

Hood & Strong

Advisory, Tax
and Assurance

Wiki Education Foundation

June 30, 2024 and 2023

Independent Auditors' Report and
Financial Statements

Wiki Education Foundation

Independent Auditors' Report and Financial Statements

Independent Auditors' Report	1 - 2
Financial Statements	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 – 12

Independent Auditors' Report

THE BOARD OF DIRECTORS
WIKI EDUCATION FOUNDATION
Chico, California

Opinion

We have audited the financial statements of **WIKI EDUCATION FOUNDATION (the Foundation)**, which comprise the statement of financial position as of June 30, 2024 and 2023, the related statements of activities and changes in net assets 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 Foundation as of June 30, 2024 and 2023, and the changes in 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 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.

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 Foundation's ability to continue as a going concern for one year from the date of this report.

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 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 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.

Handwritten signature of Hecel & Strong LLP in cursive script.

San Francisco, California
February 11, 2025

Wiki Education Foundation

Statement of Financial Position

<i>Years Ended June 30,</i>	2024	2023
Assets		
Cash and equivalents	\$ 963,380	\$ 821,391
Contributions receivable	1,065,018	28
Prepaid expenses and other assets	55,570	57,177
Total assets	\$ 2,083,968	\$ 878,596
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 15,176	\$ 5,723
Accrued expenses	82,474	71,996
Deferred revenues	29,000	10,000
Total liabilities	126,650	87,719
Net Assets:		
Without donor restrictions	307,469	2,833
With donor restrictions	1,649,849	788,044
Total net assets	1,957,318	790,877
Total liabilities and net assets	\$ 2,083,968	\$ 878,596

See accompanying notes to the financial statements.

Wiki Education Foundation

Statement of Activities and Changes in Net Assets

Years Ended June 30,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:						
Grants and contributions	\$ 729,156	\$ 2,517,000	\$ 3,246,156	\$ 82,067	\$ 951,753	\$ 1,033,820
Program services	225,258		225,258	191,247		191,247
Net assets released from restrictions	1,655,195	(1,655,195)	-	673,955	(673,955)	-
Total revenue and support	2,609,609	861,805	3,471,414	947,269	277,798	1,225,067
Expenses:						
Program services	1,699,475		1,699,475	1,270,076		1,270,076
General and administrative	363,094		363,094	327,702		327,702
Fundraising	242,404		242,404	241,518		241,518
Total expenses	2,304,973	-	2,304,973	1,839,296	-	1,839,296
Change in Net Assets	304,636	861,805	1,166,441	(892,027)	277,798	(614,229)
Net Assets - beginning of year	2,833	788,044	790,877	894,860	510,246	1,405,106
Net Assets - end of year	\$ 307,469	\$ 1,649,849	\$ 1,957,318	\$ 2,833	\$ 788,044	\$ 790,877

See accompanying notes to the financial statements.

Wiki Education Foundation

Statement of Cash Flows

<i>Years Ended June 30,</i>	2024	2023
Operating Activities:		
Change in net assets	\$ 1,166,441	\$ (614,229)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Contributions receivable	(1,064,990)	1,217,991
Prepaid expenses and other assets	1,607	(26,275)
Accounts payable	9,453	(18,225)
Accrued expenses	10,478	18,583
Deferred revenues	19,000	(9,500)
Net cash provided by operating activities	141,989	568,345
Net Change in Cash and Equivalents	141,989	568,345
Cash and Equivalents - beginning of year	821,391	253,046
Cash and Equivalents - end of year	\$ 963,380	\$ 821,391

See accompanying notes to the financial statements.

Wiki Education Foundation

Notes to the Financial Statements

Note 1 - Nature of Organization and Summary of Significant Accounting Policies:

Nature of Organization

The Wiki Education Foundation (the Foundation) supports innovative uses of Wikipedia and related projects in communities of teaching, learning, and inquiry in the United States and Canada. The Foundation aims to improve the breadth, scope, and quality of Wikipedia content; enhance student information fluency; and increase the number and diversity of contributors to the free knowledge movement by engaging educators, researchers, and students. The Foundation relies primarily on grants and philanthropic donations to cover operational costs.

Basis of Presentation and Description of Net Assets

The Foundation's financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United state of America (U.S. GAAP) for not-for-profit organizations.

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At June 30, 2024 and 2023, the Foundation does not have any net assets that donors have restricted in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Wiki Education Foundation

Notes to the Financial Statements

Concentrations of Risk

Financial instruments that potentially subject the Foundation to credit risk consist of cash and contribution revenue. The Foundation maintains cash with a major financial institution. As of June 30, 2024, and 2023, the Foundation had cash deposits in excess of federally insured limits. Contribution revenue representing 86% of total contributions was received from three donors and 73% from two donors for the years ended June 30, 2024 and 2023, respectively. Contribution receivable representing 96% of total contributions receivable was received outstanding from two donors for the year ended June 30, 2024.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Revenue Recognition

Contributions

Contributions are recognized as revenue at fair value when received or unconditionally promised. The Foundation reports contributions that are restricted by the donor as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discount on those amounts is computed using estimated market rates. Amortization of discounts is included in contribution revenue.

Contributions receivable represents amounts unconditionally committed by donors that have not been received by the Foundation. The Foundation makes judgments as to the ability to collect all of its outstanding contribution receivables and provides an allowance when collection becomes doubtful. Provisions are made based upon a specific review of past due and other outstanding balances for which collection is considered uncertain.

The contributions receivable of approximately \$1,065,000 included in accounts receivable as of June 30, 2024, were expected to be collected in the following year.

