

**ICE AGE TRAIL ALLIANCE, INC.**

**FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION**

December 31, 2016 and 2015

## 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, 2016 and 2015, 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, 2016 and 2015, 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  
July 7, 2017

**ICE AGE TRAIL ALLIANCE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
Cash	\$ 308,537	\$ 260,255
Certificates of deposit	21,464	21,263
Unconditional promises to give	57,500	20,000
Accounts receivable	46,216	57,265
Prepaid expenses	3,413	-
Inventory	7,500	8,763
Investments	425,493	369,509
Membership interests in limited liability companies	562,000	549,500
Beneficial interest in assets held by Greater Milwaukee Foundation	86,382	81,240
Beneficial interest in assets held by Madison Community Foundation	15,557	-
Property and equipment - net	791,045	798,615
Conservation lands	6,654,029	5,717,198
<b>Total assets</b>	<b>\$ 8,979,136</b>	<b>\$ 7,883,608</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 20,697	\$ 24,513
Accrued expenses	46,635	55,127
Other liabilities	2,887	-
Notes payable	541,422	638,540
<b>Total liabilities</b>	<b>611,641</b>	<b>718,180</b>
<b>NET ASSETS</b>		
Unrestricted		
Designated for endowment	111,855	103,293
Designated for agency endowments	91,814	81,240
Designated for Legal Defense Fund	82,250	82,250
Designated for Lodi Area Fund	56,423	56,423
Undesignated	1,783,125	1,320,477
<b>Total unrestricted</b>	<b>2,125,467</b>	<b>1,643,683</b>
Temporarily restricted	6,115,643	5,427,985
Permanently restricted	126,385	93,760
<b>Total net assets</b>	<b>8,367,495</b>	<b>7,165,428</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,979,136</b>	<b>\$ 7,883,608</b>

See accompanying notes.

**ICE AGE TRAIL ALLIANCE, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years ended December 31, 2016 and 2015

	2016	2015
<b>UNRESTRICTED NET ASSETS</b>		
<b>SUPPORT AND REVENUE</b>		
Contributions	\$ 1,056,458	\$ 1,399,342
Grants	336,920	345,122
Merchandise sales	60,358	79,547
Chapters	42,612	36,768
Special events	33,532	31,742
Investment return	24,328	3,761
Rent	8,700	3,750
Return on agency endowments	5,699	(1,475)
Other	53,554	4,829
<b>Total unrestricted support and revenue</b>	<b>1,622,161</b>	<b>1,903,386</b>
<b>EXPENSES</b>		
Program services		
Trails	351,880	173,491
Outreach	388,941	346,705
Lands	204,255	374,359
Supporting activities		
Management and general	163,814	159,880
Fundraising	130,487	127,270
<b>Total expenses</b>	<b>1,239,377</b>	<b>1,181,705</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>		
Satisfaction of purpose restrictions	99,000	113,000
<b>Change in unrestricted net assets</b>	<b>481,784</b>	<b>834,681</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	770,998	473,478
Investment return	8,160	748
Change in value of interests in limited liability companies	12,500	12,000
Net assets released from restrictions		
Satisfaction of purpose restrictions	(99,000)	(113,000)
Satisfaction of time restrictions	(5,000)	(5,000)
<b>Change in temporarily restricted net assets</b>	<b>687,658</b>	<b>368,226</b>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>		
Contributions	27,625	35,000
Net assets released from restrictions		
Satisfaction of time restrictions	5,000	5,000
<b>Change in permanently restricted net assets</b>	<b>32,625</b>	<b>40,000</b>
Change in net assets	1,202,067	1,242,907
Net assets - beginning of year	7,165,428	5,922,521
<b>Net assets - end of year</b>	<b>\$ 8,367,495</b>	<b>\$ 7,165,428</b>

See accompanying notes.

