



NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**YEAR ENDED DECEMBER 31, 2024
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR 2023)**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nebraska Appleseed Center for Law in the Public Interest
Lincoln, Nebraska

Opinion

We have audited the financial statements of Nebraska Appleseed Center for Law in the Public Interest (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in

INDEPENDENT AUDITORS' REPORT (Continued)

accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BLAND + ASSOCIATES, P.C.

Omaha, Nebraska
July 18, 2025

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
STATEMENTS OF FINANCIAL POSITION
(WITH COMPARATIVE FINANCIAL INFORMATION FOR 2023)

ASSETS	December 31,	
	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,149,404	\$ 2,223,926
Current Portion of Grants Receivable	1,473,426	2,567,013
Prepaid Expenses	66,284	54,739
Total Current Assets	6,689,114	4,845,678
PROPERTY AND EQUIPMENT		
Office Furniture and Equipment	116,018	96,139
Less Accumulated Depreciation	(68,712)	(56,220)
Total Property and Equipment	47,306	39,919
OTHER ASSETS		
Operating Lease Right-of-Use Asset	502,156	81,908
Restricted Cash for Grants Payable	9,010	43,420
Grants Receivable, Less Current Portion	625,000	675,000
Investments	4,316,651	3,513,350
Total Other Assets	5,452,817	4,313,678
	\$ 12,189,237	\$ 9,199,275
LIABILITIES AND NET ASSETS	December 31,	
	2024	2023
CURRENT LIABILITIES		
Accounts Payable	\$ 61,349	\$ 50,933
Grants Payable	9,010	43,420
Wages Accrued	163,626	149,203
Flex Plan Withholding	5,666	4,683
Current Portion of Operating Lease Liability	132,850	29,916
Total Current Liabilities	372,501	278,155
LONG-TERM LIABILITIES		
Operating Lease Liability, Less Current Portion	376,395	51,910
Total Long-Term Liabilities	376,395	51,910
Total Liabilities	748,896	330,065
COMMITMENTS AND CONTINGENCIES		
	-	-
NET ASSETS		
Without Donor Restrictions		
Undesignated	3,475,137	3,032,091
Board-Designated Operating Reserve	1,230,000	1,090,000
Board-Designated Investments	1,108,254	396,281
Total Without Donor Restrictions	5,813,391	4,518,372
With Donor Restrictions		
Purpose Restrictions	2,216,950	2,465,838
Subject to the Passage of Time	3,410,000	1,885,000
Total With Donor Restrictions	5,626,950	4,350,838
Total Net Assets	11,440,341	8,869,210
	\$ 12,189,237	\$ 9,199,275

The accompanying notes to financial statements
are an integral part of these statements

NEBRASKA APPESEED CENTER FOR LAW IN THE PUBLIC INTEREST
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
(WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR 2023)

	Years Ended December 31,			
	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
OPERATING REVENUES AND SUPPORT				
Grants	\$ 1,243,981	\$ 4,626,012	\$ 5,869,993	\$ 3,893,211
Contributions	749,645	-	749,645	551,223
Unrealized Gain (Loss) on Investments	63,104	44,449	107,553	147,857
Interest Income	136,484	-	136,484	92,278
Investment Income	88,943	58,207	147,150	79,559
Events	75,968	-	75,968	70,375
Miscellaneous Income	6,266	-	6,266	22,312
Realized Gain (Loss) on Sale of Investments	29,851	18,747	48,598	1,871
Loss on Sale of Property and Equipment	-	-	-	(75)
Net Assets and Revenue Released from Restriction	3,471,303	(3,471,303)	-	-
Total Operating Revenues and Support	<u>5,865,545</u>	<u>1,276,112</u>	<u>7,141,657</u>	<u>4,858,611</u>
OPERATING EXPENSES				
Program Services	3,607,252	-	3,607,252	3,577,886
Management and General	561,452	-	561,452	556,888
Fundraising Expenses	401,822	-	401,822	348,096
Total Operating Expenses	<u>4,570,526</u>	<u>-</u>	<u>4,570,526</u>	<u>4,482,870</u>
CHANGES IN NET ASSETS	1,295,019	1,276,112	2,571,131	375,741
NET ASSETS - BEGINNING OF YEAR	<u>4,518,372</u>	<u>4,350,838</u>	<u>8,869,210</u>	<u>8,493,469</u>
NET ASSETS - END OF YEAR	<u>\$ 5,813,391</u>	<u>\$ 5,626,950</u>	<u>\$ 11,440,341</u>	<u>\$ 8,869,210</u>

