

# ACLU

AMERICAN CIVIL LIBERTIES UNION  
FOUNDATION

Northern  
California

# ACLU

AMERICAN CIVIL LIBERTIES UNION

Northern  
California

AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020



Leaf & Cole, LLP  
*Certified Public Accountants*

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

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Leaf & Cole, LLP  
Certified Public Accountants  
A Partnership of Professional Corporations

## Independent Auditor's Report

To the Boards of Directors  
American Civil Liberties Union Foundation of Northern California, Inc. and  
American Civil Liberties Union of Northern California

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of American Civil Liberties Union Foundation of Northern California, Inc. and American Civil Liberties Union of Northern California, which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, 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 for each entity (collectively "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 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 consolidated 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Boards of Directors  
American Civil Liberties Union Foundation of Northern California, Inc. and  
American Civil Liberties Union of Northern California

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***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Civil Liberties Union Foundation of Northern California, Inc. and American Civil Liberties Union of Northern California as of March 31, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 23 to 30 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of Management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Leaf & Cole LLP

San Diego, California  
October 28, 2021

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2021 AND 2020**

**ASSETS**

	<u>2021</u>	<u>2020</u>
<b><u>Current Assets:</u></b> (Notes 2, 4, 5, 6, 7 and 8)		
Cash and cash equivalents	\$ 23,093,808	\$ 24,726,799
Investments	16,091,213	9,287,591
Accounts receivable	340,766	159,853
Contributions receivable	250,000	1,117,500
Due from American Civil Liberties Union Foundation, Inc. (National Foundation)	3,963,035	5,562,207
Due from American Civil Liberties Union, Inc. (National Union)	1,760,117	866,820
Prepaid expenses	244,614	150,227
Total Current Assets	<u>45,743,553</u>	<u>41,870,997</u>
<b><u>Noncurrent Assets:</u></b> (Notes 2, 4, 6, 9 and 10)		
Contributions receivable, net	-	97,087
Deposits	34,782	34,782
Property and equipment, net	7,709,939	7,923,490
Beneficial interest in endowment funds	6,151,832	4,866,728
Total Noncurrent Assets	<u>13,896,553</u>	<u>12,922,087</u>
<b>TOTAL ASSETS</b>	<u>\$ 59,640,106</u>	<u>\$ 54,793,084</u>

**LIABILITIES AND NET ASSETS**

<b><u>Current Liabilities:</u></b> (Notes 2 and 7)		
Accounts payable and accrued expenses	\$ 2,212,132	\$ 2,225,271
Deposits	19,061	19,061
Due to National Foundation	100,000	275,417
Total Current Liabilities	<u>2,331,193</u>	<u>2,519,749</u>
<b><u>Noncurrent liabilities:</u></b> (Note 7)		
Grant payable	200,000	200,000
Due to National Foundation	-	50,000
Total Noncurrent Liabilities	<u>200,000</u>	<u>250,000</u>
Total Liabilities	<u>2,531,193</u>	<u>2,769,749</u>
<b><u>Commitments and Contingency</u></b> (Note 14)		
<b><u>Net Assets:</u></b> (Notes 2, 11, 12 and 13)		
Without Donor Restrictions:		
Undesignated	21,174,710	19,737,333
Board designated	19,939,116	16,978,318
Property and equipment	7,709,939	7,923,490
Total Without Donor Restrictions	<u>48,823,765</u>	<u>44,639,141</u>
With Donor Restrictions	8,285,148	7,384,194
Total Net Assets	<u>57,108,913</u>	<u>52,023,335</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 59,640,106</u>	<u>\$ 54,793,084</u>

The accompanying notes are an integral part of the consolidated financial statements.

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support:</b>						
Contributions	\$ 13,381,916	\$ 1,111,295	\$ 14,493,211	\$ 12,294,634	\$ 742,418	\$ 13,037,052
In-kind contributed services	10,999,437	-	10,999,437	9,056,878	-	9,056,878
Membership contributions	6,772,564	-	6,772,564	6,086,254	-	6,086,254
Investment income (loss)	4,439,441	1,499,020	5,938,461	86,300	(158,339)	(72,039)
Legal awards	2,358,197	-	2,358,197	1,440,998	-	1,440,998
Other income	683,361	-	683,361	582,180	-	582,180
Net assets released from restrictions	1,709,361	(1,709,361)	-	1,985,002	(1,985,002)	-
Total Revenue and Support	<u>40,344,277</u>	<u>900,954</u>	<u>41,245,231</u>	<u>31,532,246</u>	<u>(1,400,923)</u>	<u>30,131,323</u>
<b>Expenses:</b>						
<b>Program Services:</b>						
Program services	<u>30,839,536</u>	<u>-</u>	<u>30,839,536</u>	<u>24,074,921</u>	<u>-</u>	<u>24,074,921</u>
<b>Supporting Services:</b>						
Management and general	3,302,113	-	3,302,113	2,792,229	-	2,792,229
Fundraising	<u>2,018,004</u>	<u>-</u>	<u>2,018,004</u>	<u>2,173,771</u>	<u>-</u>	<u>2,173,771</u>
Total Supporting Services	<u>5,320,117</u>	<u>-</u>	<u>5,320,117</u>	<u>4,966,000</u>	<u>-</u>	<u>4,966,000</u>
Total Expenses	<u>36,159,653</u>	<u>-</u>	<u>36,159,653</u>	<u>29,040,921</u>	<u>-</u>	<u>29,040,921</u>
Change in Net Assets	4,184,624	900,954	5,085,578	2,491,325	(1,400,923)	1,090,402
Net Assets at Beginning of the Year	<u>44,639,141</u>	<u>7,384,194</u>	<u>52,023,335</u>	<u>42,147,816</u>	<u>8,785,117</u>	<u>50,932,933</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 48,823,765</u>	<u>\$ 8,285,148</u>	<u>\$ 57,108,913</u>	<u>\$ 44,639,141</u>	<u>\$ 7,384,194</u>	<u>\$ 52,023,335</u>

The accompanying notes are an integral part of the consolidated financial statements.

