

ACLU Nebraska
Lincoln, Nebraska

March 31, 2025

Consolidating Financial Statements
and
Independent Auditor's Report



CPAs & Consultants | Wealth Management

ACLU Nebraska

Year ended March 31, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
ACLU Nebraska
Lincoln, Nebraska

Opinion

We have audited the consolidating financial statements of ACLU Nebraska, which comprise the consolidating statement of financial position as of March 31, 2025, and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, the accompanying consolidating financial statements present fairly, in all material respects, the consolidating financial position of ACLU Nebraska as of March 31, 2025, and the changes in its net assets and its cash flows for the years 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 Consolidating Financial Statements section of our report. We are required to be independent of ACLU Nebraska and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Consolidating Financial Statements

Management is responsible for the preparation and fair presentation of the consolidating 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 consolidating financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidating Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidating 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 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 consolidating 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 consolidating 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 consolidating 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 ACLU Nebraska'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 consolidating financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACLU Nebraska'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.

Supplementary Information

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



Lincoln, Nebraska
September 30, 2025

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

March 31, 2025

ASSETS

	<u>Union</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents (note A)	\$ 670,478	\$ 4,191,994	\$ -	\$ 4,862,472
Certificates of deposit	-	500,000	-	500,000
Investments (notes A, B and C)	-	226,415	-	226,415
Prepaid expenses	-	62,232	-	62,232
Receivables (notes A and D)	33,333	454,943	(11,638)	476,638
Promises to give, current (note A and E)	-	395,000	-	395,000
Total current assets	<u>703,811</u>	<u>5,830,584</u>	<u>(11,638)</u>	<u>6,522,757</u>
PROPERTY AND EQUIPMENT (notes A and G)	<u>-</u>	<u>52,515</u>	<u>-</u>	<u>52,515</u>
OTHER ASSETS				
Promises to give, long-term (note A and E)	-	250,000	-	250,000
Intangible assets, net	2,074	-	-	2,074
Operating lease right-of-use assets (notes A and I)	<u>4,000</u>	<u>97,398</u>	<u>-</u>	<u>101,398</u>
Total other assets	<u>6,074</u>	<u>347,398</u>	<u>-</u>	<u>353,472</u>
Total assets	<u>\$ 709,885</u>	<u>\$ 6,230,497</u>	<u>\$ (11,638)</u>	<u>\$ 6,928,744</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable	\$ 21,098	\$ 57,755	\$ (11,638)	\$ 67,215
Accrued salaries	-	53,181	-	53,181
Operating lease obligations, current (notes A and I)	<u>2,323</u>	<u>58,011</u>	<u>-</u>	<u>60,334</u>
Total current liabilities	23,421	168,947	(11,638)	180,730
LONG-TERM LIABILITIES				
Operating lease obligations, net of current portion (notes A and I)	<u>1,766</u>	<u>40,636</u>	<u>-</u>	<u>42,402</u>
Total liabilities	<u>25,187</u>	<u>209,583</u>	<u>(11,638)</u>	<u>223,132</u>
NET ASSETS (note A)				
Without donor restrictions	523,723	4,839,297	-	5,363,020
With donor restrictions (note H)	<u>160,975</u>	<u>1,181,617</u>	<u>-</u>	<u>1,342,592</u>
Total net assets	<u>684,698</u>	<u>6,020,914</u>	<u>-</u>	<u>6,705,612</u>
Total liabilities and net assets	<u>\$ 709,885</u>	<u>\$ 6,230,497</u>	<u>\$ (11,638)</u>	<u>\$ 6,928,744</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended March 31, 2025

