ACLU Foundation of Southern California and Subsidiary

Consolidated Financial Statements

March 31, 2021
(With Comparative Totals for 2020)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
ACLU Foundation of Southern California and Subsidiary
Los Angeles, California

We have audited the accompanying consolidated financial statements of ACLU Foundation of Southern California and Subsidiary (a California nonprofit corporation) (the "Foundation"), which comprise the consolidated statement of financial position as of March 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ACLU Foundation of Southern California and Subsidiary as of March 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited ACLU Foundation of Southern California and Subsidiary's 2020 consolidated financial statements, and our report dated November 6, 2020 expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Armanino LLP

Armanino LLP
Los Angeles, California

December 9, 2021

ACLU Foundation of Southern California and Subsidiary
Consolidated Statement of Financial Position
March 31, 2021
(With Comparative Totals for 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	$ 4,371,191	$ 4,776,066
Receivables, net	3,031,595	1,072,526
Investments	28,506,704	23,206,001
Property and equipment, net	8,367,844	8,735,497
Right of use assets - operating leases	501,313	633,262
Right of use assets - finance leases	66,086	113,254
Prepaid and other assets	196,005	279,362
Total assets	$ 45,040,738	$ 38,815,968
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	$ 142,031	$ 222,885
Accrued expenses	1,047,452	1,016,223
Due to related parties	1,523,614	403,372
Right of use liability - operating leases	527,953	675,721
Right of use liability - financing leases	67,620	111,807
Obligations under split-interest agreements	719,846	695,478
Deferred revenue	352,910	320,840
Total liabilities	4,381,426	3,446,326
Net assets		
Without donor restrictions		
Board-designated	4,926,728	4,716,673
Undesignated	26,420,687	22,371,153
Total without donor restrictions	31,347,415	27,087,826
With donor restrictions	9,311,897	8,281,816
Total net assets	40,659,312	35,369,642
Total liabilities and net assets	$ 45,040,738	$ 38,815,968

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

ACLU Foundation of Southern California and Subsidiary
Consolidated Statement of Activities
For the Year Ended March 31, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenues, gains, and other support				
Public support				
Contributions	$ 5,212,720	$ 2,461,930	$ 7,674,650	$ 8,117,004
Grants	176,780	966,500	1,143,280	422,172
Bequests	159,176	883,557	1,042,733	227,155
Special events	643,029	-	643,029	616,072
Donated professional services	17,183,854	-	17,183,854	3,449,772
Total public support	23,375,559	4,311,987	27,687,546	12,832,175
Legal awards	968,013	-	968,013	716,523
Rental income, net of allocated expenses of $698,490	(106,133)	-	(106,133)	(87,875)
Other revenue	52,402	-	52,402	100,608
Net assets released from restriction	4,511,158	(4,511,158)	-	-
Total revenues, gains, and other support	28,800,999	(199,171)	28,601,828	13,561,431
Functional expenses				
Program services	24,925,458	-	24,925,458	10,896,844
Support services				
Fundraising	1,532,100	-	1,532,100	1,550,842
Management and general	2,193,414	-	2,193,414	2,137,639
Total support services	3,725,514	-	3,725,514	3,688,481
Total functional expenses	28,650,972	-	28,650,972	14,585,325
Change in net assets from operations	150,027	(199,171)	(49,144)	(1,023,894)
Non-operating income				
Change in split interest agreements	-	(293,408)	(293,408)	39,705
Uncollectible pledges receivable	-	-	-	(481,250)
Net investment income	4,109,562	1,522,660	5,632,222	(1,422,715)
Total non-operating income	4,109,562	1,229,252	5,338,814	(1,864,260)
Change in net assets	4,259,589	1,030,081	5,289,670	(2,888,154)
Net assets, beginning of year	27,087,826	8,281,816	35,369,642	38,257,796
Net assets, end of year	$ 31,347,415	$ 9,311,897	$ 40,659,312	$ 35,369,642

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

ACLU Foundation of Southern California and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended March 31, 2021
(With Comparative Totals for 2020)

