

NORTHWOODS WOMEN, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2024 and 2023

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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, 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 financial statements present fairly, in all material respects, the financial position of Northwoods Women, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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.

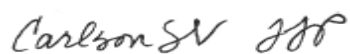
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards and related notes, as required by the *Provider Agency Audit Guide, 2025 revision*, issued by the Wisconsin Department of Children and Families, are presented for purposes of additional analysis. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, 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, 2025

NORTHWOODS WOMEN, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS		
	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 803,502	\$ 634,504
Certificates of deposit	28,613	10,456
Investments	4,488	4,193
Contributions and grants receivable	71,987	104,025
Prepaid expense	6,720	2,826
Total Current Assets	915,310	756,004
OTHER ASSETS		
Certificates of deposit	72,614	90,304
PROPERTY AND EQUIPMENT		
Property and equipment	1,142,732	1,139,468
Accumulated depreciation	(408,266)	(331,052)
Property and Equipment, Net	734,466	808,416
TOTAL ASSETS	\$ 1,722,390	\$ 1,654,724
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,146	\$ 4,404
Accrued expenses and other liabilities	44,342	39,438
Refundable advances	10,076	-
Current portion of long-term debt	16,779	16,082
Total Current Liabilities	73,343	59,924
LONG-TERM DEBT	145,294	162,006
Total Liabilities	218,637	221,930
NET ASSETS		
Without donor restrictions	1,424,482	1,432,794
With donor restrictions	79,271	-
Total Net Assets	1,503,753	1,432,794
TOTAL LIABILITIES AND NET ASSETS	\$ 1,722,390	\$ 1,654,724

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

NORTHWOODS WOMEN, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES						
Revenues, Gains, and Other Support						
Contributions and grants						
Fundraising events	\$ 35,609	\$ -	\$ 35,609	\$ 38,069	\$ -	\$ 38,069
Government grants	591,961	-	591,961	536,913	-	536,913
In-kind contributions	69,639	-	69,639	55,047	-	55,047
All other contributions and grants	243,821	127,205	371,026	327,472	-	327,472
Investment return, net	10,524	-	10,524	1,813	-	1,813
Other revenue	37,665	-	37,665	38,519	-	38,519
Net assets released from restrictions	47,934	(47,934)	-	39,393	(39,393)	-
Total Revenues, Gains, and Other Support	1,037,153	79,271	1,116,424	1,037,226	(39,393)	997,833
Expenses						
Program services	835,775	-	835,775	769,871	-	769,871
Support services						
Management and general	176,246	-	176,246	181,650	-	181,650
Fundraising	33,444	-	33,444	36,511	-	36,511
Total Expenses	1,045,465	-	1,045,465	988,032	-	988,032
CHANGE IN NET ASSETS	(8,312)	79,271	70,959	49,194	(39,393)	9,801
NET ASSETS, BEGINNING OF YEAR	1,432,794	-	1,432,794	1,383,600	39,393	1,422,993
NET ASSETS, END OF YEAR	<u>\$ 1,424,482</u>	<u>\$ 79,271</u>	<u>\$ 1,503,753</u>	<u>\$ 1,432,794</u>	<u>\$ -</u>	<u>\$ 1,432,794</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, 2024 and 2023

	2024			
	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 589,565	\$ 109,480	\$ 12,001	\$ 711,046
Fees for services	-	20,154	-	20,154
Advertising and promotion	3,841	427	434	4,702
Office expenses	19,248	11,570	813	31,631
Occupancy	31,583	13,815	3,610	49,008
Travel and transportation	7,965	-	246	8,211
Conferences, conventions, and meetings	1,868	-	-	1,868
Interest expense	3,498	2,144	-	5,642
Depreciation	65,620	11,594	-	77,214
Insurance	16,639	6,853	1,187	24,679
Supplies	95,948	-	15,153	111,101
Other	-	209	-	209
TOTAL	\$ 835,775	\$ 176,246	\$ 33,444	\$ 1,045,465

	2023			
	Program Services	Management and General	Fundraising	Total
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, 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
TOTAL	\$ 769,871	\$ 181,650	\$ 36,511	\$ 988,032