	Without Donor Restrictions		With Donor Restrictions		Eliminations	Total
	Union	Foundation	Union	Foundation		
REVENUE AND SUPPORT						
ACLU membership	\$ 8,557	\$ -	\$ -	\$ -	\$ -	\$ 8,557
ACLU GMI	400,810	8,734	-	-	-	409,544
ACLU shared revenue	-	443,305	-	-	-	443,305
Contributions	90,540	220,095	-	-	-	310,635
External giving program	-	66,413	-	-	-	66,413
Grant income	100,000	2,007,203	211,228	1,324,484	-	3,642,915
Interest income	8,961	106,116	-	-	-	115,077
Investment income, net	-	15,302	-	-	-	15,302
Attorney fees	-	21,444	-	-	-	21,444
In-kind contributions	-	34,000	-	-	-	34,000
Net assets released from restrictions	57,894	815,535	(57,894)	(815,535)	-	-
Total revenue and support	666,762	3,738,147	153,334	508,949	-	5,067,192
EXPENSES						
Program services	632,586	1,572,397	-	-	-	2,204,983
Support services	26,705	700,125	-	-	-	726,830
Total expenses	659,291	2,272,522	-	-	-	2,931,813
INCREASE IN NET ASSETS	7,471	1,465,625	153,334	508,949	-	2,135,379
Net assets at beginning of year	516,252	3,373,672	7,641	672,668	-	4,570,233
Net assets at end of year	\$ 523,723	\$ 4,839,297	\$ 160,975	\$ 1,181,617	\$ -	\$ 6,705,612

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES

Year ended March 31, 2025

	Union	Foundation	Total Program Services
Salaries	\$ 65,922	\$ 855,565	\$ 921,487
Employee benefits	13,394	199,385	212,779
Payroll taxes	7,185	72,566	79,751
Litigation expenses	-	129,086	129,086
Lobbying	506,983	66,465	573,448
Office expenses	11,427	38,490	49,917
Insurance	1,010	14,018	15,028
Rent	3,225	44,882	48,107
Postage	84	13,513	13,597
Professional development	1,112	15,431	16,543
Travel	302	23,890	24,192
Bank fees	329	3,376	3,705
Public education	20,859	56,630	77,489
Miscellaneous	754	39,100	39,854
Total expenses	<u>\$ 632,586</u>	<u>\$ 1,572,397</u>	<u>\$ 2,204,983</u>

See accompanying notes to consolidating financial statements.

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - SUPPORT SERVICES

Year ended March 31, 2025

	Union			Foundation			Total Support Services
	Management and General	Fund Raising	Support Services	Management and General	Fund Raising	Support Services	
Salaries	\$ 1,222	\$ -	\$ 1,222	\$ 149,894	\$ 187,964	\$ 337,858	\$ 339,080
Employee benefits	248	-	248	34,932	43,804	78,736	78,984
Payroll taxes	133	-	133	12,713	15,942	28,655	28,788
Professional fees	14,484	-	14,484	159,684	-	159,684	174,168
Office expenses	212	-	212	6,743	8,456	15,199	15,411
Insurance	19	-	19	2,456	3,080	5,536	5,555
Rent	60	-	60	7,863	9,860	17,723	17,783
Postage	2	-	2	2,367	2,969	5,336	5,338
Board expenses	10,048	-	10,048	9,784	-	9,784	19,832
Event expenses	-	-	-	-	1,372	1,372	1,372
Professional development	21	-	21	2,703	3,390	6,093	6,114
Travel	6	-	6	4,185	5,249	9,434	9,440
Bank fees	6	-	6	591	742	1,333	1,339
Miscellaneous	14	-	14	6,849	8,590	15,439	15,453
Total expenses before depreciation and amortization	26,475	-	26,475	400,764	291,418	692,182	718,657
Amortization	230	-	230	-	-	-	230
Depreciation	-	-	-	7,943	-	7,943	7,943
Total expenses	<u>\$ 26,705</u>	<u>\$ -</u>	<u>\$ 26,705</u>	<u>\$ 408,707</u>	<u>\$ 291,418</u>	<u>\$ 700,125</u>	<u>\$ 726,830</u>

See accompanying notes to consolidating financial statements.

