

**ACLU Foundation of Southern California
and Subsidiary**

Consolidated Financial Statements

March 31, 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, 2020, 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, 2020, 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.

Change in Accounting Principle

As described in Note 2 to the consolidated financial statements, the Foundation has implemented Financial Accounting Standards Board Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* and ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 15 to the consolidated financial statements, on March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.



Armanino^{LLP}
Los Angeles, California

November 6, 2020

ACLU Foundation of Southern California and Subsidiary
Consolidated Statement of Financial Position
March 31, 2020

ASSETS

Cash and cash equivalents	\$ 4,776,066
Receivables, net	1,072,526
Investments	23,206,001
Property and equipment, net	8,735,497
Right of use assets - operating leases	633,262
Right of use assets - finance leases	113,254
Prepaid and other assets	<u>279,362</u>
 Total assets	 <u><u>\$ 38,815,968</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 222,885
Accrued expenses	1,016,223
Due to related parties	403,372
Right of use liability - operating leases	675,721
Right of use liability - financing leases	111,807
Obligations under split-interest agreements	695,478
Deferred revenue	<u>320,840</u>
Total liabilities	<u><u>3,446,326</u></u>
 Net assets	
Without donor restrictions	
Board-designated	4,716,673
Undesignated	<u>22,371,153</u>
Total without donor restrictions	27,087,826
With donor restrictions	<u>8,281,816</u>
Total net assets	<u><u>35,369,642</u></u>
 Total liabilities and net assets	 <u><u>\$ 38,815,968</u></u>

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Public support			
Contributions	\$ 4,944,579	\$ 3,172,425	\$ 8,117,004
Grants	165,846	256,326	422,172
Bequests	217,768	9,387	227,155
Special events, net of direct benefit costs of \$337,236	616,072	-	616,072
In-kind contributions	3,449,772	-	3,449,772
Board-designated funds utilized in operations	1,567,857	-	1,567,857
Total public support	10,961,894	3,438,138	14,400,032
Legal awards	716,523	-	716,523
Rental income, net of allocated expenses of \$663,955	(87,875)	-	(87,875)
Other revenue	100,608	-	100,608
Net assets released from restriction	5,079,189	(5,079,189)	-
Total revenues, gains, and other support	16,770,339	(1,641,051)	15,129,288
Functional expenses			
Program services	10,896,844	-	10,896,844
Support services			
Fundraising	1,550,842	-	1,550,842
Management and general	2,137,639	-	2,137,639
Total support services	3,688,481	-	3,688,481
Total functional expenses	14,585,325	-	14,585,325
Change in net assets from operations	2,185,014	(1,641,051)	543,963
Non-operating income			
Change in split interest agreements	-	39,705	39,705
Uncollectible pledges receivable	-	(481,250)	(481,250)
Net investment loss	(1,025,815)	(396,900)	(1,422,715)
Board-designated funds transferred to operations	(1,567,857)	-	(1,567,857)
Total non-operating income	(2,593,672)	(838,445)	(3,432,117)
Change in net assets	(408,658)	(2,479,496)	(2,888,154)
Net assets, beginning of year	27,496,484	10,761,312	38,257,796
Net assets, end of year	\$ 27,087,826	\$ 8,281,816	\$ 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, 2020

