International Wolf Center

Financial Statements

December 31, 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of
International Wolf Center

Opinion

We have audited the financial statements of International Wolf Center (the Organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 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 GAAS, 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 Organization'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 Organization'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.

Baker Tilly US, LLP

Minneapolis, Minnesota
July 8, 2025

International Wolf Center

Statements of Financial Position
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash	$ 1,208,469	$ 1,882,914
Accounts receivable	642	1,853
Grants receivable	436,591	-
Inventory	105,627	153,289
Prepaid expenses	46,722	50,783
Total current assets	1,798,051	2,088,839
Investments	3,442,130	2,527,791
Property and Equipment, Net	2,012,339	1,640,716
Other Assets		
Right-of-use assets	91,609	180,492
Security deposits	3,617	3,617
Total assets	$ 7,347,746	$ 6,441,455
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 47,816	$ 52,828
Accrued payroll and payroll taxes	135,303	113,243
Accrued retirement contribution	6,594	2,727
Deferred revenue	8,605	16,290
Lease liability, current portion	98,552	92,634
Total current liabilities	296,870	277,722
Long-Term Liabilities		
Lease liability, long-term portion	-	93,677
Total long-term liabilities	-	93,677
Total liabilities	296,870	371,399
Net Assets		
Without donor restrictions:		
Undesignated	2,127,286	1,790,476
Investment in property and equipment	2,012,339	1,640,716
Designated	2,870,116	2,620,740
Total net assets without donor restrictions	7,009,741	6,051,932
With donor restrictions	41,135	18,124
Total net assets	7,050,876	6,070,056
Total liabilities and net assets	$ 7,347,746	$ 6,441,455

See notes to financial statements

International Wolf Center

Statements of Activities
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Other Revenue						
Public support contributions	$ 1,927,941	$ 53,699	$ 1,981,640	$ 2,228,893	$ 7,726	$ 2,236,619
Government grants	436,591	-	436,591	-	-	-
Program income	87,637	-	87,637	100,288	-	100,288
Exhibit fees	425,681	-	425,681	369,442	-	369,442
Book and souvenir sales, net of direct costs of $212,648 in 2024 and $226,431 in 2023	186,698	-	186,698	170,036	-	170,036
Investment income	136,813	-	136,813	75,668	-	75,668
Contributions of nonfinancial assets	60,775	-	60,775	79,243	-	79,243
Other income	46,400	-	46,400	3,206	-	3,206
Net assets released from restrictions	30,688	(30,688)	-	12,525	(12,525)	-
Total public support and other revenue	3,339,224	23,011	3,362,235	3,039,301	(4,799)	3,034,502
Expenses						
Program	1,743,100	-	1,743,100	1,808,640	-	1,808,640
Management and general	354,805	-	354,805	311,459	-	311,459
Fundraising	283,510	-	283,510	312,240	-	312,240
Total expenses	2,381,415	-	2,381,415	2,432,339	-	2,432,339
Change in net assets	957,809	23,011	980,820	606,962	(4,799)	602,163
Net Assets, Beginning	6,051,932	18,124	6,070,056	5,444,970	22,923	5,467,893
Net Assets, Ending	$ 7,009,741	$ 41,135	$ 7,050,876	$ 6,051,932	$ 18,124	$ 6,070,056

See notes to financial statements

International Wolf Center

Statements of Functional Expenses
Years Ended December 31, 2024 and 2023

	2024				2023			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	$ 826,102	$ 221,815	$ 128,615	$ 1,176,532	$ 721,625	$ 194,154	$ 140,461	$ 1,056,240
Payroll taxes and benefits	181,123	40,458	23,841	245,422	159,134	33,910	24,423	217,467
Professional services	6,605	24,972	6,045	37,622	7,735	23,897	9,420	41,052
Program costs	168,287	-	-	168,287	363,498	-	-	363,498
Membership and development	88,295	-	92,980	181,275	83,958	-	97,131	181,089
Occupancy and operating costs	269,700	55,598	32,029	357,327	288,421	47,374	40,805	376,600
Depreciation	163,422	3,130	-	166,552	154,127	3,134	-	157,261
Technology	39,566	8,832	-	48,398	30,142	8,990	-	39,132
Total expenses	$ 1,743,100	$ 354,805	$ 283,510	$ 2,381,415	$ 1,808,640	$ 311,459	$ 312,240	$ 2,432,339
Percentage of total expenses	73%	15%	12%	100%	74%	13%	13%	100%

International Wolf Center

Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets	$ 980,820	$ 602,163
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	166,552	157,261
Realized and unrealized gains on investments	(136,813)	(2,874)
Noncash lease expense	1,124	4,721
Change in assets and liabilities:		
Accounts and grants receivable	(435,380)	(258)
Inventory	47,662	(38,725)
Prepaid expenses	4,061	(9,565)
Accounts payable	(5,012)	(25,222)
Accrued liabilities	25,927	9,370
Deferred revenue	(7,685)	(191)
Net cash flows from operating activities	641,256	696,680
Cash Flows From Investing Activities		
Purchase of property and equipment	(538,175)	(104,643)
Purchase of investments	(1,407,019)	(2,250,000)
Proceeds from the sale of investments	642,873	-
Net cash flows used in investing activities	(1,302,321)	(2,354,643)
Net change in cash and cash equivalents	(661,065)	(1,657,963)
Cash and Cash Equivalents, Beginning	2,157,831	3,815,794
Cash and Cash Equivalents, Ending	$ 1,496,766	$ 2,157,831
Noncash Operating and Investing Activities		
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ -	$ 134,284

See notes to financial statements

1. Summary of Significant Accounting Policies

Nature of Activities

The International Wolf Center (the Organization), formerly called the Committee for an International Wolf Center, was organized in 1985. The Organization has developed an ambitious mission and programmatic goal in response to international needs to promote interest and to educate the public about the importance of the wolf.

