

AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
COMBINED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
MARCH 31, 2015 AND MARCH 31, 2014

AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.

Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b> .....	1 – 2
<b>Financial Statements:</b>	
Combined Statements of Financial Position .....	3
Combined Statements of Activities .....	4
Combined Statements of Cash Flows .....	5
Notes to Combined Financial Statements .....	6 – 12
<b>Supplementary Schedules</b>	
Combined Schedules of Functional Expenses .....	13 – 14
Schedules of Revenue and Support and Expenses .....	15 – 16



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**American Civil Liberties Union of Tennessee Foundation, Inc. and  
American Civil Liberties Union of Tennessee, Inc.**  
Nashville, Tennessee

We have audited the accompanying combined financial statements of American Civil Liberties Union of Tennessee Foundation, Inc., and American Civil Liberties Union of Tennessee, Inc., which comprise the combined statements of financial position as of March 31, 2015, and March 31, 2014, and the related combined statements of activities, combined cash flows, and the related notes to the combined financial statements for the years then ended.

### ***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 of 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 combined financial statements referred to above present fairly, in all material respects, the financial position of American Civil Liberties Union of Tennessee Foundation, Inc. and American Civil Liberties Union of Tennessee, Inc., as of March 31, 2015 and March 31, 2014, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### *Other Matter*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combined schedules of functional expenses on pages 13 – 16 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*CPA Consulting Group, PLLC*

Nashville, Tennessee  
November 4, 2015

AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
COMBINED STATEMENTS OF FINANCIAL POSITION  
MARCH 31, 2015 AND 2014

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 672,555	\$ 669,939
Investments	205,297	194,711
Due from National ACLU	<u>20,115</u>	<u>33,464</u>
<b>Total current assets</b>	<u>897,967</u>	<u>898,114</u>
<b>EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET</b>	<u>20,839</u>	<u>26,080</u>
<b>OTHER ASSETS</b>		
Security deposits	4,555	4,555
Investment in Bill of Rights Trust	<u>206,870</u>	<u>196,486</u>
<b>Total other assets</b>	<u>211,425</u>	<u>201,041</u>
<b>Total assets</b>	<u><u>\$ 1,130,231</u></u>	<u><u>\$ 1,125,235</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,443	\$ 4,396
Accrued pension liability	35,547	32,323
Deferred rent	<u>8,143</u>	<u>10,790</u>
<b>Total current liabilities</b>	<u>50,133</u>	<u>47,509</u>
<b>NET ASSETS</b>		
Unrestricted		
Operating	849,828	868,649
Board designated - Bill of Rights Trust	206,870	196,486
Temporarily restricted net assets	<u>23,400</u>	<u>12,591</u>
<b>Total net assets</b>	<u>1,080,098</u>	<u>1,077,726</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,130,231</u></u>	<u><u>\$ 1,125,235</u></u>

See accompanying notes to financial statements and independent auditors' report.

AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
**COMBINED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<b>2015</b>			<b>2014</b>		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Shared revenue	\$ 250,140	\$ -	\$ 250,140	\$ 250,010	\$ -	\$ 250,010
Contributions	165,021	20,000	185,021	159,536	-	159,536
Grants	231,334	-	231,334	188,402	-	188,402
Event revenue	67,144	-	67,144	65,346	-	65,346
Other income	37,243	-	37,243	24,355	-	24,355
Investment return	23,570	-	23,570	21,170	-	21,170
Attorney fees	1,000	-	1,000	685	-	685
Net assets released from restriction	9,191	(9,191)	-	-	-	-
<b>Total revenue and support</b>	<b>784,643</b>	<b>10,809</b>	<b>795,452</b>	<b>709,504</b>	<b>-</b>	<b>709,504</b>
<b>EXPENSES</b>						
Program services	582,265	-	582,265	566,761	-	566,761
General and administrative	94,810	-	94,810	111,223	-	111,223
Fundraising	116,005	-	116,005	77,573	-	77,573
<b>Total expenses</b>	<b>793,080</b>	<b>-</b>	<b>793,080</b>	<b>755,557</b>	<b>-</b>	<b>755,557</b>
<b>CHANGES IN NET ASSETS</b>	<b>(8,437)</b>	<b>10,809</b>	<b>2,372</b>	<b>(46,053)</b>	<b>-</b>	<b>(46,053)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,065,135</b>	<b>12,591</b>	<b>1,077,726</b>	<b>1,111,188</b>	<b>12,591</b>	<b>1,123,779</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,056,698</b>	<b>\$ 23,400</b>	<b>\$ 1,080,098</b>	<b>\$ 1,065,135</b>	<b>\$ 12,591</b>	<b>\$ 1,077,726</b>

