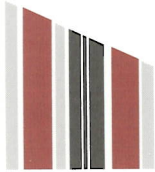


NEBRASKA TRAILS  
FOUNDATION, INC.  
FINANCIAL STATEMENTS  
December 31, 2018

NEBRASKA TRAILS FOUNDATION, INC.

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Independent Accountants' Review Report

Board of Directors  
Nebraska Trails Foundation, Inc.

We have reviewed the accompanying financial statements of Nebraska Trails Foundation, Inc. (not-for-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

*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.

*Accountant's Responsibility*

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

*Accountant's Conclusion*

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Supplementary Information*

The accompanying schedule of functional expenses, and statement of changes in net assets is presented for purposes of additional analysis and is not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and do not express an opinion on such information.

*Floull & Barnhard, P.C.*

Lincoln, Nebraska  
July 15, 2019



NEBRASKA TRAILS FOUNDATION, INC.  
Statement of Financial Position  
December 31, 2018

Assets

Current Assets:	
Cash and cash equivalents	\$ 288,203
Due from Great Plains Trails Network	2,104
Investment held for donor endowment	57,626
Investments, short term (at cost):	
Certificates of deposit	411,340
Total current assets	759,273
Investments in Certificates of Deposit, long term (at cost)	\$ 109,000
Total assets	\$ 868,273

Liabilities and Net Assets

Liabilities	
Accounts payable	\$ 275
Total liabilities	275
Net Assets:	
Without donor restrictions	\$ 172,118
With donor restrictions	695,880
Total net assets	867,998
Total liabilities and net assets	\$ 868,273

See accompanying notes and independent accountants' review report.

NEBRASKA TRAILS FOUNDATION, INC.  
Statement of Activities  
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue:</b>			
Administrative services	\$ 12,053	\$ -	\$ 12,053
Donations	7,019	140,245	147,264
Interest income	13,582	1	13,583
Dividend income	-	5,130	5,130
Net realized and unrealized gain(loss) on investments	326	(7,125)	(6,799)
Net assets released from restriction: Satisfaction of purpose restrictions	429,411	(429,411)	-
<b>Total support and revenue</b>	<b>462,391</b>	<b>(291,160)</b>	<b>171,231</b>
<b>Expenses:</b>			
Bank charges	25	-	25
Credit card fees	266	-	266
Insurance	1,264	-	1,264
Postage	20	-	20
Professional fees	11,510	-	11,510
Supplies	20	-	20
Trail construction & trail maintenance	429,386	-	429,386
Website maintenance	1,130	-	1,130
<b>Total Expenses:</b>	<b>\$ 443,621</b>	<b>\$ -</b>	<b>\$ 443,621</b>
<b>Total expenses</b>	<b>443,621</b>	<b>-</b>	<b>443,621</b>
<b>Increase (decrease) in net assets</b>	<b>18,770</b>	<b>(291,160)</b>	<b>(272,390)</b>
<b>Net assets at beginning of year</b>	<b>153,348</b>	<b>987,040</b>	<b>1,140,388</b>
<b>Net assets at end of year</b>	<b>\$ 172,118</b>	<b>\$ 695,880</b>	<b>\$ 867,998</b>

See accompanying notes and independent accountants' review report.

NEBRASKA TRAILS FOUNDATION, INC.  
Statement of Cash Flows  
For the Year Ended December 31, 2018

Cash Flows from Operating Activities:	
Decrease in net assets	\$ (272,390)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Unrealized loss on investment held for donor endowment	7,125
Realized gain on investment	(326)
Donor endowment investment gains	(5,130)
Decrease in assets:	
Due from Great Plains Trail Network	1,238
Decrease in liabilities:	
Accounts payable	<u>(9,725)</u>
Net Cash used by Operating Activities	<u>(279,208)</u>
Cash Flows from Investing Activities:	
Redemption of certificates of deposit	408,553
Purchase of certificates of deposit	<u>(309,000)</u>
Net Cash provided by Investing Activities	<u>99,553</u>
Net Decrease in Cash and Cash Equivalents	(179,655)
Cash and Cash Equivalents at beginning of year	<u>467,858</u>
Cash and Cash Equivalents at end of year	\$ <u><u>288,203</u></u>

See accompanying notes and independent accountants' review report.

