

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

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

**1075 SW CEDARWOOD AVE
MCMINNVILLE, OR 97128**

WITH AUDITORS' REPORT BY:

**JOHNSON, GLAZE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS**

**3085 RIVER ROAD N.
SALEM, OREGON 97303**

JULIETTE'S HOUSE

TABLE OF CONTENTS

Independent Auditors' Report 3

Statements of Financial Position..... 5

Statements of Activities 7

Schedules of Functional Expenses 9

Statements of Cash Flows 11

Notes to the Financial Statements..... 12

Accounting for real people, real business, real life.
Going beyond the tax return year after year.



INDEPENDENT AUDITORS' REPORT

Board of Directors
Juliette's House
McMinnville, Oregon 97128

We have audited the accompanying financial statements of **Juliette's House** (a nonprofit organization), which comprise the statements 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 audits. We conducted our audits 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 **Juliette's House** as of June 30, 2016 and 2015, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

A handwritten signature in black ink that reads "Johnson, Glaze & Co. P.C." in a cursive script.

Johnson, Glaze & Co., P.C.
Certified Public Accountants
Salem, Oregon
October 14, 2016

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

	ASSETS	
	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 203,663	\$ 194,200
Accounts Receivable, Less Allowance for Doubtful Accounts \$0 and \$30,854	19,478	16,613
Grants Receivable	132,865	41,734
Refunds & Credits	-	11
Total Current Assets	<u>356,006</u>	<u>252,558</u>
 MARKETABLE SECURITIES		
Investments	<u>83,166</u>	<u>82,233</u>
Total Marketable Securities	<u>83,166</u>	<u>82,233</u>
 FIXED ASSETS		
Land	235,000	235,000
Building	412,879	412,879
Furniture & Equipment	99,156	95,236
Less Accumulated Depreciation	<u>(296,156)</u>	<u>(282,529)</u>
Total Fixed Assets	<u>450,879</u>	<u>460,586</u>
 TOTAL ASSETS	 <u>\$ 890,051</u>	 <u>\$ 795,377</u>

See Auditors' Report and Notes to the Financial Statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**STATEMENTS OF FINANCIAL POSITION (Continued)
JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES		
Accrued Liabilities	\$ 9,303	\$ 2,098
Accrued PTO Payable	12,431	8,578
Deferred Income	72,810	-
Total Current Liabilities	<u>94,544</u>	<u>10,676</u>
TOTAL LIABILITIES	<u>94,544</u>	<u>10,676</u>
NET ASSETS		
Unrestricted	560,507	549,701
Permanently Restricted	235,000	235,000
Total Net Assets	<u>795,507</u>	<u>784,701</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 890,051</u>	<u>\$ 795,377</u>

See Auditors' Report and Notes to the Financial Statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

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

	2016		
	Unrestricted	Permanently Restricted	Total
SUPPORT			
Grants & Contracts	284,930	\$ -	\$ 284,930
Contributions	67,952	-	67,952
Fundraising Events	90,680	-	90,680
In-Kind Donations	21,987	-	21,987
Total Support	<u>465,549</u>	<u>-</u>	<u>465,549</u>
OTHER REVENUE			
Program Service Fees	96,563	-	96,563
Other Program & Special Events	5,638	-	5,638
Investment Income	4,644	-	4,644
Unrealized Gain (Loss) on Investments	(2,490)	-	(2,490)
Total Other Revenue	<u>104,355</u>	<u>-</u>	<u>104,355</u>
TOTAL SUPPORT & OTHER REVENUE	<u>\$ 569,904</u>	<u>\$ -</u>	<u>\$ 569,904</u>
EXPENSES			
Program Services			
Total Program Services	<u>449,581</u>	<u>-</u>	<u>449,581</u>
Management Activities			
Administrative Expenses	64,768	-	64,768
Fundraising	44,749	-	44,749
Total Management Activities	<u>109,517</u>	<u>-</u>	<u>109,517</u>
TOTAL EXPENSES	<u>559,098</u>	<u>-</u>	<u>559,098</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>10,806</u>	<u>-</u>	<u>10,806</u>
NET ASSETS (DEFICIT) - BEGINNING	<u>549,701</u>	<u>235,000</u>	<u>784,701</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ 560,507</u>	<u>\$ 235,000</u>	<u>\$ 795,507</u>