**ICE AGE TRAIL ALLIANCE, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years ended December 31, 2016 and 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,202,067	\$ 1,242,907
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for long-term purpose	(27,625)	(35,000)
Depreciation	53,895	53,722
Accrued interest added to notes payable	-	635
Change in value of interests in limited liability companies	(12,500)	(12,000)
Realized and unrealized (gains) losses on investments	(23,687)	2,044
Net investment activity retained in agency endowments	(5,699)	1,475
Donated conservation lands	(635,999)	(746,520)
(Increase) decrease in assets		
Unconditional promises to give	(37,500)	-
Accounts receivable	11,049	(14,329)
Prepaid expenses	(3,413)	200
Inventory	1,263	1,872
Increase (decrease) in liabilities		
Accounts payable	(3,816)	19,552
Accrued expenses	(8,492)	11,120
Other liabilities	2,887	-
<b>Net cash provided by operating activities</b>	<b>512,430</b>	<b>525,678</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemptions of certificates of deposit	-	5,581
Interest retained in certificates of deposit	(201)	(235)
Purchases of and interest and dividends retained in investments	(32,297)	(59,010)
Contributions to agency endowments	(15,000)	-
Purchases of property and equipment	(46,325)	(6,063)
Purchases of conservation lands	(300,832)	(345,252)
<b>Net cash used in investing activities</b>	<b>(394,655)</b>	<b>(404,979)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contributions restricted for investment in permanent endowment	27,625	40,000
Payments on capital lease payable	-	(2,050)
Payments on notes payable	(97,118)	(107,034)
<b>Net cash used in financing activities</b>	<b>(69,493)</b>	<b>(69,084)</b>
Change in cash	48,282	51,615
Cash - beginning of year	260,255	208,640
<b>Cash - end of year</b>	<b>\$ 308,537</b>	<b>\$ 260,255</b>

See accompanying notes.

**ICE AGE TRAIL ALLIANCE, INC.**  
STATEMENTS OF CASH FLOWS (continued)  
Years ended December 31, 2016 and 2015

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<b>SUPPLEMENTAL DISCLOSURES</b>	2016	2015
Cash paid for interest	\$ 22,269	\$ 23,430
Noncash investing and financing transactions		
Donated conservation lands	635,999	746,520
Conservation lands acquired with notes payable	-	76,000
Accrued interest added to notes payable	-	635

See accompanying notes.



**ICE AGE TRAIL ALLIANCE, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016 and 2015

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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, 2016 and 2015

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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, 2016 and 2015

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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 7, 2017, the date which the financial statements were available to be issued.

NOTE 2—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2016 and 2015 were as follows:

	2016	2015
Endowment campaign	\$ 17,500	\$ 10,000
Special projects	40,000	10,000
Unconditional promises to give	\$ 57,500	\$ 20,000

All unconditional promises to give are receivable in less than one year.

NOTE 3—INVESTMENTS

Investments at December 31, 2016 and 2015 consisted of mutual funds.

Unrestricted investment return for 2016 and 2015 consisted of the following:

	2016	2015
Interest and dividends	\$ 8,797	\$ 5,805
Realized and unrealized gains (losses)	23,687	(2,044)
Unrestricted investment return	\$ 24,328	\$ 3,761

**ICE AGE TRAIL ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

**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, 2016 and 2015 was \$562,000 and \$549,500. 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, 2016 and 2015 consisted of the following:

	2016	2015
Land	\$ 77,690	\$ 77,690
Building	688,339	688,339
Equipment	229,521	213,509
Furniture and fixtures	118,134	90,237
Property and equipment	1,113,684	1,069,775
Less accumulated depreciation	322,639	271,160
Property and equipment - net	\$ 791,045	\$ 798,615

Depreciation expense on property and equipment for 2016 and 2015 was \$53,895 and \$53,722.

**NOTE 6—CONSERVATION LANDS**

Conservation lands at December 31, 2016 and 2015 consisted of the following:

	2016	2015
Land	1,437,993	1,067,875
Land with use restrictions	5,216,036	4,649,323
Land improvements	54,171	54,171
	6,708,200	5,771,369
Less accumulated depreciation	54,171	54,171
Conservation lands	\$ 6,654,029	\$ 5,717,198

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, 2016 and 2015

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, 2016 and 2015 were \$245,377 and \$196,031.

Changes in the property monitoring endowment net assets as of December 31, 2016 and 2015 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Endowment Net Assets</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	872	748	-	1,620
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	<u>\$ 104,229</u>	<u>\$ 9,638</u>	<u>\$ 123,885</u>	<u>\$ 237,752</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, 2016 and 2015. The investment return for the endowment in 2016 and 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, 2016 and 2015 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, 2016 and 2015

NOTE 7—ENDOWMENTS (continued)

