

ACLU Nebraska
Lincoln, Nebraska

March 31, 2021

Consolidating Financial Statements
and
Independent Auditor's Report



CPAs & Consultants | Wealth Management

ACLU Nebraska

Year ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
ACLU Nebraska
Lincoln, Nebraska

We have audited the accompanying consolidating financial statements of ACLU Nebraska, which comprise the consolidating statement of financial position as of March 31, 2021 and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

Management's Responsibility for the Consolidating Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating 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 consolidating 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 consolidating 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 consolidating financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidating 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 consolidating 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 consolidating 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 consolidating financial statements referred to above present fairly, in all material respects, the consolidating financial position of ACLU Nebraska as of March 31, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidating financial statements as a whole. The supplemental Schedule of Expenses – Union and Schedule of Expenses - Foundation are presented for purposes of additional analysis and are not a required part of the consolidating 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 consolidating financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidating financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidating financial statements or to the consolidating 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 consolidating financial statements as a whole.

ABE LLP

Lincoln, Nebraska
September 24, 2021

ACLU Nebraska

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

March 31, 2021

ASSETS

	<u>Union</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents (note A)	\$ 224,640	\$ 1,906,446	\$ -	\$ 2,131,086
Investments (notes A, B and C)	-	222,350	-	222,350
Prepaid expenses	-	12,739	-	12,739
Receivables (notes A and D)	16,717	460,130	(17,800)	459,047
Promises to give (notes A and E)	-	125,000	-	125,000
	<u>241,357</u>	<u>2,726,665</u>	<u>(17,800)</u>	<u>2,950,222</u>
PROPERTY AND EQUIPMENT (notes A and G)	<u>-</u>	<u>76,810</u>	<u>-</u>	<u>76,810</u>
Total assets	<u>\$ 241,357</u>	<u>\$ 2,803,475</u>	<u>\$ (17,800)</u>	<u>\$ 3,027,032</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 46,900	\$ 13,817	\$ (17,800)	\$ 42,917
Accrued salaries	-	24,292	-	24,292
Payroll tax liabilities	-	120	-	120
Accrued vacation	-	61,714	-	61,714
	<u>46,900</u>	<u>99,943</u>	<u>(17,800)</u>	<u>129,043</u>
NET ASSETS (note A)				
Without donor restrictions	194,457	2,103,532	-	2,297,989
With donor restrictions (note H)	-	600,000	-	600,000
	<u>194,457</u>	<u>2,703,532</u>	<u>-</u>	<u>2,897,989</u>
Total liabilities and net assets	<u>\$ 241,357</u>	<u>\$ 2,803,475</u>	<u>\$ (17,800)</u>	<u>\$ 3,027,032</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended March 31, 2021

	Without Donor Restrictions		With Donor Restrictions		Eliminations	Total
	Union	Foundation	Union	Foundation		
REVENUE AND SUPPORT						
ACLU membership	\$ 6,861	\$ -	\$ -	\$ -	\$ -	\$ 6,861
ACLU GMI	141,663	175,000	-	-	-	316,663
ACLU shared revenue	-	419,444	-	-	-	419,444
Contributions	-	291,261	-	-	-	291,261
External giving program	-	83,535	-	-	-	83,535
Grant income	10,000	1,104,950	-	600,000	-	1,714,950
Interest income	2	122	-	-	-	124
Investment return, net	-	68,746	-	-	-	68,746
Events income	-	1,000	-	-	-	1,000
Attorney fees	-	46,346	-	-	-	46,346
In-kind contributions	-	445	-	-	-	445
Other income	-	3,391	-	-	-	3,391
Net assets released from restriction	-	100,000	-	(100,000)	-	-
Total revenue and support	158,526	2,294,240	-	500,000	-	2,952,766
EXPENSES						
Program services	157,394	1,593,864	-	-	-	1,751,258
Support services	10,107	285,030	-	-	-	295,137
Total expenses	167,501	1,878,894	-	-	-	2,046,395
INCREASE (DECREASE) IN NET ASSETS	(8,975)	415,346	-	500,000	-	906,371
Net assets at beginning of year	203,432	1,688,186	-	100,000	-	1,991,618
Net assets at end of year	\$ 194,457	\$ 2,103,532	\$ -	\$ 600,000	\$ -	\$ 2,897,989

