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Form <b>990</b>  Department of the Treasury Internal Revenue Service	<b>Return of Organization Exempt From Income Tax</b>  <b>Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)</b>  ▶ Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form. ▶ Information about Form 990 and its instructions is at <a href="http://www.irs.gov/form990">www.irs.gov/form990</a>	OMB No 1545-0047  <div>2013</div> <div>Open to Public Inspection</div>
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**A For the 2013 calendar year, or tax year beginning 09-01-2013 , 2013, and ending 08-31-2014**






<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization American Bar Association		<b>D</b> Employer identification number 36-0723150	
	Doing Business As			
	Number and street (or P O box if mail is not delivered to street address) 321 N Clark St	Room/suite	E Telephone number (312) 988-5000	
	City or town, state or province, country, and ZIP or foreign postal code Chicago, IL 60654		<b>G</b> Gross receipts \$ 433,761,612	
	<b>F</b> Name and address of principal officer Jack Rives 321 N Clark St Chicago, IL 60654		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
<b>I</b> Tax-exempt status <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 6 ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(c)</b> Group exemption number ▶		
<b>J</b> Website: ▶ www.americanbar.org				
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation	<b>M</b> State of legal domicile IL

<b>Part I</b>	<b>Summary</b>
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Activities & Governance	<b>1</b> Briefly describe the organization's mission or most significant activities To serve equally the members of the legal profession and the public by defending liberty and delivering justice as the national representative of the legal profession and to promote the public good Sch O		
	<b>2</b> Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	<b>3</b>	39
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	<b>4</b>	39
	<b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a) . . . . .	<b>5</b>	915
<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	<b>6</b>	8,500	
<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	<b>7a</b>	3,956,704	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	<b>7b</b>	141,115	
Revenue		<b>Prior Year</b>	<b>Current Year</b>
	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	7,430,611	7,355,372
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	115,319,103	112,386,069
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d ) . . . . .	9,191,680	36,579,753
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	8,759,214	10,259,906
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	140,700,608	166,581,100
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1–3 ) . . . . .	999,230	927,925
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .		0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	66,239,992	68,054,339
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .		0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) <input checked="" type="checkbox"/> 0		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e) . . . . .	70,701,419	73,885,442
	<b>18</b> Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	137,940,641	142,867,706
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	2,759,967	23,713,394
	Net Assets or Fund Balances		<b>Beginning of Current Year</b>
<b>20</b> Total assets (Part X, line 16) . . . . .		329,776,848	356,575,456
<b>21</b> Total liabilities (Part X, line 26) . . . . .		152,062,417	154,669,900
<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .		177,714,431	201,905,556

<b>Part II</b>	<b>Signature Block</b>
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>					2015-04-14	
	Signature of officer				Date	
<b>Paid Preparer Use Only</b>					Jack Rives Executive Director	
	Type or print name and title					
	Print/Type preparer's name		Preparer's signature		Date	Check <input type="checkbox"/> if self-employed
	Firm's name 				Firm's EIN 	
	Firm's address 				Phone no	

May the IRS discuss this return with the preparer shown above? (see instructions) . . . . . ☐ Yes ☒ No

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1

Briefly describe the organization's mission

To serve equally the members of the legal profession and the public by defending liberty and delivering justice as the national representative of the legal profession and to apply the knowledge and experience of the profession to promote the public good and to encourage cordial discourse among the members of the Bar

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

YesNo

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

YesNo

If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

ABA Sections, Divisions, Forums The American Bar Association is one of the largest voluntary professional associations in the world Throughout its history, the ABA has demonstrated an ability to anticipate the needs of the legal profession and respond to the needs of a changing society The ABA brings the resources of a large national organization to the analysis and development of policy on issues that are of concern to both the profession and the public Much of this work is carried out through entities of the Association, primarily Sections, Divisions and Forums Continued on Schedule O

4b

(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c

(Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d

Other program services (Describe in Schedule O )







(Expenses \$ including grants of \$ ) (Revenue \$ )

4e

Total program service expenses

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A . . . . .	1	No
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?  . . . .	2	Yes
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . . . .	3	No
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . . . .	4	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III  . . . . .	5	Yes
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I . . . . .	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II . . . .	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III . . . . .	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV . . . . .	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V  . . . . .	10	Yes
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.  . . . . .	11a	Yes
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII . . . . .	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII . . . . .	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX . . . . .	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X  . . . . .	11e	Yes
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X . . . . .	11f	No
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII . . . . .	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional  . . . . .	12b	Yes
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E . . . . .	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV . . . . .	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV . . . . .	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV . . . .	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions) . . . . .	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . . . .	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . . . .	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H . . . . .	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

☐

		Yes	No			
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	393			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes			
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	915			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes			
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.	3b	Yes			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a				No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a				No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b				No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c				
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	Yes			
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	Yes			
7 Organizations that may receive deductible contributions under section 170(c).						
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a				
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b				
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c				
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d				
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e				No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f				
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8				
9 Sponsoring organizations maintaining donor advised funds.						
a	Did the organization make any taxable distributions under section 4966?	9a				
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b				
10 Section 501(c)(7) organizations. Enter						
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b				
11 Section 501(c)(12) organizations. Enter						
a	Gross income from members or shareholders.	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b				
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a				
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b				
13 Section 501(c)(29) qualified nonprofit health insurance issuers.						
a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	13a				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b				
c	Enter the amount of reserves on hand.	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a				No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b				

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2	Yes
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5	No
6	Did the organization have members or stockholders? . . . . .	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a	The governing body? . . . . .	8a	Yes
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	9	No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates? . . . . .	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	12c	Yes
13	Did the organization have a written whistleblower policy? . . . . .	13	Yes
14	Did the organization have a written document retention and destruction policy? . . . . .	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official . . . . .	15a	Yes
b	Other officers or key employees of the organization . . . . .	15b	Yes
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a	No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ▶William Phelan   321 N Clark St Chicago, IL 60654   (312) 988-5000

Check if Schedule O contains a response or note to any line in this Part VII ☒

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

[illegible]



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>	▼			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>	▼			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	▼	5,794,781		358,769

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶20

		Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	3	Yes
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	5	No

## Section B. Independent Contractors

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
James G Davis Corporation 12530 Parklawn Dr Rockville MD 20852	Construction	3,303,596
United States Postal Service, 2700 Campus Drive San Mateo CA 944979224	Shipping	2,910,000
Quad Graphics Inc, PO Box 644840 Pittsburgh PA 15264	Printing Services	2,516,647
Infocision Management Corporation, 325 Springside Drive Akron OH 44333	Telemarketing	1,706,475
Corporate Concepts, 445 N Wells Street Suite 404 Chicago IL 60610	Office Solutions	1,371,363

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶61

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . . . . 1a				
	b	Membership dues . . . . . 1b				
	c	Fundraising events . . . . . 1c				
	d	Related organizations . . . . . 1d				
	e	Government grants (contributions) 1e				
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	7,355,372			
	g	Noncash contributions included in lines 1a-1f \$				
	h	Total. Add lines 1a-1f . . . . .	7,355,372			
Program Service Revenue	2a	Meeting Fees	Business Code			
				25,939,807	25,939,807	
	b	Publication Revenue		11,253,328	11,253,328	
	c	Advertising Revenue	511120	3,280,137		3,280,137
	d	Membership Dues		71,912,797	71,912,797	
	e					
	f	All other program service revenue				
	g	Total. Add lines 2a-2f . . . . .		112,386,069		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		7,292,774		7,292,774
	4	Income from investment of tax-exempt bond proceeds . . . . .				
	5	Royalties . . . . .		7,837,710		7,837,710
	6a	Gross rents	(i) Real	(ii) Personal		
	b	Less rental expenses				
	c	Rental income or (loss)				
	d	Net rental income or (loss) . . . . .				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
			296,467,491			
	b	Less cost or other basis and sales expenses	267,180,512			
	c	Gain or (loss)	29,286,979			
	d	Net gain or (loss) . . . . .		29,286,979		29,286,979
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	a			
	b	Less direct expenses . . . . .	b			
	c	Net income or (loss) from fundraising events . . . . .				
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a			
	b	Less direct expenses . . . . .	b			
	c	Net income or (loss) from gaming activities . . . . .				
	10a	Gross sales of inventory, less returns and allowances . . . . .	a			
	b	Less cost of goods sold . . . . .	b			
	c	Net income or (loss) from sales of inventory . . . . .				
	Miscellaneous Revenue		Business Code			
	11a	Marketing Fees	900004	538,530		538,530
	b	Other Income	900099	1,883,666	1,745,629	138,037
	c					
	d	All other revenue . . . . .				
	e	Total. Add lines 11a-11d . . . . .		2,422,196		
	12	Total revenue. See Instructions . . . . .		166,581,100	110,851,561	3,956,704
					44,417,463	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21.	799,117			
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	128,808			
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4	Benefits paid to or for members.	0			
5	Compensation of current officers, directors, trustees, and key employees.	4,563,641			
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0			
7	Other salaries and wages.	48,451,083			
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	4,062,904			
9	Other employee benefits.	7,642,837			
10	Payroll taxes.	3,333,874			
11	Fees for services (non-employees):				
a	Management.	443,006			
b	Legal.	703,541			
c	Accounting.	261,003			
d	Lobbying.	1,124,798			
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	4,736,035			
12	Advertising and promotion.	11,182,400			
13	Office expenses.	8,377,400			
14	Information technology.	2,168,524			
15	Royalties.	1,559,696			
16	Occupancy.	4,659,387			
17	Travel.	9,338,042			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	19,911,875			
20	Interest.	3			
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	2,786,539			
23	Insurance.	252,276			
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	Tax.	1,875,672			
b	Utilities.	145,988			
c	Miscellaneous Operating.	890,503			
d	Interfund Transfers.	3,468,754			
e	All other expenses.	0			
25	Total functional expenses. Add lines 1 through 24e.	142,867,706			
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		1,803,964	1	12,492,512
	2	Savings and temporary cash investments		22,325,025	2	37,486
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		7,152,577	4	5,154,714
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		3,659,980	8	3,945,622
	9	Prepaid expenses and deferred charges		3,743,993	9	3,198,738
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.	10a	69,772,137		
	b	Less: accumulated depreciation	10b	52,157,755	10c	17,614,382
	11	Investments—publicly traded securities		270,929,357	11	313,877,474
	12	Investments—other securities. See Part IV, line 11.			12	
	13	Investments—program-related. See Part IV, line 11.			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11.		431,073	15	254,528
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34).		329,776,848	16	356,575,456
Liabilities	17	Accounts payable and accrued expenses		10,336,486	17	7,783,793
	18	Grants payable			18	
	19	Deferred revenue		55,984,373	19	52,780,399
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.			21	
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.			22	
	23	Secured mortgages and notes payable to unrelated third parties		79,063	23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D.		85,662,495	25	94,105,708
	26	<b>Total liabilities.</b> Add lines 17 through 25.		152,062,417	26	154,669,900
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>					
	27	Unrestricted net assets		177,714,431	27	201,905,556
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	<b>Total net assets or fund balances</b>		177,714,431	33	201,905,556
	34	<b>Total liabilities and net assets/fund balances</b>		329,776,848	34	356,575,456