Endowment net asset composition as of December 31, 2016 and 2015 by type of fund was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
<b>2016</b>				
Donor-restricted endowment funds	\$ -	\$ 9,638	\$ 123,885	\$ 133,523
Board-designated endowment funds	104,229	-	-	104,229
Total endowment funds	<u>\$ 104,229</u>	<u>\$ 9,638</u>	<u>\$ 123,885</u>	<u>\$ 237,752</u>
<b>2015</b>				
Donor-restricted endowment funds	\$ -	\$ 1,478	\$ 91,260	\$ 92,738
Board-designated endowment funds	103,293	-	-	103,293
Total endowment funds	<u>\$ 103,293</u>	<u>\$ 1,478</u>	<u>\$ 91,260</u>	<u>\$ 196,031</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, 2016 and 2015

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NOTE 8—AGENCY ENDOWMENTS (continued)

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

	<u>2016</u>	<u>2015</u>
Agency endowment funds - beginning of year	\$ 81,240	\$ 82,715
Return on agency endowment	<u>5,142</u>	<u>(1,475)</u>
Agency endowment funds - end of year	<u>\$ 86,382</u>	<u>\$ 81,240</u>

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

	<u>2016</u>	<u>2015</u>
Agency endowment funds - beginning of year	\$ -	\$ -
Contributions	15,000	-
Return on agency endowment	<u>557</u>	<u>-</u>
Agency endowment funds - end of year	<u>\$ 15,557</u>	<u>\$ -</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—LINE OF CREDIT

The Alliance has an unsecured line of credit established for \$250,000 that matures on February 1, 2018. At December 31, 2016 and 2015 the Alliance had no outstanding balance on the line of credit.

**ICE AGE TRAIL ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

NOTE 10—NOTES PAYABLE

Notes payable at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
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.	486,422	506,905
3% note to a member of the Alliance's board of directors, secured by equipment. No payments required until maturity. Matures in March 2019.	<u>55,000</u>	<u>55,000</u>
Notes payable	<u>\$ 541,422</u>	<u>\$ 638,540</u>

Future minimum principal payments on notes payable are as follows:

2017	\$ 21,689
2018	464,733
2019	<u>55,000</u>
Notes payable	<u>\$ 541,422</u>

Interest expense for 2016 and 2015 was \$21,677 and \$23,430.

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 2016 and 2015 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 2016 and 2015 was as follows:

	<u>2016</u>	<u>2015</u>
Donated services		
Publicity and promotion	\$ 14,084	\$ 38,449
Legal	20,507	25,592
Donated conservation lands	<u>635,999</u>	<u>746,520</u>
In-kind contributions	<u>\$ 670,590</u>	<u>\$ 810,561</u>



**ICE AGE TRAIL ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

**NOTE 12—NET ASSETS**

Temporarily restricted net assets at December 31, 2016 and 2015 were available for the following purposes or periods:

	2016	2015
Land acquisition	\$ 5,778,036	\$ 5,122,288
Purchase of administrative office	152,529	205,329
Subsequent year's activities	52,000	20,000
Youth activities	44,050	2,500
Trail projects	42,500	25,000
Legal defense fund	20,750	20,750
Land stewardship	16,140	8,640
Endowment return unexpended	9,638	1,478
Trail maintenance	-	18,800
Education coordinator staff position	-	2,700
Other	-	500
	<u>\$ 6,115,643</u>	<u>\$ 5,427,985</u>

Permanently restricted net assets at December 31, 2016 and 2015 were comprised of the following endowments:

	2016	2015
Property monitoring endowment	\$ 123,885	\$ 91,260
Trails endowment	2,500	2,500
	<u>\$ 126,385</u>	<u>\$ 93,760</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 2016 and 2015 totaled \$13,861 and \$13,130.

**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, 2016 and 2015

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, 2016 and 2015 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)
<b>2016</b>				
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>\$ 527,432</u>	<u>\$ 425,493</u>	<u>\$ -</u>	<u>\$ 101,939</u>
<b>2015</b>				
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>

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, 2016 and 2015

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NOTE 14—FAIR VALUE MEASUREMENTS (continued)

The following table presents additional information about assets measured at fair value on a recurring basis in 2016 and 2015 using significant unobservable inputs:

	Beneficial Interest in Assets Held by Greater Milwaukee Foundation	
	2016	2015
Beginning balance	\$ 81,240	\$ 82,715
Change in value of the beneficial interest included in the change in net assets	5,142	(1,475)
Ending balance	\$ 86,382	\$ 81,240
	Beneficial Interest in Assets Held by Madison Community Foundation	
	2016	2015
Beginning balance	\$ -	\$ -
Contributions	15,000	-
Change in value of the beneficial interest including the change in net assets	557	-
Ending balance	\$ 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, 2016

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

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