	Program Services								Support Services			Total
	First-Amendment	Criminal Justice	Police Practices	Economic Justice	Educational Equality	LGBT/Gender Reproductive Rights	Immigrant Rights	Activist Engagement	Total Program Services	Fundraising	Management and General	
Personnel expenses	\$ 241,824	\$ 750,484	\$ 1,063,135	\$ 637,674	\$ 795,768	\$ 863,474	\$ 1,701,218	\$ 48,420	\$ 6,101,997	\$ 1,295,535	\$ 1,150,499	\$ 8,548,031
Litigation expenses	921	5,075	45,950	10,892	6,915	9,264	79,375	-	158,392	-	-	158,392
Contracted services	2,439	14,307	12,449	7,285	12,013	12,974	19,785	1,075	82,327	12,749	165,568	260,644
Special event expenses	-	-	-	-	-	-	-	-	-	378,646	-	378,646
Rent	43,598	102,780	129,369	81,859	95,066	147,948	258,785	6,178	865,583	89,454	799,452	1,754,489
Other program expenses	5,398	25,573	28,231	17,066	10,984	28,706	52,224	200	168,382	10,384	19,915	198,681
Equipment & software	1,684	6,626	8,716	5,030	5,547	6,653	12,898	578	47,732	33,857	27,202	108,791
Insurance	1,950	7,186	9,928	5,824	6,405	7,150	13,974	87	52,504	1,651	32,266	86,421
Meetings & conferences	1,914	16,586	13,666	8,584	20,663	10,390	14,802	2,772	89,377	3,872	11,918	105,167
Travel	1,968	11,722	12,622	13,363	17,132	14,284	19,442	2,225	92,758	9,926	15,310	117,994
Other administrative expenses	4,031	13,313	26,172	11,558	13,063	17,191	17,398	185	102,911	52,004	264,573	419,488
In-Kind Expense	334,765	158,439	18,362	141,729	142,972	992,311	1,346,303	-	3,134,881	-	314,891	3,449,772
	<u>640,492</u>	<u>1,112,091</u>	<u>1,368,600</u>	<u>940,864</u>	<u>1,126,528</u>	<u>2,110,345</u>	<u>3,536,204</u>	<u>61,720</u>	<u>10,896,844</u>	<u>1,888,078</u>	<u>2,801,594</u>	<u>15,586,516</u>
Less: expenses included with revenues on the statement of activities												
Facilities expense allocated to tenants	-	-	-	-	-	-	-	-	-	-	(663,955)	(663,955)
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	(337,236)	-	(337,236)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(337,236)</u>	<u>(663,955)</u>	<u>(1,001,191)</u>
	<u>\$ 640,492</u>	<u>\$ 1,112,091</u>	<u>\$ 1,368,600</u>	<u>\$ 940,864</u>	<u>\$ 1,126,528</u>	<u>\$ 2,110,345</u>	<u>\$ 3,536,204</u>	<u>\$ 61,720</u>	<u>\$ 10,896,844</u>	<u>\$ 1,550,842</u>	<u>\$ 2,137,639</u>	<u>\$14,585,325</u>

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, 2020

Cash flows from operating activities	
Change in net assets	\$ (2,888,154)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation and amortization	519,043
Discount on receivables	(47,623)
Interest and dividends income, net of fees	(558,688)
Realized and unrealized losses on investments	1,981,403
Changes in operating assets and liabilities	
Receivables, net	3,321,514
Prepaid and other assets	(64,890)
Accounts payable	16,673
Accrued expenses	24,080
Due to related parties	(3,807,247)
Operating lease liabilities	37,868
Obligations under split-interest agreements	(89,102)
Deferred revenue	67,014
Net cash used in operating activities	<u>(1,488,109)</u>
Cash flows from investing activities	
Purchases of investments	(2,558,673)
Proceeds from sales of investments	6,521,141
Purchase of property and equipment	<u>(77,500)</u>
Net cash provided by investing activities	<u>3,884,968</u>
Cash flows from financing activities	
Right of use liability principal payments	<u>(46,993)</u>
Net cash used in financing activities	<u>(46,993)</u>
Net increase in cash and cash equivalents	2,349,866
Cash and cash equivalents, beginning of year	<u>2,426,200</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,776,066</u></u>

Supplemental schedule of noncash investing and financing activities

Right of use asset acquired through operating lease	\$ 502,432
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The accompanying notes are an integral part of these consolidated financial statements.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

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.
- *Net assets with donor restrictions* (See Note 13) - 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.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principles

The Foundation has implemented Financial Accounting Standards Board Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Foundation has implemented ASU 2014-09 with a date of initial application of April 1, 2019, using the full retrospective method. The implementation of ASU 2014-09 had no impact on the financial statements for the year ended March 31, 2020.

The Foundation has also implemented Financial Accounting Standards Board ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made*. That standard clarifies guidance about whether funds received from contracts and grants are contributions or exchange transactions. The standard further provides that when both a barrier to be overcome and a right of return exist, a donor imposed condition exists and contribution revenue should not be recognized until the condition has been met. A probability assessment about whether the recipient is likely to meet the stipulation is not a factor when determining whether an agreement is a barrier. The Foundation has implemented the standard on a modified prospective basis, meaning that it has been applied to all arrangements that were not completed as of January 1, 2019, or were entered into after that date. The Foundation has implemented ASU 2018-08 with a date of initial application of April 1, 2019, using the full retrospective method. The implementation of ASU 2018-08 had no impact on the consolidated financial statements for the year ended March 31, 2020.

