



Financial Statements  
June 30, 2021 and 2020  
**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, 2021 and 2020, 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, 2021 and 2020, 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 November 15, 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  
November 15, 2021

Jannus, Inc.  
Statements of Financial Position  
June 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 4,188,771	\$ 2,428,984
Cash: Paycheck Protection Program	-	1,013,257
Investments	1,285,580	1,016,679
Grants and contracts receivable	1,795,287	1,238,854
Microloans receivable, net	190,603	298,106
Prepaid expenses and other assets	70,006	62,032
Property and equipment, net	1,202,889	1,239,492
Total assets	\$ 8,733,136	\$ 7,297,404
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 1,124,183	\$ 722,883
Accrued expenses	581,918	613,823
Deferred revenue	381,776	204,266
Refundable advance	1,525,668	767,389
Refundable advance: Paycheck Protection Program	-	959,520
SBA Microloan Program notes payable	241,683	259,093
Mortgages payable	684,753	708,428
Total liabilities	4,539,981	4,235,402
<b>Net Assets</b>		
Without donor restrictions	2,091,363	1,541,690
With donor restrictions		
Purpose restrictions	2,101,792	1,517,312
Time-restricted for future periods	-	3,000
	2,101,792	1,520,312
Total net assets	4,193,155	3,062,002
	\$ 8,733,136	\$ 7,297,404

Jannus, Inc.  
Statement of Activities  
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues</b>			
Grants and contracts	\$ 12,519,544	\$ 959,520	\$ 13,479,064
Fees for service and reimbursements	1,465,371	-	1,465,371
Contributions and donations	41,751	885,806	927,557
Gross special events revenue	3,025	75,799	78,824
Less cost of direct benefit to donors	(826)	-	(826)
Net special events revenue	2,199	75,799	77,998
In-kind and match contributions	465,747	-	465,747
Dividends and interest	19,855	-	19,855
Net investment return	141,720	-	141,720
Net assets released from restrictions for contributions spent in accordance with donor conditions	1,326,223	(1,326,223)	-
Net assets released from restrictions for depreciation on building owned with federal interest	10,422	(10,422)	-
Net assets released from time-restrictions	3,000	(3,000)	-
<b>Total support and revenues</b>	<b>15,995,832</b>	<b>581,480</b>	<b>16,577,312</b>
<b>Expenses</b>			
<b>Program services</b>			
Community health	7,715,300	-	7,715,300
Economic opportunity	4,693,380	-	4,693,380
Public policy	1,500,064	-	1,500,064
<b>Total program services</b>	<b>13,908,744</b>	<b>-</b>	<b>13,908,744</b>
<b>Supporting services</b>			
Administration	1,289,393	-	1,289,393
Building and equipment	248,022	-	248,022
<b>Total supporting services</b>	<b>1,537,415</b>	<b>-</b>	<b>1,537,415</b>
<b>Total expenses</b>	<b>15,446,159</b>	<b>-</b>	<b>15,446,159</b>
Change in Net Assets	549,673	581,480	1,131,153
Net Assets, Beginning of Year	1,541,690	1,520,312	3,062,002
Net Assets, End of Year	<u>\$ 2,091,363</u>	<u>\$ 2,101,792</u>	<u>\$ 4,193,155</u>

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)	-
<b>Total support and revenues</b>	<b>14,792,401</b>	<b>254,390</b>	<b>15,046,791</b>
<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
<b>Total program services</b>	<b>13,698,967</b>	<b>-</b>	<b>13,698,967</b>
Supporting services			
Administration	1,137,412	-	1,137,412
Building and equipment	218,488	-	218,488
<b>Total supporting services</b>	<b>1,355,900</b>	<b>-</b>	<b>1,355,900</b>
<b>Total expenses</b>	<b>15,054,867</b>	<b>-</b>	<b>15,054,867</b>
Change in Net Assets	(262,466)	254,390	(8,076)
Net Assets, Beginning of Year	1,804,156	1,265,922	3,070,078
Net Assets, End of Year	<u>\$ 1,541,690</u>	<u>\$ 1,520,312</u>	<u>\$ 3,062,002</u>

