

# **THE INTERNATIONAL ELEPHANT FOUNDATION**

**FINANCIAL REPORT**

**DECEMBER 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The International Elephant Foundation  
Fort Worth, Texas

We have audited the accompanying financial statements of The International Elephant Foundation (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The International Elephant Foundation as of December 31, 2021, and the changes in its net assets and its 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The International Elephant Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Other Matter**

The financial statements of The International Elephant Foundation for the year ended December 31, 2020, were audited by another auditor, who expressed an unmodified opinion on those statements on August 19, 2021.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The International Elephant 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The International Elephant 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.

A handwritten signature in cursive script that reads "Kellogg and Kellogg, P.C.".

Kellogg and Kellogg, P.C.  
Fort Worth, Texas  
September 10, 2022

**THE INTERNATIONAL ELEPHANT FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 132,952	\$ 164,916
Contributions receivable	61,458	45,089
Current pledges receivables, net	212,000	212,000
Investments	1,687,908	1,597,269
Total current assets	2,094,318	2,019,274
OTHER ASSETS		
Non-current pledges receivable, net	415,118	613,275
TOTAL ASSETS	\$ 2,509,436	\$ 2,632,549
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,258	\$ 66,422
Grants payable	98,418	284,597
Total current liabilities	101,676	351,019
NET ASSETS		
Without donor restrictions	1,784,238	1,447,366
With donor restrictions	623,522	834,164
Total net assets	2,407,760	2,281,530
TOTAL LIABILITIES AND NET ASSETS	\$ 2,509,436	\$ 2,632,549

The Notes to Financial Statements are an integral part of these statements.

**THE INTERNATIONAL ELEPHANT FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions, net	\$ 408,548	\$ 321,246	\$ 729,794
Investment income, net	104,994	-	104,994
Net assets released from restrictions	<u>531,888</u>	<u>( 531,888)</u>	<u>-</u>
Total support and revenues	1,045,430	( 210,642)	834,788
<b>EXPENSES</b>			
Program services:			
Conservation, education, and research	566,804	-	566,804
Supporting services:			
Management and general	94,665	-	94,665
Fundraising	<u>47,089</u>	<u>-</u>	<u>47,089</u>
Total expenses	<u>708,558</u>	<u>-</u>	<u>708,558</u>
Change in net assets	336,872	( 210,642)	126,230
NET ASSETS, beginning of year	<u>1,447,366</u>	<u>834,164</u>	<u>2,281,530</u>
NET ASSETS, end of year	<u>\$ 1,784,238</u>	<u>\$ 623,522</u>	<u>\$ 2,407,760</u>

The Notes to Financial Statements are an integral part of this statement.

**THE INTERNATIONAL ELEPHANT FOUNDATION**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions, net	\$ 389,784	\$ 298,662	\$ 688,446
Grant - Paycheck Protection Program	-	6,200	6,200
Investment income, net	183,219	-	183,219
Net assets released from restrictions	<u>403,438</u>	<u>( 403,438)</u>	<u>-</u>
Total support and revenues	976,441	( 98,576)	877,865
<b>EXPENSES</b>			
Program services:			
Conservation, education, and research	1,072,859	-	1,072,859
Supporting services:			
Management and general	92,158	-	92,158
Fundraising	<u>43,817</u>	<u>-</u>	<u>43,817</u>
Total expenses	<u>1,208,834</u>	<u>-</u>	<u>1,208,834</u>
Change in net assets	( 232,393)	( 98,576)	( 330,969)
NET ASSETS, beginning of year	<u>1,679,759</u>	<u>932,740</u>	<u>2,612,499</u>
NET ASSETS, end of year	<u><u>\$ 1,447,366</u></u>	<u><u>\$ 834,164</u></u>	<u><u>\$ 2,281,530</u></u>

The Notes to Financial Statements are an integral part of this statement.

**THE INTERNATIONAL ELEPHANT FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Conservation, Education, and Research</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Accounting and legal fees	\$ -	\$ 19,797	\$ -	\$ 19,797
Bank fees	-	14,077	-	14,077
Development and marketing	-	1,272	-	1,272
Fundraising	-	845	4,202	5,047
Licenses and membership dues	-	3,319	-	3,319
Miscellaneous	-	327	-	327
Office supplies	-	2,266	-	2,266
Postage and printing	996	1,407	-	2,403
Research and support	474,402	-	-	474,402
Salaries and benefits	89,889	47,942	42,887	180,718
Telephone	-	1,708	-	1,708
Travel	1,397	-	-	1,397
Website management	120	1,705	-	1,825
	<u>\$ 566,804</u>	<u>\$ 94,665</u>	<u>\$ 47,089</u>	<u>\$ 708,558</u>

The Notes to Financial Statements are an integral part of this statement.



