



Financial Statements
June 30, 2019 and 2018
Jannus, Inc.

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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, 2019 and 2018, 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, 2019 and 2018, 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.

Change in Accounting Principal

As discussed in Note 2 to the financial statements, the Organization has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. Accordingly, the June 30, 2018 financial statements have been adjusted to adopt this standard. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was 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 October 11, 2019 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
October 11, 2019

Jannus, Inc.
Statements of Financial Position
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 2,124,248	\$ 2,871,323
Investments	975,958	-
Grants and contracts receivable	1,266,161	1,325,871
Microloans receivable, net	191,174	174,625
Prepaid expenses and other assets	66,984	99,499
Property and equipment, net	1,286,279	1,375,440
	\$ 5,910,804	\$ 5,846,758
Liabilities and Net Assets		
Accounts payable	\$ 652,351	\$ 648,945
Accrued expenses	599,210	547,109
Deferred revenue	701,789	733,543
SBA Microloan Program notes payable	154,259	169,852
Mortgages payable	733,117	675,433
Total liabilities	2,840,726	2,774,882
Net Assets		
Without donor restrictions	1,804,156	1,816,182
With donor restrictions		
Purpose restrictions	1,258,472	1,238,094
Time-restricted for future periods	7,450	17,600
	1,265,922	1,255,694
Total net assets	3,070,078	3,071,876
	\$ 5,910,804	\$ 5,846,758

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

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
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)	-
Total support and revenues	15,345,671	10,228	15,355,899
Expenditures			
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
Total program services	14,044,120	-	14,044,120
Supporting services			
Administration	1,074,058	-	1,074,058
Building and equipment	239,519	-	239,519
Total supporting services	1,313,577	-	1,313,577
Total expenses	15,357,697	-	15,357,697
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.
Statement of Activities
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Grants and contracts	\$ 12,151,800	\$ -	\$ 12,151,800
Fees for service and reimbursements	1,282,556	-	1,282,556
Contributions and donations	27,202	431,775	458,977
Gross special events revenue	19,800	167,177	186,977
Less cost of direct benefit to donors	(20,205)	-	(20,205)
Net special events revenue	(405)	167,177	166,772
In-kind and match contributions	545,191	-	545,191
Dividends and interest	15,615	-	15,615
Net assets released from restrictions for contributions spent in accordance with donor conditions	549,507	(549,507)	-
Net assets released from restrictions for depreciation on building owned with federal interest	10,422	(10,422)	-
Total support and revenues	14,581,888	39,023	14,620,911
Expenditures			
Program services			
Community health	7,984,411	-	7,984,411
Economic opportunity	4,345,368	-	4,345,368
Public policy	998,826	-	998,826
Total program services	13,328,605	-	13,328,605
Supporting services			
Administration	1,035,287	-	1,035,287
Building and equipment	203,366	-	203,366
Total supporting services	1,238,653	-	1,238,653
Total expenses	14,567,258	-	14,567,258
Change in Net Assets	14,630	39,023	53,653
Net Assets, Beginning of Year	1,801,552	1,216,671	3,018,223
Net Assets, End of Year	<u>\$ 1,816,182</u>	<u>\$ 1,255,694</u>	<u>\$ 3,071,876</u>

Jannus, Inc.
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Operating Activities		
Changes in net assets	\$ (1,798)	\$ 53,653
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	111,098	107,052
Realized and unrealized (gain) loss on investments	(29,208)	-
Changes in operating activities		
Grants and contracts receivable	59,710	(200,400)
Prepaid expenses and other assets	32,515	(26,795)
Accounts payable	3,406	64,737
Accrued expenses	52,101	88,587
Deferred revenue	(31,754)	214,461
Net Cash from Operating Activities	196,070	301,295
Investing Activities		
Purchase of property and equipment	(21,937)	(270,416)
Purchase of investments	(946,750)	-
Microloan lending	(142,480)	(132,536)
Microloan cash collection	125,931	115,677
Net Cash used for Investing Activities	(985,236)	(287,275)
Financing Activities		
SBA Microloan Program note proceeds	-	100,000
SBA Microloan Program note payments	(15,593)	(9,111)
Mortgage proceeds	82,000	170,000
Mortgage payments	(24,316)	(22,537)
Net Cash from Financing Activities	42,091	238,352
Net Change in Cash	(747,075)	252,372
Cash and Cash Equivalents, Beginning of Year	2,871,323	2,618,951
Cash and Cash Equivalents, End of Year	\$ 2,124,248	\$ 2,871,323
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 30,153	\$ 22,048