See Auditors' Report and Notes to the Financial Statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**STATEMENTS OF ACTIVITIES (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2015		
	Unrestricted	Permanently Restricted	Total
SUPPORT			
Grants & Contracts	184,606	\$ -	\$ 184,606
Contributions	307,229	-	307,229
Fundraising Events	64,935	-	64,935
In-Kind Donations	567	-	567
Net Assets Released From Restriction	-	-	-
Total Support	<u>557,337</u>	<u>-</u>	<u>557,337</u>
OTHER REVENUE			
Program Service Fees	121,243	-	121,243
Other Program & Special Events	2,923	-	2,923
Investment Income	1,002	-	1,002
Unrealized Gain (Loss) on Investments	797	-	797
Total Other Revenue	<u>125,965</u>	<u>-</u>	<u>125,965</u>
TOTAL SUPPORT & OTHER REVENUE	<u>\$ 683,302</u>	<u>\$ -</u>	<u>\$ 683,302</u>
EXPENSES			
Program Services			
Total Program Services	<u>333,139</u>	<u>-</u>	<u>333,139</u>
Management Activities			
Administrative Expenses	105,683	-	105,683
Fundraising	96,176	-	96,176
Total Management Activities	<u>201,859</u>	<u>-</u>	<u>201,859</u>
TOTAL EXPENSES	<u>534,998</u>	<u>-</u>	<u>534,998</u>
INCREASE (DECREASE) IN			
UNRESTRICTED NET ASSETS	<u>148,304</u>	<u>-</u>	<u>148,304</u>
NET ASSETS (DEFICIT) - BEGINNING	<u>401,397</u>	<u>235,000</u>	<u>636,397</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ 549,701</u>	<u>\$ 235,000</u>	<u>\$ 784,701</u>

See Auditors' Report and Notes to the Financial Statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016 Supporting Services			
	Program Services	Management and General	Fundraising	Total
Salary and Wages	\$ 267,697	\$ 29,571	\$ 14,009	\$ 311,277
Payroll Taxes	21,488	2,487	895	24,870
Benefits	12,800	1,481	533	14,815
Audit	-	4,900	-	4,900
Accounting Fees	5,481	305	305	6,090
Legal Fees	-	1,058	-	1,058
Contractors	60,591	9,731	2,003	72,325
Occupancy	10,021	542	542	11,105
Corporate Fees and Taxes	802	-	-	802
Dues & Subscriptions	13,660	-	-	13,660
Equipment Rental and Maint	6,785	367	367	7,519
Promotional Supplies	-	-	24,069	24,069
Insurance	12,320	684	684	13,689
New Equipment	1,753	-	-	1,753
Postage	1,396	78	78	1,551
Printing and copying	2,316	129	129	2,573
Supplies	17,207	886	886	18,979
Telecommunications	4,482	249	249	4,980
Travel Meetings and Conferences	8,596	-	-	8,596
Other Expenses	859	-	-	859
Depreciation	1,327	12,300	-	13,627
Total Expenses	\$ 449,581	\$ 64,768	\$ 44,749	\$ 559,098

