

**CONSOLIDATED FINANCIAL STATEMENTS**



**INTERNATIONAL CRANE  
FOUNDATION, INC.**

**FOR THE YEARS ENDED  
MARCH 31, 2021 AND 2020**

**INTERNATIONAL CRANE FOUNDATION, INC.**

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
International Crane Foundation, Inc.  
Baraboo, Wisconsin

We have audited the accompanying consolidated financial statements of International Crane Foundation, Inc., referred to as "the Foundation", which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

## Opinion

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

*Gelman Rosenberg & Freedman*

June 25, 2021

**INTERNATIONAL CRANE FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF MARCH 31, 2021 AND 2020**

**ASSETS**

|   | <b>2021</b>          | <b>2020</b>          |
|---|----------------------|----------------------|
| <b>CURRENT ASSETS</b>   |                      |                      |
| Cash and cash equivalents                                       | \$ 5,583,119         | \$ 4,564,814         |
| Unconditional promises to give                                  | 519,000              | 2,292,407            |
| Bequest receivable  | -                    | 7,100,000            |
| Advances and other receivables                                  | 36,373               | 36,370               |
| Inventory   | 85,555               | 58,488               |
| Prepaid expenses  | 139,170              | 96,448               |
| Total current assets  | 6,363,217            | 14,148,527           |
| <b>PROPERTY AND EQUIPMENT</b>                                   |                      |                      |
| Land  | 2,021,758            | 2,021,758            |
| Site improvements   | 2,509,985            | 2,290,848            |
| Buildings   | 14,629,159           | 13,952,160           |
| Equipment   | 608,797              | 596,057              |
| Furniture   | 1,090,356            | 966,404              |
| Vehicles  | 368,625              | 200,599              |
|   | 21,228,680           | 20,027,826           |
| Less: Accumulated depreciation and amortization                 | (7,217,241)          | (6,285,551)          |
| Net property and equipment                                      | 14,011,439           | 13,742,275           |
| <b>NONCURRENT ASSETS</b>  |                      |                      |
| Cash restricted for capital improvements                        | 315,723              | 366,815              |
| Unconditional promises to give, net of current portion          | 436,597              | 813,804              |
| Other receivables   | -                    | 3,447                |
| Investments - Beneficial interest in charitable remainder trust | 1,033,849            | 780,797              |
| Investments - other   | 34,489,556           | 18,228,588           |
| Investments restricted for capital improvements                 | -                    | 1,001,221            |
| Investments restricted to endowments                            | 3,929,386            | 3,928,386            |
| Total noncurrent assets   | 40,205,111           | 25,123,058           |
| <b>TOTAL ASSETS</b>   | <b>\$ 60,579,767</b> | <b>\$ 53,013,860</b> |

## LIABILITIES AND NET ASSETS

|   | 2021                        | 2020                        |
|---|-----------------------------|-----------------------------|
| <b>CURRENT LIABILITIES</b>                  |                             |                             |
| Loan payable to related party               | \$ -                        | \$ 1,965,000                |
| Note payable                                | 37,097                      | -                           |
| Accounts payable and accrued liabilities    | 44,719                      | 313,035                     |
| Accrued salaries and related benefits       | 371,100                     | 320,367                     |
| Construction retainage payable              | -                           | 271,234                     |
| Deferred revenue and refundable advances    | <u>116,663</u>              | <u>60,227</u>               |
| Total current liabilities                   | <u>569,579</u>              | <u>2,929,863</u>            |
| <b>NONCURRENT LIABILITIES</b>               |                             |                             |
| Note payable, net of current portion        | <u>581,183</u>              | <u>-</u>                    |
| Total liabilities                           | <u>1,150,762</u>            | <u>2,929,863</u>            |
| <b>NET ASSETS</b>                           |                             |                             |
| Without donor restrictions:                 |                             |                             |
| Undesignated                                | 117,223                     | 7,248,948                   |
| Invested in property and equipment          | 14,011,439                  | 13,742,275                  |
| Board designated for liquidity fund         | 3,004,272                   | 2,618,881                   |
| Board designated for conservation impact    | 6,122,507                   | -                           |
| Board designated for endowment              | <u>22,196,150</u>           | <u>14,302,674</u>           |
| Total net assets without donor restrictions | <u>45,451,591</u>           | <u>37,912,778</u>           |
| With donor restrictions:                    |                             |                             |
| Perpetual in nature                         | 3,929,386                   | 3,929,480                   |
| Purpose restricted                          | 8,859,503                   | 7,269,522                   |
| Time restricted                             | <u>1,188,525</u>            | <u>972,217</u>              |
| Total net assets with donor restrictions    | <u>13,977,414</u>           | <u>12,171,219</u>           |
| Total net assets                            | <u>59,429,005</u>           | <u>50,083,997</u>           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>     | <b><u>\$ 60,579,767</u></b> | <b><u>\$ 53,013,860</u></b> |

**INTERNATIONAL CRANE FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

|   | <b>2021</b>                               |                                    |                      |
|---|---|------------------------------------|----------------------|
|   | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>         |
| <b>REVENUE</b>  |   |                                    |                      |
| Contributed revenue:                                    |   |                                    |                      |
| Contributions and grants                                | \$ 4,569,752                              | \$ 3,084,686                       | \$ 7,654,438         |
| Memberships   | 500,123                                   | -                                  | 500,123              |
| Donated materials and services                          | -   | -                                  | -                    |
| Total contributed revenue                               | 5,069,875                                 | 3,084,686                          | 8,154,561            |
| Other revenue:  |   |                                    |                      |
| Investment income allocated to operations               | 819,893                                   | 274,645                            | 1,094,538            |
| Sales and tour income, net of cost of sales of \$63,093 | 54,249                                    | 3,256                              | 57,505               |
| Other   | 59,181                                    | 41,449                             | 100,630              |
| Total other revenue                                     | 933,323                                   | 319,350                            | 1,252,673            |
| Total revenue   | 6,003,198                                 | 3,404,036                          | 9,407,234            |
| <b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>      | <b>3,724,208</b>                          | <b>(3,724,208)</b>                 | <b>-</b>             |
| <b>EXPENSES</b>   |   |                                    |                      |
| Program Services:                                       |   |                                    |                      |
| Sub-Saharan Africa                                      | 1,109,154                                 | -                                  | 1,109,154            |
| East Asia   | 872,765                                   | -                                  | 872,765              |
| South and Southeast Asia                                | 210,359                                   | -                                  | 210,359              |
| ICF Center for Conservation Leadership                  | 2,474,959                                 | -                                  | 2,474,959            |
| North America   | 1,242,945                                 | -                                  | 1,242,945            |
| Total program services                                  | 5,910,182                                 | -                                  | 5,910,182            |
| Supporting Services:                                    |   |                                    |                      |
| General and Administrative                              | 1,017,143                                 | -                                  | 1,017,143            |
| Fundraising   | 999,952                                   | -                                  | 999,952              |
| Total supporting services                               | 2,017,095                                 | -                                  | 2,017,095            |
| Total expenses  | 7,927,277                                 | -                                  | 7,927,277            |
| <b>CHANGES IN NET ASSETS FROM OPERATIONS</b>            | <b>1,800,129</b>                          | <b>(320,172)</b>                   | <b>1,479,957</b>     |
| Investment results, net of allocation to operations     | 5,738,684                                 | 2,126,367                          | 7,865,051            |
| Changes in net assets                                   | 7,538,813                                 | 1,806,195                          | 9,345,008            |
| Net assets at beginning of year                         | 37,912,778                                | 12,171,219                         | 50,083,997           |
| <b>NET ASSETS AT END OF YEAR</b>                        | <b>\$ 45,451,591</b>                      | <b>\$ 13,977,414</b>               | <b>\$ 59,429,005</b> |

See accompanying notes to consolidated financial statements.

## INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

|   | <b>2020</b>                               |                                    |                             |
|---|---|------------------------------------|-----------------------------|
|   | <b>Without<br/>Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>                |
| <b>REVENUE</b>  |   |                                    |                             |
| Contributed revenue:                                    |   |                                    |                             |
| Contributions and grants                                | \$ 10,262,126                             | \$ 3,966,163                       | \$ 14,228,289               |
| Memberships   | 442,308                                   | -                                  | 442,308                     |
| Donated materials and services                          | -   | 59,289                             | 59,289                      |
| Total contributed revenue                               | <u>10,704,434</u>                         | <u>4,025,452</u>                   | <u>14,729,886</u>           |
| Other revenue:  |   |                                    |                             |
| Investment income allocated to operations               | 946,056                                   | 247,428                            | 1,193,484                   |
| Sales and tour income, net of cost of sales of \$51,831 | 67,246                                    | 12,920                             | 80,166                      |
| Other   | 94,884                                    | 58,217                             | 153,101                     |
| Total other revenue                                     | <u>1,108,186</u>                          | <u>318,565</u>                     | <u>1,426,751</u>            |
| Total revenue   | <u>11,812,620</u>                         | <u>4,344,017</u>                   | <u>16,156,637</u>           |
| <b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>      | <u>13,364,065</u>                         | <u>(13,364,065)</u>                | <u>-</u>                    |
| <b>EXPENSES</b>   |   |                                    |                             |
| Program Services:                                       |   |                                    |                             |
| Sub-Saharan Africa                                      | 1,128,504                                 | -                                  | 1,128,504                   |
| East Asia   | 1,037,547                                 | -                                  | 1,037,547                   |
| South and Southeast Asia                                | 299,287                                   | -                                  | 299,287                     |
| ICF Center for Conservation Leadership                  | 2,176,090                                 | -                                  | 2,176,090                   |
| North America   | 1,265,799                                 | -                                  | 1,265,799                   |
| Total program services                                  | <u>5,907,227</u>                          | <u>-</u>                           | <u>5,907,227</u>            |
| Supporting Services:                                    |   |                                    |                             |
| General and Administrative                              | 967,103                                   | -                                  | 967,103                     |
| Fundraising   | 964,543                                   | -                                  | 964,543                     |
| Total supporting services                               | <u>1,931,646</u>                          | <u>-</u>                           | <u>1,931,646</u>            |
| Total expenses  | <u>7,838,873</u>                          | <u>-</u>                           | <u>7,838,873</u>            |
| <b>CHANGES IN NET ASSETS FROM OPERATIONS</b>            | <b>17,337,812</b>                         | <b>(9,020,048)</b>                 | <b>8,317,764</b>            |
| Investment results, net of allocation to operations     | <u>(1,929,823)</u>                        | <u>(599,821)</u>                   | <u>(2,529,644)</u>          |
| Changes in net assets                                   | 15,407,989                                | (9,619,869)                        | 5,788,120                   |
| Net assets at beginning of year                         | <u>22,504,789</u>                         | <u>21,791,088</u>                  | <u>44,295,877</u>           |
| <b>NET ASSETS AT END OF YEAR</b>                        | <b><u>\$ 37,912,778</u></b>               | <b><u>\$ 12,171,219</u></b>        | <b><u>\$ 50,083,997</u></b> |



**INTERNATIONAL CRANE FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2021**

|   | Program Services      |                   |                                |  |                     | Supporting Services          |                               |                   |                                 |                     |
|---|-----------------------|-------------------|--------------------------------|--|---------------------|------------------------------|-------------------------------|-------------------|---------------------------------|---------------------|
|   | Sub-Saharan<br>Africa | East Asia         | South and<br>Southeast<br>Asia | ICF Center for<br>Conservation<br>Leadership | North<br>America    | Total<br>Program<br>Services | General and<br>Administrative | Fundraising       | Total<br>Supporting<br>Services | Total<br>Expenses   |
| Assistance and grants to<br>other organizations,<br>governments and individuals | \$ 616,311            | \$ 265,808        | \$ 23,009                      | \$ 7,397                                     | \$ 100,362          | <b>\$ 1,012,887</b>          | \$ -                          | \$ -              | \$ -                            | <b>\$ 1,012,887</b> |
| Salaries, wages and benefits  | 37,554                | 197,844           | 123,962                        | 955,186                                      | 942,075             | <b>2,256,621</b>             | 738,695                       | 723,238           | <b>1,461,933</b>                | <b>3,718,554</b>    |
| Contracted staff  | 230,938               | 245,706           | 18,570                         | 65,272                                       | 71,650              | <b>632,136</b>               | -                             | -                 | -                               | <b>632,136</b>      |
| Professional services   | 85,692                | 54,845            | 31,020                         | 7,224  | 26,611              | <b>205,392</b>               | 97,753                        | 2,710             | <b>100,463</b>                  | <b>305,855</b>      |
| Advertising and promotion   | 9,812                 | 21,826            | 38                             | 60,819                                       | 10,083              | <b>102,578</b>               | 176                           | 70,812            | <b>70,988</b>                   | <b>173,566</b>      |
| Office and maintenance<br>supplies  | 26,413                | 2,915             | 9,562                          | 169,212                                      | 18,022              | <b>226,124</b>               | 31,688                        | 120,018           | <b>151,706</b>                  | <b>377,830</b>      |
| Information technology  | 7,851                 | 3,922             | 1,585                          | 35,151                                       | 12,916              | <b>61,425</b>                | 98,612                        | 22,676            | <b>121,288</b>                  | <b>182,713</b>      |
| Utilities, rent and insurance   | 22,691                | 39,174            | -                              | 141,058                                      | 15,910              | <b>218,833</b>               | 9,313                         | 176               | <b>9,489</b>                    | <b>228,322</b>      |
| Travel and conferences  | 51,793                | 30,994            | 2,343                          | 12,945                                       | 24,362              | <b>122,437</b>               | 2,045                         | 18,328            | <b>20,373</b>                   | <b>142,810</b>      |
| Research and crane care<br>supplies   | 18,966                | 2,835             | 173                            | 50,914                                       | 19,214              | <b>92,102</b>                | -                             | 700               | <b>700</b>                      | <b>92,802</b>       |
| Other   | 1,133                 | 6,896             | 97                             | 56,114                                       | 1,740               | <b>65,980</b>                | 11,670                        | 35,524            | <b>47,194</b>                   | <b>113,174</b>      |
| Depreciation  | -                     | -                 | -                              | 913,667                                      | -                   | <b>913,667</b>               | 27,191                        | 5,770             | <b>32,961</b>                   | <b>946,628</b>      |
| <b>TOTAL</b>  | <b>\$ 1,109,154</b>   | <b>\$ 872,765</b> | <b>\$ 210,359</b>              | <b>\$ 2,474,959</b>                          | <b>\$ 1,242,945</b> | <b>\$ 5,910,182</b>          | <b>\$ 1,017,143</b>           | <b>\$ 999,952</b> | <b>\$ 2,017,095</b>             | <b>\$ 7,927,277</b> |

See accompanying notes to consolidated financial statements.

