

**JULIETTE'S HOUSE**  
**FINANCIAL STATEMENTS**  
**For the Years Ended June 30, 2020 and 2019**



JULIETTE'S HOUSE  
FINANCIAL STATEMENTS  
For the Years Ended June 30, 2020 and 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Juliette's House  
McMinnville, Oregon

We have audited the accompanying financial statements of Juliette's House (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the 2020 financial statements referred to above present fairly, in all material respects, the financial position of Juliette's House, as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Prior Period Financial Statements**

The financial statements of Juliette's House as of and for the year ended June 30, 2019, were audited by other auditors whose report dated October 15, 2019, expressed an unmodified opinion on those statements.

A handwritten signature in cursive script that reads "Jones & Roth P.C.".

Jones & Roth, P.C.  
Eugene, Oregon  
May 12, 2021

## FINANCIAL STATEMENTS

JULIETTE'S HOUSE  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 658,869	\$ 214,125
Investments	102,418	102,217
Accounts receivable	13,648	12,687
Grants receivable	<u>99,234</u>	<u>66,458</u>
Total current assets	<u>874,169</u>	<u>395,487</u>
<b>Other assets</b>		
Beneficial interest in assets held by community fund	<u>11,003</u>	<u>10,666</u>
<b>Fixed assets</b>		
Land	235,000	235,000
Building	465,157	412,879
Furniture and equipment	<u>130,955</u>	<u>108,564</u>
	831,112	756,443
Accumulated depreciation	<u>(343,456)</u>	<u>(328,819)</u>
Fixed assets, net	<u>487,656</u>	<u>427,624</u>
<b>Total assets</b>	<u>\$ 1,372,828</u>	<u>\$ 833,777</u>

	<u>2020</u>	<u>2019</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 21,273	\$ 18,840
Accrued PTO payable	<u>36,893</u>	<u>26,781</u>
Total current liabilities	58,166	45,621
<b>Long-term liabilities</b>		
Loans payable	<u>313,200</u>	<u>-</u>
Total liabilities	<u>371,366</u>	<u>45,621</u>
<b>Net assets</b>		
Without donor restrictions	765,459	552,490
With donor restrictions	<u>236,003</u>	<u>235,666</u>
Total net assets	<u>1,001,462</u>	<u>788,156</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,372,828</u>	<u>\$ 833,777</u>

The accompanying notes are an integral part of these statements.

JULIETTE'S HOUSE  
STATEMENTS OF ACTIVITIES  
For the Years Ended June 30, 2020 and 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support</b>			
Grants and contracts	\$ 699,255	\$ -	\$ 699,255
Contributions	136,125	-	136,125
Fundraising event	88,464	-	88,464
In-kind donations	10,438	-	10,438
	<u>934,282</u>	<u>-</u>	<u>934,282</u>
<b>Total support</b>			
	<u>934,282</u>	<u>-</u>	<u>934,282</u>
<b>Other revenue</b>			
Program service fees	366,859	-	366,859
Other program revenues	10,416	-	10,416
Investment income	4,422	337	4,759
	<u>381,697</u>	<u>337</u>	<u>382,034</u>
<b>Total other revenue</b>			
	<u>381,697</u>	<u>337</u>	<u>382,034</u>
<b>Total support and other revenue</b>			
	<u>1,315,979</u>	<u>337</u>	<u>1,316,316</u>
<b>Expenses</b>			
Program services	958,911	-	958,911
Support services:			
Management and general	73,924	-	73,924
Fundraising	70,175	-	70,175
	<u>144,099</u>	<u>-</u>	<u>144,099</u>
<b>Total support services</b>			
	<u>144,099</u>	<u>-</u>	<u>144,099</u>
<b>Total expenses</b>			
	<u>1,103,010</u>	<u>-</u>	<u>1,103,010</u>
<b>Change in net assets</b>	212,969	337	213,306
Net assets, beginning of year	552,490	235,666	788,156
	<u>552,490</u>	<u>235,666</u>	<u>788,156</u>
<b>Net assets, end of year</b>	<u>\$ 765,459</u>	<u>\$ 236,003</u>	<u>\$ 1,001,462</u>