See Auditors' Report and Notes to the Financial Statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**SCHEDULES OF FUNCTIONAL EXPENSES (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2015 Supporting Services			Total
	Program Services	Management and General	Fundraising	
Personnel Expenses	\$ 215,080	\$ 66,728	\$ 80,429	\$ 362,237
Dues & Subscriptions	11,115	5,985	-	17,100
Executive Meetings	2,338	564	-	2,902
Insurance	8,342	4,492	-	12,834
Postage	585	315	-	900
Professional Services	5,508	2,966	-	8,474
Repairs and Maintenance	7,541	3,542	340	11,423
Supplies	5,600	3,015	-	8,615
Taxes and Fees	543	292	-	835
Telephone	3,706	1,996	-	5,702
Occupancy	6,492	3,495	-	9,987
Contract Labor	64,446	-	-	64,446
Other	591	-	15,407	15,998
Depreciation	1,252	12,293	-	13,545
	<u>1,252</u>	<u>12,293</u>	<u>-</u>	<u>13,545</u>
Total Expenses	<u>\$ 333,139</u>	<u>\$ 105,683</u>	<u>\$ 96,176</u>	<u>\$ 534,998</u>

See Auditors' Report and Notes to the Financial Statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

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

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 349,566	\$ 517,079
Cash Received from Programs & Services	97,221	124,166
Interest & Dividends Received	4,644	1,002
Cash Paid to Employees & Suppliers	<u>(437,080)</u>	<u>(517,852)</u>
Net Cash Provided (Used) by Operating Activities	<u>14,351</u>	<u>124,395</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property & Equipment	(3,920)	-
Proceeds from Sale	-	286
Purchase of Investments	<u>(968)</u>	<u>(271)</u>
Net Cash Provided (Used) by Investing Activities	<u>(4,888)</u>	<u>15</u>
TOTAL INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>9,463</u>	<u>124,410</u>
CASH & CASH EQUIVALENTS - BEGINNING	<u>194,200</u>	<u>69,790</u>
CASH & CASH EQUIVALENTS - ENDING	<u>\$ 203,663</u>	<u>\$ 194,200</u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 10,806	\$ 148,304
 ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Depreciation & Amortization	13,627	13,545
Net Unrealized (Gain) Loss on Investments	(2,490)	(797)
(Increase) Decrease in Assets		
Accounts Receivable	(2,865)	(2,126)
Grants Receivable	(91,131)	(6,761)
Prepaid Expenses	11	688
Increase (Decrease) in Liabilities		
Accrued Expenses	13,583	(92)
Deferred Revenue	<u>72,810</u>	<u>(28,366)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 14,351</u>	<u>\$ 124,395</u>
 SUPPLEMENTARY INFORMATION		
In-Kind Donations	\$ 21,987	\$ 567

See Auditors' Report and Notes to the Financial Statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Juliette's House Child Abuse Intervention Center performs medically and forensically sound evaluations of children ages 0-18 and developmentally delayed adults in Yamhill, Polk and Tillamook Counties referred to us by child protective services and law enforcement for suspected sexual abuse, physical abuse, serious neglect, exposure to drug endangerment, and exposure to domestic violence, drug endangerment or traumatic events. Juliette's House brings agencies and personnel to the child in a home-like, child-focused setting so there is less trauma to the child and the investigation, treatment and follow-up process is less frightening and more successful for the child and the child's family.

All services at Juliette's House are provided free of charge.

We offer treatment referrals, support groups for families impacted by unsafe touch and sexual abuse, referrals to social services and community resources, and follow-up support to children and their non-offending family members.

We work towards child abuse prevention through our in-school child abuse prevention and intervention workshops, the Safe Kids (CAP) Program, using the National Child Assault Project curriculum. We also have "Safe Touch" Family Support groups for families who have been impacted by unsafe touch or sexual abuse to help them learn about healthy and safe interactions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

The Organization reports 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 as follows:

Unrestricted net assets—those net assets which are currently available for use in the Organization's activities.

Temporarily restricted net assets—those net assets which are restricted by donors for specific purposes or time periods.

Permanently restricted net assets—those net assets which are subject to donor-imposed stipulations that require they be maintained permanently by the Organization.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or the nature of any donor restrictions. Contributions of cash and other assets are reported as 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.

