

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

**FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
JUNE 30, 2019 AND 2018**

**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 .....	6
Schedules of Functional Expenses .....	8
Statements of Cash Flows .....	10
Notes to the Financial Statements.....	11

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, 2019 and 2018, 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, 2019 and 2018, 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 &amp; Co. P.C." in a cursive script.

Johnson, Glaze & Co., P.C.  
Certified Public Accountants  
Salem, Oregon  
October 15, 2019

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

**STATEMENTS OF FINANCIAL POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<b>ASSETS</b>	
	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	\$ 214,125	\$ 218,682
Accounts Receivable, Less Allowance for Doubtful Accounts \$0 & \$0	12,687	14,227
Grants Receivable	66,458	98,579
Total Current Assets	<u>293,270</u>	<u>331,488</u>
 <b>MARKETABLE SECURITIES</b>		
Investments	102,217	99,167
Beneficial Interest in Assets Held by Community Fund	10,666	10,032
Total Marketable Securities	<u>112,883</u>	<u>109,199</u>
 <b>FIXED ASSETS</b>		
Land	235,000	235,000
Building	412,879	412,879
Furniture & Equipment	108,564	108,564
Less Accumulated Depreciation	<u>(328,819)</u>	<u>(314,250)</u>
Total Fixed Assets	<u>427,624</u>	<u>442,193</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 833,777</u></u>	 <u><u>\$ 882,880</u></u>
	 <b>LIABILITIES &amp; NET ASSETS</b>	
	 <u><b>2019</b></u>	 <u><b>2018</b></u>
<b>CURRENT LIABILITIES</b>		
Accrued Liabilities	\$ 18,840	\$ 17,995
Accrued PTO Payable	26,781	20,884
Deferred Income	-	5,853
Total Current Liabilities	<u>45,621</u>	<u>44,732</u>
 <b>TOTAL LIABILITIES</b>	 <u>45,621</u>	 <u>44,732</u>
 <b>NET ASSETS</b>		
Without Donor Restrictions	552,490	603,148
With Donor Restrictions	235,666	235,000
Total Net Assets	<u>788,156</u>	<u>838,148</u>
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>	 <u><u>\$ 833,777</u></u>	 <u><u>\$ 882,880</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, 2019 AND 2018**

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT</b>			
Grants & Contracts	\$ 506,463	\$ -	\$ 506,463
Contributions	151,223	-	151,223
Fundraising Events	36,017	-	36,017
In-Kind Donations	24,839	-	24,839
Total Support	<u>718,542</u>	<u>-</u>	<u>718,542</u>
<b>OTHER REVENUE</b>			
Program Service Fees	161,803	-	161,803
Other Program & Special Events	4,432	-	4,432
Investment Income	3,897	666	4,563
Unrealized Gain (Loss) on Investments	3,051	-	3,051
Total Other Revenue	<u>173,183</u>	<u>666</u>	<u>173,849</u>
<b>TOTAL SUPPORT &amp; OTHER REVENUE</b>	<u>891,725</u>	<u>666</u>	<u>892,391</u>
<b>EXPENSES</b>			
Program Services			
Total Program Services	<u>817,599</u>	<u>-</u>	<u>817,599</u>
Support Services			
Management & General	76,284	-	76,284
Fundraising	48,500	-	48,500
Total Support Services	<u>124,784</u>	<u>-</u>	<u>124,784</u>
<b>TOTAL EXPENSES</b>	<u>942,383</u>	<u>-</u>	<u>942,383</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>(50,658)</u>	<u>666</u>	<u>(49,992)</u>
<b>NET ASSETS (DEFICIT) - BEGINNING</b>	<u>603,148</u>	<u>235,000</u>	<u>838,148</u>
<b>NET ASSETS (DEFICIT) - ENDING</b>	<u>\$ 552,490</u>	<u>\$ 235,666</u>	<u>\$ 788,156</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, 2019 AND 2018**

