

CONSOLIDATED FINANCIAL STATEMENTS



**INTERNATIONAL CRANE
FOUNDATION, INC.**

**FOR THE YEARS ENDED
MARCH 31, 2024 AND 2023**

INTERNATIONAL CRANE FOUNDATION, INC.

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2 - 3
Consolidated Statements of Financial Position, as of March 31, 2024 and 2023	4 - 5
Consolidated Statements of Activities and Changes in Net Assets, for the Years Ended March 31, 2024 and 2023	6 - 7
Consolidated Statement of Functional Expenses, for the Year Ended March 31, 2024	8
Consolidated Statement of Functional Expenses, for the Year Ended March 31, 2023	9
Consolidated Statements of Cash Flows, for the Years Ended March 31, 2024 and 2023	10 - 11
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	12 - 28



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of International Crane Foundation, Inc. (the Foundation), which comprise the consolidated statements of financial position as of March 31, 2024 and 2023, 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.

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, 2024 and 2023, 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.

Basis for Opinion

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

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

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

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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



June 22, 2024

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2024 AND 2023**

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,164,496	\$ 3,343,973
Investments	2,328,868	2,309,584
Unconditional promises to give	1,826,533	1,123,362
Advances and other receivables	92,240	36,987
Inventory	96,131	88,355
Prepaid expenses	181,375	124,081
Total current assets	8,689,643	7,026,342
FIXED ASSETS		
Land	2,021,758	2,021,758
Site improvements	2,579,715	2,515,645
Buildings	14,739,610	14,739,610
Equipment	680,241	645,228
Furniture	1,072,398	1,072,398
Vehicles	694,409	674,186
Software	29,860	-
	21,817,991	21,668,825
Less: Accumulated depreciation and amortization	(10,296,679)	(9,228,545)
Net fixed assets	11,521,312	12,440,280
NONCURRENT ASSETS		
Cash restricted for capital improvements	984,077	875,466
Unconditional promises to give, net	3,847,513	288,005
Right-of-use assets - operating leases, net	121,670	-
Right-of-use asset - finance lease, net	19,201	-
Investments - Beneficial interest in charitable remainder trust	955,853	808,298
Investments - Beneficial interest in community foundation	251,602	225,189
Investments - other	35,709,132	31,938,168
Investments restricted to endowments	4,257,319	4,111,819
Construction in progress	518,675	61,133
Other receivables	54,252	-
Total noncurrent assets	46,719,294	38,308,078
TOTAL ASSETS	\$ 66,930,249	\$ 57,774,700

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2024 AND 2023**

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 176,880	\$ 107,043
Accrued salaries and related benefits	365,692	382,529
Deferred revenue and refundable advances	118,522	81,987
Operating lease liabilities	28,370	-
Finance lease liability	<u>5,752</u>	<u>-</u>
Total current liabilities	<u>695,216</u>	<u>571,559</u>
NONCURRENT LIABILITIES		
Operating lease liabilities, net	77,633	-
Finance lease liability, net	<u>13,668</u>	<u>-</u>
Total noncurrent liabilities	<u>91,301</u>	<u>-</u>
Total liabilities	<u>786,517</u>	<u>571,559</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	86,586	238,835
Invested in property and equipment	11,521,312	12,440,280
Invested in construction in progress	-	19,010
Board designated for liquidity fund	3,070,712	2,997,150
Board designated for conservation impact	5,145,204	6,037,764
Board designated for endowment	<u>23,789,750</u>	<u>20,292,277</u>
Total net assets without donor restrictions	<u>43,613,564</u>	<u>42,025,316</u>
With donor restrictions:		
Perpetual in nature	4,508,921	4,337,508
Purpose restricted	16,227,698	9,814,698
Time restricted	1,274,875	977,976
Invested in construction in progress	<u>518,674</u>	<u>47,643</u>
Total net assets with donor restrictions	<u>22,530,168</u>	<u>15,177,825</u>
Total net assets	<u>66,143,732</u>	<u>57,203,141</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 66,930,249</u>	<u>\$ 57,774,700</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023**

