

Return of Organization Exempt From Income Tax

2004

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

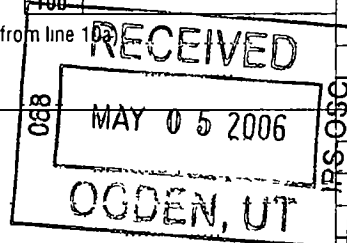
A For the 2004 calendar year, or tax year beginning JUL 1, 2004 and ending JUN 30, 2005

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: AMERICAN CIVIL RIGHTS COALITION. D Employer identification number: 52-2006786. E Telephone number: (916) 444-2278. F Accounting method: Cash, Accrual.

G Website: WWW.ACRC1.ORG. J Organization type: 501(c)(4). K Check here: if the organization's gross receipts are normally not more than \$25,000. L Gross receipts: 946,605.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received (Total: 948,544); 2-12 Revenue (Total: 946,605); 13-17 Expenses (Total: 881,701); 18 Excess or (deficit) for the year (64,904); 19-21 Net Assets (Total: -684,256).



Handwritten number 7-10 and initials.

SCANNED JUL 17 2003

Part II Statement of Functional Expenses

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	(cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25 18,462.	12,554.	2,769.	3,139.
26	Other salaries and wages	26 47,767.	32,482.	7,165.	8,120.
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29 2,617.	1,779.	393.	445.
30	Professional fundraising fees	30			
31	Accounting fees	31 11,624.		11,624.	
32	Legal fees	32			
33	Supplies	33 3,340.	2,505.	334.	501.
34	Telephone	34 2,921.	2,191.	292.	438.
35	Postage and shipping	35			
36	Occupancy	36 6,011.	4,809.	1,202.	
37	Equipment rental and maintenance	37 1,101.	550.	551.	
38	Printing and publications	38 15,586.	1,247.		14,339.
39	Travel	39 9,598.	9,598.		
40	Conferences, conventions, and meetings	40 513.	513.		
41	Interest	41 53,683.	53,683.		
42	Depreciation, depletion, etc (attach schedule)	42			
43	Other expenses not covered above (itemize)				
a	_____	43a			
b	_____	43b			
c	_____	43c			
d	_____	43d			
e	SEE STATEMENT 3	43e 708,478.	703,586.	4,145.	747.
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 881,701.	825,497.	28,475.	27,729.

Joint Costs Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose?

ELIMINATION OF RACE/SEX BASED PREFERENCES

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)

a	TO ADVOCATE FOR THE ELIMINATION OF RACIAL AND GENDER PREFERENCES IN GOVERNMENT PROGRAMS AND POLICIES AT THE STATE AND FEDERAL LEVELS THROUGH BALLOT INITIATIVES AND LOBBYING ACTIVITIES	(Grants and allocations \$ _____)	825,497.
b	_____	(Grants and allocations \$ _____)	
c	_____	(Grants and allocations \$ _____)	
d	_____	(Grants and allocations \$ _____)	
e	Other program services (attach schedule)	(Grants and allocations \$ _____)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)		825,497.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	11,621.	45	3,660.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	150.
	54 Investments - securities STMT 4 <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV	18,100.	54	15.
	55 a Investments - land, buildings, and equipment basis	55a 2,509.		
b Less accumulated depreciation	55b 2,509.	55c		
56 Investments - other		56		
57 a Land, buildings, and equipment basis	57a			
b Less accumulated depreciation	57b	57c		
58 Other assets (describe <input type="checkbox"/>)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	29,721.	59	3,825.	
Liabilities	60 Accounts payable and accrued expenses	272,111.	60	461,488.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable STMT 5	411,769.	64b	226,593.
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities (add lines 60 through 65)	683,880.	66	688,081.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	-654,159.	67	-684,256.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	-654,159.	73	-684,256.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	29,721.	74	3,825.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization AMERICAN CIVIL RIGHTS INSTITUTE and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) 82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	X
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	X
c	Dues, assessments, and similar amounts from members 85c 0.		
d	Section 162(e) lobbying and political expenditures 85d 0.		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e 0.		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f 0.		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations Enter a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) 87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 N/A , section 4912 N/A , section 4955 N/A		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization 0.		
90 a	List the states with which a copy of this return is filed CALIFORNIA		
b	Number of employees employed in the pay period that includes March 12, 2004 90b 8		
91	The books are in care of JENNIFER BOLLENBACH Telephone no 916-444-2278		
	Located at 2131 CAPITOL AVENUE, SUITE 306, SACRAMENTO, CA ZIP + 4 95816		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14		
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a MISCELLANEOUS					4.
b REALIZED LOSS ON SALE OF					
c INVESTEMNT					-1,943.
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		0.	-1,939.
105 Total (add line 104, columns (B), (D), and (E))					-1,939.

Note Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
95	EARNINGS ON SAVINGS ACCOUNTS
100	GAIN ON SALE OF MARKETABLE SECURITIES

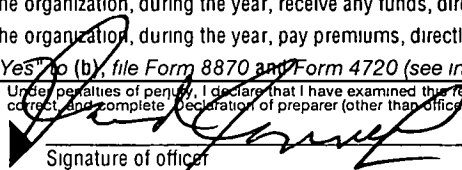
Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions)

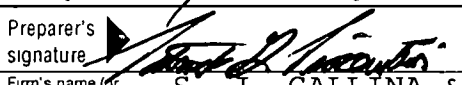
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with

(a) Did the organization, during the year, receive any funds, directly or indirectly, to...
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a...
 Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information furnished to preparer.

