



Financial Statements  
June 30, 2020 and 2019  
**Jannus, Inc.**

Independent Auditor’s Report .....	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities .....	4
Statements of Cash Flows .....	6
Statements of Functional Expenses .....	8
Notes to Financial Statements .....	9
Federal Awards Reports in Accordance with Uniform Guidance	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	23
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance .....	25
Schedule of Expenditures of Federal Awards .....	27
Notes to Schedule of Expenditures of Federal Awards .....	30
Schedule of Findings and Questioned Costs .....	31



## Independent Auditor's Report

The Board of Directors  
Jannus, Inc.  
Boise, Idaho

### Report on the Financial Statements

We have audited the accompanying financial statements of Jannus, Inc., a nonprofit organization (the Organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, cash flows and functional expenses 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 organization'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 organization'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 respective financial position of Jannus, Inc., as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2021 on our consideration of Jannus, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jannus, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jannus, Inc.'s internal control over financial reporting and compliance.



Boise, Idaho  
January 5, 2021

Jannus, Inc.  
Statements of Financial Position  
June 30, 2020 and 2019

	2020	2019
<b>Assets</b>		
Cash and cash equivalents	\$ 2,428,984	\$ 2,124,248
Cash: Paycheck Protection Program	1,013,257	-
Investments	1,016,679	975,958
Grants and contracts receivable	1,238,854	1,266,161
Microloans receivable, net	298,106	191,174
Prepaid expenses and other assets	62,032	66,984
Property and equipment, net	1,239,492	1,286,279
Total assets	\$ 7,297,404	\$ 5,910,804
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 722,883	\$ 652,351
Accrued expenses	613,823	599,210
Deferred revenue	204,266	701,789
Refundable advance	767,389	-
Refundable advance: Paycheck Protection Program	959,520	-
SBA Microloan Program notes payable	259,093	154,259
Mortgages payable	708,428	733,117
Total liabilities	4,235,402	2,840,726
<b>Net Assets</b>		
Without donor restrictions	1,541,690	1,804,156
With donor restrictions		
Purpose restrictions	1,517,312	1,258,472
Time-restricted for future periods	3,000	7,450
	1,520,312	1,265,922
Total net assets	3,062,002	3,070,078
	\$ 7,297,404	\$ 5,910,804

Jannus, Inc.  
Statement of Activities  
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			
Grants and contracts	\$ 12,092,827	\$ 273,618	\$ 12,366,445
Fees for service and reimbursements	1,337,560	-	1,337,560
Contributions and donations	38,624	661,897	700,521
Gross special events revenue	16,924	148,272	165,196
Less cost of direct benefit to donors	(21,736)	-	(21,736)
Net special events revenue	(4,812)	148,272	143,460
In-kind and match contributions	442,136	-	442,136
Dividends and interest	25,910	-	25,910
Net investment return	30,759	-	30,759
Net assets released from restrictions for contributions spent in accordance with donor conditions	814,525	(814,525)	-
Net assets released from restrictions for depreciation on building owned with federal interest	10,422	(10,422)	-
Net assets released from time-restrictions	4,450	(4,450)	-
Total support and revenues	<u>14,792,401</u>	<u>254,390</u>	<u>15,046,791</u>
<b>Expenses</b>			
Program services			
Community health	7,630,068	-	7,630,068
Economic opportunity	4,900,648	-	4,900,648
Public policy	1,168,251	-	1,168,251
Total program services	<u>13,698,967</u>	<u>-</u>	<u>13,698,967</u>
Supporting services			
Administration	1,137,412	-	1,137,412
Building and equipment	218,488	-	218,488
Total supporting services	<u>1,355,900</u>	<u>-</u>	<u>1,355,900</u>
Total expenses	<u>15,054,867</u>	<u>-</u>	<u>15,054,867</u>
Change in Net Assets	(262,466)	254,390	(8,076)
Net Assets, Beginning of Year	<u>1,804,156</u>	<u>1,265,922</u>	<u>3,070,078</u>
Net Assets, End of Year	<u>\$ 1,541,690</u>	<u>\$ 1,520,312</u>	<u>\$ 3,062,002</u>

Jannus, Inc.  
Statement of Activities  
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			
Grants and contracts	\$ 12,563,023	\$ -	\$ 12,563,023
Fees for service and reimbursements	1,408,343	-	1,408,343
Contributions and donations	9,769	653,365	663,134
Gross special events revenue	18,546	152,657	171,203
Less cost of direct benefit to donors	(24,726)	-	(24,726)
Net special events revenue	(6,180)	152,657	146,477
In-kind and match contributions	523,188	-	523,188
Dividends and interest	22,526	-	22,526
Net investment return	29,208	-	29,208
Net assets released from restrictions for contributions spent in accordance with donor conditions	775,222	(775,222)	-
Net assets released from restrictions for depreciation on building owned with federal interest	10,422	(10,422)	-
Net assets released from time-restrictions	10,150	(10,150)	-
<b>Total support and revenues</b>	<b>15,345,671</b>	<b>10,228</b>	<b>15,355,899</b>
<b>Expenses</b>			
Program services			
Community health	8,169,433	-	8,169,433
Economic opportunity	4,509,207	-	4,509,207
Public policy	1,365,480	-	1,365,480
<b>Total program services</b>	<b>14,044,120</b>	<b>-</b>	<b>14,044,120</b>
Supporting services			
Administration	1,074,058	-	1,074,058
Building and equipment	239,519	-	239,519
<b>Total supporting services</b>	<b>1,313,577</b>	<b>-</b>	<b>1,313,577</b>
<b>Total expenses</b>	<b>15,357,697</b>	<b>-</b>	<b>15,357,697</b>
Change in Net Assets	(12,026)	10,228	(1,798)
Net Assets, Beginning of Year	1,816,182	1,255,694	3,071,876
Net Assets, End of Year	<u>\$ 1,804,156</u>	<u>\$ 1,265,922</u>	<u>\$ 3,070,078</u>