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	166,581,100
2	Total expenses (must equal Part IX, column (A), line 25)	2	142,867,706
3	Revenue less expenses Subtract line 2 from line 1	3	23,713,394
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	177,714,431
5	Net unrealized gains (losses) on investments	5	11,550,462
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-11,072,731
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	201,905,556

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527  
▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes" to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes" to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization American Bar Association	Employer identification number  36-0723150
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

1	Provide a description of the organization's direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$ _____
3	Volunteer hours	_____

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file <b>Form 1120-POL</b> for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A
- Check ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B
- Check ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)  
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities?			
j Total. Add lines 1c through 1i.			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	No
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	No
3 Did the organization agree to carry over lobbying and political expenditures from the prior year?	3	No

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1 Dues, assessments and similar amounts from members	1	71,912,797
2 Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	1,124,798
b Carryover from last year	2b	
c Total	2c	1,124,798
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	1,797,820
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	-673,022

Part IV

Supplemental Information

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation



## Part IV

## Return Reference

### Explanation

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization American Bar Association	Employer identification number 36-0723150
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Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

▶ \$ \_\_\_\_\_

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2013

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

- 3

Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other
- 4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No
- b

If "Yes," explain the arrangement in Part XIII and complete the following table
- |    |        |
|----|--------|
|    | Amount |
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- 2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☒ No
- b

If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

☐

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	10,599,851	9,728,735	8,837,086		
b Contributions . . . . .	9,500	2,000	162,067		
c Net investment earnings, gains, and losses	1,443,145	923,250	819,572		
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .	125,838	54,134	89,990		
g End of year balance . . . . .	11,926,658	10,599,851	9,728,735		

- 2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a

Board designated or quasi-endowment

14 000 %
- b

Permanent endowment

58 000 %
- c

Temporarily restricted endowment

28 000 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- (i) unrelated organizations . . . . .

3a(i)

No

(ii) related organizations . . . . .

3a(ii)

Yes
- b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes
- 4

Describe in Part XIII the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .				
b Buildings . . . . .				
c Leasehold improvements . . . . .		23,886,805	13,303,153	10,583,652
d Equipment . . . . .		45,760,497	38,854,602	6,905,895
e Other . . . . .		124,835		124,835
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				17,614,382



**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return** Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements . . . . .	<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
<b>a</b>	Net unrealized gains on investments . . . . .	<b>2a</b>	
<b>b</b>	Donated services and use of facilities . . . . .	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line <b>1</b>		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total revenue Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12 ) . . . . .	<b>5</b>	

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements . . . . .	<b>1</b>	
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25		
<b>a</b>	Donated services and use of facilities . . . . .	<b>2a</b>	
<b>b</b>	Prior year adjustments . . . . .	<b>2b</b>	
<b>c</b>	Other losses . . . . .	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII ) . . . . .	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b> . . . . .	<b>2e</b>	
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b> . . . . .	<b>3</b>	
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line <b>1</b> :		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII ) . . . . .	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b> . . . . .	<b>4c</b>	
<b>5</b>	Total expenses Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18 ) . . . . .	<b>5</b>	

**Part XIII Supplemental Information**

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Return Reference	Explanation
V 4	The endowment funds are held by a tax-exempt related organization, ABA Fund for Justice and Education FJE. ABA uses the proceeds from the endowment funds to provide a predictable stream of funding for ABA programs.
X 2	The ABA and FJE are qualified under the US Internal Revenue Code Code as tax-exempt organizations or, in the case of FJE, as a tax-exempt fund, and are exempt from tax on income related to their tax-exempt purposes under Section 501a of the Code. The ABA is exempt from income tax as an association described in Section 501c6 of the Code. FJE is exempt under Section 501c3.
X	FJE and other organizations do not have any material unrelated business income. Accordingly, no provision for income taxes has been made in the consolidated financial statements for the fiscal years ended August 31, 2014 and 2013.

[illegible]

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
American Bar Association

Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Employer identification number  
36-0723150

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . .

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) National Women's Law Center 11 Dupont Circle NW Suite 800 Washington, DC 200361207	52-1213010	501c3	67,620				
(2) Center for Economic Progress 29 E Madison St Suite 900 Chicago, IL 60602	36-3693728	501c3	64,227				
(3) Senior Law Center 100 South Broad Street Suite 1820 Philadelphia, PA 19110	23-2169936	501c3	51,986				
(4) University of Washington School of Law Box 353020 Seattle, WA 98145	23-7066063	501c3	35,261				
(5) Northwestern University School of Law 357 East Chicago Chicago, IL 60611	36-2167817	501c3	31,996				
(6) Neighborhood Christian Legal Clinic 3333 N Meridian St Indianapolis, IN 46208	35-1916572	501c3	29,958				
(7) Nat'l Conf of Commissioners on Uniform State Law 111 N Wabash Ave Ste 1010 Chicago, IL 60602	36-3761561	501c3	26,250				
(8) AIPLEF 241 18th Street South Arlington, VA 22201	54-2019670	501c3	17,500				

- 2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . .

8
- 3

Enter total number of other organizations listed in the line 1 table . . . . .

**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Scholarships/Awards	116	128,808			

**Part IV**

**Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
Part I Line 2	The ABA has recipient monitoring procedures in place to ensure adequate control of funds that are awarded. These procedures include the review of grantee financial and narrative reports, periodic on-site monitoring of grantee programs and financial operation, review of cash management procedures to minimize the cash on hand by recipients, and the review and appropriate follow-up on recipient audits including any deficiencies noted.
Part I Line 2	Grant recipients typically are selected in consultation with the funding agency.
Part I Line 2	The majority of the scholarships are paid directly to the colleges and universities that the award winners are attending. The remaining awards are paid as stipends to under-represented law students pursuing unpaid clerkships with judges. The stipends for clerkships are taxable to the grantee.



Additional Data

Software ID: 13000230  
Software Version: 13.6.0.0  
EIN: 36-0723150  
Name: American Bar Association

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
National Women's Law Center 11 Dupont Circle NW Suite 800 Washington, DC 200361207	52-1213010	501c3	67,620				

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Center for Economic Progress 29 E Madison St Suite 900 Chicago, IL 60602	36-3693728	501c3	64,227				

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Senior Law Center 100 South Broad Street Suite 1820 Philadelphia, PA 19110	23-2169936	501c3	51,986				

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
University of Washington School of Law Box 353020 Seattle, WA 98145	23-7066063	501c3	35,261				

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Northwestern University School of Law 357 East Chicago Chicago,IL 60611	36-2167817	501c3	31,996				

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV , appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Neighborhood Christian Legal Clinic 3333 N Meridian St Indianapolis, IN 46208	35-1916572	501c3	29,958				

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Nat'l Conf of Commissioners on Uniform State Law 111 N Wabash Ave Ste 1010 Chicago, IL 60602	36-3761561	501c3	26,250				

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AIPLEF 241 18th Street South Arlington, VA 22201	54-2019670	501c3	17,500				



Schedule J  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
American Bar Association

Employer identification number  
36-0723150

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</div><div><div><div><input checked="" type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div><div><div><input checked="" type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div><div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div><div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.</div></div>	Yes	
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>	Yes	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div></div><div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div><div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	Yes	
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>		No
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>		No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</div></div>		
<div><div>a</div><div>The organization?</div></div>		
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>		
<div><div>6</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</div></div>		
<div><div>a</div><div>The organization?</div></div>		
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>		
<div><div>7</div><div>For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</div></div>		
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div></div>		
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>		

**Part II** **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table								

**Part III**   **Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
Part I Line 4a	Severance payment was provided to Kathryn Wiley, Former Director, Human Resources, in the amount of 100,035 during the year

Additional Data

Software ID: 13000230  
Software Version: 13.6.0.0  
EIN: 36-0723150  
Name: American Bar Association

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Jack Rives Executive Director	(i) (ii)	1,009,746		450	25,350	1,425	1,036,971	
Lawrence Gill Deputy Executive Director	(i) (ii)	491,449		263	21,400	14,748	527,860	
Thomas Susman Director, Government Liason	(i) (ii)	344,281		1,688	15,274	2,880	364,123	
Jarisse Sanborn General Counsel	(i) (ii)	336,021		723	8,919	1,425	347,088	
James Swanson Senior Director, DC Operations	(i) (ii)	338,233		266	20,674	2,881	362,054	
Chris Gloede Chief Marketing Officer	(i) (ii)	307,405		247	20,180	6,524	334,356	
Marina Jacks Associate Executive Director Policy Governance	(i) (ii)	292,966		322	7,684	9,004	309,976	
Carol Stevens Chief of Communications and Media Relations	(i) (ii)	246,121		665	7,512	16,712	271,010	
H Maria Enright Senior Director Professional Services	(i) (ii)	236,014		1,122	3,780	15,887	256,803	
Holly Cook Director, DC Operations	(i) (ii)	227,195		180	5,729	3,788	236,892	
William Pusey Senior Director Editor and Publisher	(i) (ii)	204,525		102	14,027	25,362	244,016	
Robert Rupp Senior Director Publishing and CLE	(i) (ii)	175,524		148	7,921	8,004	191,597	
Alpha Brady Associate Executive Director - Public Service	(i) (ii)	170,530		124	2,575	8,404	181,633	
Martin Balogh Associate Executive Director - Meetings Travel	(i) (ii)	177,190		141	4,882	11,492	193,705	
Dolores Gedge Director of Planning	(i) (ii)	206,132		170	5,845	20,464	232,611	
Robert Horowitz Director, DC Professional Services	(i) (ii)	208,908		165	5,470	5,048	219,591	
Jerry Kiska Deputy CFO Controller	(i) (ii)	198,618		155	13,639	120	212,532	
Laura Metzger Division Director, Brand and Product Management	(i) (ii)	190,268		150	3,719	6,606	200,743	
Terrence Brooks Director, Division for Legal Services	(i) (ii)	186,656		148	5,119	15,633	207,556	
Katherine Wiley Former Director, Human Resouces	(i) (ii)							

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.**  
**▶ Attach to Form 990 or 990-EZ.**  
**▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).**

OMB No 1545-0047

**2013**

**Open to Public  
Inspection**

Name of the organization American Bar Association	Employer identification number 36-0723150
--	--

Return Reference	Explanation
Form 990, Part III, Section 4a, Line 1	The ABA provides law yers unparalleled opportunities for professional growth and service through numerous groups dedicated to specific areas of law The Association currently has 21 Sections, which range in size from about 3,600 members to more than 60,000 7 divisions and 6 forums All of these groups draw their membership from law yers, judges, academics, law students and associate members with common interests Sections include the follow ing legal areas Administrative Law and Regulatory Practice Antitrust Law Business Law Criminal Justice Dispute Resolution Environment, Energy and Resources Family Law Health Law Individual Rights and Responsibilities Intellectual Property Law International Law Labor and Employment Law Legal Education Litigation Public Contract Law Public Utility, Communications and Transportation Law Real Property, Trust and Estate Law Science and Technology Law State and Local Government Law Taxation Tort, Trial and Insurance Practice

