



Financial Statements
June 30, 2017 and 2016
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, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, the statement of functional expenses for the year ended June 30, 2017, 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, 2017 and 2016, 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 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 10, 2017 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 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 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 10, 2017

Jannus, Inc.
Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash	\$ 2,618,951	\$ 2,407,347
Cash held for fiduciaries	-	27,594
Grants and contracts receivable	1,125,471	1,330,863
Accounts receivable other	21,228	8,834
Microenterprise loans receivable, net	67,539	55,936
Prepaid expenses	51,476	39,505
Total current assets	3,884,665	3,870,079
Property and Equipment		
Land	221,433	221,433
Buildings and improvements	1,784,169	1,754,890
Furniture, fixtures, and equipment	240,669	125,932
Less accumulated depreciation	(1,034,195)	(978,427)
Total property and equipment	1,212,076	1,123,828
Long-Term Assets		
Microenterprise loans receivable, net	90,227	50,287
	\$ 5,186,968	\$ 5,044,194
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 584,208	\$ 752,308
Accrued wages and benefits	458,522	472,109
Deferred revenue	519,082	598,810
Due to fiduciaries	-	27,594
Current portion of SBA Microloan Program note payable	9,111	-
Current portion of mortgage payable	22,537	21,599
Total current liabilities	1,593,460	1,872,420
Long-Term Liabilities		
SBA Microloan Program note payable, less current portion	69,852	-
Mortgage payable, less current portion	505,433	527,971
Total long-term liabilities	575,285	527,971
Total liabilities	2,168,745	2,400,391
Net Assets		
Unrestricted	1,801,552	1,611,847
Temporarily restricted	1,216,671	1,031,956
Total net assets	3,018,223	2,643,803
	\$ 5,186,968	\$ 5,044,194

Jannus, Inc.
Statement of Activities
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Grants and contracts	\$ 13,534,056	\$ -	\$ 13,534,056
Fees for service and reimbursements	1,335,865	-	1,335,865
Contributions and donations	-	384,418	384,418
Gross special events revenue	-	144,810	144,810
Less cost of direct benefit to donors	-	(16,435)	(16,435)
Net special events revenue	-	128,375	128,375
In-kind and match contributions	475,171	-	475,171
Dividends and interest	13,114	-	13,114
Net assets released from restrictions for contributions spent in accordance with donor conditions	317,656	(317,656)	-
Net assets released from restrictions for depreciation on building owned with federal interest	10,422	(10,422)	-
Total support and revenues	15,686,284	184,715	15,870,999
Expenditures			
Salaries	4,676,445	-	4,676,445
Benefits	1,208,031	-	1,208,031
Total salaries and benefits	5,884,476	-	5,884,476
Contracts and consulting	2,543,245	-	2,543,245
Food program provider payments	2,534,004	-	2,534,004
Stipends, assistance, and participant support	1,870,367	-	1,870,367
Indirect and administrative fees	960,518	-	960,518
Office rental and maintenance	439,489	-	439,489
Supplies	215,215	-	215,215
Travel	213,056	-	213,056
Telephone and utilities	124,076	-	124,076
Staff and volunteer training	112,986	-	112,986
Legal and accounting	94,270	-	94,270
Depreciation	89,909	-	89,909
Meetings and conferences	88,246	-	88,246
Printing	64,750	-	64,750
Insurance	58,367	-	58,367
Marketing and outreach	58,307	-	58,307
Computer supplies	50,032	-	50,032
Postage	23,048	-	23,048
Interest	22,986	-	22,986
Property taxes	21,426	-	21,426
Bad debt expense	20,490	-	20,490
Fundraising	7,316	-	7,316
Total expenditures	15,496,579	-	15,496,579
Change in Net Assets	189,705	184,715	374,420
Net Assets, Beginning of Year	1,611,847	1,031,956	2,643,803
Net Assets, End of Year	\$ 1,801,552	\$ 1,216,671	\$ 3,018,223