Jannus, Inc.  
Statements of Cash Flows  
Years Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Changes in net assets	\$ 1,131,153	\$ (8,076)
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	122,344	117,911
Realized and unrealized gain loss on investments	(141,720)	(30,759)
Loss on disposal of software	1,925	-
Changes in operating activities		
Grants and contracts receivable	(556,434)	27,308
Prepaid expenses and other assets	(7,974)	4,952
Accounts payable	401,300	70,532
Accrued expenses	(31,905)	14,613
Deferred revenue	177,510	(497,523)
Refundable advances	758,279	767,389
Refundable advances: Paycheck Protection Program	(959,520)	959,520
Net Cash from Operating Activities	894,958	1,425,867
Investing Activities		
Purchase of property and equipment	(87,665)	(71,124)
Purchase of investments	(127,181)	(9,963)
Microloan lending	(123,835)	(265,906)
Microloan cash collection	231,338	158,974
Net Cash used for Investing Activities	(107,343)	(188,019)
Financing Activities		
SBA Microloan Program note proceeds	-	120,000
SBA Microloan Program note payments	(17,410)	(15,166)
Mortgage payments	(23,675)	(24,689)
Net Cash (used for) from Financing Activities	(41,085)	80,145
Net Change in Cash and Cash Equivalents	746,530	1,317,993
Cash, Cash Equivalents, Cash Paycheck Protection Program, Beginning of Year	3,442,241	2,124,248
Cash and Cash Equivalents, End of Year	\$ 4,188,771	\$ 3,442,241
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 33,554	\$ 36,210



Jannus, Inc.  
Statement of Functional Expenses  
Year Ended June 30, 2021

Expenses	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total Expenditures
	Community Health	Economic Opportunity	Public Policy		Administration	Building & Equipment		
Salaries	\$ 2,247,405	\$ 1,511,465	\$ 628,954	\$ 4,387,824	\$ 796,149	\$ -	\$ 796,149	\$ 5,183,973
Benefits	701,096	439,039	154,336	1,294,471	206,847	-	206,847	1,501,318
Total salaries and benefits	2,948,501	1,950,504	783,290	5,682,295	1,002,996	-	1,002,996	6,685,291
Food program provider payments	2,761,621	-	-	2,761,621	-	-	-	2,761,621
Contracts and consulting	499,423	1,509,193	295,944	2,304,560	55,952	-	55,952	2,360,512
Indirect and administrative fees	504,497	378,478	178,774	1,061,749	-	-	-	1,061,749
Stipends, assistance, and participant support	235,439	379,305	3,882	618,626	-	-	-	618,626
Office rental and maintenance	191,167	202,327	33,923	427,417	36,291	64,314	100,605	528,022
Supplies	151,998	117,150	132,855	402,003	10,834	2,495	13,329	415,332
Travel	15,199	9,568	8,069	32,836	-	-	-	32,836
Depreciation	10,422	-	-	10,422	5,685	106,237	111,922	122,344
Telephone and utilities	85,703	22,871	8,577	117,151	6,780	16,909	23,689	140,840
Meetings and conferences	7,712	8,863	6,731	23,306	465	-	465	23,771
Staff and volunteer training	74,340	5,642	485	80,467	9,685	-	9,685	90,152
Legal and accounting	16,394	11,638	3,062	31,094	75,502	-	75,502	106,596
Computer supplies	42,563	22,486	7,356	72,405	22,658	-	22,658	95,063
Marketing and outreach	131,787	15,071	21,961	168,819	271	-	271	169,090
Insurance	7,007	12,197	1,522	20,726	51,664	-	51,664	72,390
Printing	21,159	8,262	2,773	32,194	6,777	-	6,777	38,971
Interest	-	-	-	-	-	33,554	33,554	33,554
Bad debt expense	-	37,277	-	37,277	-	-	-	37,277
Property taxes	-	-	-	-	396	22,588	22,984	22,984
Postage	9,983	3,357	1,443	14,783	4,420	-	4,420	19,203
Loss on disposal	-	-	-	-	-	1,925	1,925	1,925
Fundraising	385	2,081	10,697	13,163	-	-	-	13,163
Less expenses included with revenues on the statement of activities								
Cost of direct benefits to donors	-	(648)	(178)	(826)	-	-	-	(826)
Investment broker fees	-	(2,242)	(1,102)	(3,344)	(983)	-	(983)	(4,327)
Total expenditures	\$ 7,715,300	\$ 4,693,380	\$ 1,500,064	\$ 13,908,744	\$ 1,289,393	\$ 248,022	\$ 1,537,415	\$ 15,446,159