Principles of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Net Assets

For the purpose of financial reporting, the Organization classifies resources into two net asset categories pursuant to any donor-imposed restrictions. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow:

Without Donor Restrictions - Net assets not subject to donor-imposed stipulations, which may be designated for a specific purpose by the Board of Directors.

Board Designated - The Organization's Board of Directors has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities, including repairs and maintenance, staff development and contingency funds. These designations can be modified or removed by the Board of Directors at any time.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or the passage of time. Some net assets with donor restrictions may include stipulations that assets provided be maintained permanently by the Organization. Presently, there are no net assets held in perpetuity.

Estimates

The preparation of 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 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.

Cash and Cash Equivalents

The Organization considers all highly liquid, short-term investments with a maturity of three months or less when purchased to be cash equivalents.

The Organization maintains its cash in a bank deposit which, at times, may exceed FDIC insured limits. The Organization has not experienced any losses on these accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents on the cash flow statements to amounts reported within the statements of financial position:

	2024	2023
Cash	$ 1,208,469	$ 1,882,914
Cash equivalents presented in investments	288,297	274,917
Total cash and cash equivalents	$ 1,496,766	$ 2,157,831

Investments

Investments are composed of brokered certificates of deposit as of December 31, 2024 and 2023. See Note 3.

Investments in brokered certificates of deposit are recorded at fair values primarily based on quoted market prices.

Accounts and Grants Receivable

The Organization considers all accounts and grants receivable to be fully collectible; accordingly, no allowance for credit losses is required. If amounts become uncollectible, based on the best determination by management, they will be charged to operations when that determination is made. No interest is charged on past due receivables.

Inventory

Inventory consists of books and souvenirs stated at the average cost, determined by the first-in, first-out method or market.

Property and Equipment

Property and equipment are stated at cost and depreciation is provided on the straight-line method. Property and equipment balances are as follows:

	Depreciable Lives	2024	2023
Leasehold improvements	5-40 yrs.	$ 1,308,074	$ 812,988
Equipment	5-10 yrs.	152,612	146,528
Computer equipment	3-10 yrs.	179,119	172,164
Exhibit materials	5-40 yrs.	2,113,760	2,113,760
Vehicles	5 yrs.	103,015	72,965
Total property and equipment		3,856,580	3,318,405
Less accumulated depreciation		(1,844,241)	(1,677,689)
Property and equipment, net		$ 2,012,339	$ 1,640,716

Maintenance and repairs of property and equipment are charged to operations and major renewals are capitalized.

Donations of property and equipment are recorded as contributions at their estimated fair values. Donations are reported as contributions without donor restrictions unless the donor has restricted the asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor restrictions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenue Recognition

Revenues from sources other than contributions include program income, exhibit fees and book and souvenir sales. Such revenues are generally reported as increases in net assets without donor restrictions when the relevant performance obligations under the contract are satisfied. The performance obligations for exhibit fees, book and souvenir sales occur at a point in time. Expenses are reported as decreases in that category. Income earned on donor restricted funds is initially classified as net assets with donor restrictions and is reclassified to net assets without donor restrictions when expenses are incurred for their intended purpose.

Contributions and Grants

Unconditional contributions and grants, those that do not include a measurable performance-related or other barrier or are those in which the Organization has limited discretion over how the funds should be spent, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Contributions and grants that include a measurable barrier or those for which the Organization has limited discretion over how the funds should be spent and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions and grants are not recognized until they become unconditional, that is, when the conditions surrounding the indications of the barrier have been met. No conditional contributions or grants were received for the years ended December 31, 2024 and 2023.

Donated Materials and Services

Donated materials are reflected as contributions of nonfinancial assets in the financial statements at their estimated fair values at the date of receipt. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Donated materials consisted of Google Adwords advertisements, goods for the Wolf Care Auction and medicines for the wolves. These contributions of non-financial assets are valued by the Wolf Care and Development Departments based on average cost-per-click for similar advertising for services and based on comparison of market prices to the Amazon online marketplace for materials. For the year ended December 31, 2024, the value of nonfinancial contributions meeting the requirements for recognition in the financial statements included $46,761 in services and $14,014 in materials. For the year ended December 31, 2023, the value of nonfinancial contributions meeting the requirements for recognition in the financial statements included $52,299 in services and $26,944 in materials. Contributions of nonfinancial assets for the years ended December 31, 2024 and 2023 were not subject to any donor-imposed restrictions.

