

**NORTHWOODS WOMEN, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2023 and 2022**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Northwoods Women, Inc.  
Ashland, Wisconsin

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Northwoods Women, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 financial statements present fairly, in all material respects, the financial position of Northwoods Women, Inc. as of December 31, 2023 and 2022, 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 the Financial Statements section of our report. We are required to be independent of Northwoods Women, 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 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 Northwoods Women, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 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 Northwoods Women, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwoods Women, 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 Schedule of Expenditures of Federal and State Awards and related notes, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purposes of additional analysis and are 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of Northwoods Women, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northwoods Women, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northwoods Women, Inc.'s internal control over financial reporting and compliance.



Amery, Wisconsin  
June 26, 2024

**NORTHWOODS WOMEN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2023 and 2022**

| <b>ASSETS</b>                           |                     |                     |
|-----------------------------------------|---------------------|---------------------|
|                                         | <b>2023</b>         | <b>2022</b>         |
| <b>CURRENT ASSETS</b>                   |                     |                     |
| Cash and cash equivalents               | \$ 634,504          | \$ 573,504          |
| Certificates of deposit                 | 10,456              | 10,384              |
| Investments                             | 4,193               | 3,863               |
| Contributions and grants receivable     | 104,025             | 131,486             |
| Prepaid expense                         | 2,826               | 2,396               |
| Total Current Assets                    | 756,004             | 721,633             |
| <b>OTHER ASSETS</b>                     |                     |                     |
| Certificates of deposit                 | 90,304              | 89,947              |
| <b>PROPERTY AND EQUIPMENT</b>           |                     |                     |
| Property and equipment                  | 1,139,468           | 1,108,993           |
| Accumulated depreciation                | (331,052)           | (251,330)           |
| Property and Equipment, Net             | 808,416             | 857,663             |
| <b>TOTAL ASSETS</b>                     | <b>\$ 1,654,724</b> | <b>\$ 1,669,243</b> |
| <b>LIABILITIES AND NET ASSETS</b>       |                     |                     |
| <b>CURRENT LIABILITIES</b>              |                     |                     |
| Accounts payable                        | \$ 4,404            | \$ 13,596           |
| Accrued expenses and other liabilities  | 39,438              | 39,237              |
| Current portion of long-term debt       | 16,082              | 15,414              |
| Total Current Liabilities               | 59,924              | 68,247              |
| <b>LONG-TERM DEBT</b>                   | 162,006             | 178,003             |
| Total Liabilities                       | 221,930             | 246,250             |
| <b>NET ASSETS</b>                       |                     |                     |
| Without donor restrictions              | 1,432,794           | 1,383,600           |
| With donor restrictions                 | -                   | 39,393              |
| Total Net Assets                        | 1,432,794           | 1,422,993           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ 1,654,724</b> | <b>\$ 1,669,243</b> |

