

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

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

**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

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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, 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 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, 2017 and 2016, 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 20, 2017

JULIETTE'S HOUSE
(A NONPROFIT ORGANIZATION)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	ASSETS	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 147,042	\$ 203,663
Accounts Receivable, Less Allowance for Doubtful Accounts \$0 & \$0	21,871	19,478
Grants Receivable	56,780	132,865
Total Current Assets	<u>225,693</u>	<u>356,006</u>
 MARKETABLE SECURITIES		
Investments	86,762	83,166
Total Marketable Securities	<u>86,762</u>	<u>83,166</u>
 FIXED ASSETS		
Land	235,000	235,000
Building	412,879	412,879
Furniture & Equipment	114,638	99,156
Less Accumulated Depreciation	<u>(305,755)</u>	<u>(296,156)</u>
Total Fixed Assets	<u>456,762</u>	<u>450,879</u>
 TOTAL ASSETS	<u><u>\$ 769,217</u></u>	<u><u>\$ 890,051</u></u>
	LIABILITIES & NET ASSETS	
	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES		
Accrued Liabilities	\$ 12,839	\$ 9,303
Accrued PTO Payable	18,862	12,431
Deferred Income	5,853	72,810
Total Current Liabilities	<u>37,554</u>	<u>94,544</u>
 TOTAL LIABILITIES	<u>37,554</u>	<u>94,544</u>
 NET ASSETS		
Unrestricted	496,663	560,507
Permanently Restricted	235,000	235,000
Total Net Assets	<u>731,663</u>	<u>795,507</u>
 TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 769,217</u></u>	<u><u>\$ 890,051</u></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, 2017 AND 2016

	2017		
	Unrestricted	Permanently Restricted	Total
SUPPORT			
Grants & Contracts	\$ 312,009	\$ -	\$ 312,009
Contributions	31,442	-	31,442
Fundraising Events	158,939	-	158,939
In-Kind Donations	21,333	-	21,333
Total Support	<u>523,723</u>	<u>-</u>	<u>523,723</u>
OTHER REVENUE			
Program Service Fees	115,490	-	115,490
Other Program & Special Events	8,711	-	8,711
Investment Income	2,742	-	2,742
Unrealized Gain (Loss) on Investments	2,799	-	2,799
Total Other Revenue	<u>129,742</u>	<u>-</u>	<u>129,742</u>
TOTAL SUPPORT & OTHER REVENUE	<u>\$ 653,465</u>	<u>\$ -</u>	<u>\$ 653,465</u>
EXPENSES			
Program Services			
Total Program Services	<u>\$ 614,949</u>	<u>\$ -</u>	<u>\$ 614,949</u>
Management Activities			
Administrative Expenses	63,387	-	63,387
Fundraising	38,973	-	38,973
Total Management Activities	<u>102,360</u>	<u>-</u>	<u>102,360</u>
TOTAL EXPENSES	<u>717,309</u>	<u>-</u>	<u>717,309</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>(63,844)</u>	<u>-</u>	<u>(63,844)</u>
NET ASSETS (DEFICIT) - BEGINNING	<u>560,507</u>	<u>235,000</u>	<u>795,507</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ 496,663</u>	<u>\$ 235,000</u>	<u>\$ 731,663</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, 2017 AND 2016

	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	<u>(2,490)</u>	<u>-</u>	<u>(2,490)</u>
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	<u>44,749</u>	<u>-</u>	<u>44,749</u>
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)

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

	2017 Supporting Services			Total
	Program Services	Management & General	Fundraising	
Personnel Expenses	\$ 423,134	\$ 48,369	\$ 12,184	\$ 483,687
Employee Benefits	18,961	2,231	1,115	22,307
Fees	1,132	1,698	2,830	5,660
Professional Fees	1,238	3,095	1,857	6,190
Contractors	48,664	246	246	49,156
Occupancy	11,310	628	628	12,566
Corporate Fees & Taxes	1,457	81	81	1,619
Dues & Subscriptions	24,539	1,363	1,363	27,265
Equipment Rental & Maint	10,056	559	559	11,174
Promotional Supplies	-	-	14,356	14,356
Insurance	13,982	777	777	15,536
Marketing & Promotion	5,841	325	325	6,491
New Equipment	7,484	416	416	8,316
Postage	1,107	61	61	1,229
Printing & Copying	1,877	104	104	2,085
Supplies	12,913	717	717	14,347
Telecommunications	4,444	247	247	4,938
Travel Meetings & Conferences	15,584	820	-	16,404
Other Expenses	359	20	20	399
Depreciation	10,867	1,630	1,087	13,584
Total Expenses	\$ 614,949	\$ 63,387	\$ 38,973	\$ 717,309

