

**AMERICAN CIVIL LIBERTIES UNION OF
TENNESSEE FOUNDATION, INC.
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
MARCH 31, 2013 AND MARCH 31, 2012**

AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.

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(INDEPENDENT AUDITORS' REPORT)

To the Board of Directors

American Civil Liberties Union of Tennessee Foundation, Inc.

Nashville, Tennessee

We have audited the accompanying financial statements of American Civil Liberties Union of Tennessee Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of American Civil Liberties Union of Tennessee Foundation, Inc. as of March 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CPA Consulting Group, PLLC

Nashville, Tennessee

August 28, 2013

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 589,075	\$ 445,068
Investments in Marketable Securities	341,634	315,857
Accounts receivable	75	250
Due From ACLU of Tennessee (Affiliate)	44,909	39,757
Due From National ACLU	14,342	14,474
TOTAL CURRENT ASSETS	<u>990,035</u>	<u>815,406</u>
FIXED ASSETS		
Leasehold Improvements	21,050	21,050
Office Furniture and Equipment	46,187	43,852
Less: Accumulated Depreciation	<u>(33,341)</u>	<u>(25,859)</u>
TOTAL FIXED ASSETS	<u>33,896</u>	<u>39,043</u>
OTHER ASSETS		
Security Deposits	<u>4,555</u>	<u>4,555</u>
TOTAL ASSETS	<u>\$ 1,028,486</u>	<u>\$ 859,004</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 34,961	\$ 32,933
Deferred rent	<u>5,661</u>	<u>5,459</u>
TOTAL CURRENT LIABILITIES	<u>40,622</u>	<u>38,392</u>
NET ASSETS		
Net Assets - Unrestricted	975,273	809,964
Net Assets – Temporarily restricted	<u>12,591</u>	<u>10,648</u>
TOTAL NET ASSETS	<u>987,864</u>	<u>820,612</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,028,486</u>	<u>\$ 859,004</u>

See Independent Auditors' Report and Notes to Financial Statement

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012**

	2013			2012		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE & SUPPORT						
Attorney Fees	\$ 87,797	\$ -	\$ 87,797	\$ 6,350	\$ -	\$ 6,350
Bequests	-	-	-	116,320	-	116,320
Contributions	93,858	-	93,858	89,460	-	89,460
Shared Revenues	172,104	-	172,104	173,688	-	173,688
Event Revenue	65,495	-	65,495	54,876	-	54,876
Grant Revenue	-	189,407	189,407	-	215,571	215,571
Other Income	41,131	-	41,131	35,371	-	35,371
Investment return	24,592	-	24,592	3,996	-	3,996
In-Kind Donations	9,825	-	9,825	23,063	-	23,063
Net Assets Released From Restriction	187,464	(187,464)	-	215,572	(215,572)	-
TOTAL REVENUE AND SUPPORT	<u>682,266</u>	<u>1,943</u>	<u>684,209</u>	<u>718,696</u>	<u>-</u>	<u>718,695</u>
EXPENSES						
Program Services:						
Legal	196,285	-	196,285	255,481	-	255,481
Public Education	206,081	-	206,081	232,771	-	232,771
Total Program Services	<u>402,366</u>	<u>-</u>	<u>402,366</u>	<u>488,252</u>	<u>-</u>	<u>488,252</u>
Supporting Services:						
Management and General	68,568	-	68,568	73,456	-	73,456
Fundraising	46,023	-	46,023	42,778	-	42,778
Total Support Services	<u>114,591</u>	<u>-</u>	<u>114,591</u>	<u>116,234</u>	<u>-</u>	<u>116,234</u>
TOTAL EXPENSES	<u>516,957</u>	<u>-</u>	<u>516,957</u>	<u>604,486</u>	<u>-</u>	<u>604,486</u>
CHANGE IN NET ASSETS	<u>165,309</u>	<u>1,943</u>	<u>167,252</u>	<u>114,210</u>	<u>-</u>	<u>114,209</u>
NET ASSETS:						
BEGINNING OF YEAR	<u>809,964</u>	<u>10,648</u>	<u>820,612</u>	<u>695,754</u>	<u>10,648</u>	<u>706,402</u>
END OF YEAR	<u>\$ 975,273</u>	<u>\$ 12,591</u>	<u>\$ 987,864</u>	<u>\$ 809,964</u>	<u>\$ 10,648</u>	<u>\$ 820,612</u>