Jannus, Inc.
Statement of Activities
Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Grants and contracts	\$ 12,771,531	\$ -	\$ 12,771,531
Fees for service and reimbursements	1,409,679	-	1,409,679
Contributions and donations	-	820,676	820,676
Gross special events revenue	-	119,206	119,206
Less cost of direct benefit to donors	-	(11,396)	(11,396)
Net special events revenue	-	107,810	107,810
In-kind and match contributions	564,034	-	564,034
Dividends and interest	11,413	-	11,413
Net assets released from restrictions for contributions spent in accordance with donor conditions	251,904	(251,904)	-
Net assets released from restrictions for depreciation on building owned with federal interest	10,422	(10,422)	-
Total support and revenues	15,018,983	666,160	15,685,143
Expenditures			
Salaries	4,670,040	-	4,670,040
Benefits	1,167,766	-	1,167,766
Total salaries and benefits	5,837,806	-	5,837,806
Contracts and consulting	2,610,925	-	2,610,925
Food program provider payments	2,380,568	-	2,380,568
Stipends, assistance, and participant support	1,622,614	-	1,622,614
Indirect and administrative fees	973,217	-	973,217
Office rental and maintenance	407,269	-	407,269
Travel	240,884	-	240,884
Supplies	214,377	-	214,377
Telephone and utilities	124,528	-	124,528
Meetings and conferences	114,606	-	114,606
Printing	99,763	-	99,763
Legal and accounting	96,566	-	96,566
Staff and volunteer training	75,596	-	75,596
Depreciation	74,915	-	74,915
Computer supplies	70,271	-	70,271
Insurance	64,966	-	64,966
Marketing and outreach	46,137	-	46,137
Interest	23,948	-	23,948
Postage	21,292	-	21,292
Property taxes	21,049	-	21,049
Fundraising	13,118	-	13,118
Bad debt expense	963	-	963
Total expenditures	15,135,378	-	15,135,378
Change in Net Assets	(116,395)	666,160	549,765
Net Assets, Beginning of Year	1,728,242	365,796	2,094,038
Net Assets, End of Year	<u>\$ 1,611,847</u>	<u>\$ 1,031,956</u>	<u>\$ 2,643,803</u>

Jannus, Inc.
Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Operating Activities		
Changes in net assets	\$ 374,420	\$ 549,765
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	89,909	74,915
Donated equipment capitalized	(10,900)	-
Donated building improvements capitalized	(3,620)	-
Changes in operating assets and liabilities		
Grants and contracts receivable	205,392	13,511
Accounts receivable other	(12,394)	3,084
Prepaid expenses	(11,971)	9,376
Accounts payable	(168,100)	96,284
Accrued wages and benefits	(13,587)	17,865
Deferred revenue	(79,728)	(304,775)
Due to fiduciaries	(27,594)	(34,483)
Net Cash from Operating Activities	341,827	425,542
Investing Activities		
Purchase of buildings and improvements	(25,659)	(14,363)
Purchase of furniture, fixtures, and equipment	(137,978)	-
Microenterprise lending	(179,302)	(85,029)
Microenterprise cash collection	127,759	126,525
Net Cash (used for) from Investing Activities	(215,180)	27,133
Financing Activities		
SBA Microloan Program note proceeds	82,000	-
SBA Microloan Program note payments	(3,037)	-
Mortgage payments	(21,600)	(20,638)
Net Cash from (used for) Financing Activities	57,363	(20,638)
Net Change in Cash	184,010	432,037
Cash, Beginning of Year	2,434,941	2,002,904
Cash, End of Year	\$ 2,618,951	\$ 2,434,941
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 22,986	\$ 23,948