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, 2017 AND 2016

	2016 Supporting Services			
	Program Services	Management & General	Fundraising	Total
Salary & 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 & Taxes	802	-	-	802
Dues & Subscriptions	13,660	-	-	13,660
Equipment Rental & 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 & Copying	2,316	129	129	2,573
Supplies	17,207	886	886	18,979
Telecommunications	4,482	249	249	4,980
Travel Meetings & 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)**

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

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 576,082	\$ 349,566
Cash Received from Programs & Services	129,799	97,221
Interest & Dividends Received	2,742	4,644
Cash Paid to Employees & Suppliers	<u>(739,382)</u>	<u>(437,080)</u>
Net Cash Provided (Used) by Operating Activities	<u>(30,759)</u>	<u>14,351</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property & Equipment	(19,467)	(3,920)
Proceeds from Sale	-	-
Purchase of Investments	(84,000)	(968)
Sale of Investments	<u>77,605</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(25,862)</u>	<u>(4,888)</u>
TOTAL INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(56,621)</u>	<u>9,463</u>
CASH & CASH EQUIVALENTS - BEGINNING	<u>203,663</u>	<u>194,200</u>
CASH & CASH EQUIVALENTS - ENDING	<u>\$ 147,042</u>	<u>\$ 203,663</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (63,844)	\$ 10,806
ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Depreciation & Amortization	13,584	13,627
Net Unrealized (Gain) Loss on Investments	2,799	(2,490)
(Increase) Decrease in Assets		
Accounts Receivable	(2,393)	(2,865)
Grants Receivable	76,085	(91,131)
Prepaid Expenses	-	11
Increase (Decrease) in Liabilities		
Accrued Expenses	9,967	13,583
Deferred Revenue	<u>(66,957)</u>	<u>72,810</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (30,759)</u>	<u>\$ 14,351</u>
SUPPLEMENTARY INFORMATION		
In-Kind Donations	\$ 21,333	\$ 21,987

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, 2017 AND 2016**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Beginning service in 1997, Juliette's House Child Abuse Intervention Center (JH) performs medical and forensic assessments of children ages 0-18 and developmentally delayed adults in Yamhill, Polk and surrounding counties for suspected sexual abuse, physical abuse, serious neglect, exposure to drug endangerment, or witness to domestic violence. These children are referred by law enforcement and/or child protective services. We offer treatment recommendations and referrals, as well as follow-up support to help families access needed community services. Juliette's House is an independent 501(c)(3), but works collaboratively with law enforcement, child protective services, school districts, and other stakeholder agencies involved in or concerned with child safety and well-being. We bring agencies and personnel to the child in a home-like, child-focused setting so there is less trauma to the child and family. Likewise, treatment and follow-up process is less frightening and helps provide a more successful outcome for all involved.

Our services are offered free of charge to all children and non-offending family members, so socio-economic status or inability to pay are not a barrier to receiving assistance.

Juliette's House strives to deliver culturally appropriate services for children and their families by providing bilingual staff and interns, as well as certified interpreters for children and families with special needs (e.g., non-English speaking, hearing impaired, etc.) to assist our clients. We do not discriminate on the basis of age, race, color, religion, national origin, ancestry, gender, gender identity, marital status, sexual orientation, physical or mental disabilities, or socio-economic status.

In addition to assessments, Juliette's House has been providing child abuse prevention education since soon after its beginning. While several child-focused agencies throughout Oregon include various efforts to educate children and adults about child abuse and staying safe, Juliette's House is among a very few organizations in the state providing research-informed, structured, in-school, age-appropriate child abuse prevention education to children K through 12th grades, as well as formal prevention education and workshops to parents/caregivers, school personnel, and other concerned adults. Again, while working in collaboration with other agencies, we strive to help create a safer, healthier, thriving community for all.