See Independent Auditors' Report and Notes to Financial Statement

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 167,252	\$ 114,209
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	7,483	11,483
Unrealized gains on investments	(6,758)	22,172
Realized (gain)/loss	(3,545)	(10,258)
(Increase) Decrease in Operating Assets		
Accounts Receivable	175	(250)
Due from Affiliate	(5,152)	(18,484)
Due from National	132	-
Increase (Decrease) in Operating Liabilities		
Accounts Payable	2,028	10,331
Deferred rent	201	(1,047)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>161,816</u>	<u>128,158</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Purchases	(75,055)	(404,128)
Proceeds from Investment Sales	59,581	389,649
Purchase of Equipment	(2,335)	(3,509)
NET CASH (USED) IN INVESTING ACTIVITIES	<u>(17,809)</u>	<u>(17,988)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	144,007	110,170
BEGINNING CASH	<u>445,068</u>	<u>334,898</u>
ENDING CASH	<u>\$ 589,075</u>	<u>\$ 445,068</u>

See Independent Auditors' Report and Notes to Financial Statement

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2013**

	Program Services			Supporting Services			Total Expenses
	<u>Legal</u>	<u>Public Education</u>	<u>Total</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>	
Banking Fees	\$ -	\$ -	\$ -	\$ 3,215	\$ -	\$ 3,215	\$ 3,215
Board Meetings	-	-	-	294	-	294	294
Credit Card Fees	-	-	-	659	-	659	659
Donated attorney services	9,825	-	9,825	-	-	-	9,825
Employee Benefits	12,706	12,706	25,412	2,766	58	2,824	28,236
Event Expenses	-	-	-	-	20,295	20,295	20,295
Fundraising	-	-	-	868	3,474	4,342	4,342
Health Insurance	10,085	10,085	20,170	1,121	1,121	2,242	22,412
Litigation Services	11,569	-	11,569	609	-	609	12,178
National Shared Database	-	-	-	-	3,756	3,756	3,756
Office Insurance	-	-	-	1,514	-	1,514	1,514
Payroll Processing Fees	992	992	1,984	110	110	220	2,204
Payroll Taxes	8,885	8,885	17,770	987	987	1,974	19,744
Postage	-	879	879	98	-	98	977
Printing & Reproduction	2,371	2,371	4,742	527	-	527	5,269
Professional Development	6,604	6,604	13,208	1,468	-	1,468	14,676
Professional Fees	-	-	-	15,484	-	15,484	15,484
Public Education	-	17,565	17,565	924	-	924	18,489
Rent	24,261	24,261	48,522	2,696	2,696	5,392	53,914
Repairs & Maintenance	-	-	-	1,193	-	1,193	1,193
Salaries	101,964	114,710	216,674	25,491	12,746	38,237	254,911
Supplies	1,855	1,855	3,710	206	206	412	4,122
Telephone	5,168	5,168	10,336	574	574	1,148	11,484
Travel	-	-	-	281	-	281	281
Total Expense Before Depreciation	196,290	206,081	401,695	61,085	46,023	107,108	509,474
Depreciation	-	-	-	7,483	-	7,483	7,483
Total Expenses	<u>\$196,285</u>	<u>\$ 206,081</u>	<u>\$ 402,366</u>	<u>\$ 68,568</u>	<u>\$ 46,023</u>	<u>\$ 114,591</u>	<u>\$ 516,957</u>

See Independent Auditors' Report and Notes to Financial Statements.

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2012**

	<u>Program Services</u>			<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Legal</u>	<u>Public Education</u>	<u>Total</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>	
Banking Fees	\$ -	\$ -	\$ -	\$ 2,762	\$ -	\$ 2,762	\$ 2,762
Board Meetings	-	-	-	587	-	587	587
Credit Card Fees	-	-	-	965	-	965	965
Donated attorney services	23,066	-	23,066	-	-	-	23,066
Employee Benefits	14,204	14,204	28,408	3,101	55	3,156	31,564
Event Expenses	-	-	-	-	13,568	13,568	13,568
Fundraising	-	-	-	933	3,734	4,667	4,667
Health Insurance	10,015	10,015	20,030	1,113	1,113	2,226	22,256
Litigation Services	34,202	-	34,202	1,800	-	1,800	36,002
National Shared Database	-	-	-	-	4,056	4,056	4,056
Office Insurance	-	-	-	1,943	-	1,943	1,943
Payroll Processing Fees	1,253	1,253	2,506	139	139	278	2,784
Payroll Taxes	11,748	11,748	23,496	1,305	1,305	2,610	26,106
Postage	-	1,386	1,386	154	-	154	1,540
Printing & Reproduction	2,654	2,654	5,308	590	-	590	5,898
Professional Development	4,424	4,424	8,848	983	-	983	9,831
Professional Fees	-	-	-	9,296	-	9,296	9,296
Public Education	-	17,814	17,814	938	-	938	18,752
Rent	23,597	23,597	47,194	2,622	2,622	5,244	52,438
Repairs & Maintenance	-	-	-	859	-	859	859
Salaries	122,863	138,221	261,084	30,716	15,358	46,074	307,158
Supplies	2,377	2,377	4,754	264	264	528	5,282
Telephone	5,078	5,078	10,156	564	564	1,128	11,284
Travel	-	-	-	339	-	339	339
Total Expense Before Depreciation	255,481	232,771	488,252	61,973	42,778	104,751	593,003
Depreciation	-	-	-	11,483	-	11,483	11,483
Total Expenses	<u>\$255,481</u>	<u>\$ 232,771</u>	<u>\$ 488,252</u>	<u>\$ 73,456</u>	<u>\$ 42,778</u>	<u>\$ 116,234</u>	<u>\$ 604,486</u>

See Independent Auditors' Report and Notes to Financial Statements.