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, 2020, the Foundation held cash equivalents only within its investment accounts. (See Note 4.)

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Substantially all of the Foundation's receivables are from individuals, businesses, or nonprofit organizations in Los Angeles, California and surrounding areas. Collectability of these receivables may be affected by changes in the economic or other conditions of the geographical area. One grantor comprised 12% of the Foundation's total contributions and grants for the year ended March 31, 2020. Two grantors comprised 59% (47% and 12%) of contributions and grants receivable as of March 31, 2020.

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, 2020.

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.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 1 inputs.
- *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.

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*.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurements (continued)

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.

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 [fully depreciated]	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, 2020.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Right of use assets and liabilities

On February 25, 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The new guidance establishes the principles to report transparent and economically neutral information about the assets and liabilities that arise from leases and requires lessees to recognize substantially all leases on their balance sheets as lease liabilities with a corresponding right-of-use (ROU) asset. These assets and liabilities are amortized over the asset life or lease term. The guidance is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. The Company adopted this guidance in the prior year and an updated disclosure is presented for the year ended March 31, 2020 (see Note 10)

Deferred revenue

As discussed in Note 7, 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.

Grants and revenue recognition

The Foundation recognizes grant funds as contributions rather than exchange transactions when the recipients of services are members of the general public, rather than a specific agency. Grants may include conditions, and the Foundation recognizes support revenues when any applicable conditions are fulfilled. Conditions usually include expenditure of eligible costs. A receivable is recognized to the extent contract support earned exceeds cash advances. Conversely, a deferred revenue liability is recorded when contract cash advances exceed support earned.

The grantor may, at its discretion, request the return of unexpended funds or apply such funds to a future grant period. In addition, if the Foundation terminates its legal assistance activities, all unexpended funds are to be returned to the grantor.

Grants received with conditions and donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions

Contributions and pledges

Contributions, including pledges, representing unconditional promises to give are recorded at estimated fair value, and recognized as revenue in the period received. The Foundation reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets or are designated for a future period.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

During the year ended March 31, 2020, the Foundation received contributions of professional services with a fair value of \$57,362 and legal services of \$3,392,410, which are reflected in contribution revenue and program and supporting services expenses.

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.

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. Bequest revenue is recognized based upon the present value of the estimated future distributions expected to be received by the Foundation. 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.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
March 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Foundation has evaluated events subsequent to March 31, 2020, to assess the need for potential recognition or disclosure in the consolidated financial statements. Such events were evaluated through November 6, 2020, 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 as discussed in Note 15.

3. RECEIVABLES

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

Receivables at March 31, 2020 consisted of:

Contributions and grants receivable	\$ 659,676
Bequests receivable	13,475
Grants receivable	199,000
Other receivables	<u>218,742</u>
	1,090,893
Unamortized discount	<u>(18,367)</u>
	<u>\$ 1,072,526</u>

The following table summarizes the expected collection of receivables at March 31, 2020:

Due within one year	\$ 782,893
Due in one to five years	<u>308,000</u>
	<u>\$ 1,090,893</u>

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

Amounts due in one to five years	\$ 77,988
Unamortized discount	<u>(12,509)</u>
	<u>\$ 65,479</u>

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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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
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	-	-	<u>1,307,803</u>	<u>1,307,803</u>
	<u>20,935,063</u>	-	<u>1,307,803</u>	<u>22,242,866</u>
	<u>\$ 20,935,063</u>	<u>\$ -</u>	<u>\$ 1,307,803</u>	<u>22,242,866</u>

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.

