

# Financial Statements

Jannus, Inc.  
(a nonprofit organization)  
Includes Supplementary Information  
Years Ended June 30, 2024 and 2023



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Jannus, Inc  
Boise, Idaho

### Opinion

We have audited the financial statements of Jannus, Inc, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jannus, Inc as of June 30, 2024 and 2023, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jannus, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jannus, Inc's ability to continue as a going concern for one year after the date that the financial statements are issued.





## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jannus, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jannus, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

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, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis 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 information 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 6, 2024 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.

*Harvie CPA, P.C.*

Meridian, Idaho  
November 6, 2024

**JANNUS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2024 and 2023**

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	<u>2024</u>	<u>2023</u>
ASSETS		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,663,014	\$ 2,042,567
Investments	5,450,703	4,970,613
Grants and contracts receivable	2,721,584	3,065,842
Current portion of Microloans receivable, net	42,867	70,358
Prepaid expenses and other assets	47,063	38,468
Current portion of unconditional promises to give	<u>13,967</u>	<u>0</u>
Total Current Assets	9,939,198	10,187,848
<b>Other Assets</b>		
Unconditional promises to give, net of current portion and discount	20,203	0
Microloans receivable, net of current portion	267,667	153,535
Property and equipment, net	1,832,454	2,205,207
Operating lease right-of-use asset, net	<u>458,637</u>	<u>643,528</u>
Total Other Assets	<u>2,578,961</u>	<u>3,002,270</u>
Total Assets	<u>\$ 12,518,159</u>	<u>\$ 13,190,118</u>

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**June 30, 2024 and 2023**

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	<u>2024</u>	<u>2023</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,611,885	\$ 2,022,309
Accrued expenses	925,024	1,073,863
Deferred revenue	732,154	862,575
Refundable advance	1,522,225	2,377,437
Current portion of SBA Microloan Program notes payable	53,252	33,680
Current portion of mortgages payable	30,332	27,140
Current portion of operating lease liability	<u>196,557</u>	<u>180,758</u>
Total Current Liabilities	5,071,429	6,577,762
<b>Other Liabilities</b>		
SBA Microloan Program, net of current portion	212,390	140,642
Mortgages payable, net of current portion	578,284	606,845
Operating lease liability, net of current portion	<u>276,482</u>	<u>473,038</u>
Total Liabilities	6,138,585	7,798,287
<b>Net Assets</b>		
Without donor restrictions	3,834,697	3,026,484
With donor restrictions	<u>2,544,877</u>	<u>2,365,347</u>
Total Net Assets	<u>6,379,574</u>	<u>5,391,831</u>
Total Liabilities and Net Assets	<u>\$ 12,518,159</u>	<u>\$ 13,190,118</u>

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended June 30, 2024**

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>			
Grants and contracts	\$ 27,679,310	\$ 0	\$ 27,679,310
Fees for service and reimbursements	2,566,202		2,566,202
Contributions and donations	12,158	1,135,643	1,147,801
Gross special events revenue	12,081	103,095	115,176
Less cost of direct benefit to donors	<u>(24,417)</u>	<u></u>	<u>(24,417)</u>
Net special events revenue	(12,336)	103,095	90,759
Contributions of nonfinancial assets	149,360		149,360
Dividends and interest	69,627		69,627
Net investment income	296,957		296,957
Gain on sale of assets	571,713		571,713
Net assets released from restrictions for contributions spent in accordance with donor conditions	1,014,914	(1,014,914)	0
Net assets released from restrictions for depreciation on building owned with federal interest	<u>10,124</u>	<u>(10,124)</u>	<u>0</u>
Total support and revenues	32,358,029	213,700	32,571,729
<b>Expenses</b>			
Program Services			
Community health	8,860,823		8,860,823
Economic opportunity	14,690,119		14,690,119
Public policy	<u>5,362,583</u>	<u></u>	<u>5,362,583</u>
Total Program Services	28,913,525		28,913,525
Supporting services			
Administration	2,184,973		2,184,973
Building and equipment	<u>485,488</u>	<u></u>	<u>485,488</u>
Total supporting services	2,670,461		2,670,461
Total Expenses	<u>31,583,986</u>	<u></u>	<u>31,583,986</u>
Change in Net Assets	774,043	213,700	987,743
<b>Net Assets</b>			
Beginning of Year	<u>3,026,484</u>	<u>2,365,347</u>	<u>5,391,831</u>
End of Year	<u>\$ 3,800,527</u>	<u>\$ 2,579,047</u>	<u>\$ 6,379,574</u>