Return Reference	Explanation
Form 990, Part III, Section 4a, Line 1	Divisions include Government and Public Sector Lawyers, Judicial, Law Practice, Law Student, Senior Lawyers, Solo, Small Firm and General Practice, Young Lawyers Forums explore new areas of developing law such as Franchising, Air and Space, Communications, Entertainment and Sports Industries, the Construction Industry and Affordable Housing and Community Development Sections, Divisions and Forums within the ABA provide members myriad opportunities for professional development, leadership development, networking, pro bono contributions, and education within their own particular field of interest and expertise

Return Reference	Explanation
Form 990, Part III, Section 4a, Line 1	Sections and Divisions also contribute to policy making on issues of importance to both law yers and the public Sections originate many of the recommendations that become the ABAs policy positions and act as checks and balances on recommendations of other entities Through the work of these groups, the ABA benefits the public through improvement of both the profession and the legal system

Return Reference	Explanation
Form 990, Part III, Section 4b, Line 1	By ensuring the continuing education and professional development of the nations law yers, the ABA contributes to a strong system of justice and professionalism, as well as the protection of clients, the public, and the courts



Return Reference	Explanation
Form 990, Part III, Section 4c, Line 1	<p>The ABA also publishes both print and electronic versions of the ABA Journal, which is provided free to approximately 400,000 members, as well as to numerous libraries interested in legal topics. The ABA also published more than 250 books and eBooks that were sold or distributed to more than 85,000 customers. These books offered guidance and counsel in every legal discipline and every aspect of a legal career. Many of these excellent books would not have been published by a commercial publisher because their revenue potential is not great enough for a commercial model.</p>

Return Reference	Explanation
Form 990, Part III, Section 4c, Line 1	How ever, these publications are of great value to the profession, providing vital information to keep law yers up to date on developments in the law Thus, ABA publications serve clients, the public and courts by improving the education and professionalism of the nations law yers Because the ABAs mission is to serve the profession, many disciplines and authors are able to publish vital and timely information that would not otherwise be available to the profession

Return Reference	Explanation
Form 990, Part VI, Section A, Line 6	The members of the Nominating Committee of the House of Delegates nominate the members of the Board of Governors, the elective offices of the Association, President, President Elect, Secretary, Treasurer, and Chair of the House of Delegates. Members who register for the annual meeting elect six members of the House of Delegates. The House elects the Board of Governors, the Chair of the House and the officers. Members may nominate officers and governors by presenting a nominating petition to the nominating committee with the number of member signatures specified in the bylaws for each elected position. Members may initiate a referendum to change or initiate ABA policy by filing a petition with the requisite number of signatures.

Return Reference	Explanation
Form 990, Part VI, Section A, Line 6	The House, by majority vote, can direct a referendum on a question relating to the substance of the law , the administration of justice or the policy of the Association. In either case, the majority of members casting a ballot determine the result. All members may attend the meetings of the House of Delegates and may submit a report and recommendation for consideration by the House.

Return Reference	Explanation
Form 990, Part VI, Section A, Line 7a	<p>The ABA House of Delegates elects the Board of Governors, the officers, and the Chair of the House. The House is designed to be representative of the legal profession in the United States. Members of the Association who register for the annual meeting elect six delegates-at-large. ABA members of each state elect state delegates. ABA members who belong to state and qualifying local Bar Associations also elect delegates, the number being dependent upon the number of ABA members and lawyers in the respective state or local association. Association members of ABA sections, divisions and judicial conferences elect section/division delegates. Each section has a minimum of two delegates, with additional delegates dependent upon the number of members in each section.</p>

Return Reference	Explanation
Form 990, Part VI, Section A, Line 7a	The U S Virgin Islands Bar Association elects a delegate and the Bar Associations of Guam and the Commonwealth of the Northern Mariana Islands share one elected rotating delegate State, local and territorial bar associations elect delegates according to their own rules For purposes of election to the Board, the House is grouped into eighteen geographical districts Governors serve staggered three year terms the House elects approximately one-third of the Board, and the President-Elect at each annual meeting The Board of Governors consists of one member from each of the 18 geographical districts, six section members-at-large, and one non-voting law student member-at-large

Return Reference	Explanation
Form 990, Part VI, Section A, Line 7a	The President, Chair of the House, President-Elect, Immediate Past President, Secretary and Treasurer of the ABA are ex-officio members of the Board of Governors, and every third year the Treasurer-Elect and Secretary-Elect also are included in the Board of Governors. The House elects the Chair of the House for a two-year term in even-numbered years every third year the House elects a Treasurer and Secretary a year in advance for three year terms.

Return Reference	Explanation
Form 990, Part VI, Section B, Line 11a	Prior to filing the return with the IRS, it is reviewed by the organizations management and then subject to review by the Audit Committee. The Form 990 is shared on a secure website with all members of the ABA Board prior to filing with the IRS.



Return Reference	Explanation
Form 990, Part VI, Section B, Line 12a	Each Board member received the Conflict of Interest COI questionnaire this year. All responses were reviewed by the Accounting team at the ABA. If a Board member discloses a conflict, the Board member must recuse themselves from any matter involving the disclosed conflict, and the recusal is noted in the minutes. Additionally, staff assigned to the Board of Governors distribute COI forms to Board members prior to each Board meeting and collect the completed COI forms.

Return Reference	Explanation
Form 990, Part VI, Section B, Line 15a	The Compensation Committee of the ABA Board of Governors reviewed compensation information of comparable entities and performance assessments of the top management position and made a recommendation to the full ABA Board of Governors. The ABA Board of Governors must approve the final compensation. This process occurs every year and was last performed calendar year 2014.

Return Reference	Explanation
Form 990, Part VI, Section B, Line 15b	<p>The Compensation Committee of the ABA Board of Governors reviews compensation information of comparable entities and performance of other officers and key employees. When the other officer and key employee positions become vacant, the compensation is reviewed by Associations Executive Director and Human Resources department based on guideline recommendations of the Compensation Committee. The ABA Board approves the final compensation of the Executive Director of the American Bar Association. This process occurs every year and was last performed in calendar year 2014. The Association President and the President-Elect receive 100,000 and 50,000 respectively in compensation for their positions.</p>

Return Reference	Explanation
Form 990, Part VI, Section C, Line 19	The ABA constitution and bylaws, the ABA business conduct standards, and the audited financial statements are available upon request or on the ABA website <a href="http://www.abanet.org">www.abanet.org</a>

Return Reference	Explanation
Form 990, Part VII, Section D, Line 1	Though this return is reporting on fiscal year August 31, 2014 activities, the compensation reported is based on the Forms W-2 filed with the IRS for calendar year 2013

Return Reference	Explanation
Form 990, Part XI, Line 9	Interfund Transfers 3,468,753, Designated reserve for Ops 8,810,043, Investment Income 34,331,154 , Pension Changes 2,913,842, Other Non-Operating 538,125 , Realized Gain on Sale of Investments 29,286,979, Pension Plan Allocation 1,462,393

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
American Bar Association

Employer identification number  
36-0723150

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ABA Fund for Justice & Education  321 N Clark Street  Chicago, IL 60654 36-6110299	Public Service	IL	501c3	11-Type I	N/A		No
(2) American Bar Endowment  321 N Clark Street  Chicago, IL 60654 36-2384321	Grants	IL	501c3	7	N/A		No
(3) American Bar Foundation  750 N Lake Shore Drive  Chicago, IL 60611 36-6110271	Research	IL	501c3	7	N/A		No
(4) National Judicial College  Judicial College Bldg MS 358  Reno, NV 89557 94-2427596	Education	NV	501c3	2	N/A		No
(5) The World Justice Project  740 15th Street NW  Washington, DC 20005 27-0359097	Public Service	DC	501c3	7	N/A		No

Part III

Identification of Related Organizations Taxable as a Partnership

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) ABA Retirement Funds  321 N Clark Street Chicago, IL 60654 36-2550367	Benefit Plans	IL	ABA	C Corp					No



Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o	Yes	
1p		No
1q	Yes	
1r		No
1s		No

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
------------------	-------------

Additional Data

Software ID: 13000230  
Software Version: 13.6.0.0  
EIN: 36-0723150  
Name: American Bar Association

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
ABA Retirement Funds	q	1,022,442	
American Bar Endowment	q	335,252	
American Bar Foundation	q	75,161	
American Bar Insurance	q	77,004	
National Judicial College	q	345,868	
ABA Fund for Justice & Education	o	28,955,805	
ABA Fund for Justice & Education	q	10,102,175	



Grant Thornton

Consolidated Financial Statements, Report of  
Independent Certified Public Accountants

**American Bar Association**

August 31, 2014 and 2013

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# Grant Thornton

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP  
175 W Jackson Boulevard, 20th Floor  
Chicago, IL 60604-2687  
T 312 856 0200  
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Board of Governors  
American Bar Association

### Report on the financial statements

We have audited the accompanying consolidated financial statements of the American Bar Association (the ABA), which comprise the consolidated statements of financial position as of August 31, 2014 and 2013, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements

### Management's responsibility for the financial statements

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

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the ABA's preparation and fair presentation of the consolidated 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 ABA'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the American Bar Association as of August 31, 2014 and 2013, 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

#### *Supplementary information*

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying details of consolidated statements of financial position, details of consolidated statements of activities and changes in net assets, and functional details of consolidated statements of activities and changes in net assets are presented for purposes of additional analysis, rather than to present the financial position and statements of activities and changes in net assets of the individual entities, and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Grant Thornton LLP*

Chicago, Illinois  
February 6, 2015



**American Bar Association**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**August 31,**  
**(In thousands)**

<b>ASSETS</b>		<u>2014</u>	<u>2013</u>
<b>ASSETS</b>			
Cash and cash equivalents		\$ 18,137	\$ 26,393
Accounts receivable, net		11,867	16,498
Inventory, net		4,042	3,754
Prepaid and other assets		2,974	3,744
Due from related parties		300	191
Long-term investments		325,846	282,127
Long-term investments held for a related party		255	240
Property and equipment			
Furniture and equipment		45,775	40,520
Leasehold improvements		23,887	25,404
Work in progress		360	3,445
Accumulated depreciation		<u>(52,165)</u>	<u>(49,638)</u>
Property and equipment, net		<u>17,857</u>	<u>19,731</u>
<b>TOTAL ASSETS</b>		<b><u>\$381,278</u></b>	<b><u>\$352,678</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable		\$ 8,313	\$ 10,834
Deferred revenue		58,073	58,522
Deferred rent abatement		21,191	18,483
Pension liability		63,768	59,499
Other liabilities		8,840	8,143
Debt		-	79
Due to related parties		<u>314</u>	<u>300</u>
Total liabilities		160,499	155,860
<b>NET ASSETS</b>			
Unrestricted			
Undesignated		92,877	74,004
Board-designated		<u>116,690</u>	<u>112,597</u>
Total unrestricted		209,567	186,601
Temporarily restricted		4,322	3,336
Permanently restricted		<u>6,890</u>	<u>6,881</u>
Total net assets		<u>220,779</u>	<u>196,818</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$381,278</u></b>	<b><u>\$352,678</u></b>

The accompanying notes are an integral part of these statements

**American Bar Association**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years ended August 31,**  
**(In thousands)**

