

CONSOLIDATED FINANCIAL STATEMENTS



INTERNATIONAL CRANE FOUNDATION, INC.

**FOR THE YEARS ENDED
MARCH 31, 2025 AND 2024**

INTERNATIONAL CRANE FOUNDATION, INC.

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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, 2025 and 2024, 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, 2025 and 2024, 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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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.



July 25, 2025

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2025 AND 2024**

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,701,965	\$ 4,164,496
Investments	2,448,319	2,328,868
Unconditional promises to give	1,481,666	1,826,533
Advances and other receivables	225,453	92,240
Inventory	130,006	96,131
Prepaid expenses	<u>180,292</u>	<u>181,375</u>
Total current assets	<u>8,167,701</u>	<u>8,689,643</u>
FIXED ASSETS		
Land	2,021,758	2,021,758
Site improvements	2,866,698	2,579,715
Buildings	15,494,464	14,739,610
Equipment	673,608	680,241
Furniture	1,072,398	1,072,398
Vehicles	918,855	694,409
Software	<u>29,860</u>	<u>29,860</u>
	23,077,641	21,817,991
Less: Accumulated depreciation and amortization	<u>(11,348,191)</u>	<u>(10,296,679)</u>
Net fixed assets	<u>11,729,450</u>	<u>11,521,312</u>
NONCURRENT ASSETS		
Cash restricted for capital improvements	500,659	984,077
Unconditional promises to give, net	2,624,157	3,847,513
Right-of-use assets - operating leases, net	272,512	121,670
Right-of-use asset - finance lease, net	80,734	19,201
Investments - Beneficial interest in charitable remainder trust	-	955,853
Investments - Beneficial interest in community foundation	267,263	251,602
Investments - other	36,137,515	35,709,132
Investments restricted to endowments	4,383,731	4,257,319
Construction in progress	-	518,675
Other receivables	<u>32,230</u>	<u>54,252</u>
Total noncurrent assets	<u>44,298,801</u>	<u>46,719,294</u>
TOTAL ASSETS	<u>\$ 64,195,952</u>	<u>\$ 66,930,249</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2025 AND 2024**

LIABILITIES AND NET ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 179,019	\$ 176,880
Accrued salaries and related benefits	478,563	365,692
Deferred revenue and refundable advances	336	118,522
Operating lease liabilities	83,695	28,370
Finance lease liability	<u>20,128</u>	<u>5,752</u>
Total current liabilities	<u>761,741</u>	<u>695,216</u>
NONCURRENT LIABILITIES		
Operating lease liabilities, net	152,438	77,633
Finance lease liability, net	<u>61,308</u>	<u>13,668</u>
Total noncurrent liabilities	<u>213,746</u>	<u>91,301</u>
Total liabilities	<u>975,487</u>	<u>786,517</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	144,967	86,586
Invested in property and equipment	11,729,450	11,521,312
Board designated for liquidity fund	2,479,679	3,070,712
Board designated for conservation impact	4,640,781	5,145,204
Board designated for endowment	<u>25,270,072</u>	<u>23,789,750</u>
Total net assets without donor restrictions	<u>44,264,949</u>	<u>43,613,564</u>
With donor restrictions:		
Perpetual in nature	4,650,994	4,508,921
Purpose restricted	14,068,997	16,227,698
Time restricted	235,525	1,274,875
Invested in construction in progress	<u>-</u>	<u>518,674</u>
Total net assets with donor restrictions	<u>18,955,516</u>	<u>22,530,168</u>
Total net assets	<u>63,220,465</u>	<u>66,143,732</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 64,195,952</u>	<u>\$ 66,930,249</u>