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributed revenue:			
Contributions and grants	\$ 3,827,852	\$10,266,434	\$14,094,286
Memberships	616,745	-	616,745
Total contributed revenue	<u>4,444,597</u>	<u>10,266,434</u>	<u>14,711,031</u>
Other revenue:			
Investment income allocated to operations	1,112,856	341,388	1,454,244
Sales and tour income, net of cost of sales of \$257,322	323,634	768	324,402
Other	391,812	19,169	410,981
Total other revenue	<u>1,828,302</u>	<u>361,325</u>	<u>2,189,627</u>
Total revenue	<u>6,272,899</u>	<u>10,627,759</u>	<u>16,900,658</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>4,419,499</u>	<u>(4,419,499)</u>	<u>-</u>
EXPENSES			
Program Services:			
Sub-Saharan Africa	2,840,720	-	2,840,720
East Asia	1,291,713	-	1,291,713
South and Southeast Asia	195,464	-	195,464
ICF Center for Conservation Leadership	3,667,420	-	3,667,420
North America	2,090,126	-	2,090,126
Total program services	<u>10,085,443</u>	<u>-</u>	<u>10,085,443</u>
Supporting Services:			
General and Administrative	1,268,281	-	1,268,281
Fundraising	1,380,246	-	1,380,246
Total supporting services	<u>2,648,527</u>	<u>-</u>	<u>2,648,527</u>
Total expenses	<u>12,733,970</u>	<u>-</u>	<u>12,733,970</u>
CHANGES IN NET ASSETS FROM OPERATIONS	<u>(2,041,572)</u>	<u>6,208,260</u>	<u>4,166,688</u>
Investment results, net of allocation to operations	<u>3,629,820</u>	<u>1,144,083</u>	<u>4,773,903</u>
Changes in net assets	1,588,248	7,352,343	8,940,591
Net assets at beginning of year	<u>42,025,316</u>	<u>15,177,825</u>	<u>57,203,141</u>
NET ASSETS AT END OF YEAR	<u>\$ 43,613,564</u>	<u>\$22,530,168</u>	<u>\$66,143,732</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023**

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributed revenue:			
Contributions and grants	\$ 2,949,064	\$ 4,687,254	\$ 7,636,318
Memberships	605,388	-	605,388
Total contributed revenue	3,554,452	4,687,254	8,241,706
Other revenue:			
Investment income allocated to operations	1,066,752	338,088	1,404,840
Sales and tour income, net of cost of sales of \$227,368	311,174	45	311,219
Other	250,238	33,942	284,180
Total other revenue	1,628,164	372,075	2,000,239
Total revenue	5,182,616	5,059,329	10,241,945
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	4,235,842	(4,235,842)	-
EXPENSES			
Program Services:			
Sub-Saharan Africa	2,503,292	-	2,503,292
East Asia	1,276,116	-	1,276,116
South and Southeast Asia	340,541	-	340,541
ICF Center for Conservation Leadership	3,284,473	-	3,284,473
North America	1,758,933	-	1,758,933
Total program services	9,163,355	-	9,163,355
Supporting Services:			
General and Administrative	1,166,430	-	1,166,430
Fundraising	1,177,414	-	1,177,414
Total supporting services	2,343,844	-	2,343,844
Total expenses	11,507,199	-	11,507,199
CHANGES IN NET ASSETS FROM OPERATIONS	(2,088,741)	823,487	(1,265,254)
Investment results, net of allocation to operations	(2,384,679)	(907,477)	(3,292,156)
Changes in net assets	(4,473,420)	(83,990)	(4,557,410)
Net assets at beginning of year	46,498,736	15,261,815	61,760,551
NET ASSETS AT END OF YEAR	\$ 42,025,316	\$ 15,177,825	\$ 57,203,141

See accompanying notes to consolidated financial statements.