	<u>2014</u>	<u>2013</u>
Unrestricted net assets		
Operating		
Revenues		
Membership dues	\$ 71,913	\$ 72,651
Meeting fees	26,820	28,446
Advertising	3,409	3,299
Gifts and grants	58,347	60,571
Publications	11,176	11,969
Royalties	8,774	7,870
Accreditation fees	4,018	3,196
Other	2,484	2,856
Investment income for operations	7,293	7,685
Designated reserve for operations	8,810	6,480
Net assets released from restrictions	<u>1,331</u>	<u>999</u>
Total operating revenues	204,375	206,022
Expenses		
Salaries, wages and benefits	95,591	96,314
Professional fees and services	25,892	23,976
Meetings and travel	39,196	38,601
Advertising and marketing	3,797	3,216
Printing and publications	12,710	12,781
Facilities	21,168	22,812
General operations	<u>5,840</u>	<u>7,032</u>
Total operating expenses	<u>204,194</u>	<u>204,732</u>
Excess operating revenues over expenses	181	1,290
Non-operating		
Investment income and realized and unrealized gains, net	34,699	19,784
Pension changes other than net periodic pension cost	(2,923)	23,499
Designated reserve for operations	(8,810)	(6,480)
Other non-operating items	<u>(181)</u>	<u>621</u>
Total non-operating revenue	<u>22,785</u>	<u>37,424</u>
Change in unrestricted net assets	22,966	38,714

**American Bar Association****CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS -  
CONTINUED****Years ended August 31,****(In thousands)**

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	<u>2014</u>	<u>2013</u>
Temporarily restricted net assets		
Gifts and pledges	\$ 1,076	\$ 876
Investment income	1,241	798
Net assets released from restrictions	<u>(1,331)</u>	<u>(999)</u>
Change in temporarily restricted net assets	986	675
Permanently restricted net assets		
Gifts and pledges	<u>9</u>	<u>2</u>
Change in permanently restricted net assets	<u>9</u>	<u>2</u>
<b>CHANGE IN TOTAL NET ASSETS</b>	23,961	39,391
Net assets at beginning of year	<u>196,818</u>	<u>157,427</u>
Net assets at end of year	<u><u>\$220,779</u></u>	<u><u>\$196,818</u></u>

The accompanying notes are an integral part of these statements

**American Bar Association**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years ended August 31,**  
**(In thousands)**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in total net assets	\$ 23,961	\$ 39,391
Adjustments to reconcile change in total net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	2,787	4,715
Loss on disposals and sale of property and equipment	-	144
Realized and change in unrealized gains from investing activities	(42,470)	(20,371)
Changes in operating assets and liabilities		
Decrease in accounts receivable	4,631	88
Increase in inventory	(288)	(277)
Decrease (increase) in prepaid and other assets	770	(1,233)
(Increase) decrease in investments held for related parties	(15)	4
Increase in due to/from related parties, net	(95)	(53)
(Decrease) increase in accounts payable	(2,521)	2,308
Decrease in deferred revenue	(449)	(1,804)
Increase in deferred rent abatement	2,708	6,331
Increase (decrease) in pension liability	4,269	(17,502)
Increase in other liabilities	<u>697</u>	<u>574</u>
Net cash (used in) provided by operating activities	(6,015)	12,315
Cash flows from investing activities		
Sales of investments	306,928	13,523
Purchases of investments	(308,176)	(16,721)
Purchases of property and equipment	<u>(914)</u>	<u>(7,918)</u>
Net cash used in investing activities	(2,162)	(11,116)
Cash flows from financing activities		
Principal payments on long-term debt	<u>(79)</u>	<u>(949)</u>
Net cash used in financing activities	<u>(79)</u>	<u>(949)</u>
(Decrease) increase in cash and cash equivalents	(8,256)	250
Cash and cash equivalents at beginning of year	<u>26,393</u>	<u>26,143</u>
Cash and cash equivalents at end of year	<u>\$ 18,137</u>	<u>\$ 26,393</u>
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ -	\$ 12
Cash paid for income taxes	100	330

The accompanying notes are an integral part of these statements

**American Bar Association**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**August 31, 2014 and 2013**  
**(Dollars in thousands)**

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**NOTE A - ORGANIZATION**

The American Bar Association (the ABA) is the national professional association for the nation's lawyers and provides a wide range of services to its members and the public. The ABA's mission is to serve equally its members, its profession and the public by defending liberty and delivering justice as the national representative of the legal profession.

The consolidated financial statements of the ABA include the accounts of the ABA, the American Bar Association Fund for Justice and Education (the FJE) and The James O. Broadhead Corporation (JOB). The ABA Board of Governors (the Board) approved the dissolution of JOB in February 2013, and it was formally dissolved in April 2013.

The ABA established the FJE as a separate fund in order to obtain tax deductibility for contributions made to the FJE. The FJE has no existence separate from the ABA other than its having applied for and maintained its status as a tax-exempt fund. The FJE's bylaws require that the FJE maintain its assets separate and apart from the general and unrestricted assets of the ABA, that these assets may not be used in any manner for the general purposes of the ABA and that the FJE maintain books and records separate and apart from the general books and records of the ABA.

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The ABA's consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). These principles require management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses in the reporting period. Actual results could differ from those estimates.

Financial statement presentation follows the accounting standards for not-for-profit organizations. Under these standards, net assets, revenues, and investment income or loss are classified based on the existence or absence of donor-imposed restrictions, as follows:

- Permanently restricted net assets are assets subject to donor-imposed restrictions that do not expire over time or cannot be removed or satisfied by the entity itself.
- Temporarily restricted net assets are assets with donor restrictions that expire with the passage of time, the occurrence of an event or the fulfillment of certain conditions. Earnings related to temporarily restricted net assets are recorded as temporarily restricted net assets until amounts are expensed in accordance with the donor's specified purposes. When donor restrictions are met, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as "net assets released from restrictions."

**American Bar Association**

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- Unrestricted net assets are not subject to donor-imposed stipulations other than broad restrictions relating to the nature or purposes of the entity. The ABA uses unrestricted contributions at its complete discretion without time or purpose limits. Board-designated net assets are unrestricted net assets designated by the Board to be used for several specific purposes. The Board retains control over these net assets and may, at its discretion, subsequently use the net assets for other purposes.

***Cash and Cash Equivalents***

Cash equivalents include a money market fund with underlying securities having a dollar-weighted average maturity of 90 days or less at the time of purchase. The ABA can liquidate shares of the fund at any time for no cost. The ABA had deposits in excess of federally insured limits at August 31, 2014 and 2013. The ABA has not experienced any losses in such deposit accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. The cash equivalents were \$476 and \$22,325 in 2014 and 2013, respectively.

***Accounts Receivable***

Accounts receivable are stated at amounts due, net of an allowance for doubtful accounts. The ABA evaluates the collectability of its accounts receivable based on the length of time the receivable is outstanding and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged to the allowance for doubtful accounts when they are deemed uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

***Inventory***

Inventory consists of book publications and is stated at the lower of cost or market. This accounting method takes into consideration both selling price and cost. The ABA uses the weighted-average cost method in determining inventory costs.

Inventories are stated net of a reserve for excess and obsolete items. Reserves for excess and obsolete inventories are based on the value of inventory items in excess of 18 months of sales activity or specific identification. The reserve for excess and obsolete inventory was \$3,530 and \$2,832 in 2014 and 2013, respectively.

***Investments***

The ABA records at fair value all investments in debt securities and equity securities with readily determinable fair values based on quoted market prices. Investments held for related parties represent investments that are the property of related-party organizations (see note C), which are maintained in the ABA investment portfolio.

The estimated fair values of investments that do not have readily determinable fair values are based on the net asset value (NAV) per share or based on estimates provided by external investment managers. These fair values are examined through a valuation review process performed by management. A range of possible values exists for these securities and, therefore, the estimated values may differ from the values that would have been used had a ready market for these securities existed.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
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***Property and Equipment***

The ABA records leasehold improvements, furniture and equipment at cost and capitalizes acquisitions of such items having an initial cost of \$5,000 or more. Acquisitions with a cost of less than \$5,000 are expensed in the current period. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the assets ranging from five to 16 years.

***Fair Value of Financial Instruments***

Financial instruments of the ABA consist of cash and cash equivalents, accounts receivable, inventory, long-term investments, accounts payable and obligations under short-term debt. Except for instruments evidencing indebtedness of the ABA, the fair value of financial instruments approximates their carrying value in the financial statements, for which fair value information is provided in note E.

***Net Assets/Board-Designated Funding of Operations***

The ABA's unrestricted net assets include certain amounts the Board has designated as a reserve for operations. As part of the ABA's annual budgeting process, the Board decides whether it is appropriate to increase or decrease operating revenues by transferring amounts from or to the non-operating section of the consolidated statements of activities and changes in net assets. Amounts equal to the amounts transferred, if any, are then reclassified within the net assets section of the consolidated statements of financial position between Board-designated and undesignated. In the case of amounts transferred to operating revenues, the Board-designated amounts are decreased and the undesignated amounts are increased by the amounts transferred. In the case of amounts transferred from operating revenues, the Board-designated amounts are increased and the undesignated amounts are decreased by the amounts transferred. Allocations for operations from Board-designated reserves were \$8,810 and \$6,480 for the fiscal years 2014 and 2013, respectively.

***Operations***

In the consolidated financial statements, revenues earned and expenses incurred in conducting the programs and services of the ABA are presented as operating activities. Non-operating activities include investment income or loss, net of income designated for operations, pension changes other than net periodic pension costs, gains or losses on the sale or disposal of property and equipment if applicable, and other non-operating items.

***Gifts and Contributions***

The ABA recognizes cash gifts and contributions as revenue in the period received. Pledges are recognized in the period pledged and recorded at fair value. Gifts and contributions are reported as either temporarily or permanently restricted if they are received with donor restrictions that limit their use other than for broad restrictions relating to the nature or purposes of the ABA. The expiration or fulfillment of donor-imposed restrictions on contributions result in those contributions being reported as net assets released from restrictions in the accompanying consolidated statements of activities and changes in net assets.

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***Membership Dues***

Revenue is recognized in the period when the latter of the following has occurred (1) goods and services are provided and (2) payment for those goods and services has been received. Membership dues received for a future fiscal period are accounted for as deferred revenue. That deferred revenue is recognized as revenue in the fiscal period when the goods and services paid for are provided.

***Meeting Fees***

Meeting fees for the current fiscal year are recognized when the meeting dates have occurred. Payments received for meetings being held in the next fiscal year are accounted for as deferred revenue.

***Grant Revenue***

Grant activity is recorded as exchange transactions. Grant revenue is recognized when the expenses have been incurred for the purpose specified by the grantor. Payments received in advance of when expenses have been incurred are initially recorded as deferred revenue.

***Publications Revenue***

The ABA publishes and distributes numerous magazines and books. Payment is requested in advance for all publications, except for publications sold to libraries and government agencies. Revenue is recorded when the invoice is issued, invoices are issued upon shipment.

***Royalty Revenue***

The ABA receives various royalties from other organizations. These royalties are primarily from membership benefits offered to members and staff of the ABA. The revenue is recognized when earned according to contractual agreements with each organization.