**INTERNATIONAL CRANE FOUNDATION, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2020**

|   | Program Services      |                     |                                |  |                     | Supporting Services          |                               |                   |                                 |                     |
|---|-----------------------|---------------------|--------------------------------|--|---------------------|------------------------------|-------------------------------|-------------------|---------------------------------|---------------------|
|   | Sub-Saharan<br>Africa | East Asia           | South and<br>Southeast<br>Asia | ICF Center for<br>Conservation<br>Leadership | North<br>America    | Total<br>Program<br>Services | General and<br>Administrative | Fundraising       | Total<br>Supporting<br>Services | Total<br>Expenses   |
| Assistance and grants to other organizations, governments and individuals | \$ 974,372            | \$ 256,776          | \$ 6,000                       | \$ 11,698                                    | \$ 26,000           | <b>\$ 1,274,846</b>          | \$ -                          | \$ -              | \$ -                            | <b>\$ 1,274,846</b> |
| Salaries, wages and benefits  | 48,644                | 273,248             | 132,958                        | 926,789                                      | 913,548             | <b>2,295,187</b>             | 658,725                       | 694,093           | <b>1,352,818</b>                | <b>3,648,005</b>    |
| Contracted staff  | 20,600                | 224,471             | -                              | 65,118                                       | 68,949              | <b>379,138</b>               | -                             | -                 | -                               | <b>379,138</b>      |
| Professional services   | 1,592                 | 50,886              | 144,312                        | 20,767                                       | 49,482              | <b>267,039</b>               | 104,567                       | 51,526            | <b>156,093</b>                  | <b>423,132</b>      |
| Advertising and promotion   | 283                   | 25,960              | -                              | 74,605                                       | 23,773              | <b>124,621</b>               | 3,235                         | 49,092            | <b>52,327</b>                   | <b>176,948</b>      |
| Office and maintenance supplies   | 4,722                 | 9,037               | 2,378                          | 208,555                                      | 17,161              | <b>241,853</b>               | 16,571                        | 70,767            | <b>87,338</b>                   | <b>329,191</b>      |
| Information technology  | 792                   | 855                 | -                              | 12,706                                       | 12,813              | <b>27,166</b>                | 109,519                       | 21,171            | <b>130,690</b>                  | <b>157,856</b>      |
| Utilities, rent and insurance   | 10,374                | 40,839              | -                              | 147,237                                      | 15,134              | <b>213,584</b>               | 8,425                         | 74                | <b>8,499</b>                    | <b>222,083</b>      |
| Travel and conferences  | 61,020                | 133,845             | 13,614                         | 72,637                                       | 87,342              | <b>368,458</b>               | 33,064                        | 62,932            | <b>95,996</b>                   | <b>464,454</b>      |
| Research and crane care supplies  | 3,254                 | 6,105               | -                              | 70,120                                       | 49,994              | <b>129,473</b>               | 311                           | 180               | <b>491</b>                      | <b>129,964</b>      |
| Other   | 2,851                 | 15,525              | 25                             | 72,065                                       | 1,603               | <b>92,069</b>                | 4,598                         | 8,748             | <b>13,346</b>                   | <b>105,415</b>      |
| Depreciation  | -                     | -                   | -                              | 493,793                                      | -                   | <b>493,793</b>               | 28,088                        | 5,960             | <b>34,048</b>                   | <b>527,841</b>      |
| <b>TOTAL</b>  | <b>\$ 1,128,504</b>   | <b>\$ 1,037,547</b> | <b>\$ 299,287</b>              | <b>\$ 2,176,090</b>                          | <b>\$ 1,265,799</b> | <b>\$ 5,907,227</b>          | <b>\$ 967,103</b>             | <b>\$ 964,543</b> | <b>\$ 1,931,646</b>             | <b>\$ 7,838,873</b> |

See accompanying notes to consolidated financial statements.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020**

|   | <b>2021</b>         | <b>2020</b>         |
|---|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                     |
| Changes in net assets   | \$ 9,345,008        | \$ 5,788,120        |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities:                              |                     |                     |
| Depreciation and amortization   | 946,628             | 527,841             |
| Realized and unrealized (gains) losses on investments   | (8,252,991)         | 1,885,970           |
| Contributions restricted for endowment  | (1,000)             | (110,000)           |
| Change in beneficial interest in charitable remainder trust   | (253,052)           | 35,355              |
| Contributions restricted for capital improvements   | (398,755)           | (56,825)            |
| (Gain) loss on sale of property and equipment   | (3,329)             | 32,818              |
| Receipt of donated investments  | (360,477)           | (278,887)           |
| Proceeds from sales of donated investments  | 361,007             | 279,406             |
| Decrease in present value discount  | (25,203)            | (51,409)            |
| Decrease (increase) in:   |                     |                     |
| Unconditional promises to give  | 2,175,817           | 1,598,655           |
| Bequest receivable  | 7,100,000           | (7,100,000)         |
| Advances and other receivables  | 3,444               | 43,844              |
| Inventory   | (27,067)            | (9,016)             |
| Prepaid expenses  | (42,722)            | 52,511              |
| (Decrease) increase in:   |                     |                     |
| Accounts payable and accrued liabilities  | (268,317)           | (162,050)           |
| Accrued salaries and related benefits   | 50,733              | (22,852)            |
| Construction retainage payable  | (271,234)           | 47,280              |
| Deferred revenue and refundable advances  | 56,436              | (80,525)            |
| Net cash provided by operating activities   | 10,134,926          | 2,420,236           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                     |
| Purchase of property and equipment  | (182,964)           | (158,872)           |
| Payments for construction in progress   | (1,032,828)         | (6,026,149)         |
| Proceeds from sale of property and equipment  | 3,329               | 2,900               |
| Purchase of investments   | (10,971,718)        | (3,088,709)         |
| Proceeds from sale of investments   | 3,963,433           | 3,731,483           |
| Net cash used by investing activities   | (8,220,748)         | (5,539,347)         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                     |                     |
| Contributions restricted for endowment  | 1,000               | 110,000             |
| Contributions restricted for capital improvements   | 398,755             | 56,825              |
| Proceeds from note payable  | 618,280             | -                   |
| Proceeds from related party loan payable  | -                   | 4,000,000           |
| Satisfaction of related party loan payable  | (1,965,000)         | (2,035,000)         |
| Net cash (used) provided by financing activities  | (946,965)           | 2,131,825           |
| Net increase (decrease) in cash and cash equivalents  | 967,213             | (987,286)           |
| Cash and cash equivalents at beginning of year  | 4,931,629           | 5,918,915           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR, INCLUDING<br/>RESTRICTED CASH OF \$315,723 IN 2021 AND \$366,815 IN 2020</b> | <b>\$ 5,898,842</b> | <b>\$ 4,931,629</b> |

See accompanying notes to consolidated financial statements.

INTERNATIONAL CRANE FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2021 AND 2020

|  | <u>2021</u>         | <u>2020</u>         |
|--|---------------------|---------------------|
| <b>SUPPLEMENTAL INFORMATION:</b>                               |                     |                     |
| Interest Paid  | \$ <u>22,995</u>    | \$ <u>30,861</u>    |
| <b>SCHEDULE OF NONCASH INVESTING TRANSACTIONS:</b>             |                     |                     |
| Reclassification of Construction in Progress to Capital Assets | \$ <u>1,032,828</u> | \$ <u>9,578,437</u> |

## INTERNATIONAL CRANE FOUNDATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

International Crane Foundation, Inc. (the Foundation) is a non-profit organization, incorporated and located in the State of Wisconsin. The Foundation works worldwide to conserve cranes and the ecosystems, watersheds, and flyways on which they depend. Activities of the Foundation include the promotion and support of research, captive propagation, restocking of preservation areas, public education and habitat preservation. Cranes under the Foundation's care are either owned by or on loan to the Foundation. The Foundation is primarily supported by contributions from individuals, corporations, foundations and governments.

