

Nebraska Trails Foundation, Inc.

Independent Auditor's Report
and Financial Statements

December 31, 2021 and 2020

NEBRASKA TRAILS FOUNDATION, INC.

DECEMBER 31, 2021 and 2020

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Independent Auditor's Report

The Board of Directors
of Nebraska Trails Foundation, Inc.
Lincoln, Nebraska

Opinion

We have audited the accompanying financial statements of Nebraska Trails Foundation, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities, functional expenses, and cash flows for the years then ended, and related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nebraska Trails Foundation, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Nebraska Trails Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to the audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Nebraska Trails Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Nebraska Trails Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identify during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of changes in funds and net assets 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.

BMG Certified Public Accountants, LLP

A stylized, handwritten signature in black ink that reads "BMG". The letters are bold and slightly slanted, with a cursive-like flow.

Lincoln, Nebraska
May 3, 2022

NEBRASKA TRAILS FOUNDATION, INC
Statements of Financial Position
December 31, 2021 and 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and Cash Equivalents	\$ 702,982	\$ 1,266,524
Due from Great Plains Trails Network	-	-
Investments, Short Term (at Cost):	-	-
Certificates of Deposit (at Cost)	100,000	300,000
Prepaid Expenses	<u>3,284</u>	<u>-</u>
Total Current Assets	<u>806,266</u>	<u>1,566,524</u>
Investment Held for Donor Endowment	93,152	78,210
Rail Ties - Restricted	323,400	-
Land - Restricted	<u>5,809,735</u>	<u>-</u>
Total Assets	<u>\$ 7,032,553</u>	<u>\$ 1,644,734</u>

<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	<u>\$ 4,513</u>	<u>\$ 885,521</u>
Total Liabilities	<u>4,513</u>	<u>885,521</u>
Net Assets:		
Without Donor Restrictions	152,493	159,065
With Donor Restrictions	<u>6,875,547</u>	<u>600,148</u>
Total Net Assets	<u>7,028,040</u>	<u>759,213</u>
Total Liabilities and Net Assets	<u>\$ 7,032,553</u>	<u>\$ 1,644,734</u>

See independent auditor's report and accompanying notes.

NEBRASKA TRAILS FOUNDATION, INC.
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Donations	\$ 6,964	\$ 147,879	\$ 154,843
Donations - Land and Rail Ties	-	6,133,135	6,133,135
Interest Income	1,602	2	1,604
Dividend Income	-	1,546	1,546
Net Realized and Unrealized Gain(Loss) on Investments	-	13,396	13,396
Total Revenue	8,566	6,295,958	6,304,524
Management and General:			
Bank Charges	175	-	175
Credit Card Fees	318	-	318
Insurance	1,370	-	1,370
Other Expense	-	-	-
Postage	-	-	-
Professional Fees	12,145	-	12,145
Program Service Expenses:			
Supplies	-	-	-
Trail Construction & Trail Maintenance	20,559	-	20,559
Website Maintenance	1,130	-	1,130
Total Expenses	35,697	-	35,697
Restrictions Changed by Donors	-	-	-
Net Assets Released from Restrictions	20,559	(20,559)	-
Change in Net Assets	(6,572)	6,275,399	6,268,827
Net Assets, Beginning of Year	159,065	600,148	759,213
Net Assets, End of Year	\$ 152,493	\$ 6,875,547	\$ 7,028,040

See independent auditor's report and accompanying notes.

NEBRASKA TRAILS FOUNDATION, INC.
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Donations	\$ 17,635	\$ 334,842	\$ 352,477
Donations of Land	-	-	-
Interest Income	11,412	2	11,414
Dividend Income	-	1,568	1,568
Net Realized and Unrealized Gain(Loss) on Investments	-	5,987	5,987
Total Revenue	29,047	342,399	371,446
Management and General:			
Bank Charges	-	-	-
Credit Card Fees	835	-	835
Insurance	1,335	-	1,335
Other Expense	12	-	12
Postage	55	-	55
Professional Fees	11,180	-	11,180
Program Service Expenses:			
Supplies	-	-	-
Trail Construction & Trail Maintenance	955,247	-	955,247
Website Maintenance	1,130	-	1,130
Total Expenses	969,794	-	969,794
Restrictions Changed by Donors	-	-	-
Net Assets Released from Restrictions	916,816	(916,816)	-
Change in Net Assets	(23,931)	(574,417)	(598,348)
Net Assets, Beginning of Year	182,996	1,174,565	1,357,561
Net Assets, End of Year	\$ 159,065	\$ 600,148	\$ 759,213

See independent auditor's report and accompanying notes.