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

	Community Health	Economic Opportunity	Public Policy	Total Program Services	Administration	Building & Equipment	Total Supporting Services	Total Expenditures
Expenditures								
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	<u>\$ 8,169,433</u>	<u>\$ 4,509,207</u>	<u>\$ 1,365,480</u>	<u>\$ 14,044,120</u>	<u>\$ 1,074,058</u>	<u>\$ 239,519</u>	<u>\$ 1,313,577</u>	<u>\$ 15,357,697</u>

See Notes to Financial Statements

Jannus, Inc.
Statement of Functional Expenses
Year Ended June 30, 2018

	Community Health	Economic Opportunity	Public Policy	Total Program Services	Administration	Building & Equipment	Total Supporting Services	Total Expenditures
Expenditures								
Salaries	\$ 2,437,709	\$ 1,219,521	\$ 496,789	\$ 4,154,019	\$ 622,372	\$ -	\$ 622,372	\$ 4,776,391
Benefits	660,402	321,038	105,753	1,087,193	147,506	-	147,506	1,234,699
Total salaries and benefits	3,098,111	1,540,559	602,542	5,241,212	769,878	-	769,878	6,011,090
Food program provider payments	2,843,708	-	-	2,843,708	-	-	-	2,843,708
Contracts and consulting	490,198	1,537,211	124,244	2,151,653	29,730	-	29,730	2,181,383
Indirect and administrative fees	534,973	329,089	101,216	965,278	-	-	-	965,278
Stipends, assistance, and participant support	230,562	451,307	400	682,269	-	-	-	682,269
Office rental and maintenance	173,000	192,941	36,518	402,459	31,880	45,519	77,399	479,858
Supplies	113,358	75,525	7,548	196,431	13,558	-	13,558	209,989
Travel	145,284	27,499	43,445	216,228	8,481	-	8,481	224,709
Marketing and outreach	50,732	20,100	26,644	97,476	404	-	404	97,880
Staff and volunteer training	107,707	11,401	220	119,328	9,375	-	9,375	128,703
Telephone and utilities	92,148	22,130	3,218	117,496	5,337	21,365	26,702	144,198
Depreciation	10,422	-	-	10,422	6,973	89,657	96,630	107,052
Meetings and conferences	16,612	63,532	18,008	98,152	4,208	-	4,208	102,360
Legal and accounting	4,141	11,722	1,349	17,212	88,863	2,146	91,009	108,221
Insurance	6,829	10,908	268	18,005	44,770	-	44,770	62,775
Printing	22,989	12,410	13,020	48,419	5,549	-	5,549	53,968
Computer supplies	32,975	17,858	12,385	63,218	11,224	-	11,224	74,442
Interest	-	-	-	-	310	22,631	22,941	22,941
Property taxes	-	-	-	-	-	22,048	22,048	22,048
Postage	10,018	3,891	2,954	16,863	4,747	-	4,747	21,610
Bad debt expense	-	15,405	-	15,405	-	-	-	15,405
Fundraising	1,294	8,738	17,544	27,576	-	-	-	27,576
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	(650)	(6,858)	(12,697)	(20,205)	-	-	-	(20,205)
Total expenditures	<u>\$ 7,984,411</u>	<u>\$ 4,345,368</u>	<u>\$ 998,826</u>	<u>\$ 13,328,605</u>	<u>\$ 1,035,287</u>	<u>\$ 203,366</u>	<u>\$ 1,238,653</u>	<u>\$ 14,567,258</u>

See Notes to Financial Statements

Note 1 - Organization and Program Services

Organization

Jannus, Inc. is a 501(c)(3) nonprofit corporation, (Jannus) 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 and Sandpoint, Idaho.

Mission

Jannus, Inc. (Jannus) brings people together to change lives with programs that promote community health, advance public policy, and create economic opportunity.