See accompanying notes to financial statements and independent auditors' report.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 2,372	\$ (46,053)
Adjustments to reconcile increase (decrease) in net assets to net cash flows provided (used) by operating activities:		
Depreciation	6,819	7,816
Realized and unrealized gains on investments	(1,255)	(555)
Change in carrying value of beneficial interest in trust	(10,384)	(6,486)
(Increase) decrease in operating assets:		
Accounts receivable	-	75
Due from National ACLU	13,349	(13,011)
Increase (decrease) in operating liabilities:		
Accounts payable	2,111	(31,784)
Accrued pension liability	3,224	25,320
Deferred rent	<u>(2,647)</u>	<u>4,588</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>13,589</u>	<u>(60,090)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(134,333)	(412,683)
Proceeds from sale of investments	124,939	370,161
Purchase of equipment	<u>(1,579)</u>	<u>-</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(10,973)</u>	<u>(42,522)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	2,616	(102,612)
<b>BEGINNING CASH</b>	<u>669,939</u>	<u>772,551</u>
<b>ENDING CASH</b>	<u><u>\$ 672,555</u></u>	<u><u>\$ 669,939</u></u>

See accompanying notes to financial statements and independent auditors' report.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The American Civil Liberties Union of Tennessee Foundation, Inc. (a nonprofit organization) and The American Civil Liberties Union of Tennessee, Inc. (a nonprofit organization) are incorporated under the laws of the state of Tennessee. Their missions are to protect and expand individual liberties through public education and provide legal assistance to aggrieved persons in litigation for the purpose of providing Bill of Rights protection.

**Basis of Accounting**

The combined financial statements 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.

**Basis of Presentation**

The Combined Financial Statements include American Civil Liberties Union of Tennessee Foundation, Inc. and American Civil Liberties Union of Tennessee, Inc. (collectively, the "Organization"). The accompanying combined financial statements are presented in accordance with FASB ASC 958-205, Not-for-Profit Entities - Presentation of Financial Statements. Under FASB ASC 958-205, the Organization is required to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes.

**Contributions**

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

**Cash**

For purposes of the combined statement 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.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equipment and leasehold improvements**

Equipment and leasehold improvements are recorded at cost at the date of purchase or fair value at the date of donation. 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 equipment and leasehold improvements 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 exist that are other than temporary. Depreciation expense for the years ended March 31, 2015 and 2014, was \$6,819 and \$7,816, respectively.

**Compensated Absences**

Employees of the Organization are entitled to paid vacation time, depending on job classification, length of service, and other factors. The Organization's policy is to recognize the time cost of compensated absences when actually paid to employees. The Organization cannot reasonably estimate accrued compensated absences at March 31, 2015 and 2014.

**Bill of Rights Trust**

The Bill of Rights Trust represents the Organization's unit holdings in the National Endowment held by the National Foundation, which is a separate organization holding a common investment pool in which the Organization and other affiliated foundations may participate. The National Endowment's underlying investments are primarily mutual funds, exchange-traded funds, structured notes, hedge funds, and money market savings accounts, all of which are publicly traded.

Investment income includes interest and distribution of investments which are recorded when earned or declared. Realized gains and losses on investment transactions are recorded based on the average cost method.

**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.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Support and Expenses**

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

**Income Taxes**

The American Civil Liberties Union of Tennessee 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 American Civil Liberties Union of Tennessee is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Returns of Organizations Exempt from Income Tax for the years ending March 31, 2015, 2014, and 2013 are subject to examination by the IRS, generally for three years after filing.

Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require additional adjustment or disclosure to the accompanying combined financial statements.

**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 schedules of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Major Revenue Sources**

The Organization's primary source of revenue is base renewable income (shared revenues).

**Estimates**

The preparation of combined 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.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Services and Supplies**

Certain individuals, including members of the board of directors, donate substantial time to the operations of the Organization. Revenues and expenses related to these services are not reflected in the combined 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.

**Subsequent Events**

Management has evaluated subsequent events through November 4, 2015, the date the combined financial statements were available to be issued.