*(The accompanying notes are an integral part of these financial statements.)*

**NORTHWOODS WOMEN, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended December 31, 2023 and 2022

|                                          | 2023                             |                            |                     | 2022                             |                            |                     |
|------------------------------------------|----------------------------------|----------------------------|---------------------|----------------------------------|----------------------------|---------------------|
|                                          | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total               | Without<br>Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| <b>OPERATING ACTIVITIES</b>              |                                  |                            |                     |                                  |                            |                     |
| Revenues, Gains, and Other Support       |                                  |                            |                     |                                  |                            |                     |
| Contributions and grants                 |                                  |                            |                     |                                  |                            |                     |
| Fundraising events                       | \$ 38,069                        | \$ -                       | \$ 38,069           | \$ 22,065                        | \$ -                       | \$ 22,065           |
| Government grants                        | 536,913                          | -                          | 536,913             | 544,918                          | -                          | 544,918             |
| In-kind contributions                    | 55,047                           | -                          | 55,047              | 46,495                           | -                          | 46,495              |
| All other contributions and grants       | 327,472                          | -                          | 327,472             | 358,779                          | 35,475                     | 394,254             |
| Investment return, net                   | 1,813                            | -                          | 1,813               | (11,820)                         | -                          | (11,820)            |
| Other revenue                            | 38,519                           | -                          | 38,519              | 40,535                           | -                          | 40,535              |
| Net assets released from restrictions    | 39,393                           | (39,393)                   | -                   | 5,028                            | (5,028)                    | -                   |
| Total Revenues, Gains, and Other Support | 1,037,226                        | (39,393)                   | 997,833             | 1,006,000                        | 30,447                     | 1,036,447           |
| Expenses                                 |                                  |                            |                     |                                  |                            |                     |
| Program services                         | 769,871                          | -                          | 769,871             | 828,547                          | -                          | 828,547             |
| Support services                         |                                  |                            |                     |                                  |                            |                     |
| Management and general                   | 181,650                          | -                          | 181,650             | 170,124                          | -                          | 170,124             |
| Fundraising                              | 36,511                           | -                          | 36,511              | 24,794                           | -                          | 24,794              |
| Total Expenses                           | 988,032                          | -                          | 988,032             | 1,023,465                        | -                          | 1,023,465           |
| <b>CHANGE IN NET ASSETS</b>              | 49,194                           | (39,393)                   | 9,801               | (17,465)                         | 30,447                     | 12,982              |
| <b>NET ASSETS, BEGINNING OF YEAR</b>     | 1,383,600                        | 39,393                     | 1,422,993           | 1,401,065                        | 8,946                      | 1,410,011           |
| <b>NET ASSETS, END OF YEAR</b>           | <u>\$ 1,432,794</u>              | <u>\$ -</u>                | <u>\$ 1,432,794</u> | <u>\$ 1,383,600</u>              | <u>\$ 39,393</u>           | <u>\$ 1,422,993</u> |

*(The accompanying notes are an integral part of these financial statements.)*

**NORTHWOODS WOMEN, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Years Ended December 31, 2023 and 2022**

|                                           | <b>2023</b>                 |                                   |                    |                   |
|-------------------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|
|                                           | <b>Program<br/>Services</b> | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>Total</b>      |
| Salaries and benefits                     | \$ 530,669                  | \$ 104,701                        | \$ 11,010          | \$ 646,380        |
| Fees for services                         | -                           | 18,496                            | -                  | 18,496            |
| Advertising and promotion                 | 2,999                       | 999                               | 547                | 4,545             |
| Office expenses                           | 17,222                      | 13,827                            | 893                | 31,942            |
| Occupancy                                 | 34,762                      | 20,706                            | 3,665              | 59,133            |
| Travel and transportation                 | 7,986                       | -                                 | -                  | 7,986             |
| Conferences, conventions,<br>and meetings | 1,437                       | -                                 | -                  | 1,437             |
| Interest expense                          | 3,928                       | 2,408                             | -                  | 6,336             |
| Depreciation                              | 68,354                      | 11,368                            | -                  | 79,722            |
| Insurance                                 | 17,563                      | 7,616                             | 1,230              | 26,409            |
| Supplies                                  | 84,917                      | -                                 | 19,166             | 104,083           |
| Other                                     | 34                          | 1,529                             | -                  | 1,563             |
| <b>TOTAL</b>                              | <b>\$ 769,871</b>           | <b>\$ 181,650</b>                 | <b>\$ 36,511</b>   | <b>\$ 988,032</b> |

  