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

NORTHWOODS WOMEN, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 70,959	\$ 9,801
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for long-term purposes	(34,180)	-
Realized and unrealized investment gains	(55)	(109)
Depreciation	77,214	79,722
Net operating changes in		
Contributions and grants receivable	32,038	27,461
Prepaid expense	(3,894)	(430)
Accounts payable	(2,258)	(9,192)
Accrued expenses and other liabilities	4,904	201
Refundable advances	10,076	-
Net Cash Provided by Operating Activities	<u>154,804</u>	<u>107,454</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(467)	(429)
Purchase of investments	(240)	(221)
Acquisition of property and equipment	<u>(3,264)</u>	<u>(30,475)</u>
Net Cash Used by Investing Activities	(3,971)	(31,125)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(16,015)	(15,329)
Proceeds from contributions restricted for purchase of property and equipment	<u>34,180</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>18,165</u>	<u>(15,329)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	168,998	61,000
BEGINNING CASH AND CASH EQUIVALENTS	<u>634,504</u>	<u>573,504</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 803,502</u></u>	<u><u>\$ 634,504</u></u>
SUPPLEMENTAL DISCLOSURE		
Interest paid	\$ 5,642	\$ 6,336

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

NORTHWOODS WOMEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – PRINCIPAL ACTIVITY AND 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:

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.

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, 2024 and 2023, an evaluation of the aging and collectability of receivables indicated that no allowance was necessary.

NORTHWOODS WOMEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property and Equipment

Property and equipment additions over \$1,500 are recorded 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 three 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.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Organization has determined that there were no indicators of asset impairment during the years ended December 31, 2024 and 2023.

Investments

Investment purchases 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.

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.

NORTHWOODS WOMEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Net Assets (Continued)

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 restrictions are perpetual in nature, where 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. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

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.

Contributions are recognized 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 expenditures are reported as refundable advances in the statements of financial position. The Organization received cost-reimbursable grants of \$60,000 and \$251,000 that have not been recognized at December 31, 2024 and 2023, respectively, because qualifying expenditures have not been incurred. \$10,076 and \$0, respectively, at December 31, 2024 and 2023 have been received in advance under state contracts and grants.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

NORTHWOODS WOMEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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.

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, travel and transportation, 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, 2024 and 2023

NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial Instruments and Credit Risk

Deposit concentration risk is managed 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. As of December 31, 2024 and 2023, the Organization had approximately \$424,000 and \$273,000, respectively, in excess of FDIC insurance limits. To date, no losses have been experienced 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 welfare of the organization.

Subsequent Events Consideration

Management has evaluated subsequent events through June 26, 2025, 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, 2024 and 2023

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:

	2024	2023
Financial assets at year end		
Cash and cash equivalents	\$ 803,502	\$ 634,504
Certificates of deposit	101,227	100,760
Investments	4,488	4,193
Grants receivable	71,987	104,025
Total financial assets	<u>981,204</u>	<u>843,482</u>
Less amounts not available to be used within one year		
Time restrictions		
Certificates of deposit maturing in greater than one year	72,614	90,304
Purpose restrictions		
Child advocacy center	40,000	-
Building improvements	34,180	-
Culturally specific programming and activities	5,091	-
Total amounts not available to be used within one year	<u>151,885</u>	<u>90,304</u>
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS	<u>\$ 829,319</u>	<u>\$ 753,178</u>

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 \$101,227 at December 31, 2024 (\$100,760 at December 31, 2023) are included in certificates of deposit in the accompanying financial statements. The certificates bear interest ranging from 0.30% to 1.24% at December 31, 2024 (0.05% to 1.25% - 2023) 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, 2024 and 2023

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land and improvements	\$ 191,863	\$ 191,863
Buildings and improvements	801,292	801,292
Equipment	<u>149,577</u>	<u>146,313</u>
	1,142,732	1,139,468
Accumulated depreciation	<u>(408,266)</u>	<u>(331,052)</u>
TOTAL	<u>\$ 734,466</u>	<u>\$ 808,416</u>

Depreciation expense on property and equipment amounted to \$77,214 and \$79,722 for the years ended December 31, 2024 and 2023, respectively.

NOTE 5 – LONG-TERM DEBT

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

	<u>2024</u>	<u>2023</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	\$ 112,073	\$ 128,088
Interest-free loan - City of Ashland, no maturity date or payment term stated	<u>50,000</u>	<u>50,000</u>
	162,073	178,088
Current portion	<u>(16,779)</u>	<u>(16,082)</u>
TOTAL	<u>\$ 145,294</u>	<u>\$ 162,006</u>

NORTHWOODS WOMEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

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: 2025 - \$16,779; 2026 - \$17,506; 2027 - \$18,265; 2028 - \$19,056; and 2029 - \$19,882.