Jannus, Inc.  
Statements of Cash Flows  
Years Ended June 30, 2020 and 2019

	2020	2019
Operating Activities		
Changes in net assets	\$ (8,076)	\$ (1,798)
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	117,911	111,098
Realized and unrealized gain loss on investments	(30,759)	(29,208)
Changes in operating activities		
Grants and contracts receivable	27,308	59,710
Prepaid expenses and other assets	4,952	32,515
Accounts payable	70,532	3,406
Accrued expenses	14,613	52,101
Deferred revenue	(497,523)	(31,754)
Refundable advances	767,389	-
Refundable advances: Paycheck Protection Program	959,520	-
Net Cash from Operating Activities	1,425,867	196,070
Investing Activities		
Purchase of property and equipment	(71,124)	(21,937)
Purchase of investments	(9,963)	(946,750)
Microloan lending	(265,906)	(142,480)
Microloan cash collection	158,974	125,931
Net Cash used for Investing Activities	(188,019)	(985,236)
Financing Activities		
SBA Microloan Program note proceeds	120,000	-
SBA Microloan Program note payments	(15,166)	(15,593)
Mortgage proceeds	-	82,000
Mortgage payments	(24,689)	(24,316)
Net Cash from Financing Activities	80,145	42,091
Net Change in Cash	1,317,993	(747,075)
Cash and Cash Equivalents, Beginning of Year	2,124,248	2,871,323
Cash and Cash Equivalents, End of Year	\$ 3,442,241	\$ 2,124,248
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 36,210	\$ 30,153



Jannus, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2020

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total Expenditures
	Community Health	Economic Opportunity	Public Policy		Administration	Building & Equipment		
Salaries	\$ 2,307,226	\$ 1,471,360	\$ 619,420	\$ 4,398,006	\$ 690,630	\$ -	\$ 690,630	\$ 5,088,636
Benefits	694,757	402,787	134,313	1,231,857	207,457	-	207,457	1,439,314
Total salaries and benefits	3,001,983	1,874,147	753,733	5,629,863	898,087	-	898,087	6,527,950
Food program provider payments	2,827,246	-	-	2,827,246	-	-	-	2,827,246
Contracts and consulting	451,810	1,552,699	159,253	2,163,762	20,919	-	20,919	2,184,681
Indirect and administrative fees	483,100	334,779	125,516	943,395	-	-	-	943,395
Stipends, assistance, and participant support	208,747	669,175	2,703	880,625	-	-	-	880,625
Office rental and maintenance	170,949	184,687	34,806	390,442	34,886	40,540	75,426	465,868
Supplies	122,901	67,344	9,294	199,539	12,728	-	12,728	212,267
Travel	70,695	32,617	14,655	117,967	6,971	-	6,971	124,938
Depreciation	10,422	-	-	10,422	6,329	101,160	107,489	117,911
Telephone and utilities	66,708	16,575	4,049	87,332	10,532	17,037	27,569	114,901
Meetings and conferences	24,918	54,528	29,764	109,210	2,629	-	2,629	111,839
Staff and volunteer training	84,527	10,611	382	95,520	2,038	-	2,038	97,558
Legal and accounting	8,361	14,740	2,062	25,163	63,098	-	63,098	88,261
Computer supplies	26,807	11,132	2,099	40,038	23,976	-	23,976	64,014
Marketing and outreach	28,132	20,251	13,206	61,589	718	-	718	62,307
Insurance	6,875	10,672	353	17,900	41,932	-	41,932	59,832
Printing	22,851	12,672	8,895	44,418	7,762	-	7,762	52,180
Interest	-	-	-	-	-	36,211	36,211	36,211
Bad debt expense	-	25,300	-	25,300	-	-	-	25,300
Property taxes	-	-	-	-	646	23,540	24,186	24,186
Postage	9,407	2,769	590	12,766	4,161	-	4,161	16,927
Fundraising	4,272	11,236	22,698	38,206	-	-	-	38,206
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	(643)	(5,286)	(15,807)	(21,736)	-	-	-	(21,736)
Total expenditures	\$ 7,630,068	\$ 4,900,648	\$ 1,168,251	\$ 13,698,967	\$ 1,137,412	\$ 218,488	\$ 1,355,900	\$ 15,054,867

