

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

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017**

**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, 2018 and 2017, 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, 2018 and 2017, 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 3, 2018

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

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

ASSETS		2018	2017
CURRENT ASSETS			
Cash & Cash Equivalents		\$ 218,682	\$ 147,042
Accounts Receivable, Less Allowance for Doubtful Accounts \$0 & \$0		14,227	21,871
Grants Receivable		98,579	56,780
Total Current Assets		<u>331,488</u>	<u>225,693</u>
MARKETABLE SECURITIES			
Investments		99,167	86,762
Beneficial Interest in Assets Held by Community Fund		10,032	-
Total Marketable Securities		<u>109,199</u>	<u>86,762</u>
FIXED ASSETS			
Land		235,000	235,000
Building		412,879	412,879
Furniture & Equipment		108,564	114,638
Less Accumulated Depreciation		<u>(314,250)</u>	<u>(305,755)</u>
Total Fixed Assets		<u>442,193</u>	<u>456,762</u>
TOTAL ASSETS		<u>\$ 882,880</u>	<u>\$ 769,217</u>
LIABILITIES & NET ASSETS			
CURRENT LIABILITIES			
Accrued Liabilities		\$ 18,405	\$ 12,839
Accrued PTO Payable		20,474	18,862
Deferred Income		5,853	5,853
Total Current Liabilities		<u>44,732</u>	<u>37,554</u>
TOTAL LIABILITIES		<u>44,732</u>	<u>37,554</u>
NET ASSETS			
Unrestricted		593,116	496,663
Permanently Restricted		245,032	235,000
Total Net Assets		<u>838,148</u>	<u>731,663</u>
TOTAL LIABILITIES & NET ASSETS		<u>\$ 882,880</u>	<u>\$ 769,217</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, 2018 AND 2017

	2018		
	Unrestricted	Permanently Restricted	Total
SUPPORT			
Grants & Contracts	\$ 483,388	\$ -	\$ 483,388
Contributions	86,327	10,000	96,327
Fundraising Events	125,962	-	125,962
In-Kind Donations	16,068	-	16,068
Total Support	<u>711,745</u>	<u>10,000</u>	<u>721,745</u>
OTHER REVENUE			
Program Service Fees	145,392	-	145,392
Other Program & Special Events	8,641	-	8,641
Investment Income	2,801	-	2,801
Unrealized Gain (Loss) on Investments	2,553	32	2,585
Total Other Revenue	<u>159,387</u>	<u>32</u>	<u>159,419</u>
TOTAL SUPPORT & OTHER REVENUE	<u>871,132</u>	<u>10,032</u>	<u>881,164</u>
EXPENSES			
Program Services			
Total Program Services	<u>660,529</u>	<u>-</u>	<u>660,529</u>
Management Activities			
Administrative Expenses	60,596	-	60,596
Fundraising	53,554	-	53,554
Total Management Activities	<u>114,150</u>	<u>-</u>	<u>114,150</u>
TOTAL EXPENSES	<u>774,679</u>	<u>-</u>	<u>774,679</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	<u>96,453</u>	<u>10,032</u>	<u>106,485</u>
NET ASSETS (DEFICIT) - BEGINNING	<u>496,663</u>	<u>235,000</u>	<u>731,663</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ 593,116</u>	<u>\$ 245,032</u>	<u>\$ 838,148</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, 2018 AND 2017

	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)**

**SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018 Supporting Services			
	Program Services	Management & General	Fundraising	Total
Personnel Expenses	\$ 465,416	\$ 32,135	\$ 24,913	\$ 522,464
Employee Benefits	19,157	1,974	1,590	22,721
Fees	105	5,042	10	5,157
Professional Fees	797	4,900	-	5,697
Contractors	67,094	640	4,350	72,084
Occupancy	8,017	3,709	696	12,422
Corporate Fees & Taxes	65	1,842	-	1,907
Dues & Subscriptions	5,106	23	1,087	6,216
Equipment Rental & Maint	6,770	1,838	772	9,380
Promotional Supplies	-	-	15,103	15,103
Insurance	13,328	2,379	1,099	16,806
Marketing & Promotion	2,716	435	457	3,608
New Equipment	8,951	843	460	10,254
Postage	756	193	508	1,457
Printing & Copying	1,363	416	78	1,857
Supplies	26,727	2,086	1,788	30,601
Telecommunications	4,240	614	329	5,183
Travel Meetings & Conferences	16,052	932	64	17,048
Other Expenses	50	95	-	145
Depreciation	13,819	500	250	14,569
Total Expenses	\$ 660,529	\$ 60,596	\$ 53,554	\$ 774,679