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2024**

	Program Services					Supporting Services				
	Sub-Saharan Africa	East Asia	South and Southeast Asia	ICF Center for Conservation Leadership	North America	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Assistance and grants to other organizations, governments and individuals	\$ 1,107,208	\$ 300,336	\$ 37,448	\$ 11,747	\$ 10,961	\$ 1,467,700	\$ -	\$ -	\$ -	\$ 1,467,700
Salaries, wages and benefits	567,962	100,295	127,481	1,438,804	1,535,011	3,769,553	801,524	977,918	1,779,442	5,548,995
Contracted staff	79,162	472,599	13,533	43,605	39,608	648,507	-	-	-	648,507
Professional services	186,643	127,432	6,000	64,703	161,024	545,802	138,429	-	138,429	684,231
Advertising and promotion	8,152	12,094	-	141,005	7,527	168,778	1,066	119,899	120,965	289,743
Office and maintenance supplies	46,205	8,028	698	418,096	31,932	504,959	74,219	143,817	218,036	722,995
Information technology	9,773	15,189	154	56,896	20,152	102,164	136,854	19,264	156,118	258,282
Lease expense	66,149	38,951	-	154,276	19,695	279,071	34,464	113	34,577	313,648
Travel and conferences	457,169	177,695	9,577	164,497	179,103	988,041	45,107	82,134	127,241	1,115,282
Research and crane care supplies	308,889	26,326	463	66,101	82,112	483,891	-	82	82	483,973
Other	3,408	12,768	110	51,697	3,001	70,984	20,295	24,256	44,551	115,535
Depreciation and amortization	-	-	-	1,055,993	-	1,055,993	16,323	12,763	29,086	1,085,079
TOTAL	\$2,840,720	\$1,291,713	\$ 195,464	\$ 3,667,420	\$2,090,126	\$ 10,085,443	\$ 1,268,281	\$ 1,380,246	\$2,648,527	\$ 12,733,970

See accompanying notes to consolidated financial statements.

INTERNATIONAL CRANE FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

	Program Services					Supporting Services				Total Expenses
	Sub-Saharan Africa	East Asia	South and Southeast Asia	ICF Center for Conservation Leadership	North America	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Assistance and grants to other organizations, governments and individuals	\$ 1,028,554	\$ 522,922	\$ 25,909	\$ 42,760	\$ 4,355	\$ 1,624,500	\$ 1,915	\$ -	\$ 1,915	\$ 1,626,415
Salaries, wages and benefits	444,529	169,573	138,171	1,223,162	1,202,235	3,177,670	742,918	840,158	1,583,076	4,760,746
Contracted staff	72,105	310,342	3,109	57,046	90,717	533,319	-	-	-	533,319
Professional services	181,069	112,476	94,344	117,443	166,324	671,656	122,739	17,000	139,739	811,395
Advertising and promotion	8,348	5,733	-	83,664	6,816	104,561	761	123,331	124,092	228,653
Office and maintenance supplies	35,300	9,379	2,312	291,585	25,735	364,311	54,288	89,574	143,862	508,173
Information technology	13,250	6,910	459	30,484	12,987	64,090	110,123	25,046	135,169	199,259
Lease expense	32,935	39,161	-	155,921	20,171	248,188	33,550	(166)	33,384	281,572
Travel and conferences	358,777	70,888	63,964	107,826	149,826	751,281	55,810	53,689	109,499	860,780
Research and crane care supplies	325,452	25,474	12,026	60,031	77,365	500,348	226	-	226	500,574
Other	2,973	3,258	247	53,827	2,402	62,707	16,909	23,012	39,921	102,628
Depreciation and amortization	-	-	-	1,060,724	-	1,060,724	27,191	5,770	32,961	1,093,685
TOTAL	\$2,503,292	\$1,276,116	\$ 340,541	\$ 3,284,473	\$1,758,933	\$ 9,163,355	\$ 1,166,430	\$ 1,177,414	\$2,343,844	\$ 11,507,199

See accompanying notes to consolidated financial statements.