The Foundation maintains local offices in China, Uganda and Zambia. The Uganda and Zambia offices were established during fiscal year 2020 (January 3, 2020 and July 19, 2019, respectively). In China and Uganda, the Foundation is registered as a representative/branch office of the U.S. entity. In Zambia, the Foundation has registered as a Company Limited by Guarantee, under The Companies Act of 2017 (Act No. 10) and The Companies Regulations of 2018 (Section 14). The financial activities of the aforementioned offices (most of which are in China during the reported periods) have been included in the accompanying financial statements.

The Foundation also maintains a domestic branch office in Rockport, Texas.

##### Principles of consolidation -

The accounts of International Crane Foundation, Inc. have been consolidated with the accounts of International Crane Foundation (a company limited by guarantee under the laws of Zambia) in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) which require that controlled and financially interrelated organizations be consolidated. All intercompany transactions and balances have been eliminated in consolidation.

##### Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board of Directors (Board) are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are more restrictive than the Foundation's mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

New accounting pronouncement adopted -

During fiscal year 2021, the Foundation adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way the Foundation recognized revenue; however, the presentation and disclosures of revenue have been enhanced. The Foundation has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Cash and cash equivalents -

The Foundation considers all cash and other highly liquid instruments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Foundation maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

The Foundation maintained \$71,800 and \$60,046 of cash and cash equivalents on hand and with financial institutions in foreign countries at March 31, 2021 and 2020, respectively. The majority of funds invested in foreign bank accounts are uninsured.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in net investment income (loss) in the accompanying Consolidated Statements of Activities and Changes in Net Assets. Investments restricted to endowments are comprised of permanently restricted awards received by the Foundation and invested in mutual funds and private company preferred stock.

Investments acquired by gift, including private company preferred stock, are recorded at their fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after the gift, unless specified otherwise by the donor.

Beneficial interest in charitable remainder trust -

The fair value of the charitable remainder trust consists of the market value of the portion of investments in the trust pledged to the Foundation, discounted using rates and terms found in the appropriate mortality tables. The trust provides for the payment of distributions to beneficiaries for the remainder of their lives. At the end of the trust term, the remaining asset will be available for the Foundation's general use. The trust is classified as a Level 3 investment.

Receivables (Unconditional promises to give, bequests, advances and other) -

Unconditional promises to give and bequests are recorded at the net present value of future cash flows, which approximates fair value. Conditional promises to give are not recorded until the donor's conditions are met. Advances and other receivables approximate fair value.

Based on its review and evaluation of all receivable balances due as of March 31, 2021 and 2020, management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Inventory -

Inventory consists of merchandise held for resale, which is recorded at the lower of cost or net realizable value.

Property and equipment -

Property and equipment acquisitions in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally 3 to 20 years. Land is not amortized, however, buildings and site improvements are amortized over a 20 year period. The cost of maintenance and repairs is recorded as expenses are incurred.

Depreciation and amortization expense for the years ended March 31, 2021 and 2020 totaled \$946,628 and \$527,841, respectively.

Construction in progress -

Property and equipment acquisitions which are not placed into service at the time the assets are purchased are recorded as construction in progress. When such assets are placed into service, they are transferred to property and equipment and are depreciated (or amortized) over their estimated useful lives (depending on the type of asset).

Impairment of long-lived assets -

Management reviews asset carrying values whenever events or circumstances indicate that such carrying values may not be recoverable. The carrying values of assets is reduced by a charge in the Consolidated Statements of Activities and Changes in Net Assets to current fair value when assets are considered by management to be impaired (no impairment was recorded as of March 31, 2021 and 2020).

Income taxes -

International Crane Foundation, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. International Crane Foundation, Inc. is not a private foundation as defined under Section 509(a) of the Internal Revenue Code. International Crane Foundation, Inc. is also exempt from state income taxes.

International Crane Foundation (a company limited by guarantee under the laws of Zambia) is a local organization operating as a not-for-profit, subject to tax under the laws of Zambia.

Uncertain tax positions -

For the years ended March 31, 2021 and 2020, the Foundation has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Deferred revenue -

Deferred revenue consists of payments for group tours and events run by the Foundation and other refundable cash advances. The Foundation recognizes such revenue when the related tours and events occur and when refundable cash advances are earned.

## INTERNATIONAL CRANE FOUNDATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Revenue recognition -

The majority of the Foundation's revenue is received through awards from individuals, foundations, corporations, and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Foundation performs an analysis of each award to determine if the revenue streams follow the contribution rules or if considered an exchange transaction. Revenue is considered a contribution when it is nonreciprocal in terms of benefits received by both parties. Revenue is considered an exchange transaction when it is reciprocal in that both parties receive a benefit.

For awards qualifying under the contribution rules, the treatment of revenue is further subdivided between unconditional and conditional revenue. For unconditional revenue, revenue is recorded when a promise is made, or funds are received which ever happens first. Awards qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements. Conditional revenue is recognized upon the notification of the award and satisfaction of all conditions, if applicable.

Awards qualifying as conditional contributions contain a right of return or right of release from obligation provision and a defined barrier (or barriers), and the entity has limited discretion over how funds transferred should be spent. Accordingly, revenue is recognized when the condition or conditions are satisfied (when the related barrier has been overcome; generally, when qualifying expenditures are incurred); these transactions are nonreciprocal and classified as conditional, and are recognized as contributions when the revenue becomes unconditional. The Foundation considers all awards from governments to be conditional assistance, and accordingly have been recognized in the accompanying consolidated financial statements as revenue (without donor restrictions) at such time when the conditions have been met (when expenditures have occurred). Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Funds received, for these conditional contributions, in advance of the incurrence of qualifying expenditures are recorded as refundable advances; total refundable advances recognized in the accompanying consolidated financial statements as of March 31, 2021 and 2020 aggregated \$902,431 and \$281,072, respectively. As of March 31, 2021 and 2020, the total amount recognized as refundable advances (under conditional awards) aggregated \$76,413 and \$39,227, respectively.

All marketable securities contributed and subsequently sold within 30 days of receipt are recognized as contributions based on the fair value of the securities on the date of contribution using the average price between the highest and lowest quoted selling price on that date. If retained, the contribution is valued by the same method and the securities are subsequently recorded at fair value.

Revenue received from individuals for memberships represents a contribution to the Foundation as there are no substantial benefits received in exchange for the support received. Accordingly, memberships are accounted for in accordance with the "Contributions and grants" policy above.

Revenue classified as exchange transactions follow ASU 2014-09, *Revenue from Contracts With Customers*, and is recorded when the performance obligations are met; the revenue is recognized as "without donor restrictions" and the transaction price is based on the criteria stipulated in the agreements. For Sales and Tour Income (totaling \$54,249 and \$67,246 during the years ended March 31, 2021 and 2020, respectively), recognition of revenue occurs at the



INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
(Continued)

Revenue recognition (continued) -

point in time when the sale is transacted (and invoiced to customers). Funds received in advance of revenue recognition are recorded as deferred revenue; as of March 31, 2021 and 2020, deferred revenue totaled \$40,250 and \$60,227, respectively.

Donated materials and services -

The Foundation recognizes as revenue noncash contributions of goods when a single instance of a contribution is greater than or equal to \$5,000 in value. To the extent feasible, the Foundation shall determine the fair value of noncash contributions that meet or exceed the \$5,000 threshold in accordance with the guidance contained in FASB ASC 820, *Fair Value Measurement*. In all other cases, and at the Foundation's discretion, the Foundation shall use a qualified third party expert to determine the value.