The accompanying notes to financial statements are
an integral part of these statements

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

	Program Services	Supporting Services		Total	
		Management and General	Fundraising		Total Supporting Services
Salaries	\$ 2,198,537	\$ 402,878	\$ 265,717	\$ 668,595	\$ 2,867,132
Employee Benefits	383,774	72,038	43,958	115,996	499,770
Collaborative Grants to Others	358,992	-	-	-	358,992
Payroll Taxes	182,142	33,325	20,142	53,467	235,609
Occupancy	94,937	17,479	11,291	28,770	123,707
Travel	85,897	1,119	3,108	4,227	90,124
Professional Fees	47,416	8,264	9,898	18,162	65,578
Contract Labor	52,095	355	229	584	52,679
Telephone	30,735	5,659	3,655	9,314	40,049
Research and Library	24,855	2,192	1,961	4,153	29,008
Events	12,599	897	14,674	15,571	28,170
Dues and Fees	19,953	1,981	5,519	7,500	27,453
Insurance	18,316	3,372	2,178	5,550	23,866
Printing	14,810	475	8,235	8,710	23,520
Meetings and Conferences	17,543	2,260	1,460	3,720	21,263
Depreciation	11,674	2,149	1,388	3,537	15,211
Internet	10,453	1,745	2,950	4,695	15,148
Supplies	10,433	1,302	1,175	2,477	12,910
Vacation Expense	9,832	1,810	1,169	2,979	12,811
Repairs and Maintenance	5,915	1,089	703	1,792	7,707
PR, Media, and Communications	6,659	-	99	99	6,758
Meals and Entertainment	5,145	338	328	666	5,811
Postage	1,703	210	1,652	1,862	3,565
Equipment Expense	1,758	324	209	533	2,291
Miscellaneous	1,079	191	124	315	1,394
TOTAL FUNCTIONAL EXPENSES	\$ 3,607,252	\$ 561,452	\$ 401,822	\$ 963,274	\$ 4,570,526

The accompanying notes to financial statements are
an integral part of these statements

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
For the Year Ended December 31, 2023

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 2,203,614	\$ 407,147	\$ 221,809	\$ 628,956	\$ 2,832,570
Employee Benefits	401,204	66,191	39,948	106,139	507,343
Collaborative Grants to Others	386,880	-	-	-	386,880
Payroll Taxes	173,222	32,477	16,988	49,465	222,687
Occupancy	81,965	14,950	8,196	23,146	105,111
Travel	62,439	1,826	3,933	5,759	68,198
Professional Fees	49,247	8,982	8,615	17,597	66,844
Telephone	31,383	5,724	3,138	8,862	40,245
Dues and Fees	23,421	2,928	5,851	8,779	32,200
Research and Library	25,119	2,351	1,675	4,026	29,145
Events	9,635	421	15,908	16,329	25,964
Insurance	18,600	3,392	1,860	5,252	23,852
Contract Labor	21,477	128	70	198	21,675
Supplies	18,225	978	809	1,787	20,012
Depreciation	12,281	2,240	1,228	3,468	15,749
Meetings and Conferences	12,576	1,875	1,028	2,903	15,479
Printing	5,643	333	8,621	8,954	14,597
Vacation Expense	10,460	1,908	1,046	2,954	13,414
Internet	9,894	1,638	1,342	2,980	12,874
PR, Media, and Communications	5,891	-	2,660	2,660	8,551
Meals and Entertainment	7,583	159	87	246	7,829
Repairs and Maintenance	3,901	711	390	1,101	5,002
Postage	1,010	152	2,688	2,840	3,850
Equipment Expense	1,489	272	149	421	1,910
Miscellaneous	727	105	57	162	889
TOTAL FUNCTIONAL EXPENSES	\$ 3,577,886	\$ 556,888	\$ 348,096	\$ 904,984	\$ 4,482,870