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 8,940,591	\$ (4,557,410)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization on fixed assets	1,085,079	1,093,685
Realized and unrealized (gains) losses on investments	(4,907,614)	2,482,562
Contributions restricted for endowment	(145,000)	(96,808)
Net change in beneficial interest in charitable remainder trust	(147,555)	138,701
Net change in beneficial interest in community foundation	(26,413)	53,155
Contributions restricted for capital improvements	(213,580)	(40,000)
(Gain) loss on sale of fixed assets	(4,000)	1,727
Receipt of donated investments	(547,381)	(271,694)
Proceeds from sales of donated investments	543,096	269,373
Decrease (increase) in present value discount	355,567	(22,698)
Amortization of right-of-use operating lease assets	25,744	-
Amortization of right-of-use finance lease asset	8,931	-
Loss due to involuntary conversion of property	-	67,322
Gain realized on insurance reimbursement	-	(222,858)
(Increase) decrease in:		
Unconditional promises to give	(4,614,838)	(353,962)
Advances and other receivables	(112,913)	55,846
Inventory	(7,776)	(7,701)
Prepaid expenses	(57,294)	(22,312)
Increase (decrease) in:		
Accounts payable and accrued liabilities	69,837	(1,337)
Accrued salaries and related benefits	(16,837)	11,680
Deferred revenue and refundable advances	36,535	25,538
Operating lease liabilities	(41,412)	-
Finance lease liability	(8,711)	-
Net cash provided (used) by operating activities	<u>214,056</u>	<u>(1,397,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(135,421)
Payments for construction in progress	(623,653)	(104,234)
Proceeds from sale of fixed assets	4,000	4,200
Purchase of investments	(2,030,539)	(3,352,889)
Proceeds from sale of investments	3,006,690	2,668,359
Insurance proceeds received	-	222,858
Net cash provided (used) by investing activities	<u>356,498</u>	<u>(697,127)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	145,000	96,808
Contributions restricted for capital improvements	213,580	40,000
Net cash provided by financing activities	<u>358,580</u>	<u>136,808</u>
Net increase (decrease) in cash and cash equivalents	929,134	(1,957,510)
Cash and cash equivalents at beginning of year	<u>4,219,439</u>	<u>6,176,949</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR, INCLUDING RESTRICTED CASH OF \$984,077 IN 2024 AND \$875,466 IN 2023	\$ 5,148,573	\$ 4,219,439

See accompanying notes to consolidated financial statements.

INTERNATIONAL CRANE FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
SCHEDULE OF NONCASH TRANSACTIONS:		
Right-of-Use Operating Lease Assets	\$ <u>147,414</u>	\$ <u>-</u>
Right-of-Use Finance Lease Asset	\$ <u>28,132</u>	\$ <u>-</u>
Operating Lease Liabilities for Right-of-Use Operating Leases	\$ <u>132,349</u>	\$ <u>-</u>
Finance Lease Liability for Right-of-Use Finance Lease	\$ <u>28,132</u>	\$ <u>-</u>
Reclassification of Construction in Progress to Fixed Assets	\$ <u>166,111</u>	\$ <u>74,418</u>

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

International Crane Foundation, Inc. is a non-profit organization, incorporated and located in the State of Wisconsin. International Crane Foundation, Inc. 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 International Crane Foundation, Inc.'s care are either owned by or on loan to International Crane Foundation, Inc. International Crane Foundation, Inc. is primarily supported by contributions from individuals, corporations, foundations and governments.

International Crane Foundation, Inc. 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, International Crane Foundation, Inc. is registered as a representative/branch office of the U.S. entity. In Zambia, International Crane Foundation, Inc. has registered "International Crane Foundation" 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 have been included in the accompanying consolidated financial statements.

International Crane Foundation, Inc. also maintains a domestic branch office in Rockport, Texas.

Principles of consolidation -

The accompanying consolidated financial statements are presented in accordance with the criterion established by FASB ASC 958-810, *Not-for-Profit Entities, Consolidation*. Under FASB ASC 958-810, consolidation is required if a separate not-for-profit organization has control (i.e., major voting interest) and significant economic interest in that other organization. The accompanying consolidated financial statements include the operations of International Crane Foundation, Inc. and International Crane Foundation (the Zambian entity), together "the Foundation". All significant inter-company accounts and transactions 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 accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit 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 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.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

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

Basis of presentation (continued) -

- **Net Assets With Donor Restrictions (continued)** - 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.