Community Health

- Mountain States Early Head Start (MSEHS) – Provides comprehensive health, social, and educational services for infants, toddlers, pregnant women, and their families through family-centered and community-based efforts in Kootenai, Bonner and Shoshone Counties in northern Idaho through grants from the U.S. Department of Health and Human Services (USDHHS), Victims of Crime Act (VOCA) and Temporary Assistance to Needy Families (TANF), passed through from the Idaho Head Start Association. Services include home visits, parent/child educational playgroups, and classes such as Circle of Security, Attachment Bio-Behavioral Catchup parenting coaching, CPR, financial literacy, nutrition, and positive child discipline among many others. During the year, MSEHS was funded to serve 153 children. MSEHS also provides assistance in linking families to needed community resources in areas of preventative health care, dental exams, immunizations, nutrition education, and developmental and health screenings. Some highlights of successes are measured with parents completing GED courses, enrolling in college, gaining employment, accomplishing family goals, and becoming a first-time home buyer. Successes for infants and toddlers focus on helping them prepare to succeed in school through developing strong attachments and a secure foundation.
- Nutrition Works – Jannus is a sponsoring organization for the Child and Adult Care Food Program in Idaho. This federal program, funded through the U.S. Department of Agriculture and passed through the Idaho Department of Education, has been a part of Jannus since 1996. The program supports child care facilities, family child care and centers with education, nutrition training and stipends to feed over 8,000 children well-balanced, healthy meals and snacks each month, playing an important role in helping to combat rising obesity rates.
- Empower Idaho (formerly the Idaho Office of Consumer and Family Affairs) – Funded through IDH&W, Empower Idaho builds partnerships with mental health advocates, consumers, their families, and providers for the purpose of improving behavioral health service delivery and to promote recovery and resiliency. Empower Idaho coordinates educational activities, both live and in-person, and advocates on behalf of adults with behavioral health conditions and their family members through a variety of outreach activities including participating on numerous stakeholder groups with the purpose of helping to improve the behavioral health delivery system of Idaho.

- Projects for Assistance to Transition from Homelessness (PATH) – Funded through IDH&W to provide Certified Peer Specialists across Idaho to offer outreach, guidance, and support to individuals who are homeless or at risk of homelessness and who also have serious mental health and substance abuse issues.
- Idaho Suicide Prevention Hotline (ISPH) – Funded through IDH&W, Idaho Division of Veterans Services, United Way, the J.A. and Kathryn Albertson Foundation, and a variety of corporate, private foundation, and individual donors, ISPH is committed to the prevention of suicide in Idaho. ISPH provides emotional support, risk assessment, crisis intervention, linkages to local services, and follow up for persons with potential suicide risk factors, empowering callers to look at options and make their own decisions. Calls to the Hotline number are answered 24 hours per day, 7 days per week.
- Foster Grandparents of Treasure Valley (FGP) – An intergenerational mentorship program funded through the Corporation for National and Community Service (CNCS), with a minimum of 10 percent direct community support. FGP works with up to 61 limited income seniors who are placed into positions at non-profit educational centers for children who need extra attention, nurturing, or help with academics. During this fiscal year, FGP provided 58,462 hours of service to children in the schools, libraries, head start/early head start centers, boys and girls clubs, and other educational nonprofit locations.
- Legacy Corps for Veteran and Military Families – Funded through CNCS and passed through Arizona State University with 50% match funding from a variety of private foundations and individual donors, Legacy Corps is an AmeriCorps program providing support to family caregivers with an emphasis on the specific needs of military families. Highly trained AmeriCorps Members and volunteers provide in-home respite to families, lead nationally-recognized self-care education programs, facilitate caregiver networking and information sessions, and assist in planning the Annual Idaho Family Caregiver Conference. Additional funding was secured in 2018 through the Idaho Commission on Aging.
- Honoring Choices Idaho (HCI) – Funded through the St. Luke’s and Saint Alphonsus Health Systems, Blue Cross of Idaho, Kootenai Care Network, Regence, West Valley Medical Center, Portneuf Medical Center, Boise State University and the Idaho Hospital Association to promote advance care planning by providing opportunities for conversations in the context of one’s values, empowering individuals to make and document decisions, and helping to ensure health care choices are honored.
- Southwest Idaho Area Health Education Center (AHEC) – The Southwest Idaho Area Health Education Center (SW ID AHEC) is part of a nation-wide system of programs created to improve the distribution, diversity, and supply of the primary healthcare workforce, with a special emphasis on meeting the needs of rural and underserved areas. Major activities include health careers promotion, community-based student education, and professional education and support. SW Idaho AHEC is affiliated with the University of Washington School of Medicine WWAMI AHEC Program.