The accompanying notes to financial statements are
an integral part of these statements

NEBRASKA APPELSEED CENTER FOR LAW IN THE PUBLIC INTEREST
STATEMENTS OF CASH FLOWS
(WITH COMPARATIVE FINANCIAL INFORMATION FOR 2023)

	Years Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,571,131	\$ 375,741
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided By (Used In) Operating Activities:		
Depreciation	15,211	15,749
Amortization of Right-of-Use Asset	132,111	126,072
Unrealized Gain on Investments	(107,553)	(147,857)
Realized Gain on Investments	(48,598)	(1,871)
Loss on Sale of Property and Equipment	-	75
(Increase) Decrease in Assets:		
Grants Receivable	1,143,587	(410,839)
Prepaid Expenses	(11,545)	3,163
Increase (Decrease) in Liabilities:		
Accounts Payable	10,415	(6,781)
Grants Payable	(34,410)	(204,938)
Wages Accrued	14,423	13,960
Operating Lease Liability	(124,940)	(136,368)
Flex Plan Withholding	983	264
Net Cash Provided By (Used In) By Operating Activities	<u>3,560,815</u>	<u>(373,630)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	2,246,885	2,894,284
Purchase of Investments	(2,894,035)	(2,973,847)
Purchase of Property and Equipment	(22,597)	(11,098)
Proceeds from Sale of Property and Equipment	-	500
Net Cash Used In Investing Activities	<u>(669,747)</u>	<u>(90,161)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	2,891,068	(463,791)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>2,267,346</u>	<u>2,731,137</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 5,158,414</u>	<u>\$ 2,267,346</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Right-of-Use Asset Obtained in Exchange for Operating Lease Liability	<u>\$ 552,359</u>	<u>\$ 22,942</u>

The accompanying notes to financial statements
are an integral part of these statements

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Nebraska Appleseed Center for Law in the Public Interest (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Reporting Entity

Nebraska Appleseed Center for Law in the Public Interest is a not-for-profit, nonpartisan law project committed to equal justice for all Nebraskans.

Basis of Presentation

The Organization maintains its accounts on the accrual basis of accounting.

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

Net assets without donor restriction – Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, as well as net assets for specific use.

Net assets with donor restrictions – Net assets with donor restrictions are resources that are subject to donor-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. 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 and changes in net assets as net assets released from restrictions.

Measure of Operations

In the statements of activities and changes in net assets, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash

The Organization considers all highly liquid investments with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and cash equivalents restricted for specific purposes are not considered cash or cash equivalents but are instead included as restricted cash and cash equivalents on the statements of financial position.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows for the years ended December 31,:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 5,149,404	\$ 2,223,926
Restricted cash for grants payable	9,010	43,420
Total cash, cash equivalents, and restricted cash shown in the statements of cash flows	<u>\$ 5,158,414</u>	<u>\$ 2,267,346</u>

Grants Receivable

Unconditional promises to give and grants that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be received in future years are recorded at the present value of their estimated future cash flows if determined to be material. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The receivables are reviewed for collectability and a provision for uncollectible accounts is recorded based on management's judgement and analysis of individual donors, past collection experience and other relevant factors. No allowance for uncollectible accounts was deemed necessary at December 31, 2024 and 2023, respectively. Total grant receivables at January 1, 2024 and 2023 was \$3,242,013 and \$2,831,174, respectively.

**NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Office Furniture and Equipment	5-7

Major expenditures are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. The Organization records equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any resulting gain or loss on disposition is reflected in the statements of activities and changes in net assets.