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Foundation that would be subject to the guidance in FASB ASC 326 are trade accounts receivable (none at March 31, 2024). The Foundation implemented the ASU on April 1, 2023. Accordingly, there was no material impact on the accompanying consolidated financial statements in connection with the adoption of this standard.

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 \$164,524 and \$450,059 of cash and cash equivalents on hand and with financial institutions in foreign countries at March 31, 2024 and 2023, respectively. The majority of funds invested in foreign bank accounts are uninsured. Management strives to maintain minimal balances in their international bank accounts to mitigate this risk.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment results, net of allocation to operations, 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 investments -

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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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

Beneficial interest investments (continued) -

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.

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 of March 31, 2024 and 2023, the value of the beneficial interest investment totaled \$251,602 and \$225,189, respectively.

Advances and other receivables -

Advances and other receivables primarily consists of amounts generally due within one year related to funds advanced to subgrantees as well as miscellaneous reimbursements. Amounts expected to be collected in future years are discounted using the risk-adjusted interest rates applicable to the years in which the receivables are expected to be collected. Advances and other receivables are recorded at their net realizable value which approximates fair value. Advances and other receivables are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. Based on the Foundation's analysis of amounts due as of fiscal-year end, an allowance for credit losses was not recorded.

Unconditional promises to give -

Unconditional promises to give are deemed fully realized and expected to be collected in future years. Unconditional promises to give are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term unconditional promises to give is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in contributions and grants revenue. Based on its review and evaluation of all receivable balances due as of March 31, 2024 and 2023, management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Inventory -

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

Fixed assets -

Fixed assets acquisitions in excess of \$10,000 are capitalized and stated at cost. Fixed assets 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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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

Fixed assets (continued) -

Depreciation and amortization expense for the years ended March 31, 2024 and 2023 totaled \$1,085,079 and \$1,093,685, respectively.

Construction in progress -

Fixed assets 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, 2024 and 2023).

Income taxes -

International Crane Foundation, Inc. is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. International Crane Foundation, Inc. is also exempt from state income taxes. International Crane Foundation, Inc. is not a private foundation.

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. During the year ended March 31, 2024, there were tax liabilities totaling \$1,974 (none as of March 31, 2023).

Revenue recognition -

The Foundation receives grants and contributions from individuals, foundations, corporations, and other entities, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. The Foundation performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but 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. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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

Revenue recognition (continued) -

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).

Funds received (under conditional contributions) in advance of the incurrence of qualifying expenditures are recorded as refundable advances; total revenue recognized (under conditional awards) in the accompanying consolidated financial statements as of March 31, 2024 and 2023 aggregated \$465,202 and \$541,251, respectively. As of March 31, 2024 and 2023, the total amount recognized as refundable advances (under conditional awards) aggregated \$100,942 and \$61,724, 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 ASC Topic 606, 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 \$324,402 and \$311,219 during the years ended March 31, 2024 and 2023, respectively), recognition of revenue occurs at the 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, 2024 and 2023, deferred revenue totaled \$17,580 and \$20,263, respectively.

Donated materials and services (contributed nonfinancial assets) -

Contributed nonfinancial assets in excess of \$10,000 are recorded at their fair value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale.

During the years ended March 31, 2024 and 2023, there were no donated services or materials received.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

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

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 consolidated 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 and Administrative category. The expenses allocated include salaries, wages and benefits, contracted staff, utilities, insurance and print production costs. The allocations are 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 Administrative** - 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.

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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

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

Functional cost allocation (continued) -

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. 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. The Foundation provides 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. 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.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

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

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.

2. **INVESTMENTS AND FAIR VALUE MEASUREMENTS**

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, 2024 and 2023.

- *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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

- *U.S. Government Treasury Bills* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *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 each of the fiscal years ended March 31, 2024 and 2023.
- *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.
- *Beneficial Interest in Community Foundation* - The fair value of the community foundation fund consists of the market value of the portion of investments in the community foundation held in the name of the Foundation. The community foundation provides for an annual 5% distribution and funds are held by the community foundation as a permanent endowment.

The table below summarizes, by level within the fair value hierarchy, the Foundation's investments as of March 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money market funds	\$ 3,020,458	\$ -	\$ -	\$ 3,020,458
Mutual funds	35,163,178	-	-	35,163,178
Treasury bills	3,911,683	-	-	3,911,683
Private company preferred stock	-	-	200,000	200,000
Beneficial interest in charitable remainder trust	-	-	955,853	955,853
Beneficial interest in community foundation	-	-	<u>251,602</u>	<u>251,602</u>
TOTAL	<u>\$ 42,095,319</u>	<u>\$ -</u>	<u>\$ 1,407,455</u>	<u>\$ 43,502,774</u>

The table below summarizes, by level within the fair value hierarchy, the Foundation's investments as of March 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money market funds	\$ 3,279,766	\$ -	\$ -	\$ 3,279,766
Mutual funds	31,056,876	-	-	31,056,876
Treasury bills	3,822,929	-	-	3,822,929
Private company preferred stock	-	-	200,000	200,000
Beneficial interest in charitable remainder trust	-	-	808,298	808,298
Beneficial interest in community foundation	-	-	<u>225,189</u>	<u>225,189</u>
TOTAL	<u>\$ 38,159,571</u>	<u>\$ -</u>	<u>\$ 1,233,487</u>	<u>\$ 39,393,058</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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, 2024 and 2023:

	<u>Private Company Preferred Stock</u>	<u>Beneficial Interest in Charitable Remainder Trust</u>	<u>Beneficial Interest in Foundation</u>
Balance as of March 31, 2022	\$ 200,000	\$ 946,999	\$ 278,344
Interest and dividends, net of fees	-	-	2,189
Grants	-	-	(27,834)
Unrealized loss	<u>-</u>	<u>(138,701)</u>	<u>(27,510)</u>
Balance as of March 31, 2023	200,000	808,298	225,189
Interest and dividends, net of fees	-	-	1,388
Grants	-	-	(11,263)
Unrealized gain	<u>-</u>	<u>147,555</u>	<u>36,288</u>
BALANCE AS OF MARCH 31, 2024	<u>\$ 200,000</u>	<u>\$ 955,853</u>	<u>\$ 251,602</u>

Net investment results consisted of the following during the years ended March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 1,146,565	\$ 787,102
Realized and unrealized gains (losses) on investments	5,081,582	(2,674,418)
Less: investment income allocated to operations	<u>(1,454,244)</u>	<u>(1,404,840)</u>
TOTAL INVESTMENT RESULTS, NET	<u>\$ 4,773,903</u>	<u>\$ (3,292,156)</u>

3. UNCONDITIONAL PROMISES TO GIVE

As of March 31, 2024 and 2023, the Foundation has received commitments for support of which \$6,048,200 and \$1,433,362, respectively, had not been collected. As of March 31, 2024 and 2023, 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 5.03% and 5.05%, 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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Within one year	\$ 1,826,533	\$ 1,123,362
Two to five years	<u>4,221,667</u>	<u>310,000</u>
Total	6,048,200	1,433,362
Less: Allowance to discount balance to present value	<u>(374,154)</u>	<u>(21,995)</u>
NET UNCONDITIONAL PROMISES TO GIVE	<u>\$ 5,674,046</u>	<u>\$ 1,411,367</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Sub-Saharan Africa	\$ 4,799,375	\$ 2,024,543
East Asia	3,387,037	1,338,712
South and Southeast Asia	-	6,597
North America	1,375,082	1,585,189
ICF Center for Conservation Leadership (includes Construction in Progress)	3,567,173	2,262,925
Administration	49,613	33,399
Accumulated investment earnings from endowments perpetual in nature (Note 7)	3,568,092	2,610,976
Miscellaneous (various time restricted and other)	158,278	39,678
Endowments perpetual in nature (Note 7)	4,508,921	4,337,508
Beneficial interest in charitable remainder trust (time restricted)	955,853	808,298
Unconditional promises to give (time restricted)	<u>160,744</u>	<u>130,000</u>
TOTAL	<u>\$ 22,530,168</u>	<u>\$ 15,177,825</u>