***Advertising Expense***

The ABA expenses advertising costs as incurred.

***Income Taxes***

The ABA and the FJE are qualified under the U.S. Internal Revenue Code (the IRC) as tax-exempt organizations or, in the case of the FJE, as a tax-exempt fund, and are exempt from tax on income related to their tax-exempt purposes under Section 501(a) of the IRC. The ABA is exempt from income taxes as an association described in Section 501(c)(6) of the IRC. The FJE is exempt under Section 501(c)(3). Management believes there are no material uncertain tax positions that require recognition in the accompanying consolidated financial statements. While exempt from income tax under IRC Section 501(a), the ABA is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the IRC. The tax years of 2010, 2011, 2012 and 2013 are still open to audit for both federal and state purposes. There is \$34 of interest related to income taxes that is included in other liabilities and other non-operating expenses as of and for the year ended August 31, 2014. There were no interest or penalties related to income taxes that have been accrued or recognized as of and for the year ended August 31, 2013.



**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

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**NOTE C - RELATED-PARTY TRANSACTIONS**

Each of the American Bar Endowment, the American Bar Foundation, the ABA Retirement Funds and the National Judicial College is under its own management, but each is related to the ABA through some common directors, officers or members

The American Bar Endowment contributed \$3,365 and \$3,616 to the ABA in 2014 and 2013, respectively. The FJE contributed \$225 to the National Judicial College in 2014 and 2013. The ABA held \$255 and \$240 in long-term investments for the National Judicial College in 2014 and 2013, respectively. In addition, the ABA's expenses were reduced by \$1,926 and \$1,452 in 2014 and 2013, respectively, for expense reimbursements received from the following related organizations:

	<u>2014</u>	<u>2013</u>
ABA Retirement Funds	\$1,022	\$ 990
American Bar Endowment	335	212
National Judicial College	346	25
American Bar Foundation	75	65
American Bar Insurance	77	62
National Association of Women Lawyers	39	38
National Association of Bar Executives	16	31
National Conference of Bar Presidents	<u>16</u>	<u>29</u>
Total	<u>\$1,926</u>	<u>\$1,452</u>

The expense reimbursements are principally for compensation, rent and services provided by the ABA that are either directly chargeable to the related organization or are allocated based on usage studies.

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**NOTE D - INVESTMENTS**

The ABA's consolidated long-term investments at August 31, 2014 and 2013, are as follows:

	<u>2014</u>	<u>2013</u>
Equity securities	\$225,248	\$190,331
Fixed income	<u>100,598</u>	<u>91,796</u>
Total long-term investments	<u>\$325,846</u>	<u>\$282,127</u>

**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

Investment returns in each net asset category for the years ended August 31, 2014 and 2013, are as follows

	2014		
	Unrestricted	Temporarily restricted	Total
Interest and dividends, net of management fees	\$ 763	\$ (27)	\$ 736
Realized gains, net	29,542	827	30,369
Unrealized gains in market value, net	<u>11,687</u>	<u>441</u>	<u>12,128</u>
Total investment return	<u>\$41,992</u>	<u>\$1,241</u>	<u>\$43,233</u>
	2013		
	Unrestricted	Temporarily restricted	Total
Interest and dividends, net of management fees	\$ 7,620	\$ 275	\$ 7,895
Realized gains, net	1,470	-	1,470
Unrealized gains in market value, net	<u>18,379</u>	<u>523</u>	<u>18,902</u>
Total investment return	<u>\$27,469</u>	<u>\$ 798</u>	<u>\$28,267</u>

On an annual basis, the Board may approve the allocation of investment income to operating revenue. Investment income allocated to operations in 2014 and 2013 totaled \$7,293 and \$7,685, respectively. The allocated amount includes all short-term investment income earned and a percentage of the average balance of the long-term investments for a prior 12-quarter period. Investment returns on long-term investments, excluding the return on long-term investments allocated to operations, are recorded as a non-operating activity and totaled \$34,699 and \$19,784 for fiscal years 2014 and 2013, respectively.

The ABA pays management fees to various fund managers that are netted against investment income. Management fees were \$723 and \$75 for fiscal years 2014 and 2013, respectively. The liability related to long-term investments held for related parties is included under the caption "Due from related parties" or "Due to related parties" on the accompanying consolidated statements of financial position.

**NOTE E - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The ABA values its financial assets based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value in three broad levels, which are described below:

Level 1 - Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or model-derived valuations in which all significant inputs are observable or

**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

can be derived principally from or corroborated with observable market data. Level 2 also includes investments measured using NAV per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which is generally considered to be within 90 days.

Level 3 - Unobservable inputs are used when little or no market data is available. Level 3 also includes investments measured using NAV that can never be redeemed at the NAV or for which redemption at NAV is uncertain due to lock-up periods or other investment restrictions.

In determining fair value, the ABA uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value. Financial assets carried at fair value at August 31, 2014 and 2013, are classified in the tables below in one of three categories as described above. Transfers between levels are recognized as of the end of the reporting period.

	2014			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market accounts	\$ 476	\$ -	\$ -	\$ 476
Long-term investments				
Equity securities				
U.S. large-cap index	-	81,241	-	81,241
U.S. small-cap index	-	10,788	-	10,788
Mutual funds	68,726	-	-	68,726
International index	-	44,463	-	44,463
Defensive U.S. equity	-	576	-	576
Emerging markets	-	19,454	-	19,454
Fixed income securities				
Bond funds	-	100,598	-	100,598
Total long-term investments	68,726	257,120	-	325,846
Long-term investments held for related parties				
Bond fund	-	255	-	255
Total assets at fair value	<u>\$ 69,202</u>	<u>\$257,375</u>	<u>\$ -</u>	<u>\$326,577</u>

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	2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Money market accounts	\$ 22,325	\$ -	\$ -	\$ 22,325
Long-term investments				
Equity securities				
U S large-cap index	95,105	-	-	95,105
U S mid-cap index	24,126	-	-	24,126
U S small-cap index	20,648	-	-	20,648
International index	50,452	-	-	50,452
Fixed income securities				
Corporate bond fund	<u>91,796</u>	<u>-</u>	<u>-</u>	<u>91,796</u>
Total long-term investments	282,127	-	-	282,127
Long-term investments held for related parties				
Corporate bond fund	<u>240</u>	<u>-</u>	<u>-</u>	<u>240</u>
Total assets at fair value	<u>\$304,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$304,692</u>

**NOTE F - ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following at August 31

	2014	2013
Grants (net of allowance for doubtful accounts of \$290 in 2014 and \$632 in 2013)	\$ 4,425	\$ 7,345
Non-dues revenue general receivables (net of allowance for doubtful accounts of \$143 in 2014 and \$73 in 2013)	4,313	4,250
Special advances on international grants	2,072	1,938
Royalties	830	693
Mailing list (net of allowance for doubtful accounts of \$1 in 2014 and \$2 in 2013)	227	239
Tenant improvement reimbursements	<u>-</u>	<u>2,033</u>
Total	<u>\$11,867</u>	<u>\$16,498</u>

**NOTE G - EMPLOYEE BENEFIT PLANS**

The employees of the ABA, together with the employees of the American Bar Endowment, the American Bar Foundation and the National Judicial College (the Plan Sponsors) participate in the A-E-F-C Pension Plan (the Pension Plan), a defined benefit plan, and the ABA Thrift Plan, a contributory and defined contribution plan,

**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

(the Thrift Plan) In an amendment effective January 1, 2007, employees hired on or after that date are not eligible to participate in the Pension Plan, but participate in the defined contribution portion of the Thrift Plan. Employees as of December 31, 2006, could remain in and accrue additional benefits under the Pension Plan or elect to convert to the defined contribution plan as of January 1, 2007. Annual contributions to the defined contribution plan are 5% of the participant's annual salary. Employees who converted to the defined contribution plan retain vested benefits accrued as of December 31, 2006, under the Pension Plan.

Under the Thrift Plan, participants may contribute to a 401(k) in which the employer matches each contribution dollar-for-dollar to a maximum of \$300 (amount not in thousands). Thereafter, the employer contributes at a rate of 50% of the participant's contribution up to an employer maximum of 3% of a participant's annual salary.

The ABA's portion of the Pension Plan expense for the years ended August 31, 2014 and 2013, was \$5,525 and \$7,609, respectively. Effective January 1, 2011, the Pension Plan was amended to reduce the plan benefit formula with the intent that the expected cost of ABA's future accrual would approximate 5% of total participants' pay.

The Pension Plan pays management fees to various fund managers that are netted against investment income. These management fees are in support of the Pension Plan as a whole, which also supports some ABA related parties. The management fees were \$597 and \$409 for fiscal years 2014 and 2013, respectively.

The funded status of the ABA's portion of the Pension Plan at the measurement dates, August 31, 2014 and 2013, and the accrued pension costs recognized in the ABA's consolidated statements of financial position at August 31, 2014 and 2013, are as follows:

	2014	2013
Change in projected benefit obligation		
Projected benefit obligation at beginning of year	\$166,935	\$183,976
Service cost	1,516	2,066
Interest cost	8,035	7,188
Actuarial loss (gain)	13,504	(20,850)
Benefits paid	<u>(5,966)</u>	<u>(5,445)</u>
Projected benefit obligation at end of year	184,024	166,935
Change in Pension Plan assets		
Fair value of Pension Plan assets at beginning of year	107,436	106,975
Actual return on Pension Plan assets	14,608	4,293
Benefits paid	(5,966)	(5,445)
Employer contributions	<u>4,178</u>	<u>1,613</u>
Fair value of assets at end of year	<u>120,256</u>	<u>107,436</u>
Funded status as of the measurement date	<u>\$ (63,768)</u>	<u>\$ (59,499)</u>

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	2014	2013
Components of adjustments to unrestricted net assets		
Unrecognized prior service cost	\$ (1,550)	\$ (2,522)
Unrecognized net loss	<u>62,149</u>	<u>60,198</u>
Total adjustments to unrestricted net assets	<u>\$ 60,599</u>	<u>\$ 57,676</u>
Amounts recognized in the consolidated statements of financial position		
Accrued pension liability	\$ (63,768)	\$ (59,499)
Accumulated benefit obligation	<u>\$184,024</u>	<u>\$166,935</u>
Weighted-average assumptions used to determine benefit obligations		
Discount rate	4.37%	4.91%
Rate of compensation increase	3.35	3.30
Expected return on Pension Plan assets	7.00	7.00
Components of net periodic pension costs		
Service cost	\$ 1,516	\$ 2,066
Interest cost	8,035	7,188
Actual return on Pension Plan assets	(7,538)	(7,396)
Amortization of net loss	4,485	7,238
Amortization of prior service credit	<u>(973)</u>	<u>(1,487)</u>
Total net periodic pension cost	5,525	7,609
Weighted-average assumptions used to determine net periodic benefit cost		
Discount rate	4.91%	3.97%
Rate of compensation increase	3.30	3.30
Expected return on Pension Plan assets	7.00	7.00
Components of pension-related changes other than net periodic pension costs are as follows at August 31		
Net loss (gain)	6,435	(17,748)
Amortization of net loss	(4,485)	(7,238)
Amortization of prior service credit	<u>973</u>	<u>1,487</u>
Total pension changes other than net periodic pension costs	<u>2,923</u>	<u>(23,499)</u>
Total net periodic pension cost and pension changes other than net periodic pension cost	<u>\$ 8,448</u>	<u>\$ (15,890)</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**  
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***Pension Plan Assets***

The composition of Pension Plan assets at the measurement dates of August 31, 2014 and 2013, is as follows

	<u>2014</u>	<u>2013</u>
Equity securities		
U S equity	16 1 <sup>0</sup> 0	17 3 <sup>0</sup> 0
Global Ex U S	12 4	6 9
Emerging markets	<u>6 7</u>	<u>12 3</u>
Total equity securities	35 2	36 5
Debt securities		
Fixed income	34 3	28 1
Invested cash	<u>0 4</u>	<u>2 3</u>
Total debt securities	34 7	30 4
Real asset fund	3 4	8 0
Absolute return	13 4	14 3
Equity hedge funds	<u>13 3</u>	<u>10 8</u>
Total	<u>100 0<sup>0</sup> 0</u>	<u>100 0<sup>0</sup> 0</u>

The investment policy of the Pension Plan Administration Committee (Committee) seeks reasonable asset growth at prudent risk levels within target allocations. Asset allocation target ranges are reviewed quarterly and re-balanced to within policy target allocations. The investment policy is reviewed at least annually, and revised, as deemed appropriate, by the Committee.

