,020,381	-	-	-	3,020,381	2,683,152	-	-	-	2,683,152
Total expenses	7,764,244	-	-	-	7,764,244	6,414,092	-	-	-	6,414,092
Excess of revenue over expenses	998,384	(20,158)	-	(20,158)	978,226	1,957,896	12,533	-	12,533	1,970,429
Other changes in net assets										
Other components of net periodic postretirement benefit cost	(61,365)	-	-	-	(61,365)	(78,487)	-	-	-	(78,487)
Postretirement-related changes other than net periodic postretirement benefit cost	250,838	-	-	-	250,838	6,680	-	-	-	6,680
Change in net assets	1,187,857	(20,158)	-	(20,158)	1,167,699	1,886,089	12,533	-	12,533	1,898,622
Net assets										
Beginning of year	9,737,559	543,796	40,000	583,796	10,321,355	7,851,470	531,263	40,000	571,263	8,422,733
End of year	\$ 10,925,416	\$ 523,638	\$ 40,000	\$ 563,638	\$ 11,489,054	\$ 9,737,559	\$ 543,796	\$ 40,000	\$ 583,796	\$ 10,321,355

See accompanying notes to combined financial statements.

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services						Supporting Services			Total	
	Policy and Legal Advocacy	Member Services	Communications	Research	Education	Conferences	Other Grants	Leadership	General and Administrative		Fundraising
Salaries and fringe benefits	\$ 454,779	\$ 1,767,500	\$ 840,403	\$ 380,238	\$ 39,425	\$ 54,327	\$ -	\$ 281,385	\$ 1,581,344	\$ -	\$ 5,399,401
Contracted services	43,608	131,876	10,888	3,865	1,485	13,976	-	14,391	657,483	-	877,572
Meetings and travel	-	52,720	348	79	-	11,449	-	75,462	3,476	-	143,534
Facilities	29,585	115,975	55,201	30,889	2,565	3,534	-	18,305	102,871	-	358,925
Grants	-	318,007	-	-	-	-	18,962	-	-	-	336,969
Insurance and business fees	-	55,881	-	-	-	-	-	-	92,393	10,231	158,505
Office expenses	1,254	27,884	155,668	12,166	-	-	-	784	131,776	-	329,532
Joint organizing costs	-	85,375	-	-	-	-	-	-	-	-	85,375
Bad debt expense	-	-	-	-	-	-	-	-	28,408	-	28,408
Other expenses	-	18,027	1,828	4,078	-	18	-	579	21,493	-	46,023
	<u>529,226</u>	<u>2,573,245</u>	<u>1,064,336</u>	<u>431,315</u>	<u>43,475</u>	<u>83,304</u>	<u>18,962</u>	<u>390,906</u>	<u>2,619,244</u>	<u>10,231</u>	<u>7,764,244</u>
Other components of net periodic postretirement benefit cost	5,169	20,088	9,551	4,321	448	617	-	3,198	17,973	-	61,365
Total	<u>\$ 534,395</u>	<u>\$ 2,593,333</u>	<u>\$ 1,073,887</u>	<u>\$ 435,636</u>	<u>\$ 43,923</u>	<u>\$ 83,921</u>	<u>\$ 18,962</u>	<u>\$ 394,104</u>	<u>\$ 2,637,217</u>	<u>\$ 10,231</u>	<u>\$ 7,825,609</u>

See accompanying notes to financial statements.

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

COMBINED STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2020

	Program Services							Supporting Services			Total
	Policy and Legal Advocacy	Member Services	Communications	Research	Education	Conferences	Other Grants	Leadership	General and Administrative	Fundraising	
Salaries and fringe benefits	\$ 305,497	\$ 1,390,263	\$ 635,001	\$ 303,559	\$ 35,349	\$ 72,910	\$ -	\$ 352,042	\$ 1,216,067	\$ -	\$ 4,310,688
Contracted services	16,324	128,879	10,739	18,871	223	-	-	5,694	618,705	-	799,435
Meetings and travel	2,543	34,374	784	60	7,499	6,925	19	16,490	16,281	-	84,975
Facilities	20,976	95,726	44,059	32,476	2,427	5,006	-	24,294	83,502	-	308,466
Grants	6,000	153,394	-	-	-	-	5,000	476	-	-	164,870
Insurance and business fees	-	85,481	110	-	-	-	-	-	59,895	6,485	151,971
Office expenses	669	54,166	126,687	4,070	-	17	-	7,268	124,412	-	317,289
Joint organizing costs	-	110,482	-	-	-	-	-	-	-	-	110,482
Bad debt expense	-	115	-	-	-	-	-	-	125,664	-	125,779
Other expenses	-	9,772	3,700	788	-	-	-	-	25,877	-	40,137
	<u>352,009</u>	<u>2,062,652</u>	<u>821,080</u>	<u>359,824</u>	<u>45,498</u>	<u>84,858</u>	<u>5,019</u>	<u>406,264</u>	<u>2,270,403</u>	<u>6,485</u>	<u>6,414,092</u>
Other components of net periodic postretirement benefit cost	5,562	25,313	11,562	5,527	644	1,328	-	6,410	22,141	-	78,487
Total	<u>\$ 357,571</u>	<u>\$ 2,087,965</u>	<u>\$ 832,642</u>	<u>\$ 365,351</u>	<u>\$ 46,142</u>	<u>\$ 86,186</u>	<u>\$ 5,019</u>	<u>\$ 412,674</u>	<u>\$ 2,292,544</u>	<u>\$ 6,485</u>	<u>\$ 6,492,579</u>