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Sub-Saharan Africa	\$ 1,734,007	\$ 1,480,363
East Asia	615,033	756,864
South and Southeast Asia	131,020	258,503
North America	1,352,842	1,238,752
ICF Center for Conservation Leadership	578,949	420,728
Administration	7,648	30,636
Satisfaction of time restrictions	<u>-</u>	<u>49,996</u>
TOTAL	<u>\$ 4,419,499</u>	<u>\$ 4,235,842</u>

5. LEASE COMMITMENTS

The Foundation follows FASB ASC 842 for leases. The Foundation has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. The Foundation has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Operating Leases:

The Foundation has entered into operating leases for office space in Uganda, Zambia, and Rwanda that expire in 2026, 2030, and 2025, respectively. The Zambia office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

5. LEASE COMMITMENTS (Continued)

For the year ended March 31, 2024, total lease cost was \$29,976 and total cash paid was \$45,643 for all operating leases. As of March 31, 2024, the weighted- average remaining lease term and rate for operating leases is 4.1 years and 4.59%, respectively.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of March 31, 2024:

<u>Year Ending March 31,</u>	
2025	\$ 29,268
2026	33,230
2027	20,742
2028	13,385
2029	14,054
Thereafter	<u>5,999</u>
	116,678
Less: Imputed interest	<u>(10,675)</u>
	106,003
Less: Current portion	<u>(28,370)</u>
NONCURRENT PORTION	<u>\$ 77,633</u>

Financing Lease:

The Foundation leases a mail machine under a lease which expires in October 2027.

For the year ended March 31, 2024, total amortization on the right-of-use asset was \$8,931 and total interest expense was \$1,779. As of March 31, 2024, the remaining lease term and rate for the financing lease is 3.6 years and 4.59%, respectively.

The following is a schedule of the future minimum lease payments due under the financing leases, net of imputed interest, as of March 31, 2024:

<u>Year Ending March 31,</u>	
2025	\$ 5,995
2026	5,995
2027	5,995
2028	<u>2,997</u>
	20,982
Less: Imputed interest	<u>(1,562)</u>
	19,420
Less: Current portion	<u>(5,752)</u>
NONCURRENT PORTION	<u>\$ 13,668</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

6. 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, 2024 and 2023, totaling \$83,845 and \$93,226, respectively.

7. 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, 2024, CIF additions and investment gains totaled \$719,882, less a \$1,612,442 withdrawal (a net \$892,560 decrease). During the year ended March 31, 2023, CIF additions and investment income totaled \$1,766,637, less \$1,223,515 of withdrawals (a net \$543,122 increase). Therefore, the aggregate amount invested in the CIF as of March 31, 2024 and 2023 totaled \$5,145,204 and \$6,037,764, respectively.

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, 2024, BLF investment income and additions net of reclassifications totaled \$73,562. During the year ended March 31, 2023, BLF investment income (net of appropriations) totaled \$13,184. Therefore, the aggregate amount invested in the BLF as of March 31, 2024 and 2023 totaled \$3,070,712 and \$2,997,150, 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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

7. ENDOWMENTS (Continued)

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.

Endowment net asset composition by type as of March 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions: Perpetual in Nature</u>	<u>Total</u>
Donor-restricted endowment investments	\$ -	\$ 3,568,092	\$ 4,508,921	\$ 8,077,013
Board-designated endowment investments (QE)	23,789,750	-	-	23,789,750
Board-designated liquidity fund investments (BLF)	3,070,712	-	-	3,070,712
Board-designated conservation impact investments (CIF)	<u>5,145,204</u>	<u>-</u>	<u>-</u>	<u>5,145,204</u>
ENDOWMENT NET ASSETS	<u>\$ 32,005,666</u>	<u>\$ 3,568,092</u>	<u>\$ 4,508,921</u>	<u>\$ 40,082,679</u>

Changes in Endowment net assets for the year ended March 31, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions: Perpetual in Nature</u>	<u>Total</u>
Endowment net assets, March 31, 2023	\$ 29,327,191	\$ 2,610,976	\$ 4,337,508	\$ 36,275,675
Investment gain	4,742,674	1,298,504	26,413	6,067,591
Contributions	786,477	-	145,000	931,477
Appropriation of endowment assets for expenditure	<u>(2,850,676)</u>	<u>(341,388)</u>	<u>-</u>	<u>(3,192,064)</u>
ENDOWMENT NET ASSETS, MARCH 31, 2024	<u>\$ 32,005,666</u>	<u>\$ 3,568,092</u>	<u>\$ 4,508,921</u>	<u>\$ 40,082,679</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