NEBRASKA TRAILS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2018

A. 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 park lands adjacent to the trails within the State of Nebraska.

B. Summary of Significant Accounting Policies

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 2015, 2016 and 2017 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.

Investments - 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. Certificates of deposit with original maturities greater than three months and remaining maturities 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.

NEBRASKA TRAILS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2018

B. Summary of Significant Accounting Policies (continued)

Fair Value Measurements - The Organization uses fair value measurements to record fair value adjustments to the investment held for donor endowment. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets fall within three different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the assets. Investments recorded in the financial statements are categorized based on the inputs to valuation techniques as detailed below.

Fair Value Hierarchy

Level 1 - These are assets where values are based on unadjusted quoted prices for identical assets in an active market that the Organization has the ability to access. All investments currently held by the Organization are considered to be Level 1.

Level 2 - These are assets where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the assets. The Organization currently has no Level 2 assets.

Level 3 - These are assets where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the assets. The Organization currently has no Level 3 assets.

Land - Land that has been 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 was no land held at December 31, 2018.

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.



NEBRASKA TRAILS FOUNDATION, INC.

Notes to Financial Statements

December 31, 2018

B. Summary of Significant Accounting Policies (continued)

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 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 cash flows.

- C. Contributions - Contributions received are recorded as without donor restrictions or with donor restrictions, 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.

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 or 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.

- D. Cash and Cash Equivalents - Cash and cash equivalents consist of two checking accounts, one money market account, one non federally insured STFIT account, and one short-term interest-bearing account. At December 31, 2018, the balances of the checking and short-term interest-bearing accounts are \$63,834 and \$224,369, respectively.
- E. Net Assets Without Donor Restrictions - These are net assets that are not subject to donor imposed stipulations. At December 31, 2018 net assets without donor imposed restrictions totaled \$172,118.
- F. Net Assets with Donor Restrictions - These are funds that have been set aside 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.

NEBRASKA TRAILS FOUNDATION, INC.  
Notes to Financial Statements  
December 31, 2018

F. Net Assets with Donor Restrictions (continued)

At December 31, 2018 net assets with donor-imposed restrictions totaled \$695,880. Of this amount, \$58,803 relates to a donor endowment fund 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 Organization has adopted investment and spending policies for 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%.

G. Liquidity - Nebraska Trails Foundation, Inc. has \$172,396 of financial assets within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of donations, interest income, and administrative income. General expenditures averaged \$11,991 for the past two years. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial 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 provide a greater investment return.

H. Certificates of Deposit - The Organization has five certificates of deposit at December 31, 2018 that did not mature within three months after the end of the year. Face values at December 31, 2018, maturity dates and interest rates are as follows:

	<u>Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
CD #7161-6324	\$100,000	6/14/2019	1.65%
CD #019051334	\$111,340	7/17/2019	1.98%
CD #7161-6324	\$100,000	8/14/2019	2.05%
CD #7161-6324	\$100,000	12/17/2019	2.50%
CD #7161-6324	\$109,000	6/29/2020	2.85%
Total:	<u>\$520,340</u>		



NEBRASKA TRAILS FOUNDATION, INC.  
Notes to Financial Statements  
December 31, 2018

I. Concentration of Credit Risk - The Organization maintains its cash at two financial institutions. At December 31, 2018 all accounts, except for one non federally insured STFIT account with a balance of \$124,369 at December 31, 2018, were insured by the Federal Deposit Insurance Corporation up to \$250,000.

J. Fair Value of Investments - The following table reflects fair value measurements of assets at December 31, 2018, as categorized by level of the fair value hierarchy:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Vanguard investment (Endowment Fund)	\$ <u>57,626</u>	\$ _____ -	\$ _____ -
Total Investments	\$ <u>57,626</u>	\$ _____ -	\$ _____ -

K. Investments Held for Donor Endowment - At December 31, 2018, the endowment fund is composed of the following:

<u>Description</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Investment Return</u>
Equity securities (stocks)	\$ <u>59,620</u>	\$ <u>57,626</u>	\$ <u>(1,994)</u>

The following schedule summarizes investment return for the donor endowment fund with Vanguard and their classification in the statement of activities for the year ended December 31, 2018.