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES

Year ended March 31, 2021

	<u>Union</u>	<u>Foundation</u>	<u>Total Program Services</u>
Salaries	\$ 10,211	\$ 612,098	\$ 622,309
Employee benefits	2,104	120,427	122,531
Payroll taxes	734	43,910	44,644
Contract labor	-	35,362	35,362
Litigation expenses	-	28,665	28,665
Lobbying	34,808	86,675	121,483
Office expenses	2,978	27,774	30,752
Printing	128	2,427	2,555
Insurance	724	13,767	14,491
Rent	1,897	36,048	37,945
Postage	376	33,766	34,142
Professional development	172	3,257	3,429
Travel	45	870	915
Bank fees	152	2,107	2,259
Public education	102,623	538,298	640,921
Miscellaneous	442	8,413	8,855
	<u>\$ 157,394</u>	<u>\$ 1,593,864</u>	<u>\$ 1,751,258</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - SUPPORT SERVICES

Year ended March 31, 2021

	Union			Foundation			Total Support Services
	Management and General	Fund Raising	Support Services	Management and General	Fund Raising	Support Services	
Salaries	\$ 2,577	\$ 205	\$ 2,782	\$ 154,467	\$ 12,271	\$ 166,738	\$ 169,520
Employee benefits	531	42	573	30,390	2,414	32,804	33,377
Payroll taxes	185	15	200	11,081	880	11,961	12,161
Professional fees	3,259	-	3,259	24,205	-	24,205	27,464
Office expenses	752	60	812	7,009	557	7,566	8,378
Printing	32	3	35	613	49	662	697
Insurance	183	15	198	3,474	276	3,750	3,948
Rent	479	38	517	9,097	723	9,820	10,337
Postage	95	8	103	8,521	677	9,198	9,301
Board expenses	1,407	-	1,407	1,870	-	1,870	3,277
Event expenses	-	-	-	-	4,073	4,073	4,073
Professional development	43	3	46	822	65	887	933
Travel	12	1	13	220	17	237	250
Bank fees	38	3	41	532	42	574	615
Miscellaneous	112	9	121	1,095	169	1,264	1,385
Total expenses before depreciation	9,705	402	10,107	253,396	22,213	275,609	285,716
Depreciation	-	-	-	9,421	-	9,421	9,421
Total expenses	\$ 9,705	\$ 402	\$ 10,107	\$ 262,817	\$ 22,213	\$ 285,030	\$ 295,137

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended March 31, 2021

	<u>Union</u>	<u>Foundation</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from operations	\$ 206,689	\$ 2,529,517	\$ 2,736,206
Cash paid to suppliers and employees	(133,612)	(1,856,222)	(1,989,834)
Interest received	<u>2</u>	<u>122</u>	<u>124</u>
Net cash provided by operating activities	73,079	673,417	746,496
Cash flows from investing activities			
Purchase of property and equipment	<u>-</u>	<u>(14,540)</u>	<u>(14,540)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	73,079	658,877	731,956
Cash and cash equivalents at beginning of year	<u>151,561</u>	<u>1,247,569</u>	<u>1,399,130</u>
Cash and cash equivalents at end of year	<u>\$ 224,640</u>	<u>\$ 1,906,446</u>	<u>\$ 2,131,086</u>
Reconciliation of increase (decrease) in net assets to net cash provided by operating activities			
Increase (decrease) in net assets	<u>\$ (8,975)</u>	<u>\$ 915,346</u>	<u>\$ 906,371</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities			
Depreciation	-	9,421	9,421
Investment return, net	-	(68,746)	(68,746)
(Increase) decrease in assets			
Receivables	48,165	(145,855)	(97,690)
Pledges receivable	-	(50,000)	(50,000)
Prepaid expenses	-	(6,243)	(6,243)
Increase (decrease) in liabilities			
Accounts payable	33,889	(24,704)	9,185
Accrued wages	-	7,882	7,882
Payroll tax liabilities	-	(128)	(128)
Accrued vacation	<u>-</u>	<u>36,444</u>	<u>36,444</u>
Total adjustments to increase (decrease) in net assets	<u>82,054</u>	<u>(241,929)</u>	<u>(159,875)</u>
Net cash provided by operating activities	<u>\$ 73,079</u>	<u>\$ 673,417</u>	<u>\$ 746,496</u>

See accompanying notes to consolidating financial statements.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

ACLU Nebraska (the Union) was organized to further the objectives of the American Civil Liberties Union and to advance the causes of civil liberties in the State of Nebraska, including the rights of free speech, free press, free assemblage, equality before the law, and other civil liberties, and to take all legitimate action in the furtherance and defense of such purposes. The Union's objective is sought wholly without political partisanship. ACLU Nebraska Foundation (the Foundation) was organized to support the activities of the Union.