Please Sign Here:  Date: 4/2

Paid Preparer's Use Only: Preparer's signature:  S. J. GALLINA & CO., LLP
 Firm's name (or yours if self-employed), address, and ZIP + 4: 8001 FOLSOM BLVD., 2ND FLOOR
 SACRAMENTO, CA 95826-2622

FOOTNOTES

STATEMENT 1

SCHEDULE OF AGGREGATE COMPENSATION PAID BY THIS ORGANIZATION
(FORM 990, PART V, PAGE 4, LINE 75):

CONSULTING FEES PAID TO WARD CONNERLY

18,462.

SCHEDULE OF AGGREGATE COMPENSATION FROM A RELATED
ORGANIZATION: AMERICAN CIVIL RIGHTS INSTITUTE EIN 52-2004697

CONSULTING FEES PAID TO WARD CONNERLY

1,013,328.

STATEMENT REGARDING ACTIVITIES WITH DIRECTORS,
TRUSTEES, PRINCIPAL OFFICERS OR CREATOR

WARD CONNERLY IS CHAIRMAN OF ACRC. HE WAS PAID A SALARY
IN THE AMOUNT OF \$18,462 FOR TIME SPENT ON ACRC PROGRAMS.
WARD CONNERLY IS AN EMPLOYEE OF A RELATED ORGANIZATION,
ACRI. ACRI ALLOCATES SALARY EXPENSES TO ACRC FOR TIME SPENT
ON ACRC PROGRAMS. ACCORDINGLY, THE AMOUNT \$18,462 IS
INCLUDED IN THE AMOUNT REPORTED IN COMPENSATION IN STATEMENT
5.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	2
DESCRIPTION		AMOUNT	
UNREALIZED GAIN ON SALE OF INVESTMENT ASSETS		-1.	
NONDEDUCTIBLE PENALTIES		-95,000.	
TOTAL TO FORM 990, PART I, LINE 20		-95,001.	

FORM 990	OTHER EXPENSES			STATEMENT	3
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
SPEAKING/CONSULTING FEES	10,120.	10,120.			
CONTRIBUTIONS	691,193.	691,193.			
INSURANCE	2,712.		2,712.		
DUES & SUBSCRIPTIONS	1,400.	1,120.	280.		
SIGNATURE GATHERING	0.				
LICENSE & PERMITS	2,060.	1,030.	1,030.		
FUNDRAISING EXPENSE	747.			747.	
MISCELLANEOUS EXPENSE	246.	123.	123.		
TOTAL TO FM 990, LN 43	708,478.	703,586.	4,145.	747.	

FORM 990	NON-GOVERNMENT SECURITIES				STATEMENT	4
SECURITY DESCRIPTION	COST/FMV COST	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES	
MARKETABLE SECURITIES				15.	15.	
TO FORM 990, LINE 54, COL B				15.	15.	

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 5

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
JOHN UHLMANN - AN INDIVIDUAL		LUMP SUM	

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
04/11/02	04/11/03	190,000.	.00%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
NONE	BALLOT INITIATIVE FUNDING

RELATIONSHIP OF LENDER
NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
NONE	0.	226,593.

<u>LENDER'S NAME</u>		<u>TERMS OF REPAYMENT</u>	
RUPERT MURDOCH - AN INDIVIDUAL		LUMP SUM	

<u>DATE OF NOTE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>INTEREST RATE</u>
05/01/02	05/01/03	200,000.	.00%

<u>SECURITY PROVIDED BY BORROWER</u>	<u>PURPOSE OF LOAN</u>
NONE	BALLOT INITIATIVE FUNDING

RELATIONSHIP OF LENDER
NONE

<u>DESCRIPTION OF CONSIDERATION</u>	<u>FMV OF CONSIDERATION</u>	<u>BALANCE DUE</u>
NONE	0.	0.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B	<u>226,593.</u>
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FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT	6
DESCRIPTION		AMOUNT	
PY INTEREST EXPENSE		16,495.	
TOTAL TO FORM 990, PART IV-B		16,495.	

FORM 990	PART V - OFFICER COMPENSATION FROM RELATED ORGANIZATIONS	STATEMENT	7
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OFFICER'S NAME	NAME AND EIN OF RELATED ORGANIZATION	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
WARD CONNERLY	AMERICAN CIVIL RIGHTS INSTITUTE (SEE STATEMENT 1)	217,069.	0.	0.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers) However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile

Type or print	Name of Exempt Organization AMERICAN CIVIL RIGHTS COALITION	Employer identification number 52-2006786
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P O box, see instructions. 2131 CAPITOL AVENUE, NO. 306	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SACRAMENTO, CA 95816-5755	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **JENNIFER BOLLENBACH**
Telephone No ▶ **916-444-2278** FAX No. ▶ _____
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole** group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until **FEBRUARY 15, 2006** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year _____ or
▶ tax year beginning **JUL 1, 2004**, and ending **JUN 30, 2005**.

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ _____

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ **N/A**

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Form **8868** (Rev. 12-2004)