Jannus, Inc.
Statement of Functional Expenses
Year Ended June 30, 2017

	Community Health	Economic Opportunity	Public Policy	Total Program Services	Administration	Building & Equipment	Total Expenditures
Expenditures							
Salaries	\$ 2,406,824	\$ 1,265,413	\$ 357,423	\$ 4,029,660	\$ 646,785	\$ -	\$ 4,676,445
Benefits	664,493	319,432	78,909	1,062,834	145,197	-	1,208,031
Total salaries and benefits	3,071,317	1,584,845	436,332	5,092,494	791,982	-	5,884,476
Contracts and consulting	475,790	1,935,970	89,100	2,500,860	42,385	-	2,543,245
Food program provider payments	2,534,004	-	-	2,534,004	-	-	2,534,004
Stipends, assistance, and participant support	247,306	1,575,095	47,966	1,870,367	-	-	1,870,367
Indirect and administrative fees	521,533	373,612	65,373	960,518	-	-	960,518
Office rental and maintenance	183,293	152,550	25,540	361,383	31,084	47,022	439,489
Supplies	109,045	78,154	9,154	196,353	18,862	-	215,215
Travel	134,350	34,648	36,953	205,951	7,105	-	213,056
Telephone and utilities	75,157	20,332	3,793	99,282	4,573	20,221	124,076
Staff and volunteer training	104,278	4,910	179	109,367	3,619	-	112,986
Legal and accounting	9,995	11,519	1,915	23,429	70,841	-	94,270
Depreciation	-	-	-	-	1,288	88,621	89,909
Meetings and conferences	23,081	47,288	15,456	85,825	2,421	-	88,246
Printing	28,478	17,784	13,727	59,989	4,761	-	64,750
Insurance	5,833	10,282	308	16,423	41,944	-	58,367
Marketing and outreach	30,230	15,504	12,523	58,257	50	-	58,307
Computer supplies	26,216	15,909	2,913	45,038	4,994	-	50,032
Postage	9,046	4,679	4,425	18,150	4,898	-	23,048
Interest	-	-	-	-	-	22,986	22,986
Property taxes	-	-	-	-	-	21,426	21,426
Bad debt expense	-	20,490	-	20,490	-	-	20,490
Fundraising	-	2,661	4,655	7,316	-	-	7,316
Total expenditures	<u>\$ 7,588,952</u>	<u>\$ 5,906,232</u>	<u>\$ 770,312</u>	<u>\$ 14,265,496</u>	<u>\$ 1,030,807</u>	<u>\$ 200,276</u>	<u>\$ 15,496,579</u>

See Notes to Financial Statements

Note 1 - Organization and Program Services

Organization

Jannus, Inc. is a 501(c)(3) nonprofit corporation, 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, Nampa, Rathdrum, 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) 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 158 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. The TANF grant ended June 30, 2017.
- Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV) – Funded through USDHHS and passed through the Idaho Department of Health and Welfare (IDH&W), MIECHV is designed to identify and provide comprehensive services to improve outcomes for families who reside in at-risk communities and improve coordination of services for at-risk communities. Using the Early Head Start Home-Based model, MIECHV is funded to serve 15 participants in Shoshone and Kootenai Counties in northern Idaho. Through the MIECHV program, enrolled infants, toddlers, pregnant women, and their families receive the same Early Head Start services as provided through the USDHHS and TANF grants. This grant ended October 31, 2016.
- Nutrition Works – Jannus is a sponsoring organization for the Child and Adult Care Food Program in Idaho. The program's goal is to help child care providers (family child care and centers) serve nutritious meals and snacks to children in their care by providing food reimbursement money and nutrition training to sponsored providers. 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 with education 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 encourages individuals experiencing mental illness and their families to have a voice in how Idaho’s mental health services are provided. Empower Idaho provides statewide support to consumers of behavioral health services and family members by disseminating behavioral health information, increasing public awareness, representing the consumer voice at the state level, and serving as a resource for those touched by matters of behavioral health.
- Idaho Peer Support Specialist Training (PSST) – Funded through IDH&W, PSST trains individuals who have a lived experience with mental illness and recovery to support the recovery of others. In addition to providing peer support specialist training, PSST delivered agency readiness training for agencies starting and/or sustaining their peer support programs. This contract ended March 31, 2017.
- Idaho Certified Peer Specialist Endorsement Curriculum Development and Training – Funded through IDH&W to work with Idaho peers and professionals to build and deliver endorsement trainings that enable Idaho Peer Support Specialists to serve select populations. Curriculum development and training is provided for Behavioral Health Crisis Center Endorsement, Co-Occurring Endorsement, and Criminal Justice Endorsement. This contract ended June 30, 2016.
- 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 61,331 hours of service to children in the schools, libraries, head start/early head start centers, boys and girls clubs, and other educational nonprofit locations.
- Retired and Senior Volunteer Program (RSVP) – Serves ten counties in southwestern Idaho providing persons 55 years and older opportunities to address critical community needs and enhance their lives through volunteer service. Primarily supported with federal funds through CNCS, RSVP obtains approximately 30 percent of its funding from a variety of community sources. During this fiscal year, RSVP volunteers provided 79,588 volunteer hours to their service communities.