	<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT</b>			
Grants & Contracts	\$ 483,388	\$ -	\$ 483,388
Contributions	96,327	-	96,327
Fundraising Events	125,962	-	125,962
In-Kind Donations	16,068	-	16,068
Total Support	<u>721,745</u>	<u>-</u>	<u>721,745</u>
<b>OTHER REVENUE</b>			
Program Service Fees	145,392	-	145,392
Other Program & Special Events	8,641	-	8,641
Investment Income	2,833	-	2,833
Unrealized Gain (Loss) on Investments	2,553	-	2,553
Total Other Revenue	<u>159,419</u>	<u>-</u>	<u>159,419</u>
<b>TOTAL SUPPORT &amp; OTHER REVENUE</b>	<u>881,164</u>	<u>-</u>	<u>881,164</u>
<b>EXPENSES</b>			
Program Services			
Total Program Services	<u>660,529</u>	<u>-</u>	<u>660,529</u>
Support Services			
Management & General	60,596	-	60,596
Fundraising	53,554	-	53,554
Total Support Services	<u>114,150</u>	<u>-</u>	<u>114,150</u>
<b>TOTAL EXPENSES</b>	<u>774,679</u>	<u>-</u>	<u>774,679</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<u>106,485</u>	<u>-</u>	<u>106,485</u>
<b>NET ASSETS (DEFICIT) - BEGINNING</b>	<u>496,663</u>	<u>235,000</u>	<u>731,663</u>
<b>NET ASSETS (DEFICIT) - ENDING</b>	<u>\$ 603,148</u>	<u>\$ 235,000</u>	<u>\$ 838,148</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, 2019 AND 2018**

	Program Services	2019 Supporting Services		Total
		Management & General	Fundraising	
Personnel Expenses	\$ 596,083	\$ 41,799	\$ 17,304	\$ 655,186
Employee Benefits	20,552	2,558	1,443	24,553
Fees	105	6,580	10	6,695
Professional Fees	954	5,200	-	6,154
Contractors	66,339	-	3,242	69,582
Occupancy	9,106	2,707	477	12,289
Corporate Fees & Taxes	100	1,850	-	1,950
Dues & Subscriptions	4,664	2,599	952	8,215
Equipment Rental & Maint	8,631	34	590	9,255
Promotional Supplies	-	-	19,002	19,002
Insurance	15,868	3,807	1,045	20,720
Marketing & Promotion	5,076	267	185	5,528
New Equipment	1,742	3,386	75	5,203
Postage	2,022	139	810	2,971
Printing & copying	2,254	161	149	2,565
Program Meals/Food	4,197	3	63	4,263
Supplies	31,641	1,557	1,574	34,772
Telecommunications	7,097	478	409	7,985
Travel Meetings & Conferences	27,297	2,513	921	30,731
Other Expenses	50	145	-	195
Depreciation	13,819	500	250	14,569
Total Expenses	<u>\$ 817,599</u>	<u>\$ 76,284</u>	<u>\$ 48,500</u>	<u>\$ 942,383</u>

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, 2019 AND 2018**

	Program Services	2018 Supporting Services		Total
		Management & General	Fundraising	
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	<u>\$ 660,529</u>	<u>\$ 60,596</u>	<u>\$ 53,554</u>	<u>\$ 774,679</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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributors	\$ 727,364	\$ 671,522
Cash Received from Programs & Services	172,337	159,203
Interest & Dividends Received	4,563	2,801
Cash Paid to Employees & Suppliers	<u>(902,086)</u>	<u>(736,864)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,178</u>	<u>96,662</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(6,735)	(27,769)
Sale of Investments	-	2,747
Net Cash Provided (Used) by Investing Activities	<u>(6,735)</u>	<u>(25,022)</u>
<b>TOTAL INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	(4,557)	71,640
<b>CASH &amp; CASH EQUIVALENTS - BEGINNING</b>	<u>218,682</u>	<u>147,042</u>
<b>CASH &amp; CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 214,125</u></u>	<u><u>\$ 218,682</u></u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (49,992)	\$ 106,485
<b>ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Depreciation & Amortization	14,569	14,569
Net Unrealized Gain (Loss) on Investments	3,051	2,585
<b>(Increase) Decrease in Assets</b>		
Accounts Receivable	1,540	7,644
Grants Receivable	32,121	(41,799)
<b>Increase (Decrease) in Liabilities</b>		
Accrued Expenses	6,742	7,178
Deferred Revenue	<u>(5,853)</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 2,178</u></u>	<u><u>\$ 96,662</u></u>
<b>SUPPLEMENTARY INFORMATION</b>		
In-Kind Donations	\$ 24,839	\$ 16,068

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, 2019 AND 2018**

---

**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, 2019 AND 2018**

---

**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.

**Net Assets**

**Net Assets Without Donor Restrictions**

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for the general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

**Net Assets With Donor Restrictions**

Net assets with donor restrictions consists of assets whose use is limited by donor-imposed, time and/or purpose restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Contributions**

Contributions received are recorded as without donor restrictions or with donor restrictions, 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, with donor restriction net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and contributions received with donor restrictions that are met in the same year in which the contributions are received are classified as without donor restricted 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, 2019 AND 2018**

---

**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, 2019 and 2018. 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 without donor restricted 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 with donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reclassifies with donor restricted net assets to without donor restricted 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, 2019 AND 2018**

---

**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, 2019 and 2018 was \$5,528 and \$3,608, 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, 2016 through June 30, 2019.