Economic Opportunity

- Idaho Office for Refugees (IOR) – Responsible for administration of the State of Idaho’s refugee resettlement program, overseeing the resettlement of 430 new refugees in Idaho during the fiscal year to-date from fifteen different countries, primarily from Democratic Republic of the Congo. IOR receives USDHHS funds from the Federal Office of Refugee Resettlement (ORR), TANF funds IDH&W and has secured small grants from the City of Boise, foundations, and private sponsorships. Through ORR funds supports interim financial assistance, employment services, case management, and social adjustment services to assist refugees to become self-supporting and integrate into the United States.
- English Language Center (ELC) – Funded through ORR and TANF the ELC provides English language instruction cultural orientation and employment readiness classes for adult refugees to enhance their employability and promote economic self-sufficiency.
- Services to Elderly Refugees – Funded through ORR, this program links refugees 60 years and older to mainstream senior services and promotes development of capacity within local aging networks to meet the cultural and linguistic needs of older refugees. Services include specialized English language classes, multigenerational cultural exchange opportunities, and assistance with naturalization for those eligible. In partnership with Boise State University’s Project SHINE student organization, the Services to Older Refugees program is facilitating research into trauma-informed best practices for the linguistic instruction and assessment of elder refugee populations.
- Refugee School Impact – Funded through ORR, this program provides funding to three Idaho school districts to provide educational and adjustment services to recently arrived refugee school-age children and youth to ease the adjustment of children into the mainstream classroom. School district’s funded services include para educators, activities aimed to help students integrate, parent engagement events and cultural events at various schools.
- Global Gardens – Funded primarily through a variety of USDA grants, Global Gardens seeks to increase agricultural opportunities for low income refugee families in southwest Idaho by locating land for gardens to practice commercial growing, assist beginning farmers to locate land to lease for small farm operations, provide classroom and field based training, and sponsor refugee farmer participation in education courses.
- Global Talent (GT) – Funded through ORR and a variety of corporate and individual donors, GT is a workforce development initiative designed to enable college-educated new Americans to successfully integrate into professional roles in Idaho and Utah.
- Refugee Speakers Bureau (RSB) - Funded through ORR and a variety of grants, and other charitable donations, the RSB uses storytelling to build bridges in our community between US-born and new Americans, creating a richer, safer, inclusive community.

- Agency for New Americans (ANA) – Provided initial reception and placement services to 95 refugees in the Boise area during the fiscal year from eight countries, primarily Democratic Republic of Congo, Syria, Afghanistan, Somalia, Bhutan and Burma. ANA provides case management, employment services, immigration, orientation classes, medical case management, senior refugee services, women and youth programs and volunteer services to new arrivals and more established refugee clients. ANA has diversified funding through the U.S. Department of State, Bureau for Population, Refugees and Migration, through a Cooperative Agreement with Episcopal Migration Ministries (EMM), IDH&W, direct grant awards from ORR, as a sub recipient from IOR, Victims of Crime Act (VOCA) and through community donations and support. ANA maintains a Board of Immigration Appeals accreditation for its Immigration Program.
- Jannus Economic Opportunity (EO) – Jannus EO removes barriers to transform lives and expand economic opportunity through education and support for those in need, especially underserved groups such as women, immigrants, refugees, Latinos, Native Americans and Veterans. Jannus EO is a community resource that delivers support in many ways with a focus on improving wealth equity, offering services in microlending, business development, mentorship and credit building. Program participants reduce dependency on high interest loans, remove barriers to self-sufficiency, gain access to affordable financing, improve credit scores, and increase financial literacy.
 - Microenterprise Development Program – Funded by ORR, the Microenterprise Development Program assists refugees in becoming economically self-sufficient, helps refugee communities in developing capital resources, and assists refugees in developing credit history and/or repairing their credit scores. This program provides technical assistance and capital to eligible refugee entrepreneurs to establish small businesses that will help them become economically self-sufficient.
 - Microloan Program – Jannus EO offers microlending to help individuals, families and communities realize financial health and resiliency while creating pathways to the financial mainstream. EO offers four types of microloans to meet the personal and business needs of individuals: small personal loans, workforce development loans, business microloans, Small Business Administration (SBA) intermediary loans. EO has helped hundreds achieve personal and small business financial success.
 - Starling - A Boise-based multicultural women’s mentoring program focused on fostering the advancement of young adult refugee women enrolled in higher education, ages 18-25, to maximize their potential as future leaders with opportunities to connect culturally, build social capital, attain hard-skills such as credit building, and ensure they have the support they need to attain college degrees.
 - Refugee Childcare Business Development Program (RCBD) – Funded by ORR, the refugee child care business development project offers childcare business development support that empowers refugees, primarily women, to become economically self-sufficient by establishing in-home childcares – a much needed service that provides culturally sensitive, affordable, safe, licensed care for children.

