

**WOMEN'S RURAL ADVOCACY PROGRAMS, INC.  
MARSHALL, MINNESOTA**

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED  
JUNE 30, 2016 AND 2015**

**Meulebroeck, Taubert & Co., PLLP  
Certified Public Accountant  
P.O. Box 707  
Pipestone, MN 56164**

Women's Rural Advocacy  
Programs, Inc.  
Marshall, Minnesota

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**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
Women's Rural Advocacy  
Programs, Inc.  
Marshall, Minnesota

We have audited the accompanying financial statements of Women's Rural Advocacy Programs, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Rural Advocacy Programs, Inc. as of June 30, 2016 and 2015, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Meulebroeck, Taubert & Co., PLLP*  
Meulebroeck, Taubert & Co., PLLP  
Certified Public Accountants  
Pipestone, MN

September 13, 2016

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash	29,094	10,767
Accounts Receivable	328	420
Grants Receivable	19,041	31,359
Prepaid Expenses	815	815
Total Current Assets	<u>49,278</u>	<u>43,361</u>
<b><u>Fixed Assets</u></b>		
Equipment and Furniture	42,611	35,921
Less: Accumulated Depreciation	<u>(35,804)</u>	<u>(33,025)</u>
Total Fixed Assets	<u>6,807</u>	<u>2,896</u>
Total Assets	<u><u>56,085</u></u>	<u><u>46,257</u></u>
<b><u>Liabilities and Net Assets</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	512	536
Accrued Leave Time	10,460	7,408
Accrued Payroll Taxes	2,691	1,664
Total Current Liabilities	<u>13,663</u>	<u>9,608</u>
<b><u>Net Assets</u></b>		
Unrestricted Net Assets	<u>42,422</u>	<u>36,649</u>
Total Liabilities and Net Assets	<u><u>56,085</u></u>	<u><u>46,257</u></u>

See accompanying notes to the financial statements.

Women's Rural Advocacy  
 Programs, Inc.  
 Marshall, Minnesota

Exhibit

**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b><u>Unrestricted Net Assets</u></b>		
<b><u>Revenues and Support</u></b>		
Office of Justice Programs Grant	171,621	116,681
United Way Allocations	12,000	16,500
SWIF Grant	3,000	
Wal-Mart Grant	1,000	
Shopko Grant	250	
ADM Grant		5,000
Lyon-Lincoln Electric Grant		500
Outfront Minnesota Grant		2,000
Contributions	5,527	5,583
Fundraisers	1,340	279
Interest Income	11	9
Fines and Fees	4,199	4,437
Miscellaneous Income	2,315	25
Total Revenues and Support	<u>201,263</u>	<u>151,014</u>
<b><u>Expenditures</u></b>		
Program	169,030	143,341
Management and General	26,460	23,302
Total Expenditures	<u>195,490</u>	<u>166,643</u>
Change in Unrestricted Net Assets	5,773	(15,629)
Unrestricted Net Assets - July 1	<u>36,649</u>	<u>52,278</u>
Unrestricted Net Assets - June 30	<u><u>42,422</u></u>	<u><u>36,649</u></u>

See accompanying notes to the financial statements.

Women's Rural Advocacy  
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**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016		
	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries	89,667	11,083	100,750
Payroll Taxes	7,201	890	8,091
Employee Benefits	25,702	3,177	28,879
Contracted Services		6,300	6,300
Travel	6,519	806	7,325
Training	156	19	175
Meals	85		85
Postage	484	60	544
Printing	2,995	370	3,365
Telephone/Utilities	6,709	829	7,538
Advertising	5,053	625	5,678
Rent	8,704	1,076	9,780
Emergency Fund	795		795
Insurance	4,396	543	4,939
Maintenance and Repairs	38	5	43
Equipment Rental	155	19	174
Office Supplies	715	88	803
Professional Dues and Subscriptions	760	94	854
Victim Assistance	6,423		6,423
Depreciation	2,473	306	2,779
Bank Charges		84	84
Other Expense		86	86
Total	<u>169,030</u>	<u>26,460</u>	<u>195,490</u>

See accompanying notes to the financial statements.

2015		
<u>Program</u>	<u>Management and General</u>	<u>Total</u>
73,587	9,095	82,682
5,883	727	6,610
21,262	2,628	23,890
	5,945	5,945
4,423	547	4,970
152	19	171
105		105
374	46	420
2,818	348	3,166
7,109	879	7,988
4,439	549	4,988
8,704	1,076	9,780
600		600
4,196	519	4,715
8	1	9
902	112	1,014
643	80	723
732	91	823
5,071		5,071
2,333	288	2,621
	84	84
	268	268
<u>143,341</u>	<u>23,302</u>	<u>166,643</u>



**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b><u>Cash Flows From Operating Activities</u></b>		
Increase (Decrease) In Net Assets	5,773	(15,629)
Adjustments to Reconcile Change In Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,779	2,621
(Increase) Decrease in Accounts Receivable	92	(402)
(Increase) Decrease in Grants Receivable	12,318	4,357
Increase (Decrease) in Accounts Payable	(24)	(19)
Increase (Decrease) in Accrued Leave Time	3,052	451
Increase (Decrease) in Accrued Payroll Taxes	1,027	(191)
Total Adjustments	<u>19,244</u>	<u>6,817</u>
Net Cash Provided (Used) by Operating Activities	<u>25,017</u>	<u>(8,812)</u>
<b><u>Cash Flows From Financing and Capital Activities</u></b>		
Purchase of Fixed Assets	<u>(6,690)</u>	<u>          </u>
Net Cash (Used) in Financing and Capital Activities	<u>(6,690)</u>	<u>          </u>
Net Increase (Decrease) in Cash and Cash Equivalents	18,327	(8,812)
Cash and Cash Equivalents - July 1	<u>10,767</u>	<u>19,579</u>
Cash and Cash Equivalents - June 30	<u><u>29,094</u></u>	<u><u>10,767</u></u>

See accompanying notes to the financial statements.