See accompanying notes to financial statements.



AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 1,167,699	\$ 1,898,622
Adjustments to reconcile change in net assets to cash provided by operating activities		
Change in allowance for doubtful accounts	(14,023)	(26,233)
Net investment losses (gains)	182,099	(135,456)
Depreciation and amortization	126,100	33,581
Change in assets and liabilities		
Accounts receivable	(38,575)	(392,835)
Prepaid expenses and deposits	19,065	77,143
Accrued interest	(2,879)	(33,920)
Accounts payable and accrued expenses	(10,113)	85,632
Deferred membership revenue	(87,418)	197,212
Deferred rent	(41,097)	(27,268)
Postretirement benefit obligation	(199,823)	54,896
Refundable advance	(14,671)	(19,012)
Net cash provided by operating activities	1,086,364	1,712,362
Cash flows from investing activities		
Purchase of property, equipment and improvements	(23,044)	(283,287)
Purchase of investments	(1,724,519)	(11,252,467)
Sale of investments	105,708	9,825,769
Net cash used for investing activities	(1,641,855)	(1,709,985)
Net change in cash and cash equivalents	(555,491)	2,377
Cash and cash equivalents		
Beginning of year	1,574,139	1,571,762
End of year	\$ 1,018,648	\$ 1,574,139
Supplemental cash flow information		
Cash paid for taxes	\$ 9,593	\$ 812

See accompanying notes to financial statements.



AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

NOTES TO COMBINED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1. ORGANIZATION

The American Association of University Professors (AAUP) is operated exclusively as a not-for-profit professional association generally exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(6). The purpose of AAUP is to facilitate 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.

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

Effective January 1, 2020, AAUP and the Foundation executed a Resource Sharing Agreement which outlines the operational and financial relationship between AAUP and the Foundation. AAUP will continue to provide resources to the Foundation and track all Foundation time and expenses, but AAUP provides in-kind contributions to the Foundation for the costs of the time spent by AAUP's employees or contractors who perform services on behalf of the Foundation and for the Foundation's representative share of its occupancy and overhead costs. AAUP and the Foundation also executed a Foundation Support Agreement (referenced in the Resource Sharing Agreement) which provides that AAUP's support of the Foundation is based upon its approved fiscal year 2020 budget. These are agreements that are reviewed and approved by AAUP, and the Foundation leadership bodies annually.

In August 2021, the Foundation and AAUP leadership bodies determined that due to their continuous and coordinated operational relationship the Foundation should seek reclassification of its foundation status under IRC Section 509(a)(3). Therefore, the Foundation has changed its foundation classification from that of a publicly supported charity to that of a Type II supporting organization under IRC Section 509(a)(3). The Foundation demonstrates that it is a supporting organization within the meaning of IRC Section 509(a)(3) because the Foundation i) is organized to support AAUP, an eligible supported organization; ii) is conducting activities that benefit AAUP; (iii) shall not be supported by donors (or their family members) who make significant contributions; and iv) is a Type II supporting organization of AAUP because the Foundation is supervised and controlled by the same persons who control AAUP. The members of AAUP leadership body automatically serve as members of the Foundation board of directors once they are elected to AAUP leadership body.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination - The combined financial statements include the accounts and transactions of AAUP and the Foundation (hereinafter, AAUP). All inter-company balances and transactions have been eliminated in these combined financial statements. The financial statements have been combined due to the presence of common control and economic interest.

Method of Accounting - The accompanying combined financial statements are prepared using the accrual basis of accounting. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, AAUP is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These net assets are available to finance the general operations of AAUP. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of AAUP, the environment in which it operates, and the purposes specified in its organizing documents.

Net assets with donor restrictions - These net assets result from contributions and other inflows of assets, the use of which by AAUP is limited by donor-imposed time or purpose restrictions that are either temporary or perpetual.