See Notes to Financial Statements

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

Expenses	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

## **Note 1 - Organization and Program Services**

### **Organization**

Jannus, Inc. (Jannus) 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 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, economic opportunity, and policy. An unwavering commitment to a culture of belonging and to fostering diversity, equity and inclusiveness is at the heart of Jannus. We embrace and celebrate the diversity of our staff, partners, volunteers and the communities we serve as reflected in our dedication to furthering these values through our policies, programs and all that we do.

### **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, and 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. Cash and cash equivalents held and managed in brokerage accounts are included in Investments and not 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, 2021 and 2020.

### **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 2021 and 2020, and the allowance for doubtful accounts for grants and contracts receivable is \$0 as of June 30, 2021 and 2020.

### **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, 2021 and 2020, 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, 2021 and 2020, respectively. For a microloan of \$10,000 or less, those rates ranged from 7.75% to 10.25% and from 7.75% to 12%, for years ended June 30, 2021 and 2020, 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, 2021 and 2020, the percent of microenterprise loans receivable balances collateralized by borrowers’ business-related vehicles and equipment are 65% and 66%, 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 %, 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 15% and 7.5% allowance at June 30, 2021 and 2020, 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:

	2021	2020
Microenterprise loans receivable, current	\$ 32,795	\$ 55,648
SBA microloan program loans receivable, current	57,325	60,513
Consumer loans receivable, current	38,899	54,593
Less allowance for doubtful accounts	(26,311)	(31,901)
Net microloans receivable, current	102,708	138,853
Microenterprise loans receivable, long-term	29,471	72,388
SBA microloan program loans receivable, long-term	55,396	77,501
Consumer loans receivable, long-term	3,028	9,364
Microloans receivable, long-term	87,895	159,253
Total microloans receivable	\$ 190,603	\$ 298,106

At June 30, 2021 and 2020, the total loan receivable balances that were past due 90 days or more were \$1,370 and \$146, 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 \$0 and \$3,000, as of June 30, 2021 and 2020, respectively.

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

Advertising costs, including marketing and client outreach, are expensed as incurred and amounted to \$169,090 and \$62,307, for the years ended June 30, 2021 and 2020, 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.

Management believes that each entity has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. Jannus would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred

## 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. 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 Jannus has incurred expenditures in compliance with specific contract or grant provisions. 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, at which time they are deemed earned and recognized. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Contributions are recognized when cash or other assets, or unconditional promise to give are 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.

Jannus received cost reimbursable grants that have not been recognized at June 30, 2021 and 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. Advanced payments of \$1,525,668 are recognized in the statement of financial position as a refundable advance as of June 30, 2021.

### **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**

As of July 1, 2019, Jannus adopted the provisions of FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, which provides a comprehensive revenue recognition model for all contracts with customers. The new model requires revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods and services.

Analysis of various provisions of this standard resulted in no significant changes in the way Jannus recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard. Jannus has adopted this standard as management believes the standard improves the usefulness and understandability of Janus' financial reporting.

### Subsequent Events

Subsequent events have been evaluated through November 15, 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:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,008,467	\$ 1,225,358
Operating Investments	281,005	160,152
Other accounts receivable	595	4,264
	<u>\$ 2,290,067</u>	<u>\$ 1,389,774</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 - In-Kind Contributions and Contributed Services

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

	<u>2021</u>	<u>2020</u>
Idaho Suicide Prevention Hotline - supplies, rent, services	\$ 300,537	\$ 263,702
Global Gardens - rent	87,770	73,640
Mountain States Early Head Start - supplies, rent, services, travel	53,707	56,446
Agency for New Americans - rent	9,000	19,291
Legacy Corps - rent	8,808	15,898
Foster Grandparents- supplies, rent, services, recognition, physicals	5,925	7,800
Economic Opportunity - supplies, rent, services		4,428
English Language Center - supplies, rent	-	631
Idaho Out-of-School Network - supplies, rent	-	300
	<u>\$ 465,747</u>	<u>\$ 442,136</u>
Total in-kind contributions	<u>\$ 465,747</u>	<u>\$ 442,136</u>