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the accompanying consolidating financial statements follows:

Method of Accounting. The accompanying consolidating financial statements have been prepared on the accrual method of accounting.

Principles of Consolidation. The accompanying consolidating financial statements for the year ended March 31, 2021 include the accounts of the Union and Foundation. All significant intercompany investments, transactions and account balances have been eliminated in consolidation.

Cash and Cash Equivalents. For purposes of the consolidating statement of cash flows, the Union and Foundation consider all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

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

Without donor restrictions. Net assets available for use in general operations and not subject to donor or grantor restrictions.

With donor restrictions. Net assets subject to donor- or 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Receivables. Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with the organizations having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Promises to Give. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows. Management provides for probable uncollectible unconditional promises receivable through a charge to net assets and a credit to a valuation allowance based on prior years' experience and management's analysis of specific promises made. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises receivable.

Investments. Investments in marketable securities, including equity and debt securities, with readily determinable fair values are reported at their fair values in the consolidating statement of financial position. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting in observable price changes in orderly transactions for identical or similar investments. Unrealized gains and losses are included in the consolidating statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Fair Value Measurements. 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. The Foundation utilizes a fair value hierarchy to prioritize 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 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest priority level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments measured at net asset value (NAV) per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance are not required to be categorized in the fair value hierarchy. The Foundation measures its investments in private and proprietary equity funds using this method, and therefore, they have not been categorized in the fair value hierarchy.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Property and Equipment and Depreciation. Property and equipment are carried at cost, if purchased and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. It is the Foundation’s policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. The estimated lives by asset class follow:

Building and leasehold improvements	15-39 years
Office equipment	3-10 years

Leave Policy. During the first three years of employment, an employee earns 80 hours of vacation leave per year. Beginning with the fourth and through the fifth year, an employee earns the maximum amount of vacation per year at 120 hours. After the fifth year, an employee earns a maximum of 160 vacation hours per year. Employees may accumulate vacation leave up to 320 hours. The Foundation's policy is to pay this liability upon termination of employment as required by Nebraska law.

Revenue Recognition. The following is a description of the Union and Foundation’s principal sources of revenue:

Grants: The Union and Foundation are the recipients of private grants to fund its primary programs. Grants are recorded as revenue when the related approved expenditures are made. Unearned grant revenue represents advances of grant funds received prior to the incurrence of related costs by the Union and Foundation.

Contributions: Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Union and Foundation have not received any conditional contributions.

ACLU GMI: The Union and the Foundation receive guaranteed minimum income (GMI) from ACLU National. The ACLU GMI is determined annually by ACLU National and paid on a monthly basis. The Union and Foundation consider the GMI payments as contributions for purposes of revenue recognition.

ACLU Shared Revenue: The Union and Foundation share revenue with ACLU National and other affiliate ACLU organizations annually by filing a Revenue Reconciliation Report based on total grants and contributions received during the fiscal year. ACLU shared revenue is considered a contribution for purposes of revenue recognition.

ACLU Memberships: Memberships in the Union are available to the general public and are non-refundable. Any benefits provided to members are negligible as the Union provides services to both members and non-members. Union memberships are considered contributions for purposes of revenue recognition.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Functionalized Expenses. The consolidating financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, payroll taxes, supplies, rent, and other expenses, which are allocated on the basis of estimates of time and effort.

Income Taxes. The Union is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purposes is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. For the year ended March 31, 2021, the Union and Foundation had no tax liability on unrelated business activity. The Union and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

The Union and the Foundation’s federal Returns of Organization Exempt from Income Tax (Form 990) for March 31, 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Membership dues paid to the Union are not deductible on the individual members’ personal income tax returns. Contributions to the Foundation, however, are deductible on the individual donors’ personal income tax returns.

