

ICE AGE TRAIL ALLIANCE, INC.

**FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**

December 31, 2015 and 2014

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows	5
Notes to Financial Statements	7
Schedules of Functional Expenses.....	18



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ice Age Trail Alliance, Inc.
Cross Plains, Wisconsin

We have audited the accompanying financial statements of Ice Age Trail Alliance, Inc., which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ice Age Trail Alliance, Inc. as of December 31, 2015 and 2014, 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.

Janesville Office:
101 E. Milwaukee Street
Suite 425
Janesville, WI 53545
P: (608) 756-4020

Baraboo Office:
123 Second Street
P.O. Box 150
Baraboo, WI 53913
P: (608) 356-3966
F: (608) 356-2966

Milwaukee Office:
W229 N1433 Westwood Drive
Suite 105
Waukesha, WI 53186
P: (262) 522-7555
F: (262) 522-7550

Madison Office:
2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

Report on Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
July 8, 2016

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash	\$ 260,255	\$ 208,640
Certificates of deposit	21,263	26,609
Unconditional promises to give	20,000	25,000
Accounts receivable	57,265	42,936
Other assets	-	200
Inventory	8,763	10,635
Investments	369,509	312,543
Membership interests in limited liability companies	549,500	537,500
Beneficial interest in assets held by Greater Milwaukee Foundation	81,240	82,715
Property and equipment - net	798,615	846,274
Conservation lands	5,717,198	4,549,426
Total assets	\$ 7,883,608	\$ 6,642,478
LIABILITIES		
Accounts payable	\$ 24,513	\$ 4,961
Accrued expenses	55,127	44,007
Capital lease payable	-	2,050
Notes payable	638,540	668,939
Total liabilities	718,180	719,957
NET ASSETS		
Unrestricted		
Designated for endowment	103,293	102,421
Designated for agency endowment	81,240	82,715
Designated for Legal Defense Fund	82,250	82,250
Designated for Lodi Area Fund	56,423	56,423
Undesignated	1,320,477	485,193
Total unrestricted	1,643,683	809,002
Temporarily restricted	5,427,985	5,059,759
Permanently restricted	93,760	53,760
Total net assets	7,165,428	5,922,521
Total liabilities and net assets	\$ 7,883,608	\$ 6,642,478

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF ACTIVITIES
Years ended December 31, 2015 and 2014

	2015	2014
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Contributions	\$ 1,399,342	\$ 465,477
Grants	345,122	931,383
Merchandise sales	79,547	66,433
Chapters	36,768	36,064
Special events	31,742	29,759
Investment return	3,761	27,592
Rent	3,750	10,308
Return on agency endowment	(1,475)	4,328
Other	4,829	14,497
Total unrestricted support and revenue	1,903,386	1,585,841
EXPENSES		
Program services		
Trails	173,491	646,588
Outreach	346,705	457,976
Lands	374,359	335,183
Supporting activities		
Management and general	159,880	133,773
Fundraising	127,270	132,141
Total expenses	1,181,705	1,705,661
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	113,000	124,700
Satisfaction of time restrictions	-	3,266
Change in unrestricted net assets	834,681	8,146
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	473,478	508,080
Investment return	748	730
Change in value of interests in limited liability companies	12,000	11,500
Net assets released from restrictions		
Satisfaction of purpose restrictions	(113,000)	(124,700)
Satisfaction of time restrictions	(5,000)	(3,266)
Change in temporarily restricted net assets	368,226	392,344
PERMANENTLY RESTRICTED NET ASSETS		
Contributions	35,000	53,760
Net assets released from restrictions		
Satisfaction of time restrictions	5,000	-
Change in permanently restricted net assets	40,000	53,760
Change in net assets	1,242,907	454,250
Net assets - beginning of year	5,922,521	5,468,271
Net assets - end of year	\$ 7,165,428	\$ 5,922,521

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,242,907	\$ 454,250
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for long-term purpose	(35,000)	(53,760)
Depreciation	53,722	48,565
Accrued interest added to notes payable	635	-
Change in value of interests in limited liability companies	(12,000)	(11,500)
Realized and unrealized (gains) losses on investments	2,044	(22,720)
Net investment activity retained in agency endowment	1,475	(4,328)
Donated conservation lands	(746,520)	-
(Increase) decrease in assets		
Unconditional promises to give	-	7,675
Accounts receivable	(14,329)	8,387
Other assets	200	800
Inventory	1,872	(8,227)
Increase (decrease) in liabilities		
Accounts payable	19,552	(33,985)
Accrued expenses	11,120	(147)
Net cash provided by operating activities	525,678	385,010
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemptions of certificates of deposit	5,581	13,207
Interest retained in certificates of deposit	(235)	(969)
Purchases of and interest and dividends retained in investments	(59,010)	(45,749)
Purchases of property and equipment	(6,063)	(46,161)
Purchases of conservation lands	(345,252)	(244,368)
Proceeds from sale of land	-	43,810
Net cash used in investing activities	(404,979)	(280,230)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in permanent endowment	40,000	38,760
Payments on capital lease payable	(2,050)	(6,489)
Payments on notes payable	(107,034)	(229,274)
Net cash used in financing activities	(69,084)	(197,003)
Change in cash	51,615	(92,223)
Cash - beginning of year	208,640	300,863
Cash - end of year	\$ 260,255	\$ 208,640

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF CASH FLOWS (continued)
Years ended December 31, 2015 and 2014

SUPPLEMENTAL DISCLOSURES	2015	2014
Cash paid for interest	\$ 23,430	\$ 25,247
Noncash investing and financing transactions		
Property and equipment acquired with notes payable	-	55,000
Conservation lands acquired with notes payable	76,000	87,300
Conservation lands donated to others	-	1,085,467
Accrued interest added to notes payable	635	-

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

Ice Age Trail Alliance, Inc. (Alliance) develops and maintains the Ice Age National Scenic Trail in Wisconsin in cooperation with the National Park Service. The Alliance is funded by the National Park Service and other government and private contributions.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Alliance reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by the Alliance in perpetuity.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Accounts Receivable

The Alliance considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been developed. If accounts receivable become uncollectible, they will be charged to operations when that determination is made.

Inventory

Inventory consists of merchandise available for sale and is stated at the lower of cost or market determined by the first-in, first-out method.

Investments

The Alliance carries investments in marketable securities with readily determinable fair values and investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Acquisitions of property and equipment in excess of \$1,500 are capitalized. Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor restrictions regarding how long those donated assets must be maintained, the Alliance reports expirations of donor restrictions when the donated or acquired assets are placed in service and reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Conservation Lands

Purchases of land are recorded at cost or, if donated, at the estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. In some instances, a funding source may have a reversionary interest in conservation lands purchased with grant funds. Donated or purchased easements are not recorded as an asset as the easement has no value to the Alliance. In addition, easements carry obligations to monitor and defend their terms.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Government Grants

Certain programs of the Alliance are funded in part by grants from various government agencies. Revenue from these grants is based upon the actual cost of providing such services up to the maximum amount specified in the grants. Costs are allocated to these grants in accordance with established procedures and are subject to audit by certain government agencies. No determination has been made regarding the effect, if any, such audits could have on the financial statements.

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 revenue and expenses. Actual results could differ from those estimates.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status

The Alliance is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Alliance qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Date of Management's Review

Management has evaluated subsequent events through July 8, 2016, the date which the financial statements were available to be issued.

NOTE 2—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Endowment campaign	\$ 10,000	\$ 15,000
Special projects	<u>10,000</u>	<u>10,000</u>
Unconditional promises to give	<u>\$ 20,000</u>	<u>\$ 25,000</u>

Unconditional promises to give at December 31, 2015 of \$15,000 are receivable in less than one year and \$5,000 are receivable in one to five years.

NOTE 3—INVESTMENTS

Investments at December 31, 2015 and 2014 consisted of holdings in mutual funds.

Unrestricted investment return for 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 5,805	\$ 4,872
Realized and unrealized gains (losses)	<u>(2,044)</u>	<u>22,720</u>
Unrestricted investment return	<u>\$ 3,761</u>	<u>\$ 27,592</u>

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 4—MEMBERSHIP INTERESTS IN LIMITED LIABILITY COMPANIES

In 2009 the Alliance received donations of membership interests in two limited liability companies. The Alliance is the sole member of both limited liability companies. Real estate owned by each of the limited liability companies is subject to reserved life estate interests in land and buildings. At the end of the life estates' terms, the land and buildings will be available for the Alliance's use. The present value of the life estate interests and the limited liability companies at December 31, 2015 and 2014 was \$549,500 and \$537,500. The present value of the estimated future benefits is calculated using historical costs, the applicable discount rates, and mortality factors.

NOTE 5—PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2015 and 2014 consisted of the following:

	2015	2014
Land	\$ 77,690	\$ 77,690
Building	688,339	688,339
Equipment	213,509	207,446
Furniture and fixtures	90,237	90,237
Property and equipment	1,069,775	1,063,712
Less accumulated depreciation	271,160	217,438
Property and equipment - net	\$ 798,615	\$ 846,274

Depreciation expense on property and equipment for 2015 and 2014 was \$53,722 and \$48,565.

NOTE 6—CONSERVATION LANDS

Conservation lands at December 31, 2015 and 2014 consisted of the following:

	2015	2014
Land	1,067,875	317,075
Land with use restrictions	4,649,323	4,232,351
Land improvements	54,171	54,171
	5,771,369	4,603,597
Less accumulated depreciation	54,171	54,171
Conservation lands	\$ 5,717,198	\$ 4,549,426

Use restrictions consist of easements, deed restrictions, and grantor reversionary restrictions which limit the land use to conservation purposes.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 7—ENDOWMENTS

Property Monitoring

The Alliance established an endowment in 2013 with the goal of providing a long-term source of funds for property monitoring. The endowment fund balances at December 31, 2015 and 2014 were \$196,031 and \$156,911.

Changes in the property monitoring endowment net assets as of December 31, 2015 and 2014 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Endowment Net Assets</u>
December 31, 2013	\$ 7,200	\$ -	\$ -	\$ 7,200
Unrestricted designations	92,800	-	-	92,800
Restricted contributions	-	-	53,760	53,760
Investment return	<u>2,421</u>	<u>730</u>	<u>-</u>	<u>3,151</u>
December 31, 2014	102,421	730	53,760	156,911
Restricted contributions	-	-	32,500	32,500
Satisfaction of time restrictions	-	-	5,000	5,000
Investment return	<u>872</u>	<u>748</u>	<u>-</u>	<u>1,620</u>
December 31, 2015	<u>\$ 103,293</u>	<u>\$ 1,478</u>	<u>\$ 91,260</u>	<u>\$ 196,031</u>

Trails

The Alliance established an endowment in 2015 with the goal of providing a long-term source of funds for trails enhancements. The endowment was funded through a contribution of \$2,500, which was its balance at December 31, 2015. The investment return for the endowment in 2015 was immaterial and not recorded in the financial statements.

The Alliance attempts to invest its endowment funds to achieve a reasonable balance between principal preservation and capital growth for the organization's needs. At December 31, 2015 and 2014 the Alliance invested \$197,531 and \$143,411 of the endowments in mutual funds and the remainder in a cash account. Investment return on the permanently restricted portion of the endowments' investments is recorded as temporarily restricted net assets until expended.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 7—ENDOWMENTS (continued)

Endowment net asset composition as of December 31, 2015 and 2014 by type of fund was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
2015				
Donor-restricted endowment funds	\$ -	\$ 1,478	\$ 93,760	\$ 95,238
Board-designated endowment funds	103,293	-	-	103,293
Total endowment funds	<u>\$ 103,293</u>	<u>\$ 1,478</u>	<u>\$ 93,760</u>	<u>\$ 198,531</u>
2014				
Donor-restricted endowment funds	\$ -	\$ 730	\$ 53,760	\$ 54,490
Board-designated endowment funds	102,421	-	-	102,421
Total endowment funds	<u>\$ 102,421</u>	<u>\$ 730</u>	<u>\$ 53,760</u>	<u>\$ 156,911</u>

NOTE 8—AGENCY ENDOWMENT

The Alliance has created an agency endowment as a component fund of the Greater Milwaukee Foundation (Foundation) through the Foundation's Acorn Program. Through this program, donors initiate long-term investment plans that will lead to permanent charitable endowment funds within the Foundation. Donors may make periodic gifts to these agency endowment Acorn funds, where they grow through compounding investment returns. When a fund reaches a predetermined level, it begins generating annual returns to the creating organization for the purposes of the agency endowment.

Under the provisions of the Foundation's governing instruments and applicable regulations, the Foundation's board of trustees has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with any distribution policy adopted by the Foundation or with the charitable needs of the community served. The Foundation maintains legal ownership of the assets of the agency endowment, which are held and administered subject to the provisions of the Foundation's governing instruments.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 8—AGENCY ENDOWMENT (continued)

Composition of and changes in agency endowment net assets were as follows:

	2015	2014
Agency endowment funds - beginning of year	\$ 82,715	\$ 78,387
Return on agency endowment	(1,475)	4,328
Agency endowment funds - end of year	\$ 81,240	\$ 82,715

The assets of the agency endowment are invested in the Foundation’s Acorn Investment Pool, which includes a diverse mix of equity and debt securities. The Foundation has adopted an investment policy that attempts to generate highly competitive investment returns that support grantmaking while ensuring that each fund’s principal growth equals or exceeds the rate of inflation.

The Alliance recognizes the fair value of contributions as support when received and recognizes transfers to the agency endowment as decreases in cash and increases in an asset called “Beneficial interest in assets held by Greater Milwaukee Foundation” when the funds are transferred to the Foundation.

NOTE 9—LINE OF CREDIT

The Alliance has an unsecured line of credit established for \$35,000 that matures in September 2016. At December 31, 2015 and 2014 the Alliance had no outstanding balance on the line of credit. In addition, the Alliance established a new unsecured line of credit on February 1, 2016 for \$250,000. The Alliance had no outstanding balance on this line of credit at July 8, 2016.

NOTE 10—CAPITAL LEASE PAYABLE

In 2010 the Alliance began leasing equipment under a capital lease. The economic substance of the lease was that the Alliance was financing the acquisition of the equipment through the lease, and, accordingly, it was recorded in the Alliance’s assets and liabilities. The lease agreement contained a bargain purchase option at the end of the lease term.

The capital lease terminated in April 2015, and the Alliance received the title to the equipment. The Alliance made lease payments totaling \$2,183 in 2015. This amount was comprised of the December 31, 2014 capital lease payable balance of \$2,050 plus interest costs of \$133.

The leased equipment cost \$28,744 and related accumulated depreciation was \$28,744 and \$26,349 at December 31, 2015 and 2014.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 11—NOTES PAYABLE

Notes payable at December 31, 2015 and 2014 consisted of the following:

	2015	2014
1% note secured by conservation land. Paid in May 2015.	\$ -	\$ 87,300
2.5% note secured by conservation land. Paid in February 2016.	76,635	-
3.95% note secured by land and building. Requires monthly payments of \$3,372 including principal and interest. Matures in May 2018.	506,905	526,639
3% note secured by equipment. No payments required until maturity. Matures in March 2019.	55,000	55,000
Notes payable	\$ 638,540	\$ 668,939

Future minimum principal payments on notes payable are as follows:

2016	\$ 97,483
2017	21,689
2018	464,368
2019	55,000
Notes payable	\$ 638,540

Interest expense for 2015 and 2014 was \$23,430 and \$25,247.

NOTE 12—IN-KIND CONTRIBUTIONS

In-kind contributions consist of donated services and donated conservation lands. Donated services are recorded at estimated fair values when the services are received. All donated services were allocated to program services for 2015 and 2014 as the services were received for publicity and assistance with land transactions commenced during those years.

The value of in-kind contributions included in the financial statements for 2015 and 2014 was as follows:

	2015	2014
Donated services		
Publicity and promotion	\$ 38,449	\$ 16,768
Legal	25,592	70,983
Donated conservation lands	746,520	-
In-kind contributions	\$ 810,561	\$ 87,751

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 13—NET ASSETS

Temporarily restricted net assets at December 31, 2015 and 2014 were available for the following purposes or periods:

	<u>2015</u>	<u>2014</u>
Land acquisition	\$ 5,122,288	\$ 4,682,450
Purchase of administrative office	205,329	261,729
Trail projects	25,000	-
Legal defense fund	20,750	20,750
Subsequent year's activities	20,000	25,000
Trail maintenance	18,800	22,400
Trail restoration	8,640	-
Education coordinator staff position	2,700	14,200
Youth activities	2,500	32,500
Endowment return unexpended	1,478	730
Other	500	-
	<u>\$ 5,427,985</u>	<u>\$ 5,059,759</u>

Permanently restricted net assets at December 31, 2015 and 2014 were comprised of the following endowments:

	<u>2015</u>	<u>2014</u>
Property monitoring endowment	\$ 91,260	\$ 53,760
Trails endowment	2,500	-
	<u>\$ 93,760</u>	<u>\$ 53,760</u>

NOTE 14—PENSION PLAN

The Alliance sponsors a simplified employee pension plan to all part-time and full-time employees. Employer contributions to the plan equal 3% of the employees' gross annual earnings. Employees have full and immediate vesting rights in the employer's contribution. The Alliance's contributions to the plan for 2015 and 2014 totaled \$13,130 and \$12,976.