**JANNUS, INC.**  
**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**For the Year Ended June 30, 2023**

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>			
Grants and contracts	\$ 27,398,123	\$ 0	\$ 27,398,123
Fees for service and reimbursements	2,480,041		2,480,041
Contributions and donations	32,323	1,064,699	1,097,022
Gross special events revenue	10,470	117,121	127,591
Less cost of direct benefit to donors	<u>(30,051)</u>	<u></u>	<u>(30,051)</u>
Net special events revenue	(19,581)	117,121	97,540
Contributions of nonfinancial assets	431,339		431,339
Dividends and interest	39,385		39,385
Net investment income	147,950		147,950
Net assets released from restrictions for contributions spent in accordance with donor conditions	1,086,261	(1,086,261)	0
Net assets released from restrictions for depreciation on building owned with federal interest	<u>10,422</u>	<u>(10,422)</u>	<u>0</u>
Total support and revenues	31,606,263	85,137	31,691,400
<b>Expenses</b>			
Program Services			
Community health	9,776,473		9,776,473
Economic opportunity	13,414,382		13,414,382
Public policy	<u>5,060,768</u>	<u></u>	<u>5,060,768</u>
Total Program Services	28,251,623		28,251,623
Supporting services			
Administration	2,120,686		2,120,686
Building and equipment	<u>423,339</u>	<u></u>	<u>423,339</u>
Total supporting services	2,544,025		2,544,025
Total Expenses	<u>30,795,648</u>	<u></u>	<u>30,795,648</u>
Change in Net Assets	810,615	85,137	895,752
<b>Net Assets</b>			
Beginning of Year	<u>2,215,869</u>	<u>2,280,210</u>	<u>4,496,079</u>
End of Year	<u>\$ 3,026,484</u>	<u>\$ 2,365,347</u>	<u>\$ 5,391,831</u>

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2024**

	<b>Programs</b>				<b>Supporting Services</b>		<b>Total</b>	<b>Total</b>
	<b>Community Health</b>	<b>Economic Opportunity</b>	<b>Public Policy</b>	<b>Program Services</b>	<b>Administration</b>	<b>Building &amp; Equipment</b>	<b>Supporting Services</b>	<b>Expenses</b>
Salaries	\$ 3,614,735	\$ 2,661,836	\$ 1,050,806	\$ 7,327,377	\$ 1,147,169	\$	\$ 1,147,169	\$ 8,474,546
Benefits	1,122,797	746,203	230,288	2,099,288	342,218		342,218	2,441,506
Total salaries and benefits	4,737,532	3,408,039	1,281,094	9,426,665	1,489,387		1,489,387	10,916,052
Contracts and consulting	233,347	6,273,499	3,348,945	9,855,791	58,015		58,015	9,913,806
Stipends, assistance, & participant support	205,205	3,504,034		3,709,239				3,709,239
Food provider payments	2,078,605			2,078,605				2,078,605
Indirect/administrative fees	827,239	757,923	439,915	2,025,077				2,025,077
Office rental & maintenance	234,060	335,821	49,243	619,124	51,091	79,842	130,933	750,057
Supplies	149,017	158,159	48,105	355,281	19,153		19,153	374,434
Depreciation & amortization	10,124			10,124	1,909	310,133	312,042	322,166
Legal & accounting	56,914	42,223	4,597	103,734	155,829	1,743	157,572	261,306
Travel	109,049	55,357	72,670	237,076	20,557		20,557	257,633
Fundraising		10,018	22,624	32,642	125,802		125,802	158,444
Telephone & utilities	76,637	22,073	6,340	105,050	5,932	42,305	48,237	153,287
Staff & volunteer training	43,077	10,522	3,163	56,762	75,096		75,096	131,858
Computer supplies	17,415	18,830	3,077	39,322	88,355		88,355	127,677
Insurance	7,731	6,214	5,418	19,363	81,500		81,500	100,863
Marketing & outreach	40,576	17,081	36,132	93,789	6,366		6,366	100,155
Meetings	11,608	24,379	39,034	75,021	725		725	75,746
Printing	17,296	13,655	17,385	48,336	858		858	49,194
Bad debt expense		38,704		38,704				38,704
Interest						28,184	28,184	28,184
Property taxes						19,148	19,148	19,148
Postage	5,391	5,212	787	11,390	4,972		4,972	16,362
Operating Lease Expense						4,133	4,133	4,133
	8,860,823	14,701,743	5,378,529	28,941,095	2,185,547	485,488	2,671,035	31,612,130
Investment broker fees		(1,975)	(1,179)	(3,154)	(574)		(574)	(3,728)
Cost of direct benefit to donors		(9,649)	(14,767)	(24,416)				(24,416)
Total Functional Expenses	\$ 8,860,823	\$ 14,690,119	\$ 5,362,583	\$ 28,913,525	\$ 2,184,973	\$ 485,488	\$ 2,670,461	\$ 31,583,986