## 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 2021 and 2020 are summarized below:

<u>2021</u>	Total	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
Cash and money market funds (at cost)	\$ 212,416	\$ -	\$ -	\$ -
Equity mutual funds	332,598	332,598	-	-
Exchange traded funds	67,987	67,987	-	-
Bond mutual funds	545,619	545,619	-	-
Municipal and corporate bonds	126,960	-	126,960	-
	<u>\$ 1,285,580</u>	<u>\$ 946,204</u>	<u>\$ 126,960</u>	<u>\$ -</u>
<u>2020</u>	Total	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
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>

## Note 6 - Property and Equipment

Property and equipment consist of the following at June 30:

	2021	2020
Land	\$ 447,944	\$ 447,944
Building and improvements	1,879,277	1,854,193
Construction in process	48,945	-
Furniture, fixtures, and equipment	299,022	307,611
	<u>2,675,188</u>	<u>2,609,748</u>
Less accumulated depreciation	<u>(1,472,299)</u>	<u>(1,370,256)</u>
	<u>\$ 1,202,889</u>	<u>\$ 1,239,492</u>

**Note 7 - Mortgages Payable**

Mortgages payable consist of the following at June 30:

	2021	2020
Mortgage payable, refinanced in May 2019, 4.69%, monthly installments of \$3,673 to May 2029, secured by property	\$ 529,789	\$ 548,194
Mortgage payable, refinanced in April 2019, 5.00%, monthly installments of \$1,096 to April 2029, secured by property	154,964	160,234
	\$ 684,753	\$ 708,428

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

2022	\$ 24,718
2023	25,937
2024	27,134
2025	28,554
2026	29,963
Thereafter	548,447
Total	\$ 684,753

The loan agreement requires Jannus to meet certain operating and financial covenants, including a minimum liquidity amount. At June 30, 2021 and 2020, 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, 2021 and 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. Future annual maturities of the SBA notes payable at June 30, 2021, are as follows:

2022	\$ 33,680
2023	33,680
2024	33,680
2025	33,680
2026	33,680
Thereafter	73,283
Total	\$ 241,683

**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% at June 30, 2021 and 2020). Interest is payable monthly, with accrued interest and principal due at maturity in March 2021. As of June 30, 2021 and 2020, there was no outstanding balance. Jannus was in compliance with the loan covenants for the year ended June 30, 2021. Jannus received a waiver from compliance with certain loan covenants for the year ending June 30, 2020.

**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 2026. Future minimum rental payments required for such operating leases at June 30, are as follows:

2022	\$ 97,363
2023	65,378
2024	10,509
2025	1,677
2026	913
Total minimum lease payments	\$ 175,840

Rent expense for buildings, equipment, and the allocation of rent expense to programs for the Jannus-owned building for the years ended June 30, 2021 and 2020, was \$298,798 and \$287,193, respectively.

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

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

	2021	2020
Subject to Expenditure for Specified Purpose		
Program specific support	\$ 1,798,528	\$ 930,008
Paycheck Protection Program revenue	-	273,618
Building acquired with Federal grant funds	303,264	313,686
	2,101,792	1,517,312
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
	\$ 2,101,792	\$ 1,520,312

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, 2021 and 2020, the board-designated endowment consisted of net assets of \$109,196 and \$60,286, respectively, including net assets with donor restrictions of \$0 and \$3,000, 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions		
Restricted purpose spending in support of program services	\$ (1,326,223)	\$ (814,525)
Depreciation on building owned with federal interest	(10,422)	(10,422)
	<u>(1,336,645)</u>	<u>(824,947)</u>
Expiration of time restrictions		
Receipt of promises to give	(3,000)	(4,450)
	<u>\$ (1,339,645)</u>	<u>\$ (829,397)</u>

## 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, 2021 and 2020, were \$379,363 and \$394,997, 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:

<u>Source</u>	<u>2021</u> (in millions)	<u>2020</u> (in millions)
U.S. Department of Health and Human Services	\$ 5.55	\$ 5.82
U.S. Department of Agriculture	\$ 3.43	\$ 3.40

## 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. During the year ended June 30, 2020, Jannus 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 \$959,520 and \$273,618, as revenue for the year ended June 30, 2021 and 2020, respectively equivalent to the expenses eligible for forgiveness during the period. The remaining advance of \$0 and \$959,520, is included in Refundable Advances as of June 30, 2021 and June 31, 2020. Jannus received forgiveness for the loan in February 2021.