Public Policy

- Idaho Center for Fiscal Policy (ICFP) – Funded through the Annie E. Casey Foundation, the Center on Budget and Policy Priorities, and a variety of corporate, private foundation, and individual donors to conduct research and provide information about Idaho tax and budget issues, with particular emphasis on how Idaho pays for vital government services including education, public health and safety, and transportation. By offering data, reports, and commentary, ICFP is a source for understanding Idaho’s state budget and tax policies.
- Idaho Voices for Children (Voices) – Funded through the Annie E. Casey Foundation and a variety of corporate, private foundation, and individual donors, Voices develops and promotes a children’s policy agenda that targets health, education, and child well-being. Voices educates policymakers and the public, conducts research and analysis, and convenes partnerships to ensure that the needs of Idaho children are met. Voices serves as the KIDS COUNT grantee in Idaho to compile data and research that informs policy change to improve the lives of vulnerable children and their families. Through funding from the Robert Wood Johnson Foundation, the David and Lucile Packard Foundation, and Community Catalyst, Voices advocates for health coverage and improvements to Idaho’s behavioral health system. Voices also works on the policy initiatives of the Idaho Asset Building Network, which advances housing affordability through a grant from the National Low Income Housing Coalition.
- Idaho Out-of-School Network (ION) – Funded through the Charles Stewart Mott Foundation and a variety of community partners, ION ensures that Idaho youth have access to quality out-of-school programs by working to build statewide awareness about the importance of out-of-school programs, expand funding, and provide professional development opportunities for professionals working in out-of-school time programming. ION also hosts an interactive website with maps of programs statewide to help families find after school activities in their local communities.

Note 2 - Summary of Significant Accounting Policies

Cash and Cash Equivalents

We consider 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, 2019 and 2018.

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 2019 and 2018 and the allowance for doubtful accounts for grants and contracts receivable is \$0 as of June 30, 2019 and 2018.

Microloan Lending Transactions

Microenterprise Lending – Under grants from ORR and other funders, EO issues Microenterprise loans to generally underserved populations. These populations, generally 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, develop a credit history, and, in the case of EO's consumer loan product, meet emergency financial needs. Individual loans range from \$200 to a maximum of \$35,000 for terms ranging from six months to three 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. 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 by management considering the collectability of loans in light of 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, 2019 and 2018 was the best estimate of outstanding loans potentially unrecoverable, based on considerations including the portion of loan balances not fully covered by collateral, the loans in default status at June 30th, 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 or supplies, furniture or fixtures, and equipment. 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 up to 7.75% over its cost of funds on a microloan of more than \$10,000 and up to 8.5% over its cost of funds on a microloan of \$10,000 or less.