2019

<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 506,463	\$ -	\$ 506,463
151,223	-	151,223
36,017	-	36,017
<u>24,839</u>	<u>-</u>	<u>24,839</u>
 718,542	 -	 718,542
 161,803	 -	 161,803
4,432	-	4,432
6,948	666	7,614
<u>173,183</u>	<u>666</u>	<u>173,849</u>
 891,725	 666	 892,391
 817,599	 -	 817,599
76,284	-	76,284
<u>48,500</u>	<u>-</u>	<u>48,500</u>
 124,784	 -	 124,784
 942,383	 -	 942,383
(50,658)	666	(49,992)
<u>603,148</u>	<u>235,000</u>	<u>838,148</u>
 <u>\$ 552,490</u>	 <u>\$ 235,666</u>	 <u>\$ 788,156</u>

The accompanying notes are an integral part of these statements.

JULIETTE'S HOUSE  
STATEMENTS OF FUNCTIONAL EXPENSES  
For the Years Ended June 30, 2020 and 2019

	2020			
	Program Services	Support Services		Total
		Management and Administrative	Fundraising	
<b>Functional expenses</b>				
Personnel expenses	\$ 783,069	\$ 37,121	\$ 27,764	\$ 847,954
Employee benefits	27,339	5,797	631	33,767
Fees	-	7,131	-	7,131
Professional fees	883	5,900	-	6,783
Contractors	22,054	516	8,202	30,772
Occupancy	16,562	2,052	423	19,037
Corporate fees and taxes	-	1,916	-	1,916
Dues and subscriptions	4,137	6,631	1,904	12,672
Equipment rental and maintenance	10,000	402	547	10,949
Promotional supplies	-	-	24,816	24,816
Insurance	17,469	2,208	593	20,270
Marketing and promotion	290	1,053	1,210	2,553
New equipment	6,723	217	23	6,963
Postage	713	36	831	1,580
Printing and copying	1,123	41	357	1,521
Program meals/food	1,306	-	-	1,306
Supplies	16,881	781	531	18,193
Telecommunications	9,310	453	353	10,116
Travel meetings and conferences	27,224	601	1,376	29,201
Other expenses	421	335	117	873
Depreciation	13,407	733	497	14,637
<b>Total functional expenses</b>	<b>\$ 958,911</b>	<b>\$ 73,924</b>	<b>\$ 70,175</b>	<b>\$ 1,103,010</b>

2019			
Program Services	Support Services		Total
	Management and Administrative	Fundraising	
\$ 596,083	\$ 41,799	\$ 17,304	\$ 655,186
20,552	2,558	1,443	24,553
105	6,580	10	6,695
954	5,200	-	6,154
66,339	-	3,242	69,581
9,106	2,707	477	12,290
100	1,850	-	1,950
4,664	2,599	952	8,215
8,631	34	590	9,255
-	-	19,002	19,002
15,868	3,807	1,045	20,720
5,076	267	185	5,528
1,742	3,386	75	5,203
2,022	139	810	2,971
2,254	161	149	2,564
4,197	3	63	4,263
31,643	1,558	1,573	34,774
7,097	478	409	7,984
27,297	2,513	921	30,731
50	145	-	195
<u>13,819</u>	<u>500</u>	<u>250</u>	<u>14,569</u>
<u>\$ 817,599</u>	<u>\$ 76,284</u>	<u>\$ 48,500</u>	<u>\$ 942,383</u>

The accompanying notes are an integral part of these statements.