|                                           | <b>2022</b>                 |                                   |                    |                     |
|-------------------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------|
|                                           | <b>Program<br/>Services</b> | <b>Management<br/>and General</b> | <b>Fundraising</b> | <b>Total</b>        |
| Salaries and benefits                     | \$ 546,415                  | \$ 99,138                         | \$ 13,736          | \$ 659,289          |
| Fees for services                         | -                           | 17,320                            | -                  | 17,320              |
| Advertising and promotion                 | 2,635                       | 878                               | -                  | 3,513               |
| Office expenses                           | 12,710                      | 11,582                            | 814                | 25,106              |
| Occupancy                                 | 38,779                      | 22,401                            | 2,664              | 63,844              |
| Travel and transportation                 | 14,279                      | -                                 | -                  | 14,279              |
| Conferences, conventions,<br>and meetings | 2,120                       | -                                 | -                  | 2,120               |
| Interest expense                          | 4,246                       | 2,603                             | -                  | 6,849               |
| Depreciation                              | 65,565                      | 9,906                             | -                  | 75,471              |
| Insurance                                 | 17,003                      | 5,313                             | 1,090              | 23,406              |
| Supplies                                  | 123,934                     | -                                 | 6,443              | 130,377             |
| Other                                     | 861                         | 983                               | 47                 | 1,891               |
| <b>TOTAL</b>                              | <b>\$ 828,547</b>           | <b>\$ 170,124</b>                 | <b>\$ 24,794</b>   | <b>\$ 1,023,465</b> |

*(The accompanying notes are an integral part of these financial statements.)*



**NORTHWOODS WOMEN, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023 and 2022**

|                                                                                            | <u>2023</u>              | <u>2022</u>              |
|--------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                |                          |                          |
| Change in net assets                                                                       | \$ 9,801                 | \$ 12,982                |
| Adjustments to reconcile change in net assets to net cash provided by operating activities |                          |                          |
| Contributions restricted for long-term purposes                                            | -                        | (35,475)                 |
| Noncash donated investments                                                                | -                        | (294,933)                |
| Proceeds from sale of donated investments                                                  | -                        | 302,708                  |
| Realized and unrealized investment (gains) losses                                          | (109)                    | 13,077                   |
| Depreciation                                                                               | 79,722                   | 75,471                   |
| Net operating changes in                                                                   |                          |                          |
| Contributions and grants receivable                                                        | 27,461                   | 227,886                  |
| Other receivables                                                                          | -                        | 408                      |
| Prepaid expense                                                                            | (430)                    | 2,059                    |
| Accounts payable                                                                           | (9,192)                  | 1,521                    |
| Accrued expenses and other liabilities                                                     | 201                      | (2,446)                  |
| Net Cash Provided by Operating Activities                                                  | <u>107,454</u>           | <u>303,258</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                |                          |                          |
| Purchase of certificates of deposit                                                        | (429)                    | (883)                    |
| Purchase of investments                                                                    | (221)                    | (201)                    |
| Acquisition of property and equipment                                                      | <u>(30,475)</u>          | <u>(56,359)</u>          |
| Net Cash Used by Investing Activities                                                      | <u>(31,125)</u>          | <u>(57,443)</u>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                |                          |                          |
| Payments on long-term debt                                                                 | (15,329)                 | (14,682)                 |
| Proceeds from contributions restricted for purchase of property and equipment              | <u>-</u>                 | <u>35,475</u>            |
| Net Cash Provided (Used) by Financing Activities                                           | <u>(15,329)</u>          | <u>20,793</u>            |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                                           | 61,000                   | 266,608                  |
| <b>BEGINNING CASH AND CASH EQUIVALENTS</b>                                                 | <u>573,504</u>           | <u>306,896</u>           |
| <b>ENDING CASH AND CASH EQUIVALENTS</b>                                                    | <u><u>\$ 634,504</u></u> | <u><u>\$ 573,504</u></u> |
| <b>NON-CASH DISCLOSURE</b>                                                                 |                          |                          |
| Investments acquired through donation                                                      | \$ -                     | \$ 294,933               |
| <b>SUPPLEMENTAL DISCLOSURE</b>                                                             |                          |                          |
| Interest paid                                                                              | 6,336                    | 6,849                    |

*(The accompanying notes are an integral part of these financial statements.)*

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Northwoods Women, Inc. (the Organization) serves victims of domestic violence and sexual assault by providing 24-hour emergency shelter, food and other assistance, legal and institutional advocacy, therapeutic and supportive individual and group counseling, toll-free crisis and referral line, transportation, and crime victim assistance.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors or grantors: net assets without donor restrictions and net assets with donor restrictions.