- Legacy Corps for Veteran and Military Families – Funded primarily through CNCS and passed through the University of Maryland, 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.
- Honoring Choices Idaho (HCI) – Funded primarily through the St. Luke’s and Saint Alphonsus Health Systems 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.
- Idaho Area Health Education Center (AHEC) – Enhances Idaho’s healthcare workforce and community health in rural and under-served areas by partnering with educational institutions and state, regional, and national primary care proponents. Major activities include health careers promotion and recruitment, community-based student education, and professional education and support. AHEC is affiliated with the University of Washington School of Medicine WWAMI Program, a five state collaboration for medical education which takes its name from the first letter of each of the states who partner together: Washington, Wyoming, Alaska, Montana, and Idaho.

Economic Opportunity

- Idaho Office for Refugees (IOR) – Responsible for administration of the State of Idaho’s refugee resettlement program, overseeing the resettlement of 1,129 new refugees in Idaho during the fiscal year from eighteen different countries, primarily from Democratic Republic of the Congo, Iraq, Syria, and Afghanistan. IOR receives USDHHS funds from the Federal Office of Refugee Resettlement (ORR). IOR supports interim financial assistance, English language training, 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) – ELC provides English language instruction for adult refugees to enhance their employability and promote economic self-sufficiency. The ELC also provides cultural orientation classes and employment readiness classes through the WorkStyles program.
 - 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. Direct services include specialized English language classes and assistance with naturalization for those who have been in the United States for five years or longer.
 - 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. The intent is to ease the adjustment of children into the mainstream classroom and provide additional resources for this purpose.

- Refugee Savings Program – Funded through ORR, this Individual Development Account (IDA) Savings program encourages self-sufficiency through education, training, and saving and provides a match of participant savings on a one to one basis. Participants work toward meeting savings goals for home purchase, small business startups, post-secondary education and training, or vehicles when needed for employment. This grant ended December 31, 2016.
- Global Gardens – Funded primarily through a variety of USDA programs, Global Gardens seeks opportunities to utilize urban spaces for agriculture to train and support farmers and gardeners. Goals of the program are 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 Gardens also has a small program on the Duck Valley Reservation to offer training and technical assistance to beginning Native American farmers and gardeners.
- Global Talent Idaho (GTI) – Funded through the Idaho Department of Labor (IDOL), United Way, and a variety of corporate and individual donors, GTI is a workforce development initiative to enable skilled new Americans to successfully integrate into professional roles in Idaho. GTI coordinates training and case management support to help refugees and other foreign-trained immigrants reclaim professional careers. IDOL funding ended June 30, 2017.
- Agency for New Americans (ANA) – Provided initial reception and placement services to 229 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, senior refugee services, 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 subrecipient from IOR, and through community donations and support. ANA maintains a Board of Immigration Appeals accreditation for its Immigration Program. ANA also offers assistance to refugees enrolling in Your Health Idaho, the Idaho Health Insurance Exchange.
- Economic Opportunity (EO) – Through a variety of programs and funding sources, EO specializes in providing the support needed to launch and grow local businesses through microloan funds, one-on-one consulting, and credit coaching.
 - 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.
 - Women’s Business Center (WBC) – Funded by the U.S. Small Business Administration to provide in-depth start-up feasibility assistance, business planning, consulting, and loan packaging services to socially and economically disadvantaged entrepreneurs with either emerging or established businesses. This grant ended June 30, 2016.

- Microloan Program – Funded by the U.S. Small Business Administration to provide microloans to start-up, newly established, or growing small businesses. The program also provides training and technical assistance for microloan borrowers and potential borrowers.
- Refugee Childcare Business Development Program – Funded by ORR, the refugee child care business development project provides funding for home-based child care mentoring programs primarily for refugee women interested in providing child care services in their homes. This project provides business development training, one-on-one consulting, professional referrals and resources needed for refugees to own and operate home-based child care businesses.
- Financial Capability Project – Funded by the Northwest Area Foundation and the Laura Moore Cunningham Foundation, the Financial Capability Project builds financial capabilities through education, coaching, counseling, training, and credit-building by increasing outreach services and building relationships that lead to increased micro-entrepreneurship opportunities in Native American, immigrant, and Latino communities.