JULIETTE'S HOUSE  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Cash received from contributors	\$ 891,068	\$ 727,364
Cash received from programs and services	376,314	172,337
Interest and dividends received	4,558	4,563
Cash paid for operating expenses	<u>(1,065,390)</u>	<u>(902,086)</u>
Net cash flows provided by operating activities	<u>206,550</u>	<u>2,178</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(337)	(6,735)
Purchase of equipment	<u>(74,669)</u>	<u>-</u>
Net cash flows used by investing activities	<u>(75,006)</u>	<u>(6,735)</u>
<b>Cash flows from financing activities</b>		
Proceeds from loans payable	<u>313,200</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	444,744	(4,557)
Cash and cash equivalents, beginning of year	<u>214,125</u>	<u>218,682</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 658,869</u>	<u>\$ 214,125</u>
<b>Reconciliation of change in net assets to net cash provided by operating activities:</b>		
Change in net assets	\$ 213,306	\$ (49,992)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	14,637	14,569
Unrealized (gain) loss on investments	(201)	3,051
(Increase) decrease in assets:		
Accounts receivable	(961)	1,540
Grants receivable	(32,776)	32,121
Increase (decrease) in liabilities:		
Accrued expenses	12,545	6,742
Deferred revenue	<u>-</u>	<u>(5,853)</u>
Net cash flows provided by operating activities	<u>\$ 206,550</u>	<u>\$ 2,178</u>
<b>Supplementary Information</b>		
In-kind donations	<u>\$ 10,438</u>	<u>\$ 24,839</u>

The accompanying notes are an integral part of these statements.

JULIETTE'S HOUSE  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies**

**Nature of Operations**

Beginning service in 1997, Juliette's House Child Abuse Intervention Center (Juliette's House) 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. Juliette's House offers 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. Juliette's House brings agencies and personnel to the child in a home-like, child-focused setting so there is less trauma to the child and family. Likewise, treatment and follow-up process is less frightening and helps provide a more successful outcome for all involved.

Juliette's House's 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, Juliette's House strives 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.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (GAAP), and accordingly reflect all significant receivables, payables, and other liabilities. Assets and liabilities are presented on the basis of historical cost rather than estimated current values and amounts.

JULIETTE'S HOUSE  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies**, continued

**Financial Statement Presentation**

Juliette's House reports information regarding its financial position and activities according to two classes of net assets; without donor restrictions and with donor restrictions described as follows:

*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 statements of activities as net assets released from restrictions.

Expenses are reported as a decrease in without donor restricted net assets. Gains and losses are reported as increases or decreases in without donor restricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of with donor restrictions on net assets are reported 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 statements 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 Juliette's House's policy. Bequests are recorded as revenue at the time an unassailable right to the gift has been established and the proceeds are measurable.

**Cash and Cash Equivalents**

For purposes of the financial statements, Juliette's House considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

JULIETTE'S HOUSE  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies, continued**

**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. Management reviews outstanding accounts and determines collectability based on past experience. As of June 30, 2020 and 2019, management has determined that no allowance for doubtful accounts was necessary. Receivables are written off in cases when management has deemed amounts uncollectible after all collection efforts have been exhausted.

**Grants Receivable**

Grants receivables are billings for services provided to residents of the counties Juliette's House serves and then billed directly to each county. There is also a State of Oregon VOCA grant which was outstanding at June 30, 2020 and 2019. 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 collectable.

**Land, Buildings, Equipment, and Vehicles**

Juliette's House 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, Juliette's House reclassifies long-lived donated with donor restricted net assets to net assets without donor restrictions at the time the asset is placed into service. Planned major maintenance is accounted for during the budget process. Depreciation is provided over the estimated useful lives ranging from five to thirty-nine years, using the straight-line method.

**Advertising and Marketing**

Advertising costs are expenses as incurred. Advertising expense for the years ended June 30, 2020 and 2019 was \$2,553 and \$5,528, respectively.

**Income Taxes**

Juliette's House is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and, therefore, no provision for income taxes has been included in these financial statements. In addition, Juliette's House qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Juliette's House's federal exempt organization information returns are generally subject to examination by authorities for a period of three years after filing.

JULIETTE'S HOUSE  
NOTES TO FINANCIAL STATEMENTS

**1. Summary of Significant Accounting Policies**, continued

**Donated Services and Materials**

Donated materials, equipment or services, when received are reflected as contributions in the accompanying financial statements at their estimated fair market values at date placed in service. The value of contributed services meeting Juliette's House's policy and requirements of recognition has been recorded. For the years ended June 30, 2020 and 2019, the amount was \$10,438 and \$24,839, respectively. In addition, many individuals volunteer their time in performing a variety of non-specialized tasks that assist Juliette's House, which do not meet the recognition requirements.