	Program Services										Support Services			
	First-Amendment	Criminal Justice	Police Practices	Economic Justice	Educational Equality	LGBT/Gender Reproductive Rights	Immigrant Rights	Voting Rights	Activist Engagement	Total Program Services	Fundraising	Management and General	2021 Total	2020 Total
Personnel expenses	$ 345,028	$ 637,251	$ 1,087,882	$ 557,260	$ 715,371	$ 836,506	$ 1,896,367	$ 337,471	$ 48,540	$ 6,461,676	$ 974,990	$ 1,169,113	$ 8,605,779	$ 8,548,031
Litigation expenses	26,291	7,708	12,937	11,112	2,902	5,972	25,550	650	-	93,122	-	-	93,122	158,392
Contracted services	5,008	30,021	13,423	54,152	9,065	13,641	48,781	2,000	1,078	177,169	12,401	284,749	474,319	260,644
Special event expenses	-	-	-	-	-	-	-	-	-	-	394,165	-	394,165	378,646
Facilities	42,007	91,915	118,448	69,797	79,656	99,072	207,273	29,688	6,307	744,163	82,023	879,082	1,705,268	1,754,489
Other program expenses	8,639	29,462	28,342	10,681	96,062	39,027	38,565	2,451	300	253,529	6,264	-	259,793	198,681
Equipment & software/IT	3,981	10,670	10,922	8,185	5,761	8,785	17,175	1,604	1,202	68,285	21,692	21,430	111,407	108,791
Insurance	2,989	7,679	7,714	5,101	4,695	7,173	13,613	1,194	88	50,246	1,008	65,190	116,444	86,421
Meetings & conferences	388	2,558	2,474	1,171	2,738	2,964	2,796	143	29	15,261	333	483	16,077	105,167
Travel	4	2,389	10	77	18	14	145	2	-	2,659	-	590	3,249	117,994
Other administrative expenses	5,515	61,304	13,696	6,876	8,209	12,841	21,787	2,842	656	133,726	35,250	217,009	385,985	419,488
Donated professional services expense	272,857	6,426,753	1,989,481	650,822	8,185	674,471	6,720,265	182,442	346	16,925,622	3,974	254,258	17,183,854	3,449,772
	712,707	7,307,710	3,285,329	1,375,234	932,662	1,700,466	8,992,317	560,487	58,546	24,925,458	1,532,100	2,891,904	29,349,462	15,586,516
Less: expenses included with revenues on the statement of activities														
Facilities expense allocated to tenants	-	-	-	-	-	-	-	-	-	-	-	(698,490)	(698,490)	(663,955)
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	-	-	(337,236)
	$ 712,707	$ 7,307,710	$ 3,285,329	$ 1,375,234	$ 932,662	$ 1,700,466	$ 8,992,317	$ 560,487	$ 58,546	$ 24,925,458	$ 1,532,100	$ 2,193,414	$ 28,650,972	$ 14,585,325

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

ACLU Foundation of Southern California and Subsidiary
Consolidated Statement of Cash Flows
For the Year Ended March 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 5,289,670	$ (2,888,154)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	505,271	519,043
Discount on receivables	-	(47,623)
Reinvested interest and dividends income, net of fees	(278,760)	(558,688)
Realized and unrealized gains on investments	(5,353,462)	1,981,403
Changes in operating assets and liabilities		
Receivables, net	(1,959,069)	3,321,514
Prepaid and other assets	83,357	(64,890)
Accounts payable	(80,854)	16,673
Accrued expenses	31,229	24,080
Due to related parties	1,120,242	(3,807,247)
Operating lease liabilities	(15,819)	37,868
Obligations under split-interest agreements	24,368	(89,102)
Deferred revenue	32,070	67,014
Net cash used in operating activities	(601,757)	(1,488,109)
Cash flows from investing activities		
Purchases of investments	(4,221,434)	(2,558,673)
Proceeds from sales of investments	4,552,953	6,521,141
Purchase of property and equipment	(90,450)	(77,500)
Net cash provided by investing activities	241,069	3,884,968
Cash flows from financing activities		
Right of use liability principal payments	(44,187)	(46,993)
Net cash used in financing activities	(44,187)	(46,993)
Net increase (decrease) in cash and cash equivalents	(404,875)	2,349,866
Cash and cash equivalents, beginning of year	4,776,066	2,426,200
Cash and cash equivalents, end of year	$ 4,371,191	$ 4,776,066

Supplemental schedule of noncash investing and financing activities

Right of use asset acquired through operating lease	$ -	$ 502,432

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

1. NATURE OF OPERATIONS

The ACLU Foundation of Southern California (the "Foundation") is a non-profit organization located in Los Angeles, California. The Foundation is affiliated with the American Civil Liberties Union of Southern California (the "Union") and with the American Civil Liberties Union, Inc. and the American Civil Liberties Union Foundation, Inc. (collectively, the "National Office"). The Foundation shares the same general mission and purpose as the National Office, which is to defend and preserve the individual rights and liberties guaranteed by the Constitution and laws of the United States. As regional affiliates, the Union and the Foundation focus on civil liberties issues and initiatives in Southern California, through the Union's legislative lobbying, community education and engagement and media advocacy, and the Foundation's community education and engagement, media advocacy, policy research and advocacy and litigation efforts.

The ACLU Foundation of Southern California is a tax-exempt organization for both federal and state purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The accompanying consolidated financial statements include the accounts of the ACLU Foundation of Southern California and its wholly owned subsidiaries, ACLU Foundation of Southern California, LLC ("Foundation LLC") and ACLU HI Park LLC ("HI Park LLC") (collectively hereafter, the "Foundation"). The subsidiaries are single member limited liability companies and the Foundation is their sole member. All significant inter-organizational accounts and transactions have been eliminated in consolidation.

Financial statement presentation

The Foundation reports information regarding its consolidated financial position and activities based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions - undesignated* - Include contributions, grants, bequests, fees and other forms of revenue without donor restrictions, and expenditures related to the general operations and fundraising efforts of the Foundation.
- *Net asset without donor restrictions - board designated* - Include net assets without donor restrictions the Foundation's Board of Directors has segregated for reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement presentation (continued)

- *Net assets with donor restrictions* (See Note 12) - Include 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 has been fulfilled, or both.

Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Cash and cash equivalents

The Foundation considers all financial instruments purchased with an original maturity of three months or less to be cash equivalents. As of March 31, 2021, the Foundation held cash equivalents only within its investment accounts (See Note 4).