Donor-Imposed Restrictions - All contributions are reported as increases in net assets without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified and reported in the combined statements of activities as net assets released from restrictions.

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

Investments - Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in certificates of deposit are recorded at fair market value based on interest rates on the last business day of the year. Equities and exchange-traded funds/mutual funds are valued based on quoted market prices. Investments in money market funds are valued at cost, which approximates fair value. Investments in U.S. Government bonds and corporate bonds are valued at the estimated fair value as reported by the investment custodian. There have been no changes in the valuation methodologies used at December 31, 2021 and 2020. Realized and unrealized gains and losses are included in net investment income on the combined



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements of activities. Purchases and sales of investments are recorded on a trade date basis and dividend income is recognized as of the ex-dividend date. All other income from investments is recognized as earned on the accrual basis. Investment income is reported in the combined statements of activities net of all external and direct internal investment expenses.

Property, Equipment, and Improvements - Property, equipment, and improvements are carried at cost, less accumulated depreciation, and amortization. AAUP capitalizes all such assets with cost above \$1,000 and a useful service life greater than one year. Depreciation and amortization are computed on the straight-line basis over estimated useful lives of three to ten years.

Accounts Receivable - Accounts receivable consists of amounts due from members for which AAUP has an unconditional right to receive payment. Accounts receivable are stated at the amount management expects to be collected. Due to the large number of members and their dispersion across different geographic areas, there are no significant economic factors that might impact the nature, amount, timing, and uncertainty of cash collections. The collectability of accounts receivable reflects management's best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. As of December 31, 2021 and 2020, management determined the allowance for doubtful accounts to be \$87,076 and \$101,099, respectively.

Refundable Advances - When an agreement includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received under conditional transfers are reported as a liability (refundable advance) and recognized as contribution revenue only when the conditions are met.

Revenue Recognition - Revenue is derived from both exchange transactions and contribution transactions. Revenue from exchange transactions is recognized when control of promised goods or services is transferred to our members and customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Except for goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time. Payments are generally required in advance and are reported as deferred revenue until the related revenue is recognized. Unconditional contributions are recognized upon receipt of cash or other assets, or when a donor promises to transfer cash or other assets in the future. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been substantially met.

Membership Dues - Membership dues entitle members to a bundle of goods and services that are considered a single performance obligation and the related revenue is recognized ratably over the membership period. Membership dues received in advance are deferred to the applicable membership period and are recognized as deferred revenue.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Royalties - The organization has licensed the use of its name, logo, and certain other intangible assets to third parties wishing to market products and services to our members and customers, in exchange for a royalty payment. Royalty revenue is generally based on underlying sales made by the licensee, calculated on a quarterly basis, and remitted to us within 90 days following the close of each calendar quarter.

Revenue from Other Exchange Transactions - Revenue from event registrations, exhibitor fees, and similar amounts are recognized when the event takes place. Revenue from publications and related advertising are recognized as each publication is circulated.

Grants and Similar Agreements - Most grant agreements are accounted for as contribution transactions. When an agreement includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received under conditional transfers are reported as a liability (refundable advance) and recognized as contribution revenue only when the conditions are met.

Postretirement Benefits - Postretirement benefit expense is recognized ratably over employee service periods.

Functional Allocation of Expenses - The costs of providing the various programs and supporting activities of AAUP have been summarized on a functional basis in the combined statements of activities and functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Other costs are allocated among the program and supporting services benefited based on management's best estimates. Salaries and related fringe benefits are allocated based on employee time and effort.

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 combined financial statements. Actual results may differ from the reported amounts.

Reclassifications - Certain reclassifications have been made to the amounts previously reported for 2020 to conform to the presentation for 2021.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As part of AAUP's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. Cash in excess of monthly requirements is invested in a portfolio of investments designed to maximize long-term earnings with acceptable risk to investment principal.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (CONTINUED)

The following table represents AAUP's financial assets available to meet cash needs for general expenditures within one year of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Total assets at end of year	\$ 15,003,146	\$ 14,188,569
Less: nonfinancial assets		
Prepaid expenses and deposits	(7,007)	(26,072)
Property, equipment, and improvements, net	<u>(224,949)</u>	<u>(328,005)</u>
Total financial assets at end of year	14,771,190	13,834,492
Less: amounts not available to meet general expenditures coming due within one year		
Net assets with donor restrictions	(563,638)	(583,796)
Refundable advance	(71,863)	(86,534)
Accounts receivable	<u>(58,751)</u>	<u>(158,281)</u>
Financial assets available to meet general expenditures coming due in the next year	<u>\$ 14,076,938</u>	<u>\$ 13,005,881</u>

