

Wilderness Inquiry, Inc.
Bloomington, Minnesota

Consolidated Financial Statements
Auditor's Report
For the Years Ended
December 31, 2024 and 2023



CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
EXHIBIT A: Consolidated Statements of Financial Position – December 31, 2024 and 2023	3
EXHIBIT B: Consolidated Statements of Activities– For the Years Ended December 31, 2024 and 2023	4
EXHIBIT C: Consolidated Statement of Functional Expense – For the Year Ended December 31, 2024 with Comparative Totals for 2023	5
EXHIBIT D: Consolidated Statement of Functional Expense – For the Year Ended December 31, 2023	6
EXHIBIT E: Consolidated Statements of Cash Flows – For the Years Ended December 31, 2024 and 2023	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8-19

ADDITIONAL INFORMATION

SCHEDULE 1: Consolidating Schedule of Revenue, Expense and Change in Net Assets For the Year Ended December 31, 2024	20
SCHEDULE 2: Consolidating Schedule of Financial Position – December 31, 2024	21



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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wilderness Inquiry Inc.
Bloomington, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Wilderness Inquiry Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, 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 financial position of Wilderness Inquiry Inc. as of December 31, 2024 and 2023 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of our report. We are required to be independent of Wilderness Inquiry Inc. 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 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 Wilderness Inquiry Inc.'s ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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 and *Government 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 and *Government 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 Wilderness Inquiry Inc.'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 Wilderness Inquiry Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedule of revenue, expense and change in net assets and consolidating schedule of financial position are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Coyote EA and Associates, LTD.
Certified Public Accountants

Minneapolis, Minnesota
April 9, 2025

WILDERNESS INQUIRY, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Current Assets:		
Cash and Cash Equivalents	\$ 1,552,557	\$ 587,527
Short-Term Investments	1,634,205	2,131,116
Accounts Receivable	1,600	20,716
Grants and Pledges Receivable	1,328,646	776,507
Prepaid Expenses	201,031	144,646
Total Current Assets	4,718,039	3,660,512
Noncurrent Assets:		
Property and Equipment - Net	6,137,379	610,014
Grants and Pledges Receivable	1,268,147	195,000
Right of Use Asset	188,680	270,102
Investments:		
Long-Term Investments (WI Foundation)	3,725,898	6,147,856
Endowment Fund	2,435,496	2,239,780
457b Deferred Compensation Market Value	373,535	482,529
TOTAL ASSETS	\$ 18,847,174	\$ 13,605,793
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 109,209	\$ 55,685
Accrued Vacation and Salary	241,051	189,113
Operating Lease Liability	85,192	79,287
Note Payable	37,974	-
Deferred Revenue	259,480	219,900
Gift Certificates	75,734	73,316
Total Current Liabilities	808,640	617,301
Long-term Liabilities:		
Operating Lease Liability	114,957	200,149
457b Deferred Compensation	373,535	482,529
Note Payable	2,418,442	-
Total Liabilities	3,715,574	1,299,979
Net Assets:		
Without Donor Restrictions	10,812,934	10,536,788
With Donor Restrictions	4,318,666	1,769,026
Total Net Assets	15,131,600	12,305,814
TOTAL LIABILITIES AND NET ASSETS	\$ 18,847,174	\$ 13,605,793