Concentration of credit risk

Certain financial instruments held by the Foundation potentially subject the Foundation to concentrations of credit risk. These financial instruments include cash and cash equivalents, receivables and investments.

The Foundation maintains its cash and cash equivalents accounts with high credit, quality financial institutions; accounts at each institution are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times during the year, cash in these accounts may exceed the federally insured amounts. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of credit risk (continued)

Substantially all of the Foundation's receivables are from individuals, businesses, or nonprofit organizations in Southern California or from foundations and ACLU affiliates across the country. Collectability of these receivables may be affected by changes in the economic or other conditions of the geographical area. There were no grantors that comprised over 10% of the Foundation's total contributions and grants for the year ended March 31, 2021. Two grantors comprised 58% (29% and 29%) of contributions and grants receivable as of March 31, 2021.

Contributions and grants receivables, net

The Foundation records contributions and grants receivable, net of allowances for uncollectible amounts, whenever there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. The provision for allowances for uncollectible amounts is based on management's estimate of uncollectible accounts.

Management believes all contributions and grants receivable will be collected and an allowance for doubtful accounts has not been established as of March 31, 2021.

Investments

Investments consist primarily of mutual funds investing in bonds and equities and are stated at fair value. Unrealized gains and losses are recognized aggregately. Realized gains and losses are recognized at the time of sale and are calculated using the specific identification method.

Fair value measurements

FASB ASC 820, "Fair Value Measurements" establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- *Level 1* - Quoted prices are available in active markets for identical instruments as of the reporting date. As the Foundation's investments are comprised of investments in marketable securities with readily determinable fair values and debt securities, these would generally be classified as Level 1inputs.
- *Level 2* - Pricing inputs are observable for the instruments, either directly or indirectly, as of the reporting date but are other than quoted prices in active markets as in Level 1.
- *Level 3* - Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Foundation assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no significant transfers among Levels 1, 2 and 3 during the year.

The Net Asset Value ("NAV") may be used as a practical expedient to determine the fair value of investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. Investments using the NAV as a practical expedient are not categorized in the fair value hierarchy, pursuant to ASU 2015-07, *Fair Value Measurement*.

Investment in the Bill of Rights Trust are valued at fair value based on the applicable percentage of ownership of the underlying assets on the measurement date. In determining fair value, the Foundation uses the Net Asset Value ("NAV") or equivalent, as provided by the underlying trust. The trust values securities and other financial instruments on the fair value basis of accounting. The estimated fair values of certain investments of the underlying trust, which may include private placements and other securities for which prices are not readily available, are determined by the trustee of the trust and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. The fair value of the Foundation's investment in the Bill of Rights Trust generally represents the amount the Foundation would expect to receive if it were to liquidate its investment excluding any redemption charges that may apply. As discussed above, investments valued using the NAV are not included in the fair value hierarchy.

Property and equipment, net

Property and equipment are stated at cost for purchased property and at market value at contribution date for contributed property. Right-of-use assets acquired through finance leases are recorded at market value at lease inception.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment, net (continued)

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings	25 years
Furniture and equipment	5 years
Capital leased assets	5 years
Leasehold improvements	shorter of initial lease period or useful life of asset

Replacements, maintenance and repairs are charged to expense when incurred. Major additions and improvements that extend the useful lives of property and equipment are capitalized. When property and equipment are sold or otherwise disposed of, the asset accounts and related accumulated depreciation accounts are reduced, and any gain or loss is included in income.

Impairment of long-lived assets

Management reviews each asset or asset group for impairment annually, or whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable. No impairment loss was recorded by the Foundation during the year ended March 31, 2021.

Contributions and special events revenue recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Foundation recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Foundation recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. With the exception of goods and services provided in connection with membership dues, which are transferred over the period of membership, all goods and services are transferred at a point in time.

Contributed professional services

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed professional services (continued)

During the year ended March 31, 2021, the Foundation received contributions of legal services with a fair value of $17,183,854, which are reflected in contribution revenue and program and supporting services expenses.

During the COVID-19 pandemic, the need for the Foundation's work surged as people held in jails, prisons, and detention centers faced a significant threat to their health and well-being. Law firms provided the Foundation more pro bono lawyers who helped the Foundation bring litigation to release people and protect those who remained incarcerated. As a result of the intense need and the legal resources available to the Foundation, the Foundation's in-kind litigation revenue increased to approximately $17 million from approximately $3 million the year before.

In addition, a number of individuals have made a contribution of their time to serve on the Foundation's board. The value of these contributed services is not reflected in these consolidated financial statements as those services would not typically be purchased had they not been provided by donation.

Legal awards

Pursuant to the Civil Rights Attorneys Fee Awards Act of 1976, legal fees and expenses may be awarded in certain court cases. The amounts of these awards are the result of court determinations and appellate decisions, or negotiations between the parties to the actions. 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 a reasonable 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.

Deferred revenue

As discussed in Note 6, interests in split-interest agreements for which the Foundation is the trustee but for which the donor has retained the right to change the remainder beneficiary from the Foundation to another organization are deferred and included in income at the date of death of the donor and/or the designated income beneficiary.