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

	2021					2020				
	Supporting Services				Total Expenses	Supporting Services				Total Expenses
	Program Services	Management and General	Fund- raising	Total Supporting Services		Program Services	Management and General	Fund- raising	Total Supporting Services	
Administrative expenses	\$ 699,169	\$ 69,409	\$ 110,983	\$ 180,392	\$ 879,561	\$ 739,897	\$ 100,835	\$ 50,637	\$ 151,472	\$ 891,369
Bad debt	-	-	6,667	6,667	6,667	-	-	100,000	100,000	100,000
Depreciation	312,862	79,336	49,143	128,479	441,341	287,188	59,010	57,246	116,256	403,444
Hospitality and meetings	38,089	22,738	1,454	24,192	62,281	398,659	26,926	135,817	162,743	561,402
Insurance	118,146	102,272	16,415	118,687	236,833	152,255	71,926	118	72,044	224,299
Litigation non-service fees	2,450	-	-	-	2,450	4,603	-	-	-	4,603
Occupancy	711,110	92,794	49,627	142,421	853,531	419,437	121,359	40,062	161,421	580,858
Outside services	546,222	208,090	17,805	225,895	772,117	1,336,688	141,938	53,704	195,642	1,532,330
Personnel	11,363,007	2,445,368	1,631,743	4,077,111	15,440,118	9,262,387	2,066,915	1,637,278	3,704,193	12,966,580
Professional expenses	11,490,658	149,938	74,443	224,381	11,715,039	9,542,500	75,802	36,907	112,709	9,655,209
Program grants	5,111,339	-	-	-	5,111,339	1,105,948	-	-	-	1,105,948
Sponsorships - Other Organizations	28,700	-	-	-	28,700	61,904	-	-	-	61,904
Taxes, permits, fees and licenses	5,405	8,805	181	8,986	14,391	(24,196)	28,043	695	28,738	4,542
Telecommunications	386,600	103,071	59,151	162,222	548,822	398,223	41,678	40,859	82,537	480,760
Travel	25,779	20,292	392	20,684	46,463	389,428	57,797	20,448	78,245	467,673
<b>Total Expenses</b>	<b>\$ 30,839,536</b>	<b>\$ 3,302,113</b>	<b>\$ 2,018,004</b>	<b>\$ 5,320,117</b>	<b>\$ 36,159,653</b>	<b>\$ 24,074,921</b>	<b>\$ 2,792,229</b>	<b>\$ 2,173,771</b>	<b>\$ 4,966,000</b>	<b>\$ 29,040,921</b>

The accompanying notes are an integral part of the consolidated financial statements.

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 5,085,578	\$ 1,090,402
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	441,341	403,444
Loss of disposal of property and equipment	-	19,622
Net realized and unrealized (gains) losses on investments	(4,072,192)	204,326
Endowment contributions	(1,000)	(1,000)
Endowment investment (gains) losses	(1,499,020)	158,339
Endowment distributions	214,916	206,870
<b>(Increase) Decrease in:</b>		
Accounts receivable	(180,913)	361,853
Contributions receivable, net	964,587	1,038,377
Due from National Foundation	1,599,172	(147,191)
Due from National Union	(893,297)	253,596
Prepaid expenses	(94,387)	58,990
Deposits	-	11,894
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued expenses	(13,139)	333,112
Deferred revenue	-	(22,625)
Due to National Foundation	(225,417)	(235,000)
Grant payable	-	200,000
Net Cash Provided by Operating Activities	<u>1,326,229</u>	<u>3,935,009</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Investment purchases and sales, net	(2,731,430)	(1,876,851)
Purchases of property and equipment	(227,790)	(393,343)
Change in beneficial interests in endowment funds, net	(1,285,104)	364,209
Net Cash Used in Investing Activities	<u>(4,244,324)</u>	<u>(1,905,985)</u>
<b><u>Cash Flows From Financing Activities:</u></b>		
Endowment contributions	1,000	1,000
Endowment investment gains and (losses)	1,499,020	(158,339)
Endowment distributions	(214,916)	(206,870)
Net Cash Provided by (Used in) Financing Activities	<u>1,285,104</u>	<u>(364,209)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(1,632,991)	1,664,815
Cash and Cash Equivalents at Beginning of Year	<u>24,726,799</u>	<u>23,061,984</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 23,093,808</u></u>	<u><u>\$ 24,726,799</u></u>

The accompanying notes are an integral part of the consolidated financial statements.



**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**Note 1 - Organizations:**

The consolidated financial statements include the following entities:

**American Civil Liberties Union Foundation of Northern California, Inc.**

American Civil Liberties Union Foundation of Northern California, Inc. (the “Foundation”) is a California Nonprofit Corporation (tax-exempt under Internal Revenue Code 26 U.S.C. Section 501(c)(3)). The Foundation employs litigation, policy advocacy, public education, organizing, and communications to protect and promote a broad range of civil liberties and civil rights. Acting on the firm belief that liberty must be protected for everyone if it is to be enjoyed by anyone, the Foundation works to defend the rights of all.

Known for its legal activities and litigation to preserve constitutional rights, the Foundation also engages in policy work to advance justice, equality, and freedom. The Foundation participates in public forums, interacts with the media, and engages in public education efforts. It also engages in partnerships with cooperating attorneys, community leaders, and community-based organizations. The ambitious legal docket includes more than 50 cases at any one time, addressing a wide range of constitutional issues, such as the freedom of expression, the right to privacy, the right to due process, and equal protection under the law. It advances those principles with a concentration on the following areas of law: educational equity, criminal justice, police practices, reproductive rights and gender equity, LGBT equality, technology and civil liberties, voting rights, and immigrants’ rights. It advances a cross-cutting commitment to racial justice across many of these issues, programs, and strategies.

The Foundation is headquartered in San Francisco and does its work throughout the Northern and Central California regions stretching from Tulare and Monterey counties in the south to the Oregon border in the north. The Foundation has made a long-term commitment to California’s Central Valley and operates an office in Fresno to serve the Central Valley and a new office in Sacramento to serve the Sacramento Metro region and nearby counties.

**American Civil Liberties Union of Northern California**

The American Civil Liberties Union of Northern California (the “Union”) is a California Nonprofit Corporation (tax-exempt under Internal Revenue Code 26 U.S.C. Section 501(c)(4)). Concerned people came together to form the ACLU of Northern California in 1934 to serve as an enduring guardian and advocate for constitutional rights.

Unlike the Foundation, the Union does not have a litigation program or legal docket; however, it works across a similar range of issues as the Foundation. The Union employs legislative advocacy, policy advocacy, public education, organizing, and communications to protect and promote a broad range of civil liberties and civil rights. It maintains programs for activist and community engagement, including volunteer-based chapters throughout the region.