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

EXHIBIT B

WILDERNESS INQUIRY, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions of Financial Assets	\$ 1,390,989	\$ 3,169,603	\$ 4,560,592	\$ 2,563,313	\$ 870,000	\$ 3,433,313
Contributions of Non-Financial Assets	227,033	-	227,033	-	-	-
Government Grants	2,915,187	-	2,915,187	1,355,863	-	1,355,863
Program Service Fees	1,189,013	-	1,189,013	1,359,480	-	1,359,480
Endowment Payout	100,000	-	100,000	69,368	-	69,368
Investment Income	682,453	-	682,453	814,056	-	814,056
Miscellaneous Income	74,144	-	74,144	29,408	-	29,408
Special Events	176,962	-	176,962	155,600	-	155,600
Net Assets Released from Restrictions:						
Satisfaction of Capital Restrictions	127,413	(127,413)	-	-	-	-
Satisfaction of Purpose and Time Restrictions	495,000	(495,000)	-	353,338	(353,338)	-
Total Support and Revenue	7,378,194	2,547,190	9,925,384	6,700,426	516,662	7,217,088
Expense:						
Program Services:						
Day and Multi-Day	3,681,067	-	3,681,067	2,641,527	-	2,641,527
Near Nature & Extended Adventures	1,624,862	-	1,624,862	1,515,794	-	1,515,794
Training, Learning & Career Pathways	289,945	-	289,945	227,596	-	227,596
Total Program Services	5,595,874	-	5,595,874	4,384,917	-	4,384,917
Support Services:						
Management and General	1,276,395	-	1,276,395	702,325	-	702,325
Fundraising	323,045	-	323,045	256,124	-	256,124
Total Support Services	1,599,440	-	1,599,440	958,449	-	958,449
Total Expense	7,195,314	-	7,195,314	5,343,366	-	5,343,366
Change in Net Assets - Operating	182,880	2,547,190	2,730,070	1,357,060	516,662	1,873,722
Change in Value of Endowment	193,266	-	193,266	187,245	-	187,245
Less: Endowment Payout for Operations	(100,000)	-	(100,000)	(69,368)	-	(69,368)
Net Change in Value of Endowment	93,266	-	93,266	117,877	-	117,877
Endowment Contributions	-	2,450	2,450	-	1,300	1,300
Change in Net Assets	276,146	2,549,640	2,825,786	1,474,937	517,962	1,992,899
Net Assets - Beginning of Year	10,536,788	1,769,026	12,305,814	9,061,851	1,251,064	10,312,915
Net Assets - End of Year	\$ 10,812,934	\$ 4,318,666	\$ 15,131,600	\$ 10,536,788	\$ 1,769,026	\$ 12,305,814

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

WILDERNESS INQUIRY, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024					2023		
	Program Services			Support Services		Total	Total	Total
Day and Multi-Day	Near-Nature & Extended Adventures	Training, Learning & Career Pathways	Total Program Services	Management & General	Fund-raising	Total Support Services	Total All Services	Total All Services
Salaries	\$ 2,104,386	\$ 210,094	\$ 3,231,167	\$ 155,842	\$ 216,431	\$ 372,273	\$ 3,603,440	\$ 2,684,963
Payroll Taxes	157,923	15,766	242,482	11,695	16,242	27,937	270,419	198,409
Employee Benefits	52,046	815	63,591	262,808	348	263,156	326,747	237,449
Total Personnel Costs	2,314,355	226,675	3,537,240	430,345	233,021	663,366	4,200,606	3,120,821
Contract Services	306,050	48,466	378,616	464,245	48,155	512,400	891,016	538,006
Trip Expenses	428,419	374,571	819,570	4,092	2,827	6,919	826,489	744,512
Facilities	240,269	64,159	315,735	41,082	10,279	51,361	367,096	308,602
Insurance	164,244	47,280	214,909	4,438	-	4,438	219,347	178,117
Miscellaneous	9,316	2,849	12,990	126,720	5,499	132,219	145,209	40,607
Transportation	79,754	48,503	131,518	17	3	20	131,538	105,776
Supplies	2,664	771	3,504	97,448	77	97,525	101,029	31,779
Credit Card Fees	59	2,004	2,065	66,958	28	66,986	69,051	66,230
Travel and Entertainment	19,128	4,689	24,845	21,007	4,123	25,130	49,975	28,666
Outreach and Promotion	16,730	4,839	22,002	3,110	99	3,209	25,211	19,696
Special Events	-	-	-	-	15,379	15,379	15,379	17,020
Technology	1,384	395	1,815	12,844	-	12,844	14,659	18,261
Printing and Copying	2,530	702	3,291	145	2,022	2,167	5,458	4,346
Postage	2,259	470	2,769	229	1,533	1,762	4,531	6,629
Depreciation	93,906	28,954	125,005	3,715	-	3,715	128,720	114,298
Total Expense	\$ 3,681,067	\$ 1,624,862	\$ 5,595,874	\$ 1,276,395	\$ 323,045	\$ 1,599,440	\$ 7,195,314	\$ 5,343,366