Grants and contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions. Contributions of noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received per the Organization's policy. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with less than a maturity of three months to be cash equivalents.

Accounts Receivable

Accounts receivable are made up primarily of billed services pending payment from health insurance companies. These receivables are reported net of any contractual adjustments from health insurance companies. The Organization reviews outstanding accounts and determines collectability based on past experience. No allowance for doubtful accounts has been estimated as management has determined that all accounts receivable are collectible.

Grants Receivable

Grants receivables are billings for services provided to residents of the counties the Organization serves and then billed directly to each county. There is also a State of Oregon VOCA grant which was outstanding at June 30, 2016 and 2015. Management reviews the outstanding accounts and determines collectability based on past experience. No allowance for doubtful accounts has been estimated as management has determined that all grants receivable are collectible.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Land, Buildings, Equipment and Vehicles

The Organization capitalizes property and equipment costing, generally, over \$5,000. Lesser amounts are usually expensed. Purchased property and equipment are capitalized at original cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided over the estimated useful lives ranging from five to thirty-nine years, using the straight-line method.

Planned major maintenance is accounted for during the budget process.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization has had no such income in the current or prior years. Therefore, no provision for income taxes has been made. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization is subject to income tax examinations for the years ended June 30, 2013 through 2016.

As required by ASC 740, management has evaluated tax positions taken and has determined that any uncertainty in those positions would not have a material effect on the financial statements.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Materials

Donated materials, equipment or services, when received are reflected as contributions in the accompanying statements at their estimated fair market values at date placed in service. The value of contributed services meeting the organizations policy and requirements of recognition has been recorded. For the years ended June 30, 2016 and 2015, the amount was \$41,861 and \$567 respectively. In addition, many individuals volunteer their time and perform a variety of non-specialized tasks that assist the Organization, which do not meet the recognition requirements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Organization's various activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the activities benefited.

NOTE B: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>2016</u>	<u>2015</u>
Columbia Bank - Checking	\$ 4,467	\$ 5,224
Columbia Bank - Money Market	148,043	188,020
Petty Cash/Columbia Bank - Checking	128	289
First Federal - Money Market	50,009	-
Edward Jones Cash Account	1,016	667
Total Cash & Cash Equivalents	<u>\$ 203,663</u>	<u>\$ 194,200</u>

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE C: FAIR VALUE MEASUREMENTS

ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization's unobservable inputs are inputs that reflect the Organization's assumptions about the inputs that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1—Valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization's has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2—Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3—Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

The Organization's investments consist of preferred stock which are quoted at market prices for identical assets. The valuations of these investments according to the fair value hierarchy are all at Level 1.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE D: INVESTMENTS

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment revenues are reported net of related expenses charged by The Oregon Community Foundation in the amount of \$2,484 for the years ended June 30, 2016 and 2015.

Fair values and unrealized gain(loss) for investments as of June 30, 2016 and 2015 are summarized as follows:

	2016		
	Cost	Fair Value	Unrealized Gain (Loss)
Stocks	<u>\$ 4,753</u>	<u>\$ 12,624</u>	<u>\$ 7,871</u>
Total	<u>\$ 4,753</u>	<u>\$ 12,624</u>	<u>\$ 7,871</u>

	2015		
	Cost	Fair Value	Unrealized Gain (Loss)
Stocks	<u>\$ 4,753</u>	<u>\$ 9,852</u>	<u>\$ 5,099</u>
Total	<u>\$ 4,753</u>	<u>\$ 9,852</u>	<u>\$ 5,099</u>

The Organization had funds invested in the pooled fund of The Oregon Community Foundation. The pooled fund is invested in a diversified portfolio of mutual funds and other investments. For the year ending June 30, 2016 and 2015, the fair value of this investment was \$70,536 and \$73,049 respectively.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE E: BENEFICIAL INTEREST IN ASSETS HELD BY THE OREGON COMMUNITY FOUNDATION

The Organization is in an Endowment Partners Program with The Oregon Community Foundation (OCF). OCF is an Oregon not-for-profit corporation. Endowment Partners Program endowments are OCF funds established by charitable organizations in Oregon to serve as their endowments. OCF maintains variance power and legal ownership of the endowments and reports the funds as assets. The funds are subject to OCF's investment and spending policies.