**NOTE 2 – FAIR VALUE MEASUREMENT**

FASB ASC 820-10, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by FASB ASC 820-10, are used to measure fair value. The fair value hierarchy prioritizes valuation techniques used to measure fair value into three broad levels:

Level 1 investments - Valuation based on unadjusted quoted prices within active markets for identical assets accessible by the Organization (e.g., prices derived from New York Stock Exchange, NASDAQ or Chicago Board of Trade).

Level 2 investments - Valuation based on quoted market prices for similar assets within active or inactive markets or information other than quoted market prices observable through market data for substantially the full term of the asset. The Organization did not hold any Level 2 assets at March 31, 2015 or 2014.

Level 3 investments - Valuation based on inputs other than quoted market prices that reflect assumptions about the asset that market participants would use when performing the valuation based on the best information available in the circumstances.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 2 – FAIR VALUE MEASUREMENT (CONTINUED)**

The fair value of the Organization's investments at March 31, 2015, is as follows:

	<u>Level 1</u>	<u>Level 3</u>
Mutual Funds	\$ 205,297	\$ -
Bill of Rights Trust	<u>-</u>	<u>206,870</u>
Total	<u>\$ 205,297</u>	<u>\$ 206,870</u>

The fair value of the Organization's investments at March 31, 2014, is as follows:

	<u>Level 1</u>	<u>Level 3</u>
Mutual Funds	\$ 194,711	\$ -
Bill of Rights Trust	<u>-</u>	<u>196,486</u>
Total	<u>\$ 194,711</u>	<u>\$ 196,486</u>

Assets measured at fair value on a recurring basis using significant unobservable inputs:

	<u>Bill of Rights Trust</u>	
	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Beginning	\$ 196,486	\$ -
Purchases	-	190,000
Gains	<u>10,384</u>	<u>6,486</u>
Ending	<u>\$ 206,870</u>	<u>\$ 196,486</u>

The Bill of Rights Trust ("Trust") is a non-endowment restricted voluntary investment holding. The value of the Trust is based on value of the underlying assets held. Those assets are valued using fair value measurements. The total value of the Trust is reported to the Organization at a net asset value.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 3 – RETIREMENT PLANS**

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 the Organization for the years ended March 31, 2015 and 2014, was \$35,547 and \$32,323 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.

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 for an automatic contribution. 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 Organization will match 100% of employee contributions up to 1% of pay and 50% of employee contributions up to the next 5% of pay. The Organization may 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 Organization for the years ended March 31, 2015 and 2014. Employer 401(k) contribution expense reported by the Organization for the year ended March 31, 2015 and 2014, was \$9,633 and \$8,169 respectively.

**NOTE 4 – EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

Equipment and leasehold improvements consisted of the following at March 31:

	2015	2014
Leasehold improvements	\$ 21,050	\$ 21,050
Office equipment and furniture	49,589	48,010
Less accumulated depreciation	<u>(49,800)</u>	<u>(42,980)</u>
Total fixed assets	<u>\$ 20,839</u>	<u>\$ 26,080</u>

**NOTE 5 – RELATED PARTY TRANSACTIONS**

The Organization 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, 2015 and 2014, there was \$250,140 and \$250,008, respectively in shared contributions from the ACLU national organization.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
NOTES TO COMBINED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2015 AND 2014**

**NOTE 6 – LEASE COMMITMENTS**

The lease requires monthly payments of \$5,147 through October 31, 2014, and \$5,315 through October 31, 2015. The lease includes an increase of 3.2% per lease year, which occurs annually on November 1st. The lease expires October 31, 2016, with one five-year option to renew.

Future minimum lease obligations are as follows:

For the years ending March 31,	
2016	\$ 64,651
2017	<u>38,422</u>
Total	<u>\$ 103,073</u>

**NOTE 7 – CONCENTRATION OF CREDIT RISK**

The Organization 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, 2015, The Organization had \$219,117 in excess of FDIC insured limits. The Organization has not experienced any losses in such accounts.

The Organization received grant income from one funding source during the years ending March 31, 2015 and March 31, 2014, that comprised 53% and 59% of total contributions and grants respectively.

**NOTE 8 – TEMPORARILY RESTRICTED GRANTS**

The Organization received a \$20,000 contribution to be used for the Criminal Justice Reform project. The project is set to begin in 2016 and none of the funds have been used for their specific purpose.

