

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

INDEPENDENT AUDITOR'S REPORT

**FOR THE YEARS ENDED
JUNE 30, 2017 AND 2016**

**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, 2017 and 2016, 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, 2017 and 2016, 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.


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

September 20, 2017

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

Exhibit A

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash	18,955	29,094
Accounts Receivable	227	328
Grants Receivable	27,079	19,041
Prepaid Expenses	4,044	815
Total Current Assets	<u>50,305</u>	<u>49,278</u>
 <u>Fixed Assets</u>		
Equipment and Furniture	48,230	42,611
Less: Accumulated Depreciation	<u>(32,090)</u>	<u>(35,804)</u>
Total Fixed Assets	<u>16,140</u>	<u>6,807</u>
Total Assets	<u><u>66,445</u></u>	<u><u>56,085</u></u>
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts Payable	1,591	512
Accrued Leave Time	12,678	10,460
Accrued Payroll Taxes	2,219	2,691
Total Current Liabilities	<u>16,488</u>	<u>13,663</u>
 <u>Net Assets</u>		
Unrestricted Net Assets	<u>49,957</u>	<u>42,422</u>
Total Liabilities and Net Assets	<u><u>66,445</u></u>	<u><u>56,085</u></u>

See accompanying notes to the financial statements.

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Unrestricted Net Assets</u>		
<u>Revenues and Support</u>		
Office of Justice Programs Grant	244,652	171,621
United Way Allocations	15,000	12,000
SWIF Grant		3,000
Wal-Mart Grant		1,000
Shopko Grant		250
Contributions	4,365	5,527
Fundraisers		1,340
Interest Income	17	11
Fines and Fees	5,882	4,199
Miscellaneous Income	26	2,315
Total Revenues and Support	269,942	201,263
 <u>Expenditures</u>		
Program	228,324	169,030
Management and General	34,083	26,460
Total Expenditures	262,407	195,490
 Change in Unrestricted Net Assets	7,535	5,773
Unrestricted Net Assets - July 1	42,422	36,649
Unrestricted Net Assets - June 30	49,957	42,422

See accompanying notes to the financial statements.

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

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017		
	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Salaries	119,174	14,729	133,903
Payroll Taxes	9,217	1,139	10,356
Employee Benefits	26,883	3,323	30,206
Contracted Services		6,383	6,383
Travel	6,432	795	7,227
Training	44	6	50
Meals	51		51
Postage	387	48	435
Printing	3,863	477	4,340
Telephone/Utilities	9,453	1,168	10,621
Advertising	10,452	1,292	11,744
Rent	17,618	2,177	19,795
Emergency Fund			
Insurance	4,479	554	5,033
Maintenance and Repairs	1,318	163	1,481
Equipment Rental	187	23	210
Office Supplies	1,042	129	1,171
Professional Dues and Subscriptions	741	91	832
Victim Assistance	12,503		12,503
Utilities	1,432	177	1,609
Depreciation	3,048	377	3,425
Bank Charges		199	199
Other Expense		506	506
Gain/(Loss) on Sale of Assets		327	327
Total	<u>228,324</u>	<u>34,083</u>	<u>262,407</u>

See accompanying notes to the financial statements.

2016		
<u>Program</u>	<u>Management and General</u>	<u>Total</u>
89,667	11,083	100,750
7,201	890	8,091
25,702	3,177	28,879
	6,300	6,300
6,519	806	7,325
156	19	175
85		85
484	60	544
2,995	370	3,365
6,709	829	7,538
5,053	625	5,678
8,704	1,076	9,780
795		795
4,396	543	4,939
38	5	43
155	19	174
715	88	803
760	94	854
6,423		6,423
2,473	306	2,779
	84	84
	86	86
<u>169,030</u>	<u>26,460</u>	<u>195,490</u>

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) In Net Assets	7,535	5,773
Adjustments to Reconcile Change In Net Assets to Net Cash Provided (Used) by Operating Activities:		
Loss on Sale of Assets	327	
Depreciation	3,425	2,779
(Increase) Decrease in Accounts Receivable	101	92
(Increase) Decrease in Grants Receivable	(8,038)	12,318
(Increase) Decrease in Prepaid Expenses	(3,229)	
Increase (Decrease) in Accounts Payable	1,079	(24)
Increase (Decrease) in Accrued Leave Time	2,218	3,052
Increase (Decrease) in Accrued Payroll Taxes	(472)	1,027
Total Adjustments	<u>(4,589)</u>	<u>19,244</u>
Net Cash Provided (Used) by Operating Activities	2,946	25,017
 <u>Cash Flows From Financing and Capital Activities</u>		
Purchase of Fixed Assets	<u>(13,085)</u>	<u>(6,690)</u>
Net Cash (Used) in Financing and Capital Activities	<u>(13,085)</u>	<u>(6,690)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	(10,139)	18,327
Cash and Cash Equivalents - July 1	<u>29,094</u>	<u>10,767</u>
Cash and Cash Equivalents - June 30	<u><u>18,955</u></u>	<u><u>29,094</u></u>

See accompanying notes to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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 2017 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.

Women's Rural Advocacy
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017, 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, 2017. 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, 2017, WRAP had no significant concentration of credit risk.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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

During the year ended June 30, 2017 and 2016, 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, 2017 and 2016 was \$11,744 and \$5,678 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, 2017 and 2016 was \$12,678 and \$10,460 respectively.

Note 3 **Leasing Arrangements**

WRAP leased office space for its operation at Marshall, MN on a monthly basis at \$815 per month changing to \$1,000 per month October 1, 2017. WRAP leased office space in Granite Falls, MN commencing October 1, 2016 through September 30, 2017 at \$533 per month. WRAP leased space in Redwood falls commencing October 19, 2016 through November 30, 2017 at \$400 per month. Rental expense for the sites for the year ended June 30, 2017 was \$19,795. The following is the future minimum lease payments:

<u>Future Minimum Lease Payments</u>	
2018	\$6,599

Women's Rural Advocacy
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

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. Beginning with OJP grants awarded in the grant period ending September 30, 2017, funding has increased and the current level of WRAP's grant award is thought to be more steady for the next two-five years.

Note 5 **Subsequent Events**

Subsequent events have been evaluated through September 20, 2017, which is the date the financial statements were available to be issued.