**Measure of Operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities, as applicable. Operating activities consist of those items attributable to the Organization's ongoing program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Cash, Cash Equivalents, and Restricted Cash**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

**Grants and Contributions Receivable**

Grants and contributions receivable consist primarily of noninterest-bearing amounts due for client services from grant awards and unconditional promises to give.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Grants and Contributions Receivable** (Continued)

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities.

The Organization determines the allowance for uncollectible grants receivable and unconditional promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Grants receivable and unconditional promises to give are written off when deemed uncollectible. At December 31, 2023 and 2022, an evaluation of the aging and collectability of receivables indicated that no allowance was necessary.

**Investments**

Investments are reported at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Investments consist of hybrid mutual funds, and fair value is based on quoted prices in active markets (all Level 1 measurements). Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

**Property and Equipment**

The Organization records property and equipment additions over \$1,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from five to forty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Property and Equipment** (Continued)

The Organization's management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying amount of long-lived assets may not be recoverable from the estimated future cash flows expected to result from their use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2023 and 2022.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions**

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for general operations and capital improvements.

**Net Assets With Donor Restrictions**

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where by the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) 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.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Revenue and Revenue Recognition**

The Organization recognizes revenue from exchange transactions, primarily contract services, as the services are provided. Rental revenues are recognized evenly over the life of the lease.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a 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 the Organization'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 the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditure are reported as refundable advances in the statements of financial position. At December 31, 2023 and 2022, conditional contributions approximating \$251,000 and \$254,000, respectively, have not been recognized in the accompanying financial statements because qualifying expenditures have not been incurred. No amounts have been received in advance under state contracts and grants.

**In-Kind Contributions**

Contributed nonfinancial assets include shelter supplies and fundraising supplies which are recorded at the respective fair values of the goods received (Note 7). The Organization does not sell donated gifts-in-kind except for fundraising supplies. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

**Advertising**

The Organization expenses advertising costs as they are incurred.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort, as well as advertising and promotion, office expenses, occupancy, interest expense, depreciation, insurance, supplies, and other, which are allocated on the basis of estimates of use/purpose.

**Income Taxes**

Northwoods Women, Inc. is organized as a Wisconsin nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under Section 501(c)(3). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates, and those differences could be material.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Financial Instruments and Credit Risk**

The Organization manages deposit concentration risk by placing cash, money market accounts, savings accounts, and certificates of deposit with financial institution believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each ownership category. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with contributions and grants receivable to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and organizations supportive of the Organization's mission. Investments are made by an investment manager whose performance is monitored by the Organization and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term.

**Recently Adopted Accounting Guidance**

**Allowance for Credit Losses**

In February 2016, the Financial Accounting Standards Board ("FASB") issued new guidance on the measurement of current expected credit losses ("CECL") on financial instruments. The FASB has subsequently issued additional guidance amending certain aspects of the measurement of CECL. The new guidance has replaced the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. The Organization adopted this change in accounting principle effective January 1, 2023 using the modified retrospective method. Accordingly, financial information for periods prior to the date of initial application has not been adjusted. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

**Subsequent Events Consideration**

Management has evaluated subsequent events through June 26, 2024, the date on which the financial statements were available to be issued. Management has determined that there were no material events that would require recognition or disclosure in the Organization's financial statements through this date.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 2 – AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position consists of the following at December 31:

|                              | <b>2023</b>    | <b>2022</b>    |
|------------------------------|----------------|----------------|
| Financial assets at year end |                |                |
| Cash and cash equivalents    | \$ 634,504     | \$ 573,504     |
| Certificates of deposit      | 100,760        | 100,331        |
| Investments                  | 4,193          | 3,863          |
| Grants receivable            | 104,025        | 131,486        |
| Total financial assets       | <u>843,482</u> | <u>809,184</u> |

Less amounts not available to be used within one year

|                                                                  |               |                |
|------------------------------------------------------------------|---------------|----------------|
| Time restrictions                                                |               |                |
| Certificates of deposit maturing in greater than one year        | 90,304        | 89,947         |
| Purpose restrictions                                             |               |                |
| Contributions restricted for furnace                             | -             | 30,475         |
| Contributions restricted for furniture                           | -             | 5,000          |
| Contributions restricted for salaries and data processing system | -             | 3,918          |
| Total amounts not available to be used within one year           | <u>90,304</u> | <u>129,340</u> |

**FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES  
OVER THE NEXT TWELVE MONTHS**

|                          |                          |
|--------------------------|--------------------------|
| <b><u>\$ 753,178</u></b> | <b><u>\$ 679,844</u></b> |
|--------------------------|--------------------------|

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations become due. As part of its liquidity plan, excess cash is invested in money market accounts, savings accounts, and certificates of deposit.

**NOTE 3 – CERTIFICATES OF DEPOSIT**

Certificates of deposit totaling \$100,760 at December 31, 2023 (\$100,331 at December 31, 2022) are included in certificates of deposit in the accompanying financial statements. The certificates bear interest ranging from 0.05% to 1.25% at December 31, 2023 (0.05% to 0.85% - 2022) and have initial maturities ranging from six months to five years, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.



**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 4 – PROPERTY AND EQUIPMENT**

Cost of property and equipment as of December 31 consists of the following:

|                            | <u><b>2023</b></u>       | <u><b>2022</b></u>       |
|----------------------------|--------------------------|--------------------------|
| Land and improvements      | \$ 191,863               | \$ 191,863               |
| Buildings and improvements | 801,292                  | 770,817                  |
| Equipment                  | <u>146,313</u>           | <u>146,313</u>           |
|                            | 1,139,468                | 1,108,993                |
| Accumulated depreciation   | <u>(331,052)</u>         | <u>(251,330)</u>         |
| <b>TOTAL</b>               | <u><b>\$ 808,416</b></u> | <u><b>\$ 857,663</b></u> |

Depreciation expense on property and equipment amounted to \$79,722 and \$75,471 for the years ended December 31, 2023 and 2022, respectively.

**NOTE 5 – LONG-TERM DEBT**

Long-term indebtedness as of December 31 is as follows:

|                                                                                                                                                                                                              | <u><b>2023</b></u>       | <u><b>2022</b></u>       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 4.25% variable rate mortgage note payable - Northern State Bank, payable monthly at \$1,767 including interest, matures on October 15, 2040, secured by a mortgage and real estate owned by the Organization | \$ 128,088               | \$ 143,417               |
| Interest-free loan - City of Ashland, no maturity date or payment term stated                                                                                                                                | <u>50,000</u>            | <u>50,000</u>            |
|                                                                                                                                                                                                              | 178,088                  | 193,417                  |
| Current portion                                                                                                                                                                                              | <u>(16,082)</u>          | <u>(15,414)</u>          |
| <b>TOTAL</b>                                                                                                                                                                                                 | <u><b>\$ 162,006</b></u> | <u><b>\$ 178,003</b></u> |

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 5 – LONG-TERM DEBT** (Continued)

The Organization received a building from the City of Ashland for purposes of carrying out their mission of providing services and resources to families of domestic violence and sexual assault. In the event that the Organization were to cease operations or sell the building, the Organization would be required to pay back the estimated initial investment to the City of Ashland. Accordingly, a loan representing the initial investment of \$50,000 is reflected in the financial statements. As noted above, the loan bears no interest and has no future maturity date. The Organization purchased a new building and sold the building that they received from the City of Ashland in 2020. The City of Ashland agreed that the Organization can utilize the initial investment of \$50,000 for the new building as long as operations continue.

Principal amounts due on long-term debt in each of the next five years are as follows: 2024 - \$16,082; 2025 - \$16,779; 2026 - \$17,506; 2027 - \$18,265; and 2028 - \$19,056.