Works of art and collectibles are not recognized on the date of donation; however, if the item(s) are subsequently sold, the net proceeds from the sale are recognized as contribution revenue on the date of sale.

The Foundation recognizes as contribution revenue donated services when a single instance of a contribution is greater than or equal to \$5,000 and they create or enhance a nonfinancial asset (such as property or equipment) or meet all of the following criteria: (1.) The service requires specialized skills; (2.) The service is provided by individuals who possess those skills; and (3.) The service would typically need to be purchased if not contributed.

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional cost allocation -

Costs incurred for specific programs or supporting services are charged directly to those program and supporting service categories. The financial statements also contain costs that are attributable to more than one program or supporting service.

Accordingly, these costs have been allocated among the programs and supporting services benefited. If a shared cost cannot be reasonably allocated to program or support activities, it will be assigned to the General & Administration category. The expenses allocated include salaries, wages, and benefits, contracted staff, utilities, insurance and print production costs based on estimates of time and effort. Depreciation is allocated on a square footage basis.

Supporting Services include the following categories:

- **Fundraising** - includes costs related to developing and soliciting donations, sponsorships, memberships and grants. These costs include, but are not limited to, direct mailings, donor solicitation and on-going relations, marketing, and grant application writing.
- **General and Administration** - these costs are defined as those related to general business management and executive oversight incurred in furtherance of the Foundation's mission related activities. These costs include, but are not limited to, general record keeping, payroll and benefits management, budgeting, general tax and compliance activities, general Information technology/communication costs, and human resources activities.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
(Continued)

Functional cost allocation (continued) -

Program service categories as listed in the accompanying Consolidated Statements of Activities and Changes in Net Assets and the Consolidated Statements of Functional Expenses are described as follows:

**Sub-Saharan Africa** - Sub-Saharan Africa is home to six crane species, including four highly threatened resident species: endangered Grey Crowned Cranes and vulnerable Black Crowned, Wattled, Blue Cranes, and wintering Demoiselle and Eurasian Cranes. The International Crane Foundation is active in many countries across Africa, focused on understanding and resolving threats to cranes. Grey and Black Crowned Cranes are in serious decline due to capture for illegal domestication and trade, and loss of vital breeding wetlands. Wattled Cranes are most threatened by large dams and water diversions and associated wetland degradation. The Foundation's diverse conservation programs focus on restoring large floodplains for cranes, biodiversity, and the ecosystem services they provide; fostering community-based conservation of cranes and wetlands; securing cranes in agricultural landscapes; reducing the impact of illegal trade, powerlines, and energy development on cranes; and long-term monitoring and conservation planning. These efforts in Africa have created global models for sustainable water management, community-based natural resource conservation, and sustainable livelihoods.

**East Asia** - East Asia is home to eight crane species (the most of any region), including five threatened crane species - critically endangered Siberian Cranes, endangered Red Crowned Cranes, and vulnerable Hooded, White-naped and Black-necked Cranes. Intense land and water development pressures due to rapid economic growth threaten wetlands of vital importance to crane survival in this region. This conservation program builds on the strong cultural ties to cranes in East Asia to engage people and policy makers in conservation of protected areas and their surrounding landscapes. The program also addresses the global impact China's development and resource use will have on crane areas around the world. Conservation programs in East Asia include securing cranes and their key wetlands in the Amur/Heilong River Basin; sustaining viable wintering grounds for cranes in southeastern China; conserving Black-necked Cranes and their key wetlands in Western China; national outreach in China; crane conservation in the Korean DMZ; and crane flyway conservation across East Asia.

**South and Southeast Asia** - South and Southeast Asia are home to the threatened Sarus Crane and support wintering populations of Black-necked, Demoiselle, and Eurasian Cranes. Strong cultural and spiritual ties to Sarus Cranes in the Hindu and Buddhist religions of this region provide unique opportunities to engage people in the conservation of these intensely settled landscapes using the revered Sarus Crane as a flagship species. The Foundation leads two key conservation programs in the region. For more than thirty years, the Foundation has engaged in conservation of the Mekong Delta region of Vietnam and Cambodia, including establishing Tram Chim National Park (the largest wetland protected area in Vietnam), training a network of wetland scientists and managers that spans the region, and creating a global model for community-based wetland conservation at Phu My, Vietnam. In the Ayeyarwady Delta of Myanmar, our goal is to ensure long-term survival of Sarus Cranes and other biodiversity by demonstrating that natural floating rice can support sustainable livelihoods, rich biodiversity, and a healthier environment for cranes and people as an alternative to intensive, ecologically-damaging rice production. We provide farmer training to improve floating rice production, help them generate new income streams by creating a brand of wildlife-friendly "Sarus Rice," and monitor biodiversity and livelihood benefits.

**North America** - North America is home to two crane species, including the world's rarest cranes - endangered Whooping Cranes and the most abundant cranes - Sandhill Cranes.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
(Continued)

Functional cost allocation (continued) -

**North America (continued)** - Whooping Cranes face critical threats on their wintering grounds in and around Aransas National Wildlife Refuge in Texas, and along their long migratory flyway to their breeding grounds in Wood Buffalo, Canada. Foundation programs focus on conserving the Aransas-Wood Buffalo Whooping Crane flock; establishing a separate flock of Whooping Cranes through reintroductions in the Eastern United States; captive crane population management and research; and education and outreach to reduce threats to Whooping Cranes throughout their natural and reintroduced range. The Foundation's North America program also includes long-term Sandhill Crane research aimed at developing cross-cutting strategies for crane management on agricultural landscapes.

**ICF Center for Conservation Leadership** - ICF's headquarters includes a global center for conservation leadership, providing training and programs in: conservation science and management; wetland and grassland restoration and ecology; captive crane management and care; environmental education; and conservation communications. ICF's international and regional programs integrate leadership training and mentoring into each project, focusing on developing leaders in the communities that share waters and landscapes with cranes. ICF's Center for Conservation Leadership identifies, trains, mentors and supports conservation leadership among a broad spectrum of people, from promising young scientists and conservationists to the land owners and decision makers who influence crane survival in key places, empowering colleagues with knowledge, skills, and experience to lead effective conservation programs in communities around the world.

Crane ownership -

Cranes that are owned by the Foundation are not valued or recorded as an asset in the accompanying consolidated financial statements.

Investment risks and uncertainties -

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least 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 accompanying consolidated financial statements.

Economic uncertainties -

On March 11, 2020, the World Health Organization (WHO) declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Foundation's operations. The overall potential impact is unknown at this time.

Fair value measurement -

The Foundation has adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)

New accounting pronouncement (not yet adopted by the Foundation) -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosing key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities for fiscal years beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

The Foundation plans to adopt the new ASU at the required implementation dates and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying consolidated financial statements.