See Notes to Financial Statements

Jannus, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2019

Expenses	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total Expenditures
	Community Health	Economic Opportunity	Public Policy		Administration	Building & Equipment		
Salaries	\$ 2,506,193	\$ 1,280,069	\$ 695,881	\$ 4,482,143	\$ 645,119	\$ -	\$ 645,119	\$ 5,127,262
Benefits	732,914	368,011	154,576	1,255,501	160,187	-	160,187	1,415,688
Total salaries and benefits	3,239,107	1,648,080	850,457	5,737,644	805,306	-	805,306	6,542,950
Food program provider payments	2,987,541	-	-	2,987,541	-	-	-	2,987,541
Contracts and consulting	424,200	1,450,420	129,940	2,004,560	40,474	-	40,474	2,045,034
Indirect and administrative fees	550,796	356,891	142,338	1,050,025	-	-	-	1,050,025
Stipends, assistance, and participant support	212,790	591,255	745	804,790	-	-	-	804,790
Office rental and maintenance	171,206	180,039	45,609	396,854	34,523	57,556	92,079	488,933
Supplies	105,899	72,209	16,333	194,441	23,464	14,745	38,209	232,650
Travel	130,967	41,037	41,324	213,328	5,071	-	5,071	218,399
Marketing and outreach	40,946	25,184	90,100	156,230	88	-	88	156,318
Staff and volunteer training	112,769	14,714	1,607	129,090	16,177	-	16,177	145,267
Telephone and utilities	82,432	17,058	3,594	103,084	5,457	21,374	26,831	129,915
Depreciation	10,422	-	-	10,422	6,972	93,704	100,676	111,098
Meetings and conferences	24,494	56,778	21,886	103,158	5,567	-	5,567	108,725
Legal and accounting	5,330	5,872	1,898	13,100	68,958	-	68,958	82,058
Insurance	7,966	10,782	279	19,027	46,432	-	46,432	65,459
Printing	25,703	10,843	9,253	45,799	4,347	-	4,347	50,146
Computer supplies	24,197	10,410	2,849	37,456	5,866	-	5,866	43,322
Interest	-	-	-	-	-	30,153	30,153	30,153
Property taxes	-	-	-	-	1,219	21,987	23,206	23,206
Postage	10,311	3,569	2,783	16,663	4,137	-	4,137	20,800
Bad debt expense	-	11,995	-	11,995	-	-	-	11,995
Fundraising	7,957	7,975	17,707	33,639	-	-	-	33,639
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	(5,600)	(5,904)	(13,222)	(24,726)	-	-	-	(24,726)
Total expenditures	\$ 8,169,433	\$ 4,509,207	\$ 1,365,480	\$ 14,044,120	\$ 1,074,058	\$ 239,519	\$ 1,313,577	\$ 15,357,697

See Notes to Financial Statements

## Note 1 - Organization and Program Services

### Organization

Jannus, Inc. is a 501(c)(3) nonprofit corporation, founded in 1974, incorporated under the laws of the State of Idaho for the purpose of improving the delivery, accessibility, and quality of health care and social services. Offices are located in Boise, Coeur d'Alene, Rathdrum, Kellogg, Sandpoint and Twin Falls, Idaho.

### Mission

Jannus, Inc. (Jannus), helps individuals, families and communities in transition, from infancy to healthy childhood, from illness to health, from refugee to working citizens, and from isolation to community. Jannus changes lives through a portfolio of programs in community health, policy, and economic opportunity.

### Programs and Services

Community Health programs and services across the state of Idaho promote healthy parenting and early childhoods, access to healthy foods and nutrition in safe childcare environments, recovery and resilience in behavioral health, suicide prevention, multi-generational volunteerism for healthy aging and child development, family caregiver support, advanced care planning conversations, and building Idaho's health care workforce. Funding for these services comes from a combination of federal, state, and private foundation grants or contracts, corporate giving, individual donors and fundraising events. Programs include:

- Empower Idaho
- Foster Grandparents
- Honoring Choices Idaho
- Idaho Suicide Prevention Hotline
- Legacy Corps for Veteran & Military Families
- Mountain States Early Head Start
- Nutrition Works
- Southwest Idaho Area Health Education Center

Economic Opportunity programs and services, offered in Southwest Idaho, provide support to launch and grow local businesses, meet emergency financial needs and champion future leaders. Through revolving loan funds, coaching, mentoring and training, we power prosperity for families and our local economy. We also offer a portfolio of services that promote self-sufficiency and build on the resilience of individuals of all ages who arrive as refugees. Initial resettlement services include English language instruction, cultural orientation, employment readiness classes, a connection to housing, school, employment, and health care. Expanded services include coaching and support for the development of small businesses, connection to land for community gardening and farming, speaking engagements to build community awareness and relationships, professional mentoring, and support to reclaim professional careers in the United States. Funding for these services comes from a combination of federal, state, and private foundation grants or contracts, corporate giving, individual donors and fundraising events. Programs include:

- Jannus Economic Opportunity (EO)
  - Business Development
  - Credit Building
  - Microlending
  - Refugee Childcare Business Development
  - Starling & Gemini Mentoring Projects
- Agency for New Americans
- Idaho Office for Refugees
  - English Language Center
  - Global Gardens
  - Global Talent
  - Refugee Speakers Bureau