NEBRASKA TRAILS FOUNDATION, INC.
Statements of Functional Expenses
For the Years Ended December 31, 2021 and 2020

	2021			
	Program Services	Management and General	Fundraising	Total
Expenses:				
Bank Charges	\$ -	\$ 175	\$ -	\$ 175
Credit Card Fees	-	318	-	318
Insurance	-	1,370	-	1,370
Other Expense	-	-	-	-
Postage	-	-	-	-
Professional Fees	-	12,145	-	12,145
Supplies	-	-	-	-
Trail Construction & Trail Maintenance	20,559	-	-	20,559
Website Maintenance	1,130	-	-	1,130
Total Expenses	\$ 21,689	\$ 14,008	\$ -	\$ 35,697

	2020			
	Program Services	Management and General	Fundraising	Total
Expenses:				
Bank Charges	\$ -	\$ -	\$ -	\$ -
Credit Card Fees	-	835	-	835
Insurance	-	1,335	-	1,335
Other Expense	-	12	-	12
Postage	-	55	-	55
Professional Fees	-	11,180	-	11,180
Supplies	-	-	-	-
Trail Construction & Trail Maintenance	955,247	-	-	955,247
Website Maintenance	1,130	-	-	1,130
Total Expenses	\$ 956,377	\$ 13,417	\$ -	\$ 969,794

See independent auditor's report and accompanying notes.

NEBRASKA TRAILS FOUNDATION, INC.
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 6,268,827	\$ (598,348)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Non-Cash Donations Received	(6,133,135)	-
Unrealized (Gain) Loss on Investment	(7,381)	(1,792)
Realized (Gain) Loss on Investment	(6,015)	(4,195)
Dividend Income Reinvested	(1,546)	(1,568)
Decrease (Increase) in Assets:		
Prepaid Expenses	(3,284)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	<u>(881,008)</u>	<u>885,241</u>
Net Cash from Operating Activities	<u>(763,542)</u>	<u>279,338</u>
Cash Flows from Investing Activities:		
Redemption of Certificates of Deposit	300,000	409,000
Purchase of Certificates of Deposit	<u>(100,000)</u>	<u>(200,000)</u>
Net Cash from Investing Activities	<u>200,000</u>	<u>209,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(563,542)	488,338
Cash and Cash Equivalents at beginning of year	<u>1,266,524</u>	<u>778,186</u>
Cash and Cash Equivalents at end of year	<u><u>\$ 702,982</u></u>	<u><u>\$ 1,266,524</u></u>

See independent auditor's report and accompanying notes.

Nebraska Trails Foundation, Inc.
Notes to the Financial Statements
December 31, 2021 and 2020

NOTE 1: ORGANIZATIONAL STRUCTURE

Nature of Activities: Nebraska Trails Foundation, Inc. (the Organization) is a not-for-profit organization, which operates for charitable purposes including the solicitation of funding for the acquisition, development and promotion of multi-use recreational trails and parks lands adjacent to the trails within the State of Nebraska.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Revenue Recognition: The accompanying financial statements are prepared on the accrual basis of accounting. Under that basis, income is recognized when it becomes available and measurable, and expenses are recognized when the liability is incurred, if measurable.

Income Taxes: No provision has been made for income taxes in the financial statements. The Organization is a not-for-profit organization that is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents: The Organization considers cash in operating bank accounts, certificates of deposits that are redeemed or mature within three months of the end of the year and temporary investments with a maturity of three months or less to be cash and cash equivalents.

Cash and cash equivalents consist of two checking accounts, one money market account, one non-federally insured STFIT account, and two certificates of deposit with maturity dates within three months of the date of the financial statements. At December 31, 2021, the balances of the checking and short-term interest-bearing accounts are \$70,634 and \$431,791, respectively.