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

WILDERNESS INQUIRY, INC.
 CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Support Services				Total All Services
	Day and Multi-Day	Near-Nature & Extended Adventures	Training, Learning & Career Pathways	Total Program Services	Management & General	Fund-raising	Total Support Services	Total	
Salaries	\$ 1,488,867	\$ 705,690	\$ 149,459	\$ 2,344,016	\$ 148,326	\$ 192,621	\$ 340,947	\$ 2,684,963	
Payroll Taxes	110,022	52,148	11,044	173,214	10,961	14,234	25,195	198,409	
Employee Benefits	147,613	55,713	2,390	205,716	18,331	13,402	31,733	237,449	
Total Personnel Costs	1,746,502	813,551	162,893	2,722,946	177,618	220,257	397,875	3,120,821	
Contract Services	83,349	32,885	28,262	144,496	393,510	-	393,510	538,006	
Trip Expenses	280,470	437,653	26,389	744,512	-	-	-	744,512	
Facilities	192,955	77,166	2,680	272,801	25,058	10,743	35,801	308,602	
Insurance	126,112	47,292	1,751	175,155	2,962	-	2,962	178,117	
Miscellaneous	27,681	10,153	369	38,203	1,895	509	2,404	40,607	
Transportation	62,447	40,887	2,390	105,724	52	-	52	105,776	
Supplies	10,540	3,953	146	14,639	17,101	39	17,140	31,779	
Credit Card Fees	-	10,072	-	10,072	54,337	1,821	56,158	66,230	
Travel and Entertainment	10,181	4,290	134	14,605	11,741	2,320	14,061	28,666	
Outreach and Promotion	13,127	4,923	182	18,232	13	1,451	1,464	19,696	
Special Event	-	-	-	-	-	17,020	17,020	17,020	
Technology	228	85	3	316	17,596	349	17,945	18,261	
Printing and Copying	3,130	1,173	43	4,346	-	-	-	4,346	
Postage	3,653	851	68	4,572	442	1,615	2,057	6,629	
Depreciation	81,152	30,860	2,286	114,298	-	-	-	114,298	
Total Expense	\$ 2,641,527	\$ 1,515,794	\$ 227,596	\$ 4,384,917	\$ 702,325	\$ 256,124	\$ 958,449	\$ 5,343,366	

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

WILDERNESS INQUIRY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 2,825,786	\$ 1,992,899
Depreciation	128,720	114,298
Change in Operating Leases	2,135	4,555
Contributions Restricted in Perpetuity	(1,000)	(1,300)
Unrealized & Realized (Gain) Loss on Investments	(609,825)	(752,829)
Increase (Decrease) in Liabilities:		
Accounts Payable	53,524	33,085
Accrued Vacation and Salary	51,938	54,085
Deferred Revenue	39,580	51,744
Gift Certificates	2,418	(1,841)
Decrease (Increase) in Assets:		
Accounts Receivable	19,116	5,000
Grants and Pledges Receivable	(1,625,286)	(693,197)
Prepaid Expenses	(56,385)	(60,292)
Net Cash Provided by Operating Activities	<u>830,721</u>	<u>746,207</u>
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	(5,656,085)	(8,455)
Proceeds from Maturity/Sale of Investments	7,288,659	6,082,675
Purchases of Investments	<u>(3,955,681)</u>	<u>(6,814,716)</u>
Net Cash (Used) by Investing Activities	<u>(2,323,107)</u>	<u>(740,496)</u>
Cash Flows from Financing Activities:		
Proceeds from Notes Payable	2,456,416	-
Contributions Restricted in Perpetuity	<u>1,000</u>	<u>1,300</u>
Net Cash Provided by Financing Activities	<u>2,457,416</u>	<u>1,300</u>
Net Increase in Cash and Cash Equivalents	965,030	7,011
Cash and Cash Equivalents - Beginning of Year	<u>587,527</u>	<u>580,516</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,552,557</u>	<u>\$ 587,527</u>
<u>Supplemental Disclosures of Cash Flow Information</u>		
Cash Paid for:		
Interest	<u>\$ 16,136</u>	<u>\$ -</u>

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

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements of Wilderness Inquiry (WI) include the accounts of Wilderness Inquiry Foundation (WIF). Significant inter-company transactions have been eliminated. WI is the sole member of WIF.