The Organization received a \$25,000 grant from the National American Civil Liberties Union Foundation in 2010. The grant is restricted and supported efforts to combat racial profiling of immigrants in Tennessee. As of March 31, 2015, the Organization had \$3,400 remaining from this grant to be used for its specified purpose.

## **SUPPLEMENTARY SCHEDULES**

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
COMBINED SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2015**

	PROGRAM SERVICES				SUPPORTING SERVICES			
	Legal	Public Education	Legislative	Total Program Service	Management and General	Fundraising	Total Supporting Services	Total Expenses
Board meetings	\$ -	\$ -	\$ 188	\$ 188	\$ 230	\$ -	\$ 230	\$ 418
Credit card fees	-	-	-	-	-	1,704	1,704	1,704
Depreciation	-	-	-	-	6,819	-	6,819	6,819
Event expenses	-	-	-	-	-	18,801	18,801	18,801
Fundraising	-	-	-	-	-	6,032	6,032	6,032
Health insurance	10,903	11,255	2,110	24,268	5,275	5,628	10,903	35,171
Investment fees	1,126	1,126	-	2,252	125	125	250	2,502
IT services	-	-	691	691	77	-	77	768
Litigation	111	-	-	111	-	-	-	111
Lobbying	-	-	49,672	49,672	5,519	-	5,519	55,191
Membership recruitment	-	-	-	-	-	280	280	280
Miscellaneous	2,396	163	-	2,559	38	18	56	2,615
National shared database	-	-	1,878	1,878	1,878	3,756	5,634	7,512
Office insurance	829	828	764	2,421	177	92	269	2,690
Payroll processing	1,149	1,149	283	2,581	159	128	287	2,868
Payroll taxes	8,590	9,775	2,962	21,327	3,259	5,036	8,295	29,622
Pension	7,735	23,159	7,323	38,217	4,074	3,477	7,551	45,768
Postage	541	541	122	1,204	74	60	134	1,338
Printing	937	937	212	2,086	192	104	296	2,382
Professional development	3,564	3,564	-	7,128	396	396	792	7,920
Program support	4,113	3,498	-	7,611	52	52	104	7,715
Professional services	-	-	-	-	18,259	-	18,259	18,259
Public education	358	55,959	-	56,317	40	40	80	56,397
Rent	25,013	25,013	6,224	56,250	3,471	2,779	6,250	62,500
Repairs and maintenance	2,128	2,128	526	4,782	295	236	531	5,313
Salaries	108,908	132,246	38,896	280,050	42,785	66,123	108,908	388,958
Supplies	2,183	2,183	337	4,703	280	243	523	5,226
Telephone	6,361	6,361	1,573	14,295	881	707	1,588	15,883
Travel	-	-	30	30	268	-	268	298
Workers' compensation	521	608	515	1,644	187	188	375	2,019
<b>Total</b>	<u>\$ 187,466</u>	<u>\$ 280,493</u>	<u>\$ 114,306</u>	<u>\$ 582,265</u>	<u>\$ 94,810</u>	<u>\$ 116,005</u>	<u>\$ 210,815</u>	<u>\$ 793,080</u>

See independent auditors' report.

**AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
COMBINED SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2014**