The Pension Plan's investments are diversified to mitigate risks of loss yet maximize investment returns. Due to the volatility of the capital markets, there is a reasonable possibility of changes in fair value, resulting in additional losses in the near term. It is the intention of the ABA to fund its portion of the Pension Plan as required by the Employee Retirement Income Security Act of 1974.

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The fair values of the Pension Plan assets at August 31, 2014 and 2013, by asset category are as follows

	2014			
	Level 1	Level 2	Level 3	Total
Common stock funds	\$ 3,103	\$ -	\$ -	\$ 3,103
Money market funds	-	1,126	-	1,126
Mutual funds				
Fixed	28,004	-	-	28,004
Equity	15,982	-	-	15,982
Collective trust funds				
Fixed	-	13,037	-	13,037
Equity	-	6,783	-	6,783
Limited liability company	-	11,323	-	11,323
Hedge funds	<u>-</u>	<u>39,245</u>	<u>1,653</u>	<u>40,898</u>
Total investments	<u>\$47,089</u>	<u>\$71,514</u>	<u>\$1,653</u>	<u>\$120,256</u>

	2013			
	Level 1	Level 2	Level 3	Total
Common stock funds	\$ 3,856	\$ -	\$ -	\$ 3,856
Money market funds	-	1,456	-	1,456
Mutual funds				
Fixed	20,857	-	-	20,857
Equity	17,209	-	-	17,209
Collective trust funds				
Fixed	-	9,369	-	9,369
Equity	-	10,677	-	10,677
Limited liability company	-	8,970	-	8,970
Hedge funds	<u>-</u>	<u>28,834</u>	<u>6,208</u>	<u>35,042</u>
Total investments	<u>\$41,922</u>	<u>\$59,306</u>	<u>\$6,208</u>	<u>\$107,436</u>

The following table sets forth the investment strategies and redemption terms for those investments that are measured at NAV per share as of August 31, 2014

	Fair value	Restrictions	Redemption frequency	Redemption period
Limited liability company	\$11,323	No lock-up	Monthly	30 days
Collective trust funds				
Fixed	13,037	No lock-up	Daily or monthly	1 - 2 days
Equity	6,783	No lock-up	Monthly	6 - 31 days
Hedge funds	<u>40,898</u>	0 - 24-month lock-up	Monthly, quarterly or annually	30 - 90 days
Total	<u>\$72,041</u>			



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The following table sets forth the investment strategies and redemption terms for those investments that are measured at NAV per share as of August 31, 2013

	<u>Fair value</u>	<u>Restrictions</u>	<u>Redemption frequency</u>	<u>Redemption period</u>
Limited liability company	\$ 8,970	No lock-up	Monthly	45 days
Collective trust funds				
Fixed	9,369	No lock-up	Daily or monthly	1 - 30 days
Equity	10,677	No lock-up	Daily or monthly	1 - 30 days
Hedge funds	<u>35,042</u>	0-24-month lock-up	Daily, monthly or annually	7 - 90 days
Total	<u>\$64,058</u>			

Limited liability company - Invests in predominantly U S large-cap equities This fund is valued using NAV

Collective trust funds (fixed) are designed to protect capital with low-risk investments and include cash, bank notes, corporate notes, government bills and various short-term debt instruments These investments are valued using the NAV provided by the administrator of the fund

Collective trust funds (equity) are designated to protect capital with low-risk investments and include cash, global energy equities, global metals and mining equities, non-U S equities, commodities, and U S Treasury inflation protected securities They are valued using NAV

Hedge funds consist of investments in a diverse range of hedge funds as well as common stocks These investments are valued using the NAV provided by the administrator of the fund as well as direct market quotes There are currently diverse amounts of redemption restrictions depending on the fund

To determine the expected annual long-term rate of return for the Pension Plan, the historical performance, investment community forecasts and current market conditions are analyzed to develop expected returns for each of the asset classes used by the Pension Plan The expected returns for each asset class are then weighted by the target allocations of the Pension Plan Effective September 1, 2010, and continued through 2014, the expected long-term rate of return assumption used to determine pension expense is 7.00%

The following table summarizes the change in fair values associated with Level 3 assets

	<u>2014</u>	<u>2013</u>
Balance at beginning of year	\$ 6,208	\$ 33,587
Transfers from Level 3 to Level 2	(6,208)	(28,361)
Purchases	1,601	-
Unrealized gains related to instruments still held at the reporting date	<u>52</u>	<u>982</u>
Balance at end of year	<u>\$ 1,653</u>	<u>\$ 6,208</u>

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***Transfers Between Levels***

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. The Committee and the Plan Sponsors, with the assistance of a third-party investment advisor, evaluate the significance of transfers between levels based on the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

At August 31, 2014, it was determined that \$6,208 of the total hedge fund investment was fully redeemable. As a result, these investments were transferred from Level 3 to Level 2. At August 31, 2013, these investments were deemed to be Level 3 since they were new to the portfolio and they were not fully redeemable.

***Cash Flows***

Expected contributions for the fiscal year ending August 31, 2015	\$ 5,168
Estimated future benefit payments reflecting expected future service for the fiscal years ending August 31	
2015	\$ 7,326
2016	7,876
2017	8,419
2018	8,881
2019	9,315
2020 through 2024	53,527

***ABA Thrift Plan***

The ABA's expense related to the 401(k) match of the Thrift Plan for the years ended August 31, 2014 and 2013, totaled \$1,346 and \$1,308, respectively. The ABA's expense related to the discretionary contribution of the defined contribution for the plan years ended August 31, 2014 and 2013, totaled \$1,519 and \$1,523, respectively.

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**NOTE H - DEBT**

In July 2002, the ABA entered into a variable-rate loan agreement with a financial institution to borrow \$8,539, which was used to build out the office space at the 321 North Clark Street facility in Chicago. Interest charged on the loan agreement is set at the London Interbank Offered Rate plus 1.15% and is determined and payable monthly. Commencing October 1, 2004, and each month thereafter, the ABA is required to repay the outstanding principal in equal monthly installments based on a nine-year amortization schedule, together with all interest accrued. The loan agreement matured on October 1, 2013, and was paid in full. Interest expense for the years ended August 31, 2014 and 2013, totaled \$-0- and \$7, respectively.

**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)****NOTE I - COMMITMENTS AND CONTINGENCIES**

The ABA leases certain facilities and equipment under non-cancelable operating leases. In July 2011, the ABA amended the current operating lease agreement for the Chicago office space (North Clark Lease). The amendment extended the current lease for an additional five-year period through June 2024, with a renewal option for an additional five years and the payment of allocated real estate taxes and certain other expenses.

In February 2012, the ABA entered into a lease agreement for office space located in Washington, D.C. (Washington Square Lease). The lease period is for 189 months beginning on the lease commencement date of June 1, 2013.

Future minimum payments under these leases with initial or remaining terms of one year or more and future minimum sublease rental income from related parties as of August 31, 2014, are as follows:

	Minimum lease payments	Minimum sublease rental income	Net minimum lease payments
Fiscal years ending August 31,			
2015	\$ 8,333	\$ 240	\$ 8,093
2016	8,921	250	8,671
2017	9,174	271	8,903
2018	9,475	281	9,194
2019	9,816	282	9,534
Thereafter	<u>72,922</u>	<u>1,121</u>	<u>71,801</u>
Total minimum lease payments	<u>\$118,641</u>	<u>\$2,445</u>	<u>\$116,196</u>

Certain leases contain clauses allowing the ABA to terminate the agreements. If these options are exercised, financial penalties will be incurred.

In conjunction with the Washington Square Lease, the landlord has made contributions for tenant improvements amounting to \$66 and \$6,044 in 2014 and 2013, respectively. These contributions are reflected as a leasehold improvement and deferred rent abatement in the accompanying consolidated statements of financial position. The leasehold improvement contribution will be amortized over the lesser of the term of the lease or the useful life of the assets from the time they are put into service. The deferred rent abatement is being accreted over 15.75 years, the term of the lease, and is included as a reduction in rent expense, which also is included in facilities expense. The amortization and accretion amounted to \$438 and \$96 for the years ended August 31, 2014 and 2013, respectively, and the remaining unamortized balance is \$5,576 and \$5,948 at August 31, 2014 and 2013, respectively.

The Washington Square Lease includes additional rent abatements to be amortized in the future amounting to \$3,550 and \$3,795 for the years ended August 31, 2014 and 2013, respectively. These abatements are reflected as a reduction in rent expense over the life of the lease on a straight-line basis in the consolidated statements of activities and changes in net assets with the deferred rent abatement in the consolidated statements of financial position. The amortization and accretion amounted to \$245 and \$61 for the years ended August 31,

**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

2014 and 2013, respectively, and the remaining unamortized balance is \$4,449 and \$1,012 at August 31, 2014 and 2013, respectively, which includes the straight-line impact of escalating rents

In conjunction with the North Clark Lease, the landlord made a contribution for tenant improvements amounting to \$10,266 and \$980 in 2004 and 2011, respectively. This contribution is reflected as a leasehold improvement and deferred rent abatement in the consolidated statements of financial position. The first leasehold improvement contribution is being amortized over 15 years, the life of the lease, and is included in facilities expense in the accompanying consolidated statements of activities and changes in net assets. The second leasehold improvement contribution is being amortized over 13 years, the life of the lease extension, and is included in facilities expense in the accompanying consolidated statements of activities and changes in net assets. The deferred rent abatement is being accreted over 15 years and is included as a reduction in rent expense, which also is included in facilities expense. The amortization and accretion amounted to \$760 for the years ended August 31, 2014 and 2013, and the remaining unamortized balance is \$4,054 and \$4,814 at August 31, 2014 and 2013, respectively.