NOTE 4. UNINSURED CASH

AAUP maintains its cash in bank deposit accounts which at times may exceed the federally insured limits per bank. AAUP has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

NOTE 5. ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Accounts receivable		
Membership dues	\$ 1,372,363	\$ 1,332,409
Other	<u>36,243</u>	<u>37,622</u>
	1,408,606	1,370,031
Allowance for doubtful accounts	<u>(87,076)</u>	<u>(101,099)</u>
Accounts receivable, net	<u>\$ 1,321,530</u>	<u>\$ 1,268,932</u>

Membership dues are generally payable within one year. AAUP has entered into arrangements with certain chapters to accept payment over two to nine years for dues in arrears totaling \$58,751 and \$158,281 at December 31, 2021 and 2020, respectively.

NOTE 5. ACCOUNTS RECEIVABLE (CONTINUED)

Management believes that the allowance for doubtful accounts is adequate for all membership dues receivable, including those under an extended payment arrangement, as of December 31, 2021 and 2020.

NOTE 6. PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements at December 31, 2021 consist of the following:

	2021		
	Furniture and Equipment	Leasehold Improvements	Total Fixed Assets
Furniture and/or fixtures	\$ 28,399	\$ 207,952	\$ 236,351
Equipment and software	1,011,704	-	1,011,704
	1,040,103	207,952	1,248,055
Accumulated depreciation/amortization	(815,200)	(207,906)	(1,023,106)
Property, equipment, and improvements - net	<u>\$ 224,903</u>	<u>\$ 46</u>	<u>\$ 224,949</u>

Property, equipment, and improvements at December 31, 2020 consist of the following:

	2020		
	Furniture and Equipment	Leasehold Improvements	Total Fixed Assets
Furniture and/or fixtures	\$ 28,399	\$ 207,952	\$ 236,351
Equipment and software	988,660	-	988,660
	1,017,059	207,952	1,225,011
Accumulated depreciation/amortization	(689,646)	(207,360)	(897,006)
Property, equipment, and improvements - net	<u>\$ 327,413</u>	<u>\$ 592</u>	<u>\$ 328,005</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 totaled \$126,100 and \$33,581, respectively.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Endowment Funds

The Foundation adheres to Endowments of Not-for-Profit Organizations: *Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures of All Endowment Funds*. 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 7. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

As a result of this interpretation, the Foundation classifies the following as net assets with perpetual donor restrictions:

- 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.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate perpetual donor restricted funds:

- a) duration and preservation of the fund;
- b) mission of the 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 Foundation resources.; and
- g) the Foundation investment policies.

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

The Foundation contemplates annual distribution of a significant portion of investment returns. The 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 Foundation held the following perpetual donor restricted fund as of December 31, 2021 and 2020:

Moses and Dorothy Passer Legal Defense Fund	\$40,000
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NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

In the years ended December 31, 2021 and 2020, the Foundation had the following endowment related activities:

	With Donor Restrictions		
	Temporary	Perpetual	Total
Endowment Net Assets, January 1, 2020	\$ 17,643	\$ 40,000	\$ 57,643
Contributions	-	-	-
Investment income	18,295	-	18,295
Endowment Net Assets, December 31, 2020	35,938	40,000	75,938
Contributions	-	-	-
Investment income	10,154	-	10,154
Endowment Net Assets, December 31, 2021	<u>\$ 46,092</u>	<u>\$ 40,000</u>	<u>\$ 86,092</u>

Temporary Donor Restricted Funds

The remaining portion of donor-restricted funds that is not classified as net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those funds are appropriated for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate from its temporary donor 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 Foundation;
- g) the needs of the 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 Foundation.

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

The Foundation holds net assets with temporary donor restrictions as of December 31, 2021 and 2020 as detailed below.

	<u>2021</u>	<u>2020</u>
Academic Freedom Fund	\$ 149,702	\$ 170,506
Legal Defense Fund	316,144	309,851
Glick, Rappaport & Tristman Memorial Fund	-	11,111
Burgan Fund	5,888	9,238
Beatrice Konheim Fund	5,812	5,128
Contingent Faculty Fund	-	2,024
Moses and Dorothy Passer Legal Defense Fund	<u>46,092</u>	<u>35,938</u>
	<u>\$ 523,638</u>	<u>\$ 543,796</u>

The following amounts were released from restrictions during the years ended December 31, 2021 and 2020 as purpose restrictions were met.

	<u>2021</u>	<u>2020</u>
Academic Freedom Fund	\$ 61,036	\$ 148,778
Legal Defense Fund	35,135	-
Glick, Rappaport & Tristman Memorial Fund	11,970	10,086
Burgan Fund	4,520	2,799
Contingent Faculty Fund	<u>2,378</u>	<u>11,000</u>
	<u>\$ 115,039</u>	<u>\$ 172,663</u>

Included in the amounts released from restrictions above are grants made to AAUP programs during the fiscal years ended December 31, 2021 and 2020 of \$96,077 and \$167,663, respectively.