**NOTE 6 – NET ASSETS**

Net assets with donor restrictions are as follows for the years ended December 31:

|                                     | <u><b>2023</b></u>        | <u><b>2022</b></u>             |
|-------------------------------------|---------------------------|--------------------------------|
| Specific purpose                    |                           |                                |
| Furnace                             | \$ -                      | \$ 30,475                      |
| Furniture                           | -                         | 5,000                          |
| Salaries and data processing system | -                         | 3,918                          |
| <b>TOTAL</b>                        | <u><u><b>\$ -</b></u></u> | <u><u><b>\$ 39,393</b></u></u> |

Net assets without donor restrictions for the years ended December 31 are as follows:

|                  | <u><b>2023</b></u>               | <u><b>2022</b></u>               |
|------------------|----------------------------------|----------------------------------|
| Undesignated     | \$1,405,088                      | \$1,356,026                      |
| Board designated | 27,706                           | 27,574                           |
| <b>TOTAL</b>     | <u><u><b>\$1,432,794</b></u></u> | <u><u><b>\$1,383,600</b></u></u> |

The Board of Directors designated the nets assets for the purpose of creating financial stability with the Organization. Interest earned from the investments as well as up to 2% of the annual capital therefrom may be remitted to the Organization for the purpose of general operations and capital improvements.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 7 – DONATED MATERIALS AND SERVICES**

During the years ended December 31, 2023 and 2022, the Organization received the following non-cash donations that have been reflected in the financial statements as in-kind contributions revenue:

|                      | <u>2023</u>             | <u>2022</u>             |
|----------------------|-------------------------|-------------------------|
| Shelter supplies     | \$ 44,374               | \$ 44,855               |
| Fundraising supplies | <u>10,673</u>           | <u>1,640</u>            |
| <b>TOTAL</b>         | <b><u>\$ 55,047</u></b> | <b><u>\$ 46,495</u></b> |

Contributed shelter supplies are provided by individuals and businesses who provide supplies for the shelter. Contributed shelter supplies are used for program activities and are recognized once received at fair value based on current rates for similar materials.

Contributed fundraising supplies are provided by individuals and businesses who provide supplies to be used or sold at fundraising events. Contributed fundraising supplies are used for fundraising activities and are recognized once received at fair value based on current rates for similar materials.

All gifts-in-kind received during the years ended December 31, 2023 and 2022 were unrestricted.

**NOTE 8 – DEFINED CONTRIBUTION PLAN**

The Organization has a defined contribution plan covering all employees with at least one year of service. The Organization makes a contribution to the plan each year equal to 9% of all participants' compensation up to a max contribution of \$5,000 per year for each employee. Total expense for the years ended December 31, 2023 and 2022 was \$40,102 and \$41,270, respectively.

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2023 and 2022**

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**NOTE 9 – LEASES**

The Organization leases part of the building that they own to two different lessees under operating leases. At lease inception, the Organization determines whether an arrangement qualifies as a lease under ASC 842. The Organization only reassess if the terms and conditions of the contract are changed. Rent payments are fixed throughout the lease terms with lease terms ranging from month-to-month to 12 months and utilities are included in the fixed lease payments. At the end of the lease terms the lessees can request to have the lease terms extended by getting approval from the Organization. The lessees may not sublease or assign the lease to any party without the approval of the Organization. The leases may be terminated by the Organization due to nonpayment of rent or by mutual agreement between the Organization and lessees. The Organization's leases do not provide options for the lessees to purchase the leased assets. There are no future minimum non-cancelable lease payments as of December 31, 2023.

Lease income is included in the statement of activities as part of other revenue. Cash receipts from operating leases are classified within cash flows from operating activities. Total lease income for the years ended December 31 is as follows:

|                                         | <u><b>2023</b></u> | <u><b>2022</b></u> |
|-----------------------------------------|--------------------|--------------------|
| Real estate - building and improvements | \$ 38,519          | \$ 40,535          |

The following is an analysis of the carrying amounts of the underlying assets related to operating leases:

|                                                           | <u><b>2023</b></u>       | <u><b>2022</b></u>       |
|-----------------------------------------------------------|--------------------------|--------------------------|
| Real estate - building and improvements                   | \$ 261,211               | \$ 251,053               |
| Less accumulated depreciation - building and improvements | <u>(52,108)</u>          | <u>(40,740)</u>          |
| <b>TOTAL</b>                                              | <u><b>\$ 209,103</b></u> | <u><b>\$ 210,313</b></u> |

**NOTE 10 – ECONOMIC DEPENDENCY**

Approximately 48% of the Organization's 2023 revenues, gains, and other support are derived from two funding sources (47% from two funding sources 2022). The Organization's ability to operate at the same level of service could be jeopardized in the event any of these organizations were to cease funding the Organization.