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**Note 1 - Organizations: (Continued)**

In the fiscal year ending March 31, 2021 described in these audited financial statements, the Union housed the Center for Advocacy and Policy in Sacramento (the “Center”), which is a program jointly supported by the Union, the American Civil Liberties Union of Southern California, and the American Civil Liberties Union of San Diego and Imperial Counties, Inc. Center staff provide analysis and advocacy on behalf of civil liberties and civil rights before the California legislature and state agencies. They also educate the public through the media, and support California residents, ACLU members, and partner organizations to have a greater voice in their state government in support of civil liberties and civil rights. Effective April 1, 2021, the programs formerly housed at the Center were transferred to a new corporation called the American Civil Liberties Union California Action (ACLU Cal Action). ACLU Cal Action is a 501(c)(4) corporation recently created to carry out the shared legislative and policy priorities of the 501(c)(4) and 501(c)(3) corporations of the three California ACLU affiliates.

**Note 2 - Significant Accounting Policies:**

**Consolidated Financial Statements**

The consolidated financial statements include the accounts of Foundation and Union, which are collectively referred to as the “Organizations”. All material intercompany transactions have been eliminated in consolidation.

**Accounting Method**

The consolidated financial statements of the Organizations have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Financial Statement Presentation**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes thereon are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations, and not subject to donor (or certain grantor) restrictions. The governing boards have designated net assets without restrictions as described in Note 11.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**Note 2 - Significant Accounting Policies: (Continued)**

**Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management of each the Union and Foundation (“Management”) to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Risks and Uncertainties**

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

**Fair Value Measurements**

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value, and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy), and each reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the Organizations have the ability to access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

The Organizations’ consolidated statements of financial position include the following financial instruments that are required to be measured at fair value on a recurring basis:

- Investments in equities/common stock, mutual funds, and real estate investment trust are considered Level 1 assets and are reported at fair value based on quoted prices in active markets for identical assets at the measurement date.
- Investments in U.S. agency notes, and corporate bonds are considered Level 2 assets, and are reported at fair value based on quoted prices in active markets for similar assets at the measurement date.
- Beneficial interest in endowment funds held at the Endowment of the American Civil Liberties Union Foundation, Inc. (“National Foundation”) are considered a Level 3 asset and is reported at the fair value of the underlying assets as provided by the National Foundation (Note 10).

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**Note 2 - Significant Accounting Policies:(Continued)**

**Allowance for Doubtful Accounts**

Bad debts are recognized on the allowance method, based on historical experience and management's evaluation of outstanding receivables. Management believes that all accounts receivable and contributions receivable were fully collectible; therefore, no allowance for doubtful accounts receivable and contributions receivable was recorded at March 31, 2021 and 2020.

**Capitalization and Depreciation**

The Organizations capitalize all expenditures in excess of \$5,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, the Organizations reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organizations reclassify net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Building and improvements	30 - 39 years
Equipment	5 years
Furniture and fixtures	5 years
Website and software	3 - 5 years

Depreciation totaled \$441,341 and \$403,444 for the years ended March 31, 2021 and 2020, respectively.

Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property and equipment, the asset account is reduced by the cost, and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any resultant gain or loss is then recorded as other income or loss.

**Impairment of Real Estate**

The Organizations review their investments in real estate for impairment whenever events and changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property. There were no impairment losses recognized in 2021 and 2020.

**Compensated Absences**

Accumulated unpaid vacation totaling \$953,328 and \$807,579 at March 31, 2021 and 2020, respectively, is accrued when incurred and included in accounts payable and accrued expenses.

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**Note 2 - Significant Accounting Policies:(Continued)**

**Revenue Recognition**

**Contributions**

Contributions are recognized when the donor makes a promise to give in writing to the Organizations that is in substance, unconditional. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions are recorded as without donor restriction or with donor restriction, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When the stipulated time restriction ends or purpose restriction is accomplished, donor-restricted net assets are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

**Legal Awards**

Pursuant to the Civil Rights Attorneys Fee Awards Act of 1976 and similar laws, legal fees, and expenses may be awarded in certain legal actions. The amounts of these awards are the result of court determinations and/or negotiations between the parties to the matters. Management anticipates that the Foundation will be the recipient of legal awards of a substantial amount, but is unable to determine the amounts receivable with any degree of accuracy. Accordingly, the Foundation's accounting policy is to accrue an award only when, in management's judgment, the amount appears relatively certain of collection.

**Other Income**

Other income consists of reimbursed expenses, ticket sales for conferences and events, rental income, and other miscellaneous income. Other income is recognized in the period that it is earned.

**Donated Services**

The Organizations utilize the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements, unless the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Foundation received donated legal services totaling \$10,999,437 and \$9,056,878 for the years ended March 31, 2021 and 2020, respectively.

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**Note 2 - Significant Accounting Policies:(Continued)**

**Functional Allocation of Expenses**

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of expenses that benefit multiple functional areas have been allocated between programs and supporting services, based on a resource sharing agreement that allocates costs primarily based on the proportion of full-time employee equivalents of a program or supporting service, versus the total organizational full-time employee equivalents. Fundraising costs do not include the substantial fundraising costs incurred by National Foundation and American Civil Liberties Union, Inc. (“National Union”).

**Income Taxes**

Foundation is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Union is a civic league and is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701(f) of the California Revenue and Taxation Code. The Organizations believe that they have appropriate support for any tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation and Union are not private foundations.

The Foundation’s and Union’s Return of Organization Exempt from Income Tax for the years ended March 31, 2021, 2020, 2019, and 2018 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

**Concentration of Credit Risk**

The Organizations maintain their cash in bank accounts and brokerage accounts which, at times, may exceed federally insured limits. The Organizations have not experienced any losses in such accounts. The Organizations believe they are not exposed to any significant credit risk on cash and cash equivalents.

**Cash and Cash Equivalents**

For purposes of the consolidated statements of cash flows, the Organizations consider all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Certificates of deposits that may be redeemed without a significant penalty are considered cash and cash equivalents, regardless of the maturity. The following is a composition of the combined amounts appearing in the consolidated statements of cash flows at March 31:

	<u>2021</u>	<u>2020</u>
Cash and money market funds	\$ 18,565,367	\$ 14,404,351
Certificates of deposit	<u>4,528,441</u>	<u>10,322,448</u>
Total Cash and Cash Equivalents	<u>\$ 23,093,808</u>	<u>\$ 24,726,799</u>

Certificates of deposit included in cash and cash equivalents bear interest at rates ranging from 1.60% to 3.30% and mature through August 2024.