NOTE 8. RETIREMENT BENEFITS

Eligible employees are covered by a 401(k) retirement plan which is funded through the purchase of individual annuity contracts from TIAA-CREF. All employees are eligible to participate at the date of employment.

AAUP automatically contributes 5% of employee compensation to the 401(k) retirement plan. Employees are not required to contribute to the plan to receive the automatic contribution. AAUP will also provide up to an additional 5% matching contribution for those employees that choose to make a contribution to the plan.

NOTE 8. RETIREMENT BENEFITS (CONTINUED)

The total charges for retirement plan contributions totaled \$355,500 and \$304,261 for the years ended December 31, 2021 and 2020, respectively. All participants are fully vested in their annuities and custodial accounts. Upon retirement or termination of employment for any reason other than death, benefits will be paid to the participant in accordance with plan provisions. Upon death of a participant, benefits are paid to the designated beneficiary. Payment of benefits commence no later than April 1 following the calendar year in which a participant attains age 72.

NOTE 9. POSTRETIREMENT BENEFITS

AAUP has a postretirement benefit plan and related liability. Retirees may become eligible for continued health benefits if they reach normal retirement age while working for AAUP.

The accrued postretirement benefit obligation is determined with the assistance of AAUP's consulting actuary. The accrued postretirement benefit obligation as of December 31, 2021 and 2020 is reported on the combined statements of financial position and is calculated as follows:

	2021	2020
Retirees	\$ 1,396,226	\$ 1,607,920
Actives fully eligible	338,312	383,053
Actives not yet fully eligible	572,381	515,769
	<u>\$ 2,306,919</u>	<u>\$ 2,506,742</u>

Detailed reconciliation of accumulated benefit obligation for 2021 and 2020 is as follows:

	2021	2020
Accumulated benefit obligation at beginning of year	\$ 2,506,742	\$ 2,451,846
Service cost	109,888	95,614
Interest cost	61,365	78,487
Gross benefits paid	(120,238)	(112,525)
Actuarial (gain) loss	(250,838)	(6,680)
Accumulated benefit obligation at end of year	<u>\$ 2,306,919</u>	<u>\$ 2,506,742</u>

As there are no plan assets, the excess of postretirement benefit obligation over plan assets equals the value of the postretirement benefit obligation of \$2,306,919 and \$2,506,742 at December 31, 2021 and 2020, respectively. The effect of a 1% increase in the assumed health care cost trend rates would cause the postretirement benefit obligations at December 31, 2021 and 2020 to increase by \$355,723 and \$386,164, respectively. The projected premiums to be paid to the plan for the year ending December 31, 2022 are \$116,961.

NOTE 9. POSTRETIREMENT BENEFITS (CONTINUED)

Net periodic postretirement benefit expense for the years ended December 31, 2021 and 2020 includes the following components:

	<u>2021</u>	<u>2020</u>
Service cost	\$ 109,888	\$ 95,614
Interest cost	61,365	78,487
Total postretirement benefit expense	<u>\$ 171,253</u>	<u>\$ 174,101</u>
Total premiums paid by employer	<u>\$ 120,238</u>	<u>\$ 112,525</u>

The service cost component of net periodic benefit expense for the years ended December 31, 2021 and 2020 is \$109,888 and \$95,614, respectively, all of which is reflected on the combined statement of functional expenses as salaries and fringe benefits for the years then ended.

The interest cost component of net periodic benefit expense for the year ended December 31, 2021 and 2020 is \$61,365 and \$78,487, respectively, all of which is reflected on the combined statement of activities as an other change in net assets for the years then ended.

Amounts that have not been recognized in the combined statements of activities as components of net periodic postretirement benefit cost as of December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Cumulative unrecognized net gain	<u>\$ (306,754)</u>	<u>\$ (55,916)</u>

The total of amounts not yet recognized as components of net periodic benefit costs as of December 31, 2021 and 2020 is a gain of \$250,838 and \$6,680, respectively, all of which is reflected on the combined statements of activities as an other change in net assets for the years then ended.

The weighted average discount rate used to determine net postretirement benefit costs were:

	<u>2021</u>	<u>2020</u>
Beginning of the year	2.40%	3.15%
End of the year	2.75%	2.40%

The assumed trend for 2021 and thereafter is a grading in the rate over 20 years until the ultimate rate of 3.0% is reached. The assumed health care cost trend rate used to measure the expected cost of benefits covered by the plan was 9.0% for years ended December 31, 2021 and 2020.