Deferred revenue also includes payments received for future Foundation events and fellowships, which will be included in income when the events and fellowship period occurs, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Split-interest agreements

The Foundation is a remainder beneficiary, and in certain cases the trustee, of various charitable remainder trusts and other life-income arrangements, referred to as Split-Interest Agreements ("Agreements"). The Agreements typically provide for the periodic payment, over the remaining life of the donor, to the donor or named beneficiaries of amounts either fixed or based upon the income earned by the trust assets or a percentage of the market value of those assets.

At the date of death of the life-income beneficiary, the balance held in the trust is distributed to the charitable remainder beneficiary or beneficiaries. Interests in irrevocable split-interest agreements are recognized at the time a gift to a trust is made, in cases where the Foundation is the trustee, or at the time the Foundation is notified by the trustee that a gift has been made. Assets received are recorded at their estimated fair value and liabilities are recognized based upon the present value of payments expected to be made to other beneficiaries using discount rates commensurate with the risks involved. During the term of the Agreements, the amortization of the discount associated with the contribution and revaluations of expected future payments to beneficiaries based upon changes in life expectancies are recognized in the statement of activities as changes in split-interest agreements.

Revenue sharing

As discussed in Note 16, certain revenues are subject to a revenue sharing agreement with the National Office. The National Office's sharing rules specify the circumstances under which revenue shall be shared and the methodology for determining the specific portion of various categories of revenue that will be shared with the Foundation. Shared revenues are reported at net of the National Office's share in the consolidated Statement of Activities.

Bequests

The Foundation is a beneficiary under various wills and trust agreements, the total realizable amounts of which are not determinable at present. The Foundation's share of such bequests is recorded when probate courts declare the testamentary instrument valid and the proceeds are measurable.

Functional expenditures

The cost of providing the various program and supporting services of the Foundation have been summarized on a functional basis in the accompanying consolidated financial statements. Expenses have been charged directly to program and supporting services based on direct expenses incurred. Any expenses not directly chargeable are allocated to program and supporting services based on management's analysis of which program or supporting service was benefited by the expense. Management's analysis primarily includes estimates of employee time incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional expenditures (continued)

In addition, certain expenses, predominantly salaries and employee benefits, are shared between the Foundation and the Union.

Income tax status

The Foundation is a nonprofit public benefit corporation organized under the laws of California and, as such, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and corresponding state provisions. The Foundation LLC and HI Park LLC are treated as disregarded entities for tax reporting purposes. The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Foundation believes that it has appropriate support for the tax positions taken and, as such does not have any uncertain tax positions that result in a material impact on the Foundation's financial position or statement of activities.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between the years presented. The reclassifications had no impact on previously reported net income.

Subsequent events

The Foundation has evaluated events subsequent to March 31, 2021, to assess the need for potential recognition or disclosure in the consolidated financial statements. Such events were evaluated through December 9, 2021, the date the consolidated financial statements were available to be issued. Based upon this evaluation, it was determined no subsequent events occurred that require recognition or additional disclosure in the consolidated financial statements except for what is disclosed in Note 4.

3. RECEIVABLES

Receivables have been recorded at the present value of expected future cash flows, utilizing an imputed discount rate of 3%.

3. RECEIVABLES (continued)

Receivables at March 31, 2021 consisted of:

	2021	2020
Contributions and grants receivable	$ 643,017	$ 659,676
Bequests receivable	2,208,893	13,475
Grants receivable	37,500	199,000
Other receivables	157,578	218,742
	3,046,988	1,090,893
Unamortized discount	(15,393)	(18,367)
	$ 3,031,595	$ 1,072,526

The following table summarizes the expected collection of receivables at March 31, 2021:

	2021	2020
Due within one year	$ 648,095	$ 782,893
Due in one to five years	190,000	308,000
Due after five years	2,193,500	-
	$ 3,031,595	$ 1,090,893

Contributions receivable include an interest in a remainder trust for which the Foundation is not the trustee and include the following:

	2021	2020
Amounts due in one to five years	$ 77,988	$ 77,988
Unamortized discount	(8,580)	(12,509)
	$ 69,408	$ 65,479

Bequests receivable consist of the estimated value of a split-interest asset that became irrevocable upon the death of the original donor. The Foundation recently obtained an estimated value. The timing of realization is uncertain.

4. INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of March 31, 2021:

	Level 1	Level 2	Level 3	Fair Value
Cash and money funds	$ 8,051,047	$ -	$ -	$ 8,051,047
Bond funds	4,081,446	-	-	4,081,446
Equity funds	13,457,623	-	-	13,457,623
Fixed income	216,698	-	-	216,698
Mutual Funds	59,835	-	-	59,835
General partnership	-	-	1,310,298	1,310,298
	$ 25,866,649	$ -	$ 1,310,298	27,176,947
Investments measured at net asset value (Bill of Rights Trust)*				1,329,757
				$ 28,506,704

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of March 31, 2020:

	Level 1	Level 2	Level 3	Fair Value
Cash and money funds	$ 8,093,715	$ -	$ -	$ 8,093,715
Bond funds	3,141,583	-	-	3,141,583
Equity funds	9,416,903	-	-	9,416,903
Fixed income	282,862	-	-	282,862
General partnership	-	-	1,307,803	1,307,803
	$ 20,935,063	$ -	$ 1,307,803	22,242,866
Investments measured at net asset value (Bill of Rights Trust)*				963,135
				$ 23,206,001

*Investments measured using the NAV as a practical expedient are not included in the fair value hierarchy. These amounts are presented here to facilitate reconciliation of the fair value hierarchy to the Statement of Financial Position.