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**Note 2 - Significant Accounting Policies:(Continued)**

**Subsequent Events**

In preparing these consolidated financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through October 28, 2021, the date the consolidated financial statements were available to be issued.

**Note 3 - Liquidity and Availability**

The Organizations regularly monitor the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organizations consider investment income without donor restrictions, appropriated earnings from donor-restricted funds, contributions without donor restrictions, and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organizations consider all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The table below presents financial assets available for general expenditures within one year at March 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents, net of designated reserves	\$ 3,154,692	\$ 7,748,481
Investments	16,091,213	9,287,591
Accounts receivable	340,766	159,853
Contributions receivable	250,000	1,117,500
Due from National Foundation	3,963,035	5,562,207
Due from National Union	1,760,117	866,820
Appropriation of endowment earnings	200,000	200,000
Financial assets available to meet general expenditures within one year	<u>\$ 25,759,823</u>	<u>\$ 24,942,452</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organizations operate with balanced budgets, and anticipate collecting sufficient revenue to cover general expenditures.

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Appropriations of endowment fund earnings are made in accordance with the spending policy, as described in Note 13. The portion of donor-restricted endowment funds required to be held in perpetuity are not available for general expenditure.

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**Note 4 - Fair Value Measurements:**

The following table summarizes investments measured at fair value by classification within the fair value hierarchy at March 31:

	2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2021
Equities/Common stock:				
Domestic	\$ 10,506,077	\$ -	\$ -	\$ 10,506,077
International	809,296	-	-	809,296
Mutual funds	816,155	-	-	816,155
Real estate investment trust	352,585	-	-	352,585
Corporate bonds	-	2,592,373	-	2,592,373
U.S. agency notes	-	1,014,727	-	1,014,727
Beneficial interest in endowment funds (Note 10)	-	-	6,151,832	6,151,832
	<u>\$ 12,484,113</u>	<u>\$ 3,607,100</u>	<u>\$ 6,151,832</u>	<u>\$ 22,243,045</u>
	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2020
Equities/Common stock:				
Domestic	\$ 5,327,457	\$ -	\$ -	\$ 5,327,457
International	530,362	-	-	530,362
Mutual funds	682,711	-	-	682,711
Real estate investment trust	265,970	-	-	265,970
Corporate bonds	-	1,685,863	-	1,685,863
U.S. agency notes	-	795,228	-	795,228
Beneficial interest in endowment funds (Note 10)	-	-	4,866,728	4,866,728
	<u>\$ 6,806,500</u>	<u>\$ 2,481,091</u>	<u>\$ 4,866,728</u>	<u>\$ 14,154,319</u>

The reconciliation for financial instruments measured at fair value on a recurring basis as significant unobservable inputs (Level 3) are included in Note 10, as indicated above.



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**Note 4 - Fair Value Measurements: (Continued)**

The following table represents the Level 3 financial instruments of the Foundation, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the range of values for those inputs for the years ended March 31:

2021				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	\$ 6,151,832	Valuation of underlying assets as provided by National Foundation	Base price	N/A
2020				
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Significant Input Values
Beneficial interest in endowment funds	\$ 4,866,728	Valuation of underlying assets as provided by National Foundation	Base price	N/A

**Note 5 - Investments:**

Investments consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
Equities/Common stock	\$ 11,315,373	\$ 5,857,819
Corporate bonds	2,592,373	1,685,863
U.S. agency notes	1,014,727	795,228
Mutual funds	816,155	682,711
Real estate investment trust	352,585	265,970
Total Investments	<u>\$ 16,091,213</u>	<u>\$ 9,287,591</u>

The following schedule summarizes the investment income (loss) for the years ended March 31:

	<u>2021</u>		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 401,463	\$ 97,859	\$ 499,322
Realized and unrealized gains	4,072,192	1,448,781	5,520,973
Investment fees	(34,214)	(47,620)	(81,834)
Investment Income	<u>\$ 4,439,441</u>	<u>\$ 1,499,020</u>	<u>\$ 5,938,461</u>

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**Note 5 - Investments: (Continued)**

	Without Donor Restrictions	2020 With Donor Restrictions	Total
Interest and dividend income	\$ 337,228	\$ 117,994	\$ 455,222
Realized and unrealized gains (losses)	(204,326)	(199,767)	(404,093)
Investment fees	(46,602)	(76,566)	(123,168)
Investment Income (Loss)	<u>\$ 86,300</u>	<u>\$ (158,339)</u>	<u>\$ (72,039)</u>

**Note 6 - Contributions Receivable:**

Contributions receivable consist of the following at March 31:

	2021	2020
Current:		
Due in less than one year	\$ <u>250,000</u>	\$ <u>1,117,500</u>
Noncurrent:		
Due in one-to-five years	-	100,000
Less: Discounts to present value	<u>-</u>	<u>(2,913)</u>
Total Noncurrent, Net	<u>-</u>	<u>97,087</u>
Total Contributions Receivable, Net	<u>\$ 250,000</u>	<u>\$ 1,214,587</u>

The contributions receivable have been discounted to their present value using a discount rate of 3% at March 31, 2020.

**Note 7 - American Civil Liberties Union Foundation, Inc.:**

Foundation has entered into an agreement with National Foundation whereby certain revenues are shared according to a set formula. Revenues subject to this agreement include contributions without donor restrictions, and certain restricted contributions. Foundation also shares in certain funds which are raised nationally. Foundation also shares certain fundraising and administrative costs associated with pooled endowment investment funds administered through National Foundation (See Note 10). Foundation's share of National Foundation revenue sharing totaled \$6,938,035 and \$5,562,207 for the years ended March 31, 2021 and 2020, respectively. Receivables due from National Foundation for revenue sharing totaled \$3,963,035 and \$5,562,207 at March 31, 2021 and 2020, respectively. Payables due to National Foundation related to revenue sharing on contributions receivable totaled \$100,000 and \$325,417 at March 31, 2021 and 2020, respectively.

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**Note 8 - American Civil Liberties Union, Inc.:**

Union has entered into an agreement with National Union whereby certain revenues are shared according to a set formula. Revenues subject to this agreement include certain membership dues and renewals, special appeals, and bequests. The National Union pays the cost of membership acquisition and renewal, which are not shown as an expense of the Union. As a result, the Union does not incur significant costs for fundraising. Union's share of National Union membership income totaled \$6,772,564 and \$6,086,254 for membership dues for the years ended March 31, 2021 and 2020, respectively. Union's share of National Union special appeals and bequests totaled \$720,514 and \$364,305 for the years ended March 31, 2021 and 2020, respectively. Receivables due from National Union totaled \$1,760,117 and \$866,820 at March 31, 2021 and 2020, respectively.