Public Policy

- Idaho Center for Fiscal Policy (ICFP) – Funded through the Annie E. Casey Foundation 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 (IVC) – Funded through the Annie E. Casey Foundation and a variety of corporate, private foundation, and individual donors, Idaho Voices for Children develops and promotes a children's policy agenda that targets health, education, and child well-being. IVC educates policymakers and the public, conducts research and analysis, and convenes partnerships to ensure that the needs of Idaho children are met. IVC serves as the KIDS COUNT in Idaho to compile data and research that informs policy change to improve the lives of vulnerable children and their families. IVC also works on the policy initiatives of the Idaho Asset Building Network, funded by the Northwest Area Foundation through a contract with Partners for Prosperity.
- Idaho After School Network (IAN) – Funded through the Charles Stewart Mott Foundation and a variety of community partners, IAN 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 create a statewide map to help families find after school activities in their local communities.

Note 2 - Summary of Significant Accounting Policies

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.

Cash

Cash includes all monies in banks. Cash reconciled with the statements of cash flows as of June 30 is as follows:

	2017	2016
Cash	\$ 2,618,951	\$ 2,407,347
Cash held for fiduciaries (see due to fiduciaries below)	-	27,594
Cash per statements of cash flows	\$ 2,618,951	\$ 2,434,941

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 8).

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, 2017 and 2016.

Depreciation expense was \$89,909 and \$74,915 for the years ended June 30, 2017 and 2016, respectively.

Due to Fiduciaries

Jannus acted as a fiduciary or trustee holding cash in separate bank accounts on behalf of clients. Jannus was the administrator for parallel savings accounts for the federally-funded Refugee Savings Program, which provided for a one to one match of federal dollars for participating refugees. The Refugee Savings Program ended December 31, 2016. The balance held as of June 30, 2017 and 2016 was zero and \$27,594 respectively.

Grants, Contracts, Revenues and Receivables

Support received under grants and contracts is treated as an exchange transaction. Exchange transactions are reciprocal transfers in which each party receives and sacrifices something of approximately equal value. For grants and contracts, revenue is recognized to the extent of related costs incurred. 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 2017 and 2016 and the allowance for doubtful accounts for grants and contracts receivable is zero as of June 30, 2017 and 2016.

Microenterprise and Consumer Lending Transactions

Microenterprise Lending – Under grants from ORR, the Northwest Area Foundation, and a variety of financial institutions, EO issues microenterprise loans to generally underserved populations interested in starting or expanding a small business. 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, for refugees, continue to learn about business practices in the United States. Individual loans range from \$500 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 percent allowance at June 30, 2017 and 2016 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 – During the year ended June 30, 2017, Jannus received a zero percent loan from the Small Business Administration (SBA) as a participant in the Microloan Program. Jannus is using proceeds of this loan 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. Approximately 89 and 93 percent of the microenterprise loans receivable balance, at June 30, 2017 and 2016, respectively, is collateralized by borrowers' business related vehicles and equipment. 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 required to complete a financial literacy curriculum and are able to take advantage of free financial and credit coaching to improve their financial stability and resiliency.

Consumers can borrow a maximum of \$1,000 with no collateral required and terms up to 12 months. Interest on loans is charged at 18 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. A closing fee or small program participant loan fee is collected and recognized as fee income in the period received.

At June 30, 2017 and 2016, the loan receivable balances that were past due 90 days or more were \$8,759 and \$0, respectively.

The microenterprise and consumer loans receivable balance for the years ending June 30, are as follows:

	2017	2016
Microenterprise loans receivable, current	\$ 48,246	\$ 61,527
SBA microloan program loans receivable, current	28,703	-
Consumer loans receivable, current	6,439	-
Less allowance for doubtful accounts	(15,849)	(5,591)
Net microenterprise and consumer loans receivable, current	67,539	55,936
Microenterprise loans receivable, long-term	47,246	50,287
SBA microloan program loans receivable, long-term	42,981	-
Microenterprise and consumer loans receivable, long-term	90,227	50,287
Total microenterprise and consumer loans receivable	\$ 157,766	\$ 106,223

Advertising (Marketing and Outreach)

Advertising costs, including marketing and client outreach, are expensed as incurred and amounted to \$58,307 and \$46,137 for the years ended June 30, 2017 and 2016, 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 statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, Jannus has not experienced losses in any of these accounts. Credit risk associated with accounts receivable, including grants and contracts receivable, 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 organizations supportive of Jannus's mission.

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:

Unrestricted Net Assets – Net assets available for use in general operations. 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.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or the organization's actions and/or the passage of time.