Certificates of Deposit: Investments in certificates of deposit are recorded at cost. Subsequent write ups or write downs to fair value to recognize unrealized gains and losses are not recorded. Unrealized gains and losses have not been material to the financial statements. Certificates of deposit with original maturities greater than three months and remaining maturities of less than one year are classified as short-term investments. Certificates of deposit with remaining maturities greater than one year are classified as long-term investments.

Land: Land purchased for future trail development is stated at cost. Any costs that do not materially add value to the property are expensed as incurred. There is currently no land that has been purchased. Land donated to the organization is recorded at market value based on appraisal of the land.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Financial Statement Presentation: The Organization has presented its financial statements in accordance with generally accepted accounting principles for not-for-profit organizations and includes the adoption of ASU No. 2016-14. Under this guidance, the Organization is required to

Nebraska Trails Foundation, Inc.
Notes to the Financial Statements
December 31, 2021 and 2020

report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of functional expenses.

Contributions: Contributions received are recorded as without donor restrictions or with donor restriction, depending on the existence and nature of any donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor or subject to legal restrictions. Contributions are recorded when promised as pledges receivable when a promise is, in substance, unconditional.

The Organization records contributions in the donor restriction class of net assets if they are received with donor stipulations that limit their use through either purpose of time restrictions or both. When donor restrictions expire – that is, when the purpose restriction is fulfilled or the time restriction expires – net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. It is the Organization's policy to record donor-restricted contributions received and expended in the same accounting period as contributions with donor restrictions and as net assets released from restrictions.

Net Assets Without Donor Restrictions: These are net assets that are not subject to donor-imposed stipulations. At December 31, 2021 and 2020 net assets without donor-imposed restrictions totaled \$152,493 and \$159,065.

Also included in this category are board designated assets. The board can resolve to identify net assets without donor restrictions to be used for a particular purpose. Board designated net assets as of December 31, 2021 and 2020 were \$112,718 and \$93,755 and are designated for trail projects. Of these designated net assets, \$12,000 is designated for the Wabash Trail Head Project.

Net Assets With Donor Restrictions: These are funds that have been restricted for the acquisition, development and promotion of specific multi-use recreational trails and adjoining park lands in Nebraska. These funds are not available for operating purposes.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity. See Note 5 for further information.

Cost Allocation: The financial statements report certain categories of expenses that may be attributable to more than one supporting function. Management has concluded that supplies, trail construction and trail maintenance, and website maintenance expenses are attributable to program services while bank charges, credit card fees, insurance, other expense, postage, and professional fees are attributable to management and general.

Concentration of Credit Risk: The Organization maintains its cash at two financial institutions. At December 31, 2021, \$124,928 one financial institution was in excess of the Federal Deposit Insurance Corporation insured amounts of up to \$250,000.

Nebraska Trails Foundation, Inc.
Notes to the Financial Statements
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NOTE 3: CERTIFICATES OF DEPOSIT

The Organization has the following certificates of deposit at December 31, 2021 and 2020. Face values at December 31, 2021 and 2020, maturity dates and interest rates are as follows:

2021			
	<u>Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
<u>Current</u>			
CD Wells Fargo	\$ 100,000	9/22/2022	0.15%
CD #1793	100,412	1/07/2022	0.55%
CD #9738	100,415	3/10/2022	0.55%
Total Current	\$ 300,827		

CD #1793 and CD #9738 are included in cash and cash equivalents as their maturity dates are within three months of the date of the financial statements.

2020			
	<u>Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
<u>Current</u>			
CD #7161-6324	\$ 100,000	3/01/2021	1.80%
CD #7161-6324	100,000	4/28/2021	0.15%
CD #7161-6324	100,000	7/01/2021	0.20%
Total Current	\$ 300,000		

NOTE 4: FAIR VALUE OF INVESTMENTS

Financial Accounting Standards Board Accounting Standard Codification (FASB ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Nebraska Trails Foundation, Inc.
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If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended December 31, 2021 and 2020.

Level 1 Assets: The fair value of mutual funds is based on quoted net asset values of the shares held by the Organization at year-end.