2. INVESTMENTS

Investments are stated at fair value and consisted of the following at March 31, 2021 and 2020:

|   | <u>2021</u>                 | <u>2020</u>                 |
|---|-----------------------------|-----------------------------|
| Money market funds                                | \$ 6,046,238                | \$ 2,015,177                |
| Mutual funds                                      | 32,172,704                  | 20,943,018                  |
| Private company preferred stock                   | 200,000                     | 200,000                     |
| Beneficial interest in charitable remainder trust | <u>1,033,849</u>            | <u>780,797</u>              |
| <b>TOTAL INVESTMENTS</b>                          | <b><u>\$ 39,452,791</u></b> | <b><u>\$ 23,938,992</u></b> |

Net investment income (loss) consists of the following during the years ended March 31, 2021 and 2020:

|   | <u>2021</u>                | <u>2020</u>                  |
|---|----------------------------|------------------------------|
| Interest and dividends                                | \$ 454,076                 | \$ 585,165                   |
| Realized and unrealized gains (losses) on investments | <u>8,505,513</u>           | <u>(1,921,325)</u>           |
| <b>NET INVESTMENT INCOME (LOSS)</b>                   | <b><u>\$ 8,959,589</u></b> | <b><u>\$ (1,336,160)</u></b> |

3. UNCONDITIONAL PROMISES TO GIVE

As of March 31, 2021 and 2020, the Foundation has received commitments for support of which \$962,650 and \$3,138,358, respectively, had not been collected.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**3. UNCONDITIONAL PROMISES TO GIVE (Continued)**

As of March 31, 2021 and 2020, promises to give due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of 0.44% and 2.20%, respectively. The rate used, the 2-Year High Quality Market (HQM) Corporate Bond Spot Rate (HQMCB2YR), reflects the expected timing of future collections and a credit profile similar to high grade corporate obligations.

Following is a summary of amounts due from donors as of March 31, 2021 and 2020:

|  | <u>2021</u>              | <u>2020</u>                |
|--|--------------------------|----------------------------|
| Within one year                                      | \$ 519,000               | \$ 2,292,407               |
| Two to five years                                    | 443,650                  | 805,951                    |
| Beyond five years                                    | <u>-</u>                 | <u>40,000</u>              |
| Total  | 962,650                  | 3,138,358                  |
| Less: Allowance to discount balance to present value | <u>(7,053)</u>           | <u>(32,147)</u>            |
| <b>NET UNCONDITIONAL PROMISES TO GIVE</b>            | <b><u>\$ 955,597</u></b> | <b><u>\$ 3,106,211</u></b> |

**4. NOTE PAYABLE**

On April 14, 2020, the Foundation received loan proceeds in the amount of \$618,280 under the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the two-year term of the promissory note. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note qualified for forgiveness by the Small Business Administration in whole or in part. During the fiscal year ended March 31, 2021, the Foundation used the proceeds for purposes consistent with the Paycheck Protection Program, and has met the conditions (and applied) for forgiveness of the loan.

On December 22, 2020, the full value of the loan was forgiven, and accordingly, the extinguishment of debt has been recognized as contribution income in the accompanying Consolidated Statement of Activities and Change in Net Assets.

On February 23, 2021, the Foundation received additional loan proceeds in the amount of \$618,280 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the five-year term of the promissory note with a deferral of payments for the first ten months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may also be forgiven by the Small Business Administration in whole or in part. As of the date of this report, the Foundation Board intends to review whether revenues were impacted by COVID and then make a determination prior to March 31, 2022 as to whether to return a portion or all of the proceeds.

**5. BEQUEST**

As of March 31, 2020, the Foundation was the irrevocable beneficiary of a donor's estate. The bequest did not include any restrictions as to its use. Based upon information supplied by the estate's executor, including investment statements, asset listings, court filings, and estimated disbursement dates, the current value of the Foundation's interest in the estate as of March 31, 2020 was estimated to be \$7,100,000. During the year ended March 31, 2021, \$7,162,511 was collected by the Foundation; the additional \$62,511 received by the estate was recorded as revenue during the year ended March 31, 2021.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at March 31, 2021 and 2020:

|  | <u>2021</u>                 | <u>2020</u>                 |
|--|-----------------------------|-----------------------------|
| Sub-Saharan Africa   | \$ 1,520,920                | \$ 1,430,997                |
| East Asia  | 1,392,916                   | 1,406,692                   |
| South and Southeast Asia   | 144,907                     | 116,772                     |
| North America  | 1,274,990                   | 1,113,680                   |
| ICF Center for Conservation Leadership (includes<br>Construction in Progress)    | 1,350,891                   | 1,894,347                   |
| Administration   | 8,252                       | -                           |
| Accumulated investment earnings from endowments<br>perpetual in nature (Note 10) | 3,166,627                   | 1,307,034                   |
| Miscellaneous (various time restricted and other)                                | 35,724                      | -                           |
| Endowments perpetual in nature (Note 10)   | 3,929,386                   | 3,929,480                   |
| Beneficial interest in charitable remainder trust (time<br>restricted)           | 1,033,849                   | 780,797                     |
| Unconditional promises to give (time restricted)                                 | <u>118,952</u>              | <u>191,420</u>              |
| <b>TOTAL</b>   | <b><u>\$ 13,977,414</u></b> | <b><u>\$ 12,171,219</u></b> |

Assets are normally released from donor restrictions by incurring expenses which satisfy the restrictions (or through the passage of time). On occasion, unconditional promises are made to the Foundation and at the time of fulfilling those obligations, the donors may restrict or amend the purposes of the contributions. Accordingly, the amounts reported as having donor restrictions are subject to change between reporting periods. The following net assets were released from donor restrictions during the years ended March 31, 2021 and 2020:

|  | <u>2021</u>                | <u>2020</u>                 |
|--|----------------------------|-----------------------------|
| Sub-Saharan Africa                     | \$ 895,345                 | \$ 1,096,253                |
| East Asia                              | 659,796                    | 826,921                     |
| South and Southeast Asia               | 124,513                    | 207,559                     |
| North America                          | 821,115                    | 1,105,293                   |
| ICF Center for Conservation Leadership | 1,165,916                  | 10,058,696                  |
| Administration                         | 599                        | 29,343                      |
| Satisfaction of time restrictions      | <u>56,924</u>              | <u>40,000</u>               |
| <b>TOTAL</b>                           | <b><u>\$ 3,724,208</u></b> | <b><u>\$ 13,364,065</u></b> |

**7. LEASE COMMITMENTS**

The Foundation has entered into agreements to lease certain equipment. Additionally, the Foundation leases space in Rockport, Texas, USA, Kampala, Uganda and Beijing, China under short-term rental agreements. Following is a schedule of the future minimum lease payments under all equipment and office space leases:

**Year Ending March 31,**

|      |                         |
|------|-------------------------|
| 2022 | \$ 50,300               |
| 2023 | 10,000                  |
| 2024 | 8,800                   |
| 2025 | 8,200                   |
| 2026 | <u>1,800</u>            |
|      | <b><u>\$ 79,100</u></b> |

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020

7. LEASE COMMITMENTS (Continued)

Lease expense for the years ended March 31, 2021 and 2020 totaled \$71,379 and \$66,900, respectively, and is included in "Utilities, Rent and Insurance" in the accompanying Consolidated Statements of Functional Expenses.

8. RETIREMENT PLAN

The Foundation maintains a self-administered 401(k) plan. Employees must be 18 years of age and are immediately eligible for participation at time of hire. Employer contributions begin after one full year of service to the Foundation. The Foundation contributed 3% of qualified compensation for eligible employees during the years ended March 31, 2021 and 2020, totaling \$81,591 and \$80,538, respectively.

9. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, the Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Consolidated Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Foundation has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at March 31, 2021 and 2020.

- *Money market funds* - Valued at the daily closing price as reported by the fund. The money market fund is an open-end mutual fund that is registered with the Securities and Exchange Commission (SEC). This fund is required to publish its daily net asset value (NAV) and to transact at that price. The money market fund is deemed to be actively traded.
- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.
- *Interests in private companies* - Private company preferred stock does not have a readily determinable fair value. The shares have a call price equal to the par value of \$100 per share plus any unpaid dividends. The Foundation received quarterly dividends of \$3,250 during the years ended March 31, 2021 and 2020.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**9. FAIR VALUE MEASUREMENT (Continued)**

- *Beneficial interest in charitable remainder trust* - The fair value of the charitable remainder trust consists of the market value of the portion of investments in the trust pledged to the Foundation, discounted using rates and terms found in the appropriate mortality tables. The trust provides for the payment of distributions to beneficiaries for the remainder of their lives. At the end of the trust term, the remaining asset will be available for the Foundation's general use.