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 amount, borrower's business history, and personal references. At June 30, 2019 and 2018, the percent of microenterprise loans receivable balances collateralized by borrowers' business-related vehicles and equipment are 74% and 89%, 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, 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 a maximum of \$1,500 with no collateral required 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. 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:

	<u>2019</u>	<u>2018</u>
Microenterprise loans receivable, current	\$ 36,118	\$ 46,456
SBA microloan program loans receivable, current	33,962	25,207
Consumer loans receivable, current	24,511	3,053
Less allowance for doubtful accounts	<u>(21,176)</u>	<u>(18,553)</u>
Net microloans receivable, current	<u>73,415</u>	<u>56,163</u>
Microenterprise loans receivable, long-term	42,181	54,729
SBA microloan program loans receivable, long-term	71,626	63,733
Consumer loans receivable, long-term	<u>3,952</u>	<u>-</u>
Microloans receivable, long-term	<u>117,759</u>	<u>118,462</u>
Total microloans receivable	<u>\$ 191,174</u>	<u>\$ 174,625</u>

At June 30, 2019 and 2018, the total loan receivable balances that were past due 90 days or more were \$1,800 and \$0, 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 \$7,450 and \$17,600 as of June 30, 2019 and 2018, respectively.

Advertising (Marketing and Outreach)

Advertising costs, including marketing and client outreach, are expensed as incurred and amounted to \$156,318 and \$97,880 for the years ended June 30, 2019 and 2018, 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, office rent, maintenance, improvements, utilities, property taxes and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes which 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 (viii), and has been determined not to be a private foundation under Section 509(a)(1) and (3), respectively. 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 990-T) 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 Board members, governmental agencies, and foundations supportive of the Jannus' mission. Investments are made by diversified investment managers whose performance is monitored by Jannus and the investment committee of the Board of Directors. 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 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 are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and 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.

Adoption of New Accounting Standard

As of July 1, 2018, Jannus adopted the provisions of Accounting Standards Updated (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit-Entities*. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions) and enhance the disclosure requirements for Jannus' donor restricted endowment funds. The ASU introduces new disclosure requirements to provide information about what is included or excluded from Jannus' intermediate measure of operations as well as disclosures to improve a financial statement's user's ability to assess Jannus' liquidity and exposure to risk. The ASU also introduces presentation of investment returns on the statements of activities net of external and direct internal investment expenses.

Subsequent Events

Subsequent events have been evaluated through October 11, 2019 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:

Cash and cash equivalents	\$ 1,189,884
Other accounts receivable	<u>3,720</u>
	<u>\$ 1,193,604</u>

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

Note 4 - Promises to Give

Unconditional promises to give that are estimated to be collected within one year are \$4,450 and \$14,600 as of June 30, 2019 and 2018, respectively. Unconditional promises to give that are estimated to be collected from one year to within five years is \$3,000, as of June 30, 2019 and 2018.

Note 5 - In-Kind Contributions and Contributed Services

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

	2019	2018
Idaho Suicide Prevention Hotline - supplies, rent, services	\$ 291,207	\$ 296,435
Mountain States Early Head Start - supplies, rent, services, travel	57,424	70,536
Global Gardens - supplies, rent, services	77,938	59,117
Administration - services, supplies	20,979	33,447
Foster Grandparents - physicals, recognition	24,392	25,867
Agency for New Americans - supplies, rent	7,800	16,323
Retired Senior Volunteer Program - rent, recognition	-	16,154
Idaho Out-of-School Network - supplies, rent, services	20,048	13,799
Economic Opportunity - supplies, rent, services	436	10,236
PATH - rent, supplies	-	1,800
English Language Center - supplies	20,790	1,477
Legacy Corps - supplies, rent	1,350	-
Global Talent Idaho - services	<u>824</u>	<u>-</u>
Total in-kind contributions	<u>\$ 523,188</u>	<u>\$ 545,191</u>

Note 6 - 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 2019 are summarized below:

	<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)	\$ 322,823	\$ 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>\$ 608,320</u>	<u>\$ 367,638</u>	<u>\$ -</u>

Note 7 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 447,944	\$ 447,944
Building and improvements	1,819,002	1,805,197
Furniture, fixtures, and equipment	<u>271,678</u>	<u>263,546</u>
	2,538,624	2,516,687
Less accumulated depreciation	<u>(1,252,345)</u>	<u>(1,141,247)</u>
	<u>\$ 1,286,279</u>	<u>\$ 1,375,440</u>

Note 8 - Mortgages Payable

Mortgages payable consist of the following at June 30:

	2019	2018
Mortgage payable, refinanced in May 2019, 4.69%, monthly installments of \$3,673 to May 2029, secured by property	\$ 567,897	\$ 505,433
Mortgage payable, refinanced in April 2019, 5.00%, monthly installments of \$1,096 to April 2029, secured by property	165,220	170,000
	\$ 733,117	\$ 675,433

Future annual maturities of mortgages payable outstanding at June 30, 2019 are as follows:

2020		\$ 24,575
2021		23,544
2022		24,705
2023		25,923
2024		27,119
Thereafter		607,251
		\$ 733,117

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

Note 9 - SBA Microloan Program Notes Payable

Jannus participates in the Microloan Program administered by the Small Business Administration (SBA). As of June 30, 2018, Jannus has a zero percent note payable to the SBA with monthly installments of \$759 and maturing in February 2026. During the fiscal year ended June 30, 2019, Jannus acquired a second zero percent note payable with monthly installments of \$926 and maturing in November 2027. The contract rights of the loans made by Jannus in the Microloan Program and related loan loss reserve funding are pledged as collateral.

Future annual maturities of the SBA notes payable at June 30, 2019 are as follows:

2020		\$ 20,222
2021		20,222
2022		20,222
2023		20,222
2024		20,222
Thereafter		53,149
Total		\$ 154,259

Note 10 - 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 % (5.75% and 5.25% at June 30, 2019 and 2018, respectively). Interest is payable monthly, with accrued interest and principal due at maturity in March 2020. As of June 30, 2019 and 2018, there was no outstanding balance.

Note 11 - 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 July 2024. Future minimum rental payments required for such operating leases at June 30, 2019 are as follows:

2020		\$ 101,710
2021		72,421
2022		66,951
2023		56,599
2024		2,400
Total minimum lease payments		\$ 300,081

Rent expense for buildings, equipment, and the allocation of rent expense to programs for the Jannus-owned building for the years ended June 30, 2019 and 2018 was \$263,109 and \$298,706, respectively.

Note 12 - Net Assets with Donor Restrictions

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

	2019	2018
Subject to Expenditure for Specified Purpose		
Program specific support	\$ 934,364	\$ 903,564
Building acquired with Federal grant funds	324,108	334,530
	1,258,472	1,238,094
Subject to the Passage of Time		
Promises to give that are not restricted by the donors, but which are unavailable for expenditure until due	7,450	17,600
	\$ 1,265,922	\$ 1,255,694

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, 2019 and 2018, the board-designated endowment consisted of net assets of \$49,324 and \$52,000, respectively, including net assets with donor restrictions of \$7,450 and \$17,600, 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, 2019 and 2018:

	2019	2018
Satisfaction of purpose restrictions		
Restricted purpose spending in support of program services	\$ (775,222)	\$ (549,507)
Depreciation on building owned with federal interest	(10,422)	(10,422)
	(785,644)	(559,929)
Expiration of time restrictions		
Receipt of promises to give	(10,150)	-
	\$ (795,794)	\$ (559,929)

Note 13 - 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, 2019 and 2018 were \$354,202 and \$329,863, respectively. Employees are immediately vested in employer contributions.

Note 14 - 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:

<u>Source</u>	<u>2019</u> (in millions)	<u>2018</u> (in millions)
U.S. Department of Health and Human Services	\$ 5.81	\$ 5.73
U.S. Department of Agriculture	\$ 3.84	\$ 3.62

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, 2019

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, 2019, 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 October 11, 2019.

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) to determine 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 determination of financial statement amounts. 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
October 11, 2019



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, 2019. 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, 2019.