INTERNATIONAL CRANE FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributed revenue:			
Contributions and grants	\$ 3,870,440	\$ 4,410,958	\$ 8,281,398
Memberships	655,330	-	655,330
Total contributed revenue	4,525,770	4,410,958	8,936,728
Other revenue:			
Investment return allocated to operations	1,124,352	349,776	1,474,128
Sales and tour income, net of cost of sales of \$248,449	347,382	-	347,382
Other	349,744	4,621	354,365
Total other revenue	1,821,478	354,397	2,175,875
Total revenue	6,347,248	4,765,355	11,112,603
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	8,570,860	(8,570,860)	-
EXPENSES			
Program Services:			
Sub-Saharan Africa	3,495,201	-	3,495,201
Asia	2,510,474	-	2,510,474
ICF Center for Conservation Leadership	4,074,136	-	4,074,136
North America	2,576,725	-	2,576,725
Total program services	12,656,536	-	12,656,536
Supporting Services:			
General and Administrative	1,244,292	-	1,244,292
Fundraising	1,355,158	-	1,355,158
Total supporting services	2,599,450	-	2,599,450
Total expenses	15,255,986	-	15,255,986
CHANGES IN NET ASSETS FROM OPERATIONS	(337,878)	(3,805,505)	(4,143,383)
Investment return, net of allocation to operations	989,263	230,853	1,220,116
Changes in net assets	651,385	(3,574,652)	(2,923,267)
Net assets at beginning of year	43,613,564	22,530,168	66,143,732
NET ASSETS AT END OF YEAR	\$ 44,264,949	\$ 18,955,516	\$ 63,220,465

INTERNATIONAL CRANE FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024

	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	4,444,597	10,266,434	14,711,031
Other revenue:			
Investment return 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	1,828,302	361,325	2,189,627
Total revenue	6,272,899	10,627,759	16,900,658
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	4,419,499	(4,419,499)	-
EXPENSES			
Program Services:			
Sub-Saharan Africa	2,840,720	-	2,840,720
Asia	1,487,177	-	1,487,177
ICF Center for Conservation Leadership	3,667,420	-	3,667,420
North America	2,090,126	-	2,090,126
Total program services	10,085,443	-	10,085,443
Supporting Services:			
General and Administrative	1,268,281	-	1,268,281
Fundraising	1,380,246	-	1,380,246
Total supporting services	2,648,527	-	2,648,527
Total expenses	12,733,970	-	12,733,970
CHANGES IN NET ASSETS FROM OPERATIONS	(2,041,572)	6,208,260	4,166,688
Investment return, net of allocation to operations	3,629,820	1,144,083	4,773,903
Changes in net assets	1,588,248	7,352,343	8,940,591
Net assets at beginning of year	42,025,316	15,177,825	57,203,141
NET ASSETS AT END OF YEAR	\$ 43,613,564	\$22,530,168	\$66,143,732

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2025**

	Program Services					Supporting Services			
	Sub-Saharan Africa	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	\$1,226,219	\$ 1,221,592	\$ 52,769	\$ 35,500	\$ 2,536,080	\$ 993	\$ -	\$ 993	\$ 2,537,073
Salaries, wages and benefits	792,606	339,033	1,851,732	1,748,214	4,731,585	895,221	952,319	1,847,540	6,579,125
Contracted staff	82,051	457,964	24,235	5,028	569,278	-	-	-	569,278
Professional services	243,934	130,294	156,503	235,377	766,108	114,446	-	114,446	880,554
Advertising and promotion	19,783	31,621	280,561	105,137	437,102	2,350	163,727	166,077	603,179
Office and maintenance supplies	48,153	14,855	297,652	45,335	405,995	73,705	129,041	202,746	608,741
Information technology	8,462	11,232	37,070	139,652	196,416	23,266	17,708	40,974	237,390
Lease expense	24,894	24,581	169,655	24,805	243,935	7,691	-	7,691	251,626
Travel and conferences	469,810	238,805	42,978	164,986	916,579	88,650	70,444	159,094	1,075,673
Research and crane care supplies	505,539	38,399	72,848	69,418	686,204	-	127	127	686,331
Other	30,705	2,098	46,044	(69)	78,778	11,558	13,550	25,108	103,886
Depreciation and amortization	43,045	-	1,042,089	3,342	1,088,476	26,412	8,242	34,654	1,123,130
TOTAL	\$3,495,201	\$ 2,510,474	\$ 4,074,136	\$2,576,725	\$ 12,656,536	\$ 1,244,292	\$ 1,355,158	\$ 2,599,450	\$ 15,255,986