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2023**

	Programs			Total	Supporting Services		Total	Total
	Community	Economic	Public	Program	Administration	Building &	Supporting	Expenses
	Health	Opportunity	Policy	Services		Equipment	Services	
Salaries	\$ 3,448,171	\$ 2,377,888	\$ 1,032,636	\$ 6,858,695	\$ 1,087,171	\$	\$ 1,087,171	\$ 7,945,866
Benefits	1,061,712	662,449	292,721	2,016,882	292,296		292,296	2,309,178
Total salaries and benefits	4,509,883	3,040,337	1,325,357	8,875,577	1,379,467		1,379,467	10,255,044
Contracts and consulting	480,031	5,348,852	2,911,620	8,740,503	107,115		107,115	8,847,618
Stipends, assistance, & participant support	232,586	3,631,097	5,300	3,868,983				3,868,983
Food provider payments	2,880,451			2,880,451				2,880,451
Indirect/administrative fees	798,023	681,342	476,890	1,956,255				1,956,255
Office rental & maintenance	264,586	300,195	51,612	616,393	48,157	102,658	150,815	767,208
Supplies	116,979	123,628	63,234	303,841	42,705		42,705	346,546
Staff & volunteer training	117,760	10,343	20,506	148,609	148,856		148,856	297,465
Travel	117,560	52,760	81,115	251,435	32,535		32,535	283,970
Depreciation & amortization					1,909	212,643	214,552	214,552
Legal & accounting	38,889	19,628	5,818	64,335	147,034		147,034	211,369
Telephone & utilities	77,263	13,738	5,811	96,812	5,795	40,650	46,445	143,257
Computer supplies	17,077	27,904	10,635	55,616	86,963		86,963	142,579
Meetings	10,464	79,510	47,848	137,822	333		333	138,155
Marketing & outreach	74,811	13,174	36,939	124,924	1,715		1,715	126,639
Insurance	12,913	12,331	5,983	31,227	72,203		72,203	103,430
Fundraising	7,849	9,565	21,410	38,824	37,500		37,500	76,324
Printing	18,705	22,496	4,420	45,621	2,752		2,752	48,373
Bad debt expense		32,938		32,938				32,938
Interest						31,283	31,283	31,283
Postage	7,519	5,479	2,163	15,161	7,014		7,014	22,175
Property taxes						21,648	21,648	21,648
Operating Lease Expense						10,267	10,267	10,267
Loss on disposal of equipment						4,190	4,190	4,190
	9,783,349	13,425,317	5,076,661	28,285,327	2,122,053	423,339	2,545,392	30,830,719
Investment broker fees		(2,449)	(1,204)	(3,653)	(1,367)		(1,367)	(5,020)
Cost of direct benefit to donors	(6,876)	(8,486)	(14,689)	(30,051)				(30,051)
Total Functional Expenses	\$ 9,776,473	\$ 13,414,382	\$ 5,060,768	\$ 28,251,623	\$ 2,120,686	\$ 423,339	\$ 2,544,025	\$ 30,795,648