In accordance with FASB ASC No. 958-605-25-33, a liability is established on the financial statements of OCF for the fair market value of the endowments. Juliette's House Inc. reports a beneficial interest in assets held by OCF as an asset at fair value in its financial statements. The funds are included in unrestricted net assets.

Distributions are normally made at least annually based on a percentage determined by the Board of Directors of OCF under its grant percentage payout policy. The amount available for distribution at June 30, 2016 and 2015 was \$3,043 and \$2,752, respectively. Additional distributions are also available with the approval of the Juliette's House Inc. Board of Directors and OCF's Board of Directors. Changes in the value of the fund are reported as gains or losses in the Statement of Activities. Changes in the fund for the years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Balance at July 1, 2015 & 2014	\$ 73,049	\$ 73,179
Interest and Dividend Income	968	683
Realized Gain/(Loss) on Investments	-	1,546
Unrealized Gain/(Loss) on Investments	(2,895)	(1,726)
Investment Expenses	(234)	(270)
OCF Fees	(352)	(363)
	<u> </u>	<u> </u>
Balance at June 30, 2016 and 2015	<u>\$ 70,536</u>	<u>\$ 73,049</u>

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE F: PERMANENT RESTRICTIONS

The land that Juliette's House facilities are built upon was donated to the Organization in 1995 for the use and benefit of the youth of Yamhill County, Oregon. If at any time Juliette's House were to change the nature of its operation or cease to exist, ownership of the land would transfer to the Oregon Community Foundation to be added to a fund dedicated to be used for the benefit of the youth of Yamhill County, Oregon. The value of the land of \$235,000 is reflected in these financial statement as permanently restricted.

NOTE G: OPERATING LEASES

The Organization has a non-cancelable operating lease, for a copier, which expires April 2017. The Organization is to pay all executory costs such as taxes, maintenance, and insurance. Rental expense for this lease for the years ended June 30, 2016 and 2015 was \$4,224 and \$4,224 respectively.

Future minimum lease payments under operating leases that have remaining terms of one year or more as of June 30, 2016 and 2015 are:

The future minimum lease expense is:

2017	\$	3,168
------	----	-------

NOTE H: COMPENSATED ABSENCES

Regular and probationary employees of the Organization accrue PTO leave monthly or hourly, for salaried and hourly employees, respectively. Any employee terminating with unused PTO leave will be compensated for that balance in the final paycheck. Accordingly, the Organization has accrued PTO payable of \$12,431 and \$8,578 as of June 30, 2016 and 2015.

NOTE I: CONCENTRATIONS OF FUNDING SOURCES

The Organization received approximately 35% of its total revenue from state and local agencies for the years ended June 30, 2016 and 2015.

**JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)**

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

NOTE J: CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

The Organization maintains its cash balances at a financial institution located in McMinnville, Oregon. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2016 and 2015, the Organization had no uninsured cash balance.

NOTE K: CONCENTRATIONS OF CREDIT RISK ARISING FROM INVESTMENTS

The Organization maintains investments with Edward Jones that are in two stocks (with maturities longer than three months). The stocks are subject to market fluctuations that could dramatically affect the carrying value of this asset. The stock investments are insured by the Securities Investors Protection Corporation (SIPC) up to a maximum of \$500,000. This insurance would cover only the number of shares held if Edward Jones were to cease operations. It would not insure the market value.

The funds invested with The Oregon Community Foundation are not subject to any insurance protection.

NOTE L: SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 14, 2016 which is the date of the Auditor's Report and the date the financial statements were available to be issued. No significant events were identified that would require adjustment to the financial statements or disclosures as stated herein.