The North Clark Lease includes additional rent abatements to be amortized in the future amounting to \$3,083 and \$3,396 for the years ended August 31, 2014 and 2013, respectively. These abatements are reflected as a reduction in rent expense over the life of the lease on a straight-line basis in the consolidated statements of activities and changes in net assets with the deferred rent abatement in the consolidated statements of financial position. The amortization and accretion amounted to \$313 for the years ended August 31, 2014 and 2013, and the remaining unamortized balance is \$7,112 and \$6,708 at August 31, 2014 and 2013, respectively, which includes the straight-line impact of escalating rents.

The following table includes balances related to both of the ABA leases mentioned above

	<u>2014</u>	<u>2013</u>
Tenant improvement - rent abatement	\$17,356	\$17,290
Amortization of abatement on tenant improvements	(7,726)	(6,527)
Rent expense - rent abatement, net	<u>11,561</u>	<u>7,720</u>
Deferred rent abatement	<u>\$21,191</u>	<u>\$18,483</u>

Rent expense for all operating leases totaled \$9,088 and \$8,773 for the years ended August 31, 2014 and 2013, respectively.

The ABA subleases space to several related organizations. Under these agreements, annual sublease rental income may be adjusted for increases in operating expenses. Total sublease rental income for the years ended August 31, 2014 and 2013, totaled \$245 and \$186, respectively.

The ABA has been named as a defendant in several lawsuits arising in the ordinary course of business. It is the opinion of the ABA that these suits will not have a material adverse effect on the ABA's financial position or operations.

**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

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**NOTE J - FUNCTIONAL EXPENSES**

The ABA's mission is to serve equally its members, its profession and the public by defending liberty and delivering justice as the national representative of the legal profession. Expenses related to program functions, general and administrative functions, and fundraising functions are as follows for the years ended August 31:

	<u>2014</u>	<u>2013</u>
Programs	\$171,071	\$169,172
General and administrative	32,092	34,796
Fundraising	<u>1,031</u>	<u>764</u>
Total	<u>\$204,194</u>	<u>\$204,732</u>

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**NOTE K - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets include gifts and investment income for which donors' restrictions have not yet been met. Temporarily restricted net assets are available for the following purposes at August 31:

	<u>2014</u>	<u>2013</u>
Fund for Judicial Improvement Projects	\$1,938	\$1,532
FJE Endowment Fund	1,375	762
Death Penalty Representation Support Fund	272	280
Public Contract Law Education Projects	94	101
Individual Rights and Responsibilities Programs	48	61
Benjamin Civiletti Fund	47	3
Elder Law Education Program	40	-
Library of Congress	38	1
Commission on Law and Aging	35	73
E. Lawrence Barcella Jr. Fund	34	16
Icon of Liberty Under Law - Magna Carta	33	-
State Traffic Court Technology	33	34
IBM Cyber security Legal Task Force	32	42
Francis Shattuck Security/Peace Initiative	28	28
Robert B. Yegge Program	22	23
Diversity - Next Steps	21	23
Addressing State Responsibility for Sexual Violence as a Weapon of War	20	20
Other	<u>212</u>	<u>337</u>
Total	<u>\$4,322</u>	<u>\$3,336</u>

**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

During fiscal years 2014 and 2013, temporarily restricted net assets of \$1,331 and \$999, respectively, were released to cover program expenses meeting the donor restrictions. Released temporarily restricted net assets consist of the following for the years ended August 31:

	<u>2014</u>	<u>2013</u>
Litigation Fellows Support Fund	\$ 263	\$285
Fund for Judicial Improvement Projects	212	91
Commission on Immigration	137	138
Death Penalty Presentation	83	11
Legal Opportunity Scholarship Fund	81	28
Women in Profession	74	31
Commission on Racial and Ethnic Diversity	43	57
Commission on Disability Rights	42	2
Commission on Law and Aging	39	55
Public Education	37	32
Library of Congress	35	-
Magna Carta Memorial Restoration	33	-
AIDS Fundraiser	24	10
Individual Rights and Responsibilities Programs	23	20
Enhanced Grassroots Program	23	-
Pro Bono Military Project	20	65
Other	<u>162</u>	<u>174</u>
Total	<u>\$1,331</u>	<u>\$999</u>

Permanently restricted net assets are maintained in perpetuity and invested according to the ABA investment policy and donor-imposed restrictions. The investment income is available to support various programs and operations as restricted by the donor. Permanently restricted net assets consist of the following at August 31:

	<u>2014</u>	<u>2013</u>
FJE Endowment Fund	\$3,457	\$3,457
Justice Funds	2,113	2,112
Marie Walsh Sharpe Fund	927	927
E. Lawrence Barcella Fund	110	110
Carols Morris Fund for Professional Education	100	100
Erskine M. Ross Fund	100	100
Henry C. Morris Fund	50	50
Other	<u>33</u>	<u>25</u>
Total	<u>\$6,890</u>	<u>\$6,881</u>

The FJE endowment fund consists of 39 individual funds established for a variety of purposes. Its endowments are classified as donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**American Bar Association**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2014 and 2013**

**(Dollars in thousands)**

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The ABA has interpreted the Uniform Prudent Management of Institutional Act of 2006 (UPMIFA) as requiring the presentation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the ABA classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment and (3) accumulations to the 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 the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the ABA considers the following factors when making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the fund
- The purposes of the ABA and the FJE, as applicable, and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the ABA
- The investment policies of the ABA

The ABA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of endowment assets. Endowment assets include those assets of donor-restricted funds that the FJE must hold in perpetuity. Under this policy, endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% annually over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the ABA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The ABA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

The ABA has a policy of appropriating for distribution each year 5% of its endowment funds' rolling average fair value over the prior 36 months through the calendar year-end immediately preceding the fiscal year in which the distribution is planned. In establishing this policy, the ABA considered the long-term expected return on its endowments. Accordingly, over the long-term, the ABA expects the current spending policy to allow its endowments to grow at an average of the estimated long-term rate of inflation. This is consistent with the ABA's objective to maintain the purchasing power of endowment assets held for a specific term, as well as to provide additional real growth through new gifts and investment return.

From time to time, the ABA receives contributions subject to donor restrictions requiring their use for the specific purpose of an existing permanent endowment, but only temporarily restricting the use of those funds. These types of contributions are classified in the composition table below as temporarily or unrestricted assets, depending on the intent of the donor.

**American Bar Association**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**August 31, 2014 and 2013**

**(Dollars in thousands)**

Endowment net asset composition is as follows as of August 31

	2014			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Donor-restricted endowment funds	\$ -	\$3,351	\$6,890	\$10,241
Quasi-endowment funds	<u>1,685</u>	<u>-</u>	<u>-</u>	<u>1,685</u>
Total funds	<u>\$1,685</u>	<u>\$3,351</u>	<u>\$6,890</u>	<u>\$11,926</u>

	2013			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Donor-restricted endowment funds	\$ -	\$2,235	\$6,881	\$ 9,116
Quasi-endowment funds	<u>1,483</u>	<u>-</u>	<u>-</u>	<u>1,483</u>
Total funds	<u>\$1,483</u>	<u>\$2,235</u>	<u>\$6,881</u>	<u>\$10,599</u>

Changes in endowment net assets are as follows for the years ended August 31

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, August 31, 2013	\$1,483	\$2,235	\$6,881	\$10,599
Investment return				
Net appreciation (realized and unrealized)	<u>202</u>	<u>1,241</u>	<u>-</u>	<u>1,443</u>
Total investment return	202	1,241	-	1,443
Contributions	-	-	9	9
Appropriation of endowment assets for expenditures	<u>-</u>	<u>(125)</u>	<u>-</u>	<u>(125)</u>
Endowment net assets, August 31, 2014	<u>\$1,685</u>	<u>\$3,351</u>	<u>\$6,890</u>	<u>\$11,926</u>



**American Bar Association****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED****August 31, 2014 and 2013****(Dollars in thousands)**

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	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, August 31, 2012	\$1,358	\$1,491	\$6,879	\$ 9,728
Investment return				
Investment income	65	275	-	340
Net appreciation (realized and unrealized)	<u>60</u>	<u>523</u>	<u>-</u>	<u>583</u>
Total investment return	125	798	-	923
Contributions	-	-	2	2
Appropriation of endowment assets for expenditures	<u>-</u>	<u>(54)</u>	<u>-</u>	<u>(54)</u>
Endowment net assets, August 31, 2013	<u>\$1,483</u>	<u>\$2,235</u>	<u>\$6,881</u>	<u>\$10,599</u>

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**NOTE L - DISCONTINUED OPERATIONS**

On September 15, 2011, the ABA entered into a sales agreement with JBC Funds 740 LLC for the sale of property located at 740 15th Street N W , Washington, D C . This sale was completed on December 16, 2011, and led to the dissolution of JOB . As a result of the dissolution of JOB, in 2013, operating revenues in the amount of \$5 were reclassified to discontinued operations in the non-operating section of the statement of activities and changes in net assets for comparative presentation purposes . In 2013, an income tax credit of \$869 was recognized for overpayment of taxes paid in fiscal 2012 related to the sale of the building .

**NOTE M - SUBSEQUENT EVENTS**

The ABA evaluated events and transactions occurring subsequent to August 31, 2014 through February 6, 2015, the date the consolidated financial statements were available to be issued . During this period, there have been no subsequent events requiring recognition or disclosure in the consolidated financial statements .

## DETAILS OF CONSOLIDATION

American Bar Association  
DETAILS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
August 31,  
(In thousands)

ASSETS	2014			2013		
	American Bar Association	ABA Fund for Justice and Education	Consolidated	American Bar Association	ABA Fund for Justice and Education	Consolidated
<b>ASSETS</b>						
Cash and cash equivalents	\$ 12,968	\$ 5,169	\$ 18,137	\$ 24,129	\$ 2,264	\$ 26,393
Accounts receivable, net	5,154	6,713	11,867	7,152	9,346	16,498
Inventory, net	3,945	97	4,042	3,660	94	3,754
Prepaid and other assets	2,899	75	2,974	3,744	-	3,744
Due from related parties	300	-	300	191	-	191
Long-term investments	313,440	12,406	325,846	270,929	11,198	282,127
Long-term investments held for related parties	255	-	255	240	-	240
Property and equipment						
Furniture and equipment	45,760	15	45,775	40,513	6	40,519
Leasehold improvements	23,887	-	23,887	25,404	-	25,404
Work in progress	125	235	360	3,445	-	3,445
Accumulated depreciation	(52,158)	(7)	(52,165)	(49,631)	(6)	(49,637)
Net property and equipment	17,614	243	17,857	19,731	-	19,731
<b>TOTAL ASSETS</b>	<b>\$356,575</b>	<b>\$24,703</b>	<b>\$381,278</b>	<b>\$329,776</b>	<b>\$22,902</b>	<b>\$352,678</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 7,784	\$ 529	\$ 8,313	\$ 10,336	\$ 498	\$ 10,834
Deferred revenue	52,780	5,293	58,073	55,984	2,538	58,522
Deferred rent abatement	21,191	-	21,191	18,483	-	18,483
Pension liability	63,768	-	63,768	59,499	-	59,499
Other liabilities	8,832	8	8,840	8,143	-	8,143
Debt	-	-	-	79	-	79
Due to related parties	314	-	314	(462)	762	300
Total liabilities	154,669	5,830	160,499	152,062	3,798	155,860
<b>NET ASSETS</b>						
Unrestricted						
Undesignated	86,901	5,976	92,877	66,601	7,403	74,004
Board-designated	115,005	1,685	116,690	111,113	1,484	112,597
Total unrestricted	201,906	7,661	209,567	177,714	8,887	186,601
Temporarily restricted	-	4,322	4,322	-	3,336	3,336
Permanently restricted	-	6,890	6,890	-	6,881	6,881
Total net assets	201,906	18,873	220,779	177,714	19,104	196,818
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$356,575</b>	<b>\$24,703</b>	<b>\$381,278</b>	<b>\$329,776</b>	<b>\$22,902</b>	<b>\$352,678</b>