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:

<u>Asset</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Input</u>
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

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, beginning of year	\$ 1,307,803
Revenue	97,261
Expenses	(6,234)
Distributions	<u>(91,027)</u>
Balance, end of year	<u>\$ 1,307,803</u>

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4. INVESTMENTS (continued)

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Terms (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
The Bill of Rights Trust	\$ 963,135	N.A.	Monthly	30 days

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

The Bill of Rights Trust (Note 8)	\$ 963,135
Split-interest agreements (Note 7)	1,288,664
General partnership	1,307,802
Special projects, program support, and general operating reserves	<u>19,646,400</u>
	<u>\$ 23,206,001</u>

Approximately 90% of the Foundation's investments at March 31, 2020 are held by two financial institutions.

Net investment income reported in the accompanying consolidated statement of activities for the year ended March 31, 2020 consisted of the following:

Interest and dividends	\$ 642,040
Investment custodial fees	(83,352)
Realized gains	666,511
Unrealized losses	<u>(2,647,914)</u>
	<u>\$ (1,422,715)</u>

5. 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.

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5. 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.

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5. 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 30, 2020). 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, 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 appropriate	<u>554,142</u>
	<u><u>\$ 2,849,656</u></u>

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

	<u>With Donor Restrictions</u>
Balance, beginning of year	<u>\$ 3,297,097</u>
Investment return	
Interest and dividends, net of fees	59,905
realized and unrealized, net gains (losses)	<u>(366,625)</u>
Total investment return	(306,720)
Appropriation of net assets	<u>(140,721)</u>
	<u>(447,441)</u>
Balance, end of year	<u><u>\$ 2,849,656</u></u>

ACLU Foundation of Southern California and Subsidiary
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6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31, 2020:

Land	\$ 3,358,057
Buildings	9,922,012
Furniture and equipment	89,486
Leasehold improvements	<u>690,639</u>
	14,060,194
Accumulated depreciation and amortization	<u>(5,324,697)</u>
	<u><u>\$ 8,735,497</u></u>

Depreciation and amortization expense for the year ended March 31, 2020 was \$519,043, including \$68,075 related to right of use assets under finance leases.

7. 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, 2020:

Cash and money market funds	\$ 31,493
Fixed income	243,729
Equity funds	730,580
Bond funds	<u>282,862</u>
	<u>1,288,664</u>
National Office share of split-interest agreements, at fair value	(216,529)
Obligation under split-interest agreements	(695,478)
Deferred revenue from split-interest agreements	<u>(191,702)</u>
	<u>(1,103,709)</u>
	<u><u>\$ 184,955</u></u>

Asset balances at March 31, 2020 exceeded the reserve requirements of the California State Insurance Commission.

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8. 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.

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.

9. LINE OF CREDIT

The Foundation renewed its revolving line of credit on October 23, 2019 through 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 %

10. COMMITMENTS

Foundation as lessee

The Foundation leases office space as lessee under three non-cancelable operating leases which expire thru 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 leases 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.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
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10. COMMITMENTS (continued)

Foundation as lessee (continued)

Property and equipment include the following right-of-use assets under finance leases at March 31, 2020:

Right-of-use assets under finance leases	\$ 330,224
Accumulated amortization	<u>(216,970)</u>
	<u>\$ 113,254</u>

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

Operating leases, including short-term leases and common area maintenance	\$ <u>146,860</u>
Finance leases:	
Amortization of right-to-use assets under finance leases	68,075
Interest on finance lease liabilities	<u>4,411</u>
	<u>72,486</u>
	<u>\$ 219,346</u>

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

Operating cash flows from operating leases	\$ 72,391
Operating cash flows from finance leases	4,411
Financing cash flows from finance leases	<u>46,993</u>
	<u>\$ 123,795</u>

Weighted-average remaining lease term:

Operating leases	5 years
Finance leases	4 -5 years

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
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10. COMMITMENTS (continued)

Foundation as lessee (continued)

Maturities of lease liabilities as of March 31, 2020 are as follows:

<u>Year ending March 31,</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2021	\$ 166,036	\$ 46,677
2022	171,014	35,965
2023	154,564	33,281
2024	135,144	-
2025	96,159	-
	<u>722,917</u>	<u>115,923</u>
Less: debt discount	<u>(47,196)</u>	<u>(4,116)</u>
	<u>\$ 675,721</u>	<u>\$ 111,807</u>

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, 2020, the Foundation leased a portion of its building as office space under two month-to-month and two non-cancelable operating leases which expire between 2022 and 2024. 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:

<u>Year ending March 31,</u>	
2021	\$ 339,332
2022	344,856
2023	342,803
2024	<u>28,636</u>
	<u>\$ 1,055,627</u>

Rental income was \$576,080, which was shown net of related expenses of \$663,955 for the year ended March 31, 2020.