ACLU Nebraska

CONSOLIDATING STATEMENT OF CASH FLOWS

Year ended March 31, 2025

	<u>Union</u>	<u>Foundation</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from operations	\$ 789,469	\$ 3,566,099	\$ 4,355,568
Cash paid to suppliers and employees	(714,902)	(2,741,269)	(3,456,171)
Interest received	<u>8,961</u>	<u>106,116</u>	<u>115,077</u>
Net cash provided by operating activities	<u>83,528</u>	<u>930,946</u>	<u>1,014,474</u>
Cash flows from investing activities			
Proceeds from sale of investments	-	8,485	8,485
Purchase of certificates of deposit	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
Net cash used by investing activities	<u>-</u>	<u>(491,515)</u>	<u>(491,515)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	83,528	439,431	522,959
Cash and cash equivalents at beginning of year	<u>586,950</u>	<u>3,752,563</u>	<u>4,339,513</u>
Cash and cash equivalents at end of year	<u>\$ 670,478</u>	<u>\$ 4,191,994</u>	<u>\$ 4,862,472</u>
Reconciliation of increase in net assets to net cash provided by operating activities			
Increase in net assets	<u>\$ 160,805</u>	<u>\$ 1,974,574</u>	<u>\$ 2,135,379</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities			
Depreciation	-	7,943	7,943
Amortization	230	-	230
Investment return	-	(18,013)	(18,013)
Reduction in carrying amount of right-of-use assets	2,285	55,145	57,430
(Increase) decrease in assets			
Receivables	(21,666)	(261,868)	(283,534)
Promises to give	-	(295,000)	(295,000)
Prepaid expenses	-	(46,294)	(46,294)
Intangibles	(2,304)	(250,000)	(252,304)
Increase (decrease) in liabilities			
Accounts payable	(53,532)	(77,266)	(130,798)
Accrued salaries	-	8,209	8,209
Accrued vacation	-	(112,103)	(112,103)
Operating lease obligations	<u>(2,290)</u>	<u>(54,381)</u>	<u>(56,671)</u>
Total adjustments to increase in net assets	<u>(77,277)</u>	<u>(1,043,628)</u>	<u>(1,120,905)</u>
Net cash provided by operating activities	<u>\$ 83,528</u>	<u>\$ 930,946</u>	<u>\$ 1,014,474</u>

See accompanying notes to consolidating financial statements.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

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

NOTE A - SUMMARY OF ACCOUNTING POLICIES

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

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

Principles of Consolidation. The accompanying consolidating financial statements for the year ended March 31, 2025 include the accounts of the Union and Foundation. All significant intercompany investments, transactions and account balances have been eliminated in consolidation.

Cash and Cash Equivalents. For purposes of the consolidating statement of cash flows, the Union and Foundation consider all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are measured at amortized cost, thus, evaluated for expected credit losses. Based on management's review of historical data in addition to current conditions and forecasts, the Organization has not recognized an expected credit loss.

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

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

With donor restrictions. Net assets subject to donor- or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

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

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

Fair Value Measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes a fair value hierarchy to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

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

Office equipment	3-10 years
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Revenue Recognition. The following is a description of the Union and Foundation's principal sources of revenue:

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

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

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

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

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

Leases. At inception, the Organization determines if a contract is or includes a lease arrangement. The following describes the Organization's accounting policies related to its leasing arrangements:

As Lessee

Leased assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. The Organization recognizes a right-of-use asset and related liability at the commencement date, generally based on the present value of lease payments over the lease term using the risk-free rate. Leases with an initial term of 12 months or less, including month to month leases, are not recorded on the consolidating statement of financial position and are expensed on a straight-line basis.

Operating Leases

Operating lease assets and liabilities are recognized separately on the Organization's consolidating statement of financial position. The Organization recognizes a single lease expense on a straight-line basis over the lease term. Lease and non-lease components are accounted for together as a single lease component for operating leases.

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

Income Taxes. The Union is exempt from Federal income taxes under Section 501(c)(4) of the Internal Revenue Code. The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purposes is not subject to income tax. Any income earned through unrelated business activities is subject to income tax at normal corporate rates. For the year ended March 31, 2025, the Union and Foundation had no tax liability on unrelated business activity. The Union and the Foundation believe that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the consolidating financial statements.

The Union and the Foundation's federal Returns of Organization Exempt from Income Tax (Form 990) for March 31, 2025, 2024, and 2023 are subject to examination by the IRS, generally for three years after they were filed.

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

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE B - INVESTMENTS

Investments as of March 31, 2025 consist of the following:

	<u>Cost</u>	<u>Market Value</u>
Total investments	<u>\$ 58,735</u>	<u>\$ 226,415</u>
Gross unrealized gain		<u>\$ 167,680</u>

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

NOTE C - FAIR VALUE MEASUREMENTS

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the year ended March 31, 2025.

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

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

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

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

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS – CONTINUED

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of March 31, 2025.