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The American Civil Liberties Union of Tennessee Foundation, Inc. (The Foundation) is a private, non-profit organization incorporated under the laws of the state of Tennessee. Its mission is to protect and expand individual liberties through public education and to provide legal assistance to aggrieved persons in litigation for the purpose of providing Bill of Rights protection.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax for the years ending March 31, 2013, 2012, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

Basis of Presentation

The financial statements of The Foundation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenue is recognized when earned and expenses are recorded when incurred.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Fixed Assets

Fixed assets are recorded at cost at the date of purchase or fair value at the date of donation less accumulated depreciation. Depreciation is taken on a straight-line basis over the estimated useful life of the assets. Expenditures that substantially increase the useful lives of existing property and equipment items are capitalized, while expenditures for maintenance, repairs, and minor improvements are expensed as paid. Management periodically reviews the values assigned to long-lived assets to determine if any impairments are other than temporary. Depreciation expense for the years ended March 31, 2013 and 2012 was \$7,483 and \$11,483, respectively.

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the programs and support services have been summarized on a functional basis in the statements of activities and statements of functional expenses. The statement of functional expenses has been prepared by allocating expenses between programs and supporting services.

Contributed Services and Supplies

Certain individuals, including members of the Board of Directors, donate substantial time to the operations of the Foundation. Revenues and expenses related to these services are not reflected in the financial statements. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Receivables

All receivables are considered to be fully collectible by management.

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through August 28, 2013, the date the financial statements were available to be issued.

NOTE 2 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported in the statement of financial position for cash and cash equivalents approximate fair values because of the short maturities of these instruments.

Investments as of March 31, 2013 and 2012 are summarized as follows:

	Fair Value		Carrying Value	
	3/31/13	3/31/12	3/31/13	3/31/12
Unrestricted:				
Mutual Funds	\$ 341,634	\$ 315,857	\$ 341,634	\$ 315,857

	3/31/12			3/31/12		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
Interest & dividends	\$ 14,219	-	-	\$ 15,826	-	-
Net realized and unrealized Gain (Loss)	10,303	-	-	(11,913)	-	-
Total Investment Return	\$ 24,522	-	-	\$ 3,913	-	-

Fair values of the mutual funds are based on quoted market prices in active markets for identical assets (Level 1).

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 3 – PENSION & 401(K) PLAN

A defined benefit pension plan is provided by the National ACLU for employees hired before March 31, 2009. Contributions are actuarially determined each year by an independent consulting actuary enrolled with the IRS, and satisfy all minimum funding requirements established by the IRS and other governmental agencies. There is no cost to the employees for this benefit. Pension expense reported by Foundation for the years ended March 31, 2013 and 2012 was \$23,466 and \$27,446 respectively.

A 401(k) plan is also provided by the National ACLU for employees hired before March 31, 2009. Employees may choose to contribute up to 80% of their pay up to IRS legal limits and are always 100% vested in the contributions they choose to defer. There is no employer matching to this plan.

As of April 1, 2009, a new 401(k) plan was established for all employees hired on or after April 1, 2009 who are not covered under any other qualified profit sharing or pension plan to which the employer contributes. This plan provides an automatic contribution arrangement. Employees are automatically enrolled to defer 3% of pay with an increase of 1% per year up to 10% of pay unless they choose to defer a different percentage or elect not to participate in the plan. The ACLU will match 100% of employee contributions up to 1% of pay and 50% of employee contributions up to the next 5% of pay. The ACLU will also make an additional contribution equal to 2% of pay for each pay period. Employer contributions become 100% vested after two years of service. There were no additional contributions by the Foundation for the years ended March 31, 2013 and 2012. The Organization had \$2,009 in forfeiture funds available and used \$719 of these for employer contributions during the year ended March 31, 2013. Employer 401(k) contribution expense reported by the Foundation for the year ended March 31, 2013 and 2012 was \$3,618 and \$3,010 respectively.

NOTE 4 – RELATED PARTY TRANSACTIONS

The American Civil Liberties Union of Tennessee Foundation Inc. (The Foundation) is an affiliate of the American Civil Liberties Union national organization, with principal offices in New York, New York. Under the affiliation agreement, the local and national organizations are each required to share certain types of contribution revenue with each other. During the years ended March 31, 2013 and 2012, there was \$172,104 and \$173,688, respectively in shared contributions from the ACLU national organization.