4. INVESTMENTS (continued)

Quantitative information regarding unobservable inputs used in determining the fair value of the Foundation's Level 3 investment is as follows at March 31, 2021:

Asset	Fair Value	Valuation Technique	Unobservable Input
Investment in general partnership	$ 1,310,298	2019 real estate appraisal and the investee's most recent financial reports	2019 real estate appraisal and the investee's most recent financial reports

Quantitative information regarding unobservable inputs used in determining the fair value of the Foundation's Level 3 investment is as follows at March 31, 2020:

Asset	Fair Value	Valuation Technique	Unobservable Input
Investment in general partnership	$ 1,307,803	2019 real estate appraisal and the investee's most recent financial reports	2019 real estate appraisal and the investee's most recent financial reports

In August 2021, the owners of the general partnership entered into escrow with a buyer to purchase the associated land in the amount of $27,250,000. The Foundation currently owns 12.5% of the property, and is the remainder beneficiary of a trust that also owns 12.5% of the property. The estimated value of that interest has been recognized as a receivable. In September 2021, escrow closed on the sale.

A summary of changes in the fair value of the Foundation's Level 3 investment for the year ended March 31, 2021 is as follows:

Balance at March 31, 2020	$ 1,307,803
Revenue	95,559
Expenses	(9,888)
Distributions	(83,176)
Balance at March 31, 2021	$ 1,310,298

4. INVESTMENTS (continued)

A summary of changes in the fair value of the Foundation's Level 3 investment for the year ended March 31, 2020 is as follows:

Balance at March 31, 2019	$ 1,307,803
Revenue	97,261
Expenses	(6,234)
Distributions	(91,027)
Balance at March 31, 2020	$ 1,307,803

The following table summarizes investments measured at fair value based on the NAV per unit as of March 31, 2021:

	Fair Value	Unfunded Commitments	Redemption Terms (If Currently Eligible)	Redemption Notice Period
Bill of Rights trust	$ 1,329,757	N.A.	Monthly	30 days

The following table summarizes investments measured at fair value based on the NAV per unit as of March 31, 2020:

	Fair Value	Unfunded Commitments	Redemption Terms (If Currently Eligible)	Redemption Notice Period
Bill of Rights trust	$ 963,135	N.A.	Monthly	30 days

The Foundation's investments are held for the following purposes:

	2021	2020
The Bill of Rights Trust (Note 8)	$ 1,329,757	$ 963,135
Split-interest agreements (Note 7)	1,513,121	1,288,664
General partnership	1,310,298	1,307,802
Special projects, program support, and general operating reserves	24,353,528	19,646,400
	$ 28,506,704	$ 23,206,001

Approximately 90% of the Foundation's investments at March 31, 2021 are held by two financial institutions.

4. INVESTMENTS (continued)

Net investment income reported in the accompanying consolidated statement of activities for the year ended March 31, 2021 consisted of the following:

	2021	2020
Interest and dividends	$ 361,679	$ 642,040
Investment custodial fees	(82,919)	(83,352)
Realized gains	801,157	666,511
Unrealized losses	4,552,305	(2,647,914)
	$ 5,632,222	$ (1,422,715)

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31, 2021:

	2021	2020
Land	$ 3,358,057	$ 3,358,057
Buildings	10,066,162	9,922,012
Furniture and equipment	89,486	89,486
Leasehold improvements	636,939	690,639
	14,150,644	14,060,194
Accumulated depreciation and amortization	(5,782,800)	(5,324,697)
	$ 8,367,844	$ 8,735,497

Depreciation and amortization expense for the year ended March 31, 2021 was $505,271, including $44,187 related to right of use assets under finance leases.

6. SPLIT-INTEREST AGREEMENTS

Investments and obligations related to remainder trusts, pooled income funds, and annuities for which the Foundation is the trustee are reported at fair value and include the following at March 31, 2021:

	2021	2020
Cash and money market funds	$ 26,576	$ 31,493
Fixed income	216,698	243,729
Equity funds	895,490	730,580
Bond funds	314,521	282,862
Mutual funds	59,836	-
	1,513,121	1,288,664
National Office share of split-interest agreements, at fair value	(312,683)	(216,529)
Obligation under split-interest agreements	(719,846)	(695,478)
Deferred revenue from split-interest agreements	(221,243)	(191,702)
	(1,253,772)	(1,103,709)
	$ 259,349	$ 184,955

Asset balances at March 31, 2021 exceeded the reserve requirements of the California State Insurance Commission.

7. THE BILL OF RIGHTS TRUST

In 1997, the National Office and the 501(c)(3) arms of affiliated nonprofit tax-exempt organizations in several states in the United States (the "Affiliate Foundations"') established the Bill of Rights Trust (the "Trust"). The purpose of the Trust is to build an enduring endowment to carry out the work of the National Office and its affiliates in protecting, preserving and expanding the civil liberties of all persons in the United States. The Trust has 100,000,000 authorized units which are issued to or among the Foundation and other Affiliate Foundations based upon their respective interests in the Trust. Unit shares have a unit value based upon the fair value of the net assets of the Trust divided by the total number of unit shares outstanding. The Trust provides for annual distributions to the Foundation and other Affiliate Foundations in accordance with the respective Foundation's and other Affiliate Foundation's approved spending policy, prorated in accordance with the percentage of the fair value of each unit share.

