



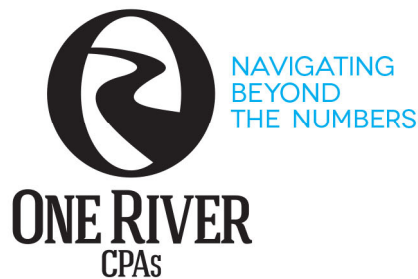
PINE TREE LEGAL ASSISTANCE, INC.
LSC Grant Recipient Number 120000

Financial Statements
Years Ended December 31, 2024 and 2023

PINE TREE LEGAL ASSISTANCE, INC.
Financial Statements
December 31, 2024 and 2023

Table of Contents

	<u>Page</u>
Independent Auditors' Report	
Statements of Financial Position	1
Statements of Activities	2
Statements of Functional Expenses	3-4
Statements of Cash Flows	5
Notes to Financial Statements	6-21
	<u>Schedule</u> <u>Page</u>
Supplementary Information:	
Schedule of Support, Revenue, Expenses, and Changes in Net Assets Without Donor Restrictions - LSC Services	1 22
Schedule of Support, Revenue, Expenses, and Changes in Net Assets Without Donor Restrictions - Non-LSC Services	2 23
Schedule of Support, Revenue, Expenses, and Changes in Net Assets - LSC and Non-LSC Services	3 24



Independent Auditors' Report

To the Board of Directors of
Pine Tree Legal Assistance, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pine Tree Legal Assistance, Inc. (a Maine nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pine Tree Legal Assistance, Inc. as December 31, 2024 and 2023, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pine Tree Legal Assistance, Inc. 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 opinions.

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 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 Pine Tree Legal Assistance, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 accordance with generally accepted auditing standards and *Government Auditing Standards* 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Pine Tree Legal Assistance, Inc.'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 Pine Tree Legal Assistance, Inc.'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 financial statements as a whole. The accompanying supplementary information contained in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly

to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2025, on our consideration of Pine Tree Legal Assistance, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pine Tree Legal Assistance, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pine Tree Legal Assistance, Inc.'s internal control over financial reporting and compliance.

One River, CPAs

Augusta, Maine
April 29, 2025

PINE TREE LEGAL ASSISTANCE, INC.
Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,210,646	1,184,233
Short-term investments	2,252,070	404,271
Grants and contract receivables	1,887,591	1,186,472
Employee advances	-	500
Prepaid expenses	224,287	210,658
Total current assets	5,574,594	2,986,134
Property and equipment:		
Land	6,900	6,900
Buildings and improvements	837,712	837,712
Leasehold improvements	510,177	510,177
Furniture, fixtures, and equipment	300,506	308,350
Law library	25,384	25,384
Property and equipment, cost	1,680,679	1,688,523
Less: accumulated depreciation and amortization	(1,083,721)	(1,024,491)
Net property and equipment	596,958	664,032
Other assets:		
Beneficial interest in assets held by charitable foundation	3,471,843	3,197,963
Right of use asset - operating leases	460,502	511,258
Software, net of amortization	12,622	22,120
Client escrow funds	97,708	94,183
Deposits	14,764	14,764
Total other assets	4,057,439	3,840,288
Total assets	\$ 10,228,991	7,490,454
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 241,796	69,949
Accrued expenses	748,948	454,902
Deferred revenue	5,000	131,161
Amounts held for the benefit of others	15,779	-
Current portion of lease liabilities - operating leases	123,331	179,655
Total current liabilities	1,134,854	835,667
Long-term liabilities:		
Trust deposits held for clients	97,708	94,183
Lease liabilities - operating leases, net of current portion	337,171	331,603
Total long-term liabilities	434,879	425,786
Total liabilities	1,569,733	1,261,453
Net assets:		
Without donor restrictions:		
Undesignated (Non-LSC programs)	4,110,046	1,987,250
Board designated	1,819,661	1,592,901
Invested in property and equipment	596,958	664,032
Total net assets without donor restrictions	6,526,665	4,244,183
With donor restrictions:		
Temporary restrictions	719,324	584,076
Perpetual restrictions	1,413,269	1,400,742
Total net assets with donor restrictions	2,132,593	1,984,818
Total net assets	8,659,258	6,229,001
Total liabilities and net assets	\$ 10,228,991	7,490,454

See accompanying notes to financial statements.

PINE TREE LEGAL ASSISTANCE, INC.
Statements of Activities
Years Ended December 31, 2024 and 2023

	2024	2023
Operating activities:		
WITHOUT DONOR RESTRICTIONS:		
Revenue and contributed support:		
Grants - LSC direct one-time grants	\$ 284,074	66,735
Grants - LSC pass-through	35,000	35,000
Grants - IOLTA	443,809	159,066
Grants - MCLSF	2,661,861	1,260,282
Grants - Other	5,847,895	4,729,897
Donated services	664,195	683,194
State appropriation	500,000	500,000
Interest income	136,727	13,839
Contributions	593,151	505,383
Other revenue	201,197	142,756
Total revenue and contributed support	11,367,909	8,096,152
Net assets released from restrictions:		
Transfer from net assets with temporary donor restrictions	2,475,365	2,292,966
Total revenue, contributed support and reclassifications	13,843,274	10,389,118
Expenses:		
LSC services:		
General legal services	1,801,009	1,820,783
Specialized legal services	536,626	399,397
Private attorney involvement	162,609	161,644
Pro Bono Innovation Fund	144,020	32,949
Veterans consortium	35,000	35,000
Technology grant	85,278	26,429
Total LSC services	2,764,542	2,476,202
Non-LSC services:		
General legal services	4,639,796	4,090,173
Specialized legal services	1,754,531	1,555,526
Total Non-LSC services	6,394,327	5,645,699
Supporting services:		
Provider network	416,978	393,557
Fundraising	305,598	173,224
Management and general	1,823,274	1,553,877
Total supporting services	2,545,850	2,120,658
Total expenses	11,704,719	10,242,559
Change in net assets from operations	2,138,555	146,559
Nonoperating activities:		
Change in value of beneficial interest in charitable foundation	143,927	139,641
Total nonoperating activities	143,927	139,641
Change in net asset without donor restrictions	2,282,482	286,200
WITH DONOR RESTRICTIONS:		
TEMPORARY RESTRICTIONS:		
Contributed support:		
LSC direct - Basic field	2,269,418	2,093,083
Grants - Veterans MLP	150,000	150,000
Change in value of beneficial interest in charitable foundation	191,195	193,066
Net assets released from restrictions:		
Earnings appropriated for expenditure	(73,770)	(70,790)
Transfer to net assets without donor restrictions	(2,401,595)	(2,222,176)
Change in net assets with temporary donor restrictions	135,248	143,183
PERPETUAL RESTRICTIONS:		
Contributions	12,527	3,000
Change in net assets with perpetual donor restrictions	12,527	3,000
Change in net assets with donor restrictions	147,775	146,183
Change in net assets	2,430,257	432,383
Net assets, beginning of year	6,229,001	5,796,618
Net assets, end of year	\$ 8,659,258	6,229,001

See accompanying notes to financial statements.

PINE TREE LEGAL ASSISTANCE, INC.
Statement of Functional Expenses
Year Ended December 31, 2024

	LSC Services							Non-LSC services			Supporting services			Total
	General Services	Specialized Services	Private Attorney Involvement	Pro Bono Innovation Fund	Veterans Consortium	Technology Grants	Total LSC Services	General Services	Specialized Services	Total Non-LSC Services	Provider Network	Fundraising	Management and General	
Personnel														
Lawyers	\$ 466,722	291,315	58,823	91,836	25,444	55,555	989,695	2,201,870	1,002,780	3,204,650	-	4,626	414,799	4,613,770
Paralegal	319,927	58,005	52,351	5,823	-	-	436,106	757,614	208,219	965,833	-	-	52,248	1,454,187
Other staff	-	-	-	-	-	-	-	404	-	404	167,329	158,836	577,380	903,949
Payroll taxes and fringe benefits	247,636	110,299	33,944	30,642	9,556	17,459	449,536	1,118,834	383,316	1,502,150	53,001	51,697	348,196	2,404,580
Legal consultants	664,195	-	-	-	-	-	664,195	-	-	-	-	-	-	664,195
Space and occupancy	43,653	20,203	5,272	5,064	-	3,295	77,487	136,383	52,382	188,765	3,706	7,783	39,395	317,136
Equipment rental and repairs	1,661	681	126	114	-	207	2,789	5,843	2,245	8,088	1,335	183	1,749	14,144
Office and consumable supplies	10,614	10,138	1,455	2,897	-	2,893	27,997	44,795	15,063	59,858	21,754	12,272	105,053	226,934
Fundraising	-	-	-	-	-	-	-	-	-	-	-	15,806	-	15,806
Telephone	4,866	2,127	638	597	-	292	8,520	19,203	7,609	26,812	1,129	961	13,165	50,587
Travel and meetings	9,646	20,613	627	1,991	-	-	32,877	51,096	22,126	73,222	686	785	8,921	116,491
Training material and expense	6,761	3,932	6,215	3,195	-	2,408	22,511	50,350	7,711	58,061	5,877	4,719	63,134	154,302
Library maintenance	10,928	3,927	1,499	1,435	-	790	18,579	39,452	13,661	53,113	-	-	1,235	72,927
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	46,288	46,288
Dues and fees	-	-	-	-	-	-	-	24,984	4,732	29,716	-	3,651	1,270	34,637
Contracted services	409	203	415	90	-	2,379	3,496	17,190	851	18,041	139,932	43,655	44,064	249,188
Audit	-	-	-	-	-	-	-	-	-	-	-	-	72,690	72,690
Litigation and court costs	13,991	2,683	1,244	336	-	-	18,254	37,785	21,930	59,715	-	-	1,050	79,019
Subrecipients	-	12,500	-	-	-	-	12,500	-	8,928	8,928	-	-	-	21,428
Miscellaneous	-	-	-	-	-	-	-	57,419	2,978	60,397	22,229	624	32,637	115,887
Depreciation and amortization	-	-	-	-	-	-	-	76,574	-	76,574	-	-	-	76,574
Total expenses	\$ 1,801,009	536,626	162,609	144,020	35,000	85,278	2,764,542	4,639,796	1,754,531	6,394,327	416,978	305,598	1,823,274	11,704,719

See accompanying notes to financial statements.

PINE TREE LEGAL ASSISTANCE, INC.
Statement of Functional Expenses
Year Ended December 31, 2023

	LSC Services							Non-LSC services			Supporting services			Total
	General Services	Specialized Services	Private Attorney Involvement	Pro Bono Innovation Fund	Veterans Consortium	Technology Grants	Total LSC Services	General Services	Specialized Services	Total Non-LSC Services	Provider Network	Fundraising	Management and General	
Personnel														
Lawyers	\$ 440,968	193,600	74,958	23,456	25,000	20,096	778,078	1,968,655	936,107	2,904,762	-	9,305	374,502	4,066,647
Paralegal	336,194	53,490	34,338	1,379	-	-	425,401	635,448	133,785	769,233	-	-	12,407	1,207,041
Other staff	-	-	-	-	-	-	-	13,637	-	13,637	168,155	82,843	474,114	738,749
Payroll taxes and fringe benefits	246,392	78,382	34,369	7,605	10,000	6,333	383,081	1,003,664	338,628	1,342,292	52,239	37,291	282,375	2,097,278
Legal consultants	683,194	-	-	-	-	-	683,194	-	-	-	-	-	-	683,194
Space and occupancy	56,329	21,796	7,279	-	-	-	85,404	118,613	54,750	173,363	-	7,350	34,050	300,167
Equipment rental and repairs	1,939	521	180	-	-	-	2,640	3,836	1,669	5,505	3,988	182	5,008	17,323
Office and consumable supplies	18,034	12,434	2,235	-	-	-	32,703	42,582	18,200	60,782	35,234	15,330	91,372	235,421
Fundraising	-	-	-	-	-	-	-	-	-	-	-	9,590	-	9,590
Telephone	5,727	1,951	788	-	-	-	8,466	15,240	6,680	21,920	-	2,268	16,015	48,669
Travel and meetings	10,294	17,220	1,602	251	-	-	29,367	27,600	17,591	45,191	198	1,367	5,905	82,028
Training material and expense	491	1,053	3,809	-	-	-	5,353	48,345	8,010	56,355	5,884	2,129	16,786	86,507
Library maintenance	4,423	2,112	554	-	-	-	7,089	11,263	4,938	16,201	-	560	47,681	71,531
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	45,987	45,987
Dues and fees	1,659	410	316	-	-	-	2,385	24,373	2,920	27,293	-	1,469	-	31,147
Contracted services	27	68	414	-	-	-	509	23,143	359	23,502	107,007	3,232	49,380	183,630
Audit	-	-	-	-	-	-	-	-	-	-	-	-	71,756	71,756
Litigation and court costs	14,147	3,206	802	258	-	-	18,413	20,861	22,768	43,629	-	-	96	62,138
Subrecipients	-	12,500	-	-	-	-	12,500	-	7,776	7,776	-	-	-	20,276
Miscellaneous	965	654	-	-	-	-	1,619	45,164	1,345	46,509	20,852	308	26,443	95,731
Depreciation and amortization	-	-	-	-	-	-	-	87,749	-	87,749	-	-	-	87,749
Total expenses	\$ 1,820,783	399,397	161,644	32,949	35,000	26,429	2,476,202	4,090,173	1,555,526	5,645,699	393,557	173,224	1,553,877	10,242,559

See accompanying notes to financial statements.

PINE TREE LEGAL ASSISTANCE, INC.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 2,430,257	432,383
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	76,574	87,749
Change in value of beneficial interest in charitable foundation	(335,122)	(332,707)
(Increase) decrease in:		
Grants and contract receivables	(701,119)	208,654
Employee advances	500	(500)
Prepaid expenses	(13,629)	(122,517)
Client escrow funds	(3,525)	57,304
Deposits	-	5,443
Increase (decrease) in:		
Accounts payable	171,847	(56,616)
Accrued expenses	294,046	184,109
Deferred revenue	(126,161)	(69,088)
Amounts held for the benefit of others	15,779	-
Trust deposits held for clients	3,525	(57,304)
Net cash provided by operating activities	1,812,972	336,910
Cash flows from investing activities:		
Purchase of investments	(3,165,090)	(404,271)
Proceeds from maturity of investments	1,317,289	-
Transfers to charitable foundation, net	61,242	67,791
Purchase of property and equipment	-	(153,424)
Net cash used in investing activities	(1,786,559)	(489,904)
Net increase (decrease) in cash and cash equivalents	26,413	(152,994)
Cash and cash equivalents, beginning of year	1,184,233	1,337,227
Cash and cash equivalents, end of year	\$ 1,210,646	1,184,233
Supplemental cash flow disclosures:		
Cash paid for interest	\$ -	-
Cash paid for income taxes	-	-

See accompanying notes to financial statements.

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Pine Tree Legal Assistance, Inc. (PTLA) provides legal advice and assistance in non-criminal proceedings to low-income people meeting eligibility guidelines within the State of Maine. PTLA is supported, in part, through grants from Legal Services Corporation (LSC), a non-profit corporation established by Congress to administer a nationwide legal assistance program. Approximately 84% and 82% of PTLA's revenue and support for the years ended December 31, 2024 and 2023, respectively, came from direct and pass-through grants and contracts from the federal and state governments.

Basis of Accounting – The financial statements of PTLA have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The financial statements of PTLA have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which requires PTLA to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions** – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of PTLA. These net assets may be used at the discretion of the PTLA's management and Board of Directors.
- **Net assets with donor restrictions** – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of PTLA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations – The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to PTLA's ongoing legal services and interest earned on cash accounts. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Income Tax Status – Pine Tree Legal Assistance, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, PTLA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Management believes it has no uncertain tax positions with the Internal Revenue Service that require disclosure in its financial statements.

PTLA's federal returns, Return of Organization Exempt from Income Tax (Form 990), are subject to examination by the IRS, generally for three years after being filed.

Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

PINE TREE LEGAL ASSISTANCE, INC.

Notes to Financial Statements

December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment - Property and equipment are stated at cost. PTLA capitalizes all equipment and leasehold improvements with a unit cost of more than \$5,000. All property and equipment items are depreciated according to the straight-line method. LSC has a reversionary interest in property and equipment, including the law library, acquired with LSC funds in dispositions where the fair market value exceeds \$5,000. Useful lives are as follows:

Furniture and equipment	3-8 years
Buildings	30 years
Improvements	5-20 years

Revenue and Revenue Recognition – PTLA 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 a right of return – are not recognized until the conditions on which they depend have been met.

Consequently, at December 31, 2024 and 2023, LSC contributions totaling \$0 and \$131,161, respectively, have not been recognized in the accompanying statements of activities because the conditions on which they depend have not yet been met. The recognition of this revenue in subsequent years depends on PTLA meeting the terms and conditions of its LSC Basic Field Grant awards.

A portion of PTLA's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when PTLA has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position.

Donated Services, Space and Materials - Donated services are recognized as in-kind contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by PTLA.

Donated services in the amount of \$664,195 and \$683,194 for the years ended December 31, 2024 and 2023, respectively, represent services rendered by various attorneys and lay volunteers in the State of Maine at no charge in connection with the Private Attorney Involvement Program and other programs. The value of donated services is based upon estimated average fees normally charged by persons rendering the services. This amount was determined to be \$250/hour for attorneys for the years ended December 31, 2024 and 2023 and \$45.98/hour and \$44.52/hour for lay volunteers, respectively. Donated services are recognized both as support and expenses in the accompanying financial statements and, therefore, do not affect PTLA's net asset balances.

Cash and Cash Equivalents - For purposes of the statements of cash flows, PTLA considers all unrestricted highly liquid investments and certificates of deposits purchased with a maturity of three months or less to be cash equivalents.

Investments – Investments in certificates of deposit are reported at their fair values. Short-term investments consist of certificates with current maturities of twelve months or less, excluding amounts included in cash equivalents.

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Grants and Contract Receivables – Grants and contract receivables are stated at the amount that management expects to collect from outstanding balances. No allowance has been provided on receivable balances because management believes all amounts are collectible.

Software - Software that is purchased and put into service is amortized over its estimated useful period of eight years.

Functional Expenses - The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. PTLA allocates salaries and benefits on the basis of actual time and effort. Occupancy expenses are allocated based upon relative salary balances as a basis of distribution, by location.

Beneficial Interest in Assets Held by Charitable Foundation - PTLA follows the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). In 2014, PTLA established The Pine Tree Legal Assistance Fund. The fund includes three restricted sub-funds: The Endowment Fund, the Next Generation Endowment Fund, and the Carol and David Hancock KIDS LEGAL Fund. Contributions are placed with the Maine Community Foundation (MCF), an unrelated 501(c)(3) organization, which manages the funds in accordance with the terms of the agreement between them and PTLA. The Board of Directors of MCF, on the advice of legal counsel, has determined that substantially all of the donations and designations received from PTLA meet the definition of endowment funds under UPMIFA. The Board of Directors of MCF has interpreted the Maine Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the endowed gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Under the terms of the agreement, the Board of Directors of PTLA has the ability to transfer to MCF as much of the corpus of any separate gift, devise, bequest, or fund as they in their discretion shall determine. In accordance with UPMIFA, PTLA 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 PTLA 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 PTLA, and 7) the investment policies of the PTLA.

As a result of the ability to distribute corpus, the Board of Directors of PTLA has determined that all contributions received for The Endowment Fund, The Next Generation Endowment Fund and the Carol and David Hancock KIDS LEGAL Fund, subject to the agreement with MCF and UPMIFA, are permanently restricted by the donor and are classified as such. Contributions that are subject to other gift instruments may be recorded as donor restricted in perpetuity, donor restricted with temporary restrictions, or without donor restrictions, depending on the specific terms of the agreement. Generally, if the corpus of a donor-designated contribution will at some future time become available for spending, it is recorded as donor restricted with temporary restrictions. If the corpus never becomes available for spending, it will be reported as donor restricted in perpetuity.

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Beneficial Interest in Assets Held by Charitable Foundation, Continued –

PTLA has adopted investment and spending policies, approved by its Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to operations supported by its endowment funds while also maintaining the purchasing power over those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions available consistent with the standards of MCF while growing the funds if possible.

To satisfy its long-term rate-of-return objectives, PTLA relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). PTLA targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters. MCF has spending policies of appropriating for distribution each year an amount of 4% of the average asset values held in PTLA accounts as determined by a standard formula. In addition, the Board of Directors of PTLA may request a distribution in excess of the standard MCF distribution, as long as the purpose of the distribution is within the scope of the particular fund.

Reclassifications – Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

NOTE 2 - AVAILABILITY AND LIQUIDITY

The following represents Pine Tree Legal Assistance, Inc.'s financial assets at December 31, 2024:

Financial assets at year-end:

Cash and cash equivalents	\$ 1,210,646
Short-term investment	2,252,070
Grants and contract receivables	1,887,591
Beneficial interest in assets held by charitable foundation	<u>3,471,843</u>
Total financial assets	<u>8,822,150</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	<u>2,132,593</u>
------------------------------------	------------------

**Financial assets available to meet general
expenditures over the next twelve months \$ 6,689,557**

PTLA's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$2,900,000).

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

PTLA maintains cash balances at several financial institutions. Checking accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. In addition, one bank has entered into a Sweep and Agency Agreement with the PTLA, which provides that those swept funds be used to purchase government securities and which the bank has given a perfected interest in certain securities held by the bank for the sweep account balance. At December 31, 2024 and 2023, PTLA's cash balances were fully insured.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2024:

		<u>LSC-funded</u>		<u>Non-LSC funded</u>	
		<u>Cost</u>	<u>Accum. Deprec.</u>	<u>Cost</u>	<u>Accum. Deprec.</u>
Land	\$	-	-	6,900	-
Buildings and improvements		-	-	837,712	486,962
Leasehold improvements		-	-	510,177	301,284
Furniture, fixtures, and equip.		-	-	300,506	295,475
Law library		-	-	25,384	-
Total	\$	-	-	1,680,679	1,083,721

Property and equipment consist of the following at December 31, 2023:

		<u>LSC-funded</u>		<u>Non-LSC funded</u>	
		<u>Cost</u>	<u>Accum. Deprec.</u>	<u>Cost</u>	<u>Accum. Deprec.</u>
Land	\$	-	-	6,900	-
Buildings and improvements		-	-	837,712	430,968
Leasehold improvements		-	-	510,177	297,877
Furniture, fixtures, and equip.		-	-	308,350	295,646
Law library		-	-	25,384	-
Total	\$	-	-	1,688,523	1,024,491

Net book value of all property and equipment totaled \$596,958 and \$664,032 at December 31, 2024 and 2023, respectively. Depreciation expense totaled \$67,075 and \$78,250 in 2024 and 2023, respectively.

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY CHARITABLE FOUNDATION

PTLA is a beneficiary of agency funds held by the Maine Community Foundation (MCF). These funds are presented in the statements of financial position, within other assets, as a beneficial interest in assets held by a charitable foundation. Variance power was granted to MCF to allow the right to modify the terms of the funding agreements if, in the judgment of the foundation's Board of Directors, the restrictions and conditions of the fund's purpose become unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community. Distributions from the fund are four percent of the average market value of the fund per year.

PTLA maintains the fund (The Pine Tree Legal Assistance Fund) at the Maine Community Foundation, under which there are four sub-funds with balances. At December 31, 2024 and 2023, the account balances were:

	<u>2024</u>	<u>2023</u>
Pine Tree Legal Assistance Operating Reserve Sub-fund	\$ 1,501,742	1,357,815
Pine Tree Legal Next Generation Endowment Sub-fund	686,096	645,075
Pine Tree Legal Carol/David Hancock KIDS LEGAL Sub-fund	35,679	33,545
Pine Tree Legal Assistance Endowment Sub-fund	1,248,325	1,161,529
Total sub-fund balances	<u>\$ 3,471,842</u>	<u>3,197,964</u>

For the years ended December 31, 2024 and 2023, PTLA received income distributions of \$73,770 and \$70,790, respectively.

Amounts added to the charitable foundation and year end balances at December 31, 2024 are as follows:

	<u>Contributions</u>	<u>Cumulative Contributions through December 31, 2024</u>	<u>Fund Balance at December 31, 2024</u>
MCF – PTLA Fund	\$ 12,527	3,117,911	3,471,842
Total	<u>\$ 12,527</u>	<u>3,117,911</u>	<u>3,471,842</u>

Amounts added to the charitable foundation and year end balances at December 31, 2023 are as follows:

	<u>Contributions</u>	<u>Cumulative Contributions through December 31, 2023</u>	<u>Fund Balance at December 31, 2023</u>
MCF – PTLA Fund	\$ 3,000	3,105,384	3,197,964
Total	<u>\$ 3,000</u>	<u>3,105,384</u>	<u>3,197,964</u>

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 6 - FAIR MARKET VALUE OF MEASUREMENTS

The FASB defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in PTLA's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

The standard establishes a fair value hierarchy which requires PTLA to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that PTLA has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect PTLA's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following are descriptions of the valuation methods and assumptions used by PTLA to estimate the fair value of certain financial instruments:

Cash and cash equivalents: Fair values of money market funds are estimated to approximate deposit account balances, payable on demand, as no discounts for credit quality or liquidity were determined to be applicable (Level 1 inputs).

Short-term investments: Valued at amortized cost, which approximates fair value (Level 2 inputs).

Beneficial interests in trusts: Consist on interests in perpetual trusts. The fair value of beneficial interest in trusts is determined by obtaining quoted prices on nationally recognized securities exchanges for the securities within the perpetual trusts and adjusting for PTLA's proportional interest in the trusts (Level 3 inputs).

Investments measured at fair value at December 31, 2024 and 2023, are summarized below:

2024				
	Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,210,646	1,210,646	-	-
Short-term investments	2,252,070	-	2,252,070	-
Beneficial interest in assets held by charitable foundation	3,471,843	-	-	3,471,843
Total investments	\$ 6,934,559	1,210,646	2,252,070	3,471,843

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 6 - FAIR MARKET VALUE OF MEASUREMENTS, CONTINUED

2023				
	Fair Value	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,184,233	1,184,233	-	-
Short-term investments	404,271	-	404,271	-
Beneficial interest in assets held by charitable foundation	3,197,963	-	-	3,197,963
Total investments	\$ 4,786,467	1,184,233	404,271	3,197,963

Short-term investments and beneficial interest in trusts are measured on a recurring basis.

The reconciliation of the changes in beneficial interest in trusts and closed-end funds, measured at fair value using significant unobservable inputs (Level 3), is as follows:

December 31, 2022	\$ 2,933,047
Contributions to beneficial interest agreements	3,000
Change in value of beneficial interest agreements	332,707
Distributions	(70,791)
December 31, 2023	3,197,963
Contributions to beneficial interest agreements	12,527
Change in value of beneficial interest agreements	335,123
Distributions	(73,770)
December 31, 2024	\$ 3,471,843

NOTE 7 - PERPETUAL DONOR RESTRICTIONS ON NET ASSETS

The following are net assets with perpetual donor restrictions as of December 31, 2024 and 2023:

	2024	2023
Donations for establishment of PTLA Endowment Fund	\$ 888,269	875,742
Donation for establishment of Carol and David Hancock Charitable Trust Fund of KIDS LEGAL	25,000	25,000
Donation for establishment of Next Generation Endowment Fund	500,000	500,000
Total net assets with perpetual restrictions	\$ 1,413,269	1,400,742

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 8 - CHANGES IN ENDOWMENT NET ASSETS

For the year ended December 31, 2024:

		<u>Without Restrictions</u>	<u>With Temp. Restrictions</u>	<u>With Perm. Restrictions</u>	<u>Total</u>
Endowment of net assets, beginning of year	\$	-	439,406	1,400,742	1,840,148
Contributions		-	-	12,527	12,527
Net change in value		-	191,195	-	191,195
Amounts appropriated for expenditure		-	(73,770)	-	(73,770)
Changes in endowment net assets		-	117,425	12,527	129,952
Endowment net assets, end of year	\$	-	556,831	1,413,269	1,970,100

For the year ended December 31, 2023:

		<u>Without Restrictions</u>	<u>With Temp. Restrictions</u>	<u>With Perm. Restrictions</u>	<u>Total</u>
Endowment of net assets, beginning of year	\$	-	317,131	1,397,742	1,714,873
Contributions		-	-	3,000	3,000
Net change in value		-	193,065	-	193,065
Amounts appropriated for expenditure		-	(70,790)	-	(70,790)
Changes in endowment net assets		-	122,275	3,000	125,275
Endowment net assets, end of year	\$	-	439,406	1,400,742	1,840,148

NOTE 9 - ENDOWMENT NET ASSET COMPOSITION

As of December 31, 2024:

		<u>Without Restrictions</u>	<u>With Temp. Restrictions</u>	<u>With Perm. Restrictions</u>	<u>Total</u>
Donor designated endowment funds	\$	-	556,831	1,413,269	1,970,100
Other endowment funds					
Undesignated		-	-	-	-
Donor advised		-	-	-	-
Designated		-	-	-	-
Subtotal other endowment funds		-	-	-	-
Board designated endowment funds		-	-	-	-
Total endowment funds	\$	-	556,831	1,413,269	1,970,100

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 9 - ENDOWMENT NET ASSET COMPOSITION, CONTINUED

As of December 31, 2023:

	<u>Without Restrictions</u>	<u>With Temp. Restrictions</u>	<u>With Perm. Restrictions</u>	<u>Total</u>
Donor designated endowment funds	\$ -	439,406	1,400,742	1,840,148
Other endowment funds				
Undesignated	-	-	-	-
Donor advised	-	-	-	-
Designated	-	-	-	-
Subtotal other endowment funds	-	-	-	-
Board designated endowment funds	-	-	-	-
Total endowment funds	\$ -	439,406	1,400,742	1,840,148

NOTE 10 - TOTAL NET ASSET COMPOSITION

As of December 31, 2024:

	<u>Without Restrictions</u>	<u>With Temp. Restrictions</u>	<u>With Perm. Restrictions</u>	<u>Total</u>
Endowment funds (beneficial interest)	\$ -	546,153	1,388,269	1,934,422
Board designated Heald fund	266,170	-	-	266,170
Board designated building fund	51,749	-	-	51,749
Board designated operating reserve fund (beneficial interest)	1,501,742	-	-	1,501,742
Donor designated for Veterans MLP	-	162,492	-	162,492
Donor designated for KIDS LEGAL (beneficial interest)	-	10,679	25,000	35,679
Held in property and equipment	596,958	-	-	596,958
Undesignated	4,110,046	-	-	4,110,046
Total net assets	\$ 6,526,665	719,324	1,413,269	8,659,258

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 10 - TOTAL NET ASSET COMPOSITION, CONTINUED

As of December 31, 2023:

	<u>Without Restrictions</u>	<u>With Temp. Restrictions</u>	<u>With Perm. Restrictions</u>	<u>Total</u>
Endowment funds (beneficial interest) \$	-	430,862	1,375,742	1,806,604
Board designated Heald fund	235,086	-	-	235,086
Board designated operating reserve fund (beneficial interest)	1,357,815	-	-	1,357,815
Donor designated for Veterans MLP	-	144,669	-	144,669
Donor designated for KIDS LEGAL (beneficial interest)	-	8,545	25,000	33,545
Held in property and equipment	664,032	-	-	664,032
Undesignated	1,987,250	-	-	1,987,250
Total net assets	\$ 4,244,183	584,076	1,400,742	6,229,001

NOTE 11 - LEGAL SERVICES CORPORATION REVENUE

PTLA's operations are funded, in part, through grants from Legal Services Corporation (LSC). LSC is a private, non-profit corporation established by Congress to seek to ensure equal access to justice under the law for all Americans by providing civil legal assistance to those who otherwise would be unable to afford it. LSC-funded programs do not currently handle criminal cases in State courts, nor do they accept fee-generating cases that private attorneys are willing to accept on a contingency basis, except in limited circumstances consistent with Board action. Additional limitations on activities in which LSC-funded programs may engage on behalf of their clients, even with non-LSC funds, include prohibitions on class actions, challenges to welfare reform, lobbying, litigation on behalf of prisoners, representation in drug-related public housing evictions, and representation of certain categories of immigrants.

LSC revenue for basic grant services is reported as an increase in net assets with temporary restrictions. When the funds are expended for their specified purposes, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All other LSC revenue is reported as an increase in net assets without donor restrictions if the restriction expires (that is when the purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 11 - LEGAL SERVICES CORPORATION REVENUE, CONTINUED

LSC grant funding earned and expended by PTLA is as follows:

	<u>2024</u>	<u>2023</u>
Direct funding:		
Basic grant to be used for general operations	\$ 1,411,194	1,411,194
Basic grant for legal services to agricultural workers	535,844	352,719
Basic grant allocated to private attorney involvement	201,599	201,599
Technology Initiative Grants	105,076	33,786
Pro Bono Innovation Fund Grant	178,998	32,949
Basic grants for legal services to Native Americans	120,781	127,571
Sub-total	2,553,492	2,159,818
Pass-through funding:		
Veterans Consortium	35,000	35,000
Sub-total	35,000	35,000
Total LSC grant funding	\$ 2,588,492	2,194,818

NOTE 12 - INTEREST ON LAWYERS TRUST ACCOUNTS (IOLTA) REVENUE

The Maine Justice Foundation administers IOLTA funds pursuant to Maine Bar Rule 3.6(f). Pine Tree Legal Assistance receives IOLTA funds for general operations as an automatic grantee. This IOLTA grant is to be used as a supplement to LSC funding and as such is to be used to provide additional services in areas supported by LSC funding and to provide services in areas where LSC funds cannot be used. PTLA received IOLTA funding totaling \$443,809 and \$159,066 in 2024 and 2023, respectively.

NOTE 13 - STATE OF MAINE REVENUE

PTLA received \$500,000 from the State of Maine in 2024 and 2023 from awards to provide comprehensive legal representation to eligible clients in all forums that PTLA staff have heretofore represented clients and in all ways consistent with their responsibilities under the Maine Bar Rules and the Maine and federal rules of civil procedures.

PTLA received \$150,000 from the State of Maine in 2024 and 2023 to provide legal services to veterans at VA medical centers through Medical Legal Partnerships.

NOTE 14 - MAINE CIVIL LEGAL SERVICES FUND (MCLSF) REVENUE

PTLA receives funding from the Maine Civil Legal Services Fund (MCLSF). MCLSF provides grants to legal service providers to support the provision of free civil legal services to low-income people or the needy elderly in the State of Maine. The funds may not be used to support lobbying unless the recipient is responding to a request by a Legislator or a member of the Executive Department. PTLA received MCLSF funding totaling \$2,661,861 and \$1,260,282 in 2024 and 2023, respectively. The funds are received quarterly and are generally recognized as revenue when received. PTLA recognized four payments as revenue in 2024 and 2023.

PINE TREE LEGAL ASSISTANCE, INC.**Notes to Financial Statements****December 31, 2024 and 2023****NOTE 15 - OTHER GRANTS**

Several programs are funded in whole or in part through grants and contracts with various agencies. Such amounts are recognized as support on a cost-incurred basis. The following is a summary of other grant revenue:

	<u>2024</u>	<u>2023</u>
U.S. Department of Housing and Urban Development	\$ 444,614	407,944
U.S. Department of Housing and Urban Development/Eviction	920,819	813,624
U.S. Department of Treasury/Internal Revenue Service	85,650	100,000
U.S. Department of Justice/Partners for Peace	142,225	103,305
U.S. Department of Justice/Family Violence Project	138,284	108,235
U.S. Department of Justice/Office of Violence Against Women	198,219	132,568
U.S. Department of Justice/USM Muskie School	-	50,252
U.S. Department of Veterans Affairs/Legal Services for Veterans	89,671	7,912
State of Maine STOP Grant	64,994	77,241
State of Maine VOCA	970,637	981,277
State of Maine Consumer Protection	450,000	450,000
American Rescue Plan Act/Foreclosure	-	71,085
Maine Housing Eviction Project	289,000	600,000
Maine Housing Homeowner Assistance Fund/Foreclosure	63,000	105,000
Doree Taylor Foundation	60,000	60,000
Maine Justice Foundation Coffin Fellowship	145,800	145,800
JT Gorman Foundation	-	92,083
State of Maine Bureau of Consumer Credit Protection	-	21,000
Preble Street Veterans Project SSVF Contract	131,753	126,322
Preble Street HGBF Human Trafficking	131,133	113,470
EJW Summer Rural Fellow	7,000	14,000
Mattina Proctor Foundation	10,000	1,000
Moser Family Foundation	-	10,000
Equal Justice America	-	1,160
Maine Community Foundation on behalf of a donor-advised fund	5,000	500
Yield Giving Fund	1,400,000	-
Camden Foundation	5,000	-
Betterment Fund	-	15,000
Subtotal	5,752,799	4,608,778

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 15 - OTHER GRANTS, CONTINUED

	<u>2024</u>	<u>2023</u>
United Ways and designations:		
Southern Maine/Greater Portland	64,581	82,338
Midcoast Maine	22,000	25,989
Androscoggin County	6,000	6,000
York County	-	4,400
Donor designations	2,515	2,392
Total United Ways and designations	95,096	121,119
Total other grant revenue	\$ 5,847,895	4,729,897

NOTE 16 - CONTRIBUTIONS AND OTHER REVENUE

PTLA also funds several programs in whole or in part through fundraising and contributions, as well as by generating revenue from various unrestricted fee-for-service sources including the provider network and attorney fees. In 2014, PTLA also established the Pine Tree Fund, a strategic endowment fund for supporting their core services. The following is a summary of contributions and other miscellaneous revenue.

	<u>2024</u>	<u>2023</u>
Campaign for Justice	\$ 200,323	-
Maine Justice Foundation/Campaign for Justice	109,064	168,698
Muskie Fund for Legal Services	44,580	41,144
Fundraising - special events	15,673	23,226
Heald Fund	31,343	37,118
The Pine Tree Fund	12,527	3,000
Direct contributions	179,641	235,197
Total contributions	\$ 593,151	508,383
Other fee-for-service revenue	\$ 201,199	142,756

PTLA provides accounting services for the Muskie Fund for Legal Services' annual Muskie Event. They provide these services at no cost.

PTLA received \$79,952 and \$69,265 in contributions from Board members for the years ended December 31, 2024 and 2023, respectively.

NOTE 17 - CONCENTRATION OF SOURCE OF LABOR SUPPLY

PTLA's attorneys and paralegals (representing approximately 73% of the PTLA's employees) are members of the Pine Tree Legal Assistance Attorney Union, National Organization of Legal Service Workers, U.A.W. Amalgamated Local Union 2320 (attorneys), and the Association of Paralegals, Council 93, American Federation of State, County, and Municipal Employees, AFL-CIO (paralegals). Contracts are in place through 2026. PTLA's other employees are not represented by a union.

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 18 - DEFERRED REVENUE

Deferred revenue consists primarily of the following grants and contracts received for services to be rendered during the next fiscal year.

	<u>2024</u>	<u>2023</u>
Basic grant for legal services to agricultural workers	\$ -	131,161
Other grants and contracts	5,000	-
Total deferred revenue	\$ 5,000	131,161

NOTE 19 - OPERATING LEASES

Pine Tree Legal Assistance, Inc. leases office space for its offices in Bangor, Machias, Presque Isle, and Portland. The leases extend to various dates through September 2030. Total lease expense was \$185,014 and \$183,609 for the years ended December 31, 2024 and 2023, respectively, which is recorded within various line items in the statements of activities. When the implicit rate in a lease is not readily determinable, PTLA elects to use the risk-free discount rate when assessing leases for recognition.

The following summarizes the weighted average remaining lease term and discount rate as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term		
Operating leases	4.97 years	5.1 years
Weighted Average Discount Rate		
Operating leases	4.47%	4.51%

Maturities of lease liabilities as of December 31, 2024 are as follows:

Years Ending December 31:	<u>Operating</u>
2025	\$ 123,331
2026	99,013
2027	81,513
2028	81,513
2029	74,413
Thereafter	45,157
Total lease payments	504,940
Less: interest	44,438
Present value of lease liabilities	\$ 460,502

PINE TREE LEGAL ASSISTANCE, INC.
Notes to Financial Statements
December 31, 2024 and 2023

NOTE 20 - PENSION PLAN AND RETIREMENT BENEFITS

Pine Tree Legal Assistance, Inc. has implemented a Tax-Sheltered Annuity (TSA) plan for its employees who have worked for one year or more. The annual contribution rate, currently at 5%, is determined by labor negotiations. The employer contributions to the TSA for the years ended December 31, 2024 and 2023 were \$315,352 and \$252,226, respectively.

PTLA's paralegal union contract includes a retirement benefit to eligible paralegal employees of six months salary upon retirement. Eligibility includes being over 65 and having at least 10 years of service or having 25 years of service. The paralegal retirement benefit accrual totaled \$125,740 at December 31, 2024 and is included in accrued expenses on the Statements of Financial Position.

NOTE 21 - NONCOMPLIANCE WITH GRANTOR OR DONOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special review or audit. Such audits could result in claims against PTLA for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 22 - CAMPAIGN FOR JUSTICE

PTLA entered into an agreement with Maine Equal Justice (MEJ), Immigrant Legal Advocacy Project (ILAP), University of Maine School of Law (UMSOL), Legal Services for Maine Elders (LSE), and Maine Volunteer Lawyers Project (VLP) for a joint annual fundraising campaign called the Campaign for Justice (CFJ), which raises funds to support civil legal services in Maine. PTLA started administering CFJ during 2024, as CFJ is not a separate legal entity. Administrative expenses incurred by PTLA for CFJ are covered by CFJ. All funds received for CFJ are held by PTLA, who then distributes the net funds in accordance with the agreement. UMSOL will receive an annual grant of \$10,000, and the other organizations split the remaining funds raised (20% each), net of administrative expenses. Funds remaining at year-end for CFJ are included in amounts held for the benefit of others in the Statements of Financial Position. During 2024, CFJ fundraising totaled \$423,307, incurred \$164,694 of administrative expenses, and distributed \$238,613 of net funds, including \$43,939 to PTLA.

NOTE 23 - SUBSEQUENT EVENTS

PTLA entered into a new lease agreement for their Portland office during 2025. Monthly lease payments are \$7,500 from April 1, 2025 to March 31, 2029, and will increase to \$8,000 in April 2029 until the end of the lease in March 2035.

PINE TREE LEGAL ASSISTANCE, INC.
Schedule of Support, Revenue, Expenses, and Changes in Net Assets Without Donor Restrictions
LSC Services
Year Ended December 31, 2024
(With Comparative Totals for December 31, 2023)

(With Comparative Totals for December 31, 2023)										
	Specialized Services							Total LSC Services		
	General Services	Agricultural Worker	Native American	Total Specialized Services	Private attorney involvement	Pro Bono Innovation Fund - PB19010	Veterans Consortium	TIG21-ME TIP	2024	2023
Support and revenue:										
Grant - LSC direct	\$ 1,411,194	535,844	120,781	656,625	201,599	178,998	-	105,076	2,553,492	2,159,818
Grant - LSC pass-through	-	-	-	-	-	-	35,000	-	35,000	35,000
Grants - MCLSF	-	-	-	-	-	-	-	-	-	-
State appropriation and grants	-	-	-	-	-	-	-	-	-	-
Donated services	664,195	-	-	-	-	-	-	-	664,195	683,194
Interest income	7,551	3,916	222	4,138	-	-	-	-	11,689	9,533
Contributions	-	-	500	500	-	-	-	-	500	10,500
Other revenue	-	-	-	-	-	-	-	-	-	171
Support released from temporarily restricted assets	-	-	-	-	-	-	-	-	-	-
Total support and revenue	2,082,940	539,760	121,503	661,263	201,599	178,998	35,000	105,076	3,264,876	2,898,216
Personnel:										
Salaries - Attorney	466,722	226,732	64,583	291,315	58,823	91,836	25,444	55,555	989,695	778,078
Salaries - Paralegal	319,927	56,268	1,737	58,005	52,351	5,823	-	-	436,106	425,400
Salaries - Other	-	-	-	-	-	-	-	-	-	-
Payroll taxes and fringe benefits	247,636	89,417	20,881	110,298	33,944	30,642	9,556	17,458	449,534	383,082
Total personnel	1,034,285	372,417	87,201	459,618	145,118	128,301	35,000	73,013	1,875,335	1,586,560
Other expenses:										
Legal consultants	664,195	-	-	-	-	-	-	-	664,195	683,194
Space and occupancy	43,653	16,334	3,870	20,203	5,272	5,064	-	3,295	77,487	85,403
Equipment rental/repairs	1,661	521	160	681	126	114	-	207	2,789	2,640
Office and consumable supplies	10,614	8,675	1,463	10,138	1,455	2,897	-	2,893	27,997	32,703
Fundraising	-	-	-	-	-	-	-	-	-	-
Telephone	4,866	1,751	378	2,127	638	597	-	292	8,520	8,466
Travel and meetings	9,646	18,415	2,198	20,613	628	1,991	-	-	32,878	29,367
Training materials and expenses	6,761	2,484	1,447	3,932	6,215	3,195	-	2,409	22,512	5,353
Library maintenance	10,928	3,273	654	3,927	1,499	1,435	-	790	18,579	7,089
Insurance	-	-	-	-	-	-	-	-	-	-
Dues and fees	-	-	-	-	-	-	-	-	-	2,386
Contracted services	409	163	40	203	415	90	-	2,379	3,496	509
Audit	-	-	-	-	-	-	-	-	-	-
Litigation and court costs	13,991	2,483	200	2,685	1,244	336	-	-	18,256	18,413
Subrecipients	-	12,500	-	12,500	-	-	-	-	12,500	12,500
Other	-	-	-	-	-	-	-	-	-	1,619
Total other expenses	766,724	66,599	10,410	77,009	17,492	15,719	-	12,265	889,209	889,642
Total personnel and other expenses	1,801,009	439,016	97,611	536,627	162,610	144,020	35,000	85,278	2,764,544	2,476,202
Administrative expense allocation	281,931	100,744	23,892	124,636	38,989	34,978	-	19,798	500,332	422,014
Total expenses	2,082,940	539,760	121,503	661,263	201,599	178,998	35,000	105,076	3,264,876	2,898,216
Excess (deficit) revenues over (under) expenses	-	-	-	-	-	-	-	-	-	-
Other changes in net assets	-	-	-	-	-	-	-	-	-	-
Total changes in net assets	-	-	-	-	-	-	-	-	-	-
Net assets, beginning of year	-	-	-	-	-	-	-	-	-	-
Net assets, end of year	\$ -	-	-	-	-	-	-	-	-	-
Available revenues over expenses	-	-	-	-	-	-	-	-	-	131,161
LSC Fund Balance/Deferred Revenue into next FY	-	-	-	-	-	-	-	-	-	131,161

PINE TREE LEGAL ASSISTANCE, INC.
Schedule of Support, Revenue, Expenses, and Changes in Net Assets Without Donor Restrictions
Non-LSC Services
Year Ended December 31, 2024
(With Comparative Totals for December 31, 2023)

			Total Non-LSC Services	
	General Services	Specialized Services	2024	2023
Support and revenue:				
Grant - IOLTA	\$ 443,809	-	443,809	159,066
Grant - MCLSF	2,257,185	404,676	2,661,861	1,260,282
Grants - Other	4,187,736	1,660,159	5,847,895	4,929,781
State appropriation and grants	500,000	-	500,000	500,000
Contributions	592,651	-	592,651	494,883
Interest income	125,038	-	125,038	4,305
Other revenue	201,197	-	201,197	142,585
Support released from temporarily restricted assets	205,948	-	205,948	-
Total support and revenue	8,513,564	2,064,835	10,578,399	7,490,902
Personnel:				
Salaries - Attorney	2,201,870	1,002,780	3,204,650	2,904,762
Salaries - Paralegal	757,613	208,220	965,833	769,233
Salaries - Other	404	-	404	13,637
Payroll taxes and fringe benefits	1,118,833	383,317	1,502,150	1,342,292
Total personnel	4,078,720	1,594,317	5,673,037	5,029,924
Other expenses:				
Space and occupancy	136,383	52,380	188,763	173,363
Equipment rental/repairs	5,843	2,246	8,089	5,505
Office and consumable supplies	44,795	15,063	59,858	60,782
Fundraising	-	-	-	-
Telephone	19,203	7,609	26,812	21,920
Travel and meetings	51,096	22,126	73,222	45,191
Training materials and expenses	50,350	7,711	58,061	56,355
Library maintenance	39,452	13,661	53,113	16,201
Insurance	-	-	-	-
Dues and fees	24,984	4,733	29,717	27,293
Contracted services	17,190	852	18,042	23,502
Litigation and court costs	37,785	21,931	59,716	43,629
Subrecipients	-	8,928	8,928	7,776
Other	133,992	2,978	136,970	134,258
Total other expenses	561,073	160,218	721,291	615,775
Total personnel and other expenses	4,639,793	1,754,535	6,394,328	5,645,699
Provider network and fundraising	722,576	-	722,576	345,708
Administrative expense allocation	1,012,640	310,300	1,322,940	1,352,936
Total expenses	6,375,009	2,064,835	8,439,844	7,344,343
Excess (deficit) revenues over (under) expenses	2,138,555	-	2,138,555	146,559
Other changes in net assets	143,927	-	143,927	139,641
Total changes in non-LSC net assets without donor restrictions	2,282,482	-	2,282,482	286,200
Net assets without donor restrictions, beginning of year	4,244,183	-	4,244,183	3,957,983
Net assets without donor restrictions, end of year	\$ 6,526,665	-	6,526,665	4,244,183

PINE TREE LEGAL ASSISTANCE, INC.
Schedule of Support, Revenue, Expenses, and Changes in Net Assets
LSC and Non-LSC Services
Years Ended December 31, 2024 and 2023

	2024	2023
Support and revenue:		
Grant - LSC direct	\$ 2,553,492	2,159,818
Grant - LSC pass-through	35,000	35,000
Grant - IOLTA	443,809	159,066
Grant - MCLSF	2,661,861	1,260,282
Grants - Other	5,847,895	4,929,781
State appropriation and grants	500,000	500,000
Donated services	664,195	683,194
Interest income	136,727	13,839
Contributions	593,151	505,383
Other revenue	201,197	142,756
Support released from temporarily restricted assets	205,948	-
Total support and revenue	13,843,275	10,389,119
Personnel:		
Salaries - Attorney	4,194,345	3,682,840
Salaries - Paralegal	1,401,939	1,194,633
Salaries - Other	404	13,637
Payroll taxes and fringe benefits	1,951,684	1,725,374
Total personnel	7,548,372	6,616,484
Other expenses:		
Legal consultants	664,195	683,194
Space and occupancy	266,250	258,766
Equipment rental/repairs	10,878	8,145
Office and consumable supplies	87,855	93,485
Telephone	35,332	30,386
Travel and meetings	106,100	74,558
Training materials and expenses	80,573	61,708
Library maintenance	71,692	23,290
Dues and fees	29,717	29,679
Contracted services	21,538	24,011
Litigation and court costs	77,972	62,042
Subrecipients	21,428	20,276
Other	136,970	135,877
Total other expenses	1,610,500	1,505,417
Total personnel and other expenses	9,158,872	8,121,902
Provider network and fundraising	722,576	345,708
Administrative expense allocation	1,823,272	1,774,950
Total expenses	11,704,720	10,242,560
Excess (deficit) revenues over (under) expenses	2,138,555	146,559
Other changes in net assets	143,927	139,641
Total changes in net assets	2,282,482	286,200
Net assets, beginning of year	4,244,183	3,957,983
Net assets, end of year	\$ 6,526,665	4,244,183