

**BLUFF COUNTRY FAMILY RESOURCES**  
**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**  
**JUNE 30, 2014**

# BLUFF COUNTRY FAMILY RESOURCES

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Bluff Country Family Resources

We have audited the accompanying financial statements of Bluff Country Family Resources (the "Organization") which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities and changes in net assets, 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 from 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 the 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.

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 the Organization as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The detailed statement of activities on page 9 is presented for purposes of additional analysis and 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.

*Franke & Turnbull, CPA's*

La Crosse, Wisconsin  
December 11, 2014

**BLUFF COUNTRY FAMILY RESOURCES**  
STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	JUNE 30	
	2014	2013
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 67,630	\$ 96,064
Prepaid expenses	-	4,135
Grants and other receivables	31,486	47,924
TOTAL CURRENT ASSETS	99,116	148,123
PROPERTY AND EQUIPMENT - net, at cost	172,967	160,969
<b>OTHER ASSETS</b>		
Restricted cash	-	4,391
<b>TOTAL ASSETS</b>	<b>\$ 272,083</b>	<b>\$ 313,483</b>
 <u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	\$ 3,481	\$ 3,298
Accounts payable	6,409	13,676
Deferred revenue	7,960	6,914
Accrued payroll	3,022	3,016
Payroll taxes and other liabilities	4,915	4,530
TOTAL CURRENT LIABILITIES	25,787	31,434
LONG-TERM DEBT, net of current maturities	93,246	96,765
TOTAL LIABILITIES	119,033	128,199
<b>NET ASSETS</b>		
Unrestricted	153,050	185,284
TOTAL NET ASSETS	153,050	185,284
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 272,083</b>	<b>\$ 313,483</b>

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

**BLUFF COUNTRY FAMILY RESOURCES**  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	YEAR ENDED JUNE 30	
	2014	2013
REVENUE, GAINS, AND OTHER SUPPORT		
Program		
Grants	\$ 197,491	\$ 214,551
Reimbursements and court fines	89	50,862
Public support		
United Way	33,650	31,859
Donations and memberships	1,686	11,702
Interest	257	338
Special events and programs	7,495	911
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	240,668	310,223
EXPENSES AND LOSSES		
Program	198,180	244,173
Management and general	66,634	56,239
Fundraising	8,088	8,601
TOTAL EXPENSES AND LOSSES	272,902	309,013
CHANGE IN NET ASSETS	(32,234)	1,210
NET ASSETS AT BEGINNING OF YEAR	185,284	184,074
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 153,050</b>	<b>\$ 185,284</b>

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

**BLUFF COUNTRY FAMILY RESOURCES**  
STATEMENT OF CASH FLOWS

	YEAR ENDED JUNE 30	
	2014	2013
<b><u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (32,234)	\$ 1,210
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	9,063	7,010
Change in operating assets and liabilities		
Grants and other receivables	16,438	(8,610)
Prepaid expenses	4,135	(199)
Accounts payable and accruals	(5,830)	(7,257)
NET CASH (USED IN) OPERATING ACTIVITIES	(8,428)	(7,846)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of assets	(21,061)	-
NET CASH (USED IN) INVESTING ACTIVITIES	(21,061)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principle payments on long-term debt	(3,336)	(2,242)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,825)	(10,088)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	100,455	110,543
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 67,630</b>	<b>\$ 100,455</b>
<b><u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u></b>		
Cash paid during the year for interest	\$ 4,422	\$ 5,355

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

**BLUFF COUNTRY FAMILY RESOURCES**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**NOTE 1 – Nature of Organization and Significant Accounting Policies**

Bluff Country Family Resources (the “Organization”) serves the Houston County area by providing funding and services to support and to recruit, train, and supervise volunteers to provide 24 hour advocacy service for various crimes of violence against women and children. The Organization is supported primarily through donor contributions and grants.

**Basis of Presentation** – Financial statement presentation follows the recommendations of FASB ASC 958-205 (formerly Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*). Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the Organization and include those expendable resources which have been designated for special use by the Organization’s Board of Directors.