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, 2018 AND 2017

	2017 Supporting Services			
	Program Services	Management & General	Fundraising	Total
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)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 671,522	\$ 576,082
Cash Received from Programs & Services	159,203	129,799
Interest & Dividends Received	2,801	2,742
Cash Paid to Employees & Suppliers	<u>(736,864)</u>	<u>(739,382)</u>
Net Cash Provided (Used) by Operating Activities	<u>96,662</u>	<u>(30,759)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property & Equipment	-	(19,467)
Purchase of Investments	(27,769)	(84,000)
Sale of Investments	<u>2,747</u>	<u>77,605</u>
Net Cash Provided (Used) by Investing Activities	<u>(25,022)</u>	<u>(25,862)</u>
TOTAL INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	71,640	(56,621)
CASH & CASH EQUIVALENTS - BEGINNING	<u>147,042</u>	<u>203,663</u>
CASH & CASH EQUIVALENTS - ENDING	<u>\$ 218,682</u>	<u>\$ 147,042</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 106,485	\$ (63,844)
ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Depreciation & Amortization	14,569	13,584
Net Unrealized (Gain) Loss on Investments	2,585	2,799
(Increase) Decrease in Assets		
Accounts Receivable	7,644	(2,393)
Grants Receivable	(41,799)	76,085
Increase (Decrease) in Liabilities		
Accrued Expenses	7,178	9,967
Deferred Revenue	-	(66,957)
Net Cash Provided (Used) by Operating Activities	<u>\$ 96,662</u>	<u>\$ (30,759)</u>
SUPPLEMENTARY INFORMATION		
In-Kind Donations	\$ 16,068	\$ 21,333

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, 2018 AND 2017**

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, 2018 AND 2017**

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, 2018 AND 2017**

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, 2018 and 2017. 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.

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.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising and Marketing

Advertising costs are expenses as incurred. Advertising expense for the years ended June 30, 2018 and 2017 was \$3,608 and \$6,491, 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, 2015 through June 30, 2018.

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.

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, 2018 and 2017, the amount was \$ 16,068 and \$21,333 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.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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>2018</u>	<u>2017</u>
Columbia Bank - Checking	\$ 16,588	\$ 11,000
Columbia Bank - Money Market	100,783	79,320
Petty Cash/Columbia Bank - Checking	150	150
First Federal - Money Market	100,166	50,036
Fidelity Cash Account	995	6,536
Total Cash & Cash Equivalents	<u>\$ 218,682</u>	<u>\$ 147,042</u>

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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, 2018 AND 2017**

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 for the years ended June 30, 2018 and 2017.

Fair values and unrealized gain(loss) for investments as of June 30, 2018 and 2017 are summarized as follows:

	2018		
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual Funds	\$ 93,960	\$ 99,167	\$ 5,207
Beneficial Interest in Assets Held by McMinnville Area Community Foundation	10,000	10,032	32
Total	<u>\$ 103,960</u>	<u>\$ 109,199</u>	<u>\$ 5,239</u>
	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>

The Organization had funds invested in the pooled fund of The McMinnville Area Community Foundation. The pooled fund is invested in a diversified portfolio of mutual funds and other investments. For the year ending June 30, 2018 and 2017, the fair value of this investment was \$10,032 and \$0 respectively.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

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, 2018 and 2017 was \$0 and \$0, respectively.

	<u>2018</u>	<u>2017</u>
Balance at July 1, 2018 & 2017	\$ -	\$ 70,536
Interest & Dividend Income	-	-
Realized Gain/(Loss) on Investments	-	-
Transfer	-	(70,536)
Unrealized Gain/(Loss) on Investments	-	-
Investment Expenses	-	-
OCF Fees	-	-
	<u> </u>	<u> </u>
Balance at June 30, 2018 & 2017	<u>\$ -</u>	<u>\$ -</u>

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE F: BENEFICIAL INTEREST IN ASSETS HELD BY THE MCMINNVILLE AREA COMMUNITY FOUNDATION

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

In accordance with FASB ASC No. 958-605-25-33, a liability is established on the financial statements of MACF for the fair market value of the endowments. Juliette's House Inc. reports a beneficial interest in assets held by MACF 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 MACF under its grant percentage payout policy. In April 2018 Juliette's House began a relationship with MACF by depositing \$10,000. The amount available for distribution at June 30, 2018 was \$0.

Annual Activity:

	<u>2018</u>	<u>2017</u>
Balance at July 1, 2018 & 2017	\$ -	\$ -
Interest & Dividend Income	-	-
Realized Gain/(Loss) on Investments	-	-
Transfer	10,000	-
Unrealized Gain/(Loss) on Investments	32	-
Investment Expenses	-	-
MACF Fees	-	-
	<u> </u>	<u> </u>
Balance at June 30, 2018 & 2017	<u>\$ 10,032</u>	<u>\$ -</u>

NOTE G: 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.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE H: 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, 2018 and 2017 was \$8,222 and \$8,444 respectively.

Future minimum lease payments under operating leases that have remaining terms of one year or more as of June 30, 2018 are:

2019	\$	7,352
2020		7,352
2021		7,352
2022		7,352
2023		7,352

NOTE I: 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 \$20,474 and \$18,862 as of June 30, 2018 and 2017.

NOTE J: CONCENTRATIONS OF FUNDING SOURCES

The Organization received approximately 30% and 40% of its total revenue from state and local agencies for the years ended June 30, 2018 and 2017.

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

**NOTES TO FINANCIAL STATEMENT (Continued)
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

NOTE K: 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 balances are insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investors Protection Corporation (SIPC) for up to \$250,000 per institution. At June 30, 2018 and 2017, the Organization had no uninsured cash balance.

NOTE L: CONCENTRATIONS OF CREDIT RISK ARISING FROM INVESTMENTS

The Organization maintains an investment account with Fidelity Investments. The investment account is subject to market fluctuations that could dramatically affect the carrying value of this asset. The investment account is insured by the SIPC up to a maximum of \$500,000.

NOTE M: SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 3, 2018, 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.