Jannus reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the organization's actions. Jannus does not have any net assets that are considered permanently restricted.

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 is received. Generally, contributions related to special events are recognized in the period that the event occurs. If the possibility that the event will not take place is so remote that it is negligible or the donor explicitly waives the condition that the event takes place, contributions related to special events are recognized when cash is received.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to Jannus’s 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. Jannus records donated professional services at the respective fair values of the services received. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization’s capitalization policy.

Subsequent Events

Subsequent events have been evaluated through October 10, 2017, the date the financial statements were available to be issued.

Recent Accounting Guidance

The Financial Accounting Standards Board (FASB) issued ASU 2016-14 (the ASU) Presentation of Financial Statements for Not-for-Profit Entities during August 2016. The ASU is the first in a two-phase FASB project that will change the way not-for-profit (NFP) entities present their financial statements and related disclosures. It seeks to improve NFP financial reporting by simplifying net asset classifications and enhancing presentation and disclosure requirements regarding liquidity, financial performance, and cash flows. The ASU is effective for fiscal years beginning after December 15, 2017.

Note 3 - In-Kind Contributions and Contributed Services

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

	2017	2016
Idaho Suicide Prevention Hotline - supplies, rent, services	\$ 261,184	\$ 287,662
Mountain States Early Head Start - supplies, rent, services, travel	69,032	68,043
Global Gardens - supplies, rent, services	32,453	38,469
Idaho After School Network - supplies, rent, services	29,299	6,568
Foster Grandparents - physicals, recognition	24,710	22,396
Retired Senior Volunteer Program - rent, recognition	21,296	18,067
Agency for New Americans - supplies, rent, auction items	18,135	95,570
Economic Opportunity - supplies, rent, services, auction items	9,150	271
Administration - supplies, rent, services	7,158	400
PATH - supplies, rent	1,780	600
Legacy Corps - supplies, rent, services	534	547
Global Talent Idaho - services	240	-
AHEC - services	200	9,826
Honoring Choices Idaho - services	-	11,465
English Language Center - services	-	4,150
	\$ 475,171	\$ 564,034
Total in-kind contributions		

Note 4 - Mortgage Payable

Jannus has a mortgage secured by a deed of trust on the property located at 1607 W. Jefferson St. in Boise, Idaho. This property, with related building improvements, has a carrying value of \$410,711 at June 30, 2017. Principal and interest are payable in monthly installments by the 10th of each month. The interest rate is fixed at 4.2 percent and the monthly installment is \$3,715. Payment in full is due on the maturity date of May 10, 2019. Maturities are as follows:

2018	\$ 22,537
2019	<u>505,433</u>
Total	<u><u>\$ 527,970</u></u>

Note 5 - SBA Microloan Program Note Payable

Jannus has a zero percent note payable to the Small Business Administration (SBA) as a participant in the Microloan Program administered by the SBA. The note is payable in monthly installments of \$759 to maturity on February 28, 2026. The contract rights of the loans made by Jannus in the Microloan Program and related loan loss reserve funding are pledged as collateral. Maturities are as follows:

2018	\$ 9,111
2019	9,111
2020	9,111
2021	9,111
2022	9,111
Thereafter	<u>33,408</u>
Total	<u><u>\$ 78,963</u></u>

Note 6 - Line of Credit

Jannus has a \$300,000 revolving line of credit with US Bank secured by the property located at 1607 W. Jefferson St. in Boise, Idaho. The facility bears interest at an annual rate of prime plus 0.25 percent, but no less than 4 percent. At June 30, 2017, the interest rate was 4 percent. The facility requires a current ratio of 1 to 1 and a fixed charge coverage ratio of at least 1.15 to 1. At June 30, 2017, Jannus was in compliance with the covenants. Interest is payable monthly, with the final interest payment due and payable on January 31, 2018. The line of credit balance is zero at both June 30, 2017 and 2016.

Note 7 - Operating Lease Arrangements

Jannus leases, under operating leases, buildings and office equipment located in Boise, Coeur d’Alene, Rathdrum, and Sandpoint, Idaho.

The building lease terms for the MSEHS center in Coeur d’Alene is \$1 per year for 25 years ending February 10, 2023. This lease automatically renews for another 25 years as long as Jannus receives MSEHS funding.

The building lease for the MSEHS center in Sandpoint is \$4,086 per month for 10 years ending June 30, 2023. This lease payment will adjust on July 1, 2018 based on the Consumer Price Index.