**THE INTERNATIONAL ELEPHANT FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Conservation, Education, and Research	Management and General	Fundraising	Total
Accounting and legal fees	\$ -	\$ 19,842	\$ -	\$ 19,842
Bank fees	-	10,959	-	10,959
Development and marketing	-	1,720	-	1,720
Fundraising	-	430	2,930	3,360
Licenses and membership dues	-	4,208	-	4,208
Miscellaneous	-	3,681	-	3,681
Office supplies	-	823	-	823
Postage and printing	2,862	1,227	-	4,089
Post doctoral project	67,500	-	-	67,500
Research and support	909,793	-	-	909,793
Salaries and benefits	88,669	45,518	40,887	175,074
Telephone	-	2,217	-	2,217
Travel	459	-	-	459
Website management	3,576	1,533	-	5,109
	<u>\$ 1,072,859</u>	<u>\$ 92,158</u>	<u>\$ 43,817</u>	<u>\$ 1,208,834</u>

The Notes to Financial Statements are an integral part of this statement.

**THE INTERNATIONAL ELEPHANT FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 126,230	(\$ 330,969)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Discount on contributions receivable	( 13,843)	( 9,691)
Net realized and unrealized gain on investments	( 17,135)	( 144,486)
Donated stocks	( 45,906)	-
Changes in operating assets and liabilities		
Contributions receivable	( 16,369)	1,741
Pledges receivable	212,000	92,000
Accounts payable and accrued liabilities	( 63,164)	62,779
Grants payable	( 186,179)	238,697
Net cash used in operating activities	( 4,366)	( 89,929)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	60,248	73,554
Purchases of investments	( 87,846)	( 90,200)
Net cash used in investing activities	( 27,598)	( 16,646)
Net decrease in cash and cash equivalents	( 31,964)	( 106,575)
Cash and cash equivalents, beginning of year	164,916	271,491
Cash and cash equivalents, end of year	\$ 132,952	\$ 164,916

The Notes to Financial Statements are an integral part of these statements.

## THE INTERNATIONAL ELEPHANT FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

**Nature of Operations** – The International Elephant Foundation (the Foundation) is a not-for-profit organization incorporated under the laws of the state of Texas. The primary mission of the Foundation is to support and operate elephant conservation and education programs, both in managed facilities and in the wild, with an emphasis on management, protection, and scientific research. The Foundation's corporate office is located in Fort Worth, Texas.

**Basis of Accounting** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Basis of Presentation** – The financial statements of the Foundation are presented in accordance with generally accepted accounting principles applicable to not-for-profit organizations. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not designated any net assets for specific use.

*Net Assets with Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value of Financial Instruments** – The Foundation determines the fair value of financial instruments by reference to various market data and other valuation techniques, as appropriate. Unless otherwise disclosed, the fair values of financial instruments approximate their recorded values, due primarily to their short-term nature. The Foundation considers investments with maturities of 90 days or less when purchased to be cash equivalents.

**Contribution Revenue** – The Foundation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All contributions are considered to be available for use unless specifically restricted by the donor.

Conditional promise to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

## THE INTERNATIONAL ELEPHANT FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

**Donated Services** – Donated services are recognized as contributions if the services: (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation pays for most services requiring specialized skills. However, a number of individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific program functions and various other activities that are not recognized as contributions in the accompanying financial statements, because the recognition criteria under GAAP was not met.

**Cash and Cash Equivalents** – The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Foundation maintains deposits primarily in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses related to amounts in excess of FDIC limits. Management evaluates each financial institution on a regular basis and does not anticipate any losses on the excess deposits.

**Contributions Receivable** – Contributions receivable are recorded as revenue in the year made. Promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using discount rates ranging from 0.93% to 1.69%. The discount on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. At December 31, 2021 and 2020, the unamortized discount is approximately \$19,000 and \$33,000, respectively. Amortization of the discount is included in contribution revenue in the accompanying statement of activities. Management evaluates the adequacy of an allowance for doubtful accounts based on a review of individual accounts.