Grants Payable

Grants payable consists of amounts received for entities that the Organization is fiscally sponsoring. The amount in restricted cash represents the grants payable due to the fiscally sponsored organizations at December 31, 2024 and 2023.

Revenue Recognition

The Organization recognizes special event revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received at a point in time when the event takes place.

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met. All support and revenues are considered unrestricted unless stipulated by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions.

Under “*Revenue from Contracts with Customers*” (Topic 606), the Organization recognizes revenue when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the Organization expects to receive in exchange for those goods or services.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

To determine revenue recognition for arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps: (i) identify the contract with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Organization satisfies the performance obligation. The Organization only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods and services it transfers to the customer.

At contract inception, once the contract is determined to be within scope of Topic 606, the Organization assesses the goods or services promised within each contract and determines those that are performance obligations. The Organization then assesses whether each promised good or service is distinct and recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions.

Compensated Absences

Employees of the Organization are entitled to certain amounts of paid vacation time. In the event of employee separation, an employee is reimbursed for accumulated vacation time. The Organization's policy is to recognize the cost of the compensated absences when earned by employees.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are based on estimates of time and effort.

Advertising

The Organization expenses advertising costs as incurred. Total advertising costs were \$6,758 and \$8,551 for the years ended December 31, 2024 and 2023, respectively.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. As such, no provision for income taxes is reflected in the financial statements.

The Organization files Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. Federal and state jurisdictions. As of December 31, 2024, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements, and there are no material amounts of unrecognized tax benefits. Tax years subsequent to 2021 remain subject to examination by major tax jurisdictions.

Subsequent Events

Management has evaluated subsequent events through July 18, 2025, which is the date the financial statements were available to be issued.

NOTE B – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash and bank deposit accounts in financial institutions that, at times, may exceed federally insured limits. Interest and noninterest bearing accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no amounts not covered at December 31, 2024 and 2023. In 2024 and 2023, two financial institutions have the Organization's deposit account participating in their pooled pledging program for any amounts that exceed the FDIC coverage.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of grants receivable and investments. The Organization does not require collateral from these receivables. Such credit risk is considered by management to be limited due to the grantor commitments.

NOTE C – INVESTMENTS AND FAIR VALUE

The Organization utilizes Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820-10, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in FASB ASC 820-10, 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. In determining fair value, the Organization uses various methods including market, income, and cost approaches.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE C – INVESTMENTS AND FAIR VALUE (Continued)

Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

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

Following is a description of the valuation methodologies used for assets measured at fair value.

There have been no changes in the methodologies used at December 31, 2024.

Marketable Equity and Debt Securities: The fair value of marketable equity and debt securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE C – INVESTMENTS AND FAIR VALUE (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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 by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2024 and 2023.

Assets at Fair Value as of December 31, 2024				
	Level 1	Level 2	Level 3	Total
Money Market	\$ 27,396	\$ -	\$ -	\$ 27,396
Certificates of Deposit	947,350	-	-	947,350
Government Bonds	1,056,890	-	-	1,056,890
Bond Funds	1,266,624	-	-	1,266,624
Equity Funds	1,018,391	-	-	1,018,391
Total Assets at Fair Value	\$ 4,316,651	\$ -	\$ -	\$ 4,316,651

Assets at Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3	Total
Money Market	\$ 5,938	\$ -	\$ -	\$ 5,938
Certificates of Deposit	941,269	-	-	941,269
Government Bonds	977,534	-	-	977,534
Bond Funds	1,067,838	-	-	1,067,838
Equity Funds	520,771	-	-	520,771
Total Assets at Fair Value	\$ 3,513,350	\$ -	\$ -	\$ 3,513,350

There were no transfers in and out of Levels 1, 2, and 3 in years 2024 and 2023.