#### **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, 2021

**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, 2021, 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 November 15, 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  
November 15, 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, 2021. 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, 2021.

### **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 over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as 2021-001 that we consider to be a significant deficiency.

### **Jannus' Response to the Finding**

Jannus' responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Jannus' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

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.



Boise, Idaho  
November 15, 2021

Jannus, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Financial Assistance Listing 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	*	10CH010540-03	\$ 2,034,112	\$ -
Refugee Social Services	93.566	**	1801IDRSOC, 1901IDRSOC, 2001IDRSOC, 2101IDRSOC	1,202,119	744,527
Refugee Cash and Medical Assistance Program	93.566	**	'20ABIDRCMA, 21ABIDRCMA	772,542	69,845
Refugee Career Pathways	93.576	***	90ZM0013-01-02, 90ZM0013-	282,210	19,841
Refugee Home-Based Childcare	93.576	***	90RG0197-02, 90RG0197-03	198,665	-
Refugee Microenterprise Development	93.576	***	90RG0184-03, 90RG0184-04	192,748	-
Early Head Start Supplemental COVID-19 Funding	93.600	*	10CH010540-03-01	134,458	-
Wilson Fish TANF Coordination Program	93.583	****	90RW0076	125,064	1,062
Wilson Fish Cooperative Agreement	93.583	****	90RW0052-04	-	41,823
Total U.S. Department of Health and Human Services Direct Programs				<u>4,941,918</u>	<u>877,098</u>
Pass Through Programs Through					
Idaho Dept of Health & Welfare - Refugee TANF Case Management- TANF Cluster	93.558		WC080500, WC093300	141,987	32,579
University of Washington - SW Idaho Area Health Education Ctr	93.107		UWSC6106	113,865	-
Idaho Commission on Aging - Alzheimer's Disease Demonstration Grant	93.051		NA	55,549	-
Episcopal Migration Ministries (EMM) - Match Grant	93.567		90RV0065, 2002NYRVMG	52,730	-
Idaho Dept of Health & Welfare - Refugee Community Health Worker Program	93.576	***	HC947600	52,421	-
Idaho Dept of Health & Welfare - SW Idaho Suicide Prevention Hotline	93.958		HC960100	50,000	-
Idaho Dept of Health & Welfare - Child Care and Development - Idaho Out of School Network	93.575		WC091500	27,714	-
EMM - Preferred Communities Intensive Case Management Supplemental Funding	93.576	***	90RP0115-04-00	25,898	-
Idaho Commission on Aging - Idaho's Dementia - Capable Service System	93.051		90ADSG0001-01-00	24,025	-
Terry Reilly Health Services - COVID-19 and Suicide Prevention Project	93.665		1H79FG00036601	16,742	-
Idaho Dept of Education - GLS Idaho Lives Project	93.243		21-7810	16,130	-
University of Washington - Area Health Education Centers COVID-19	93.107		T1KHP391680100	15,000	-