Public Policy programs are a voice for Idaho's children and families with an eye towards policies that promote health, education, and child well-being. We educate policymakers and the public, conduct research and analysis, and convene partnerships to ensure the needs of Idaho's children are met. We are building awareness of the importance of out-of-school programming and provide development opportunities for professionals in this field. We are a non-partisan resource for data and analysis on how Idaho pays for vital government services including education, public health, safety and transportation. Funding for this work comes from a combination of private foundation grants, corporation giving, individual donors, fundraising events, and a small portion from state and federal grants focused on out-of-school educational activities. Programs include:

- Idaho Center for Fiscal Policy
- Idaho Voices for Children
- Idaho Out-of-School Network

## **Note 2 - Summary of Significant Accounting Policies**

### **Cash and Cash Equivalents**

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### **Property and Equipment**

Acquisitions of property, equipment, and building improvements in excess of \$5,000 are capitalized. Property and equipment are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of 5 years for equipment, 30 years for buildings, and 5 to 10 years for building improvements. Routine building and equipment maintenance is expensed as incurred. When property or equipment is retired or otherwise disposed of, the net book value is removed, and the net gain or loss is included in determination of the change in net assets. Funding services may have a reversionary interest in certain equipment as well as the determination of use of any proceeds from sale of these assets (see Note 7).

Jannus reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2020 and 2019.

### **Grants, Contracts, Revenues and Receivables**

Grants and contracts revenue is recognized when earned. Grants and contracts receivable are all due in less than one year. Jannus provides credit in the normal course of business to its customers and performs ongoing credit evaluations of those customers. Jannus considers the need for allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information. Except for the loan losses and allowance specific to the microenterprise loans, described below, Jannus has experienced no credit losses on grants and contracts during 2020 and 2019, and the allowance for doubtful accounts for grants and contracts receivable is \$0 as of June 30, 2020 and 2019.

### **Microloan Lending Transactions**

*Microenterprise Lending* – Under grants from the Federal Office of Refugee Resettlement (ORR) and other funders, EO issues microenterprise loans to generally underserved populations. These populations, often due to lack of or poor credit history, have difficulty obtaining traditional financing. EO bridges the gap for these individuals to start or expand businesses, continue education or obtain training for job upgrades, and develop a credit history. Individual loans range from \$200 to a maximum of \$35,000 for terms ranging from six months to six years. Jannus has the intent and ability to hold and administer these loans for the foreseeable future. Loans are stated at the unpaid principal balances.

Interest on loans, generally charged at 4 to 6 percent over the prime rate, is recognized as interest income over the term of the loan, calculated using the simple-interest method on principal amounts outstanding. Due to Jannus receipt of PPP funds and potential COVID hardships on borrowers, management decided to not assess interest from April through September 2020. Upon maturity or default, all sums due bear interest at 18% per annum until paid in full or as long as the default continues. Defaults are determined on a case-by-case basis considering excessive missed payments or failure to meet other loan obligations, as defined in each borrower's loan agreements. Loans are written-off when accounts become past due 120 days. A closing fee or small program participant loan fee is collected and recognized as fee income in the period received.

The need for an allowance for loan loss is evaluated on a regular basis considering the historical collection experience, estimated value of underlying collateral, circumstances of payment delays or shortfalls, and any adverse situations that may affect the borrowers' ability to repay. Based on these factors, management concluded a 5% allowance at June 30, 2020 and 2019, was the best estimate of outstanding microenterprise loans potentially unrecoverable, based on considerations including the portion of loan balances not fully covered by collateral, the loans in default status at June 30<sup>th</sup>, and the payment histories of existing borrowers. Any subsequent recovery will offset the allowance.

*SBA Microloan Program* –Jannus has multiple zero percent loans from the Small Business Administration (SBA). Jannus is using proceeds from these loans to make additional microloans to help non-traditional clients start or expand small businesses. Microloans can be used for working capital, inventory, supplies, furniture, equipment and high interest rate business debt. Loans over 120 days past due are required to be charged off. The loan maturity date does not exceed six years on microloans. Jannus may charge interest rates pre-approved by the SBA. For a microloan of more than \$10,000, those rates ranged from 7.75% to 10.25% for years ended June 30, 2020 and 2019, respectively. For a microloan of \$10,000 or less, those rates ranged from 7.75% to 12% and from 7.75% to 10.25% for years ended June 30, 2020 and 2019, respectively.

Amounts loaned to Jannus are maintained in a restricted revolving loan fund. Jannus is also required to maintain a separate loan loss reserve fund at an amount equal to 15% of the amount received from the SBA.

*Collateral* – Management determines the need for collateral on a case-by-case basis, depending on the loan type and amount, borrower’s business history, and personal references. At June 30, 2020 and 2019, the percent of microenterprise loans receivable balances collateralized by borrowers’ business-related vehicles and equipment are 66% and 74%, respectively. To determine the collateralized balance, Jannus uses the lower of the ending loan receivable balance at June 30 or the fair value of the collateral. Fair value of collateral is based on Kelly Blue Book for vehicles or purchase price of applicable business assets. Jannus files a lien on the vehicle’s title and holds the title until the loan is paid in full or files a UCC1 lien with the State of Idaho for business equipment.