Temporarily restricted net assets represent those amounts that are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets result from contributions from donors who place restrictions on the use of the funds which mandate that the original principal be invested in perpetuity. This original principal is reported as a permanently restricted net asset, the income from which may be either temporarily restricted or unrestricted, depending on the donor’s specifications.

**Basis of Accounting** – The accounts of the Organization are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

**Use of Estimates** – The financial statements include estimates and assumptions made by management that affect the carrying amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from those estimates.

**Property and Equipment** – The Organization capitalizes all expenditures for property and equipment in excess of \$200. Lesser amounts are expensed. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over useful lives ranging from 5-40 years.

**Restricted and Unrestricted Revenue and Support** – Annual contributions are generally available for unrestricted use in the current year unless specifically restricted by the donor. Unconditional promises to give are recorded as they are received. An allowance for uncollectible promises is provided based on management’s evaluation of potential uncollectible promises receivable at year end. Grants and other contributions are reported as temporarily restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions of donated noncash assets are recorded at their fair values in the period received.

**BLUFF COUNTRY FAMILY RESOURCES**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**JUNE 30, 2014 AND 2013**

**NOTE 1 – Nature of Organization and Significant Accounting Policies - continued**

**Contributed Services** – During the year ended June 30, 2014 and 2013, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 10,000 volunteer hours per year.

**Cash and Cash Equivalents** – For purposes of the Statement of Cash Flows, the Organization considers all liquid investments with an initial maturity of 3 months or less to be cash equivalents.

**Income Tax Status** – The Organization is recognized by the Internal Revenue Service to be an exempt organization under Section 501 (c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a)(2).

FASB ASC 740-10 (previously Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes) prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization’s federal Exempt Organization Returns for 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

**Functional Allocation of Expenses** – The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and the supporting services benefited.

**Subsequent Events** – The Organization has evaluated subsequent events through December 11, 2014, the date which the financial statements were available to be issued.

**NOTE 2 – Grants and Other Receivables**

Grants and other receivables at June 30 are as follows:

	2014	2013
Office of Justice Programs	\$ 11,668	\$ 13,159
Housing and Urban Development	3,017	6,289
Transitional Housing Program	16,801	9,285
June Kjome Place	-	19,191
<b>Total</b>	<b>\$ 31,486</b>	<b>\$ 47,924</b>



**BLUFF COUNTRY FAMILY RESOURCES**  
**NOTES TO FINANCIAL STATEMENTS - Continued**  
**JUNE 30, 2014 AND 2013**

**NOTE 3 – Property and Equipment**

The following is a summary of property and equipment as of June 30:

	<u>2014</u>	<u>2013</u>
Equipment, Furniture & Fixtures	\$ 8,988	\$ 37,026
Leasehold Improvements	24,330	24,330
Office Building	170,663	170,663
Vehicle	<u>27,821</u>	<u>33,094</u>
	231,802	265,113
Less Accumulated Depreciation	<u>59,225</u>	<u>104,144</u>
<b>Net Property and Equipment</b>	<b><u>\$ 172,577</u></b>	<b><u>\$ 160,969</u></b>

**NOTE 4 – Long-Term Debt**

Long-term debt at June 30 consisted of the following:

	<u>2014</u>	<u>2013</u>
Note payable, monthly payments of \$647, including 4.5% interest, due October 2017, secured by real estate mortgage - Hokah mortgage	\$ 96,727	\$ 100,063
Less current maturities	<u>3,481</u>	<u>3,298</u>
<b>TOTAL</b>	<b><u>\$ 93,246</u></b>	<b><u>\$ 96,765</u></b>

Aggregate maturities of long-term debt at June 30, 2014, are as follows:

2015	\$ 3,481
2016	3,641
2017	3,809
2018	85,796

**BLUFF COUNTRY FAMILY RESOURCES**  
**DETAILED STATEMENT OF ACTIVITIES**  
YEAR ENDED JUNE 30, 2014  
WITH COMPARATIVE PRIOR YEAR BALANCES