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
October 11, 2019

Jannus, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

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	10CH010540-01	\$ 2,093,435	\$ -
Wilson Fish Cooperative Agreement	93.583	90RW0052-03, 90RW0052-04	1,270,918	288,178
Refugee Social Services	93.566 *	1701IDRSOC, 1801IDRSOC, 1901IDRSOC	809,692	348,120
Refugee Targeted Assistance	93.584	16A1DRTAG, 17A1DRTAG	146,410	89,542
Refugee Home-Based Childcare	93.576 **	90RG0165-03, 90RG0197-01	196,108	-
Refugee Microenterprise Development	93.576 **	90RG0184-01, 90RG0184-02	194,211	-
Refugee Career Pathways	93.576 **	90ZM001301-00	122,110	-
Refugee Targeted Assistance - Discretionary	93.576 **	90RT0209-02	87,914	75,985
Total U.S. Department of Health and Human Services Direct Programs			<u>4,920,798</u>	<u>801,825</u>
Pass Through Programs Through				
Idaho Dept of Health & Welfare - Projects for Assist to Transition from Homelessness	93.150	BC028500	300,000	-
Idaho Dept of Health & Welfare - Refugee TANF Case Management- TANF Cluster	93.558	WC080500	258,411	57,302
University of Washington - SW Idaho Area Health Education Ctr	93.107	UWSC6106	87,380	-
Episcopal Migration Ministries (EMM) - Match Grant	93.567	90RV0065-03, 90RV0065	69,275	-
Idaho Dept of Health & Welfare - Refugee Community Health Worker Program	93.576 **	HC947600	59,236	-
Idaho Dept of Health & Welfare - ID Suicide Prevention Hotline	93.958	HC960100	50,000	-
Idaho Dept of Health & Welfare - Family Violence Prevention EHS	93.671	VC035200	24,366	-
Idaho Commission on Aging - Alzheimer's Disease Demonstration Grant	93.051		18,267	-
Central District of Health and Welfare - Refugee Entrant & Assistance	93.243		9,967	-
Idaho Dept of Health & Welfare - Refugee Entrant & Assistance	93.566 *	HC936200	8,206	-
National AHEC Organization - Improving HPV Immunization Rates	93.519		5,785	-
Total U.S. Department of Health and Human Services Pass through Programs			<u>890,893</u>	<u>57,302</u>
Total U.S. Department of Health and Human Services			<u>5,811,691</u>	<u>859,127</u>

Jannus, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

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				
Beginning Farmers & Ranchers Development Program	10.311	2016-70017-25378	217,734	-
Farmers Market Promotion Program	10.168	16FMPPID0043	97,540	-
Total U.S. Department of Agriculture Direct Programs			315,274	-
Pass Through Programs Through				
Idaho Dept of Education - Child and Adult Care Food Program	10.558	4864	3,520,184	-
Idaho Dept of Health & Welfare - SNAP	10.551	WC088600	3,290	-
Total U.S. Department of Agriculture Pass through Programs			3,523,474	-
Total U.S. Department of Agriculture			3,838,748	-
<u>Corporation for National and Community Service</u>				
Direct Programs				
Foster Grandparents - Foster Grandparent/ Senior Companion Cluster	94.011	18SFPID001	292,753	-
Pass Through Programs Through				
Arizona State University - Legacy Corps	94.006	ASUB00000150	40,564	-
Total Corporation for National and Community Service			333,317	-
<u>U.S. Small Business Administration</u>				
Direct Programs				
Microloan Intermediary Technical Assistance	59.046	SBAHQ-18-Y-0008	163,388	-
<u>U.S. Department of State</u>				
Pass Through Programs Through				
EMM - Cooperative Agreement (R&P)	19.510	S-PRMCO-18-CA-0008, S-PRMCO-19-CA-0028	154,898	-
<u>U.S. Department of Justice</u>				
Pass Through Programs Through				
Idaho Dept of Health & Welfare - Crime Victim Assistance ANA	16.575	*** VC035100	109,898	-
Idaho Dept of Health & Welfare - Crime Victim Assistance EHS	16.575	*** VC035200	13,003	-
Total U.S. Department of Justice			122,901	-

Jannus, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

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	19-7203	16,733	-
<u>U.S. National Aeronautics and Space Administration</u>				
Pass Through Programs Through University of Idaho - Space Grant Consortium	43.008	ES0666-SB-783961	9,540	-
Total Federal Financial Assistance			<u>\$ 10,451,216</u>	<u>\$ 859,127</u>

- * Total for CFDA 93.566 is \$817,898
- ** Total for CFDA 93.576 is \$659,579
- *** Total for CFDA 16.575 is \$122,901

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, 2019. 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, 2019 is:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Ending Balance at June 30, 2019</u>
59.046	SBA Microloan Program	\$144,597

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:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Early Head Start	93.600
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