

**AMERICAN CIVIL LIBERTIES UNION OF  
MISSISSIPPI FOUNDATION, INC.**

**FINANCIAL AUDIT TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED MARCH 31, 2014**

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA  
Joseph A. Akanji, CPA

(Retired)  
Michael B. Bruno, CPA (2011)

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**American Civil Liberties Union**  
**of Mississippi Foundation, Inc.**  
Jackson, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **American Civil Liberties Union of Mississippi Foundation, Inc. (ACLUMF)** (a nonprofit organization), which comprise the statement of financial position as of March 31, 2014, and the related statements of activities and cash flows for the year 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 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 **ACLUMF'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 **ACLUMF's** internal control. Accordingly, we express no such opinion. An audit also includes

**INDEPENDENT AUDITORS' REPORT**  
**CONTINUED**

To the Board of Directors of  
**American Civil Liberties Union**  
**of Mississippi Foundation, Inc.**  
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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 **ACLUMF**, as of March 31, 2014, 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 Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of **ACLUMF** as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the 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

**INDEPENDENT AUDITORS' REPORT**  
**CONTINUED**

To the Board of Directors of  
**American Civil Liberties Union**  
**of Mississippi Foundation, Inc.**  
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prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 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 financial statements as a whole.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP,**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
Jackson, Mississippi

August 18, 2014

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**MARCH 31, 2014**

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**ASSETS**

|   |                         |
|---|-------------------------|
| Current Assets:                               |                         |
| Cash and cash equivalents (NOTES 2, 3 AND 4)  | \$ 878,530              |
| Short term investments (NOTES 2 AND 6)        | 226,641                 |
| Due from affiliate                            | <u>41,441</u>           |
| <br>Total current assets                      | <br><u>1,146,612</u>    |
| <br>Furniture and Equipment: (NOTES 2 AND 10) |                         |
| Office furniture                              | 90,708                  |
| Office equipment                              | 126,595                 |
| Less: accumulated depreciation                | <u>(16,164)</u>         |
| <br>Total furniture and equipment, net        | <br><u>201,139</u>      |
| <br>Total assets                              | <br><u>\$ 1,347,751</u> |

**LIABILITIES AND NET ASSETS**

|   |                         |
|---|-------------------------|
| Current Liabilities:  |                         |
| Current portion of capital lease obligation (NOTE 8)        | \$ 25,838               |
| Line of credit  | 3,150                   |
| Due to affiliate  | 110,011                 |
| Deferred grant revenue                                      | <u>97,867</u>           |
| <br>Total current liabilities                               | <br><u>236,866</u>      |
| <br>Capital lease obligation, less current portion (NOTE 8) | <br><u>48,434</u>       |
| <br>Total liabilities                                       | <br><u>285,300</u>      |
| <br>Net Assets (NOTE 2):                                    |                         |
| Unrestricted  | 861,312                 |
| Furniture and equipment                                     | <u>201,139</u>          |
| <br>Total net assets  | <br><u>1,062,451</u>    |
| <br>Total liabilities and net assets                        | <br><u>\$ 1,347,751</u> |

The accompanying notes are an integral part of the financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MARCH 31, 2014**