WIF was created to support, benefit and perform functions of, or to carry out the purposes of Wilderness Inquiry, Inc.

Organizational Purpose

Wilderness Inquiry's (WI) mission is to connect people of all ages, backgrounds, identities, and abilities through shared outdoor adventures so that all people can equitably experience the benefits of time spent in nature. Through the core values of paddling together, finding a way, seeking the exceptional, and nurturing inclusion, WI promotes the outdoors as a place where everyone belongs. Since 1978, WI has actively worked to break down barriers to outdoor access through supported recreational, educational, and leadership and career pathway programs in the natural world – with the fundamental belief that connections to the outdoors support healthy individuals and communities. Annually, programs provide outdoor opportunities for tens of thousands of participants.

Current WI programs include:

Day & Multi-Day Programs: Wilderness Inquiry Day Programs provide introductory hands-on learning and outdoor recreation in more than 85 communities throughout Minnesota and the nation. Day Programs serve the majority of Wilderness Inquiry's participants through programs including Canoemobile; Outdoor Activity Days; Outdoor Credit Recovery; Virtual Explorers; and Deaf, Deaf-Blind, and Hard of Hearing Day Camps. These nationally recognized outdoor programs connect youth, adults, and families to their local public lands and waterways, helping develop our next generation of environmental stewards. WI continues to offer virtual programming in addition to in-person outdoor experiences. In 2024, 38,977 people participated in Day & Multi-Day Programs (6,151 virtually).

Number of People Served: 38,977

Number of Service Days: 18,121

Number of Events: 381

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Near-Nature & Extended Adventures: Regardless of their previous outdoor skills or level of experience, this program strives to create positive travel opportunities for participants to experience the sense of accomplishment and health/wellness benefits that comes from overnight outdoor adventures in local, state, national and international destinations. Adventures are 2-15 days and include activities such as kayaking, canoeing, hiking, and winter adventuring. In 2024, WI guided 117 trips to 20 unique destinations, including Apostle Islands National Lakeshore, Boundary Waters Canoe Area, Belize, Costa Rica, Glacier National Park, Isle Royale, Tanzania, and Yellowstone National Park. New near-nature itineraries in 2024 included Shenandoah State Park and Kettle Moraine Recreation Area. 1,764 people traveled with WI on Overnight Adventures in 2024.

Number of People Served: 1,764

Number of Service Days: 7,080

Number of Events: 117

Training, Leadership & Career Pathways: WI offers many programs focused on training, leadership, and career development in the outdoor recreation sector. In 2024 the Fellowship Program, which provides paid, professional skill-building opportunities for individuals interested in pursuing careers in the outdoor and nonprofit job sectors, was expanded to include American Sign Language Fellows. In total, WI worked with 472 people through training, leadership, and career programs.

Number of People Served: 472

Number of Service Days: 420

Number of Events: 24

Cash and Cash Equivalents

For purposes of the statements of cash flows, WI considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

WI carries its investments at market value. Investment income from endowment investments is appropriated by the Board of Directors annually. For the years ended December 31, 2024 and 2023, investments were held at Vanguard and JP Morgan.

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Promises-To-Give (Grants and Pledges Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Property and Equipment

All major expenditures for property and equipment in excess of \$4,999 are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method, over an estimated useful life.

Fund Accounting

In order to observe the limitations and restrictions placed on resources available to WI, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restriction. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets with Donor Restrictions – Net assets subject to donor-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. WI reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Accounts Receivable and Allowance for Credit Losses

WI extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and The WI does not charge interest on accounts receivable balances. WI reviews receivable balances on a periodic basis and writes off delinquent receivables to the allowance when they are considered uncollectible. No allowance for credit losses has been provided as receivables are considered collectable.