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2024 and 2023**

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	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>Cash Flow From Operating Activities</b>		
Change in net assets	\$ 987,743	\$ 895,752
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	322,167	214,552
Noncash lease expense	184,891	139,113
Unrealized gain on investments	(256,415)	(115,990)
Realized gain on investments	(44,270)	(36,979)
(Gain) loss on disposal of property	(571,713)	4,190
Changes in operating assets and liabilities:		
Unconditional promises to give	(34,170)	0
Grants and contracts receivables	344,258	(692,116)
Prepaid expenses and other assets	(8,595)	7,979
Accounts payable	(410,424)	469,928
Operating lease liability	(180,757)	(128,845)
Accrued expenses	(148,839)	152,493
Deferred revenue	(130,421)	34,324
Refundable advances	<u>(855,212)</u>	<u>497,575</u>
Net Cash Provided (Used) in Operating Activities	(801,757)	1,441,976
<b>Cash Flow From Investing Activities</b>		
Proceeds from sale of property and equipment	667,427	0
Purchase of property and equipment	(45,128)	(935,367)
Purchase of investments	(179,405)	(150,957)
Microloan lending	(203,456)	(184,005)
Microloan cash collection	<u>116,815</u>	<u>95,360</u>
Net Cash Provided (Used) in Investing Activities	356,253	(1,174,969)
<b>Cash Flows From Financing Activities</b>		
New SBA Microloan Program borrowing	125,000	0
SBA Microloan Program note payments	(33,680)	(33,680)
Mortgage payments	<u>(25,369)</u>	<u>(25,942)</u>
Net Cash Provided (Used) in Financing Activities	65,951	(59,622)
Net Change in Cash and Cash Equivalents	(379,553)	207,385
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,042,567</u>	<u>1,835,182</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 1,663,014</u></u>	<u><u>\$ 2,042,567</u></u>

See notes to financial statements.

## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### **Note A – Organization and Program Services**

##### *Nature of Organization*

Jannus Inc, (Jannus) is a 501(c)(3) nonprofit corporation, founded in 1974, incorporated under the laws under 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.

Jannus helps individuals, families and communities in transition, from infancy to healthy adulthood, 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 public 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.

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, crisis and suicide prevention, multi-generational volunteerism for healthy aging and child development, family caregiver support, 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. The Nutrition Works program ended services in 2024. Programs include:

- Empower Idaho
- Foster Grandparents
- Mountain States Early Head Start
- Legacy Corps for Veteran & Military Families
- Idaho Crisis and Suicide Prevention Hotline
- 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.

## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Organization and Program Services (Continued)

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 a non-partisan resource for data and analysis on how Idaho pays for vital government services including education, public health, safety and transportation. We are building awareness of the importance of out-of-school programming, providing tools and resources like enrichment grants to improve access, quality and equity in out of school time programs and development opportunities for professionals in this field. 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:

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

#### Note B – Significant Accounting Policies

##### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### **Note B – Significant Accounting Policies (Continued)**

##### *Basis of Presentation*

Net assets and revenues, expenses, gains, and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

##### *Contributions and Donor Imposed Restrictions*

Jannus separately accounts for and reports upon net assets that are donor restricted and net assets without donor 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Resources arising from the results of operations or net assets set aside by the Board of Directors are not considered to be donor restricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

##### *Contributed Nonfinancial Assets*

Jannus records in-kind goods based on the fair value as described in generally accepted accounting principles. Jannus recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

##### *Use of Estimates*

Jannus uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the allowance for doubtful accounts. It is at least reasonably possible that the significant estimates used will change within the next year.

## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### **Note B – Significant Accounting Policies (Continued)**

##### *Cash and Cash Equivalents*

Jannus considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held and managed in brokerage accounts are included in Investments and not cash and cash equivalents.

##### *Concentration of 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. 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 following a Board approved investment policy, and 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 Jannus.

##### *Investments*

Investments with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

##### *Promises to Give*

Unconditional promises to give are recorded when pledged. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using Jannus' expected borrowing rate applicable to the years in which the promises are received to discount the amounts.



## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### **Note B – Significant Accounting Policies (Continued)**

##### *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 2024 and 2023, and the allowance for doubtful accounts for grants and contracts receivable is \$0 as of June 30, 2024 and 2023.

##### *Property and Equipment*

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. All equipment with a fair market value in excess of \$5,000 and a useful life of at least three years is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from five to thirty years. Depreciation expense for the years ended June 30, 2024 and 2023 were \$322,167 and \$214,552, respectively.

##### *Leases*

Jannus determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Jannus does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

##### *Fair Value*

Jannus uses fair value for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### **Note B – Significant Accounting Policies (Continued)**

##### *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, 2024 and 2023, because qualifying expenditures have not yet been incurred. Advanced payments of \$1,522,225 and \$2,377,437 are recognized in the statements of financial position as a refundable advance as of June 30, 2024 and 2023, respectively.

##### *Revenue Concentration*

Jannus received approximately 52% and 52% of its revenues from the Department of Health and Human Services, 9% and 12% of its revenues from the Department of Agriculture, and 10% and 4% of its revenues from the Department of Education for the years ended June 30, 2024 and 2023, respectively. Changes in funding from these sources would substantially impact Jannus.