*Consumer Lending* – Jannus is licensed by the Idaho Department of Finance as a regulated consumer lender under the Idaho Credit Code. As a licensee, Jannus provides affordable small loans to individuals for personal, family, or household purposes. The main objectives of the personal lending program is to enable low to moderate-income individuals gain access to credit, meet emergency financial needs, provide opportunities for income stabilization, build or improve credit scores, and increase financial literacy. Consumers are able to take advantage of free financial and credit coaching to improve their financial stability and resiliency.

Consumers can borrow up to \$1,500 with no collateral and terms up to 18 months. Interest on loans is charged at 12 percent, is recognized as interest income over the term of the loan, and calculated using the simple-interest method on principal amounts outstanding. Due to Jannus receipt of PPP funds and potential COVID hardships on borrowers, management decided to not assess interest from April through September 2020. The need for an allowance for loan loss is evaluated on a regular basis, considering historical collection experience and circumstances of payment delays or shortfalls. Based on these factors, management concluded a 7.5% and 5% allowance at June 30, 2020 and 2019, respectively, was the best estimate of outstanding consumer loans potentially unrecoverable. Any subsequent recovery will offset the allowance. Defaults are determined on a case-by-case basis considering excessive missed payments or failure to meet other loan obligations, as defined in each borrower’s loan agreement. Loans are written-off when accounts become past due 120 days.

The microloans receivable balance for the years ending June 30, are as follows:

	2020	2019
Microenterprise loans receivable, current	\$ 55,648	\$ 36,118
SBA microloan program loans receivable, current	60,513	33,962
Consumer loans receivable, current	54,593	24,511
Less allowance for doubtful accounts	<u>(31,901)</u>	<u>(21,176)</u>
Net microloans receivable, current	<u>138,853</u>	<u>73,415</u>
Microenterprise loans receivable, long-term	72,388	42,181
SBA microloan program loans receivable, long-term	77,501	71,626
Consumer loans receivable, long-term	<u>9,364</u>	<u>3,952</u>
Microloans receivable, long-term	<u>159,253</u>	<u>117,759</u>
Total microloans receivable	<u>\$ 298,106</u>	<u>\$ 191,174</u>

At June 30, 2020 and 2019, the total loan receivable balances that were past due 90 days or more were \$146 and \$1,800, respectively.

### **Promises to Give**

Jannus records unconditional promises to give expected to be collected within five years at net realizable value. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. The promises to give are \$3,000 and \$7,450 as of June 30, 2020 and 2019, respectively.

### **Advertising (Marketing and Outreach)**

Advertising costs, including marketing and client outreach, are expensed as incurred and amounted to \$62,307 and \$156,318 for the years ended June 30, 2020 and 2019, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program and supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include land and building loan costs, maintenance, improvements, janitorial, utilities, property taxes and depreciation, which are allocated on a square footage used basis and classified as rent expense. Salaries and wages, benefits, and payroll taxes are allocated based on actual hours worked.

### **Income Taxes**

Jannus is organized as an Idaho nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contributions deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1).

Jannus is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Jannus is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Jannus has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

### **Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by Jannus to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the

outstanding amounts are due from governmental agencies and foundations, under grant awards, supportive of the Jannus' mission. Investments are made by licensed investment managers, following a Board approved investment policy, and whose performance is monitored by an investment committee. Although the fair values of investments are subject to fluctuation on a year-to-year basis, Jannus and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

### **Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return/(loss) is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expenses.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. Unrestricted net assets consist of grants and contracts, unrestricted contributions, and other inflows of assets whose use by Jannus is not limited by donor-imposed restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Jannus reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, 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.

### **Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable grants and contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash or other assets, or unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met. A portion of Jannus' revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The



Organization received cost reimbursable grants that have not been recognized at June 30, 2020 because qualifying expenditures have not yet been incurred. Advance payments of \$1,726,909 are recognized in the statement of financial position as a refundable advance and refundable advance: Paycheck Protection Program as of June 30, 2020.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to program services, administration, fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. Donated property or equipment are recorded as an asset at its estimated fair value at the date of donation, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy.

### **Change in Accounting Policy**

FASB has issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 clarifies and refines existing guidance to help explain the scope of contributions and applies to both resource providers and resource recipients. ASU 2018-08 clarifies two revenue recognition issues. First, in the case of grants and similar contracts with government agencies, unless the resource provider receives commensurate value from the resource recipient, the transaction is most likely a contribution, not an exchange transaction. Second, relates to distinguishing between conditional and unconditional contributions. For a donor-imposed condition to exist, it must have both a measurable barrier that must be overcome and a right of return of the gift to the donor or a release from the donor's promise to give. Jannus implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

Jannus has adopted this standard as management believes the standard improves the usefulness and understandability of the Janus' financial reporting.

### **Recent Accounting Guidance**

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU2014-09, Revenue from Contracts with Customers which requires all companies to adopt a five-step analysis to determine the point in that goods or services have been exchanged with customers in exchange for consideration. The implementation of this update is effective for annual reporting periods beginning after December 15, 2019. Management is currently assessing the impact of implementing this new guidance.

### **Subsequent Events**

Subsequent events have been evaluated through January 5, 2021, the date the financial statements were available to be issued.