The building lease for the English Language Center in Boise was \$3,328 per month for 2 years ending March 31, 2017. This lease was continued on a month-to-month basis after the termination date for \$4,992 per month.

The building lease for the Idaho Suicide Prevention Hotline in Boise is \$200 per month for 12 months ending October 31, 2017. This lease is negotiated and renewed annually.

Equipment under operating leases includes six copy machines and a postage meter in Boise, and copy machines and postage meters in Coeur d’Alene, Rathdrum, and Sandpoint.

Minimum lease payments under operating leases for buildings and equipment are as follows:

Year ending June 30,	Operating Lease
2018	\$ 77,296
2019	62,839
2020	61,026
2021	52,018
2022	51,271
Thereafter	49,030
Total minimum lease payments	\$ 353,480

Rent expense for buildings, equipment, and the allocation of rent expense to programs for the Jannus-owned building for the years ended June 30, 2017 and 2016 was \$284,447 and \$283,643, respectively.

Note 8 - Temporarily Restricted Net Assets

In prior years, MSEHS used an American Recovery and Reinvestment Act (ARRA) expansion grant to purchase land and construct a building in Rathdrum, Idaho resulting in temporarily restricted net assets of \$344,952 and \$355,374 as of June 30, 2017 and 2016, respectively. According to federal regulation 45 CFR 1309.21, the federal government maintains an interest in all real property acquired with grant funds; therefore the cost of the land and building is reflected as temporarily restricted net assets. The building is being depreciated in accordance with Jannus policy and temporarily restricted net assets are released accordingly.

Temporarily restricted net assets also consist of contributions restricted by donors to support program services of Jannus. Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose. The amount of contributions with donor stipulations included in temporarily restricted net assets at June 30, 2017 and 2016 were \$871,717 and \$676,582, respectively.

Note 9 - Retirement Plans

Jannus's defined contribution 403(b) plan covers substantially all employees 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, 2017 and 2016 were \$341,812 and \$319,788, respectively. Employees are immediately vested in employer contributions.

Note 10 - Concentration of Revenue

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

Source	2017 (in millions)	2016 (in millions)
U.S. Department of Health and Human Services	\$ 6.80	\$ 7.17
U.S. Department of Agriculture	\$ 3.22	\$ 2.99

Note 11 - Claims and Litigation

Jannus had previously been named in a number of complaints from individuals and outside organizations. As of June 30, 2017, Jannus received its final no probable cause determination and has no remaining pending claims as of June 30, 2017.

Note 12 - 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, 2017

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, 2017, 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 10, 2017.

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 opinions 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
October 10, 2017



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, 2017. 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, 2017.

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.

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

Boise, Idaho
October 10, 2017

Jannus, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

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				
Wilson Fish Cooperative Agreement	93.583	90RW0052/01, 90RW0052/02	\$ 2,285,648	\$ 543,635
Early Head Start	93.600	10CH0190/04	2,021,879	-
Refugee Social Services	93.566	*** 1501IDRSOC, 1601IDRSOC, 1701IDRSOC	845,908	508,538
Refugee Targeted Assistance	93.584	15A1IDRTAG, 16A1IDRTAG	369,164	236,580
Refugee Home-Based Childcare	93.576	* 90RG0165/01, 90RG0165/02	179,429	-
Refugee Microenterprise Development	93.576	* 90RG0141/03, 90RG0141/04	114,772	-
Refugee Targeted Assistance - Discretionary	93.576	* 90RT0172/03, 90RT0209/01	83,674	58,802
Refugee School Impact	93.576	* 90ZE0191/02	69,369	67,324
Refugee Individual Development Account Savings Program	93.576	* 90ZI0098/03	40,016	-
Total U.S. Department of Health and Human Services Direct Programs			6,009,859	1,414,879
Pass Through Programs Through				
Idaho Dept of Health & Welfare - Refugee TANF Case Management	93.558	** WC080500	311,450	144,854
Idaho Dept of Health & Welfare - Projects for Assistance to Transition from Homelessness	93.150	BC015600, BC024200	149,375	-
Episcopal Migration Ministries (EMM) - Match Grant	93.567	90RV0065/02, 90RV0065/03	109,521	-
University of Washington - Idaho Area Health Education Ctr	93.107	UWSC6106	74,881	-
Idaho Head Start Association - TANF	93.558	** 18-201712	65,237	-
Idaho Dept of Health & Welfare - Maternal, Infant and Early Childhood Home Visiting Program	93.505	HC751000	51,267	-
Your Health Idaho - Individual Person Assister	93.519	JAN2016EE, JAN2017EE	19,149	-
Idaho Dept of Health & Welfare - Refugee Entrant & Assistance	93.566	*** HC936200	6,546	-
Idaho Dept of Health & Welfare - Orientation to Health Careers	93.913	N/A	2,499	-
Idaho Dept of Health & Welfare - Refugee Community Health Worker Program	93.576	* HC947600	467	-
Total U.S. Department of Health and Human Services Pass through Programs			790,392	144,854
Total U.S. Department of Health and Human Services			6,800,251	1,559,733
<u>U.S. Department of Agriculture</u>				
Direct Programs				
Beginning Farmers & Ranchers Development Program	10.311	2016-70017-25378	159,542	-
Farmers Market Promotion Program	10.168	16FMPPID0043	21,494	-
Outreach and Assistance	10.443	59-2501-15-023	19,297	-
Community Food Projects	10.225	2013-33800-21418	8,972	-
Total U.S. Department of Agriculture Direct Programs			209,305	-