NOTE D – GRANTS RECEIVABLE

The Organization’s grants receivable fluctuates from year-to-year based on some grantors that award multiple-year grants as opposed to 1-year grants. Grants receivable are due to be collected as follows:

	2024	2023
Due within one year	\$ 1,473,426	\$ 2,567,013
One to five years	625,000	675,000
Total	\$ 2,098,426	\$ 3,242,013

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE E – OPERATING LEASES

The Organization made an accounting policy election available under FASB ASC Topic 842, *Leases*, not to recognize Right-of-Use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

The Organization leases office space and equipment under operating lease agreements that have initial terms ranging from 1 to 7 years. In addition, certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization’s operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended December 31,:

	2024	2023
Operating lease cost	\$ 153,077	\$ 125,743
Short-term lease cost	1,961	9,669
Total lease cost	\$ 155,038	\$ 135,412

Supplemental information related to leases is as follows for the year ended December 31,:

	2024	2023
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows – payments on operating leases	\$ 145,988	\$ 138,469
Right-of-use assets obtained in exchange for new lease obligations:		
Operating leases	\$ 552,359	\$ 22,942
Weighted-average remaining lease term- operating	3.81 years	2.82 years
Weighted-average discount rate- operating	3.76%	2.00%

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NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE E – OPERATING LEASES (Continued)

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of December 31, 2024:

Years Ending December 31,	Operating Leases
2025	\$ 149,428
2026	135,283
2027	130,088
2028	132,647
Total Lease Payments	547,446
Less imputed interest	38,201
Total present value of lease liabilities	\$ 509,245

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 statements of financial position comprise the following:

	2024	2023
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 5,149,404	\$ 2,223,926
Grants Receivable	1,473,426	2,567,013
Total Financial Assets	\$ 6,622,830	\$ 4,790,939

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for related expenditures.

The Organization's endowment funds consist of a donor-restricted endowment. Income from the donor-restricted endowment is restricted but may be released for expenditure upon the Board of Director's authorization. See note I for further details.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in investments. Although the Organization does not intend to spend from investments other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts could be made available if necessary.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE G – BOARD-DESIGNATED INVESTMENTS

During 2010, the Board adopted a policy that established a spending limit for those funds that may be set and revised from time to time by the Board, of not greater than 6% or less than 3%. Any amount of the spending limit of a fund which is not spent in one year may be carried forward and spent in a future year.

Changes in board-designated investments for the years ended December 31,:

	2024	2023
Investments, Beginning of Year	\$ 396,281	\$ 276,586
Investment Income	88,943	37,393
Contributions	530,075	11,930
Net Appreciation (Depreciation)	92,955	70,372
Investments, End of Year	\$ 1,108,254	\$ 396,281

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction at December 31, 2024 and 2023 are available for the following uses:

	2024	2023
Subject to Expenditure for Specified Purposes		
Endowment Principal and Accumulated Gains (Losses)	\$ 552,259	\$ 430,856
Grants for Specific Programs in Subsequent Years	1,664,691	2,034,982
	2,216,950	2,465,838
Subject to the Passage of Time	3,410,000	1,885,000
Total Net Assets with Donor Restrictions	\$ 5,626,950	\$ 4,350,838

NOTE I – ENDOWMENT FUNDS

The Organization's endowment consists of one fund established to provide support for programs authorized by the Board. The endowment includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As of December 31, 2024 and 2023, donor stipulations for all gifts to the endowment fund allow for the original gift to be expended.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE I – ENDOWMENT FUNDS (Continued)

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by management in a manner consistent with that standard of prudence prescribed by UPMIFA.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

Endowment net asset composition by type of fund as of December 31, 2024, is as follows:

	With Donor Restrictions	
	Principal and Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Donor-restricted Endowment Funds	\$ 552,259	\$ 552,259

Endowment net asset composition by type of fund as of December 31, 2023, is as follows:

	With Donor Restrictions	
	Principal and Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Donor-restricted Endowment Funds	\$ 430,856	\$ 430,856

Included in accumulated gains (losses) and other are accumulated investment returns and term endowment funds which total \$552,259 and \$430,856 at December 31, 2024 and 2023, respectively. Term endowments are gifts of cash and other assets with stipulations that they be invested to provide a source of income for a specified term and that the income be used for a specified purpose that are both time and purpose restricted.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE I – ENDOWMENT FUNDS (Continued)