The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts, and other specific information known to management that may affect collectability. No allowance for doubtful accounts was considered necessary at December 31, 2021 and 2020.

**Investments** – The Foundation invests excess cash flow in mutual funds, stocks and bonds to achieve a greater investment return. The Foundation classifies its investments consistent with ASC 320-10, *Accounting for Certain Investments in Debt and Equity Securities*, which requires that investments in debt securities and marketable equity securities be designated as trading, available for sale or held to maturity. Accordingly, the Foundation classifies its investments in debt and equity securities as trading securities and reflects unrealized gains and losses in the current period earnings. The fair values of marketable securities are estimated based on quoted market prices. Realized gains or losses from the sales of marketable securities are based on the specific identification method.

**Functional Allocation of Expenses** – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs, including postage and printing, salaries and benefits, and website management have been allocated among program and supporting services. Such allocations, specifically for salaries and benefits are determined by management based on estimates of time and effort. Generally, the Foundation records its expenses based on direct allocation by assigning each expense to a functional category based on direct usage.

**Income Taxes** – The Foundation is exempt from federal income taxes under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3), and as such, is subject to income taxes only on unrelated business income (UBI). The Foundation earned no taxable income from unrelated business activities for the years ended December 31, 2021 and 2020.

## THE INTERNATIONAL ELEPHANT FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

**Income Taxes (continued)** – FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on derecognition, measurement and classification of amounts relating to uncertain tax positions, accounting for and disclosure of interest and penalties, accounting in interim periods, disclosures and transition relating to the adoption of the accounting standard.

The Foundation's accounting policy related to income tax penalties and interest assessments is to accrue for these costs and record a charge to selling, general and administrative expense for tax penalties and a charge to interest expense for interest assessments during the period that it takes an uncertain tax position through resolution with the taxing authorities or the expiration of the applicable statute of limitations. The Foundation did not record any significant amounts related to penalties and interest during the years ended December 31, 2021 and 2020.

In the normal course of business, the Foundation is subject to examination by taxing authorities. The Foundation's tax returns for the years after December 31, 2017 are open, by statute, for review by authorities. However, at present, there are no ongoing income tax audits or unresolved disputes with various tax authorities.

**Reclassifications** – Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**Recent Accounting Pronouncements** – In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, requiring an entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. ASU 2020-07 includes additional disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services. The standard will be applied on a retrospective basis and will be effective for the year ending December 31, 2022. The Foundation does not expect the new standard will impact its financial statements other than a reclassification on the statement of activities and additional disclosures.

#### NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Foundation's financial assets at December 31:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 132,952	\$ 164,916
Contributions receivable	61,458	45,089
Pledges receivable to be collected in less than one year	212,000	212,000
Investments	<u>1,687,908</u>	<u>1,597,269</u>
Total financial assets	2,014,318	2,019,274
Less: Net assets with donor restrictions with specific time and purpose restrictions	( <u>217,010</u> )	( <u>220,889</u> )
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,877,308</u>	<u>\$ 1,798,385</u>

## THE INTERNATIONAL ELEPHANT FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2021 and 2020, the Foundation has approximately \$1,879,000 and \$1,798,000, respectively, of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents, contributions receivable to be collected in less than one year, and investments. Other than the net assets with donor restrictions, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position dates. As part of its liquidity plan, excess cash is invested in the Foundation's investment portfolio, including money market accounts and mutual funds. The Foundation could draw upon the investment balance to meet liquidity needs, if necessary.

#### NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable are due as follows at December 31:

	<u>2021</u>	<u>2020</u>
Less than 1 year	\$ 212,000	\$ 212,000
1-5 years	<u>434,000</u>	<u>646,000</u>
Total pledges receivable	646,000	858,000
Unamortized discount to adjust pledges to net present value	( 18,882)	( 32,725)
Total pledges receivable, net	<u>\$ 627,118</u>	<u>\$ 825,275</u>

#### NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions represents contributions for which donors have imposed purpose and/or time restrictions. As of December 31, 2021 and 2020, the Foundation's net assets with donor restrictions were comprised of amounts restricted for various programs for conservation, education, and research, which are within the scope of the Foundation's charitable purpose. Donor-restricted amounts are held in contributions receivable and investments at December 31, 2021 and 2020.