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Revenue and Revenue Recognition

WI recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of beneficial interest is received. Conditional promises 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 substantially met.

A portion of WI's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No amounts have been received in advance under our federal and state contracts and grants.

WI records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference.

WI records contributions of nonfinancial assets at fair market value at date of donation. WI's policy related to contributions of nonfinancial assets is to utilize the assets given to carry out the mission of the organization. If an asset is provided that does not allow WI to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist.

Program service fees, mostly trip fees, are recognized as revenue when the event occurs, and the performance obligations are met. Deferred Revenue consists of program service fees received prior to the trip taking place or on gift cards purchased for a future trip.

The following provides information about significant changes in Deferred Revenue ended December 31:

	<u>2024</u>	<u>2023</u>
Deferred Revenue – Beginning of Year	\$ 219,900	\$ 168,156
Revenue recognized that was included in deferred revenue at the beginning of the year	(219,900)	(168,156)
Increases in deferred revenue due to cash received during the year	<u>259,480</u>	<u>219,900</u>
Deferred Revenue– End of Year	<u>\$ 259,480</u>	<u>\$ 219,900</u>

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Salaries and related expenses are allocated based on time spent or estimated time spent. Expenses that can be identified with a particular function are expensed to that function. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on management's best estimates of employees time and efforts.

Income Tax

Wilderness Inquiry, Inc. and Wilderness Inquiry Foundation both have tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. WI's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. WI continues to operate consistently with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, both organizations annually file a Return of Organization Exempt from Income Tax (Form 990).

Use of Estimates

The preparation of 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in prior year consolidated financial statements have been reclassified to conform with the presentation in the current year consolidated financial statements.

Leases

WI determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. WI does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

WI has evaluated the effect that subsequent events would have on the consolidated financial statements through April 9, 2025, which is the date consolidated financial statements were available to be issued.

2. Financial Instruments

Significant Concentrations of Credit Risk

The amounts due for services provided are from individuals, substantially all of whom are U.S. residents. In addition, grants and pledges receivable are from individuals and institutions throughout the country. Therefore, no significant concentration of credit risk exists.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

On December 31, 2024 and 2023, WI held funds in a financial institution in excess of federally insured limits.

3. Defined Contribution Pension Plan

WI has a defined contribution pension plan covering all eligible employees. Employer contributions were \$132,222 and \$108,109 for the years ended December 31, 2024 and 2023, respectively.

4. Grants and Pledges Receivable

The outstanding balance of grants and pledges receivable are expected to be received in the following years:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
2024	\$ -	\$ 776,507
2025	1,328,646	185,000
2026	693,500	10,000
2027	425,000	-
2028	<u>300,000</u>	<u>-</u>
Total Grants and Pledges	2,747,146	971,507
Less Pledge Discount at 4.25%	<u>150,353</u>	<u>-</u>
Net Grants and Pledges	2,596,793	971,507
Less Current Portion	<u>1,328,646</u>	<u>776,507</u>
Long-Term Portion	<u>\$ 1,268,147</u>	<u>\$ 195,000</u>

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

5. Investments

Investments were comprised of the following at:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>Market</u>	<u>Market</u>
Endowment Fund Held at JP Morgan	\$ 2,435,496	\$ 2,239,780
Exchange-Traded Funds	5,076,512	5,354,394
Mutual Funds	373,535	482,529
Treasury Stocks	-	2,576,751
Money Market Funds	<u>283,591</u>	<u>347,827</u>
	<u>\$ 8,169,134</u>	<u>\$11,001,281</u>

Investment income included the following as of:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Unrealized and Realized Gain	\$ 609,825	\$ 752,830
Interest and Dividends (Net of Fees)	<u>265,894</u>	<u>248,471</u>
	<u>\$ 875,719</u>	<u>\$ 1,001,301</u>

6. Property and Equipment

WI owned the following assets as of:

	<u>December 31,</u>		Estimated Useful Lives
	<u>2024</u>	<u>2023</u>	
Land	\$ 1,300,463	\$ 227,105	
Buildings	1,747,446	90,049	30-40 years
Office Equipment	48,175	16,990	3-5 years
Program Equipment	778,237	706,957	3-5 years
Building Improvements	3,046,438	444,672	5-30 years
Vehicles	<u>611,047</u>	<u>469,130</u>	5 years
	7,531,806	1,954,903	
Less Accumulated Depreciation	<u>1,394,427</u>	<u>1,344,889</u>	
	<u>\$ 6,137,379</u>	<u>\$ 610,014</u>	

Depreciation expense of \$128,720 and \$114,298 was recorded for the years ended December 31, 2024 and 2023, respectively.

7. Deferred Compensation Plan

The Board has established a 457(b) deferred compensation plan for eligible employees effective April 10, 2008. Eligible employees can voluntarily contribute to the plan and the Board will contribute on a discretionary basis. The Board made contributions of \$10,000 and \$10,000 for an eligible employee for the years ended December 31, 2024 and 2023, respectively.

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. Fair Value

Fair value is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. A three-tier hierarchy of inputs establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at:

December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment Fund	\$ 2,435,496	\$ -	\$ -	\$ 2,435,496
Exchange-Trade Funds:				
Bond Funds	5,076,512	-	-	5,076,512
Mutual Funds:				
Balanced Funds	373,535	-	-	373,535
Money Market Funds	<u>283,591</u>	<u>-</u>	<u>-</u>	<u>283,591</u>
	<u>\$ 8,169,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,169,134</u>

December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment Fund	\$ 2,239,780	\$ -	\$ -	\$ 2,239,780
Exchange-Trade Funds:				
Bond Funds	5,354,394	-	-	5,354,394
Mutual Funds:				
Balanced Funds	482,529	-	-	482,529
Treasury Stocks	2,576,751	-	-	2,576,751
Money Market Funds	<u>347,827</u>	<u>-</u>	<u>-</u>	<u>347,827</u>
	<u>\$11,001,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$11,001,281</u>

Endowment funds are held at JP Morgan and investments are valued at level 1 of the fair value hierarchy.

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

9. Liquidity and Availability

The following represents WI's financial assets at December 31,

Financial Assets:	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 1,552,557	\$ 587,527
Accounts Receivable	1,600	20,715
Grants and Pledges Receivable	2,596,793	971,507
Short-Term Investments	<u>1,634,205</u>	<u>2,131,116</u>
Total Financial Assets	5,785,155	3,710,865
Less assets not available to be used within one year:		
Net Assets with Donor Restrictions	4,318,666	1,769,026
Net Assets with Restrictions to be met within a year	<u>(658,000)</u>	<u>(495,000)</u>
Total assets not available for general expenditures		
Within one year:	<u>3,660,666</u>	<u>1,274,026</u>
Financial assets available for general expenditures within one year	<u>\$ 2,124,489</u>	<u>\$ 2,436,839</u>

WI does not consider their endowment an asset available for expenditure. A spending allocation was estimated based on historical allocation patterns. The allocation was considered an asset for use within one year. The endowment funds are classified as long-term assets, therefore not available for use during normal operations but can be available if necessary. WI considers net assets with donor-imposed restrictions that are expected to be satisfied during normal operations within one year to be available for use.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of amounts for the following as of:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Subject to expenditures for specified purpose:		
Summer Programming	\$ 90,000	\$ 250,000
Capital Projects	2,309,190	50,000
Scholarships	4,000	-
Underserved Youth	<u>350,000</u>	<u>500,000</u>
	2,753,190	800,000
Subject to passage of time:		
Future Years Grants	664,000	70,000
Restricted in Perpetuity:		
Endowment	<u>901,476</u>	<u>899,026</u>
	<u>\$ 4,318,666</u>	<u>\$ 1,769,026</u>

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. Contribution of Non-Financial Assets

WI records contributions of nonfinancial assets at fair market value at date of donation. Contributions of nonfinancial assets included the following as of:

	December 31,	
	2024	2023
Donated Furniture and Equipment	\$ 130,283	\$ -
Donated Professional Services	96,750	-
	\$ 227,033	\$ -

Contributions of Nonfinancial Assets were utilized for programming during the years ended December 31, 2024 and 2023, and had no donor restrictions. Values were used based on the current market rates the WI would have paid for the items if they were not donated.