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	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	\$ 337,784	\$ 11,747	\$ 10,961	\$ 1,467,700	\$ -	\$ -	\$ -	\$ 1,467,700
Salaries, wages and benefits	567,962	227,776	1,438,804	1,535,011	3,769,553	801,524	977,918	1,779,442	5,548,995
Contracted staff	79,162	486,132	43,605	39,608	648,507	-	-	-	648,507
Professional services	186,643	133,432	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	8,726	418,096	31,932	504,959	74,219	143,817	218,036	722,995
Information technology	9,773	15,343	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	187,272	164,497	179,103	988,041	45,107	82,134	127,241	1,115,282
Research and crane care supplies	308,889	26,789	66,101	82,112	483,891	-	82	82	483,973
Other	3,408	12,878	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	\$ 1,487,177	\$ 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 STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (2,923,267)	\$ 8,940,591
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization on fixed assets	1,115,432	1,085,079
Realized and unrealized gains on investments	(1,074,842)	(4,907,614)
Contributions restricted for endowment	(73,468)	(145,000)
Net change in beneficial interest in charitable remainder trust	(23,300)	(147,555)
Net change in beneficial interest in community foundation	(15,661)	(26,413)
Contributions restricted for capital improvements	-	(213,580)
Gain on sale of fixed assets	(1,256)	(4,000)
Receipt of donated investments	(429,173)	(547,381)
Proceeds from sales of donated investments	427,722	543,096
(Increase) decrease in present value discount	(208,651)	355,567
Amortization of right-of-use operating lease assets	71,036	25,744
Amortization of right-of-use finance lease asset	7,698	8,931
Decrease (increase) in:		
Unconditional promises to give	1,775,700	(4,614,838)
Advances and other receivables	(110,017)	(112,913)
Inventory	(33,875)	(7,776)
Prepaid expenses	1,083	(57,294)
Increase (decrease) in:		
Accounts payable and accrued liabilities	2,137	69,837
Accrued salaries and related benefits	112,871	(16,837)
Deferred revenue and refundable advances	(118,186)	36,535
Operating lease liabilities	(91,748)	(41,412)
Net cash (used) provided by operating activities	<u>(1,589,765)</u>	<u>222,767</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(293,591)	-
Payments for construction in progress	(523,162)	(623,653)
Proceeds from sales of fixed assets	13,116	4,000
Purchase of investments	(3,364,243)	(2,030,539)
Proceeds from sale of investments	<u>4,745,443</u>	<u>3,006,690</u>
Net cash provided by investing activities	<u>577,563</u>	<u>356,498</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on finance leases	(7,215)	(8,711)
Contributions restricted for endowment	73,468	145,000
Contributions restricted for capital improvements	<u>-</u>	<u>213,580</u>
Net cash provided by financing activities	<u>66,253</u>	<u>349,869</u>
Net (decrease) increase in cash and cash equivalents	(945,949)	929,134
Cash and cash equivalents at beginning of year	<u>5,148,573</u>	<u>4,219,439</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR, INCLUDING RESTRICTED CASH OF \$500,659 IN 2025 AND \$984,077 IN 2024	<u>\$ 4,202,624</u>	<u>\$ 5,148,573</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL CRANE FOUNDATION, INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
SCHEDULE OF NONCASH TRANSACTIONS:		
Right-of-Use Operating Lease Assets	\$ <u>183,334</u>	\$ <u>147,414</u>
Right-of-Use Finance Lease Asset	\$ <u>69,209</u>	\$ <u>28,132</u>
Operating Lease Liabilities for Right-of-Use Operating Leases	\$ <u>161,109</u>	\$ <u>132,349</u>
Finance Lease Liability for Right-of-Use Finance Lease	\$ <u>70,429</u>	\$ <u>28,132</u>
Reclassification of Construction in Progress to Fixed Assets	\$ <u>518,675</u>	\$ <u>166,111</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

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, Rwanda and Zambia. The Uganda and Zambia offices were established during fiscal year 2020 (January 3, 2020 and July 19, 2019, respectively). ICF Rwanda office was established on October 8, 2024. In China, Uganda, and Rwanda, 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 non-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 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, 2025 AND 2024

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.