	<u>With Donor Restrictions</u>
Interest & dividend income	\$ 5,131
Net realized & unrealized gains	( <u>7,125</u> )
Total Investment	\$ ( <u>1,994</u> )

NEBRASKA TRAILS FOUNDATION, INC.  
Notes to Financial Statements  
December 31, 2018

- L. Commitments - The Organization has one commitment remaining at December 31, 2018. 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 for the next nineteen years, for a total of \$150,000. Expected payments for the Chief Standing Bear Trail commitment is as follows:

<u>Year Ended</u>	
2019	7,500
2020	7,500
2021	7,500
2022	7,500
Thereafter	112,500
Total	<u>\$ 142,500</u>

The commitment with Great Plain Trails Network was completed by December 31, 2018, and incurred a total of \$406,000 for expenditures relating to the Murdock Trail. The remaining unused funds of \$38,490 is subject to Great Plain Trails Network's discretion.

- M. 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.
- N. Subsequent Events - The Organization has evaluated subsequent events through July 15, 2019 the date which the financial statements were available to be issued. During January 2019, one certificate of deposit was redeemed for \$100,000. The proceeds were reinvested in a certificate of deposit in the same month with a 2.70% interest rate and matures on July 20, 2020. During June 2019, one certificate of deposit was redeemed for \$100,000. The proceeds were reinvested in a certificate of deposit in the same month with a 2.20% interest rate and matures on June 18, 2020.

**SUPPLEMENTARY SCHEDULES**

NEBRASKA TRAILS FOUNDATION, INC.  
Schedule I - Schedule of Functional Expenses  
For the Year Ended December 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total</u>
Bank charges	\$ 25	\$ -	\$ -	\$ 25
Credit card fees	266	-	-	266
Insurance	1,264	-	-	1,264
Postage	20	-	-	20
Professional fees	11,510	-	-	11,510
Supplies	20	-	-	20
Trail construction & trail maintenance	429,386	-	-	429,386
Website maintenance	<u>1,130</u>	<u>-</u>	<u>-</u>	<u>1,130</u>
	<u>\$ 443,621</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,621</u>

See accompanying notes and independent accountants' review report.

Nebraska Trails Foundation, Inc.  
 Schedule II - Schedule of Changes in Funds and Net Assets  
 For the Year Ended December 31, 2018

	With Donor Restrictions					
	Without Donor Restrictions	Central City	Chief Standing Bear	Cowboy Trail	Eastern NE Trails Network	GPN General
<b>Support &amp; Revenue</b>						
Administrative services	\$ 12,053	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	7,019	100	250	-	-	250
Interest	13,582	-	-	-	-	-
Dividends	-	-	-	-	-	-
Other income/transfers	-	-	-	-	-	-
Net realized & unrealized gain(loss) on investment	326	-	-	-	-	-
Net assets released from restriction:						
Satisfaction of purpose restrictions	429,411	-	(8,977)	-	-	-
<b>Total support and revenue</b>	<u>462,391</u>	<u>100</u>	<u>(8,727)</u>	<u>-</u>	<u>-</u>	<u>250</u>
<b>Expenses</b>						
Bank charges	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -
Credit card charges	266	-	-	-	-	-
Insurance	1,264	-	-	-	-	-
Postage	20	-	-	-	-	-
Professional fees	11,510	-	-	-	-	-
Supplies	20	-	-	-	-	-
Trail construction & trail maintenance	429,386	-	-	-	-	-
Website maintenance	1,130	-	-	-	-	-
<b>Total expenses</b>	<u>443,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease) in net assets</b>	18,770	100	(8,727)	-	-	250
<b>Net assets at the beginning of the year</b>	<u>153,348</u>	<u>1,106</u>	<u>26,795</u>	<u>18,642</u>	<u>44,444</u>	<u>5,118</u>
<b>Net assets available at end of year</b>	<u>\$ 172,118</u>	<u>\$ 1,206</u>	<u>\$ 18,068</u>	<u>\$ 18,642</u>	<u>\$ 44,444</u>	<u>\$ 5,368</u>

Nebraska Trails Foundation, Inc.  
Schedule II - Schedule of Changes in Funds and Net Assets  
For the Year Ended December 31, 2018