Jannus, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

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
Pass Through Programs Through				
Idaho Dept of Education - Child and Adult Care Food Program	10.558	4864	2,976,777	-
Washington State University - Ag Risk Management Education Program	10.500	108815_G003537	30,295	-
Total U.S. Department of Agriculture Pass through Programs			<u>3,007,072</u>	-
Total U.S. Department of Agriculture			<u>3,216,377</u>	-
<u>U.S. Department of State</u>				
Pass Through Programs Through				
EMM - Cooperative Agreement (R&P)	19.510	SPRMC016CA1008, SPRMC017CA1009	453,328	-
<u>Corporation for National Service</u>				
Direct Programs				
Foster Grandparents	94.011	15SFPID001	287,285	-
Retired Senior Volunteer Program	94.002	15SRPID002	114,660	-
Total Corporation for National Service Direct Programs			<u>401,945</u>	-
Pass Through Programs Through				
University of Maryland - Legacy Corps	94.006	29076-Z9091110	37,069	-
Total Corporation for National Service			<u>439,014</u>	-
<u>U.S. Department of Labor</u>				
Pass Through Programs Through				
Idaho Department of Labor - Workforce Innovation and Opportunity	17.277	IREF-17N-320	214,422	-
<u>U.S. Small Business Administration</u>				
Direct Programs				
Microloan Intermediary Technical Assistance	59.046	SBAHQ-16-Y-0029	90,876	-
<u>U.S. Department of Education</u>				
Pass Through Programs Through				
Idaho Dept of Education - Idaho After School Network	84.287	16-7205, 17-7203	81,904	-
<u>U.S. Department of Justice</u>				
Pass Through Programs Through				
Idaho Dept of Health & Welfare - Crime Victim Assistance	16.575	VC028900	80,000	-
<u>U.S. National Aeronautics and Space Administration</u>				
Pass Through Programs Through				
University of Idaho - Space Grant Consortium	43.008	FPK900-SB-028	5,797	-
Total Federal Financial Assistance			<u>\$ 11,381,969</u>	<u>\$ 1,559,733</u>

* Total for CFDA 93.576 is \$487,727
** Total for CFDA 93.558 is \$376,687
*** Total for CFDA 93.566 is \$852,454

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jannus, Inc. (Jannus), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Jannus received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note 2 - Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting. 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’s summary of significant accounting policies is presented in Note 2 in Jannus’s basic financial statements.

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

Note 3 - Major Programs

The following programs have been identified as a major program for the year ended June 30, 2017:

Early Head Start	CFDA Number: 93.600
Wilson Fish Cooperative Agreement	CFDA Number: 93.583
Refugee Social Services	CFDA Number: 93.566

Note 4 - 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’s basic financial statements. Loans made during the year are included in the federal expenditures presented in the schedule. The receivable balance at June 30, 2017 is:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Ending Balance at June 30, 2017</u>
59.046	SBA Microloan Program	\$71,684

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
Wilson Fish Cooperative Agreement	93.583
Refugee Social Service	93.566
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported