

ICE AGE TRAIL ALLIANCE, INC.

**FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION**

December 31, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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.

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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
June 18, 2018

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 282,107	\$ 308,537
Certificates of deposit	21,667	21,464
Unconditional promises to give	200,000	57,500
Accounts receivable	111,987	46,216
Prepaid expenses	9,425	3,413
Inventory	7,835	7,500
Investments	505,050	425,493
Membership interests in limited liability companies	568,365	562,000
Beneficial interest in assets held by Greater Milwaukee Foundation	100,619	86,382
Beneficial interest in assets held by Madison Community Foundation	16,892	15,557
Property and equipment - net	748,292	791,045
Conservation lands	7,278,696	6,654,029
Total assets	\$ 9,850,935	\$ 8,979,136
LIABILITIES		
Accounts payable	\$ 15,745	\$ 20,697
Accrued expenses	52,724	46,635
Other liabilities	-	2,887
Lines of credit	200,252	-
Notes payable	520,047	541,422
Total liabilities	788,768	611,641
NET ASSETS		
Unrestricted		
Designated for endowment	194,261	117,287
Designated for agency endowments	91,814	86,382
Designated for Legal Defense Fund	82,250	82,250
Designated for Lodi Area Fund	56,423	56,423
Designated for chapters	120,379	114,806
Invested in conservation land	1,515,683	1,515,683
Invested in property and equipment, net of liabilities	150,555	171,933
Undesignated	82,508	(19,297)
Total unrestricted	2,293,873	2,125,467
Temporarily restricted	6,624,409	6,115,643
Permanently restricted	143,885	126,385
Total net assets	9,062,167	8,367,495
Total liabilities and net assets	\$ 9,850,935	\$ 8,979,136

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF ACTIVITIES
Years ended December 31, 2017 and 2016

	2017	2016
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Contributions	\$ 689,283	\$ 1,056,458
Grants	496,517	336,920
Merchandise sales	104,274	60,358
Chapters	34,900	42,612
Special events	50,014	33,532
Rent	3,750	8,700
Other	5,835	53,554
Total unrestricted support and revenue	1,384,573	1,592,134
EXPENSES		
Program services		
Trails	414,562	351,880
Outreach	452,017	388,941
Lands	264,591	204,255
Supporting activities		
Management and general	163,770	163,814
Fundraising	151,071	130,487
Total expenses	1,446,011	1,239,377
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	169,250	99,000
NET OPERATING REVENUE	107,812	451,757
OTHER UNRESTRICTED REVENUE		
Investment return	45,024	24,328
Return on agency endowments	15,570	5,699
Change in unrestricted net assets	168,406	481,784
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	672,115	770,998
Investment return	17,036	8,160
Change in value of interests in limited liability companies	6,365	12,500
Net assets released from restrictions		
Satisfaction of purpose restrictions	(169,250)	(99,000)
Satisfaction of time restrictions	(17,500)	(5,000)
Change in temporarily restricted net assets	508,766	687,658
PERMANENTLY RESTRICTED NET ASSETS		
Contributions	-	27,625
Net assets released from restrictions		
Satisfaction of time restrictions	17,500	5,000
Change in permanently restricted net assets	17,500	32,625
Change in net assets	694,672	1,202,067
Net assets - beginning of year	8,367,495	7,165,428
Net assets - end of year	\$ 9,062,167	\$ 8,367,495

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 694,672	\$ 1,202,067
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for long-term purpose	-	(27,625)
Depreciation	50,950	53,895
Change in value of interests in limited liability companies	(6,365)	(12,500)
Realized and unrealized gains on investments	(53,286)	(23,687)
Net investment activity retained in agency endowments	(15,572)	(5,699)
Donated conservation lands	-	(635,999)
(Increase) decrease in assets		
Unconditional promises to give	(142,500)	(37,500)
Accounts receivable	(65,771)	11,049
Prepaid expenses	(6,012)	(3,413)
Inventory	(335)	1,263
Increase (decrease) in liabilities		
Accounts payable	(4,952)	(3,816)
Accrued expenses	6,089	(8,492)
Other liabilities	(2,887)	2,887
Net cash provided by operating activities	454,031	512,430
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest retained in certificates of deposit	(203)	(201)
Purchases of and interest and dividends retained in investments	(67,587)	(32,297)
Sales of investments	41,316	-
Contributions to agency endowments	-	(15,000)
Purchases of property and equipment	(8,197)	(46,325)
Purchases of conservation lands	(624,667)	(300,832)
Net cash used in investing activities	(659,338)	(394,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from contributions restricted for investment in permanent endowment	-	27,625
Proceeds from lines of credit	200,252	-
Payments on notes payable	(21,375)	(97,118)
Net cash provided by (used in) financing activities	178,877	(69,493)
Change in cash	(26,430)	48,282
Cash - beginning of year	308,537	260,255
Cash - end of year	\$ 282,107	\$ 308,537

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
STATEMENTS OF CASH FLOWS (continued)
Years ended December 31, 2017 and 2016

SUPPLEMENTAL DISCLOSURES	2017	2016
Cash paid for interest	\$ 20,986	\$ 22,269
Noncash investing and financing transactions		
Donated conservation lands	-	635,999

See accompanying notes.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

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 support 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, 2017 and 2016

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, 2017 and 2016

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 June 18, 2018, the date which the financial statements were available to be issued.

NOTE 2—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2017 and 2016 were as follows:

	2017	2016
Endowment campaign	\$ -	\$ 17,500
Special projects	-	40,000
General operations support	200,000	-
Unconditional promises to give	\$ 200,000	\$ 57,500

All unconditional promises to give at December 31, 2017 are due in one to five years.

NOTE 3—INVESTMENTS

Investments at December 31, 2017 and 2016 consisted of mutual funds.

Unrestricted investment return for 2017 and 2016 consisted of the following:

	2017	2016
Interest and dividends	\$ 8,771	\$ 8,797
Realized and unrealized gains	36,253	15,531
Unrestricted investment return	\$ 45,024	\$ 24,328

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

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, 2017 and 2016 was \$568,365 and \$562,000. 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, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 77,690	\$ 77,690
Building	691,379	688,339
Equipment	225,488	229,521
Furniture and fixtures	<u>118,134</u>	<u>118,134</u>
Property and equipment	1,112,691	1,113,684
Less accumulated depreciation	<u>364,399</u>	<u>322,639</u>
Property and equipment - net	<u>\$ 748,292</u>	<u>\$ 791,045</u>

Depreciation expense on property and equipment for 2017 and 2016 was \$50,950 and \$53,895.

NOTE 6—CONSERVATION LANDS

Conservation lands at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 1,437,993	\$ 1,437,993
Land with use restrictions	5,840,703	5,216,036
Land improvements	<u>54,171</u>	<u>54,171</u>
	7,332,867	6,708,200
Less accumulated depreciation	<u>54,171</u>	<u>54,171</u>
Conservation lands	<u>\$ 7,278,696</u>	<u>\$ 6,654,029</u>

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, 2017 and 2016

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, 2017 and 2016 were \$336,624 and \$237,752.

Changes in the property monitoring endowment net assets as of December 31, 2017 and 2016 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Endowment Net Assets</u>
December 31, 2015	\$ 103,293	\$ 1,478	\$ 91,260	\$ 196,031
Restricted contributions	-	-	27,625	27,625
Satisfaction of time restrictions	-	-	5,000	5,000
Investment return	936	8,160	-	9,096
December 31, 2016	104,229	9,638	123,885	237,752
Unrestricted contributions	50,000	-	-	50,000
Satisfaction of time restrictions	-	-	17,500	17,500
Investment return	14,336	17,036	-	31,372
December 31, 2017	<u>\$ 168,565</u>	<u>\$ 26,674</u>	<u>\$ 141,385</u>	<u>\$ 336,624</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 permanently restricted contribution of \$2,500, which was its balance at December 31, 2017 and 2016. The investment return for the endowment in 2017 and 2016 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, 2017 and 2016 the Alliance invested all of the endowments' net assets in mutual funds. 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, 2017 and 2016

NOTE 7—ENDOWMENTS (continued)

Endowment net asset composition as of December 31, 2017 and 2016 by type of fund was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
2017				
Donor-restricted endowment funds	\$ -	\$ 26,674	\$ 143,885	\$ 170,559
Board-designated endowment funds	168,565	-	-	168,565
Total endowment funds	<u>\$ 168,565</u>	<u>\$ 26,674</u>	<u>\$ 143,885</u>	<u>\$ 339,124</u>
2016				
Donor-restricted endowment funds	\$ -	\$ 9,638	\$ 126,385	\$ 136,023
Board-designated endowment funds	104,229	-	-	104,229
Total endowment funds	<u>\$ 104,229</u>	<u>\$ 9,638</u>	<u>\$ 126,385</u>	<u>\$ 240,252</u>

NOTE 8—AGENCY ENDOWMENTS

The Alliance has an agency endowment as a component fund of the Greater Milwaukee Foundation. In 2016 the Alliance established an agency endowment as a component fund of the Madison Community Foundation. Both endowments are a part of the Foundations' Acorn programs. Through these programs, donors initiate long-term investment plans that will lead to permanent charitable endowment funds within the Foundations. 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 Foundations' governing instruments and applicable regulations, the Foundations' boards of trustees have 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 Foundations or with the charitable needs of the community served. The Foundations maintain legal ownership of the assets of the agency endowments, which are held and administered subject to the provisions of the Foundations' governing instruments.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 8—AGENCY ENDOWMENTS (continued)

Composition of and changes in agency endowment net assets of the Greater Milwaukee Foundation were as follows:

	<u>2017</u>	<u>2016</u>
Agency endowment funds - beginning of year	\$ 86,382	\$ 81,240
Return on agency endowment	<u>14,237</u>	<u>5,142</u>
Agency endowment funds - end of year	<u>\$ 100,619</u>	<u>\$ 86,382</u>

Composition of and changes in agency endowment net assets of the Madison Community Foundation were as follows:

	<u>Beneficial Interest in Assets Held by Madison Community Foundation</u>	
	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 15,557	\$ -
Contributions	-	15,000
Change in value of the beneficial interest including the change in net assets	<u>1,335</u>	<u>557</u>
Ending balance	<u>\$ 16,892</u>	<u>\$ 15,557</u>

The assets of the agency endowments are invested in the Foundations' Acorn Investment Pools, which include a diverse mix of equity and debt securities. The Foundations have adopted investment policies that attempt 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 endowments as decreases in cash and increases in assets when the funds are transferred to the Foundations.

NOTE 9—LINES OF CREDIT

The Alliance has an unsecured line of credit established for \$250,000 at the Prime Rate of interest that matures on February 1, 2019. At December 31, 2017 the Alliance had an outstanding balance on this line of credit of \$200,252. The Alliance has a second unsecured line of credit established for \$35,000 at the Prime Rate of interest that matures on September 17, 2018. At December 31, 2017, the Alliance had no outstanding balance on this line of credit.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 10—NOTES PAYABLE

Notes payable at December 31, 2017 and 2016 consisted of the following:

	2017	2016
3.95% note secured by land and building. Requires monthly payments of \$3,372 including principal and interest. Matures in May 2023.	\$ 465,047	\$ 486,422
3% note to a member of the Alliance's board of directors, secured by equipment. No principal payments required until maturity. Matures in March 2019.	55,000	55,000
Notes payable	\$ 520,047	\$ 541,422

Future minimum principal payments on notes payable are as follows:

2018	\$ 19,565
2019	76,939
2020	23,049
2021	24,217
2022	25,443
Thereafter	350,834
Notes payable	\$ 520,047

Interest expense for 2017 and 2016 was \$20,986 and \$21,677.

NOTE 11—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 2017 and 2016 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 2017 and 2016 was as follows:

	2017	2016
Donated services		
Publicity and promotion	\$ 25,200	\$ 14,084
Legal	33,411	20,507
Donated conservation lands	-	635,999
In-kind contributions	\$ 58,611	\$ 670,590

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 12—NET ASSETS

Temporarily restricted net assets at December 31, 2017 and 2016 were available for the following purposes or periods:

	<u>2017</u>	<u>2016</u>
Land acquisition	\$ 6,208,816	\$ 5,778,036
Subsequent year's activities	202,000	52,000
Purchase of administrative office	99,729	152,529
Trail construction	30,800	42,500
Trail activities	30,150	44,050
Endowment return unexpended	26,674	9,638
Legal defense fund	20,750	20,750
Land stewardship	5,490	16,140
	<u> </u>	<u> </u>
Temporarily restricted net assets	<u>\$ 6,624,409</u>	<u>\$ 6,115,643</u>

Permanently restricted net assets at December 31, 2017 and 2016 were comprised of the following endowments:

	<u>2017</u>	<u>2016</u>
Property monitoring endowment	\$ 141,385	\$ 123,885
Trails endowment	2,500	2,500
	<u> </u>	<u> </u>
Permanently restricted net assets	<u>\$ 143,885</u>	<u>\$ 126,385</u>

NOTE 13—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 2017 and 2016 totaled \$17,163 and \$13,861.

NOTE 14—FAIR VALUE MEASUREMENTS

Fair values of the beneficial interests in assets held by the Greater Milwaukee Foundation and the Madison Community Foundation represent agreements between the Alliance and the Foundations in which the Alliance transfers assets to the Foundations in exchange for future distributions. The beneficial interests are not actively traded and significant other observable inputs are not available.