7. THE BILL OF RIGHTS TRUST (continued)

The investment goals of the Trust are to invest assets in a prudent manner that will balance a reasonable distribution to the Foundation and other Affiliate Foundations and a long-term growth in the value of the assets of the Trust. The Foundation's share of the net assets in the Trust is included in the net assets with donor restrictions in the consolidated statement of financial position.

8. LINE OF CREDIT

The Foundation has a revolving line of credit that matures on November 15, 2022. The Foundation is the sole guarantor and the loan is collateralized by a deed of trust on real property belonging to the Foundation LLC (Los Angeles, CA headquarters) plus an assignment of rents and is guaranteed by the Foundation. The agreement requires the Foundation to maintain, on a quarterly basis, liquid assets of not less than $2.6 million.

The terms and current borrowings of the Foundation's line of credit were as follows:

Amount outstanding	$	-
Maximum available under line of credit	$	1,300,000
Available for borrowing	$	1,300,000
Interest rate (Wall Street Journal Prime Rate + 0.5%)		3.75 %

9. COMMITMENTS

Foundation as lessee

The Foundation leases office space as lessee under three non-cancelable operating leases which expire through January 2025. These operating leases have renewal options that do not create a significant economic incentive for the Foundation to extend the lease term. Therefore, payments during the renewal option periods are excluded in the right-of-use assets under operating lease assets and operating lease liabilities.

The Foundation also leases computers, a telephone system and printers under various finance leases which expire at various dates through January 2023.

Property and equipment include the following right-of-use assets under finance leases at March 31, 2021:

	2021	2020
Right-of-use assets under finance leases	$ 212,125	$ 330,224
Accumulated amortization	(146,039)	(216,970)
	$ 66,086	$ 113,254

9. COMMITMENTS (continued)

Foundation as lessee (continued)

The components of lease costs and additional lease information are as follows:

	2021	2020
Operating leases, including short-term leases and common area maintenance	$ 129,950	$ 146,860
Finance leases:		
Amortization of right-to-use assets under finance leases	44,187	68,075
Interest on finance lease liabilities	2,491	4,411
	46,678	72,486
	$ 176,628	$ 219,346

Cash paid for amounts included in the measurement of lease liabilities:

	2021	2020
Operating cash flows from operating leases	$ 166,036	$ 72,391
Operating cash flows from finance leases	2,491	4,411
Financing cash flows from finance leases	44,187	46,993
	$ 212,714	$ 123,795

Weighted-average remaining lease term:

Operating leases	2-4 years
Finance leases	1-2 years

9. COMMITMENTS (continued)

Foundation as lessee (continued)

Maturities of lease liabilities as of March 31, 2021 are as follows:

Year ending March 31,	Operating Leases	Finance Leases
2022	$ 171,014	$ 35,965
2023	154,564	33,280
2024	135,144	-
2025	96,159	-
	556,881	69,245
Less: debt discount	(28,928)	(1,625)
	$ 527,953	$ 67,620

Supplemental noncash information and noncash activities related to the Foundation's operating and finance leases are included on the statement of cash flows.

Foundation as lessor

During the year ended March 31, 2021, the Foundation leased a portion of its building as office space under two non-cancelable operating leases which expire between September 2021 and April 2023. The non-cancelable operating leases also require the payment of common area operating expenses. One of these operating leases has a renewal option to extend the lease term at the option of the lessee. The extended lease term was not considered in determining the lease term as management is not reasonably certain that the option to extend the lease term will be exercised by the tenant.

The aggregate future minimum lease income receivable under non-cancelable operating leases are as follows:

Year ending March 31,	
2022	$ 344,974
2023	342,803
2024	28,636
	$ 716,413

Rental income was $592,357, which was shown net of related expenses of $698,490 for the year ended March 31, 2021.

9. COMMITMENTS (continued)

Collective Bargaining Agreement

ACLU employees unionized and chose National Organization of Legal Services Workers (NOLSW), UAW Local 2320 as their exclusive representative. ACLU is in the process of negotiating a collective bargaining agreement with its employees and NOLSW.

10. RETIREMENT BENEFITS

The Foundation participates in the American Civil Liberties Union Retirement Plan (the "Pension Plan"), a retirement plan covering eligible employees of the National Office and its affiliates, including the Union and the Foundation. The Pension Plan is a defined benefit plan covering employees who have at least one year of service, or at least 1,000 hours worked per year, and are at least 21 years of age. Benefits are based on service to date on an average of career earnings. The Foundation's policy is to fund pension costs by contribution of at least the minimum amount required by the Employee Retirement Income Security Act of 1974 ("ERISA").

The Pension Plan, as amended and restated on January 1, 2015, provides that in the event an employer ceases to be an employer or, with the consent of the National Office (the "Primary Employer"), freezes additional accruals with respect to its employees, an additional, "Withdrawal Contribution" will be due from such employer or former employer on the accrued benefits for each of the participants associated with the employer or former employer. The additional Withdrawal Contribution will be determined based upon the sum of the present value of the accrued benefits for each of the participants associated with the employer or former employer determined as of the last day of the plan year preceding the date on which the withdrawal is calculated. Disclosures regarding the funded status of the Pension Plan are included in the consolidated financial statements of the Primary Employer. As management of the Foundation has no intention of ceasing to be an employer or, with the consent of the National Office, freezing additional accruals with respect to its employees, no accrual for an additional Withdrawal Contribution has been calculated or provided for in the accompanying consolidated financial statements. Effective March 31, 2009, a "soft freeze" was implemented and employees hired after that date do not participate in the plan.