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

NOTE B - INVESTMENTS

Investments as of March 31, 2021 consist of the following:

	<u>Cost</u>	<u>Market Value</u>
Total investments	\$ 92,312	\$ 222,350
Gross unrealized gain		\$ 130,038

Total realized gains or losses and the change in unrealized gains or losses are included in the Consolidating Statement of Activities.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the year ended March 31, 2021.

Equities and money market accounts: Valued at the last reported sales price on the day of valuation.

Mutual funds and exchange-traded funds: Valued at fair value based on quoted market or bid prices.

U.S. Treasury notes, agency and related: Valued using independent pricing models.

Private and Proprietary equity funds: Valued at fair value based on the applicable percentage ownership of the underlying net assets on the measurement date. In determining fair value, the entity utilizes, as a practical expedient, the net asset value (or equivalent) provided by the fund managers (“NAV of funds”).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 67,654	\$ 67,654	\$ -	\$ -
Corporate Bonds				
AAA to A-	8,126	-	8,126	-
U.S. Treasury notes, agency and related	498	-	498	-
Mutual funds				
Short-term bond	4,616	4,616	-	-
Intermediate-term bond	1,500	1,500	-	-
Total mutual funds	6,116	6,116	-	-
Exchange-traded funds				
Intermediate-term bonds	5,411	5,411	-	-
Private equity funds, multi-strategy (a)	14,802	-	-	-
Proprietary equity funds, multi-strategy (a)	117,977	-	-	-
Money market accounts held in investment	1,766	1,766	-	-
	<u>\$ 222,350</u>	<u>\$ 80,947</u>	<u>\$ 8,624</u>	<u>\$ -</u>

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS - CONTINUED

(a) In accordance with the guidance provided by FASB ASU 2015-07, Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Consolidating Statement of Financial Position.

Investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient consist of the following:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redeption Notice Period	Remaining Lock Up Period
Private equity funds, multi-strategy (a)	\$ 14,802	\$ 15,146	None	N/A	N/A
Proprietary equity funds, multi-strategy (a)	<u>117,977</u>	<u>-</u>	Monthly	7 Business Days	None
	<u>\$ 132,779</u>	<u>\$ 15,146</u>			

NOTE D - TRANSACTIONS WITH NATIONAL OFFICE

The American Civil Liberties Union Foundation (ACLU Foundation) supports the activities of the Foundation with a subsidy and revenue sharing. The ACLU Foundation remits the subsidy on a monthly basis and the revenue sharing is calculated annually.

The American Civil Liberties Union, Inc. (ACLU) collects the dues from the membership of the Union. The ACLU allocates and remits the Union's portion of the membership dues monthly.

The ACLU Foundation and ACLU owe the Foundation and Union, \$442,330 and \$16,717, respectively. These amounts are shown in receivables on the Consolidating Statement of Financial Position.

NOTE E - PROMISES TO GIVE

Promises to give consist of a grant for operations of \$125,000 for the year ended March 31, 2021. All promises to give are expected to be collected in the subsequent year.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE F - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>Union</u>	<u>Foundation</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 224,640	\$ 1,906,446
Investments	-	222,350
Receivables	16,717	460,130
Promises to give	<u>-</u>	<u>125,000</u>
Total financial assets	241,357	2,713,926
Less: amounts not available to be used within one year:		
With donor restrictions		
Subject to expenditure for a specified purpose	<u>-</u>	<u>(225,000)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 241,357</u>	<u>\$ 2,488,926</u>

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. The Board has a Reserve Policy to hold six months' worth of operating expenses in reserve. This reserve is to be held in cash and is calculated as half of one year's regular expenses. As of March 31, 2021, this requirement is half of budgeted operating expenses for fiscal year 2021-2022 or \$886,869 for the Foundation and \$73,731 for the Union. The operating reserve is to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Office equipment	\$ 119,214
Less accumulated depreciation	<u>(42,404)</u>
	<u>\$ 76,810</u>

The financial statements included depreciation expense of \$9,421 for the year ended March 31, 2021.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE H - NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for a specified purpose:	
Nebraska Religious Coalition Against Torture	\$ 30,000
Woods Charitable Fund	20,000
ACLU National	175,000
Subject to the passage of time:	
Weitz Family Foundation	125,000
Sherwood Foundation	<u>250,000</u>
	<u>\$ 600,000</u>

NOTE I - LEASES

On December 12, 2018, the Foundation entered into a 57-month lease agreement for office space in Lincoln for \$3,730 per month commencing February 1, 2019 and expiring November 30, 2023. The rent payments will increase (\$0.50 per square foot) in the 10th and 34th months of the contract.