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 4 – RELATED PARTY TRANSACTIONS (CONTINUED)

The Foundation is a related organization of the American Civil Liberties Union of Tennessee Inc. (The Affiliate) which performs various functions related to lobbying through legal efforts. Expenses of the overall organization are allocated between the Foundation and The Affiliate as follows:

	<u>2013</u>	<u>2012</u>
Foundation	\$ 516,957	\$ 604,486
Affiliate	<u>70,540</u>	<u>65,354</u>
Total	<u>\$ 587,497</u>	<u>\$ 669,840</u>

The Affiliate pays out all salaries and payroll expenses for the Affiliate and The Foundation. As a result, the Foundation transfers funds to cover their portion of salary and payroll expenses to the Affiliate. During the years ended March 31, 2013 and 2012 the Foundation was due \$44,909 and \$39,757 respectively from the Affiliate.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

	<u>2013</u>	<u>2012</u>
Leasehold improvements	\$ 21,050	\$ 21,050
Office furniture & equipment	46,187	43,852
Accumulated depreciation	<u>(33,341)</u>	<u>(25,859)</u>
Total Fixed Assets	<u>\$ 33,896</u>	<u>\$ 39,043</u>

NOTE 6 - LEASE COMMITMENTS

The Organizations lease office space under a non-cancelable operating lease agreement. The lease requires monthly payments of \$4,986 through October 31, 2013. The lease includes an increase of 3.2% per lease year, which commences November 1 of each year. The lease expires October 31, 2016 with one five-year option to renew.

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 6 - LEASE COMMITMENTS (CONTINUED)

Lease expense is included in the Statement of Activities and is allocated between the Foundation and the Affiliate as follows:

	<u>2013</u>	<u>2012</u>
Foundation	\$ 53,914	\$ 52,437
Affiliate	<u>6,599</u>	<u>5,149</u>
Total	<u>\$ 60,513</u>	<u>\$ 57,586</u>

Future minimum lease obligations of the overall organizations are as follows:

For the year ending March 31, 2014	\$ 60,632
March 31, 2015	62,602
March 31, 2016	64,651
March 31, 2017	<u>38,422</u>
TOTAL	<u>\$ 226,307</u>

NOTE 7 – CASH IN EXCESS OF FDIC INSURED LIMITS

The Foundation maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the FDIC up to \$250,000. At March 31, 2013, The Foundation had \$323,002 in excess of FDIC insured limits. The Foundation has not experienced any losses in such accounts.

NOTE 8 – TEMPORARILY RESTRICTED GRANTS

The Foundation received a \$170,807 grant from the National American Civil Liberties Union Foundation. The grant is restricted and was used to support strategic growth of the ACLU Foundation of Tennessee by funding staff positions and operational costs associated with those hires. As of March 31, 2013 there were no funds remaining to be used for its specific purpose.

**AMERICAN CIVIL LIBERTIES UNION
OF TENNESSEE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2013 AND 2012**

NOTE 8 – TEMPORARILY RESTRICTED GRANTS (CONTINUED)

The Foundation received a \$3,600 grant from the Community Foundation of Middle Tennessee. The grant is restricted and was used for the Nashville Students' Rights Conference, a public education event which educates youth about their constitutional rights and responsibilities, and conference-related materials. As of March 31, 2013 the Organization had \$306 remaining from this grant to be used for its specified purpose.

The Foundation received a \$15,000 grant from the National American Civil Liberties Union Foundation. The grant is restricted and supported reproductive justice work by focusing on building a network of clergy to support women's access to reproductive health care. As of March 31, 2013 the Organization had \$12,284 remaining from this grant to be used for its specified purpose.

NOTE 9 - DONATED SERVICES AND EXPENSES

The Organization recognizes contribution revenue for certain services received at their fair value. Those services include donated professional attorney services used in the Organization's program services and amounted to \$9,825 and \$23,063 for the years ending March 31, 2013 and 2012, respectively. These amounts are reported as both in-kind donation revenue and in the donated services expense on the Statement of Functional Expenses.

NOTE 10 – CONCENTRATIONS

The Foundation received grant income from one funding source during the year ending March 31, 2012 that comprised 60% of total contributions and grants.

NOTE 11 - RESTRICTIONS ON NET ASSETS

Net assets were released from donor restrictions by incurring the expenses required for the intended purpose that was specified by the grantors during the years ending March 31, 2013 and March 31, 2012.

NOTE 12 – SUBSEQUENT EVENTS

The Foundation received \$54,227 in restricted grants for use in the Strategic Affiliate Initiative Program in April 2013. They also received \$24,151 from the National ACLU in August 2013 for "National Reconciliation".