Leases

The Organization is obligated under an operating lease for office space, expiring on October 31, 2025 and an operating lease for land and building in Ely, MN, expiring on October 31, 2025. The operating leases are included in right-of-use assets and lease liabilities on the statement of financial position.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term. Upon adoption of the new lease standard, unamortized lease incentives and deferred rent were reclassified against the right of use asset. Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, unrelated business income may be subject to taxation.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of December 31, 2024 and 2023. The Organization's tax returns are subject to review and examination by federal and state authorities.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on time and effort spent, as well as activities and costs that are directly related to either program or supporting services.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled $91,715 and $294,954 for the years ended December 31, 2024 and 2023, respectively, and includes $46,761 and $34,536 of contributions of nonfinancial assets, respectively.

Subsequent Events

The Organization has evaluated subsequent events occurring through July 8, 2025, the date that the financial statements were approved and available to be issued.

2. Liquidity and Availability of Financial Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2024	2023
Financial assets:		
Cash	$ 1,208,469	$ 1,882,914
Investments	3,442,130	2,527,791
Accounts receivable	642	1,853
Grants receivable	436,591	-
Financial assets at December 31	5,087,832	4,412,558
Less those unavailable for general expenditures within one year:		
Restricted by donor with time or purpose restriction	(41,135)	(18,124)
Board designated assets	(2,870,116)	(2,620,740)
Financial assets available to meet cash needs for general purposes within one year	$ 2,176,581	$ 1,773,694

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due and targets a minimum of 90 days of operating expense coverage at any point in time.

The Organization has plans to solicit additional contributions or apply for a line of credit in the event of unanticipated liquidity needs. Additionally, board designated assets may be released if necessary upon action from the Board of Directors.

3. Investments and Fair Value Measurements

Fair Value Hierarchy

Fair value is defined under generally accepted accounting principles as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, including investments in equity funds and bond funds for which quoted prices are readily available.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy, within which the fair value measurement in its entirety falls, has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2024 and 2023 based upon the three-tier hierarchy:

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Brokered certificates of deposit	$ -	$ 3,153,833	$ -	$ 3,153,833
Total	$ -	$ 3,153,833	$ -	$ 3,153,833

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Brokered certificates of deposit	$ -	$ 2,252,874	$ -	$ 2,252,874
Total	$ -	$ 2,252,874	$ -	$ 2,252,874

Investments on the statements of financial position as of December 31, 2024 and 2023 also include $288,297 and $274,917, respectively, in cash equivalents not included in the above table.

Investment income for the year ended December 31, 2024 includes interest of $137,234 and unrealized losses of $421. Investment income for the year ended December 31, 2023 includes interest of $72,794 and unrealized gains of $2,874.

Investments, in general, are subject to various risks, including credit, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

4. Employee Benefit Plan

The Organization provides a defined contribution 403(b) plan for the benefit of all full-time employees who are at least 21 years old. The plan allows participants to defer up to $23,000, or $30,500 if over age 50, and $22,500, or $30,000 if over age 50, for the years ended December 31, 2024 and 2023, respectively.

The Organization matches 100% of employee contributions to the plan up to a maximum of 5% of the employee's salary for the years ended December 31, 2024 and 2023. Employer contributions totaled $36,204 and $30,055 for the years ended December 31, 2024 and 2023, respectively.

5. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	2024	2023
Dave Mech Fellowship	$ 16,709	$ 16,099
Little Wolf Exhibit Fund	24,326	-
Scholarship Fund	100	2,025
Total	$ 41,135	$ 18,124

6. Operating Leases

The International Wolf Center in Ely, Minnesota is a state-owned structure made possible by a $1.2 million grant from the State Legislature. Those funds were dedicated exclusively for the construction of the Wolf Center with the understanding the Organization would occupy the structure in perpetuity. While for administrative purposes the Organization's tenancy in the structure is defined by a lease, the fundamental relationship is determined by the legislative intent to provide an enduring home for the Organization into the future for research and educational purposes. The lease calls for maintenance costs payment to be adjusted every two years and the lease can be terminated by the State of Minnesota with a three-month written notice. The lease with the State of Minnesota had expired on March 31, 2022, and was subsequently extended to December 31, 2022. At November 1, 2023, a new lease was signed, extending the term to December 31, 2025. Long-term renewal discussions are currently in process.

The Organization was obligated under the above lease as well as another noncancelable operating lease for office space, expiring on October 31, 2025. In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization elected to use a risk-free rate of 3% based on U.S. Treasury notes or bond rates for a similar term. As of December 31, 2024 and 2023, the weighted average remaining lease term was 0.8 and 1.8 years. Total lease cost for the years ended December 31, 2024 and 2023 was $125,317 and $186,311, respectively, which includes rent and the Organization's portion of maintenance and operating costs. The Organization's scheduled future minimum lease payments for years ending after December 31, 2024 are $98,552 for the year ending December 31, 2025, all of which is reflected as lease liability, current portion on the Statements of Financial Position.

7. Related-Party Transactions

Contributions from board members totaled $86,167 and $70,147 for the years ended December 31, 2024 and 2023, respectively.