Lastly, Juliette's House is accredited by the National Children's Alliance (NCA) and adheres to NCA's 10 Standards for child abuse intervention centers, is a member of The Oregon Network of Child Abuse Intervention Centers, and follows the Oregon Medical and Interviewing Guidelines and protocols for medical diagnosis of child abuse.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

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, 2017 AND 2016**

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, 2017 and 2016. 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, 2017 AND 2016**

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.

Advertising and Marketing

Advertising costs are expenses as incurred. Advertising expense for the years ended June 30, 2017 and 2016 was \$6,490 and \$0, respectively.

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, 2014 through June 30, 2017.

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, 2017 AND 2016**

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, 2017 and 2016, the amount was \$ 21,333 and \$21,987 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>2017</u>	<u>2016</u>
Columbia Bank - Checking	\$ 11,000	\$ 4,467
Columbia Bank - Money Market	79,320	148,043
Petty Cash/Columbia Bank - Checking	150	128
First Federal - Money Market	50,036	50,009
Edward Jones Cash Account	-	1,016
Fidelity Cash Account	6,536	-
Total Cash & Cash Equivalents	<u>\$ 147,042</u>	<u>\$ 203,663</u>

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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, 2017 AND 2016**

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 \$0 and \$2,484 for the years ended June 30, 2017 and 2016.

Fair values and unrealized gain(loss) for investments as of June 30, 2017 and 2016 are summarized as follows:

	2017		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds	\$ 84,000	\$ 86,799	\$ 2,799
Total	<u>\$ 84,000</u>	<u>\$ 86,799</u>	<u>\$ 2,799</u>

	2016		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Stocks	\$ 4,753	\$ 12,624	\$ 7,871
Total	<u>\$ 4,753</u>	<u>\$ 12,624</u>	<u>\$ 7,871</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, 2017 and 2016, the fair value of this investment was \$0 and \$70,536 respectively.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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.

In August, 2016, Juliette's House closed its account relationship with the Oregon Community Foundation (OCF) and no longer participates in their Endowment Partners Program. Funds previously held by OCF were deposited in a new Fidelity Investments account, managed by Headwater Investment Consulting Inc., a McMinnville, Oregon wealth management firm. The Board of Juliette's House and Headwater Investment Consulting agreed on a "Statement of Investment Policy, Objectives and Guidelines" for the management of these funds. Headwater has discretion to invest these funds per the agreed upon Policy, and they do not charge a management fee for their services to Juliette's House.

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, 2017 and 2016 was \$0 and \$3,043, respectively.

	<u>2017</u>	<u>2016</u>
Balance at July 1, 2016 & 2015	\$ 70,536	\$ 73,049
Interest & Dividend Income	-	968
Realized Gain/(Loss) on Investments	-	-
Transfer	(70,536)	-
Unrealized Gain/(Loss) on Investments	-	(2,895)
Investment Expenses	-	(234)
OCF Fees	-	(352)
	<u> </u>	<u> </u>
Balance at June 30, 2017 & 2016	<u>\$ -</u>	<u>\$ 70,536</u>

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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 2016. A renewed five year copier lease was signed May 2016. 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, 2017 and 2016 was \$8,444 and \$4,224 respectively.

Future minimum lease payments under operating leases that have remaining terms of one year or more as of June 30, 2017 are:

The future minimum lease expense is:

2018	\$	7,352
2019		7,352
2020		7,352
2021		7,352
2022		7,352

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 \$18,862 and \$12,431 as of June 30, 2017 and 2016.

NOTE I: CONCENTRATIONS OF FUNDING SOURCES

The Organization received approximately 40% and 35% of its total revenue from state and local agencies for the years ended June 30, 2017 and 2016.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

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

The Organization maintains its cash balances at multiple financial institutions located in McMinnville, Oregon. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2017 and 2016, the Organization had no uninsured cash balance.

NOTE K: CONCENTRATIONS OF CREDIT RISK ARISING FROM INVESTMENTS

The Organization maintains an investment account with Fidelity Investments that consist of mutual funds (with maturities longer than three months). The mutual funds are subject to market fluctuations that could dramatically affect the carrying value of this asset. The mutual fund 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 Fidelity Investments were to cease operations. It would not insure the market value.

NOTE L: SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 20, 2017 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.