#### NOTE 5 – FAIR VALUE MEASUREMENTS

ASC 820-10, *Fair Value Measurements and Disclosure*, provides a framework for measuring fair value under generally accepted accounting principles. ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

## THE INTERNATIONAL ELEPHANT FOUNDATION

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 5 – FAIR VALUE MEASUREMENTS (continued)

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

At December 31, 2021 and 2020, the Foundation's investments consisted of actively traded money market and mutual funds, including equity, fixed income, and other mutual funds, which have daily quoted net asset values for identical assets that the Foundation can access. These securities are classified within Level 1 of the fair value hierarchy.

The table below presents the balances of assets measured at fair value on December 31, 2021 on a recurring basis.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments:			
Money market funds	\$ 270,367	\$ 270,367	\$ -
Equity mutual funds	764,138	764,138	-
Fixed income mutual funds	364,610	364,610	-
Other mutual funds	<u>288,793</u>	<u>288,793</u>	<u>-</u>
Total assets measured at fair value	<u>\$ 1,687,908</u>	<u>\$ 1,687,908</u>	<u>\$ -</u>

The table below presents the balances of assets measured at fair value on December 31, 2020 on a recurring basis.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Investments:			
Money market funds	\$ 285,365	\$ 285,365	\$ -
Equity mutual funds	681,190	681,190	-
Fixed income mutual funds	366,923	366,923	-
Other mutual funds	<u>263,791</u>	<u>263,791</u>	<u>-</u>
Total assets measured at fair value	<u>\$ 1,597,269</u>	<u>\$ 1,597,269</u>	<u>\$ -</u>

**THE INTERNATIONAL ELEPHANT FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – INVESTMENTS**

The estimated fair value of investments in securities is determined based on published market quotations.

As of December 31, 2021, investments consisted of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Money market funds	\$ 270,367	\$ 270,367
Equity mutual funds	361,127	764,138
Fixed income mutual funds	582,008	364,610
Other mutual funds	<u>256,725</u>	<u>288,793</u>
	<u>\$ 1,470,227</u>	<u>\$ 1,687,908</u>

As of December 31, 2020, investments consisted of the following:

	<u>Cost</u>	<u>Fair Market Value</u>
Money market funds	\$ 285,365	\$ 285,365
Equity mutual funds	523,415	681,190
Fixed income mutual funds	354,685	366,923
Other mutual funds	<u>234,257</u>	<u>263,791</u>
	<u>\$ 1,397,722</u>	<u>\$ 1,597,269</u>

**NOTE 7 – CONCENTRATIONS**

At December 31, 2021 and 2020, 100% of pledges receivable comprised of amounts due from two donors. One of the donors was a related party.

During the year ended December 31, 2021, the Foundation had a contribution from one donor, totaling \$100,000, which accounts for approximately 14% of total contributions. During the year ended December 31, 2020, the Foundation had contributions from two donors, totaling \$220,000, which accounted for approximately 32% of total contributions.

**NOTE 8 – PAYCHECK PROTECTION PROGRAM**

During 2020, the Foundation entered into a loan agreement issued by the Small Business Administration (SBA) under the Paycheck Protection Program that consists of a forgivable loan that incurs interest at 1.0%. The total loan amount was \$6,200. The Foundation would not be liable for repayment of the loan provided that all SBA loan proceeds are used only for qualified expenditures as specified in the loan application.

During 2020, management applied for loan forgiveness under the SBA loan agreement and loan was forgiven on January 27, 2021. Accordingly, management recognized the loan as a conditional contribution during the year ended December 31, 2020 on the statement of activities.



## **THE INTERNATIONAL ELEPHANT FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

#### **NOTE 9 – RELATED-PARTY TRANSACTION**

During 2020, the Foundation received a contribution of \$120,000 from a related party. As of December 31, 2021 and 2020, \$96,000 and \$108,000, respectively, is included in pledges receivable on the statement of financial position.

#### **NOTE 10 – COVID-19**

During March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The extent of COVID-19's effect on the Foundation's operational and financial performance will depend on future developments, including the duration, spread and the intensity of the pandemic, all of which are uncertain and difficult considering the rapidly evolving landscape.

#### **NOTE 11 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated material subsequent events from the statement of financial position date of December 31, 2021 through the financial statements issue date September 10, 2022. All appropriate subsequent event disclosures, if any, have been made to the financial statements.