|                                    | Operations | Furniture and<br>Equipment | Total        |
|------------------------------------|------------|----------------------------|--------------|
| <b><u>REVENUES AND SUPPORT</u></b> |            |                            |              |
| National support                   | \$ 554,167 | \$ -0-                     | \$ 554,167   |
| Bequest                            | 110,011    | -0-                        | 110,011      |
| Private foundations                | 161,101    | -0-                        | 161,101      |
| Individual donations               | 6,930      | -0-                        | 6,930        |
| Interest and dividend income       | 6,406      | -0-                        | 6,406        |
| Other support                      | 3,599      | -0-                        | 3,599        |
| Professional fees                  | 22,612     | -0-                        | 22,612       |
| Events income                      | 626        | -0-                        | 626          |
| Other income                       | 2,461      | -0-                        | 2,461        |
| Unrealized gain on investments     | 41,660     | -0-                        | 41,660       |
| Total revenues and support         | 909,573    | -0-                        | 909,573      |
| <b><u>EXPENSES:</u></b>            |            |                            |              |
| Program services:                  |            |                            |              |
| Legal                              | 244,408    | -0-                        | 244,408      |
| Legislative                        | 57,016     | -0-                        | 57,016       |
| Advocacy                           | 192,942    | -0-                        | 192,942      |
| Communication                      | 49,157     | -0-                        | 49,157       |
| Total program services             | 543,523    | -0-                        | 543,523      |
| Supportive Services:               |            |                            |              |
| General and administrative         | 338,682    | -0-                        | 338,682      |
| Fundraising                        | 32,228     | -0-                        | 32,228       |
| Total supporting services          | 370,910    | -0-                        | 370,910      |
| Total expenses                     | 914,433    | -0-                        | 914,433      |
| Change in net assets               | (4,860)    | -0-                        | (4,860)      |
| Net assets, beginning of year      | 1,046,501  | 20,810                     | 1,067,311    |
| Transfers                          | (180,329)  | 180,329                    | -0-          |
| Net assets, end of year            | \$ 861,312 | \$ 201,139                 | \$ 1,062,451 |

The accompanying notes are an integral part of the financial statements.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

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**Cash Flows from Operating Activities:**

|  |                  |
|--|------------------|
| Change in net assets   | \$ (4,860)       |
| Adjustments to reconcile change in net assets<br>to cash used in operating activities: |                  |
| Depreciation   | 12,207           |
| Unrealized gain on investment  | (41,660)         |
| Loss on disposal of fixed assets   | 5,089            |
| Changes in assets and liabilities:   |                  |
| Employee advances  | 220              |
| Accounts receivable  | 53,146           |
| Due from affiliate   | (26,469)         |
| Line of credit   | (417)            |
| Due to affiliate   | 110,011          |
| Other payroll deductions   | (809)            |
| Deferred grant revenues  | <u>(109,082)</u> |
| Net cash used in operating activities  | <u>(2,624)</u>   |

**Cash Flows from Investing Activities:**

|                                       |                  |
|---------------------------------------|------------------|
| Acquisition of property and equipment | <u>(197,625)</u> |
| Net cash used in investing activities | <u>(197,625)</u> |

**Cash Flows from Financing Activities:**

|   |                 |
|---|-----------------|
| Capital lease obligation proceeds         | 85,000          |
| Repayments of capital lease obligations   | <u>(10,728)</u> |
| Net cash provided by financing activities | <u>74,272</u>   |

|  |                   |
|--|-------------------|
| Decrease in cash and cash equivalent         | (125,977)         |
| Cash and cash equivalents, beginning of year | <u>1,004,507</u>  |
| Cash and cash equivalents, end of year       | <u>\$ 878,530</u> |

**Supplemental Disclosures:**

|               |                 |
|---------------|-----------------|
| Interest paid | <u>\$ 3,171</u> |
|---------------|-----------------|

**Noncash investing and financing activities:**

|                          |                  |
|--------------------------|------------------|
| Capital lease obligation | <u>\$ 85,000</u> |
|--------------------------|------------------|

The accompanying notes are an integral part of the financial statements.



**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - CORPORATION'S HISTORY AND PURPOSE**

**American Civil Liberties Union of Mississippi Foundation, Inc. (ACLUMF)** (affiliate corporation), (a non-profit organization) was incorporated in 1988 with a mission and purpose to support its parent corporation, the American Civil Liberties Union Corporation, in its mission of individual rights of all individuals in the State of Mississippi and the *United States of America*. **ACLUMF** has adopted the following guiding principles:

- The right of free expression - above all, the freedom of dissent from the official view and majority.
- The right to equal treatment regardless of race, sex, religion, national origin, sexual orientation, age or handicap.
- The right of fair play in encounters with government institutions, courts, schools, police, bureaucracy and with the repositories of great private power.
- The right to be left alone to be secure from spying, from the promiscuous and unwarranted collection of personal information, and from interference in our private lives.

**American Civil Liberties Union of Mississippi Foundation, Inc.** is an affiliate of the American Civil Liberties Union Corporation located at 125 Broad Street, 18th Floor, New York City, New York.