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, 2019 and 2018, the amount was \$24,839 and \$16,068 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.

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

**NOTES TO FINANCIAL STATEMENT (Continued)  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

---

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Allocation of Expenses**

The costs of providing the Organization's various activities have been summarized on a functional basis. Expenses for the Functional Report are allocated to each class when payables are recorded. Program costs go to "Programs" Fundraising costs go to "Fundraising" and Administrative costs go to "Management/General". Charges that apply to all classes are subject to a predetermined split that takes into account elements such as; program size, staff and use of building.

**Accounting Pronouncements Adopted**

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements . In addition, ASU 2016-14 removes the requirement that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method).

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

**NOTES TO FINANCIAL STATEMENT (Continued)**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

---

**NOTE B: CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

	<u>2019</u>	<u>2018</u>
Columbia Bank - Checking	\$ 6,021	\$ 16,588
Columbia Bank - Money Market	143,235	100,783
Petty Cash/Columbia Bank - Checking	166	150
First Federal - Money Market	60,555	100,165
Fidelity Cash Account	4,148	996
Total Cash & Cash Equivalents	<u>\$ 214,125</u>	<u>\$ 218,682</u>

**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, 2019 AND 2018**

**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, 2019 and 2018.

Fair values and unrealized gain(loss) for investments as of June 30, 2019 and 2018 are summarized as follows:

	<b>2019</b>		
	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
Mutual Funds	\$ 58,960	\$ 59,076	\$ 116
Stock Fund	35,000	43,141	8,141
Beneficial Interest in Assets Held by McMinnville Area Community Foundation	10,000	10,666	666
Total	<u>\$ 103,960</u>	<u>\$ 112,883</u>	<u>\$ 8,923</u>

  

	<b>2018</b>		
	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
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>

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, 2019 and 2018, the fair value of this investment was \$10,666 and \$10,032 respectively.

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

**NOTES TO FINANCIAL STATEMENT (Continued)  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

---

**NOTE E: 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, 2019 was \$0.

Annual Activity:

	<u>2019</u>	<u>2018</u>
Balance at July 1, 2018 & 2017	\$ 10,032	\$ -
Interest & Dividend Income	-	-
Realized Gain/(Loss) on Investments	-	-
Transfer	-	10,000
Unrealized Gain/(Loss) on Investments	634	32
Investment Expenses	-	-
MACF Fees	-	-
	<u>          </u>	<u>          </u>
Balance at June 30, 2019 & 2018	<u>\$ 10,666</u>	<u>\$ 10,032</u>

**NOTE F: NET ASSETS WITH DONOR 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 statements as with donor restrictions.

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

**NOTES TO FINANCIAL STATEMENT (Continued)  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

---

**NOTE G: OPERATING LEASES**

The Organization has a non-cancelable operating lease, for a copier, which began August 24, 2018 for five years and expires August 24, 2023. 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, 2019 and 2018 was \$9,255 and \$8,222 respectively.

Future minimum lease payments under operating leases as of June 30, are:

2020	\$	9,558
2021		9,558
2022		9,558
2023		9,558
2024		1,526

**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 \$26,781 and \$20,884 as of June 30, 2019 and 2018.

**NOTE I: CONCENTRATIONS OF FUNDING SOURCES**

The Organization received approximately 30% and 30% of its total revenue from state and local agencies for the years ended June 30, 2019 and 2018.

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

**NOTES TO FINANCIAL STATEMENT (Continued)  
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

---

**NOTE J: LIQUIDITY AND AVAILABILITY OF RESOURCES**

The organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial Assets at Year End	\$	214,125
Accounts Receivable		12,687
Grants Receivable		66,458
Investments		112,883
Less: Beneficial Interest investment		<u>(10,666)</u>
Total Financial Assets Available for General Expenditure Within One Year	\$	<u>395,487</u>

**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, 2019 and 2018, 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 15 2019, 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.