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 51,685	\$ 51,685	\$ -	\$ -
U.S. Treasury notes, agency and related	10,722	-	10,722	-
Mutual funds				
Short-term bond	5,179	5,179	-	-
Intermediate-term bond	1,440	1,440	-	-
Total mutual funds	6,619	6,619	-	-
Exchange-traded funds				
Real estate and hard assets (commodities)	7,112	7,112	-	-
Short, long, and intermediate-term bonds	11,733	11,733	-	-
Total exchange-traded funds	18,845	18,845	-	-
Private equity funds, multi-strategy (a)	44,692	-	-	-
Proprietary equity funds, multi-strategy (a)	93,368	-	-	-
Money market accounts held in investment	484	484	-	-
	<u>\$ 226,415</u>	<u>\$ 77,633</u>	<u>\$ 10,722</u>	<u>\$ -</u>

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

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

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Remaining Lock Up Period
Private equity funds, multi-strategy (a)	\$ 44,692	\$ 20,649	None	N/A	N/A
Proprietary equity funds, multi-strategy (a)	93,368	-	Monthly	7-15 Business Days	None
	<u>\$ 138,060</u>	<u>\$ 20,649</u>			

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE D - TRANSACTIONS WITH NATIONAL OFFICE

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

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

The ACLU Foundation and ACLU owe the Foundation and Union, \$443,305 and \$23,873, respectively. These amounts are shown in receivables on the Consolidating Statement of Financial Position.

NOTE E - PROMISES TO GIVE

Promises to give are due in the following periods:

<u>Year ending March 31,</u>	
2026	\$ 395,000
2027	125,000
2028	125,000
	<u>645,000</u>
Less current maturities	<u>(395,000)</u>
	<u>\$ 250,000</u>

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 consolidating statement of financial position date, comprise the following:

	<u>Union</u>	<u>Foundation</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 670,478	\$ 4,191,994
Certificate of deposits	-	500,000
Investments	-	226,415
Receivables	33,333	454,943
Promises to give	<u>-</u>	<u>395,000</u>
Total financial assets	703,811	5,768,352
Less: amounts not available to be used within one year:		
With donor restrictions		
Subject to expenditure for a specified purpose	<u>(160,975)</u>	<u>(931,617)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 542,836</u>	<u>\$ 4,836,735</u>

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE F - LIQUIDITY AND AVAILABILITY - CONTINUED

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds. The Board has a Reserve Policy to hold six months' worth of operating expenses in reserve. This reserve is to be held in cash and is calculated as half of one year's regular expenses. As of March 31, 2025, this requirement is half of budgeted operating expenses for fiscal year 2024-25 or \$1,455,292 for the Foundation and \$138,888 for the Union. The operating reserve is to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Office equipment	\$ 128,488
Less accumulated depreciation	<u>(75,973)</u>
	<u>\$ 52,515</u>

The consolidating financial statements included depreciation expense of \$7,943 for the year ended March 31, 2025.

NOTE H - NET ASSETS

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

	<u>Union</u>	<u>Foundation</u>
Subject to expenditure for a specified purpose:		
Nebraska Religious Coalition Against Torture	\$ -	\$ 43,416
ACLU National - immigration rights renewal	-	225,000
ACLU National - prisoner rights	-	50,000
ACLU National - smart justice	31,331	-
ACLU National - voting rights	-	73,242
ACLU National - finance position	-	24,503
ACLU National - aqualia grant	96,144	-
Cooper Foundation - human and civil rights	-	15,000
Lincoln Community Foundation - LB20 grant	-	5,000
Woods Charitable Fund - indigenous justice	-	39,892
Protecting democracy	33,500	-
OCF - LGBTQ	-	19,564
Expansion grant	-	1,000
Subject to the passage of time:		
Holland General Operating	-	250,000
Richard Brooke	-	60,000
Weitz Family Foundation	-	375,000
	<u>\$ 160,975</u>	<u>\$ 1,181,617</u>

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE I - LEASES

On December 12, 2018, the Foundation entered into a 57-month lease agreement for office space in Lincoln expiring November 30, 2023. This lease was extended through November 30, 2026 and monthly rent payments start at \$4,945 and increase to \$5,144 by the end of the lease.

On January 7, 2022, the Union entered into a 60-month lease agreement for a copier. Under the terms of the lease, monthly rent payments are \$197 expiring December 31, 2027.