**Note 3 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

	2020	2019
Cash and cash equivalents	\$ 1,225,358	\$ 1,189,884
Operating Investments	160,152	-
Other accounts receivable	4,264	3,720
	\$ 1,389,774	\$ 1,193,604

**Note 4 - In-Kind Contributions and Contributed Services**

Jannus received donated professional services and materials during the years ended June 30, as follows:

	2020	2019
Idaho Suicide Prevention Hotline - supplies, rent, services	\$ 263,702	\$ 291,207
Global Gardens - rent	73,640	77,938
Mountain States Early Head Start - supplies, rent, services, travel	56,446	57,424
Foster Grandparents - supplies, rent, services, recognition, physicals	19,291	24,392
Economic Opportunity - supplies, rent, services	15,898	436
Agency for New Americans - rent	7,800	7,800
English Language Center - supplies, rent	4,428	20,790
Idaho Out-of-School Network - supplies, rent	631	20,048
Legacy Corps - rent	300	1,350
Administration - supplies, rent, services	-	20,979
Global Talent Idaho - supplies, services	-	824
Total in-kind contributions	\$ 442,136	\$ 523,188

**Note 5 - Investments**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

Jannus invests in mutual funds with readily determinable fair values based on daily redemption values and those investment assets are classified within Level 1. Other investments include municipal and corporate bonds and a CD traded in the financial markets. These investment assets are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

Assets measured at fair value on a recurring basis for 2020 and 2019 are summarized below:

<u>2020</u>	<u>Total</u>	<u>In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Cash and money market funds (at cost)	\$ 275,450	\$ -	\$ -	\$ -
Equity mutual funds	273,891	273,891	-	-
Exchange traded funds	1,931	1,931	-	-
Bond mutual funds	437,547	437,547	-	-
Municipal and corporate bonds	27,860	-	27,860	-
	<u>\$ 1,016,679</u>	<u>\$ 713,369</u>	<u>\$ 27,860</u>	<u>\$ -</u>

<u>2019</u>	<u>Total</u>	<u>In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
Cash and money market funds (at cost)	\$ 322,823	\$ -	\$ -	\$ -
Equity mutual funds	266,045	266,045	-	-
Exchange traded funds	1,056	1,056	-	-
Bond mutual funds	18,396	18,396	-	-
Municipal and corporate bonds	<u>367,638</u>	<u>-</u>	<u>367,638</u>	<u>-</u>
	<u>\$ 975,958</u>	<u>\$ 285,497</u>	<u>\$ 367,638</u>	<u>\$ -</u>

**Note 6 - Property and Equipment**

Property and equipment consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 447,944	\$ 447,944
Building and improvements	1,854,193	1,819,002
Furniture, fixtures, and equipment	<u>307,611</u>	<u>271,678</u>
	2,609,748	2,538,624
Less accumulated depreciation	<u>(1,370,256)</u>	<u>(1,252,345)</u>
	<u>\$ 1,239,492</u>	<u>\$ 1,286,279</u>

**Note 7 - Mortgages Payable**

Mortgages payable consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Mortgage payable, refinanced in May 2019, 4.69%, monthly installments of \$3,673 to May 2029, secured by property	\$ 548,194	\$ 567,897
Mortgage payable, refinanced in April 2019, 5.00%, monthly installments of \$1,096 to April 2029, secured by property	<u>160,234</u>	<u>165,220</u>
	<u>\$ 708,428</u>	<u>\$ 733,117</u>

Future annual maturities of mortgages payable outstanding at June 30, 2020 are as follows:

2021		\$	23,544
2022			24,711
2023			25,930
2024			27,126
2025			28,547
Thereafter			578,570
		\$	708,428

The loan agreement requires Jannus to meet certain operating and financial covenants, including a minimum liquidity amount. At June 30, 2020 and 2019, Jannus was in compliance with these covenants.

**Note 8 - SBA Microloan Program Notes Payable**

Jannus participates in the Microloan Program administered by the Small Business Administration (SBA). The contract rights of the loans made by Jannus in the Microloan Program and related loan loss reserve funding are pledged as collateral. As of June 30, 2020, Jannus has three separate, zero percent interest notes payable to SBA, the first with monthly installments of \$759, maturing in February 2026, the second with monthly installments of \$926, maturing in November 2027, and the third with monthly installments of \$1,111, maturing in March 2030. As of June 30, 2019 Jannus had two separate, zero percent note payable to the SBA, the first with monthly installments of \$759, maturing February 2026, the second with monthly installments of \$926 maturing in November 2027. Future annual maturities of the SBA notes payable at June 30, 2020, are as follows:

2021		\$	19,712
2022			35,172
2023			35,172
2024			35,172
2025			35,172
Thereafter			98,693
Total		\$	259,093

**Note 9 - Line of Credit**

Jannus has a \$200,000 line of credit with a bank, secured by property. Borrowing under the line bears interest at the bank's prime rate plus 0.25%, but no less than 4 % (4% and 5.75% at June 30, 2020 and 2019, respectively). Interest is payable monthly, with accrued interest and principal due at maturity in March 2021. As of June 30, 2020 and 2019, there was no outstanding balance. Jannus received a waiver from compliance with certain loan covenants for the year ending June 30, 2020. Jannus was in compliance with the loan covenants for the year ended June 30, 2019.