**Note 9 - Property and Equipment:**

Property and equipment consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 11,235,936	\$ 11,177,170
Furniture and fixtures	657,974	651,146
Equipment	134,211	134,211
Website and software	171,844	156,839
Construction in progress	153,055	5,864
Subtotal	<u>12,353,020</u>	<u>12,125,230</u>
Less: Accumulated depreciation	<u>(4,643,081)</u>	<u>(4,201,740)</u>
Property and Equipment, Net	<u>\$ 7,709,939</u>	<u>\$ 7,923,490</u>

**Note 10 - Beneficial Interest in Endowment Funds:**

Foundation has a beneficial interest in endowment funds held by National Foundation, which are invested in the pooled investments held by State Street Bank & Trust ("Custodian"). The beneficial interest in endowment funds held by National Foundation's Endowment is invested in a portfolio of mutual funds and exchange traded funds, which is structured for long-term total return. These funds are classified as with donor restrictions of a perpetual nature as they must be maintained in perpetuity. Foundation pays a portion of the investment fees charged by the Custodian.

The activity of the beneficial interest in endowment funds held by National Foundation's Endowment consisted of the following for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Balance at Beginning of Year	\$ 4,866,728	\$ 5,230,937
Contributions	1,000	1,000
Investment gains (losses)	1,546,640	(81,773)
Investment fees	(47,620)	(76,566)
Distributions	<u>(214,916)</u>	<u>(206,870)</u>
Balance at End of Year	<u>\$ 6,151,832</u>	<u>\$ 4,866,728</u>

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**Note 11 - Board Designated Funds:**

Under a policy established by the Board of Directors, the Organizations have set aside certain funds for specific projects and expenditures. The following is a summary of the board designated funds at March 31:

	<u>2021</u>	<u>2020</u>
Accumulated earnings:		
Advocacy funds	\$ 4,429,616	\$ 874,340
Ballot initiative advocacy funds	1,913,830	2,405,723
Attorney fees	4,720,922	3,402,451
Sustainability and impact funds	4,168,847	4,632,052
Centennial campaign	2,782,226	4,152,576
Building fund	1,000,000	1,000,000
Issue advocacy	642,448	256,550
Chapter funds	281,227	254,626
Total Board Designated Funds	<u>\$ 19,939,116</u>	<u>\$ 16,978,318</u>

**Note 12 - Net Assets With Donor Restrictions:**

Net assets with donor restrictions consist of the following at March 31:

	<u>2021</u>	<u>2020</u>
<b>Subject to Expenditure for Specified Purpose:</b>		
<b>Bequests:</b>		
LGBTI	\$ 962,061	\$ 962,061
First amendment rights	231,493	231,493
AIDS-related and gay/lesbian rights	56,756	77,530
Criminal justice	-	402,634
<b>Total Bequests</b>	<u>1,250,310</u>	<u>1,673,718</u>
Criminal justice	610,000	150,282
Youth education	67,785	67,785
Reproductive rights	61,221	9,602
Education equity	32,500	-
Immigrants' rights	11,500	293,575
Total Subject to Expenditure for Specified Purpose	<u>2,033,316</u>	<u>2,194,962</u>
<b>Subject to the Passage of Time:</b>		
Contributions receivable, net	<u>100,000</u>	<u>322,504</u>
<b>Perpetual in Nature:</b>		
Beneficial interest in endowment funds	<u>6,151,832</u>	<u>4,866,728</u>
Total Net Assets with Donor Restrictions	<u>\$ 8,285,148</u>	<u>\$ 7,384,194</u>

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**Note 12 – Net Assets With Donor Restrictions: (Continued)**

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors are as follows for the years ended March 31:

	<u>2021</u>	<u>2020</u>
<b>Purpose Restrictions Accomplished:</b>		
Criminal justice	\$ 598,676	\$ 896,412
Immigrants’ rights	431,527	343,161
Education equity	204,475	102,500
AIDS-related and gay/lesbian rights	20,773	-
Reproductive rights	16,490	50,583
LGBTI	-	74,680
Voting rights	-	69,835
Church and state	-	26,750
<b>Time Restrictions Fulfilled</b>	222,504	214,211
<b>Endowment Fund Distributions</b>	214,916	206,870
Total Net Assets Released From Restrictions	<u>\$ 1,709,361</u>	<u>\$ 1,985,002</u>

**Note 13 - Endowment Net Assets:**

The endowment funds of Foundation are held by National Foundation. Foundation’s endowment consists of individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Board of Directors of Foundation has interpreted the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”) as requiring the preservation 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, Foundation classifies donor-restricted net assets of a perpetual nature as (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts donated to the permanent endowment, (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 in donor-restricted net assets of a perpetual nature is classified as donor-restricted net assets with time restriction, until those amounts are appropriated for expenditure by Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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**Note 13 - Endowment Net Assets: (Continued)**

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

- The duration and preservation of the fund
- The purpose of Foundation 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 Foundation
- The investment policies of Foundation

Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Foundation had no underwater endowment funds at March 31, 2021 and 2020.

National Foundation has adopted investment and spending policies for endowment funds that:

- Protect the invested assets
- Preserve spending capacity of the fund income
- Maintain a diversified portfolio of assets that meet investment return objectives, while keeping risk at a level commensurate with that of the median fund in comparable foundations
- Comply with applicable laws

Foundation's endowment funds held by National Foundation are invested in the pooled investments held by Custodian. National Foundation established this pooled investment fund in order to provide diversified investments for all 501(c) (3) affiliates of the National Foundation, including the Foundation. National Foundation's spending policy is to disburse a maximum of 4% annually.

Endowment composition by type of fund at March 31:

	<u>2021</u>	<u>2020</u>
<b><u>Beneficial Interest in Donor-Restricted Endowment Funds:</u></b>		
Trust for the Bill of Rights	\$ 3,831,089	\$ 3,031,291
Howard A. Friedman Endowment	2,022,343	1,600,148
Cheri Bryant Building Sustainability Endowment	206,290	162,408
Ehrlich Emerging Issues Fund	47,454	37,547
Henry Sinton Fund Freedom of Expression	44,656	35,334
Total Beneficial Interest in Donor-Restricted Endowment Funds	\$ 6,151,832	\$ 4,866,728

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**Note 13 - Endowment Net Assets: (Continued)**

Changes in endowment net assets for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Balance at Beginning of Year	\$ 4,866,728	\$ 5,230,937
Contributions	1,000	1,000
Investment income (loss)	1,499,020	(158,339)
Distributions	(214,916)	(206,870)
Balance at End of Year	<u>\$ 6,151,832</u>	<u>\$ 4,866,728</u>

**Note 14 - Commitments and Contingency:**

**Retirement Plans**

The Foundation and Union participate in National Union’s multi-employer defined benefit pension plan (Plan No. 001 and EIN: 13-3871360) (the “Plan”), which was frozen effective April 1, 2009. Accordingly, no new participants have been added to the defined benefit plan census. National Union completed an actuarial valuation of the funded status of the Plan, which estimated that the Plan is 86% and 71% funded at March 31, 2021 and 2020, respectively. The net periodic pension cost is determined at the national level, and the Organizations fund their proportional share of the funding normal cost for the plan year ending within the fiscal year. Pension expense totaled \$356,936 and \$436,497 for the years ended March 31, 2021 and 2020, respectively.

The Foundation and Union also participate in National Union’s multi-employer defined contribution plan (the “Contribution Plan”). The employees of the Organizations who meet the eligibility criteria may participate in the Contribution Plan. The Organizations contribute 2%, and makes a matching contribution of up to 3.5%, based on employee contribution percentages. Pension expense totaled \$457,692 and \$403,984 for the years ended March 31, 2021 and 2020, respectively.

**Operating Lease**

The Organizations lease office space under lease agreements expiring through March 2024. Rent expense under these leases totaled \$406,072 and \$397,711 for the years ended March 31, 2021 and 2020, respectively.

The following is a schedule of future minimum lease payments under the lease:

<u>Years Ended March 31</u>	
2022	\$ 410,269
2023	363,607
2024	193,344
Total	<u>\$ 967,220</u>

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**Note 14 - Commitments and Contingency:**

**Coronavirus Pandemic Contingency**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Organizations are closely monitoring their investment portfolios and liquidity and are actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Organizations' operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organizations' donors, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organizations' financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**Note 15 - ACLU California Action:**

During fiscal year 2021, the ACLU California affiliates (comprised of the 501(c)(3) and 501(c)(4) corporations of the ACLUs of Northern California, Southern California, and San Diego and Imperial Counties) formed a new 501(c)(4) corporation, ACLU California Action. ACLU California Action will house certain programs intended to advance state-level work for civil liberties and civil rights. The Foundation and the Union each designate directors to the ACLU California Action board and will make annual financial contributions to ACLU California Action as part of the annual budgeting process of each corporation. The annual contribution will be in the form of a grant and will include a written grant agreement with any restrictions and/or prohibitions on the use of funds. Contributions totaled \$496,477 for the year ended March 31, 2021.



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SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
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	<b>ASSETS</b>			
	<u>Foundation</u>	<u>Union</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Current Assets:</u></b>				
Cash and cash equivalents	\$ 12,234,821	\$ 10,858,987	\$ -	\$ 23,093,808
Investments	14,546,307	1,544,906	-	16,091,213
Accounts receivable	322,266	18,500	-	340,766
Contributions receivable	250,000	-	-	250,000
Due from National Foundation	3,963,035	-	-	3,963,035
Due from National Union	-	1,760,117	-	1,760,117
Due from Foundation	-	305,419	(305,419)	-
Prepaid expenses	232,780	11,834	-	244,614
<b>Total Current Assets</b>	<u>31,549,209</u>	<u>14,499,763</u>	<u>(305,419)</u>	<u>45,743,553</u>
<b><u>Noncurrent Assets:</u></b>				
Deposits	26,832	7,950	-	34,782
Property and equipment, net	7,647,700	62,239	-	7,709,939
Beneficial interests in endowment funds	6,151,832	-	-	6,151,832
<b>Total Noncurrent Assets</b>	<u>13,826,364</u>	<u>70,189</u>	<u>-</u>	<u>13,896,553</u>
<b>TOTAL ASSETS</b>	<u>\$ 45,375,573</u>	<u>\$ 14,569,952</u>	<u>\$ (305,419)</u>	<u>\$ 59,640,106</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b><u>Current Liabilities:</u></b>				
Accounts payable and accrued expenses	\$ 1,881,973	\$ 330,159	\$ -	\$ 2,212,132
Deposits	19,061	-	-	19,061
Due to National Foundation	100,000	-	-	100,000
Due to Union	305,419	-	(305,419)	-
<b>Total Current Liabilities</b>	<u>2,306,453</u>	<u>330,159</u>	<u>(305,419)</u>	<u>2,331,193</u>
<b><u>Noncurrent Liabilities:</u></b>				
Grant payable	-	200,000	-	200,000
<b>Total Noncurrent Liabilities</b>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
<b>Total Liabilities</b>	<u>2,306,453</u>	<u>530,159</u>	<u>(305,419)</u>	<u>2,531,193</u>
<b><u>Net Assets:</u></b>				
Without Donor Restrictions:				
Undesignated	12,863,247	8,311,463	-	21,174,710
Board designated	15,296,307	4,642,809	-	19,939,116
Property and equipment	7,647,700	62,239	-	7,709,939
<b>Total Without Donor Restrictions</b>	<u>35,807,254</u>	<u>13,016,511</u>	<u>-</u>	<u>48,823,765</u>
With Donor Restrictions	7,261,866	1,023,282	-	8,285,148
<b>Total Net Assets</b>	<u>43,069,120</u>	<u>14,039,793</u>	<u>-</u>	<u>57,108,913</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 45,375,573</u>	<u>\$ 14,569,952</u>	<u>\$ (305,419)</u>	<u>\$ 59,640,106</u>