NOTE 15—FAIR VALUE MEASUREMENTS

Fair values for the beneficial interest in assets held by Greater Milwaukee Foundation represent an agreement between the Alliance and the Foundation in which the Alliance transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 15—FAIR VALUE MEASUREMENTS (continued)

Thus, the fair value of the beneficial interest is measured at the proportional share of the underlying assets as reported to the Alliance by the Foundation. Little information about those assets is released publicly. The estimated value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Fair values of assets measured on a recurring basis at December 31, 2015 and 2014 were as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2015				
Investments				
Mutual funds	\$ 369,509	\$ 369,509	\$ -	\$ -
Beneficial interest in assets held by Greater Milwaukee Foundation	81,240	-	-	81,240
Fair value measurements	<u>\$ 450,749</u>	<u>\$ 369,509</u>	<u>\$ -</u>	<u>\$ 81,240</u>
2014				
Investments				
Mutual funds	\$ 312,543	\$ 312,543	\$ -	\$ -
Beneficial interest in assets held by Greater Milwaukee Foundation	82,715	-	-	82,715
Fair value measurements	<u>\$ 395,258</u>	<u>\$ 312,543</u>	<u>\$ -</u>	<u>\$ 82,715</u>

Fair values for mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 15—FAIR VALUE MEASUREMENTS (continued)

The following table presents additional information about assets measured at fair value on a recurring basis in 2015 and 2014 using significant unobservable inputs:

	Beneficial Interest in Assets Held by Greater Milwaukee Foundation	
	2015	2014
Beginning balance	\$ 82,715	\$ 78,387
Change in value of the beneficial interest included in the change in net assets	(1,475)	4,328
Ending balance	\$ 81,240	\$ 82,715

The change in value of the beneficial interest included in the change in net assets is reported as return on agency endowment on the statements of activities.

ICE AGE TRAIL ALLIANCE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2015

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 438,206	\$ 83,345	\$ 45,910	\$ 567,461
Professional services	120,263	18,610	48,836	187,709
Annual meeting	60,580	-	3,588	64,168
Trail maintenance/mobile skills	55,211	-	-	55,211
Depreciation	41,485	7,891	4,346	53,722
Printing and newsletter	30,110	1,367	13,863	45,340
Travel	27,746	5,262	2,889	35,897
Insurance	21,652	4,118	2,268	28,038
Interest	2,697	20,733	-	23,430
Merchandise	22,698	-	-	22,698
Postage and shipping	15,401	2,929	1,614	19,944
Land acquisition	18,148	-	-	18,148
Telephone	9,769	1,858	1,023	12,650
Dues and subscriptions	8,145	1,550	853	10,548
Office and supplies	7,926	1,508	830	10,264
Rent and utilities	6,326	1,203	663	8,192
Maintenance and repairs	4,962	944	520	6,426
Conferences and training	1,510	122	67	1,699
Other	1,720	8,440	-	10,160
Total expenses	\$ 894,555	\$ 159,880	\$ 127,270	\$ 1,181,705

ICE AGE TRAIL ALLIANCE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2014

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 443,964	\$ 60,401	\$ 54,765	\$ 559,130
Donations	472,193	-	-	472,193
Professional services	128,450	20,993	54,030	203,473
Annual meeting	37,700	503	4,180	42,383
Trail maintenance/mobile skills	120,472	-	-	120,472
Depreciation	38,562	5,246	4,757	48,565
Printing and newsletter	28,178	1,005	912	30,095
Travel	26,248	3,537	3,174	32,959
Insurance	19,823	2,697	2,445	24,965
Interest	-	25,247	-	25,247
Merchandise	22,747	-	-	22,747
Postage and shipping	12,610	1,716	1,555	15,881
Land acquisition	16,844	-	-	16,844
Telephone	9,848	1,340	1,215	12,403
Dues and subscriptions	5,776	786	712	7,274
Office and supplies	19,329	2,630	2,384	24,343
Rent and utilities	13,900	895	812	15,607
Property taxes	10,196	-	-	10,196
Maintenance and repairs	5,341	726	659	6,726
Conferences and training	4,387	597	541	5,525
Other	3,179	5,454	-	8,633
Total expenses	\$ 1,439,747	\$ 133,773	\$ 132,141	\$ 1,705,661