Fees for Services

Fees for services are recorded as program services revenue when the contract's performance obligation has been satisfied. Fees for services are related to teaching specific training courses for which the performance obligation is met over the time period the course is taught. Fees billed and collected in advance of the satisfaction of the performance obligation are recorded as deferred revenue.

Wiki Education Foundation

Notes to the Financial Statements

Income Taxes

The Foundation, as described in Section 501(c)(3) of the U.S. Internal Revenue Code, is exempt from income taxes on related income under provisions of the U.S. Internal Revenue Code and the California Revenue and Tax Code.

The Foundation regularly evaluates its uncertain tax positions. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. Management evaluated the Foundation's tax positions and concluded that the Foundation had maintained its tax exempt status and had taken no uncertain tax positions that required adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Functional Classification of Expenses

The costs of providing the various program and general services have been summarized on a functional basis in the statement of activities and changes in net assets and Note 5. Accordingly, certain costs, such as occupancy, utilities, maintenance, and insurance have been allocated based on management estimates of active personnel employed among the classifications.

Subsequent Events

The Foundation evaluated subsequent events from June 30, 2024 through February 11, 2025, the date these financial statements were available to be issued and determined there were no material subsequent events that required recognition in these financial statements.

Wiki Education Foundation

Notes to the Financial Statements

Note 2 - Liquidity Management:

The Foundation's financial assets available within one year of June 30, 2024 and 2023 for general expenditures were as follows:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 963,380	\$ 821,391
Accounts receivable	1,065,018	28
Total financial assets	2,028,398	821,419
Less amounts not available to be used within one year:		
Net assets with donor restrictions	1,649,849	788,044
Less net assets with donor restrictions to be met within one year	(1,017,981)	(645,228)
	631,868	142,816
Financial assets available to meet general expenditures within one year	\$ 1,396,530	\$ 678,603

The Foundation utilizes corporate credit cards with Chase Bank which provide an available credit limit of \$67,000, including \$3,350 in available for cash advances. Financial assets are considered unavailable when they are illiquid or not convertible to cash within one year. The Foundation's goal is to maintain financial assets to meet all grant and operating needs as they become due. The Foundation's cash flows have variations during the year attributable to the timing of contributions received and payments for earned income.

Wiki Education Foundation

Notes to the Financial Statements

Note 3 - Net Assets:

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by passage of time. Net assets with donor restrictions by description were as follows at June 30:

	<u>2024</u>	<u>2023</u>
STEM and Science	\$ 115,918	\$ 85,525
Climate and Environmental Education	29,094	-
Democracy, Public Policy and Civics	121,684	570,695
Digital Literacy	12,501	-
Representation of Excluded Groups	1,028,583	28,308
Art and Architecture	-	20,832
Disability Healthcare	-	50,835
Education Hub	-	31,849
Time	342,069	-
Net assets with donor restrictions	\$ 1,649,849	\$ 788,044

Net assets with donor restrictions released from restriction consisted of the following for the year ended June 30:

	<u>2024</u>	<u>2023</u>
STEM and Science	\$ 244,607	\$ 89,721
Climate and Environmental Education	90,906	-
Democracy, Public Policy and Civics	449,011	29,305
Digital Literacy	12,499	-
Representation of Excluded Groups	249,725	21,692
Art and Architecture	20,832	4,168
Disability Healthcare	50,835	4,165
LGBTQ+ Wiki Scholars	2,000	10,000
Education Hub	31,849	14,904
Time	502,931	500,000
	\$ 1,655,195	\$ 673,955

Wiki Education Foundation

Notes to the Financial Statements

Note 4 - Future Commitments:

The Foundation currently utilizes office space for its corporate address and executive officer in Chico California, under a month-to-month lease.

Note 5 - Allocation of Functional Expenses:

Costs of providing the Foundation's activities have been allocated below to the Foundation's functional categories. Programs are comprised of various initiatives that focus on (1) building the technological and operating platform that enables instructors and student editors to contribute content to Wikipedia, (2) create educational material targeted at instructors and students to ensure best practices, and (3) increase the participation of instructors assigning students to write Wikipedia articles.

	2024			
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 1,361,842	\$ 121,686	\$ 207,747	\$ 1,691,275
Professional services	203,395	116,106	5,897	325,398
Occupancy	9,269	1,050	1,350	11,669
Furniture, equipment, and software	21,895	6,051	2,843	30,789
Travel and conferences	33,456	23,487	5,680	62,623
Materials and reproduction costs	285		117	402
Meetings	1,815	90,193		92,008
Other operating expenses	67,518	4,521	18,770	90,809
	<u>\$ 1,699,475</u>	<u>\$ 363,094</u>	<u>\$ 242,404</u>	<u>\$ 2,304,973</u>

	2023			
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages, and benefits	\$ 1,157,459	\$ 129,427	\$ 224,294	\$ 1,511,180
Professional services	42,010	104,303	2,500	148,813
Occupancy	9,610	1,510	1,248	12,368
Furniture, equipment, and software	11,466	14,534	8,300	34,300
Travel and conferences	12,211	15,758	639	28,608
Materials and reproduction costs	4,310	108	693	5,111
Meetings	1,767	58,810		60,577
Other operating expenses	31,243	3,252	3,844	38,339
	<u>\$ 1,270,076</u>	<u>\$ 327,702</u>	<u>\$ 241,518</u>	<u>\$ 1,839,296</u>

Wiki Education Foundation

Notes to the Financial Statements

Note 6 - Retirement Plan:

The Foundation has a 401(k) plan available to its employees. The Foundation matches up to 4% of employee contributions to the plan and these employer contributions are vested 100% immediately. During the years ended June 30, 2024 and 2023, the Foundation made employer matching contributions of \$47,448 and \$36,290, respectively.