	PROGRAM SERVICES				SUPPORTING SERVICES			
	Legal	Public Education	Legislative	Total Program Service	Management and General	Fundraising	Total Supporting Services	Total Expenses
Board meetings	\$ -	\$ -	\$ 375	\$ 375	\$ 619	\$ -	\$ 619	\$ 994
Credit card fees	-	-	-	-	-	999	999	999
Depreciation	-	-	-	-	7,816	-	7,816	7,816
Employee benefits	-	-	10,500	10,500	1,167	-	1,167	11,667
Event expenses	-	-	-	-	-	16,050	16,050	16,050
Fundraising	-	-	-	-	-	3,447	3,447	3,447
Health insurance	13,073	11,620	-	24,693	7,263	4,358	11,621	36,314
IT services	-	-	389	389	43	-	43	432
Litigation	12,788	-	-	12,788	-	-	-	12,788
Lobbying	-	-	4,150	4,150	-	-	-	4,150
Membership recruitment	-	-	-	-	990	-	990	990
Miscellaneous	-	-	-	-	26	-	26	26
National shared database	-	-	1,878	1,878	1,878	3,756	5,634	7,512
Office insurance	778	778	703	2,259	164	86	250	2,509
Payroll processing	1,180	1,180	263	2,623	160	131	291	2,914
Payroll taxes	12,438	12,438	2,157	27,033	1,622	1,382	3,004	30,037
Pension	20,491	20,491	-	40,982	2,277	2,277	4,554	45,536
Postage	969	969	67	2,005	112	108	220	2,225
Printing	1,427	1,427	173	3,027	178	159	337	3,364
Professional development	6,330	6,330	-	12,660	703	703	1,406	14,066
Program support	-	-	1,046	1,046	116	-	116	1,162
Professional services	-	-	-	-	46,403	-	46,403	46,403
Public education	-	40,609	-	40,609	-	-	-	40,609
Rent	27,443	27,444	5,415	60,302	3,651	3,049	6,700	67,002
Repairs and maintenance	2,217	2,218	439	4,874	295	246	541	5,415
Salaries	118,465	141,501	30,811	290,777	33,039	39,488	72,527	363,304
Supplies	5,042	5,042	395	10,479	604	560	1,164	11,643
Telephone	5,714	5,715	1,047	12,476	751	635	1,386	13,862
Travel	-	-	-	-	1,250	-	1,250	1,250
Workers' compensation	386	450	-	836	96	139	235	1,071
<b>Total</b>	<b>\$ 228,741</b>	<b>\$ 278,212</b>	<b>\$ 59,808</b>	<b>\$ 566,761</b>	<b>\$ 111,223</b>	<b>\$ 77,573</b>	<b>\$ 188,796</b>	<b>\$ 755,557</b>

See independent auditors' report.

AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
SCHEDULE OF REVENUE AND SUPPORT AND EXPENSES FOR  
AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Shared revenue	186,652	\$ -	\$ 186,652	\$ 172,104	\$ -	\$ 172,104
Contributions	162,440	20,000	182,440	110,822	-	110,822
Grants	170,834	-	170,834	185,152	-	185,152
Event revenue	67,144	-	67,144	65,346	-	65,346
Other income	27,495	-	27,495	24,355	-	24,355
Investment return	23,568	-	23,568	21,168	-	21,168
Attorney fees	1,000	-	1,000	685	-	685
Net assets released from restriction	9,191	(9,191)	-	-	-	-
<b>Total revenue and support</b>	<u>648,324</u>	<u>10,809</u>	<u>659,133</u>	<u>579,632</u>	<u>-</u>	<u>579,632</u>
<b>EXPENSES</b>						
Program services	467,959	-	467,959	506,953	-	506,953
General and administrative	76,424	-	76,424	97,361	-	97,361
Fundraising	115,725	-	115,725	77,573	-	77,573
<b>Total expenses</b>	<u>660,108</u>	<u>-</u>	<u>660,108</u>	<u>681,887</u>	<u>-</u>	<u>681,887</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ (11,784)</u>	<u>\$ 10,809</u>	<u>\$ (975)</u>	<u>\$ (102,255)</u>	<u>\$ -</u>	<u>\$ (102,255)</u>

See independent auditors' report.

AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE FOUNDATION, INC.  
AND AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
SCHEDULE OF REVENUE AND SUPPORT AND EXPENSES FOR  
AMERICAN CIVIL LIBERTIES UNION OF TENNESSEE, INC.  
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Shared revenue	\$ 63,488	\$ -	\$ 63,488	\$ 77,906	\$ -	\$ 77,906
Contributions	2,581	-	2,581	48,713	-	48,713
Grants	60,500	-	60,500	3,250	-	3,250
Other income	9,748	-	9,748	-	-	-
Investment return	2	-	2	3	-	3
<b>Total revenue and support</b>	<u>136,319</u>	<u>-</u>	<u>136,319</u>	<u>129,872</u>	<u>-</u>	<u>129,872</u>
<b>EXPENSES</b>						
Program services	114,306	-	114,306	59,808	-	59,808
General and administrative	18,386	-	18,386	13,862	-	13,862
Fundraising	280	-	280	-	-	-
<b>Total expenses</b>	<u>132,972</u>	<u>-</u>	<u>132,972</u>	<u>73,670</u>	<u>-</u>	<u>73,670</u>
<b>CHANGES IN NET ASSETS</b>	<u>\$ 3,347</u>	<u>\$ -</u>	<u>\$ 3,347</u>	<u>\$ 56,202</u>	<u>\$ -</u>	<u>\$ 56,202</u>

See independent auditors' report.