## **SUPPLEMENTARY INFORMATION**

**NORTHWOODS WOMEN, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended December 31, 2023**

| <u>Federal Grantor/Program</u>                                                                                                                                         | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------|-----------------------------|
| U.S. Department of Housing and Urban Development<br>Pass-through programs from<br>State of Wisconsin Department of Administration<br>Emergency Solutions Grant Program | 14.231                                   |                                               | \$ 8,212                    |
| U.S. Department of Justice<br>State of Wisconsin Department of Justice<br>Office of Crime Victim Services<br>Victims of Crime Act                                      | 16.575                                   |                                               | 300,466                     |
| U.S. Department of Health and Human Services<br>State of Wisconsin Department of Children and Families<br>Coronavirus State and Local Fiscal Recovery Funds            | 21.027                                   |                                               | 11,852                      |
| Family Violence Prevention and Services                                                                                                                                | 93.671                                   |                                               | 47,580                      |
| Sexual Abuse SA Support Services Part A                                                                                                                                | 93.497                                   |                                               | 6,245                       |
| Social Services Block Grant                                                                                                                                            | 93.667                                   |                                               | 1,580                       |
| U.S. Department of Homeland Security<br>Emergency Food and Shelter National Board Program                                                                              | 97.024                                   |                                               | 6,842                       |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                                                                                                            |                                          |                                               | <b>\$ 382,777</b>           |
| <u>State Grantor/Program</u>                                                                                                                                           |                                          | <u>State Identifying Number</u>               | <u>State Expenditures</u>   |
| State of Wisconsin Department of Health Services<br>CW Children and Families Allocation                                                                                |                                          | 435.561                                       | \$ 5,920                    |
| State of Wisconsin Department of Children and Families<br>Domestic Violence Basic Services                                                                             |                                          | 437-6001                                      | 80,500                      |
| Domestic Violence Children's Programming                                                                                                                               |                                          | 437-6005                                      | 34,806                      |
| State of Wisconsin Department of Justice<br>Office of Crime Victim Services<br>Sexual Assault Victim Services                                                          |                                          | 455.505                                       | 39,021                      |
| <b>TOTAL EXPENDITURES OF STATE AWARDS</b>                                                                                                                              |                                          |                                               | <b>\$ 160,247</b>           |

**NORTHWOODS WOMEN, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended December 31, 2023**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards include the federal and state award activity of Northwoods Women, Inc. under programs of the federal and state government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of the *State Single Audit Guidelines*, the *DHS Audit Guide*, and the *Provider Agency Audit Guide*, 2022 revision. Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Northwoods Women, Inc.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – AMOUNTS PROVIDED TO SUBRECIPIENTS**

No amounts were provided to subrecipients.

## **OTHER REQUIRED REPORTS**





**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, *STATE SINGLE AUDIT GUIDELINES*, *THE DHS AUDIT GUIDE*, AND *THE PROVIDER AGENCY AUDIT GUIDE***

To the Board of Directors  
Northwoods Women, Inc.  
Ashland, Wisconsin

We have audited, in accordance with the 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, *State Single Audit Guidelines*, the *DHS Audit Guide*, and the *Provider Agency Audit Guide*, 2022 revision, the financial statements of Northwoods Women, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings 2023-001, 2023-002, that we considered to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, *State Single Audit Guidelines*, the *DHS Audit Guide*, or the *Provider Agency Audit Guide*, 2022 revision.