Women's Rural Advocacy  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1**      **Summary of Significant Accounting Policies**

**Reporting Entity**

The Women's Rural Advocacy Programs, Inc. (WRAP) is a non-profit tax-exempt organization, which received its determination letter on May 29, 1997 from the Internal Revenue Service. The main purpose of WRAP is to provide safety options, shelter, and advocacy and referral services for victims of domestic violence and their children and alleviate domestic violence in the communities of Southwest Minnesota. This grass roots network of women helping women began in October 1979.

The Womanspace and Yellow Medicine Women's Center programs were started in Lyon and Yellow Medicine counties in 1994. WRAP operated as a corporation, with the Committee Against Domestic Violence (CADA), Mankato, Minnesota as its fiscal agent, from July 1, 1994 until June 30, 1997 when it obtained its own 501 (c) (3) tax-exempt determination. Services to Lincoln, Murray and Redwood counties were added at this same time. WRAP operates community advocacy programs for victims of domestic violence in four Southwest Minnesota counties: Lincoln, Yellow Medicine, Lyon and Redwood.

**Basis of Accounting**

The financial statements of WRAP have been prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

WRAP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. WRAP has no restricted net assets at this time.

**Accounts Receivable – Recognition of Bad Debts**

Accounts receivable consists of reimbursements due and victim service income from the State of Minnesota. Grants receivable represent amounts due from the State of Minnesota for fiscal year 2016 grants. WRAP considers the accounts and grants receivable to be fully collectible and therefore no allowance has been established. If amounts become uncollectible, they will be charged to expense in the year that determination is made.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1**     **Summary of Significant Accounting Policies-continued**

**Cash**

For purposes of the statement of cash flows, WRAP considers all short-term investments purchased with a maturity of three months or less to be cash equivalents. Cash in these financial statements consist of cash in checking, savings, and petty cash.

**Property, Plant and Equipment**

Equipment, furniture and fixtures are carried at cost. WRAP's policy is to capitalize all assets purchases. Depreciation is computed using the straight-line method. Estimated useful lives are five years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

**Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Code and a similar section of Minnesota state statutes. While the Organization is generally exempt from income taxes, it is subject to taxes on unrelated trade or business income and excess lobbying expenses. For the year ended June 30, 2016, the Organization had no unrelated trade or business income or excess lobbying expenses. A Form 990 "Return of Organization Exempt From Income Tax" is filed annually. The Organization has evaluated for uncertain tax positions and management has expressed that there are no uncertain positions as of June 30, 2016. Tax returns for the past three years remain open for examination by tax jurisdictions.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of Credit Risk**

As of June 30, 2016, WRAP had no significant concentration of credit risk.

Women's Rural Advocacy  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1**      **Summary of Significant Accounting Policies-continued**

**Contributed Services**

During the year ended June 30, 2016 and 2015, the value of contributed services meeting the requirement for recognition in the financial statements was not material and has not been recorded. In addition, individuals volunteer their time in assisting the Organization, but these services do not meet the criteria for recognition as contributed services.

**Advertising**

The Organization expenses advertising as incurred. Total advertising expenses for the year ended June 30, 2016 and 2015 was \$5,678 and \$4,988 respectively.

**Note 2**      **Compensated Absences**

Regular full-time employees earn vacation leave based on the number of years worked with maximum accumulated hours capped at 240 hours. Vacation leave is earned as follows:

<u>Years of Service</u>	<u>Weeks Per Year</u>	<u>Hours Per Year</u>
Years 1 through 2	3 weeks	120 hours
Years 3 through 5	4 weeks	160 hours
Years 6 through 10	5 weeks	200 hours
Over 10 years	6 weeks	240 hours

Regular full-time employees earn sick/personal leave at the rate of one 8-hour day per month and holiday hours at the rate of 7 hours per month. Regular part-time employees accrue all three types of leave pro-rated on the number of hours worked.

Only vacation benefits are paid upon termination. The amount of accrued vacation leave as of June 30, 2016 and 2015 was \$10,460 and \$7,408 respectively.

**Note 3**      **Leasing Arrangements**

WRAP leased office space for its operation at Marshall, MN on a monthly basis at \$815 per month. Rental expense for this site for the year ended June 30, 2016 was \$9,780.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Note 4**      **Economic Dependency**

WRAP receives a majority of its revenues from programs administered by the State of Minnesota. WRAP must meet certain requirements to maintain that revenue source and receipt of those resources is dependent on conditions within the State of Minnesota as a whole. The revenue received under this program has seen significant decreases in prior years and this requires the organization to monitor its budget for any potential revenue decreases.

**Note 5**      **Subsequent Events**

Subsequent events have been evaluated through September 13, 2016, which is the date the financial statements were available to be issued.