**American Bar Association**  
**DETAILS OF CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years ended August 31,**  
**(In thousands)**

	2014			2013
	American Bar Association	ABA Fund for Justice and Education	Consolidated	Consolidated
Unrestricted				
Operating				
Revenues				
Membership dues	\$ 1,913	\$ -	\$ 1,913	\$ 2,651
Meeting fees	25,468	1,352	26,820	28,446
Advertising	3,409	-	3,409	3,299
Gifts and grants	7,355	50,992	58,347	60,571
Publications	10,793	383	11,176	11,969
Royalties	8,670	104	8,774	7,870
Accreditation fees	54	3,964	4,018	3,196
Other	2,340	144	2,484	2,856
Investment income for operations	7,293	-	7,293	7,685
Designated reserve for operations	8,810	-	8,810	6,480
Net assets released from restrictions	-	1,331	1,331	999
Total operating revenues	146,105	58,270	204,375	206,022
Expenses				
Salaries, wages and benefits	67,354	28,237	95,591	96,314
Professional fees and services	10,991	14,901	25,892	23,976
Meetings and travel	29,250	9,946	39,196	38,601
Advertising and marketing	3,763	34	3,797	3,216
Printing and publications	11,867	843	12,710	12,781
Facilities	16,238	4,930	21,168	22,812
General operations	1,398	4,442	5,840	7,032
Total operating expenses	140,861	63,333	204,194	204,732
Interfund transfers	3,469	(3,469)	-	-
Total operating expenses and transfers	144,330	59,864	204,194	204,732
Excess operating revenues over (under) expenses after transfers	1,775	(1,594)	181	1,290
Non-operating				
Investment income and realized and unrealized gains, net	34,331	368	34,699	19,784
Pension changes other than net periodic pension cost	(2,923)	-	(2,923)	23,499
Designated reserve for operations	(8,810)	-	(8,810)	(6,480)
Other non-operating items	(181)	-	(181)	621
Total non-operating	22,417	368	22,785	37,424
Change in unrestricted net assets	24,192	(1,226)	22,966	38,714
Temporarily restricted				
Gifts and pledges	-	1,076	1,076	876
Investment income	-	1,241	1,241	798
Net assets released from restrictions	-	(1,331)	(1,331)	(999)
Change in temporarily restricted net assets	-	986	986	675
Permanently restricted				
Gifts and pledges	-	9	9	2
Change in permanently restricted net assets	-	9	9	2
<b>CHANGE IN TOTAL NET ASSETS</b>	24,192	(231)	23,961	39,391
Net assets at beginning of year	177,714	19,104	196,818	157,427
Net assets at end of year	\$201,906	\$18,873	\$220,779	\$196,818

American Bar Association

FUNCTIONAL DETAILS OF CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended August 31,

(In thousands)

	2014				2013
	General operations	Sections	Grants gifts	Consolidated	Consolidated
Unrestricted					
Operating					
Revenues					
Membership dues	\$ 58,125	\$ 13,788	\$ -	\$ 71,913	\$ 72,651
Meeting fees	6,493	19,533	794	26,820	28,446
Advertising	3,035	374	-	3,409	3,299
Gifts and grants	16,581	6,149	35,617	58,347	60,571
Publications	3,698	7,343	135	11,176	11,969
Royalties	7,128	1,555	91	8,774	7,870
Accreditation fees	3,889	54	75	4,018	3,196
Other	2,087	291	106	2,484	2,856
Investment income for operations	5,839	1,454	-	7,293	7,685
Designated reserve for operations	8,810	-	-	8,810	6,480
Net assets released from restrictions	48	-	1,283	1,331	999
Section service fees	<u>342</u>	<u>(342)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	116,075	50,199	38,101	204,375	206,022
Expenses					
Salaries, wages and benefits	73,050	9,723	12,818	95,591	96,314
Professional fees and services	8,837	2,756	14,299	25,892	23,976
Meetings and travel	8,778	22,945	7,473	39,196	38,601
Advertising and marketing	3,193	603	1	3,797	3,216
Printing and publications	5,383	7,014	313	12,710	12,781
Facilities	15,029	3,678	2,461	21,168	22,812
General operations	<u>(3,676)</u>	<u>7,024</u>	<u>2,492</u>	<u>5,840</u>	<u>7,032</u>
Total operating expenses	110,594	53,743	39,857	204,194	204,732
Interfund intrafund transfers	<u>941</u>	<u>(1,346)</u>	<u>405</u>	<u>-</u>	<u>-</u>
Total operating expenses and transfers	<u>111,535</u>	<u>52,397</u>	<u>40,262</u>	<u>204,194</u>	<u>204,732</u>
Excess operating revenues over (under) expenses after transfers	4,540	(2,198)	(2,161)	181	1,290
Non-operating and discontinued operations					
Investment income and realized and unrealized gains	20,850	13,481	368	34,699	19,784
Pension changes other than net periodic pension costs	(2,923)	-	-	(2,923)	23,499
Designated reserve for operations	(8,810)	-	-	(8,810)	(6,480)
Other non-operating items	<u>(162)</u>	<u>(19)</u>	<u>-</u>	<u>(181)</u>	<u>621</u>
Total non-operating and discontinued operations	<u>8,955</u>	<u>13,462</u>	<u>368</u>	<u>22,785</u>	<u>37,424</u>
Change in unrestricted net assets	13,495	11,264	(1,793)	22,966	38,714
Temporarily restricted					
Gifts and pledges	61	-	1,015	1,076	876
Investment income	-	-	1,241	1,241	798
Net assets released from restrictions	<u>(48)</u>	<u>-</u>	<u>(1,283)</u>	<u>(1,331)</u>	<u>(999)</u>
Change in temporarily restricted net assets	13	-	973	986	675
Permanently restricted					
Gifts and pledges	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>	<u>2</u>
Change in permanently restricted net assets	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>	<u>2</u>
CHANGE IN TOTAL NET ASSETS	13,508	11,264	(811)	23,961	39,391
Net assets at beginning of year	<u>79,036</u>	<u>98,326</u>	<u>19,456</u>	<u>196,818</u>	<u>157,427</u>
Net assets at end of year	<u>\$ 92,544</u>	<u>\$109,590</u>	<u>\$18,645</u>	<u>\$220,779</u>	<u>\$196,818</u>

OTHER INFORMATION (UNAUDITED)

**American Bar Association**  
**ORGANIZATIONAL DATA**  
**Year ended August 31, 2014**

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Association data	Established in 1878 as a voluntary not-for-profit association of the legal profession, the ABA was incorporated effective December 7, 1992
Membership	Any person of good moral character in good standing at the bar of a state, territory, or possession of the United States is eligible to be a member of the ABA in accordance with the Bylaws. The Bylaws may specify classes of members.
Purpose	The purposes of the ABA are to uphold and defend the Constitution of the United States and maintain representative government, to advance the science of jurisprudence, to promote throughout the nation the administration of justice and the uniformity of legislation and of judicial decisions, to uphold the honor of the profession of law, to apply the knowledge and experience of the profession to the promotion of the public good, to encourage cordial intercourse among the members of the ABA, and to correlate and promote the activities of the bar organizations in the nation within these purposes and in the interests of the profession and of the public.
Nature of principal activities	Administration of the ABA is to advance the science of jurisprudence and the advancement of the public good, membership dues and other resources are primarily expended on professional, public service, and educational activities.

Officers During 2013 - 2014

President	James R. Silkenat
President - Elect	William C. Hubbard
Immediate Past President	Laurel G. Bellows
Chair, House of Delegates	Robert M. Carlson
Secretary	Cara Lee T. Neville
Treasurer	Lucian T. Pera
Executive Director	Jack L. Rives

Board of Governors During 2013 - 2014

Ex-Officio members	The Officers
First District	Joseph J. Roszkowski
Second District	Josephine A. McNeil
Third District	Thomas R. Curtin
Fourth District	Allen C. Goolsby, III
Fifth District	William Thomas Coplin
Sixth District	Robert L. Rothman
Seventh District	Stephen E. Chapple
Eighth District	Eduardo Roberto Rodriguez
Ninth District	John S. Skilton
Tenth District	Joseph B. Bluemel
Eleventh District	Jimmy Goodman
Twelfth District	Thomas A. Hamill
Thirteenth District	John C. Schulte
Fourteenth District	Laura V. Farber
Fifteenth District	Kenneth G. Standard
Sixteenth District	Timothy W. Bouch
Seventeenth District	Paul T. Moxley

**American Bar Association**  
**ORGANIZATIONAL DATA - CONTINUED**  
**Year ended August 31, 2014**

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Eighteenth District	Robert T. Gonzales
<u>Judicial</u>	
Member-at-Large	Jodi B. Levin
<u>Section</u>	
Members-at-Large	Charles A. Collier, Jr. Barbara Mendel Mayden Kenneth W. Gideon Timothy B. Walker Pamela C. Enslin David Russell Poe
<u>Minority</u>	
Members-at-Large	Harold D. Pope Michael E. Flowers
<u>Women</u>	
Members-at-Large	Sandra R. McCandless Marcia Milby Ridings
<u>Young Lawyers</u>	
Members-at-Large	William Ferreira Michael Pellicciotti
<u>Law Student</u>	
Member-at-Large	James C. Manning







**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
William Pusey  Senior Director Editor and Publisher	40 00 1 00				X			204,628	0	38,207
Robert Rupp  Senior Director Publishing and CLE	40 00 1 00				X			175,671	0	15,804
Alpha Brady  Associate Executive Director - Public Service	52 00 1 00				X			170,654	0	10,859
Martin Balogh  Associate Executive Director - Meetings Travel	50 00 1 00				X			177,331	0	15,594
Dolores Gedge  Director of Planning	40 00 1 00					X		206,302	0	23,112
Robert Horowitz  Director, DC Professional Services	30 00 10 00					X		209,073	0	6,610
Jerry Kiska  Deputy CFO Controller	50 00 1 00					X		198,773	0	13,639
Laura Metzger  Division Director, Brand and Product Management	50 00 1 00					X		190,418	0	10,205
Terrence Brooks  Director, Division for Legal Services	40 00 1 00					X		186,804	0	19,909
Katherine Wiley  Former Director, Human Resources							X	140,365	0	1,988