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 \$540,131 and \$164,524 of cash and cash equivalents on hand and with financial institutions in foreign countries at March 31, 2025 and 2024, 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. 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 is available for the Foundation's general use.

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

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, 2025 and 2024, the value of the beneficial interest investment totaled \$267,263 and \$251,602, respectively.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

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

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 evaluated to determine if an allowance for credit losses (resulting from the inability receive amounts due) is required. The Foundation's policy with respect to 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 an evaluation of outstanding amounts and historical, current and projected loss experience, an allowance for credit losses was deemed immaterial to the consolidated financial statements of March 31, 2025 and 2024.

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, 2025 and 2024, 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.

Depreciation and amortization expense for the years ended March 31, 2025 and 2024 totaled \$1,115,432 and \$1,085,079, 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).

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

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

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, 2025 and 2024).

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 years ended March 31, 2025 and 2024, there were tax liabilities totaling \$557 and \$1,974, respectively.

Support from grants and contributions, including Federal awards -

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.

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).

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

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

Support from grants and contributions, including Federal awards (continued) -

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, 2025 and 2024 aggregated \$578,865 and \$465,202, respectively. As of March 31, 2024, the total amount recognized as refundable advances (under conditional awards) aggregated \$100,942 (none at March 31, 2025).

In addition, the Foundation has received commitments under conditional assistance awards which will be received in future years (which have not been recognized as support in the accompanying consolidated financial statements). The Foundation's unrecognized conditional contributions to be received in future years totaled approximately \$3,300,000 as of March 31, 2025.

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 from contracts with customers -

The Foundation's Sales and Tour income is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. The Foundation has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost and/or sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. The Foundation's contracts with customers generally have initial terms of one year or less.

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, 2025 and 2024, there were no donated services or materials received.

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.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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

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.

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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

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

Functional cost allocation (continued) -

Asia (continued) - 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. Asia operations also include South and Southeast Asia. South and Southeast Asia are home to the threatened Sarus Crane; wintering vulnerable Black-necked Cranes, and wintering Demoiselle and Eurasian Cranes. Strong cultural ties to cranes in India and Vietnam provide unique opportunities to engage people in the conservation of these intensely settled landscapes using the Sarus Crane as a flagship species. The Foundation leads two key conservation programs in the region. For twenty-five years, the Foundation has engaged in conservation of the Mekong Delta region, including establishing a global model for community-based wetland conservation at Phu My. In India, the Foundation focuses on conserving Sarus Cranes and wetland biodiversity in the agricultural landscape of the upper Ganges River Basin.

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.

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.

INTERNATIONAL CRANE FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024

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, 2025 and 2024.

- *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.
- *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, 2025 and 2024.
- *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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes, by level within the fair value hierarchy, the Foundation's investments as of March 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money market funds	\$ 2,993,112	\$ -	\$ -	\$ 2,993,112
Mutual funds	35,666,275	-	-	35,666,275
Treasury bills	4,110,178	-	-	4,110,178
Private company preferred stock	-	-	200,000	200,000
Beneficial interest in community foundation	-	-	267,263	267,263
TOTAL	<u>\$ 42,769,565</u>	<u>\$ -</u>	<u>\$ 467,263</u>	<u>\$ 43,236,828</u>

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	-	-	251,602	251,602
TOTAL	<u>\$ 42,095,319</u>	<u>\$ -</u>	<u>\$ 1,407,455</u>	<u>\$ 43,502,774</u>

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, 2025 and 2024:

	<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, 2023	\$ 200,000	\$ 808,298	\$ 225,189
Interest and dividends, net of fees	-	-	1,388
Grants	-	-	(11,263)
Unrealized gain	-	147,555	36,288
Balance as of March 31, 2024	200,000	955,853	251,602
Interest and dividends, net of fees	-	-	2,242
Grants	-	-	(12,460)
Liquidation of CRT/transfer to investments	-	(955,853)	25,879
BALANCE AS OF MARCH 31, 2025	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 267,263</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Net investment return consisted of the following during the years ended March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 1,580,441	\$ 1,146,565
Realized and unrealized gains on investments	1,113,803	5,081,582
Less: investment return allocated to operations	<u>(1,474,128)</u>	<u>(1,454,244)</u>
NET INVESTMENT RETURN	<u>\$ 1,220,116</u>	<u>\$ 4,773,903</u>

3. UNCONDITIONAL PROMISES TO GIVE

As of March 31, 2025 and 2024, the Foundation has received commitments for support of which \$4,272,500 and \$6,048,200, respectively, had not been collected. As of March 31, 2025 and 2024, 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 4.42% and 5.03%, 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 1,481,666	\$ 1,826,533
Two to five years	<u>2,790,834</u>	<u>4,221,667</u>
Total	4,272,500	6,048,200
Less: Allowance to discount balance to present value	<u>(166,677)</u>	<u>(374,154)</u>
NET UNCONDITIONAL PROMISES TO GIVE	<u>\$ 4,105,823</u>	<u>\$ 5,674,046</u>

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at March 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Sub-Saharan Africa	\$ 3,806,737	\$ 4,799,375
Asia	3,047,450	3,387,037
North America	1,034,841	1,375,082
ICF Center for Conservation Leadership (includes Construction in Progress)	2,410,866	3,567,173
Administration	22,120	49,613
Accumulated investment earnings from endowments perpetual in nature (Note 7)	3,746,983	3,568,092
Miscellaneous (various time restricted and other)	86,316	158,278
Endowments perpetual in nature (Note 7)	4,650,994	4,508,921
Beneficial interest in charitable remainder trust (time restricted)	-	955,853
Unconditional promises to give (time restricted)	<u>149,209</u>	<u>160,744</u>
TOTAL	<u>\$ 18,955,516</u>	<u>\$ 22,530,168</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

4. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Sub-Saharan Africa	\$ 2,603,861	\$ 1,734,007
Asia	1,745,279	746,053
North America	1,620,203	1,352,842
ICF Center for Conservation Leadership	1,575,237	578,949
Administration	<u>1,026,280</u>	<u>7,648</u>
TOTAL	<u>\$ 8,570,860</u>	<u>\$ 4,419,499</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 spaces in Uganda, Zambia, Rwanda and China that expire in 2026, 2030, 2029 and 2027, 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.

For the year ended March 31, 2025, total lease cost was \$77,897 and total cash paid was \$94,607 for all operating leases. As of March 31, 2025, the weighted- average remaining lease term and rate for operating leases is 3.07 years and 4.33%, 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, 2025:

<u>Year Ending March 31,</u>	
2026	\$ 85,544
2027	81,742
2028	45,185
2029	34,154
2030	<u>5,999</u>
	252,624
Less: Imputed interest	<u>(16,491)</u>
	236,133
Less: Current portion	<u>(83,695)</u>
NONCURRENT PORTION	<u>\$ 152,438</u>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

5. LEASE COMMITMENTS (Continued)

Financing Lease:

The Foundation leases a mail machine under a lease which expires in October 2027 and multiple copiers/printers under a lease which expires in January 2030.

For the year ended March 31, 2025, total amortization on the right-of-use asset was \$7,698 and total interest expense was \$1,199. As of March 31, 2025, the remaining lease term and rate for the financing lease is 4.44 years and 4.36%, 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, 2025:

<u>Year Ending March 31,</u>	
2026	\$ 20,576
2027	21,013
2028	18,466
2029	15,933
2030	<u>13,608</u>
	89,596
Less: Imputed interest	<u>(8,160)</u>
	81,436
Less: Current portion	<u>(20,128)</u>
NONCURRENT PORTION	<u>\$ 61,308</u>

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, 2025 and 2024, totaling \$102,482 and \$83,845, 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.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