Jannus, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Financial Assistance Listing Federal CFDA Number	Grant Award or Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed- Through to Subrecipients
Idaho Commission on Aging - Idaho's Lifespan Community Respite Project	93.072	90LRLI0014-01	11,963	-
Idaho Dept of Health & Welfare - Orientation to Health Careers	93.236	NA	3,050	-
EMM - Intensive Case Management Preferred Communities	93.576	*** 90RP0115	1,682	-
Idaho Dept of Health & Welfare - Refugee Entrant & Assistance	93.566	** HC936200, HC225500	1,292	-
Idaho Dept of Health & Welfare - Refugee Health Peer Program	93.566	** HC235300	964	-
Total U.S. Department of Health and Human Services Pass through Programs			<u>611,012</u>	<u>32,579</u>
Total U.S. Department of Health and Human Services			<u>5,552,930</u>	<u>909,677</u>
U.S. Department of Agriculture				
Direct Programs				
Local Food Promotion Program	10.175	AM190100XXXXG156	119,202	-
Outreach and Assistance for Socially Disadvantaged Farmers	10.443	AO202501X443G021	<u>77,300</u>	-
Total U.S. Department of Agriculture Direct Programs			<u>196,502</u>	-
Pass Through Programs Through				
Idaho Dept of Education - Child and Adult Care Food Program	10.558	4864	3,216,815	-
Idaho Dept of Education - Technology Improvement Program	10.541	NA	20,000	-
Idaho Dept of Health & Welfare - SNAP	10.551	WC088600	<u>1,960</u>	-
Total U.S. Department of Agriculture Pass through Programs			<u>3,238,775</u>	-
Total U.S. Department of Agriculture			<u>3,435,277</u>	-
<u>Corporation for National and Community Service</u>				
Direct Programs				
Foster Grandparents - Foster Grandparent/ Senior Companion Cluster	94.011	18SFPID001	327,898	-
Pass Through Programs Through				
Arizona State University - Legacy Corps	94.006	ASUB00000150	<u>44,643</u>	-
Total Corporation for National and Community Service			<u>372,541</u>	-

Jannus, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Financial Assistance Listing Federal CFDA Number	Grant Award or Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Small Business Administration</u>				
Direct Programs				
Microloan Intermediary Technical Assistance	59.046	SBAOCAML200072-01-00	233,434	-
<u>U.S. Department of State</u>				
Pass Through Programs Through				
EMM - Cooperative Agreement (R&P)	19.510	S-PRMCO-19-CA-0028	142,080	-
U.S. Department of Justice				
Pass Through Programs Through				
Idaho Dept of Health & Welfare - Crime Victim Assistance Agency for New Americans	16.575	VC043000	131,251	-
Total Federal Financial Assistance			<u>\$ 9,867,513</u>	<u>\$ 909,677</u>



**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, 2021. 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, 2021 is:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Ending Balance at June 30, 2021</u>
59.046	SBA Microloan Program	\$112,721

**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	Yes
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:	Yes

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing/ Federal CFDA Number
Early Head Start	93.600
Refugee Assistance	93.576

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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**Section II - Financial Statement Findings**

None reported

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

2021-001

Refugee Assistance- U.S. Department of Health and Human Services

CFDA# 93.576

Eligibility

Significant Deficiency in Internal Control over Compliance

Criteria:

2 CFR Section 200.514(c) states that Jannus must have internal controls over eligibility.

Condition:

During our internal control testing over eligibility we noted that eligibility determinations were not being reviewed.

Cause:

Jannus' existing control procedures for ensuring reports were reviewed was not strong enough to ensure that eligibility determinations were being approved.

Effect:

Jannus had no documentation of review over eligibility determinations.

Questioned Costs:

None reported

Context/Sampling:

Non statistical sampling was used. Sample size was 32 of 197 transactions were selected for eligibility.

Repeat Finding from Prior Year:

No

Recommendation:

Jannus should review the current control process over review eligibility determinations to ensure that information reported is accurate.

Views of Responsible Officials:

Jannus did not have any deficiencies in paying ineligible participants. A strong internal control is having one person perform the eligibility testing, and a second qualified person review and document their review and approval. Some of the records selected for testing had inadequate documentation of the secondary review.

To ensure adequate future internal controls, Jannus will train program staff on the importance of performing and documenting by a qualified second staff person. In addition, Jannus is implementing electronic review and approval tools to enhance the process and documentation, and will train the program staff on its usage and storage of reviewed documentation for eligibility verification.

Prior to the pandemic, Jannus internal controls were: one person performed the eligibility testing and a second person reviewed the eligibility criteria and manually signed the form to document their review. During the pandemic, Jannus staff transitioned to fully remote the entire fiscal year ended June 30, 2021. Jannus received conflicting guidance from our oversight agency that a pasted copy of a second signature on eligibility forms was sufficient documentation of review. Considering probable hybrid work models in the future, Jannus will implement electronic review and approvals going forward for both documentation effectiveness and process efficiency.