##### *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.

## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### **Note B – Significant Accounting Policies (Continued)**

##### *Marketing and Outreach*

Advertising costs, including marketing and client outreach, are expensed as incurred and amounted to \$100,154 and \$126,638, for the years ended June 30, 2024 and 2023, respectively.

##### *Income Taxes*

Jannus is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

##### *Presentation of Certain Taxes*

Jannus collects various taxes from customers and remits these amounts to applicable taxing authorities. Jannus's accounting policy is to exclude these taxes from revenues.

##### *Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, Jannus may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement.

There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2024 or 2023. Jannus files Form 990 in the U.S. federal jurisdiction. Jannus is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

##### *Subsequent Events*

Jannus has evaluated subsequent events through November 6, 2024, which is the date the financial statements were available to be issued.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note C – Liquidity and Availability of Resources**

Jannus's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,663,014
Investments	5,450,703
Grants receivable	2,721,584
Microloan receivable, net	<u>45,493</u>
Total financial assets available within one year	<u>\$ 9,880,794</u>
Less amounts unavailable for general expenditures, due to:	
Board designated endowment	(152,336)
Restricted by donors with purpose restrictions	<u>(2,306,751)</u>
Total financial assets available within one year after restriction	<u>\$ 7,421,707</u>

As part of Jannus's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At June 30, 2024, all net assets with donor restrictions are available for payment of any major expenditures incurred; with the exception of accounts receivable expected within the next year, which are available when the receivable is collected and the expenditure is incurred. To help manage unanticipated liquidity needs, Jannus keeps substantial funds in savings accounts and highly liquid short-term investment accounts.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D – Investments**

Investments are summarized as follows as of June 30:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
<b>June 30, 2024</b>			
Investments	<u>\$ 5,143,264</u>	<u>\$ 5,450,703</u>	<u>\$ 307,439</u>
<b>June 30, 2023</b>			
Investments	<u>\$ 4,919,589</u>	<u>\$ 4,970,613</u>	<u>\$ 51,024</u>

Investment income consists of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Unrealized gain	256,415	115,990
Realized gain	44,270	36,979
Fees	<u>(3,728)</u>	<u>(5,019)</u>
	<u>\$ 296,957</u>	<u>\$ 147,950</u>

**Note E – Fair Value of Assets and Liabilities**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value instrument.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note E – Fair Value of Assets and Liabilities (Continued)**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Jannus's investments are held in mutual funds, money market, exchange traded funds and municipal bonds. The mutual funds, money market and exchange traded funds have readily determinable fair values based on daily redemption values and those investments are classified as Level 1. The bonds are valued based on the quoted prices for similar assets in active markets. These investments have been determined to be Level 2 assets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Jannus believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments stated at fair value are valued using the following inputs:

	<u>June 30, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 395,491	\$ 0	\$ 0	\$ 395,491
Equity mutual funds	294,931			294,931
Exchange traded funds	27,460			27,460
Treasury bills	4,254,758			4,254,758
Bond mutual funds	23,968			23,968
Municipal Bonds		454,095		454,095
Total	<u>\$ 4,996,608</u>	<u>\$ 454,095</u>	<u>\$ 0</u>	<u>\$ 5,450,703</u>

	<u>June 30, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 22,768	\$ 0	\$ 0	\$ 22,768
Equity mutual funds	260,769			260,769
Exchange traded funds	21,426			21,426
Bond mutual funds	4,061,617			4,061,617
Municipal and corporate bonds		604,033		604,033
Total	<u>\$ 4,366,580</u>	<u>\$ 604,033</u>	<u>\$ 0</u>	<u>\$ 4,970,613</u>

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Unconditional Promises to Give**

Jannus held a pledge campaign to raise funds for an endowment. Promises to give are restricted to the endowment. The promises to give are unconditional.

	<u><b>2024</b></u>
Pledges receivable in less than one year	\$ 13,967
Pledges receivable in 1-4 years	<u>21,635</u>
Total pledges receivable	35,602
Less discount to net present value	<u>(1,432)</u>
Pledges receivable, net	<u><u>\$ 34,170</u></u>

For the year ended June 30, 2024, the discount rate used to discount future cash flows from unconditional promises to give was 2.68%.