NOTE 9. POSTRETIREMENT BENEFITS (CONTINUED)

The accumulated postretirement benefit obligation does not include amounts associated with the Medicare Part D benefit because AAUP is unable to determine whether the plan's benefits are actuarially equivalent.

Total expected benefit payments for the next 10 years are as follows:

2022	\$	116,961
2023		105,000
2024		110,000
2025		110,000
2026		109,000
2027-2031		558,000

NOTE 10. CONTRACT BALANCES

Contract Balances

The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities associated with revenue from exchange transactions. Contract assets consist entirely of trade accounts receivable, which are recognized only to the extent it is probable that we will collect substantially all of the consideration to which we are entitled in exchange for the goods or services that will be or have been transferred. Contract liabilities consist entirely of deferred revenue that results when we receive advance payments from our members and customers before revenue is recognized. Balances in these accounts as of the beginning and end of the years ended December 31, 2021 and 2020 are as indicated below.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Accounts receivable			
Membership dues	\$ 1,285,287	\$ 1,231,310	\$ 787,957
Other	<u>19,206</u>	<u>6,157</u>	<u>10,253</u>
	<u>\$ 1,304,493</u>	<u>\$ 1,237,467</u>	<u>\$ 798,210</u>
Deferred revenue			
Membership dues	<u>\$ 605,617</u>	<u>\$ 693,035</u>	<u>\$ 495,823</u>

NOTE 11. INVESTMENTS

The investments consist of the following investment classes as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 151,963	\$ 188,606
Equities	2,308,790	464,075
Exchange traded funds/mutual funds	1,847,914	114,167
U.S. government bonds	486,640	500,060
Corporate bonds	6,890,839	7,216,627
Certificates of deposit	<u>708,067</u>	<u>2,473,966</u>
	<u>\$ 12,394,213</u>	<u>\$ 10,957,501</u>

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.

Accounting standards provide the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AAUP has the ability to access.

Level 2 - Inputs to the valuation methodology include other significant observable inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 11. INVESTMENTS (CONTINUED)

As of December 31, 2021 and 2020, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2021			
	Total Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 151,963	\$ -	\$ 151,963	\$ -
Equities	2,308,790	2,308,790	-	-
Exchange traded funds/mutual funds	1,847,914	1,847,914	-	-
U.S. government bonds	486,640	-	486,640	-
Corporate bonds	6,890,839	-	6,890,839	-
Certificates of deposit	708,067	-	708,067	-
	<u>\$ 12,394,213</u>	<u>\$ 4,156,704</u>	<u>\$ 8,237,509</u>	<u>\$ -</u>

	2020			
	Total Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 188,606	\$ -	\$ 188,606	\$ -
Equities	464,075	464,075	-	-
Exchange traded funds/mutual funds	114,167	114,167	-	-
U.S. government bonds	500,060	-	500,060	-
Corporate bonds	7,216,627	-	7,216,627	-
Certificates of deposit	2,473,966	-	2,473,966	-
	<u>\$ 10,957,501</u>	<u>\$ 578,242</u>	<u>\$ 10,379,259</u>	<u>\$ -</u>

For the years ended December 31, 2021 and 2020, there have been no transfers in or out of Levels 1, 2 or 3.

The following donor restricted funds held positions in the investment pool at December 31, 2021 and 2020:

	2021	2020
<u>Temporary donor restricted funds</u>		
Academic Freedom Fund	\$ 149,702	\$ 170,506
Legal Defense Fund	316,144	309,851
Glick, Rappaport & Tristman Memorial Fund	-	11,111
Burgan Fund	5,888	9,238
Beatrice Konheim Fund	5,812	5,128
Contingent Faculty Fund	-	2,024
Moses and Dorothy Passer Legal Defense Fund	46,092	35,938
	<u>523,638</u>	<u>543,796</u>
<u>Perpetual donor restricted funds</u>		
Moses and Dorothy Passer Legal Defense Fund	<u>40,000</u>	<u>40,000</u>
Total investment pool	<u>\$ 563,638</u>	<u>\$ 583,796</u>

NOTE 11. INVESTMENTS (CONTINUED)

Investment income consists of the following components for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 226,319	\$ 144,730
Net investment gains (losses)	(182,099)	135,456
Investment expenses	<u>(3,297)</u>	<u>(2,476)</u>
Total investment income	<u>\$ 40,923</u>	<u>\$ 277,710</u>

NOTE 12. RISKS AND UNCERTAINTIES

AAUP 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 combined statements of financial position.

Financial instruments that subject AAUP to concentrations of credit risk include cash and investments. While management of AAUP 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. AAUP has not experienced, nor do they expect to experience, any losses in such accounts.