**Note 10 - Operating Lease Arrangements**

Jannus has operating lease commitments for equipment and program facilities spaces requiring monthly payments ranging from approximately \$1 to \$4,216 through June 2025. Future minimum rental payments required for such operating leases at June 30, 2020 are as follows:

2021		\$	96,928
2022			74,991
2023			64,639
2024			9,770
2025			2,400
			2,400
Total minimum lease payments		\$	248,728

Rent expense for buildings, equipment, and the allocation of rent expense to programs for the Jannus-owned building for the years ended June 30, 2020 and 2019, was \$287,193 and \$263,109, respectively.

**Note 11 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes:

	2020	2019
Subject to Expenditure for Specified Purpose		
Program specific support	\$ 930,008	\$ 934,364
Paycheck Protection Program revenue	273,618	-
Building acquired with Federal grant funds	313,686	324,108
	1,517,312	1,258,472
Subject to the Passage of Time		
Promises to give that are not restricted by the donors, but which are unavailable for expenditure until due	3,000	7,450
	\$ 1,520,312	\$ 1,265,922

A board designated endowment was established and funded by donors and The Whitney Foundation to provide unrestricted funding for the long-term sustainability of Jannus programs and services. As of June 30, 2020 and 2019, the board-designated endowment consisted of net assets of \$60,286 and \$49,324, respectively, including net assets with donor restrictions of \$3,000 and \$7,450, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2020 and 2019:

	2020	2019
Satisfaction of purpose restrictions		
Restricted purpose spending in support of program services	\$ (814,525)	\$ (775,222)
Depreciation on building owned with federal interest	(10,422)	(10,422)
	(824,947)	(785,644)
Expiration of time restrictions		
Receipt of promises to give	(4,450)	(10,150)
	\$ (829,397)	\$ (795,794)

#### Note 12 - Retirement Plans

Jannus' defined contribution 403(b) plan covers employees who work 20 hours per week or greater after one year of employment. Jannus matches employee contributions two-to-one up to 5 percent of salary deferral for eligible employees. Employer contributions to the Plan during the years ended June 30, 2020 and 2019, were \$394,997 and \$354,202, respectively. Employees are immediately vested in employer contributions.

#### Note 13 - Concentration of Revenue

Jannus had concentrations of revenue from certain agencies, including direct and pass-through grants and contracts, for the years ended June 30, as follows:

Source	2020 (in millions)	2019 (in millions)
U.S. Department of Health and Human Services	\$ 5.82	\$ 5.81
U.S. Department of Agriculture	\$ 3.40	\$ 3.84

#### Note 14 - Paycheck Protection Program (PPP) Loan

Jannus was granted a \$1,233,138 loan under the PPP administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. Jannus is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Jannus initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier, and a right to return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. Jannus has recognized \$273,618 as revenue for the year ended June 30, 2020, equivalent to the expenses eligible for forgiveness during the period. The remaining advance of \$959,520 is

included in Refundable Advances. Jannus will use the remaining proceeds for eligible expenses during the subsequent fiscal year and submit application for forgiveness. Jannus would be required to repay any unused or unapproved advance, plus interest accrued at 1 percent, in monthly payments commencing upon notification of rejection of or partial forgiveness.

**Note 15 - Contingencies**

A portion of Jannus' revenue is from government grants and contracts, which are subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.





Federal Awards Reports in Accordance  
with the Uniform Guidance  
June 30, 2020

**Jannus, Inc.**



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors  
Jannus, Inc.  
Boise, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Jannus, Inc. (Jannus), a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 5, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Jannus' internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jannus' internal control. Accordingly, we do not express an opinion on the effectiveness of Jannus' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jannus' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jannus' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
January 5, 2021



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Jannus, Inc.  
Boise, Idaho

### **Report on Compliance for Each Major Federal Program**

We have audited Jannus, Inc.'s (Jannus) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Jannus' major federal programs for the year ended June 30, 2020. Jannus' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for each of Jannus' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jannus' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Jannus' compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Jannus complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

Management of Jannus is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jannus' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jannus' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
January 5, 2021