The fiscal year of **ACLUMF** is April 1 - March 31.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Basis of Accounting

The financial statements of **American Civil Liberties Union of Mississippi Foundation, Inc.** are presented on the accrual basis of accounting, using fund accounting concepts.

Basis of Presentation

Financial statement presentation follows the recommendations of the *Financial Accounting Standards Board in its Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities*. Under *FASB ASC 958*, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets temporarily restricted net assets, and permanently restricted net assets. At March 31, 2014, there were no permanently restricted net assets.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the, donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, **ACLUMF** reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. **ACLUMF** reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services

No amounts have been reflected in the financial statements for donated services. The **ACLUMF** pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, fundraising solicitations, and various other assignments.

Fund Accounting

The accounts of the **ACLUMF** are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. **ACLUMF** capitalizes all costs for property and equipment in excess of \$500. Depreciation is computed on the straight-line basis over the estimated useful life of the asset. The estimated useful life is three (3) to seven (7) years for furniture and equipment.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, Continued**

Restricted and Unrestricted Revenue and Support

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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. Federal grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

Employees' Annual Leave

**American Civil Liberties Union of Mississippi Foundation, Inc.** does not charge annual leave earned by employees which has not been used by them at the end of a period, to the period that the leave is earned.

Use of Estimates

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

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The **ACLUMF's** financial instruments, none of which are held for trading purposes, include cash and cash equivalents. **ACLUMF** estimates that the fair value of all financial instruments at March 31, 2014, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS, Continued**

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. The carrying amounts of cash and cash equivalents approximate fair values because of the short maturities of those instruments.

**NOTE 4 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following at March 31, 2014.

|  | Carrying<br>Amount | Fair Value       |
|--|--------------------|------------------|
| Financial assets:                      |                    |                  |
| Cash and cash equivalents              | \$485,481          | \$485,481        |
| Money market account-Hope Credit Union | <u>393,049</u>     | <u>393,049</u>   |
| Total                                  | <u>\$878,530</u>   | <u>\$878,530</u> |

**NOTE 5 - CONCENTRATIONS OF CREDIT RISK ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS**

**ACLUMF** maintains its cash account in one (1) financial Institution located in Jackson, Mississippi. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2014, the **ACLUMF** cash balance was uninsured in the amount of \$379,055. Also, **ACLUMF** maintains cash accounts in one (1) credit union located in Jackson, Mississippi. The balance is insured by the National Credit Union Administration up to \$250,000. The uninsured amount at March 31, 2014 was \$143,049.

**NOTE 6 - INVESTMENTS**

Investments are recorded at market value as follows.

|                        | Fair Value<br>Beginning<br>of Year | Unrealized<br>Appreciation | Fair Value<br>End of<br>Year |
|------------------------|------------------------------------|----------------------------|------------------------------|
| Financial Institutions |                                    |                            |                              |
| Vanguard               | \$ 139,820                         | \$ 31,093                  | \$ 170,913                   |
| Fidelity Investment    | <u>45,161</u>                      | <u>10,567</u>              | <u>55,728</u>                |
| Total                  | <u>\$ 184,981</u>                  | <u>\$ 41,660</u>           | <u>\$ 226,641</u>            |

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 7 - FAIR VALUE MEASUREMENTS**

**ACLUMF** has adopted Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 820) defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements.

FASB ASC 820 defines fair value as 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. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.
- Level 2** - Observable inputs other than level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Category within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used at March 31, 2014.

Cash and cash equivalents and money market accounts:

The carrying amount is a reasonable estimate of fair value.

Equity securities:

Valued at the closing price reported on the active markets on which the individual securities are traded.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 7 - FAIR VALUE MEASUREMENTS, Continued

Mutual funds:

Valued at the net asset value of shares held by **ACLUMF** at year end.

Accounts payable and accrued liabilities:

The carrying amount is a reasonable estimate of fair value.

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 **ACLUMF** 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 presents the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within FASB ASC 820 fair value hierarchy in which the fair value measurements fall at March 31, 2014.

| <u>Investment Types</u>               | <u>Fair Value</u> | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> |
|---------------------------------------|-------------------|---|
| Mid-Cap Index Funds                   | \$ 39,906         | \$ 39,906   |
| 500 Index Funds                       | 108,611           | 108,611   |
| Windsor II Mutual Funds               | 22,396            | 22,396  |
| Fidelity Small-Cap discovery funds    | 24,319            | 24,319  |
| Fidelity Capital Appreciation Funds   | 15,803            | 15,803  |
| Fidelity Contrafund                   | <u>15,606</u>     | <u>15,606</u>   |
| Total assets recognized at fair value | <u>\$226,641</u>  | <u>\$226,641</u>  |

There were no investments at March 31, 2014 that were measured at level 2 or level 3.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 7 - FAIR VALUE MEASUREMENTS, Continued**

The following financial instruments are recognized on the statement of financial position using measures other than fair value. The estimated fair value for those assets and liabilities are disclosed as of March 31, 2014, as follows:

|   | Carrying<br>Amount |    | Estimated<br>Fair Value |
|---|--------------------|----|-------------------------|
| Assets:                                     |                    |    |                         |
| Cash and cash equivalents                   | \$ 878,530         | \$ | 878,530                 |
| Due from affiliate                          | 41,442             |    | 41,442                  |
| Liabilities:                                |                    |    |                         |
| Accounts payable and<br>accrued liabilities | 113,685            |    | 113,685                 |
| Line of credit                              | 3,150              |    | 3,150                   |
| Due to affiliate                            | 110,011            |    | 110,011                 |
| Deferred grant revenue                      | 97,868             |    | 97,868                  |

**NOTE 8 -- CAPITAL LEASE OBLIGATION**

Minimum future lease payments under capital leases as of March 31, 2014 for each of the next three (3) years and in the aggregate are:

| <u>Year Ending March 31,</u>               | <u>Amount</u>    |
|--|------------------|
| 2015                                       | \$ 33,360        |
| 2016                                       | 33,360           |
| 2017                                       | <u>19,460</u>    |
| Total minimum lease payments               | 86,180           |
| Less: Amount representing interest         | <u>(11,908)</u>  |
| Present value of net minimum lease payment | \$ <u>74,272</u> |

Interest rate on capitalized lease is 11.99% and is imputed based on the lower of ACLUMF's incremental borrowing rate at the inception of each lease or the lessor's implicit rate of return.

**AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**  
**MARCH 31, 2014**

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**NOTE 9 - CORPORATE INCOME TAXES**

**ACLUMF** is exempt from corporate Federal income taxes under Section 501(c) (3) of the internal Revenue Code and from Mississippi income taxes. Therefore, no provision has been made for Federal or Mississippi corporate Income taxes In the accompanying financial statements.

**ACLUMF** has adopted recently issued accounting principles related to uncertain tax positions for the year ended March 31, 2014, and has evaluated its tax positions taken for all open tax years. Currently, the 2011, 2012, and 2013 tax years are open and subject to examination by the Internal Revenue Service; however, the **ACLUMF** is not currently under audit nor has **ACLUMF** been contacted by any of these jurisdictions.

Based on the evaluation of the **ACLUMF**'s tax positions, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended March 31, 2014.

**NOTE 10 - FURNITURE AND EQUIPMENT**

At March 31, 2014, furniture and equipment consisted of the following:

|                                       | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u>  | <u>Ending<br/>Balance</u> |
|---------------------------------------|------------------------------|-------------------|-------------------|---------------------------|
| Office furniture                      | \$ 3,840                     | \$ 86,868         | \$ -0-            | \$ 90,708                 |
| Office equipment                      | 48,586                       | 106,919           | 28,910            | 126,595                   |
| Subtotal                              | <u>52,426</u>                | <u>193,787</u>    | <u>28,910</u>     | <u>217,303</u>            |
| Less: Accumulated depreciation        | <u>(31,617)</u>              | <u>(12,207)</u>   | <u>(27,660)</u>   | <u>(16,164)</u>           |
| Total furniture and<br>equipment, net | <u>\$ 20,809</u>             | <u>\$ 181,580</u> | <u>\$ (1,250)</u> | <u>\$ 201,139</u>         |

Depreciation expense for the year ended March 31, 2014 totaled \$12,207.