Employees hired on or after April 1, 2009 may participate in the ACLU Defined Contribution Plan (the "DC Plan"), which is a defined contribution 401(k) salary reduction plan covering substantially all employees of the Union, the Foundation and their affiliates. The DC Plan provides for an employer match of 100% of the first 1% of the employee's contribution and 50% of the next 5% of an employee's contribution, for a total match of 3.5% and a total employer contribution of 5.5%.

For the year ended March 31, 2021, total Pension Plan contributions and employer matching contributions (collectively, "retirement benefits expense") amounted to $737,330.

11. NET ASSET WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

The Board of Directors established policies to set aside certain funds for repairs and maintenance and emergency cash needs ("Board Designated Funds"). The activities in these Board Designated Funds at March 31, 2021 are as follows:

	Building Repairs and Maintenance Fund	Operating Reserve Fund	IT Reserve Fund	Total
Balance at March 31, 2020	$ 204,346	$ 4,277,058	$ 235,269	$ 4,716,673
Additions	140,000	1,853,416	200,000	2,193,416
Funds used	(113,065)	(1,833,333)	(36,963)	(1,983,361)
Balance at March 31, 2021	$ 231,281	$ 4,297,141	$ 398,306	$ 4,926,728

The Board of Directors established policies to set aside certain funds for repairs and maintenance and emergency cash needs ("Board Designated Funds"). The activities in these Board Designated Funds at March 31, 2020 are as follows:

	Building Repairs and Maintenance Fund	Operating Reserve Fund	IT Reserve Fund	Total
Balance at March 31, 2019	$ 345,786	$ 3,117,058	$ 225,000	$ 3,687,844
Additions	-	1,160,000	100,000	1,260,000
Funds used	(141,440)	-	(89,731)	(231,171)
Balance at March 31, 2020	$ 204,346	$ 4,277,058	$ 235,269	$ 4,716,673

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

	2021	2020
Subject to expenditure for specified purpose:		
Voting Rights	$ 1,771,285	$ 1,714,593
Immigrant Rights	1,109,872	1,288,486
LGBT / Gender / Reproductive rights	512,788	851,561
Educational Equity	230,386	216,546
Criminal Justice	182,338	73,488
Police Practices	177,740	455,947
Support Functions	139,116	250,334
First Amendment	-	106,486
Economic Justice	57,082	85,502
Program Collaboration	-	67,819
Activist Engagement	-	23,483
Fiscal Sponsorship	-	1,290
	4,180,607	5,135,535
Split-interest agreements	294,054	217,696
Time restricted	978,164	78,929
Endowment Funds:		
Lesbian and gay rights matters	1,440,976	1,075,100
Protection of civil liberties	2,418,096	1,774,556
	3,859,072	2,849,656
	$ 9,311,897	$ 8,281,816

13. DONOR RESTRICTED ENDOWMENTS

The Foundation's endowment consists of several individual funds established for a variety of purposes. Its endowment includes only donor-restricted endowment funds. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

13. DONOR RESTRICTED ENDOWMENTS (continued)

Interpretation of relevant law

The Foundation's Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("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, the Foundation retains the original value of all gifts to the donor restricted endowment plus unspent accumulated earnings in accordance with the applicable donor gift instrument.

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

(1) The duration and preservation of the fund

(2) The purposes of the Foundation and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Foundation

(7) The investment policies of the Foundation

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Foundation 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 Foundation's general policy is to diversify investments within both equity and fixed-income securities to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category. The Foundation believes that a balanced approach to portfolio management is required to reduce volatility and prudently maximize total return for the long term. The Foundation recognizes that economic and security market conditions are not constant but everchanging and, as a result, continuous portfolio adjustments will be required.

Return objectives and risk parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

13. DONOR RESTRICTED ENDOWMENTS (continued)

Return objectives and risk parameters (continued)

Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce total returns (net of inflation) in excess of the endowment spend out rate, thus allowing for real growth of endowment assets while assuming a moderate level of investment risk.

Spending policy and how investment objectives relate to spending policy

The Foundation has a policy to distribute the trailing three-year rolling average of the endowment's total invested asset value each year, with the spending target being recommended annually by the Finance Committee and approved by the board of directors (4.5% at March 31, 2021). All earnings of the endowment funds not withdrawn shall be reinvested. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment asset held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment composition

Endowment net asset composition by type of fund as of March 31, 2021 is as follows:

Original Donor-restricted gifts and amount required to be maintained in perpetuity:	$ 2,295,554
Unspent appreciation of endowment funds which must be appropriated for expenditure	1,563,518
	$ 3,859,072

Endowment net asset composition by type of fund as of March 31, 2020 is as follows:

Original Donor-restricted gifts and amount required to be maintained in perpetuity:	$ 2,295,514
Unspent appreciation of endowment funds which must be appropriated for expenditure	554,142
	$ 2,849,656

13. DONOR RESTRICTED ENDOWMENTS (continued)

Endowment composition (continued)