**Estimates**

The preparation of financial statements in conformity with GAAP requires Juliette's House 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 Juliette's House's various activities have been summarized on a functional basis. Expenses that are directly identifiable to program, administrative or fundraising activities are reported as such. Overhead and indirect expenses are allocated based on program size, actual staff time and estimated use of the building.

**Recent Accounting Standards Adopted**

Juliette's House adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities* (Topic 958) which clarifies accounting guidance about whether a transfer of assets is a contribution or exchange transaction. The standard effectively excludes contributions from the requirements of ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) and related standards. Juliette's House adopted the new standard effective July 1, 2019, using a modified prospective approach in these financial statements. No change to previously recognized revenue was required as a result of adopting ASU No. 2018-08. The adoption of ASU No. 2014-09 and related standards (Topic 606) was delayed by FASB pursuant to ASU No. 2020-05 and Juliette's House did not elect to early adopt ASU No. 2014-09 and related standards; therefore, ASU 2019-09 and related standards will be adopted for the fiscal year beginning July 1, 2020.

**2. Fair Value Measurements**

GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that priorities the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or the transfer of a liability occurs in the principal market for the asset or liability; or, in the absence of a principal market, the most advantageous market.



JULIETTE'S HOUSE  
NOTES TO FINANCIAL STATEMENTS

**2. Fair Value Measurements, continued**

The fair value hierarchy priorities the inputs to valuation techniques used to measure fair value into three board levels:

Level 1— Inputs are quoted prices for identical instruments in active markets.

Level 2—Inputs are inputs (other than quoted prices included within Level 1) that are directly or indirectly observable, such as quoted prices for similar instruments in active markets, or quoted prices for identical or similar instrument in inactive markets.

Level 3—Inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value driver are observables.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Juliette's House's investments consist of stock and mutual funds which are quoted at market prices for identical assets in active markets. These investments are valued using all level 1 inputs according to the fair value hierarchy. Juliette's House also holds a beneficial interest in assets held by McMinnville Area Community Foundation which is valued using Level 3 inputs.

**3. 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, 2020 and 2019.

As of June 30, investments, at fair value, are comprised of the following:

	<u>2020</u>	<u>2019</u>
Mutual Funds	\$ 102,418	\$ 59,076
Stock fund	<u>-</u>	<u>43,141</u>
Total investments	<u>\$ 102,418</u>	<u>\$ 102,217</u>

JULIETTE'S HOUSE  
NOTES TO FINANCIAL STATEMENTS

**4. Beneficial Interest in Assets held by the McMinnville Area Community Foundation**

Juliette's House 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 Accounting Standards Codification (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 reports a beneficial interest in assets held by MACF as an asset at fair value in its financial statements. The funds are included in net assets without donor restrictions.

In April 2018, Juliette's House began a relationship with MACF by depositing \$10,000. 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.

The pooled fund is invested in a diversified portfolio of mutual funds and other investments. The fair value of the beneficial interest in assets held by MACF at June 30, 2020 and 2019 was \$11,003 and \$10,666, respectively.

The following summarizes the activity of the funds reported at fair value for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Balance at beginning of year	\$ 10,666	\$ 10,032
Interest and dividend income	-	-
Realized gain (loss) on investments	-	-
Unrealized gain	337	634
Contributions	-	-
Distributions	-	-
Investment expenses	-	-
MACF fees	-	-
	<u>          </u>	<u>          </u>
Balance at end of year	<u>\$ 11,003</u>	<u>\$ 10,666</u>

**5. Net Assets with Donor Restrictions**

The land that Juliette's House facilities are built upon was donated to Juliette's House 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 net assets with perpetual donor restrictions.

JULIETTE'S HOUSE  
NOTES TO FINANCIAL STATEMENTS

**6. Operating Lease**

Juliette's House has a non-cancelable operating lease, for a copier, which began August 24, 2018 for five years and expires August 24, 2023. Juliette's House is to pay all executory costs such as taxes, maintenance, and insurance. Rental expense for this lease, including repairs costs and other fees, for the years ended June 30, 2020 and 2019 was \$9,787 and \$9,255, respectively.