Operating lease right-of-use assets and lease liabilities as of March 31, 2025 were as follows:

	<u>Union</u>	<u>Foundation</u>
Right-of-use assets	\$ 4,000	\$ 97,398
Lease liabilities		
Current	\$ 2,323	\$ 58,011
Noncurrent	1,766	40,636
	<u>\$ 4,089</u>	<u>\$ 98,647</u>

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for operating leases as of March 31, 2025, and a reconciliation to operating lease liabilities reported on the Consolidating Statement of Financial Position:

<u>Years ending March 31,</u>		
2026	\$ 2,366	\$ 60,931
2027	1,775	41,151
	<u>4,141</u>	102,082
Total minimum lease payments		
Less: Present value discount	<u>(52)</u>	<u>(3,435)</u>
Lease liabilities	<u>\$ 4,089</u>	<u>\$ 98,647</u>

Average operating lease terms and discount rate at March 31, 2025 were as follows:

Weighted average remaining lease term (years):	1.75	1.67
Weighted average discount rate:	1.50%	4.34%

NOTE J - CONCENTRATIONS

See Note D for concentrations with the national office.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of checking accounts and money market accounts at financial institutions. Accounts at each institution are insured by the FDIC up to \$250,000. At March 31, 2025, the Union had uninsured balances of \$350,000 and the Foundation had uninsured balances of \$2,942,148. The Organization has not experienced any losses on such accounts.

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

NOTE K - RETIREMENT PLANS

The Union and Foundation offer retirement plans for all employees who are age 21 and have completed 30 days service. The Union and Foundation contribute 2% of eligible employees pay and match employee contributions 100% for the first 1% plus 50% of the next 5% of employees pay. The Union contributed \$3,228 while the Foundation contributed \$62,461 for the year ended March 31, 2025.

NOTE L - SUBSEQUENT EVENTS

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



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SUPPLEMENTAL INFORMATION

ACLU Nebraska

SCHEDULE OF EXPENSES - UNION

Year ended March 31, 2025

	Program Services	Support Services		Total Support Services	Total Union Expenses
		Management and General	Fundraising		
Salaries	\$ 65,922	\$ 1,222	\$ -	\$ 1,222	\$ 67,144
Employee benefits	13,394	248	-	248	13,642
Payroll taxes	7,185	133	-	133	7,318
Lobbying	506,983	-	-	-	506,983
Professional fees	-	14,484	-	14,484	14,484
Office expenses	11,427	212	-	212	11,639
Insurance	1,010	19	-	19	1,029
Rent	3,225	60	-	60	3,285
Postage	84	2	-	2	86
Board expenses	-	10,048	-	10,048	10,048
Professional development	1,112	21	-	21	1,133
Travel	302	6	-	6	308
Bank fees	329	6	-	6	335
Public education	20,859	-	-	-	20,859
Miscellaneous	754	14	-	14	768
Total expenses before amortization	632,586	26,475	-	26,475	659,061
Amortization	-	230	-	230	230
Total expenses	\$ 632,586	\$ 26,705	\$ -	\$ 26,705	\$ 659,291

ACLU Nebraska

SCHEDULE OF EXPENSES - FOUNDATION

Year ended March 31, 2025

	Program Services	Support Services		Total Support Services	Total Foundation Expenses
		Management and General	Fundraising		
Salaries	\$ 855,565	\$ 149,894	\$ 187,964	\$ 337,858	\$ 1,193,423
Employee benefits	199,385	34,932	43,804	78,736	278,121
Payroll taxes	72,566	12,713	15,942	28,655	101,221
Litigation expenses	129,086	-	-	-	129,086
Lobbying	66,465	-	-	-	66,465
Professional fees	-	159,684	-	159,684	159,684
Office expenses	38,490	6,743	8,456	15,199	53,689
Insurance	14,018	2,456	3,080	5,536	19,554
Rent	44,882	7,863	9,860	17,723	62,605
Postage	13,513	2,367	2,969	5,336	18,849
Board expenses	-	9,784	-	9,784	9,784
Event expenses	-	-	1,372	1,372	1,372
Professional development	15,431	2,703	3,390	6,093	21,524
Travel	23,890	4,185	5,249	9,434	33,324
Bank fees	3,376	591	742	1,333	4,709
Public education	56,630	-	-	-	56,630
Miscellaneous	39,100	6,849	8,590	15,439	54,539
Total expenses before depreciation	1,572,397	400,764	291,418	692,182	2,264,579
Depreciation	-	7,943	-	7,943	7,943
Total expenses	<u>\$ 1,572,397</u>	<u>\$ 408,707</u>	<u>\$ 291,418</u>	<u>\$ 700,125</u>	<u>\$ 2,272,522</u>