ICE AGE TRAIL ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 14—FAIR VALUE MEASUREMENTS (continued)

Thus, the fair values of the beneficial interests are measured at the proportional share of the underlying assets as reported to the Alliance by the Foundations. Little information about those assets is released publicly. The estimated values do 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, 2017 and 2016 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)
2017				
Investments				
Mutual funds	\$ 505,050	\$ 505,050	\$ -	\$ -
Beneficial interest in assets held by Greater Milwaukee Foundation	100,619	-	-	100,619
Beneficial interest in assets held by Madison Community Foundaion	16,892	-	-	16,892
Fair value measurements	<u>\$ 622,561</u>	<u>\$ 505,050</u>	<u>\$ -</u>	<u>\$ 117,511</u>
2016				
Investments				
Mutual funds	\$ 425,493	\$ 425,493	\$ -	\$ -
Beneficial interest in assets held by Greater Milwaukee Foundation	86,382	-	-	86,382
Beneficial interest in assets held by Madison Community Foundaion	15,557	-	-	15,557
Fair value measurements	<u>\$ 511,875</u>	<u>\$ 425,493</u>	<u>\$ -</u>	<u>\$ 101,939</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, 2017 and 2016

NOTE 14—FAIR VALUE MEASUREMENTS (continued)

The following table presents additional information about assets measured at fair value on a recurring basis in 2017 and 2016 using significant unobservable inputs:

	Beneficial Interest in Assets Held by Greater Milwaukee Foundation	
	2017	2016
Beginning balance	\$ 86,382	\$ 81,240
Change in value of the beneficial interest included in the change in net assets	14,237	5,142
Ending balance	\$ 100,619	\$ 86,382
	Beneficial Interest in Assets Held by Madison Community Foundation	
	2017	2016
Beginning balance	\$ 15,557	\$ -
Contributions	-	15,000
Change in value of the beneficial interest including the change in net assets	1,335	557
Ending balance	\$ 16,892	\$ 15,557

The changes in values of the beneficial interests are reported as return on agency endowments on the statements of activities.

ICE AGE TRAIL ALLIANCE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2017

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 555,472	\$ 81,575	\$ 108,309	\$ 745,356
Professional services	91,221	25,618	6,114	122,953
Trail maintenance/mobile skills	91,703	-	-	91,703
Annual meeting	79,768	-	3,926	83,694
Land acquisition	71,075	-	-	71,075
Depreciation	37,970	5,576	7,404	50,950
Printing and newsletter	42,293	1,794	2,382	46,469
Travel	31,939	4,629	6,087	42,655
Merchandise	35,805	-	-	35,805
Insurance	22,361	3,284	4,360	30,005
Interest	245	20,741	-	20,986
Office and supplies	14,114	2,073	2,752	18,939
Postage and shipping	12,202	1,792	2,379	16,373
Dues and subscriptions	11,860	1,742	2,313	15,915
Telephone	10,066	1,478	1,963	13,507
Maintenance and repairs	7,813	1,147	1,523	10,483
Rent and utilities	6,401	940	1,248	8,589
Property taxes	3,000	-	-	3,000
Conferences and training	1,881	235	311	2,427
Donations	1,500	-	-	1,500
Other	2,481	11,146	-	13,627
Total expenses	\$ 1,131,170	\$ 163,770	\$ 151,071	\$ 1,446,011

ICE AGE TRAIL ALLIANCE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year ended December 31, 2016

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 485,773	\$ 84,871	\$ 87,308	\$ 657,952
Professional services	51,952	21,517	2,668	76,137
Trail maintenance/mobile skills	87,513	-	-	87,513
Annual meeting	71,691	-	2,765	74,456
Land acquisition	50,792	-	-	50,792
Depreciation	39,791	6,952	7,152	53,895
Printing and newsletter	28,778	1,201	11,865	41,844
Travel	31,536	5,507	5,662	42,705
Merchandise	19,294	-	-	19,294
Insurance	13,200	2,306	2,372	17,878
Interest	44	21,633	-	21,677
Office and supplies	10,938	1,911	1,966	14,815
Postage and shipping	12,155	2,123	2,184	16,462
Dues and subscriptions	11,342	1,981	2,038	15,361
Telephone	9,111	1,592	1,637	12,340
Maintenance and repairs	4,749	830	854	6,433
Rent and utilities	6,545	1,143	1,176	8,864
Property taxes	1,010	-	-	1,010
Conferences and training	4,779	817	840	6,436
Donations	500	-	-	500
Other	3,583	9,430	-	13,013
Total expenses	\$ 945,076	\$ 163,814	\$ 130,487	\$ 1,239,377