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

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2021 and 2020:

	2021		
<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Vanguard Investment Mutual Fund	<u>\$ 93,152</u>	\$ -	\$ -
Total Investments	<u>\$ 93,152</u>	<u>\$ -</u>	<u>\$ -</u>

	2020		
<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Vanguard Investment Mutual Fund	<u>\$ 78,210</u>	\$ -	\$ -
Total Investments	<u>\$ 78,210</u>	<u>\$ -</u>	<u>\$ -</u>

The investment securities noted above are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Nebraska Trails Foundation, Inc.
Notes to the Financial Statements
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NOTE 5: INVESTMENTS HELD FOR DONOR ENDOWMENT

The donor endowment fund was established in 2009 to support and promote the recreational trail system in Nebraska. Contributions to the endowment fund are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the Organization indefinitely and income from the fund is to be expended for the trail system expenses. The following schedule summarizes changes in endowment fund net assets with donor restrictions for the years ended December 31, 2021 and 2020:

	<u>With Donor</u> <u>Restrictions</u> <u>2021</u>	<u>With Donor</u> <u>Restrictions</u> <u>2020</u>
Endowment net assets, beginning of year	\$ 79,392	\$ 71,835
Interest and dividend income	1,548	1,570
Net realized gains	6,015	4,195
Net unrealized gains	<u>7,381</u>	<u>1,792</u>
Endowment net assets, end of year	<u>\$ 94,336</u>	<u>\$ 79,392</u>

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as generally requiring the preservation of the fair value of the original endowed gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, the Organization generally classifies the original value of the gifts donated to the permanent endowment and the original value of subsequent gifts to the permanent endowment as net assets with donor restrictions. In accordance with UPMIFA, the Organization considers the following factors in making the determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the fund.
2. The purpose of the organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the organization.
7. The investment policies of the organization.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires to be retained as a fund of perpetual duration. As of December 31, 2021 and 2020, no endowment funds were “underwater”.

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to return an investment in the range of 2-4%. The State of Nebraska includes, in its version of UPMIFA, an optional provision that creates a rebuttable presumption of imprudence if an organization spends more than 7% of the average fair value of the fund. No expenses were made from earnings from the endowment fund in 2021 and 2020, therefore, the fund meets this provision.

Nebraska Trails Foundation, Inc.
Notes to the Financial Statements
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NOTE 6: LIQUIDITY

All assets without donor restrictions are available for use for general purposes. The following reflects the financial assets as of the balance sheet date that are available to meet cash needs for general expenditures within one year:

Cash	\$ 702,982
Certificates of deposit	100,000
Less: Accounts payable	(4,513)
Less: Donor restrictions excluding land and rail ties	(742,412)
Add: Donor restrictions included in endowment fund	<u>93,152</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 149,209</u>

General expenditures averaged around \$15,000 for the past three years. The Organization has a policy to structure its financials assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization continuously invests cash in various short-term investments that proved a greater investment return.

NOTE 7: CONTRIBUTED SERVICES

A number of volunteers have donated substantial amounts of their time to perform a variety of tasks that assist the Organization. However, since those donated services neither create or enhance nonfinancial assets nor require specialized skills, the value of the contributed services is not recorded in the accompanying financial statements. Management has not quantified the amount or value of those donated services.

NOTE 8: COMMITMENTS

The Organization has one commitment remaining at December 31, 2021. The commitment with Homestead Conservation Trails Association assists in the maintenance of the Chief Standing Bear Trail. The commitment requires an annual maximum payment of \$7,500 beginning in 2017 with the final payment to be made in 2037, for a total of \$150,000. The 2021 payment was not made until 2022 and has been included in the commitment noted below for 2021. Expected payments for the Chief Standing Bear Trail commitment are as follows:

2022	\$ 15,000
2023	7,500
2024	7,500
2025	7,500
Thereafter	<u>86,250</u>
Total	<u>\$ 123,750</u>

NOTE 9: RELATED PARTIES

Great Plains Trails Network (GPTN) is a non-profit entity that is dedicated to the development, maintenance, and safe use of trails of the Lincoln, Nebraska community. GPTN is not a 501(c)(3), and as part of its fundraising strategy, encourages donors to make tax-deductible donations to the Organization. The two entities have similar missions and work together to accomplish the

Nebraska Trails Foundation, Inc.
Notes to the Financial Statements
December 31, 2021 and 2020

aforementioned trail projects. GPTN also collects donations and remits these donations to the Organization. During the years ended December 31, 2021 and 2020, these donations totaled \$92,506 and \$67,361.