NOTE 13. COMMITMENTS AND CONTINGENCIES

AAUP has a lease agreement for office space, including electricity, which was extended until January 30, 2021 by amendment. This amendment provides for a reduction of 2,820 square feet of leased premises at the expiration of the original lease expiration, January 31, 2016. In December 2019 AAUP executed a second amendment to the lease agreement reducing base rent effective September 1, 2019, providing an abatement of monthly rent for the initial two months of this new term, and extending the lease term until January 30, 2023. In April 2021, AAUP executed a third amendment to the lease agreement reducing base rent effective April 1, 2021, and reducing the lease term by two months, until November 30, 2022. Annual base rent for year ended December 31, 2021 was approximately \$256,504. Total deferred rent as of December 31, 2021 and 2020 was \$47,334 and \$88,431, respectively.

Office rent expense totaled \$212,996 and \$249,597 for the years ended December 31, 2021 and 2020, respectively. The required future minimum lease payments as of December 31, 2021 are due as follows:

Year Ending December 31, 2022 \$ 234,344



NOTE 14. TAX STATUS

AAUP is exempt from Federal income tax under IRC Section 501(c)(6), except for income taxes on its unrelated business income. AAUP will be liable for income taxes on income derived from advertising in *Academe*, its professional journal, and commissions received from certain member benefit programs. AAUP's income tax expense for 2021 and 2020 was \$-0- and \$812, respectively.

The 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 Foundation had no unrelated business income in 2021 and is not a private foundation. In August 2021, the Foundation and AAUP leadership bodies determined that due to their continuous and coordinated operational relationship the Foundation should seek reclassification of its foundation status under Code Section 509(a)(3). Therefore, the Foundation has changed its foundation classification from that of a publicly supported charity to that of a Type II supporting organization under Code Section 509(a)(3). The Foundation demonstrates that it is a supporting organization within the meaning of Code Section 509(a)(3) because the Foundation i) is organized to support the AAUP, an eligible supported organization; ii) is conducting activities that benefit the AAUP; (iii) shall not be supported by donors (or their family members) who make significant contributions; and iv) is a Type II supporting organization of the AAUP because the Foundation is supervised and controlled by the same persons who control the AAUP. The members of the AAUP leadership body automatically serve as members of the Foundation board of directors once they are elected to the AAUP leadership body.

AAUP 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. AAUP performed an evaluation of uncertain tax positions for the years ended December 31, 2021 and 2020, and determined that there were no matters that would require recognition or disclosure in the combined financial statements. As of December 31, 2021, the statute of limitations for tax years 2018 through 2020 remains open with the Federal and local jurisdiction in which AAUP files returns. It is AAUP policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

NOTE 15. LINE OF CREDIT

AAUP had a revolving line of credit with Bank of America in the amount of \$300,000 during the years ended December 31, 2021 and 2020. The line of credit expired on March 31, 2021 and was not renewed. The line of credit carried a floating interest rate equal to LIBOR Rate plus 3.01% and was secured by accounts receivable and equipment owned by the organization. There were no borrowings under this line of credit during the years ended December 31, 2021 and 2020.



NOTE 16. SIGNIFICANT UNCERTAINTIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of the pandemic on AAUP's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on AAUP's members, donors, employees, and vendors, all of which, at present, cannot be determined. Accordingly, the extent to which the pandemic may impact AAUP's financial position, changes in net assets, and cash flows is uncertain, and the accompanying combined financial statements include no adjustments relating to the effects of this pandemic.

NOTE 17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 9, 2022, which is the date the combined financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying combined financial statements.