**Note G – 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. 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.

## JANNUS, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note G – Microloan Lending Transactions (Continued)

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, 2024 and 2023, 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 30th, and the payment histories of existing borrowers. Any subsequent recovery will offset the allowance.

*SBA Microloan Program* – Jannus has multiple loans from the Small Business Administration (SBA) with interest rates between 0% and 3.5%. 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 4.50% to 9.50% and 7.75% to 9.50% for years ended June 30, 2024 and 2023, respectively. For a microloan of \$10,000 or less, those rates ranged from 4.50% to 9.50% and from 7.75% to 9.50%, for each of the years ended June 30, 2024 and 2023.

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, 2024 and 2023, the percent of microenterprise loans receivable balances collateralized by borrowers' business-related vehicles and equipment are 87%. 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.



**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note G – Microloan Lending Transactions (Continued)**

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. 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 45% and 15% allowance at June 30, 2024 and 2023, 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:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Microenterprise loans receivable, current	\$ 25,091	\$ 16,439
SBA microloan program loans receivable, current	59,877	76,825
Consumer loans receivable, current	7,024	13,744
Less allowance for doubtful accounts	<u>(49,125)</u>	<u>(36,649)</u>
	42,867	70,359
Microenterprise loans receivable, long-term	49,400	34,067
SBA microloan program loans receivable, long-term	216,541	119,137
Consumer loans receivable, long-term	<u>1,726</u>	<u>331</u>
Microloans receivable, long-term	<u>267,667</u>	<u>153,535</u>
Total microloans receivable	<u><u>\$ 310,534</u></u>	<u><u>\$ 223,894</u></u>

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note H – Property and Equipment**

At June 30, property and equipment consisted of the following:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Land	\$ 386,929	\$ 447,944
Buildings and improvements	1,959,552	2,078,200
Office equipment and software	<u>1,458,114</u>	<u>1,439,552</u>
	3,804,595	3,965,696
Less accumulated depreciation	<u>(1,972,141)</u>	<u>(1,760,489)</u>
	<u><u>\$ 1,832,454</u></u>	<u><u>\$ 2,205,207</u></u>

Within 2024, Jannus sold a building and land. As of June 30, 2024, Jannus is in the process of finalizing the contract to sell a second building and land, which is anticipated to be completed in the fall of 2024.

**Note I – Mortgages Payable**

At June 30, mortgages payable consisted of the following:

	<u><b>2024</b></u>	<u><b>2023</b></u>
Note payable to US Bank, \$3,673 monthly, including interest at 4.69% per annum, maturing May 2029. Secured by property.	\$ 470,864	\$ 490,252
Note payable to Mountain West Bank, \$1,096 monthly, including interest at 5% per annum, maturing April 2029. Secured by property.	<u>137,752</u>	<u>143,733</u>
	<u><u>\$ 608,616</u></u>	<u><u>\$ 633,985</u></u>

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note I – Mortgages Payable (Continued)**

Maturities of long-term debt as of June 30, 2024 are as follows:

2025	\$	30,332
2026		29,969
2027		31,448
2028		32,933
2029		<u>483,934</u>
Total	\$	<u>608,616</u>

The loan agreement requires Jannus to meet certain operating and financial covenants, including a minimum liquidity amount. At June 30, 2024 and 2023, Jannus was in compliance with these covenants.

**Note J – 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, 2024 and 2023, Jannus had four separate notes payable to SBA with interest rates ranging from 0% to 3.5%. The first loan has monthly installments of \$759, maturing in February 2026, the second with monthly installments of \$926, maturing in November 2027, the third with monthly installments of \$1,111, maturing in March 2030, and the fourth with monthly installments of \$2,476, maturing in September 2033. Future annual maturities of the SBA notes payable at June 30, 2024, are as follows:

2025	\$	53,252
2026		35,199
2027		34,754
2028		13,458
2029		13,458
Thereafter		<u>115,521</u>
Total	\$	<u>265,642</u>

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note K – 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, 2024 and 2023, respectively). Interest is payable monthly, with accrued interest and principal due at maturity in March 2024. As of June 30, 2024 and 2023, there was no outstanding balance. Jannus was in compliance with the loan covenants for the year ended June 30, 2024 and 2023.

**Note L – Net Assets**

Jannus reports net assets according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. All net assets with donor restrictions are restricted for the purpose of use within the program for which the grants or donations were received.