NOTE 10: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 3, 2022 the date which the financial statements were available to be issued.

NOTE 11: LAND AND RAIL TIES

As shown in the financial statements, a donation of land and rail ties was made to the organization on December 30, 2021. The non-cash items were recorded at market value based on the appraisal of the land. The donation is restricted by the donor as the Foundation is required to donate the land to FEVR Rail to Trail Foundation (FEVR) when they obtain an IRC Section 501(c)(3) non-profit status. Upon obtaining this status, the Foundation will record a payable to FEVR for the land and rail ties. If FEVR does not obtain this status within 24 months of the donation, the Foundation can use its own judgment to use, donate, or sell the land.

NOTE 12: PRIOR PERIOD ADJUSTMENT

An adjustment to the allocation of net assets with donor restrictions and net assets without donor restrictions has been made to the 2020 financial statements as it has been determined that \$38,000 in net assets without donor restrictions should have been applied to an expense rather than net assets with donor restrictions. The adjustment results in no change in total net assets. A summary of the adjustment is shown below:

	As Originally Stated	Adjustment	As Restated
Net assets without donor restrictions	\$197,065	\$(38,000)	\$159,065
Net assets with donor restrictions	\$562,148	\$38,000	\$600,148
Net assets released from restrictions	\$954,816	\$(38,000)	916,816

NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2021

	Without Donor	With Donor Restrictions			
	Restrictions	Central City	Chief Standing Bear	Cowboy Trail	FEVR
Support and Revenue					
Donations	\$ 6,964	\$ -	\$ 150	\$ 7,000	\$ 6,138,135
Interest	1,602	-	-	-	-
Dividends	-	-	-	-	-
Net Realized and Unrealized Gain (Loss) on Investment	-	-	-	-	-
Total Revenue	8,566	-	150	7,000	6,138,135
Expenses					
Bank Charges	175	-	-	-	-
Credit Card Charges	318	-	-	-	-
Insurance	1,370	-	-	-	-
Other Expense	-	-	-	-	-
Postage	-	-	-	-	-
Professional Fees	12,145	-	-	-	-
Supplies	-	-	-	-	-
Trail Construction and Trail Maintenance	-	-	7,500	-	-
Website Maintenance	1,130	-	-	-	-
Total Expenses	15,138	-	7,500	-	-
Net Assets Released from Restrictions	-	-	-	-	-
Restrictions Changed by Donors	-	-	-	-	-
Increase (Decrease) in Net Assets	(6,572)	-	(7,350)	7,000	6,138,135
Net Assets at the Beginning of the Year	159,065	1,466	10,868	18,642	-
Net Assets Available at the End of the Year	\$ 152,493	\$ 1,466	\$ 3,518	\$ 25,642	\$ 6,138,135

See independent auditor's report.

NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2021

With Donor Restrictions

	GPTN General	Jamaica North RICB	Jamaica North Phase II	GPTN MoPac Trail	MoPac Trail Lincoln/Omaha	Murdock
Support and Revenue						
Donations	\$ 4,812	\$ 1,000	\$ 122,584	\$ 680	\$ 121	\$ -
Interest	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Net Realized and Unrealized Gain (Loss) on Investment	-	-	-	-	-	-
Total Revenue	4,812	1,000	122,584	680	121	-
Expenses						
Bank Charges	-	-	-	-	-	-
Credit Card Charges	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Trail Construction and Trail Maintenance	-	-	-	630	1,129	-
Website Maintenance	-	-	-	-	-	-
Total Expenses	-	-	-	630	1,129	-
Net Assets Released from Restrictions	-	-	-	-	-	-
Restrictions Changed by Donors	-	-	-	-	-	-
Increase (Decrease) in Net Assets	4,812	1,000	122,584	50	(1,008)	-
Net Assets at the Beginning of the Year	9,042	78,841	158,981	2,960	163,962	31,040
Net Assets Available at the End of the Year	\$ 13,854	\$ 79,841	\$ 281,565	\$ 3,010	\$ 162,954	\$ 31,040