NOTE 6 – NET ASSETS

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

	<u>2024</u>	<u>2023</u>
Specific purpose		
Child advocacy center	\$ 40,000	\$ -
Building improvements	34,180	-
Culturally specific programming and activities	<u>5,091</u>	<u>-</u>
TOTAL	<u>\$ 79,271</u>	<u>\$ -</u>

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

	<u>2024</u>	<u>2023</u>
Undesignated	\$1,396,594	\$1,405,088
Board designated	<u>27,888</u>	<u>27,706</u>
TOTAL	<u>\$1,424,482</u>	<u>\$1,432,794</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, 2024 and 2023

NOTE 7 – DONATED MATERIALS AND SERVICES

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities include the following:

	<u>2024</u>	<u>2023</u>
Shelter supplies	\$ 61,526	\$ 44,374
Fundraising supplies	<u>8,113</u>	<u>10,673</u>
TOTAL	<u>\$ 69,639</u>	<u>\$ 55,047</u>

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, 2024 and 2023 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, 2024 and 2023 was \$43,993 and \$40,102, respectively.

NORTHWOODS WOMEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

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 11 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. Future minimum non-cancelable lease payments as of December 31, 2024 are \$6,750.

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>2024</u>	<u>2023</u>
Real estate - building and improvements	\$ 37,165	\$ 38,519

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

	<u>2024</u>	<u>2023</u>
Real estate - building and improvements	\$ 261,211	\$ 261,211
Less accumulated depreciation - building and improvements	<u>(63,702)</u>	<u>(52,108)</u>
TOTAL	<u>\$ 197,509</u>	<u>\$ 209,103</u>

The Organization leases certain office facilities under long-term non-cancelable operating lease agreements. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. Total lease costs under operating leases for the years ended December 31, 2024 and 2023 were \$8,000 and \$0, respectively.

NORTHWOODS WOMEN, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 10 – ECONOMIC DEPENDENCY

Approximately 25% of the Organization's 2024 revenues, gains, and other support are derived from one funding source (18% in 2023). The Organization's ability to operate at the same level of service could be jeopardized in the event that this organization were to cease funding the Organization.

Approximately 22% of the Organization's 2024 revenues, gains, and other support are derived from another funding source (30% in 2023). The Organization does not anticipate to receive this level of funding in future years from this organization.

SUPPLEMENTARY INFORMATION

NORTHWOODS WOMEN, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2024

Federal Grantor/Program	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice			
State of Wisconsin Department of Justice			
Office of Crime Victim Services			
Victims of Crime Act	16.575		\$ 240,074
U.S. Department of Health and Human Services			
State of Wisconsin Department of Children and Families			
Family Violence Prevention and Services	93.671		55,102
Coronavirus State and Local Fiscal Recovery Funds	21.027		8,003
Social Services Block Grant	93.667		1,578
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024		457
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 305,214

State Grantor/Program	State Identifying Number	State Expenditures
State of Wisconsin Department of Health Services		
CW Children and Families Allocation	435.561	\$ 5,922
State of Wisconsin Department of Children and Families		
Domestic Violence Core Services Gaps	437-6019	80,500
Domestic Violence Basic Services	437-6001	71,850
Domestic Violence Children’s Programming	437-6005	35,000
Domestic Violence Stabilization Sheltercare	437-6018	24,482
State of Wisconsin Department of Justice		
Office of Crime Victim Services		
Sexual Assault Victim Services	455.505	68,993
TOTAL EXPENDITURES OF STATE AWARDS		\$ 286,747

NORTHWOODS WOMEN, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards include the federal and state activity of Northwoods Women, Inc. and is presented in accordance with the requirements of the *Provider Agency Audit Guide*, 2025 revision. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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* 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, and the *Provider Agency Audit Guide*, 2025 revision, issued by the Wisconsin Department of Children and Families, the financial statements of Northwoods Women, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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, 2025.

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.

Our consideration of internal control was for the limited purpose described in the preceding 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

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* or the *Provider Agency Audit Guide*, 2025 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, 2025

NORTHWOODS WOMEN, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2024

The prior audit contained two findings:

2023-001. 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.

2023-002. During the course of the audit, adjusting journal entries were made that had an 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 again noted for the current year.

NORTHWOODS WOMEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

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? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 3. Noncompliance material to the financial statements noted? | No |

B. Financial Statement Findings and Findings Related to the Program Which are Required to Be Reported in Accordance with the *Provider Agency Audit Guide*

Significant Deficiency

2024-001 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, 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.

NORTHWOODS WOMEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

B. Financial Statement Findings and Findings Related to the Program Which are Required to Be Reported in Accordance with the *Provider Agency Audit Guide* (Continued)

Significant Deficiency (Continued)

- 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.

Material Weakness

2024-002 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.

NORTHWOODS WOMEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

C. 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 and the *Provider Agency Audit Guide*:
Department of Children and Families 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, 2025