

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

**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED  
JUNE 30, 2015 AND 2014**

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

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

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**MEULEBROECK, TAUBERT & CO., PLLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

PO Box 685  
109 S Freeman Avenue  
Luverne, Minnesota 56156  
507 283-4055 Fax 507 283-4076  
contactl@mtcocpa.com

PO Box 707  
216 East Main  
Pipestone, Minnesota 56164  
507 825-4288 Fax 507 825-4280  
contactp@mtcocpa.com

Tyler, Minnesota 56178  
507 247-3939  
Lake Wilson, Minnesota 56151  
507 879-3538  
Marshall, Minnesota 56258  
507 337-0501

*PARTNERS*

David L. Meulebroeck, CPA  
Matthew A. Taubert, CPA  
David W. Friedrichsen, CPA  
Daryl J. Kanthak, CPA

*WITH THE FIRM*

Amanda K. Baarson Sandy, CPA  
Amy L. Mollberg, CPA  
Sally A. Sterk, CPA  
Blake R. Klinsing, CPA

**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, 2015 and 2014, 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.

Women's Rural Advocacy  
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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, 2015 and 2014, 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*  
Meulebroeck, Taubert & Co., PLLP  
Certified Public Accountants  
Pipestone, MN

August 25, 2015

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash	10,767	19,579
Accounts Receivable	420	18
Grants Receivable	31,359	35,716
Prepaid Expenses	<u>815</u>	<u>815</u>
Total Current Assets	<u>43,361</u>	<u>56,128</u>
 <b><u>Fixed Assets</u></b>		
Equipment and Furniture	35,921	35,921
Less: Accumulated Depreciation	<u>(33,025)</u>	<u>(30,404)</u>
Total Fixed Assets	<u>2,896</u>	<u>5,517</u>
Total Assets	<u><u>46,257</u></u>	<u><u>61,645</u></u>
 <b><u>Liabilities and Net Assets</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	536	555
Accrued Leave Time	7,408	6,957
Accrued Payroll Taxes	<u>1,664</u>	<u>1,855</u>
Total Current Liabilities	<u>9,608</u>	<u>9,367</u>
 <b><u>Net Assets</u></b>		
Unrestricted Net Assets	<u>36,649</u>	<u>52,278</u>
Total Liabilities and Net Assets	<u><u>46,257</u></u>	<u><u>61,645</u></u>

See accompanying notes to the financial statements.

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

Exhibit B

**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b><u>Unrestricted Net Assets</u></b>		
<b><u>Revenues and Support</u></b>		
Office of Justice Programs Grant	116,681	129,473
United Way Allocations	16,500	18,000
US Bancorp Grant		222
US Bancorp Spaghetti Dinner		7,983
ADM Grant	5,000	
Lyon-Lincoln Electric Grant	500	
Outfront Minnesota Grant	2,000	
Contributions	5,583	3,104
Fundraisers	279	
Interest Income	9	13
Fines and Fees	4,437	3,231
Miscellaneous Income	25	630
Total Revenues and Support	<u>151,014</u>	<u>162,656</u>
 <u>Expenditures</u>		
Program	143,341	150,490
Management and General	23,302	25,041
Total Expenditures	<u>166,643</u>	<u>175,531</u>
 Change in Unrestricted Net Assets	(15,629)	(12,875)
Unrestricted Net Assets - July 1	<u>52,278</u>	<u>65,153</u>
Unrestricted Net Assets - June 30	<u><u>36,649</u></u>	<u><u>52,278</u></u>

See accompanying notes to the financial statements.

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 Programs, Inc.  
 Marshall, Minnesota

**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<b>2015</b>		
	<b>Program</b>	<b>Management and General</b>	<b>Total</b>
Salaries	73,587	9,095	82,682
Payroll Taxes	5,883	727	6,610
Employee Benefits	21,262	2,628	23,890
Contracted Services		5,945	5,945
Travel	4,423	547	4,970
Training	152	19	171
Meals	105		105
Postage	374	46	420
Printing	2,818	348	3,166
Telephone/Utilities	7,109	879	7,988
Advertising	4,439	549	4,988
Rent	8,704	1,076	9,780
Emergency Fund	600		600
Insurance	4,196	519	4,715
Maintenance and Repairs	8	1	9
Equipment Rental	902	112	1,014
Office Supplies	643	80	723
Professional Dues and Subscriptions	732	91	823
Victim Assistance	5,071		5,071
Depreciation	2,333	288	2,621
Bank Charges		84	84
Other Expense		268	268
Loss on Disposition of Assets			
Total	143,341	23,302	166,643

See accompanying notes to the financial statements.



Exhibit C

<b>2014</b>		
<b>Program</b>	<b>Management and General</b>	<b>Total</b>
76,380	9,440	85,820
6,237	771	7,008
23,809	2,943	26,752
	7,125	7,125
4,828	597	5,425
53	7	60
35		35
643	79	722
2,085	258	2,343
6,402	791	7,193
4,079	504	4,583
8,944	1,106	10,050
1,200		1,200
3,964	490	4,454
174	22	196
748	92	840
377	47	424
712	88	800
6,386		6,386
3,434	424	3,858
	123	123
	84	84
	50	50
<b>150,490</b>	<b>25,041</b>	<b>175,531</b>

**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b><u>Cash Flows From Operating Activities</u></b>		
Increase (Decrease) In Net Assets	(15,629)	(12,875)
Adjustments to Reconcile Change In Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,621	3,858
(Gain) Loss on Disposition of Assets		50
(Increase) Decrease in Accounts Receivable	(402)	279
(Increase) Decrease in Grants Receivable	4,357	(4,477)
(Increase) Decrease in Prepaid Expense		90
Increase (Decrease) in Accounts Payable	(19)	(762)
Increase (Decrease) in Accrued Leave Time	451	1,392
Increase (Decrease) in Accrued Payroll Taxes	(191)	(213)
Total Adjustments	6,817	217
Net Cash Provided (Used) by Operating Activities	(8,812)	(12,658)
 <b><u>Cash Flows From Investing Activities</u></b>		
Proceeds From Sale of Assets		150
Net Cash (Used) in Investing Activities	0	150
 Net Increase (Decrease) in Cash and Cash Equivalents	(8,812)	(12,508)
Cash and Cash Equivalents - July 1	19,579	32,087
Cash and Cash Equivalents - June 30	10,767	19,579

See accompanying notes to the financial statements.

Women's Rural Advocacy  
Programs, Inc.  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**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. WRAP also provides services in Murray County, even though this county is not included in the funding received from the State of Minnesota, Office of Justice Programs.

**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 2015 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, 2015**

**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, 2015, 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, 2015. 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, 2015, 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, 2015**

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

**Contributed Services**

During the year ended June 30, 2015 and 2014, 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, 2015 and 2014 was \$4,988 and \$4,583 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, 2015 and 2014 was \$7,408 and \$6,957 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, 2015 was \$9,780 which included rent for an additional space for three (3) months at the cost of \$90 per month.

Women's Rural Advocacy  
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Marshall, Minnesota

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

- 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. For the year ended June 30, 2015 the State of Minnesota significantly changed their funding resulting in less revenue to be received. The organization has made adjustments to their expenditure budget to reflect the decrease in revenue.
- Note 5**     **Subsequent Events**  
Subsequent events have been evaluated through August 25, 2015, which is the date the financial statements were available to be issued.