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NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2021

With Donor Restrictions

	Prairie Corridor	Rosa Parks Way Bridge	Steamboat Trace	Trails Amenities	Trails Center
Support and Revenue					
Donations	\$ 6,432	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net Realized and Unrealized Gain (Loss) on Investment	-	-	-	-	-
Total Revenue	6,432	-	-	-	-
Expenses					
Bank Charges	-	-	-	-	-
Credit Card Charges	-	-	-	-	-
Insurance	-	-	-	-	-
Other Expense	-	-	-	-	-
Postage	-	-	-	-	-
Professional Fees	-	-	-	-	-
Supplies	-	-	-	-	-
Trail Construction and Trail Maintenance	-	-	2,200	-	9,100
Website Maintenance	-	-	-	-	-
Total Expenses	-	-	2,200	-	9,100
Net Assets Released from Restrictions	-	-	-	-	-
Restrictions Changed by Donors	-	-	-	-	-
Increase (Decrease) in Net Assets	6,432	-	(2,200)	-	(9,100)
Net Assets at the Beginning of the Year	18,867	5,082	2,417	2,109	9,100
Net Assets Available at the End of the Year	\$ 25,299	\$ 5,082	\$ 217	\$ 2,109	\$ -

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NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2021

	With Donor Restrictions		Total With Donor Restrictions	Total
	Wilderness Bike Bridge II	Endowment Fund		
Support and Revenue				
Donations	\$ 100	\$ -	\$ 6,281,014	\$ 6,287,978
Interest	-	2	2	1,604
Dividends	-	1,546	1,546	1,546
Net Realized and Unrealized Gain (Loss) on Investment	-	13,396	13,396	13,396
Total Revenue	100	14,944	6,295,958	6,304,524
Expenses				
Bank Charges	-	-	-	175
Credit Card Charges	-	-	-	318
Insurance	-	-	-	1,370
Other Expense	-	-	-	-
Postage	-	-	-	-
Professional Fees	-	-	-	12,145
Supplies	-	-	-	-
Trail Construction and Trail Maintenance	-	-	20,559	20,559
Website Maintenance	-	-	-	1,130
Total Expenses	-	-	20,559	35,697
Net Assets Released from Restrictions	-	-	-	-
Restrictions Changed by Donors	-	-	-	-
Increase (Decrease) in Net Assets	100	14,944	6,275,399	6,268,827
Net Assets at the Beginning of the Year	7,379	79,392	600,148	759,213
Net Assets Available at the End of the Year	\$ 7,479	\$ 94,336	\$ 6,875,547	\$ 7,028,040

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NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions			
		Central City	Chief Standing Bear	Cowboy Trail	Eastern NE Trails Network
Support and Revenue					
Donations	\$ 17,635	\$ -	\$ 300	\$ -	\$ -
Interest	11,412	-	-	-	-
Dividends	-	-	-	-	-
Net Realized and Unrealized Gain (Loss) on Investment	-	-	-	-	-
Total Revenue	29,047	-	300	-	-
Expenses					
Bank Charges	-	-	-	-	-
Credit Card Charges	835	-	-	-	-
Insurance	1,335	-	-	-	-
Other Expense	12	-	-	-	-
Postage	55	-	-	-	-
Professional Fees	11,180	-	-	-	-
Supplies	-	-	-	-	-
Trail Construction and Trail Maintenance	38,431	-	7,500	-	44,444
Website Maintenance	1,130	-	-	-	-
Total Expenses	52,978	-	7,500	-	44,444
Net Assets Released from Restrictions	-	-	-	-	-
Restrictions Changed by Donors	-	-	-	-	-
Increase (Decrease) in Net Assets	(23,931)	-	(7,200)	-	(44,444)
Net Assets at the Beginning of the Year	182,996	1,466	18,068	18,642	44,444
Net Assets Available at the End of the Year	\$ 159,065	\$ 1,466	\$ 10,868	\$ 18,642	\$ -