On October 1, 2017, the Union entered into a 60-month lease agreement for a copier. Under the terms of the lease, monthly rent payments are \$215 expiring September 30, 2022.

Rent expense for the year ended March 31, 2021 was \$45,868 and \$2,414 for the Foundation and Union, respectively, which includes rent, additional utilities expense and parking.

Minimum lease payments for the years following March 31, 2021 are as follows:

<u>Years ending March 31,</u>	
2022	\$ 50,864
2023	51,674
2024	<u>33,494</u>
	<u>\$ 136,032</u>

NOTE J - CONCENTRATIONS

See Note D for concentrations with the national office.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE K - RETIREMENT PLANS

The Union offers retirement plans for all employees. After age 21 the Union contributes 2% of eligible employees pay and matches employee contributions 100% for first 1% plus 50% of the next 5% of employees pay. The Union contributed \$582 while the Foundation contributed \$34,933 for the year ended March 31, 2021.

NOTE L - SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date that the consolidating financial statements were available to be issued.



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SUPPLEMENTAL INFORMATION

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ACLU Nebraska

SCHEDULE OF EXPENSES - UNION

Year ended March 31, 2021

	Program Services	Support Services		Total Support Services	Total Union Expenses
		Management and General	Fundraising		
Salaries	\$ 10,211	\$ 2,577	\$ 205	\$ 2,782	\$ 12,993
Employee benefits	2,104	531	42	573	2,677
Payroll taxes	734	185	15	200	934
Lobbying	34,808	-	-	-	34,808
Professional fees	-	3,259	-	3,259	3,259
Office expenses	2,978	752	60	812	3,790
Printing	128	32	3	35	163
Insurance	724	183	15	198	922
Rent	1,897	479	38	517	2,414
Postage	376	95	8	103	479
Board expenses	-	1,407	-	1,407	1,407
Professional development	172	43	3	46	218
Travel	45	12	1	13	58
Bank fees	152	38	3	41	193
Public education	102,623	-	-	-	102,623
Miscellaneous	442	112	9	121	563
Total expenses	\$ 157,394	\$ 9,705	\$ 402	\$ 10,107	\$ 167,501

ACLU Nebraska

SCHEDULE OF EXPENSES - FOUNDATION

Year ended March 31, 2021

	Program Services	Support Services		Total Support Services	Total Foundation Expenses
		Management and General	Fundraising		
Salaries	\$ 612,098	\$ 154,467	\$ 12,271	\$ 166,738	\$ 778,836
Employee benefits	120,427	30,390	2,414	32,804	153,231
Payroll taxes	43,910	11,081	880	11,961	55,871
Contract labor	35,362	-	-	-	35,362
Litigation expenses	28,665	-	-	-	28,665
Lobbying	86,675	-	-	-	86,675
Professional fees	-	24,205	-	24,205	24,205
Office expenses	27,774	7,009	557	7,566	35,340
Printing	2,427	613	49	662	3,089
Insurance	13,767	3,474	276	3,750	17,517
Rent	36,048	9,097	723	9,820	45,868
Postage	33,766	8,521	677	9,198	42,964
Board expenses	-	1,870	-	1,870	1,870
Event expenses	-	-	4,073	4,073	4,073
Professional development	3,257	822	65	887	4,144
Travel	870	220	17	237	1,107
Bank fees	2,107	532	42	574	2,681
Public education	538,298	-	-	-	538,298
Miscellaneous	8,413	1,095	169	1,264	9,677
Total expenses before depreciation	<u>1,593,864</u>	<u>253,396</u>	<u>22,213</u>	<u>275,609</u>	<u>1,869,473</u>
Depreciation	-	9,421	-	9,421	9,421
Total expenses	<u>\$ 1,593,864</u>	<u>\$ 262,817</u>	<u>\$ 22,213</u>	<u>\$ 285,030</u>	<u>\$ 1,878,894</u>