### **Organization's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Amery, Wisconsin  
June 26, 2024

**NORTHWOODS WOMEN, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended December 31, 2023**

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The prior audit contained two findings:

- 22-1. Due to the relatively small number of people employed in administrative functions, ideal segregation of duties cannot be achieved. This is not unusual for an organization this size; however, the lack of segregation of duties increases the risk of fraud related to misappropriation of assets, financial statement misstatement, or both. The Board of Directors and management should constantly be aware of this condition. It is the responsibility of management and those charged with governance to make the decision to accept the degree of risk associated with this condition because of cost or other considerations. While it may not be cost effective to justify implementing a full segregation of duties for an extensive system of internal control in all areas, it is important that management and those charged with governance are aware that some weaknesses may exist and that they should continue to apply diligent oversight and monitoring activities.

This finding was again noted for the current year.

- 22-2. During the course of the audit, adjusting journal entries were made that had a material effect on the Organization's financial statements. Although management and staff were aware that some of these entries would be necessary, there were also adjustments that were the result of audit procedures performed.

This finding was not noted for the current year.

**NORTHWOODS WOMEN, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2023**

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**A. Summary of Auditor's Results**

**Financial Statements**

- |                                                                                  |            |
|----------------------------------------------------------------------------------|------------|
| 1. Type of auditor's report issued?                                              | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?                                               | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| 3. Noncompliance material to the financial statements noted?                     | No         |

**B. Financial Statement Findings**

**Significant Deficiency**

2023-001. Inadequate Segregation of Duties

**Condition** – The Organization lacks segregation of duties with respect to its accounting and journal entry systems and procedures.

**Criteria** – The internal control structure should provide for proper segregation of duties.

**Cause** – Due to the relatively small number of people employed in administrative functions, ideal segregation of duties cannot be achieved.

**Effect** – Material misstatements could occur within the accounting data and not be detected on a timely basis.

**Recommendation** – The Organization's small accounting department limits the extent of segregation of duties, however the Organization should remain aware that no one individual should have overlapping responsibilities relative to custodianship, authorization, and/or recordkeeping.

**Views of Responsible Officials and Planned Corrective Actions** – The Organization has made several improvements to the processes in its Financial Procedures Manual recently, which is on its website [ndshelter.org](http://ndshelter.org), and will annually evaluate its financial duties and procedures to make changes when deemed appropriate.

- Improved segregation of duties by increasing oversight staff from two to three people.
- Adopted stricter processes for managing donation deposits, staff credit cards, purchasing, payroll checks/taxes.
- Developed more detailed internal audit processes performed by Board/Finance Committee members.
- Developed succinct financial reports for Board member meetings, focused on clarity of cash position, review of bank statements and reconciled bank balances, and monitoring for interruption of pre-numbered checks and receipt numbers.

**NORTHWOODS WOMEN, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2023**

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**B. Financial Statement Findings (Continued)**

2023-002. Audit Adjustments

**Condition** – The year-end financial statements that management prepared and presented to us to audit contained a number of balances requiring audit adjustments.

**Criteria** – The internal control structure should identify and correct all necessary material adjustments that need to be made in order for the financial statements to be materially correct.

**Cause** – The Organization’s closing procedures do not include reconciliations of all material accounts.

**Effect** – Material misstatements could occur within the accounting data and not be detected on a timely basis.

**Recommendation** – The year-end closing process should include a reconciliation of all significant financial statement accounts to supporting documentation. The Organization’s accounting department should review and compare its financial statements to its prior year audited report so as to identify any significant differences and/or material adjustments that need to be made before submittal to its auditors.

**Views of Responsible Officials and Planned Corrective Actions** – The Organization will continue to review its financial statements thoroughly each year and make any identified changes to its financial statements timely.

**C. Federal and State Award Findings and Questioned Costs**

No matters were reported.

**NORTHWOODS WOMEN, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2023**

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**D. Other Issues**

1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the audit report show audit issues (i.e. material noncompliance, non-material noncompliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*, the *DHS Audit Guide*, and the *Provider Agency Audit Guide*:
  - Department of Children and Families No
  - Department of Health Services No
  - Department of Justice No
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit? No
4. Name and signature of Partner: Margo A. Rosen, CPA *Margo A Rosen, CPA*
5. Date of report: June 26, 2024