7. ENDOWMENTS (Continued)

Endowment net asset composition by type as of March 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions: Perpetual in Nature</u>	<u>Total</u>
Donor-restricted endowment investments)	\$ -	\$ 2,610,976	\$ 4,337,508	\$ 6,948,484
Board-designated endowment investments (QE)	20,292,277	-	-	20,292,277
Board-designated liquidity fund investments (BLF)	2,997,150	-	-	2,997,150
Board-designated conservation impact investments (CIF)	<u>6,037,764</u>	<u>-</u>	<u>-</u>	<u>6,037,764</u>
ENDOWMENT NET ASSETS	<u>\$ 29,327,191</u>	<u>\$ 2,610,976</u>	<u>\$ 4,337,508</u>	<u>\$ 36,275,675</u>

Changes in Endowment net assets for the year ended March 31, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions: Perpetual in Nature</u>	<u>Total</u>
Endowment net assets, March 31, 2022	\$ 32,800,174	\$ 3,339,597	\$ 4,293,855	\$ 40,433,626
Investment loss	(1,319,025)	(390,533)	(53,155)	(1,762,713)
Contributions	176,313	-	96,808	273,121
Appropriation of endowment assets for expenditure	<u>(2,330,271)</u>	<u>(338,088)</u>	<u>-</u>	<u>(2,668,359)</u>
ENDOWMENT NET ASSETS, MARCH 31, 2023	<u>\$ 29,327,191</u>	<u>\$ 2,610,976</u>	<u>\$ 4,337,508</u>	<u>\$ 36,275,675</u>

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 a fund of perpetual duration. No material deficiencies were noted as of March 31, 2024 and 2023.

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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

7. ENDOWMENTS (Continued)

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.

8. LIQUIDITY

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 115,688	\$ 488,594
Advances and other receivables	-	14,086
Unconditional promises to give	20,000	40,000
Endowment distribution appropriated for general expenditure	<u>1,359,155</u>	<u>1,220,210</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR OF MARCH 31, 2024 AND 2023	<u>\$ 1,494,843</u>	<u>\$ 1,762,890</u>

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 7. 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 \$3,070,712 and \$2,997,150 as of March 31, 2024 and 2023, respectively.

Additionally, the Foundation established the CIF as a portion of its Board-designated Endowment described in Note 7. 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 \$5,145,204 and \$6,037,764 as of March 31, 2024 and 2023, respectively.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023**

8. LIQUIDITY (Continued)

The QE is subject to an annual spending policy as described in Note 7. 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 \$23,789,750 and \$20,292,277 as of March 31, 2024 and 2023, respectively.

9. INSURANCE PROCEEDS RECEIVED FROM INVOLUNTARY CONVERSION

During the year ended March 31, 2023, the Foundation received \$222,858 of insurance proceeds related to a claim made for damaged capital assets resulting from a winter snowstorm that required replacement of several sections of netting throughout Crane City. In connection with the involuntary conversion (and the related disposal) of such assets, \$67,322 was recognized as a loss on disposition. Accordingly, the \$222,858 insurance proceeds have been recorded as Other Income in the accompanying 2023 Consolidated Statement of Activities and Changes in Net Assets.

10. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through June 22, 2024, the date the consolidated financial statements were issued.

On April 30, 2024, the Foundation received a check for \$973,841 as part of the final settlement of our Beneficial Interest in a Charitable Remainder Trust. Outside of minimal funds held back for final trust activities, this settlement represents full settlement of the Foundation's interest.

The Foundation is in the process of registering as an international non-governmental organization (INGO) in Rwanda, and the registration process is expected to be completed in 2024. Currently, the Foundation's Rwanda operations are hosted by a local partner. The Foundation expects to transfer all Rwanda operations over to the new office shortly after it receives registration approval.