SUPPLEMENTAL INFORMATION



AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

COMBINING STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	2021				2020			
	AAUP	Foundation	Eliminations	Total	AAUP	Foundation	Eliminations	Total
Assets								
Cash and cash equivalents	\$ 856,830	\$ 161,818	\$ -	\$ 1,018,648	\$ 1,502,854	\$ 71,285	\$ -	\$ 1,574,139
Investments	11,657,294	736,919	-	12,394,213	10,194,139	763,362	-	10,957,501
Accounts receivable, net	1,321,530	-	-	1,321,530	1,267,362	1,570	-	1,268,932
Prepaid expenses and deposits	7,007	-	-	7,007	26,072	-	-	26,072
Accrued interest	36,799	-	-	36,799	33,920	-	-	33,920
Due from AAUP Foundation	236,728	-	(236,728)	-	165,887	-	(165,887)	-
Property, equipment, and improvements - net	224,949	-	-	224,949	328,005	-	-	328,005
Total assets	\$ 14,341,137	\$ 898,737	\$ (236,728)	\$ 15,003,146	\$ 13,518,239	\$ 836,217	\$ (165,887)	\$ 14,188,569
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	\$ 482,359	\$ -	\$ -	\$ 482,359	\$ 492,472	\$ -	\$ -	\$ 492,472
Deferred membership revenue	605,617	-	-	605,617	693,035	-	-	693,035
Deferred rent	47,334	-	-	47,334	88,431	-	-	88,431
Due to American Association of University Professors	-	236,728	(236,728)	-	-	165,887	(165,887)	-
Postretirement benefit obligation	2,306,919	-	-	2,306,919	2,506,742	-	-	2,506,742
Refundable advance	-	71,863	-	71,863	-	86,534	-	86,534
Total liabilities	3,442,229	308,591	(236,728)	3,514,092	3,780,680	252,421	(165,887)	3,867,214
Net assets								
Without donor restrictions	10,898,908	26,508	-	10,925,416	9,737,559	-	-	9,737,559
With donor restrictions	-	523,638	-	523,638	-	543,796	-	543,796
Temporary restrictions	-	40,000	-	40,000	-	40,000	-	40,000
Perpetual restrictions	-	-	-	-	-	-	-	-
Total with donor restrictions	-	563,638	-	563,638	-	583,796	-	583,796
Total net assets	10,898,908	590,146	-	11,489,054	9,737,559	583,796	-	10,321,355
Total liabilities and net assets	\$ 14,341,137	\$ 898,737	\$ (236,728)	\$ 15,003,146	\$ 13,518,239	\$ 836,217	\$ (165,887)	\$ 14,188,569

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS AND AAUP FOUNDATION

COMBINING STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	AAUP	Foundation	Elimination	Total	AAUP	Foundation	Elimination	Total
Revenue								
Membership dues	\$ 8,437,280	\$ -	\$ -	\$ 8,437,280	\$ 7,845,032	\$ -	\$ -	\$ 7,845,032
Contributions	-	92,751	-	92,751	-	71,057	(10,547)	60,510
In-kind contributions	-	102,252	(102,252)	-	-	80,505	(80,505)	-
Investment income (loss), net	(33,966)	74,889	-	40,923	121,306	156,404	-	277,710
Publications	122,452	-	-	122,452	120,456	-	-	120,456
Grants	96,077	-	(96,077)	-	167,663	-	(167,663)	-
Miscellaneous income	49,064	-	-	49,064	80,813	-	-	80,813
Total revenue	8,670,907	269,892	(198,329)	8,742,470	8,335,270	307,966	(258,715)	8,384,521
Expenses								
Program services								
Policy and legal advocacy	529,226	-	-	529,226	352,009	-	-	352,009
Member services	2,573,245	-	-	2,573,245	2,062,652	-	-	2,062,652
Communications	1,063,210	1,126	-	1,064,336	820,102	978	-	821,080
Research	431,315	-	-	431,315	359,824	-	-	359,824
Education	43,475	-	-	43,475	45,498	-	-	45,498
Conferences	83,304	-	-	83,304	84,858	-	-	84,858
Academic freedom	-	45,622	(45,622)	-	-	148,778	(148,778)	-
Glick, Rappaport & Tristman Memorial	-	12,712	(12,712)	-	-	10,086	(10,086)	-
Other grants	-	56,705	(37,743)	18,962	-	13,818	(8,799)	5,019
Total program services	4,723,775	116,165	(96,077)	4,743,863	3,724,943	173,660	(167,663)	3,730,940
Supporting services								
Leadership	390,906	-	-	390,906	406,264	-	-	406,264
General and administrative	2,584,350	137,146	(102,252)	2,619,244	2,246,167	115,288	(91,052)	2,270,403
Fundraising	-	10,231	-	10,231	-	6,485	-	6,485
Total supporting services	2,975,256	147,377	(102,252)	3,020,381	2,652,431	121,773	(91,052)	2,683,152
Total expenses	7,699,031	263,542	(198,329)	7,764,244	6,377,374	295,433	(258,715)	6,414,092
Excess of revenue over expenses	971,876	6,350	-	978,226	1,957,896	12,533	-	1,970,429
Other changes in net assets								
Other components of net periodic postretirement benefit cost	(61,365)	-	-	(61,365)	(78,487)	-	-	(78,487)
Postretirement-related changes other than net periodic postretirement benefit cost	250,838	-	-	250,838	6,680	-	-	6,680
Change in net assets	1,161,349	6,350	-	1,167,699	1,886,089	12,533	-	1,898,622
Net assets								
Beginning of year	9,737,559	583,796	-	10,321,355	7,851,470	571,263	-	8,422,733
End of year	\$ 10,898,908	\$ 590,146	\$ -	\$ 11,489,054	\$ 9,737,559	\$ 583,796	\$ -	\$ 10,321,355