The table below summarizes, by level within the fair value hierarchy, the Foundation's investments as of March 31, 2021:

|   | <u>Level 1</u>              | <u>Level 2</u>     | <u>Level 3</u>             | <u>Total</u>                |
|---|-----------------------------|--------------------|----------------------------|-----------------------------|
| <b>Asset Class:</b>                               |                             |                    |                            |                             |
| Money market funds                                | \$ 6,046,238                | \$ -               | \$ -                       | \$ 6,046,238                |
| Mutual funds                                      | 32,172,704                  | -                  | -                          | 32,172,704                  |
| Private company preferred stock                   | -                           | -                  | 200,000                    | 200,000                     |
| Beneficial interest in charitable remainder trust | -                           | -                  | 1,033,849                  | 1,033,849                   |
| <b>TOTAL</b>                                      | <b><u>\$ 38,218,942</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 1,233,849</u></b> | <b><u>\$ 39,452,791</u></b> |

The table below summarizes, by level within the fair value hierarchy, the Foundation's investments as of March 31, 2020:

|   | <u>Level 1</u>              | <u>Level 2</u>     | <u>Level 3</u>           | <u>Total</u>                |
|---|-----------------------------|--------------------|--------------------------|-----------------------------|
| <b>Asset Class:</b>                               |                             |                    |                          |                             |
| Money market funds                                | \$ 2,015,177                | \$ -               | \$ -                     | \$ 2,015,177                |
| Mutual funds                                      | 20,943,018                  | -                  | -                        | 20,943,018                  |
| Private company preferred stock                   | -                           | -                  | 200,000                  | 200,000                     |
| Beneficial interest in charitable remainder trust | -                           | -                  | 780,797                  | 780,797                     |
| <b>TOTAL</b>                                      | <b><u>\$ 22,958,195</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 980,797</u></b> | <b><u>\$ 23,938,992</u></b> |

**Level 3 Financial Assets**

The following table provides a summary of changes in fair value of the Foundation's Level 3 financial assets for the years ended March 31, 2021 and 2020:

|                                     | <u>Private<br/>Company<br/>Preferred<br/>Stock</u> | <u>Beneficial<br/>Interest in<br/>Charitable<br/>Remainder<br/>Trust</u> |
|-------------------------------------|--|--|
| Balance as of March 31, 2019        | \$ 200,000   | \$ 816,152   |
| Unrealized loss                     | -  | (35,355)   |
| Balance as of March 31, 2020        | 200,000  | 780,797  |
| Unrealized gain                     | -  | 253,052  |
| <b>BALANCE AS OF MARCH 31, 2021</b> | <b><u>\$ 200,000</u></b>                           | <b><u>\$ 1,033,849</u></b>   |



## INTERNATIONAL CRANE FOUNDATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2021 AND 2020

#### 10. ENDOWMENTS

The Foundation's Endowment consists of donor-restricted endowment funds, funds designated by the Board to function as a long-term endowment (referred to as the Quasi-Endowment, or "QE"), a Board designated liquidity fund (referred to as "BLF") and the Board designated Conservation Impact Fund (referred to as the "CIF").

The CIF was established during the year ended March 31, 2021 through contributions totaling \$6,043,711, made from the QE into a separate investment sub-account. The purpose of the CIF is to support investment in mission related initiatives and programs at the discretion of the President and with the approval of the Board. The CIF has its own investment allocation policy. The CIF replaced the BLF as the primary source of Board-approved spending for supplemental draws or investments in new initiatives. During the year ended March 31, 2021, CIF additions and investment income totaled \$6,203,752, less a \$81,245 withdrawal (a net \$6,122,507 increase). Therefore, the aggregate amount invested in the CIF as of March 31, 2021 totaled \$6,122,507.

The BLF was originally established through a \$1,250,000 transfer from the QE into a separate investment sub-account. The purpose of the BLF was to set aside a portion of the Board-designated funds to a pool of investments that would be a readily available and stable source of funding for any operating deficits that may occur and any Board-approved spending for supplemental draws or investments in new initiatives. Since the creation of the CIF, the BLF's current prime goal is to be a readily available and stable source of funding for any operating deficits. During the year ended March 31, 2021, BLF additions and investment income totaled \$385,391. During the year ended March 31, 2020, BLF additions and investment income totaled \$175,067, less a \$240,000 withdrawal (a net \$64,933 decrease). Therefore, the aggregate amount invested in the BLF as of March 31, 2021 and 2020 totaled \$3,004,272 and \$2,618,881, respectively.

As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as long-term endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (WUPMIFA) as requiring the preservation of the fair value (as determined by FASC ASC 820) of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as "net assets with donor restrictions: endowments perpetual in nature" (a) the original value of gifts donated to the "endowment", (b) the original value of subsequent gifts to the "endowment", and (c) accumulations to the "endowment" made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in "net assets with donor restrictions: endowments perpetual in nature" is classified as "net assets with donor restrictions" until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by WUPMIFA.

In accordance with WUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the Foundation and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation, and
- Investment policies of the Foundation.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020

10. ENDOWMENTS (Continued)

Endowment net asset composition by type as of March 31, 2021:

|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions:<br/>Perpetual in<br/>Nature</u> | <u>Total</u>                |
|--|---|------------------------------------|---|-----------------------------|
| Donor-Restricted endowment investments           | \$ -                                      | \$ 3,166,627                       | \$ 3,929,386  | \$ 7,096,013                |
| Board-Designated endowment investments           | 22,196,150                                | -                                  | -   | 22,196,150                  |
| Board-designated liquidity fund investments      | 3,004,272                                 | -                                  | -   | 3,004,272                   |
| Board-designated conservation impact investments | <u>6,122,507</u>                          | <u>-</u>                           | <u>-</u>  | <u>6,122,507</u>            |
| <b>ENDOWMENT NET ASSETS</b>                      | <b><u>\$ 31,322,929</u></b>               | <b><u>\$ 3,166,627</u></b>         | <b><u>\$ 3,929,386</u></b>                                      | <b><u>\$ 38,418,942</u></b> |

Changes in Endowment net assets for the year ended March 31, 2021:

|   | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions:<br/>Perpetual in<br/>Nature</u> | <u>Total</u>                |
|---|---|------------------------------------|---|-----------------------------|
| Endowment net assets, March 31, 2020              | \$ 16,921,555                             | \$ 1,307,034                       | \$ 3,929,480  | \$ 22,158,069               |
| Investment gain                                   | 6,558,577                                 | 2,134,238                          | -   | 8,692,815                   |
| Contributions                                     | 2,618,979                                 | -                                  | 1,000   | 2,619,979                   |
| Appropriation of endowment assets for expenditure | (819,893)                                 | (274,645)                          | -   | (1,094,538)                 |
| Transfers to increase Board-designated CIF        | 6,043,711                                 | -                                  | -   | 6,043,711                   |
| Uncollectible promise to give                     | <u>-</u>                                  | <u>-</u>                           | <u>(1,094)</u>  | <u>(1,094)</u>              |
| <b>ENDOWMENT NET ASSETS,<br/>MARCH 31, 2021</b>   | <b><u>\$ 31,322,929</u></b>               | <b><u>\$ 3,166,627</u></b>         | <b><u>\$ 3,929,386</u></b>                                      | <b><u>\$ 38,418,942</u></b> |