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NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2020

	With Donor Restrictions					
	GPTN General	Jamaica North RICB	Jamaica North Phase II	GPTN MoPac Trail	MoPac Trail Lincoln/Omaha	Murdock
Support and Revenue						
Donations	\$ 4,105	\$ 227,881	\$ 81,466	\$ 70	\$ 15,270	\$ -
Interest	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Net Realized and Unrealized Gain (Loss) on Investment	-	-	-	-	-	-
Total Revenue	4,105	227,881	81,466	70	15,270	-
Expenses						
Bank Charges	-	-	-	-	-	-
Credit Card Charges	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Trail Construction and Trail Maintenance	431	846,941	-	-	-	-
Website Maintenance	-	-	-	-	-	-
Total Expenses	431	846,941	-	-	-	-
Net Assets Released from Restrictions	-	-	-	-	-	-
Restrictions Changed by Donors	-	-	-	-	-	-
Increase (Decrease) in Net Assets	3,674	(619,060)	81,466	70	15,270	-
Net Assets at the Beginning of the Year	5,368	697,901	77,515	2,890	148,692	31,040
Net Assets Available at the End of the Year	\$ 9,042	\$ 78,841	\$ 158,981	\$ 2,960	\$ 163,962	\$ 31,040

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NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2020

	With Donor Restrictions				
	Prairie Corridor	Rosa Parks Way Bridge	Steamboat Trace	Trails Amenities	Trails Center
Support and Revenue					
Donations	\$ 5,550	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net Realized and Unrealized Gain (Loss) on Investment	-	-	-	-	-
Total Revenue	5,550	-	-	-	-
Expenses					
Bank Charges	-	-	-	-	-
Credit Card Charges	-	-	-	-	-
Insurance	-	-	-	-	-
Other Expense	-	-	-	-	-
Postage	-	-	-	-	-
Professional Fees	-	-	-	-	-
Supplies	-	-	-	-	-
Trail Construction and Trail Maintenance	-	-	-	-	-
Website Maintenance	-	-	-	-	-
Total Expenses	-	-	-	-	-
Net Assets Released from Restrictions	-	-	-	-	-
Restrictions Changed by Donors	-	-	-	-	-
Increase (Decrease) in Net Assets	5,550	-	-	-	-
Net Assets at the Beginning of the Year	13,317	5,082	2,417	2,109	9,100
Net Assets Available at the End of the Year	\$ 18,867	\$ 5,082	\$ 2,417	\$ 2,109	\$ 9,100

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NEBRASKA TRAILS FOUNDATION, INC.
Schedule of Changes in Funds and Net Assets
For the Year Ended December 31, 2020

	With Donor Restrictions		Total With Donor Restrictions	Total
	Wilderness Bike Bridge II	Endowment Fund		
Support and Revenue				
Donations	\$ 200	\$ -	\$ 334,842	\$ 352,477
Interest	-	2	2	11,414
Dividends	-	1,568	1,568	1,568
Net Realized and Unrealized Gain (Loss) on Investment	-	5,987	5,987	5,987
Total Revenue	200	7,557	342,399	371,446
Expenses				
Bank Charges	-	-	-	-
Credit Card Charges	-	-	-	835
Insurance	-	-	-	1,335
Other Expense	-	-	-	12
Postage	-	-	-	55
Professional Fees	-	-	-	11,180
Supplies	-	-	-	-
Trail Construction and Trail Maintenance	17,500	-	916,816	955,247
Website Maintenance	-	-	-	1,130
Total Expenses	17,500	-	916,816	969,794
Net Assets Released from Restrictions	-	-	-	-
Restrictions Changed by Donors	-	-	-	-
Increase (Decrease) in Net Assets	(17,300)	7,557	(574,417)	(598,348)
Net Assets at the Beginning of the Year	24,679	71,835	1,174,565	1,357,561
Net Assets Available at the End of the Year	<u>\$ 7,379</u>	<u>\$ 79,392</u>	<u>\$ 600,148</u>	<u>\$ 759,213</u>

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