Jannus, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Grant Award or Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Direct Programs				
Early Head Start	93.600	10CH010540-02	\$ 2,129,631	\$ -
Refugee Social Services	93.566 *	1801IDRSOC, 1901IDRSOC, 2001IDRSOC, 20ABIDRCMA	1,827,543	909,232
Wilson Fish Cooperative Agreement	93.583	90RW0052-04	569,516	221,229
Refugee Career Pathways	93.576 **	90ZM0013-01-01, 90ZM0013-	192,772	-
Refugee Microenterprise Development	93.576 **	90RG0184-02, 90RG0184-03	172,343	-
Refugee Home-Based Childcare	93.576 **	90RG0197-01, 90RG0197-02	170,852	-
Refugee Targeted Assistance	93.584	17A1DRTAG	5,889	5,889
Total U.S. Department of Health and Human Services Direct Programs			5,068,546	1,136,350
Pass Through Programs Through				
Idaho Dept of Health & Welfare - Refugee TANF Case Management- TANF Cluster	93.558	WC080500, WC093300	313,134	88,829
University of Washington - SW Idaho Area Health Education Ctr	93.107	UWSC6106	111,057	-
Episcopal Migration Ministries (EMM) - Match Grant	93.567	90RV0065, 2002NYRVMG	77,854	-
Idaho Dept of Health & Welfare - Refugee Community Health Worker Program	93.576 **	HC947600	54,751	-
Idaho Dept of Health & Welfare - Child Care and Development - Idaho Out of School Network	93.575	WC091500	54,085	-
Idaho Dept of Health & Welfare - SW Idaho Suicide Prevention Hotline	93.958	HC960100	50,000	-
Idaho Commission on Aging - Alzheimer's Disease Demonstration Grant	93.051	NA	41,052	-
Idaho Dept of Health & Welfare - Family Violence Prevention Early Head Start	93.671	VC040300	20,496	-
Idaho's Lifespan Community Respite Project	93.072	90LRLI0014-01	13,176	-
Idaho Dept of Health & Welfare - Refugee Entrant & Assistance	93.566 *	HC936200	7,881	-
Central District Health Department - LifeSkills Training	93.243	N/A	6,902	-
Idaho Dept of Health & Welfare - Orientation to Health Careers - Southwest Idaho Area Health Education Center	93.236		500	-
Total U.S. Department of Health and Human Services Pass through Programs			750,888	88,829
Total U.S. Department of Health and Human Services			5,819,434	1,225,179

Jannus, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Grant Award or Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Direct Programs				
USDA Local Food Promotion Program	10.175	AM190100XXXXG156	65,265	-
Farmers Market Promotion Program	10.168	16FMPPID0043	59,572	-
Beginning Farmers & Ranchers Development Program	10.311	2016-70017-25378	15,357	-
Total U.S. Department of Agriculture Direct Programs			140,194	-
Pass Through Programs Through				
Idaho Dept of Education - Child and Adult Care Food Program	10.558	4864	3,233,317	-
Idaho Dept of Education - Technology Improvement Program	10.541	N/A	23,964	-
Idaho Dept of Health & Welfare - SNAP	10.551	WC088600	3,470	-
Total U.S. Department of Agriculture Pass through Programs			3,260,751	-
Total U.S. Department of Agriculture			3,400,945	-
<u>Corporation for National and Community Service</u>				
Direct Programs				
Foster Grandparents - Foster Grandparent/ Senior Companion Cluster	94.011	18SFPID001	309,069	-
Pass Through Programs Through				
Arizona State University - Legacy Corps	94.006	ASUB00000150	46,595	-
Total Corporation for National and Community Service			355,664	-
<u>U.S. Small Business Administration</u>				
Direct Programs				
Microloan Intermediary Technical Assistance	59.046	SBAHQ-19-Y-0117	246,261	-
<u>U.S. Department of State</u>				
Pass Through Programs Through				
EMM - Cooperative Agreement (R&P)	19.510	S-PRMCO-19-CA-0028	166,274	-
<u>U.S. Department of Justice</u>				
Pass Through Programs Through				
Idaho Dept of Health & Welfare - Crime Victim Assistance Agency for New Americans	16.575	*** VC038000	144,387	-
Idaho Dept of Health & Welfare - Crime Victim Assistance Early Head Start	16.575	*** VC040300	12,328	-
Total U.S. Department of Justice			156,715	-

Jannus, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Grant Award or Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Education</u>				
Pass Through Programs Through Idaho Dept of Education - Idaho Out-of-School Network	84.287	20-7212	17,939	-
<u>U.S. National Aeronautics and Space Administration</u>				
Pass Through Programs Through University of Idaho - Kids to Craters	43.008	E50666-SB-783706	6,617	-
Total Federal Financial Assistance			<u>\$ 10,169,849</u>	<u>\$ 1,225,179</u>

- \* Total for CFDA 93.566 is \$1,835,424
- \*\* Total for CFDA 93.576 is \$590,575
- \*\*\* Total for CFDA 16.575 is \$156,715



**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Jannus, Inc. (Jannus) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Jannus it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jannus.

**Note 2 - Significant Accounting Policies**

Expenditures reported in the schedule are reported on the accrual basis of accounting, except for subrecipient expenditures which are recorded on the cash basis. Such expenditures are recognized following the cost principles contained in Subpart E – Cost Principles of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Jannus’ summary of significant accounting policies is presented in Note 2 in Jannus’ basic financial statements.

Jannus has not elected to use the 10% de minimis cost rate.

**Note 3 - Loan Programs**

The loan program listed below is administered directly by Jannus and the balances and transactions relating to this program are included in Jannus’ basic financial statements. Expenditures reported in this schedule consist of the beginning of the year outstanding loan balance plus loans made during the year. The receivable balance at June 30, 2020 is:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Ending Balance at June 30, 2020</u>
59.046	SBA Microloan Program	\$138,014

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No
Identification of major programs:	
Name of Federal Program	CFDA Number
Child and Adult Care Food Program	10.558
Refugee Social Services	93.566
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**Section II - Financial Statement Findings**

None reported

**Section III - Federal Award Findings and Questioned Costs**

None reported