12. Endowment Funds

Endowment funds consist of eight individual funds established for the purpose of providing scholarship support for individuals in defined groups to participate in WI's programs. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law:

The Board of Directors has interpreted the Minnesota Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value 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, WI classifies as net assets with donor restrictions to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 to be held in perpetuity is classified as net assets with time or programmatic restrictions until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

1. The duration and preservation of the fund
2. The purposes of WI and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the WI
7. The investment policies of WI

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

12. Endowment Funds (Continued)

Endowment net asset composition by type of fund:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
December 31, 2023	<u>\$ 1,340,754</u>	<u>\$ 899,026</u>	<u>\$ 2,239,780</u>
December 31, 2024	<u>\$ 1,524,999</u>	<u>\$ 910,497</u>	<u>\$ 2,435,496</u>

Changes in endowment net assets:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
December 31, 2022	<u>\$ 1,153,509</u>	<u>\$ 897,726</u>	<u>\$ 2,051,235</u>
Total Investment Return	187,245	-	187,245
Contributions	<u>-</u>	<u>1,300</u>	<u>1,300</u>
December 31, 2023	1,340,754	899,026	2,239,780
Total Investment Return	193,266	-	193,266
Contributions	<u>-</u>	<u>2,450</u>	<u>2,450</u>
December 31, 2024	<u>\$ 1,534,020</u>	<u>\$ 901,476</u>	<u>\$ 2,435,496</u>

13. Notes Payable

WI has a mortgage dated May 7, 2024 with an outstanding balance of \$2,456,416 as of December 31, 2024. The mortgage started as a line of credit with a total principal of \$2,700,000 and interest rate of 6.654%. The mortgage is to be paid in 59 monthly principal and interest payments of \$18,420 starting March 7, 2025. The last installment payment is due February 7, 2030.

The Principal due in the year ending December 31,

2025	\$ 37,974
2026	53,663
2027	61,280
2028	65,484
2029	<u>2,238,015</u>
	<u>\$ 2,456,416</u>

WILDERNESS INQUIRY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

14. Operating Lease

WI has an operating lease for office space. The right-of-use (ROU) assets represent WI's right to use underlying assets for the lease term, and the lease liabilities represent the WI's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. WI has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

The following summarizes the weighted average remaining lease term and discount rate as of:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Weighted Average Remaining Lease Term:		
Operating Lease	2.3 years	3.3 years
Weighted Average Discount Rate:		
Operating Lease	4.25%	4.25%

Maturities of lease liabilities as of December 31, 2024 were as follows:

2025	\$ 92,061
2026	94,482
2027	<u>23,772</u>
Total Future Payments	210,315
Less Present Value Discount	<u>(10,166)</u>
Present Value of Lease Liabilities	<u>\$ 200,149</u>

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Operating lease expense included in Occupancy	<u>\$ 91,775</u>	<u>\$ 91,775</u>

The following summarizes cash flow information related to leases for the year ended:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of Lease liabilities:		
Operating cash flows from operating leases	<u>\$ 89,640</u>	<u>\$ 87,220</u>