Changes in endowment net assets for the fiscal year ended March 31, 2021 is as follows:

	With Donor Restrictions
Balance, March 31, 2020	$ 2,849,656
Investment return	
Interest and dividends, net of fees	42,865
Realized and unrealized, net gains	1,110,029
Total investment return	1,152,894
Contributions	872
Appropriation of net assets	(144,350)
	1,009,416
Balance, March 31, 2021	$ 3,859,072

Changes in endowment net assets for the fiscal year ended March 31, 2020 is as follows:

	With Donor Restrictions
Balance, March 31, 2019	$ 3,297,097
Investment return	
Interest and dividends, net of fees	59,905
Realized and unrealized, net gains	(366,625)
Total investment return	(306,720)
Appropriation of net assets	(140,721)
	(447,441)
Balance, March 31, 2020	$ 2,849,656

14. LIQUIDITY

The Foundation is significantly supported by contributions with donor restrictions. The Foundation maintains sufficient resources to meet its responsibilities to its donors. The Foundation's liquidity management policy is designed to provide that its remaining financial assets are available for operations as its general expenditures, liabilities, and other obligations come due.

14. LIQUIDITY (continued)

The following reflects the Foundation's financial assets reported on the statement of financial position, reduced by amounts not available for general use within one year because of contractual or donor imposed restrictions.

Liquidity of financial assets as adjusted for purposes restricted net assets and split interest obligations is as follows:

	2021	2020
Cash and cash equivalents	$ 4,371,191	$ 4,776,066
Receivables, net	3,031,595	1,072,526
Investments	28,506,704	23,206,001
	35,909,490	29,054,593
Less: endowments with donor restrictions	(3,859,072)	(2,849,656)
Less: split interest agreement obligations	(294,054)	(217,696)
Less: bequests receivable	(2,208,893)	-
Less: net assets with donor restrictions (purpose restricted)	(4,180,607)	(5,135,535)
Less: net assets with donor restrictions (time restricted)	(94,607)	(78,929)
Less: board designated net assets	(4,686,728)	(4,716,673)
	$ 20,585,529	$ 16,056,104

To help manage unanticipated liquidity needs, the Foundation could draw $1.3 million upon the CBB loan discussed in Note 8. In addition, the Foundation has Purpose and Time Restricted Funds of $4,275,214 and Board Designated Funds, as described in Note 11. The Foundation does not intend to spend from the Purpose Restricted and Board Designated Funds until appropriated for general expenditure as part of its annual budget approval and appropriation process. Therefore, these Funds are excluded from financial assets available to meet general expenditures within one year.

15. RISKS AND UNCERTAINTIES

The Foundation is a defendant in a lawsuit initiated by a former employee in June 2020, alleging wrongful termination. The Foundation intends to defend the case vigorously and anticipates a favorable outcome.

While the COVID-19 pandemic changed the way the Foundation staff work, it did not impact the Foundation's ability to carry out its mission. In fact, the need for the Foundation's work surged as people held in jails, prisons, and detention centers faced a significant threat to their health and well-being. Thanks to law firms that made more pro bono lawyers available to the Foundation, the Foundation brought litigation to release people and protect those who remained incarcerated. As a result of the intense need and the legal resources available to the Foundation, the Foundation's in-kind litigation revenue increased to approximately $17 million from approximately $3 million the year before.

16. RELATED PARTY TRANSACTIONS

ACLU National

The Foundation has entered into an agreement with the National Office whereby certain revenues are shared according to set formulas. Revenues subject to this agreement include unrestricted contributions, multi-year pledges, net event revenues, net bequests and certain restricted contributions. As of March 31, 2021 and 2020, the amount due from the National Office for collected shared revenues in relation to the revenue sharing agreement was $1,211,149, while the Foundation owed the National Office $1,195,680 on shared revenue receivables. This includes $312,683 which represents management's estimate of the amount that will become due to the National Office based on the Foundation's interests in remainder trusts.

In addition, during the year, the Foundation received contributions of $464,000 from ACLU National, of which $35,000 is included within receivables as of March 31, 2021.

Union

The Foundation shares the cost of common workspace, personnel and other operating expenses with the Union. To address the financial and other issues arising from this arrangement, the Foundation entered into a Resource Sharing Agreement (the "Agreement") with the Union, effective April 1, 2019. The Agreement shall remain in force until terminated by mutual written consent of the Foundation and Union, by 90 days' written notice to the other party with or without cause, or in the event of a material and continuing breach of the Agreement. As part of this agreement, shared expenses which were apportioned to the Union totaled $3,151,585 for the year ended March 31, 2021.

The Foundation also recognized rental income of $122,846 under a month-to-month lease for space occupied by the Union at the Foundation's office during the year ended March 31, 2021.

ACLU-NC and ACLU-SDIC

The Foundation shares the expenses of the Sacramento legislative office with the ACLU of Northern California ("ACLU-NC") and ACLU of San Diego and Imperial Counties ("ACLU-SDIC"). The Foundation paid ACLU-NC $50,000 for the legislative office during the year ended March 31, 2021. During the year, the Foundation received contributions of $20,000 from ACLU-NC, of which no balance is included within receivables as of March 31, 2021.

During the year, the Foundation received contributions of $30,000 from ACLU-SDIC, of which no balance is included within receivables as of March 31, 2021.