Endowment net asset composition by type as of March 31, 2020:

|   | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions:<br/>Perpetual in<br/>Nature</u> | <u>Total</u>                |
|---|---|------------------------------------|---|-----------------------------|
| Unconditional promises to give              | \$ -                                      | \$ -                               | \$ 1,094  | \$ 1,094                    |
| Donor-Restricted endowment investments      | -   | 1,307,034                          | 3,928,386   | 5,235,420                   |
| Board-Designated endowment investments      | 14,302,674                                | -                                  | -   | 14,302,674                  |
| Board-Designated liquidity fund investments | <u>2,618,881</u>                          | <u>-</u>                           | <u>-</u>  | <u>2,618,881</u>            |
| <b>ENDOWMENT NET ASSETS</b>                 | <b><u>\$ 16,921,555</u></b>               | <b><u>\$ 1,307,034</u></b>         | <b><u>\$ 3,929,480</u></b>                                      | <b><u>\$ 22,158,069</u></b> |

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**10. ENDOWMENTS (Continued)**

Changes in Endowment net assets for the year ended March 31, 2020:

|  | <u>Without<br/>Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions:<br/>Perpetual in<br/>Nature</u> | <u>Total</u>                |
|--|---|------------------------------------|---|-----------------------------|
| Endowment net assets, March 31,<br>2019              | \$ 17,731,082                             | \$ 1,916,017                       | \$ 3,819,480  | \$ 23,466,579               |
| Investment loss                                      | (983,766)                                 | (361,555)                          | -   | (1,345,321)                 |
| Contributions  | 1,120,295                                 | -                                  | 110,000   | 1,230,295                   |
| Appropriation of endowment<br>assets for expenditure | <u>(946,056)</u>                          | <u>(247,428)</u>                   | <u>-</u>  | <u>(1,193,484)</u>          |
| <b>ENDOWMENT NET ASSETS,<br/>MARCH 31, 2020</b>      | <b><u>\$ 16,921,555</u></b>               | <b><u>\$ 1,307,034</u></b>         | <b><u>\$ 3,929,480</u></b>                                      | <b><u>\$ 22,158,069</u></b> |

Funds with Deficiencies -

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 WUPMIFA requires the Foundation to retain as fund of perpetual duration. No material deficiencies were noted as of March 31, 2021 and 2020.

Return Objectives and Risk Parameters -

The Foundation has adopted investment and spending policies for long-term endowment assets that attempt to provide a predictable stream of funding to programs supported by them, while also seeking to maintain the purchasing power of the endowment assets. Long-term endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as funds designated by the Board to function as a long-term endowment. The BLF and CIF have an investment policy focused on income and capital preservation in order to provide a source of reliable near-term liquidity.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Foundation has a Board approved policy of appropriating for distribution each year 5% of its long-term endowment funds' average fair value over the prior three years through the calendar year-end preceding the fiscal year in which the distribution is planned. In addition, the Board-designated long-term endowment assets may be used for current special needs consistent with the Foundation's mission and subject to Board approval, including transfers to the BLF and CIF. In establishing this policy, the Foundation considered the long-term expected return on its endowments' assets, and its goal to maintain the purchasing power of the long-term endowment assets whether held in perpetuity or for a specified term. Real growth in endowment assets is primarily expected to be achieved by future gifts.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**11. LIQUIDITY**

Financial assets available for use for general expenditures within one year of the Consolidated Statement of Financial Position date (without any new action by the Board) are comprised of the following:

|  | <u>2021</u>                | <u>2020</u>                |
|--|----------------------------|----------------------------|
| Cash and cash equivalents  | \$ 897,969                 | \$ 296,429                 |
| Bequest receivable   | -                          | 7,100,000                  |
| Advances and other receivables   | 25,139                     | 31,639                     |
| Unconditional promises to give   | 40,000                     | 40,000                     |
| Endowment distribution appropriated for general expenditure  | <u>950,000</u>             | <u>748,641</u>             |
| <b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS<br/>FOR GENERAL EXPENDITURES WITHIN ONE YEAR OF<br/>MARCH 31, 2021 AND 2020</b> | <b><u>\$ 1,913,108</u></b> | <b><u>\$ 8,216,709</u></b> |

The Foundation's Endowment funds consist of donor-restricted endowments, including the Board designated Conservation Impact Fund ("CIF"), a Board-designated liquidity fund ("BLF"), and funds designated by the Board to function as a long-term endowment (Quasi-endowment, or "QE"). Income from donor-restricted endowments is restricted for specific program expenditures, with the exception of the amounts designated by donors for general use.

As part of the Foundation's liquidity management plan, it established the BLF as a portion of its Board-Designated Endowment described in Note 10. The BLF is invested in more stable short-term investments and money market funds. The purpose of the BLF is to have a readily available operating reserve to fund any operating deficits that may occur. The BLF totaled \$3,004,272 and \$2,618,881 as of March 31, 2021 and 2020, respectively.

Additionally, the Foundation established the CIF as a portion of its Board-Designated Endowment described in Note 10. The CIF is invested in primarily more stable short-term investments and money market funds. The purpose of the CIF is to have a readily available operating reserve to fund any Board-approved spending for supplemental or new initiatives. The CIF totaled \$6,122,507 as of March 31, 2021.

The QE is subject to an annual spending policy as described in Note 10. Although the Foundation does not intend to spend from the QE, other than the 5% average of fair value appropriated for general expenditure as part of the Board's annual budget approval process, these amounts are available for immediate use with Board approval. The QE totaled \$22,196,150 and \$14,302,674 as of March 31, 2021 and 2020, respectively.

**12. RELATED PARTY LOAN PAYABLE**

On April 15, 2019, the Foundation entered into a \$4,000,000 loan agreement with a member of its Board to provide bridge financing for the \$10,400,000 renovation of its public visitor facilities. The loan bore interest on the amount outstanding at 2% per annum, payable quarterly, and was collateralized by a portion of the Foundation's investments without donor restrictions. The loan due date was December 31, 2021; however, principal payments on the loan were required to be made prior to that date equal to any amounts collected from Unconditional Promises to Give associated with the renovation project. Prepayments of loan principal could be made at any time without penalty.

**INTERNATIONAL CRANE FOUNDATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021 AND 2020**

**12. RELATED PARTY LOAN PAYABLE (Continued)**

During the year ended March 31, 2020, \$4,000,000 of principal was drawn down on the loan and \$2,035,000 of principal was repaid. As of March 31, 2020, the outstanding loan balance totaled \$1,965,000. On September 18, 2020, the Board approved the full satisfaction of the loan utilizing assets in the Board Liquidity Fund, and accordingly, as of March 31, 2021, the outstanding loan balance was satisfied in full.

Interest expense during the year ended March 31, 2021 and 2020 totaled \$23,554 and \$30,861, respectively.

**13. SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 25, 2021, the date the consolidated financial statements were issued.

On April 1, 2021, the Foundation entered into an agreement with the Community Foundation of South Central Wisconsin (CFSCW) to establish a permanently endowed designated fund. The Foundation transferred \$250,000 on April 1, 2021 from a portion of a bequest received in March 2021 to establish the fund. This contribution was matched by an individual donation of \$250,000 directly to the fund that was made on April 6, 2021. The assets in the fund are held by CFSCW and not owned by the Foundation. The Foundation does have rights to an annual 5% distribution from the fund. As a result, the Foundation holds a beneficial interest in the fund that is valued at \$500,000 as of April 21, 2021. The Foundation, with Board approval, revised its investment policy to support this contribution effective March 31, 2021.