	Sexual Assault	Battered Women	Emergency Funds	Safehome	Housing	Winona Community Foundation	Total Program	Management and General	Fundraising	2014 Total	2013 Total
<b>Revenue, Gains, and Other Support</b>											
Grants	\$ 31,998	\$ 31,998	\$ 3,564	\$ 8,727	\$ 103,704	\$ 17,500	197,491	\$ -	\$ -	\$ 197,491	\$ 210,379
United Way	-	20,866	-	-	12,583	-	33,449	-	201	33,650	31,859
Donations and memberships	-	-	-	-	-	-	-	-	1,686	1,686	11,702
Interest	-	-	-	-	-	-	-	257	-	257	338
Reimbursements and court fines	13	76	-	-	-	-	89	-	-	89	50,862
Special events and programs	-	-	-	-	2,167	-	2,167	-	5,328	7,495	911
<b>Total Revenue, Gains and Other Support</b>	<b>32,011</b>	<b>52,940</b>	<b>3,564</b>	<b>8,727</b>	<b>118,454</b>	<b>17,500</b>	<b>233,196</b>	<b>257</b>	<b>7,215</b>	<b>240,668</b>	<b>306,051</b>
<b>Expenses</b>											
Salaries and wages	28,088	30,248	-	664	53,379	-	112,379	11,775	6,647	130,801	125,667
Employee benefits	5,230	257	-	-	5,635	-	11,122	3,981	-	15,103	12,608
Staff development and training	116	380	-	-	556	-	1,052	134	-	1,186	1,370
Contracted services	-	-	-	-	192	-	192	-	-	192	1,442
Office supplies and expense	59	-	-	-	689	-	748	5,805	-	6,553	8,504
Postage	-	-	-	-	-	-	-	347	-	347	910
Telephone	-	9	-	-	1,833	-	1,842	3,254	-	5,096	5,953
Dues and subscriptions	440	718	-	-	1,534	-	2,692	917	-	3,609	2,163
Insurance	-	-	-	-	-	-	-	10,040	-	10,040	9,721
Advertising	-	-	-	-	-	-	-	1,355	541	1,896	114
Program supplies and expense	141	3,042	-	-	205	-	3,388	1,185	-	4,573	8,076
Legal and accounting	-	-	-	-	-	-	-	4,391	-	4,391	3,828
Travel	42	171	-	220	1,243	-	1,676	2,578	-	4,254	3,011
Client assistance	-	-	3,987	5,853	17,927	17,500	45,267	-	-	45,267	60,320
Utilities and maintenance	-	-	-	-	4,233	-	4,233	5,308	-	9,541	18,936
Equipment maintenance	-	-	-	-	2,629	-	2,629	442	-	3,071	21,269
Interest expense	-	-	-	-	-	-	-	4,422	-	4,422	5,355
Special events and programs	-	10,912	-	22	3	-	10,937	1,290	900	13,127	7,570
Depreciation	-	-	-	-	23	-	23	9,040	-	9,063	7,010
Miscellaneous	-	-	-	-	-	-	-	370	-	370	1,014
<b>Total</b>	<b>34,116</b>	<b>45,737</b>	<b>3,987</b>	<b>6,759</b>	<b>90,081</b>	<b>17,500</b>	<b>198,180</b>	<b>66,634</b>	<b>8,088</b>	<b>272,902</b>	<b>304,841</b>
Allocation of indirect costs	11,768	13,579	-	3,168	34,849	-	63,364	(63,364)	-	-	-
<b>Total Expenses</b>	<b>45,884</b>	<b>59,316</b>	<b>3,987</b>	<b>9,927</b>	<b>124,930</b>	<b>17,500</b>	<b>261,544</b>	<b>3,270</b>	<b>8,088</b>	<b>272,902</b>	<b>304,841</b>
<b>Change in Net Assets</b>	<b>\$ (13,873)</b>	<b>\$ (6,376)</b>	<b>\$ (423)</b>	<b>\$ (1,200)</b>	<b>\$ (6,476)</b>	<b>\$ -</b>	<b>\$ (28,348)</b>	<b>\$ (3,013)</b>	<b>\$ (873)</b>	<b>\$ (32,234)</b>	<b>\$ 1,210</b>