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
MARCH 31, 2020**

	<b>ASSETS</b>			
	<u>Foundation</u>	<u>Union</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Current Assets:</u></b>				
Cash and cash equivalents	\$ 15,024,870	\$ 9,701,929	\$ -	\$ 24,726,799
Investments	8,985,118	302,473	-	9,287,591
Accounts receivable	90,353	69,500	-	159,853
Contributions receivable	1,117,500	-	-	1,117,500
Due from National Foundation	5,562,207	-	-	5,562,207
Due from National Union	-	866,820	-	866,820
Due from Foundation	-	1,073,285	(1,073,285)	-
Prepaid expenses	138,535	11,692	-	150,227
Total Current Assets	<u>30,918,583</u>	<u>12,025,699</u>	<u>(1,073,285)</u>	<u>41,870,997</u>
<b><u>Noncurrent Assets:</u></b>				
Contributions receivable, net	97,087	-	-	97,087
Deposits	26,832	7,950	-	34,782
Property and equipment, net	7,837,268	86,222	-	7,923,490
Beneficial interests in endowment funds	4,866,728	-	-	4,866,728
Total Noncurrent Assets	<u>12,827,915</u>	<u>94,172</u>	<u>-</u>	<u>12,922,087</u>
<b>TOTAL ASSETS</b>	<u>\$ 43,746,498</u>	<u>\$ 12,119,871</u>	<u>\$ (1,073,285)</u>	<u>\$ 54,793,084</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b><u>Current Liabilities:</u></b>				
Accounts payable and accrued expenses	\$ 1,723,728	\$ 501,543	\$ -	\$ 2,225,271
Deposits	19,061	-	-	19,061
Due to National Foundation	275,417	-	-	275,417
Due to Union	1,073,285	-	(1,073,285)	-
Total Current Liabilities	<u>3,091,491</u>	<u>501,543</u>	<u>(1,073,285)</u>	<u>2,519,749</u>
<b><u>Noncurrent Liabilities:</u></b>				
Grant payable	-	200,000	-	200,000
Due to National Foundation	50,000	-	-	50,000
Total Noncurrent Liabilities	<u>50,000</u>	<u>200,000</u>	<u>-</u>	<u>250,000</u>
Total Liabilities	<u>3,141,491</u>	<u>701,543</u>	<u>(1,073,285)</u>	<u>2,769,749</u>
<b><u>Net Assets:</u></b>				
Without Donor Restrictions:				
Undesignated	14,425,463	5,311,870	-	19,737,333
Board designated	11,929,745	5,048,573	-	16,978,318
Property and equipment	7,837,268	86,222	-	7,923,490
Total Without Donor Restrictions	<u>34,192,476</u>	<u>10,446,665</u>	<u>-</u>	<u>44,639,141</u>
With Donor Restrictions	6,412,531	971,663	-	7,384,194
Total Net Assets	<u>40,605,007</u>	<u>11,418,328</u>	<u>-</u>	<u>52,023,335</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 43,746,498</u>	<u>\$ 12,119,871</u>	<u>\$ (1,073,285)</u>	<u>\$ 54,793,084</u>

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>Foundation</u>	<u>Union</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Net Assets Without Donor Restrictions:</u></b>				
<b><u>Revenue and Support:</u></b>				
Contributions	\$ 12,571,566	\$ 1,410,350	\$ (600,000)	\$ 13,381,916
In-kind contributed services	10,999,437	-	-	10,999,437
Membership contributions	-	6,772,564	-	6,772,564
Investment income	4,046,994	392,447	-	4,439,441
Legal awards	2,358,197	-	-	2,358,197
Other income	159,929	523,432	-	683,361
Net assets released from restrictions	1,692,871	16,490	-	1,709,361
Total Revenue and Support	<u>31,828,994</u>	<u>9,115,283</u>	<u>(600,000)</u>	<u>40,344,277</u>
<b><u>Expenses:</u></b>				
<b><u>Program Services:</u></b>				
Program services	<u>25,775,335</u>	<u>5,664,201</u>	<u>(600,000)</u>	<u>30,839,536</u>
<b><u>Supporting Services:</u></b>				
Management and general	2,628,370	673,743	-	3,302,113
Fundraising	1,810,511	207,493	-	2,018,004
Total Supporting Services	<u>4,438,881</u>	<u>881,236</u>	<u>-</u>	<u>5,320,117</u>
Total Expenses	<u>30,214,216</u>	<u>6,545,437</u>	<u>(600,000)</u>	<u>36,159,653</u>
Change in Net Assets Without Donor Restrictions	<u>1,614,778</u>	<u>2,569,846</u>	<u>-</u>	<u>4,184,624</u>
<b><u>Net Assets With Donor Restrictions:</u></b>				
Investment income	1,499,020	-	-	1,499,020
Contributions	1,043,186	68,109	-	1,111,295
Net assets released from restrictions	<u>(1,692,871)</u>	<u>(16,490)</u>	<u>-</u>	<u>(1,709,361)</u>
Change in Net Assets With Donor Restrictions	<u>849,335</u>	<u>51,619</u>	<u>-</u>	<u>900,954</u>
Change in Net Assets	2,464,113	2,621,465	-	5,085,578
Net Assets at Beginning of Year	<u>40,605,007</u>	<u>11,418,328</u>	<u>-</u>	<u>52,023,335</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 43,069,120</u></u>	<u><u>\$ 14,039,793</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 57,108,913</u></u>

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
SUPPLEMENTARY CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>Foundation</u>	<u>Union</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b><u>Net Assets Without Donor Restrictions:</u></b>				
<b><u>Revenue and Support:</u></b>				
Contributions	\$ 11,704,795	\$ 889,839	\$ (300,000)	\$ 12,294,634
In-kind contributed services	9,056,878	-	-	9,056,878
Membership contributions	-	6,086,254	-	6,086,254
Legal awards	1,440,998	-	-	1,440,998
Other income	144,833	437,347	-	582,180
Investment income (loss)	(58,662)	144,962	-	86,300
Net assets released from restrictions	1,944,105	40,897	-	1,985,002
Total Revenue and Support	<u>24,232,947</u>	<u>7,599,299</u>	<u>(300,000)</u>	<u>31,532,246</u>
<b><u>Expenses:</u></b>				
<b><u>Program Services:</u></b>				
Program services	<u>19,906,145</u>	<u>4,468,776</u>	<u>(300,000)</u>	<u>24,074,921</u>
<b><u>Supporting Services:</u></b>				
Management and general	1,791,216	1,001,013	-	2,792,229
Fundraising	1,886,096	287,675	-	2,173,771
Total Supporting Services	<u>3,677,312</u>	<u>1,288,688</u>	<u>-</u>	<u>4,966,000</u>
Total Expenses	<u>23,583,457</u>	<u>5,757,464</u>	<u>(300,000)</u>	<u>29,040,921</u>
Change in Net Assets Without Donor Restrictions	<u>649,490</u>	<u>1,841,835</u>	<u>-</u>	<u>2,491,325</u>
<b><u>Net Assets With Donor Restrictions:</u></b>				
Contributions	692,418	50,000	-	742,418
Investment loss	(158,339)	-	-	(158,339)
Net assets released from restrictions	<u>(1,944,105)</u>	<u>(40,897)</u>	<u>-</u>	<u>(1,985,002)</u>
Change in Net Assets With Donor Restrictions	<u>(1,410,026)</u>	<u>9,103</u>	<u>-</u>	<u>(1,400,923)</u>
Change in Net Assets	(760,536)	1,850,938	-	1,090,402
Net Assets at Beginning of Year	<u>41,365,543</u>	<u>9,567,390</u>	<u>-</u>	<u>50,932,933</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 40,605,007</u>	<u>\$ 11,418,328</u>	<u>\$ -</u>	<u>\$ 52,023,335</u>