Changes in endowment net assets for the year ended December 31, 2024:

	With Donor Restrictions	
	Principal and Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Endowment Net Assets, Beginning of Year	\$ 430,856	430,856
Investment Income	58,207	58,207
Contributions	-	-
Net Appreciation	63,196	63,196
Endowment Net Assets, End of Year	\$ 552,259	552,259

Changes in endowment net assets for the year ended December 31, 2023:

	With Donor Restrictions	
	Principal and Accumulated Gains (Losses) and Other	Total with Donor Restrictions
Endowment Net Assets, Beginning of Year	\$ 309,334	309,334
Investment Income	42,166	42,166
Contributions	-	-
Net Appreciation	79,356	79,356
Endowment Net Assets, End of Year	\$ 430,856	430,856

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2024 and 2023, no funds with deficiencies were reported in net assets with donor restrictions.

By agreement with the donor, the Organization may expend the annual endowment spending percentage of the net assets set by the Board of Directors of the Organization. The annual endowment spending percentage may be set and revised from time to time by the Board of Directors, but shall never be more than 6% per annum. The Board did not release any earnings during the year for expenditure.

NEBRASKA APPLESEED CENTER FOR LAW IN THE PUBLIC INTEREST
NOTES TO FINANCIAL STATEMENTS (Continued)
Years Ended December 31, 2024 and 2023

NOTE J – MAJOR GRANTORS

The Organization expects one grantor will provide approximately 55% or more of revenue for the Organization in the year 2025. If these funds do not continue, the programs of the Organization will have to be curtailed significantly or discontinued. The Organization received a substantial portion of its support for the year ended December 31, 2024 from two major donors who accounted for 38% and 15% of total grants and contributions revenue and 0% and 0% of total grants receivable at December 31, 2024, respectively. The Organization received a substantial portion of its support for the year ended December 31, 2023 from two major donors who accounted for 19% and 12% of total grants and contributions revenue and 28% and 41% of total grants receivable at December 31, 2023, respectively.

NOTE K – RETIREMENT PLAN

The Organization maintains a 401(k) plan for all eligible employees. Employees may elect to contribute to the plan pursuant to salary reduction agreements. The plan is available to all employees who have met the service requirements. The plan provides for a matching contribution by the Organization, equal to an employee's salary reduction contributions, up to 4% of the employee's compensation (as defined in the plan). The Organization's expense for matching contributions totaled \$115,310 and \$112,329 for the years ended December 31, 2024 and 2023, respectively.

NOTE L – RELATED PARTY TRANSACTIONS

The Organization is related to the Nebraska Appleseed Action Fund. The Organization leases employee time to the Nebraska Appleseed Action Fund. As of December 31, 2024, there was no amount due for leased employee time. The Organization recorded \$65,000 and \$200,000 in contributions to the Nebraska Appleseed Action Fund for 2024 and 2023, respectively.

NOTE M – LEGAL AID AND SERVICES FUNDS GRANT COMPLIANCE REQUIREMENT

The Organization receives legal aid and services funds passed through from Nebraska Commission on Public Advocacy. The funds require that monies are spent only on civil legal service for eligible low-income individuals and families. The agreement specifies that the verification requirement may be satisfied by requiring recipients of grant funds to execute an affidavit showing their eligibility to receive grant funds. The Organization acted as primary counsel on behalf of one low-income individual during the year ended December 31, 2024, and did obtain financial verification paperwork before representation via submission in forma pauperis in federal court. The Organization did not act as primary counsel on behalf of low-income individuals during the year-ended December 31, 2023, and as such did not obtain affidavits. The Organization used the funds on personnel and other operating expenses to support their operating programs which includes conducting legal research, case exploration and preparation, legal intake and referral, collaborating on issues with legal service partners, and working towards solutions for low-income populations. The funds were used in accordance with their intention specified on the grant application, and thus, sufficiently satisfied the compliance requirement.