ACLU Foundation of Southern California and Subsidiary
Notes to Consolidated Financial Statements
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10. 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.

11. 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 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, 2020, total Pension Plan contributions and employer matching contributions (collectively, "retirement benefits expense") amounted to \$553,575.

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12. 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 are as follows:

	Building Repairs and Maintenance Fund	Operating Reserve Fund	IT Reserve Fund	Total
Balance, beginning of year	\$ 345,786	\$ 3,117,058	\$ 225,000	\$ 3,687,844
Additions	-	1,160,000	100,000	1,260,000
Funds used	<u>(141,440)</u>	<u>-</u>	<u>(89,731)</u>	<u>(231,171)</u>
Balance, end of year	<u>\$ 204,346</u>	<u>\$ 4,277,058</u>	<u>\$ 235,269</u>	<u>\$ 4,716,673</u>

ACLU Foundation of Southern California and Subsidiary
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13. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Subject to expenditure for specified purpose:	
Voting Rights	\$ 1,714,593
Immigrant Rights	1,288,486
LGBT / Gender-reproductive rights	851,561
Police Practices	455,947
Support Functions	250,334
Educational Equity	216,546
First Amendment	106,486
Economic Justice	85,502
Criminal Justice	73,488
Program Collaboration	67,819
Activist Engagement	23,483
Fiscal Sponsorship	<u>1,290</u>
	<u>5,135,535</u>
 Split-interest agreements	 <u>217,696</u>
 Time restricted	 <u>78,929</u>
	<u>78,929</u>
 Endowment Funds:	
Lesbian and gay rights matters	1,075,100
Protection of civil liberties	<u>1,774,556</u>
	<u>2,849,656</u>
	<u>\$ 8,281,816</u>

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.

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.

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14. LIQUIDITY (continued)

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

Cash and cash equivalents	\$ 4,776,066
Receivables, net	1,072,526
Investments	<u>23,206,001</u>
	29,054,593
Less: endowments with donor restrictions	(2,849,656)
Less: split interest agreement obligations	(217,696)
Less: net assets with donor restrictions	<u>(5,135,535)</u>
	<u>\$ 20,851,706</u>

To help manage unanticipated liquidity needs, the Foundation could draw \$1.3 million upon the CBB loan discussed in Note 9. In addition, the Foundation has Purpose Restricted Funds of \$5,135,535 and Board Designated Funds, as described in Note 12. 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.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter-in-place orders. In response, the U.S. Government enacted the Coronavirus Aid, Relief and Economic Security (CARES) Act, which includes significant provisions to provide relief and assistance to affected organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter-in-place orders and the ultimate impact of the CARES Act and other governmental initiatives. It is at least reasonably possible that this matter will negatively impact the Foundation. While the ultimate financial impact and duration cannot be reasonably estimated at this time, as of the date the consolidated financial statements were available to be issued, there has not been a material decrease in operations. To the contrary, the pandemic has increased the demand for the Foundation's services as well as support for their work.

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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, 2020, the amount due from the National Office for collected shared revenues in relation to the revenue sharing agreement was \$1,130,279, while the Foundation owed the National Office \$1,140,356 on shared revenue receivables. This includes \$216,529 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.

The Foundation received rental income from the National Office under a month-to-month agreement for space occupied by an employee of the National Office at the Foundation's office. The total amount received during the FYE 3/31/20 was \$1,575.

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 \$2,521,943 for the year ended March 31, 2020.

The Foundation also recognized rental income of \$9,939 under a month-to-month lease for space occupied by the Union at the Foundation's office during the year ended March 31, 2020.

Other affiliates

During the year, the Foundation received contributions of \$304,000 from ACLU of Northern California, of which \$109,000 is included within receivables as of March 30, 2020.

During the year, the Foundation received contributions of \$69,422 from ACLU San Diego, of which \$69,422 is included within receivables as of March 30, 2020.