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES –  
FOUNDATION  
FOR THE YEAR ENDED MARCH 31, 2021**

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Administrative expenses	\$ 358,565	\$ 67,175	\$ 95,362	\$ 162,537	\$ 521,102
Bad debt	-	-	6,667	6,667	6,667
Depreciation	291,613	74,788	47,853	122,641	414,254
Hospitality and meetings	21,267	19,072	375	19,447	40,714
Insurance	107,399	93,079	15,726	108,805	216,204
Litigation non-service fees	2,450	-	-	-	2,450
Occupancy	581,758	64,602	41,335	105,937	687,695
Outside services	312,478	145,266	1,865	147,131	459,609
Personnel	8,477,498	1,948,053	1,498,540	3,446,593	11,924,091
Professional expenses	11,443,151	132,707	72,813	205,520	11,648,671
Program grants	3,950,600	-	-	-	3,950,600
Sponsorship - Other Organizations	15,750	-	-	-	15,750
Taxes, permits, fees and licenses	3,868	8,430	181	8,611	12,479
Telecommunications	188,565	55,062	29,407	84,469	273,034
Travel	20,373	20,136	387	20,523	40,896
<b>Total Expenses</b>	<b>\$ <u>25,775,335</u></b>	<b>\$ <u>2,628,370</u></b>	<b>\$ <u>1,810,511</u></b>	<b>\$ <u>4,438,881</u></b>	<b>\$ <u>30,214,216</u></b>

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES –  
FOUNDATION  
FOR THE YEAR ENDED MARCH 31, 2020**

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Administrative expenses	\$ 430,910	\$ 31,723	\$ 43,849	\$ 75,572	\$ 506,482
Bad debt	-	-	100,000	100,000	100,000
Depreciation	272,848	54,780	56,087	110,867	383,715
Hospitality and meetings	171,499	4,840	122,835	127,675	299,174
Insurance	149,360	27,310	-	27,310	176,670
Litigation non-service fees	4,403	-	-	-	4,403
Occupancy	333,583	24,629	28,668	53,297	386,880
Outside services	584,923	85,724	41,462	127,186	712,109
Personnel	7,090,587	1,428,180	1,462,267	2,890,447	9,981,034
Professional expenses	9,475,840	66,287	-	66,287	9,542,127
Program grants	1,030,848	-	-	-	1,030,848
Sponsorship - Other Organizations	52,879	-	-	-	52,879
Taxes, permits, fees and licenses	(24,270)	27,167	460	27,627	3,357
Telecommunications	126,324	7,726	10,739	18,465	144,789
Travel	206,411	32,850	19,729	52,579	258,990
<b>Total Expenses</b>	<b>\$ <u>19,906,145</u></b>	<b>\$ <u>1,791,216</u></b>	<b>\$ <u>1,886,096</u></b>	<b>\$ <u>3,677,312</u></b>	<b>\$ <u>23,583,457</u></b>

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES –  
UNION  
FOR THE YEAR ENDED MARCH 31, 2021**

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Administrative expenses	\$ 340,604	\$ 2,234	\$ 15,621	\$ 17,855	\$ 358,459
Depreciation	21,249	4,548	1,290	5,838	27,087
Hospitality and meetings	16,822	3,666	1,079	4,745	21,567
Insurance	10,747	9,193	689	9,882	20,629
Occupancy	129,352	28,192	8,292	36,484	165,836
Outside services	233,744	62,824	15,940	78,764	312,508
Personnel	2,885,509	497,315	133,203	630,518	3,516,027
Professional expenses	47,507	17,231	1,630	18,861	66,368
Program grants	1,760,739	-	-	-	1,760,739
Sponsorship - Other Organizations	12,950	-	-	-	12,950
Taxes, permits, fees and licenses	1,537	375	-	375	1,912
Telecommunications	198,035	48,009	29,744	77,753	275,788
Travel	5,406	156	5	161	5,567
<b>Total Expenses</b>	<b>\$ <u>5,664,201</u></b>	<b>\$ <u>673,743</u></b>	<b>\$ <u>207,493</u></b>	<b>\$ <u>881,236</u></b>	<b>\$ <u>6,545,437</u></b>

**AMERICAN CIVIL LIBERTIES UNION FOUNDATION  
OF NORTHERN CALIFORNIA, INC. AND  
AMERICAN CIVIL LIBERTIES UNION OF NORTHERN CALIFORNIA  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES –  
UNION  
FOR THE YEAR ENDED MARCH 31, 2020**

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Administrative expenses	\$ 308,987	\$ 69,112	\$ 6,788	\$ 75,900	\$ 384,887
Depreciation	14,340	4,230	1,159	5,389	19,729
Hospitality and meetings	227,160	22,086	12,982	35,068	262,228
Insurance	2,895	44,616	118	44,734	47,629
Litigation non-service fees	200	-	-	-	200
Occupancy	85,854	96,730	11,394	108,124	193,978
Outside services	751,765	56,214	12,242	68,456	820,221
Personnel	2,171,800	638,735	175,011	813,746	2,985,546
Professional expenses	66,660	9,515	36,907	46,422	113,082
Program grants	375,100	-	-	-	375,100
Sponsorship - Other Organizations	9,025	-	-	-	9,025
Taxes, permits, fees and licenses	74	876	235	1,111	1,185
Telecommunications	271,899	33,952	30,120	64,072	335,971
Travel	183,017	24,947	719	25,666	208,683
<b>Total Expenses</b>	<b>\$ <u>4,468,776</u></b>	<b>\$ <u>1,001,013</u></b>	<b>\$ <u>287,675</u></b>	<b>\$ <u>1,288,688</u></b>	<b>\$ <u>5,757,464</u></b>