Minimum future lease payments under operating leases are as follows:

<u>For the Year Ended June 30,</u>		
2021	\$	9,558
2022		9,558
2023		9,558
2024		<u>1,526</u>
Total	\$	<u><u>30,200</u></u>

**7. Compensated Absences**

Regular and probationary employees of Juliette's House 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, Juliette's House has accrued PTO payable for the year ended June 30, 2020 and 2019 of \$36,893 and \$26,781, respectively.

**8. Retirement Plans**

Juliette's House operates a Simple IRA plan for its employees wherein for eligible employees Juliette's House matches an employee's contribution to his or her Simple IRA up to 3 percent of salary. Juliette's House contributed \$6,804 and \$-0- on behalf of its employees for the years ended June 30, 2020 and 2019, respectively.

**9. Concentrations of Funding Sources**

Juliette's House received approximately 22 percent and 30 percent of its total revenue from federal, state, and local agencies for the years ended June 30, 2020 and 2019, respectively.

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**10. Liquidity and Availability of Resources**

Juliette's House's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets at year end	\$ 658,869	\$ 214,125
Accounts receivable	13,648	12,687
Grants receivable	99,234	66,458
Investments	<u>102,418</u>	<u>102,217</u>
Financial assets available for general expenditures within one year	<u>\$ 874,169</u>	<u>\$ 395,487</u>

**11. Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

Juliette's House maintains its cash balances at multiple financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per institution. At June 30, 2020 and 2019, cash balances held in excess of federally insured limits were \$73,716 and \$-0-, respectively.

**12. Concentrations of Credit Risk Arising from Investments**

Juliette's House 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.

**13. Long-Term Debt**

In May 2020, Juliette's House applied for and was awarded a Paycheck Protection Program (PPP) loan under the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) through Umpqua Bank. Juliette's House was approved for a loan in the amount of \$163,300 as evidenced by a promissory note dated May 13, 2020. The CARES Act and the provisions of the loan agreement state that Juliette's House may apply to the lender and the Small Business Administration (SBA) for forgiveness of the loan in the amount equal to the sum of eligible costs incurred by Juliette's House as defined in the CARES Act and the loan agreement. If not forgiven, required loan payments of principal and interest (accrued at 1 percent per annum simple interest) will begin in August 2021 with the full amount of the loan and accrued interest thereon due May 13, 2022. As of June 30, 2020, forgiveness was not yet granted so management elected to report the PPP loan as debt pursuant to FASB ASC Topic 470. The loan balance at June 30, 2020 was \$163,300. The PPP loan is expected to be forgiven and will be recognized as income at the time forgiveness by the lender and SBA occurs.

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**13. Long-Term Debt, continued**

Additionally, in June 2020, Juliette's House applied for and was awarded an SBA Emergency Disaster Injury Loan (EIDL) in the amount of \$150,000. The loan amount was reduced by a \$100 SBA fee. The loan balance at June 30, 2020 was \$149,900. The loan accrues interest at a rate of 2.75 percent per annum and calls for monthly payments of principal and interest in the amount of \$641 to begin in July 2021 with the loan maturing in June 2050. The loan is secured by all tangible and intangible personal property including equipment, accounts receivable, and deposit accounts.

The amount of principal payments required for the SBA EIDL are as follows:

<u>Year Ending June 30,</u>	
2021	\$ -
2022	3,514
2023	3,612
2024	3,712
2025	3,816
Thereafter	<u>135,246</u>
Total	<u>\$ 149,900</u>

**14. Economic Uncertainties**

As of the date of the independent auditor's report, there exists certain economic uncertainties related to the COVID-19 coronavirus pandemic. These continuing uncertainties have the potential to result in a significant impact to Juliette's House's future financial condition and operating results. However, any such future financial impact and duration of such impact cannot be reasonably estimated at this time.

**15. Reclassifications**

Certain prior year amounts were reclassified to conform to the current year presentation. Such reclassifications had no net effect on the previously reported net assets or change in net assets.

**16. Subsequent Events**

Management evaluates events and transactions that occur after the balance sheet date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.