	With Donor Restrictions (Continued)					
	Jamaica North RICE	Jamaica North Phase II	GPTN MoPac Trail	MoPac Trail Lincoln/Omaha	Murdock	Prairie Corridor
<b>Support &amp; Revenue</b>						
Administrative services	-	-	-	-	-	-
Donations	125,991	-	415	-	7,479	4,760
Interest	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Other income/transfers	-	-	-	-	-	-
Net realized & unrealized gain(loss) on investment	-	-	-	-	-	-
Net assets released from restriction: Satisfaction of purpose restrictions	(10,434)	-	-	-	(406,000)	-
<b>Total support and revenue</b>	<u>115,557</u>	<u>-</u>	<u>415</u>	<u>-</u>	<u>(398,521)</u>	<u>4,760</u>
<b>Expenses</b>						
Bank charges	-	-	-	-	-	-
Credit card charges	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Trail construction & trail maintenance	-	-	-	-	-	-
Website maintenance	-	-	-	-	-	-
<b>Total expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease) in net assets</b>	<u>115,557</u>	<u>-</u>	<u>415</u>	<u>-</u>	<u>(398,521)</u>	<u>4,760</u>
<b>Net assets at the beginning of the year</b>	<u>111,000</u>	<u>77,515</u>	<u>2,475</u>	<u>148,592</u>	<u>437,011</u>	<u>7,557</u>
<b>Net assets available at end of year</b>	<u>\$ 226,557</u>	<u>\$ 77,515</u>	<u>\$ 2,890</u>	<u>\$ 148,592</u>	<u>\$ 38,490</u>	<u>\$ 12,317</u>

Nebraska Trails Foundation, Inc.  
Schedule II - Schedule of Changes in Funds and Net Assets  
For the Year Ended December 31, 2018

	With Donor Restrictions (Continued)					
	Rosa Parks Way Bridge	Steamboat Trace	Trails Amenities	Trails Center	Wilderness Bike Bridge I	Wilderness Bike Bridge II
Support & Revenue						
Administrative services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Donations	-	-	-	-	-	1,000
Interest	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Other income/transfers	-	-	-	-	-	-
Net realized & unrealized gain(loss) on investment	-	-	-	-	-	-
Net assets released from restriction:						
Satisfaction of purpose restrictions	-	-	(4,000)	-	-	-
Total support and revenue	-	-	(4,000)	-	-	1,000
Expenses						
Bank charges	-	\$ -	-	-	-	-
Credit card charges	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Postage	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Trail construction & trail maintenance	-	-	-	-	-	-
Website maintenance	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
Increase (decrease) in net assets	-	-	(4,000)	-	-	1,000
Net assets at the beginning of the year	5,082	2,417	6,109	9,100	176	23,103
Net assets available at end of year	\$ 5,082	\$ 2,417	\$ 2,109	\$ 9,100	\$ 176	\$ 24,103



Nebraska Trails Foundation, Inc.  
Schedule II - Schedule of Changes in Funds and Net Assets  
For the Year Ended December 31, 2018

	With Donor Restrictions (Continued)	Total With Donor Restrictions	Total
	Endowment Fund		
Support & Revenue			
Administrative services	-	-	12,053
Donations	-	140,245	147,264
Interest	1	1	13,583
Dividends	5,130	5,130	5,130
Other income/transfers	-	-	-
Net realized & unrealized gain(loss) on investment	(7,125)	(7,125)	(6,799)
Net assets released from restriction: Satisfaction of purpose restrictions	-	(429,411)	-
Total support and revenue	(1,994)	(291,160)	171,231
Expenses			
Bank charges	-	-	25
Credit card charges	-	-	266
Insurance	-	-	1,264
Postage	-	-	20
Professional fees	-	-	11,510
Supplies	-	-	20
Trail construction & trail maintenance	-	-	429,386
Website maintenance	-	-	1,130
Total expenses	-	-	443,621
Increase (decrease) in net assets	(1,994)	(291,160)	(272,390)
Net assets at the beginning of the year	60,798	987,040	1,140,388
Net assets available at end of year	\$ 58,804	\$ 695,880	\$ 867,998