**NOTE 11 - RETIREMENT PLAN**

**ACLUMF** has a defined contribution plan on all eligible employees. Currently, **ACLUMF** contributes to the plan up to six percent (6%) of gross wages of all participating employees. The retirement expense for the fiscal year ended March 31, 2014 is \$13,334.



AMERICAN CIVIL LIBERTIES UNION OF MISSISSIPPI FOUNDATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED  
MARCH 31, 2014

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NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 18, 2014, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

NOTE 13 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

**SUPPLEMENTARY INFORMATION**

Schedule I

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

|                                       | Legal             | Legislative      | Advocacy          | Communication    | Total Program Services | General and Administrative | Fund Raising    | Total Supportive Services | Total             |
|---------------------------------------|-------------------|------------------|-------------------|------------------|------------------------|----------------------------|-----------------|---------------------------|-------------------|
| <b>EXPENSES</b>                       |                   |                  |                   |                  |                        |                            |                 |                           |                   |
| Personnel Expenses:                   |                   |                  |                   |                  |                        |                            |                 |                           |                   |
| Salaries                              | \$ 157,184        | \$ 16,284        | \$ 43,990         | \$ 11,355        | \$ 228,813             | \$ 131,911                 | \$ -0-          | \$ 131,911                | \$ 360,724        |
| Payroll taxes                         | 13,135            | 2,110            | 4,416             | 1,315            | 20,976                 | 7,370                      | -0-             | 7,370                     | 28,346            |
| Fringe benefits                       | 13,844            | 2,664            | 6,761             | 1,628            | 24,897                 | 27,877                     | -0-             | 27,877                    | 52,774            |
| Total Personnel Expenses              | <u>184,163</u>    | <u>21,058</u>    | <u>55,167</u>     | <u>14,298</u>    | <u>274,686</u>         | <u>167,158</u>             | <u>-0-</u>      | <u>167,158</u>            | <u>441,844</u>    |
| Non-Personnel Expenses:               |                   |                  |                   |                  |                        |                            |                 |                           |                   |
| Occupancy                             | 14,083            | 6,023            | 13,781            | 5,789            | 39,676                 | 23,620                     | 343             | 23,963                    | 63,639            |
| Insurance                             | 3,142             | -0-              | 750               | -0-              | 3,892                  | 2,903                      | 300             | 3,203                     | 7,095             |
| Office expense                        | 29,735            | 27,806           | 32,519            | 27,906           | 117,966                | 45,568                     | 3,390           | 48,958                    | 166,924           |
| Travel                                | 3,274             | 1,099            | 6,779             | 302              | 11,454                 | 13,129                     | 787             | 13,916                    | 25,370            |
| Information technology                | 2,343             | -0-              | 523               | -0-              | 2,866                  | 4,632                      | 124             | 4,756                     | 7,622             |
| Professional services                 | -0-               | 143              | 31,403            | -0-              | 31,546                 | 47,610                     | 850             | 48,460                    | 80,006            |
| Advertising and promotion             | 700               | 38               | 678               | 425              | 1,841                  | 2,575                      | 535             | 3,110                     | 4,951             |
| Conferences, conventions and meetings | 5,589             | 634              | 50,893            | -0-              | 57,116                 | 9,518                      | 22,417          | 31,935                    | 89,051            |
| Other expenses                        | 1,379             | 215              | 449               | 437              | 2,480                  | 4,673                      | 3,482           | 8,155                     | 10,635            |
| Loss on disposal of fixed asset       | -0-               | -0-              | -0-               | -0-              | -0-                    | 5,089                      | -0-             | 5,089                     | 5,089             |
| Depreciation expense-other            | -0-               | -0-              | -0-               | -0-              | -0-                    | 12,207                     | -0-             | 12,207                    | 12,207            |
| Total expenses                        | <u>\$ 238,819</u> | <u>\$ 56,382</u> | <u>\$ 142,049</u> | <u>\$ 49,157</u> | <u>\$ 486,407</u>      | <u>\$ 329,164</u>          | <u>\$ 9,811</u> | <u>\$ 338,975</u>         | <u>\$ 825,382</u> |

See Independent Auditors' Report on Supplementary Information.