ADDITIONAL INFORMATION

WILDERNESS INQUIRY
CONSOLIDATING SCHEDULE OF REVENUE, EXPENSE AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	WI	WI Foundation	Elimination Entries	Total
Support and Revenue:				
Contributions of Financial Assets	\$ 4,560,592	\$ -	\$ -	\$ 4,560,592
Contributions of Non-Financial Assets	227,033	-	-	227,033
Program Service Fees	1,189,013	-	-	1,189,013
Endowment Payout	100,000	-	-	100,000
Investment Income	160,366	522,087	-	682,453
Miscellaneous Income	3,018,189	-	(2,944,045)	74,144
Special Events	176,962	-	-	176,962
Total Support and Revenue	9,432,155	522,087	(2,944,045)	7,010,197
Expense:				
Salaries	3,603,440	-	-	3,603,440
Payroll Taxes	270,419	-	-	270,419
Employee Benefits	326,747	-	-	326,747
Total Personnel Costs	4,200,606	-	-	4,200,606
Contract Services	891,016	-	-	891,016
Trip Expenses	826,489	-	-	826,489
Facilities	367,096	-	-	367,096
Insurance	219,347	-	-	219,347
Miscellaneous	145,209	2,944,045	(2,944,045)	145,209
Transportation	131,538	-	-	131,538
Supplies	101,029	-	-	101,029
Credit Card Fees	69,051	-	-	69,051
Travel and Entertainment	49,975	-	-	49,975
Outreach and Promotion	25,211	-	-	25,211
Special Events	15,379	-	-	15,379
Telephone/Website	14,659	-	-	14,659
Postage	4,531	-	-	4,531
Printing and Copying	5,458	-	-	5,458
Depreciation	128,720	-	-	128,720
Total Expense	7,195,314	2,944,045	(2,944,045)	7,195,314
Change in Net Assets - Operating	2,236,841	(2,421,958)	-	(185,117)
Change in Value of Endowment	193,266	-	-	193,266
Less: Endowment Payout for Operations	(100,000)	-	-	(100,000)
Net Change in Value of Endowment	93,266	-	-	93,266
Endowment Contributions	2,450	-	-	2,450
Change in Net Assets	2,332,557	(2,421,958)	-	(89,401)
Net Assets - Beginning of Year	6,157,958	6,147,856	-	12,305,814
Net Assets - End of Year	\$ 8,490,515	\$ 3,725,898	\$ -	\$ 12,216,413

See Independent Auditor's Report.

WILDERNESS INQUIRY
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2024

<u>ASSETS</u>	<u>WI</u>	<u>WI Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets:				
Cash and Cash Equivalents	\$ 1,552,557	\$ -	\$ -	\$ 1,552,557
Short-Term Investments	1,634,205	-	-	1,634,205
Accounts Receivable	1,600	-	-	1,600
Grants and Pledges Receivable	1,328,646	-	-	1,328,646
Prepaid Expense	201,031	-	-	201,031
Total Current Assets	4,718,039	-	-	4,718,039
Noncurrent Assets:				
Property and Equipment - Net	6,137,379	-	-	6,137,379
Grants and Pledges Receivable	1,268,147	-	-	1,268,147
Right of Use Asset	188,680	-	-	188,680
Investments:				
Long-Term Investments (WI Foundation)	-	3,725,898	-	3,725,898
Endowment Fund	2,435,496	-	-	2,435,496
457b Deferred Compensation Market Value	373,535	-	-	373,535
TOTAL ASSETS	\$ 15,121,276	\$ 3,725,898	\$ -	\$ 18,847,174
 <u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ 109,209	\$ -	\$ -	\$ 109,209
Accrued Vacation and Salary	241,051	-	-	241,051
Operating Lease Liability	85,192	-	-	85,192
Note Payable	37,974	-	-	37,974
Deferred Revenue	259,480	-	-	259,480
Gift Certificates	75,734	-	-	75,734
Total Current Liabilities	808,640	-	-	808,640
Long-term Liabilities:				
Operating Lease Liability	114,957	-	-	114,957
457b Deferred Compensation	373,535	-	-	373,535
Note Payable	2,418,442	-	-	2,418,442
Total Liabilities	3,715,574	-	-	3,715,574
Net Assets:				
Without Donor Restrictions	7,087,036	3,725,898	-	10,812,934
With Donor Restrictions	4,318,666	-	-	4,318,666
Total Net Assets	11,405,702	3,725,898	-	15,131,600
TOTAL LIABILITIES AND NET ASSETS	\$ 15,121,276	\$ 3,725,898	\$ -	\$ 18,847,174

See Independent Auditor's Report.