7. ENDOWMENTS (Continued)

During the year ended March 31, 2025, CIF additions and investment gains totaled \$1,037,987, less a \$1,542,410 withdrawal (a net \$504,423 decrease). During the year ended March 31, 2024, CIF additions and investment income totaled \$719,882, less \$1,612,442 of withdrawals (a net \$892,560 decrease). Therefore, the aggregate amount invested in the CIF as of March 31, 2025 and 2024 totaled \$4,640,781 and \$5,145,204, 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, 2025, BLF investment income and additions totaled \$152,792, less withdrawals of \$743,825 (a net decrease of \$591,033). During the year ended March 31, 2024, BLF investment income (net of appropriations) totaled \$73,562. Therefore, the aggregate amount invested in the BLF as of March 31, 2025 and 2024 totaled \$2,479,679 and \$3,070,712, 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, 2025 AND 2024**

7. ENDOWMENTS (Continued)

Endowment net asset composition by type as of March 31, 2025:

	<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	\$ -	\$ 3,746,983	\$ 4,650,994	\$ 8,397,977
Board-designated endowment investments (QE)	25,270,072	-	-	25,270,072
Board-designated liquidity fund investments (BLF)	2,479,679	-	-	2,479,679
Board-designated conservation impact investments (CIF)	<u>4,640,781</u>	<u>-</u>	<u>-</u>	<u>4,640,781</u>
ENDOWMENT NET ASSETS	<u>\$ 32,390,532</u>	<u>\$ 3,746,983</u>	<u>\$ 4,650,994</u>	<u>\$ 40,788,509</u>

Changes in Endowment net assets for the year ended March 31, 2025:

	<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, 2024	\$ 32,005,666	\$ 3,568,092	\$ 4,508,921	\$ 40,082,679
Investment gain	2,113,614	528,667	15,661	2,657,942
Contributions	1,671,843	-	126,412	1,798,255
Appropriation of endowment assets for expenditure	<u>(3,400,591)</u>	<u>(349,776)</u>	<u>-</u>	<u>(3,750,367)</u>
ENDOWMENT NET ASSETS, MARCH 31, 2025	<u>\$ 32,390,532</u>	<u>\$ 3,746,983</u>	<u>\$ 4,650,994</u>	<u>\$ 40,788,509</u>

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>

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

7. ENDOWMENTS (Continued)

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

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions: Perpetual in Nature	Total
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>

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, 2025 and 2024.

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, 2025 AND 2024**

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>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 217,278	\$ 115,688
Unconditional promises to give	20,000	20,000
Endowment distribution appropriated for general expenditure	<u>1,331,493</u>	<u>1,359,155</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS
FOR GENERAL EXPENDITURES WITHIN ONE YEAR OF
MARCH 31, 2025 AND 2024**

\$ 1,568,771 \$ 1,494,843

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 \$2,479,679 and \$3,070,712 as of March 31, 2025 and 2024, 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 \$4,640,781 and \$5,145,204 as of March 31, 2025 and 2024, respectively.

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 \$25,270,072 and \$23,789,750 as of March 31, 2025 and 2024, respectively.

9. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through July 25, 2025, the date the consolidated financial statements were issued.

The Foundation is in the process of registering as an international nongovernmental organization (INGO) in Kenya, and the registration process is expected to be completed in 2025. Currently, the Foundation's Kenya operations are hosted by a local partner. The Foundation expects to transfer all Kenya operations over to the new office shortly after it receives registration approval.

INTERNATIONAL CRANE FOUNDATION, INC.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2025 AND 2024**

9. SUBSEQUENT EVENTS (Continued)

On January 14, 2025, the Foundation signed a Purchase and Sale Agreement for 1,150 acres of land in Calhoun County, Texas. The purchase price for the land is \$3,400,000. The closing date for the purchase is expected to be on or before December 31, 2025. Closing on the property is dependent on the Foundation securing all of the needed funding for the purchase; should funding not be secured, the contract can be terminated prior to closing with minimal financial impact to the Foundation.