At June 30, the detail of Jannus's net asset categories are as follows:

	<u>2024</u>	<u>2023</u>
Without donor restrictions:		
Undesignated	\$ 2,424,353	\$ 1,315,704
Board designated endowment	152,336	139,556
Invested in property and equipment	<u>1,223,838</u>	<u>1,571,222</u>
Total net assets without donor restrictions	3,800,527	3,026,482
With donor restrictions:		
Program specific support	2,306,751	2,082,928
Restricted building acquired with federal funds	<u>272,296</u>	<u>282,421</u>
Total net assets with donor restrictions	<u>2,579,047</u>	<u>2,365,349</u>
Total net assets	<u>\$ 6,379,574</u>	<u>\$ 5,391,831</u>

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.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note M – Contributed Nonfinancial Assets**

For the year ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2024</u>	<u>2023</u>
Supplies	\$ 889	\$ 5,630
Services	17,021	286,940
Rent	<u>131,450</u>	<u>138,770</u>
Total contributed nonfinancial assets	<u>\$ 149,360</u>	<u>\$ 431,340</u>

Jannus recognized contributed nonfinancial assets within revenue, including contributed rent, supplies, and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. All donated services and assets were utilized by Jannus' programs and supporting services.

In valuing the contributed use of facilities, which are located in Idaho, Jannus estimated the fair value on the basis of comparable rent per square foot in Idaho's commercial real estate market.

In valuing supplies, Jannus estimated the fair value on the basis of estimates of values that would be received for selling similar products in the United States.

Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

**Note N – Leases**

Jannus evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent Jannus's right to use underlying assets for the lease term, and the lease liabilities represent Jannus's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. Jannus has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2024 and 2023, was 3.99%.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note N – Leases (Continued)**

Jannus leases office space and equipment under various operating lease agreements that require monthly payments ranging from \$1 to \$5,900 with lease expirations ranging from fiscal years 2024 through 2028. In addition, Jannus also leases various facilities on a month-to-month basis.

For the years ended June 30, 2024 and 2023, total operating lease expense was \$433,908 and \$418,763, respectively. As of June 30, 2024 and 2023, the weighted-average remaining lease term for Jannus' operating leases was approximately 2.68 years and 3.57 years.

For the years ended June 30, 2024 and 2023, cash paid for operating leases was \$429,775 and \$408,495, and noncash investing and financing transactions related to leasing was \$0 and \$527,904, respectively.

Future maturities of lease liabilities are presented in the following table, for the fiscal years ending June 30:

2025	\$	211,188
2026		125,182
2027		123,698
2028		<u>39,734</u>
Total lease payments		499,802
Less present value discount		<u>(26,764)</u>
Total lease obligations		473,038
Less current portion		<u>(196,557)</u>
Long-term portion of leases	\$	<u><u>276,481</u></u>

**Note O – Retirement Plan**

Employees of Jannus may participate in an Internal Revenue Code section 403(b)(7) retirement savings plan. The plan is funded by employee and employer contributions to the plan, pursuant to a salary reduction agreement. Jannus matches employee contributions two-to-one up to 5 percent of the employee's compensation. The amount of employer contributions for the year ended June 30, 2024 and 2023 was \$509,842 and \$479,795, respectively. Employees are immediately vested in employer contributions.

## **SUPPLEMENTARY INFORMATION**

## INDEPENDENT AUDITORS' 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), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated November 6, 2023.

### 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 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 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. 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harvie CPA's P.C.

Meridian, Idaho  
November 6, 2024



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors  
Jannus, Inc  
Boise, Idaho

### Report on Compliance for Each Major Federal Program

#### Opinion on Each Major Federal Program

We have audited Jannus, Inc's (Jannus) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Jannus' major federal programs for the year ended June 30, 2024. Jannus' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2024.

#### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jannus and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jannus' compliance with the compliance requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jannus' federal programs.





## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jannus' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jannus' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jannus' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jannus' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Jannus' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Harvie CPA's P.C.

Meridian, Idaho  
November 6, 2024

**JANNUS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2024**

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Grant/Award or Pass Through Agency Number	Federal Expenditures	Amounts Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services</b>				
<b>Direct Programs:</b>				
Refugee Social Services	93.566	2101IDRSOC, 2201IDRSOC, 2301IDRSOC, \$ 2401IDRSOC	5,365,175	\$ 4,366,654
Refugee Cash and Medical Assistance Program	93.566	23ABIDRCMA, 24ABIDRCMA	3,978,244	679,519
Early Head Start	93.600	10CH012265-01-00	2,507,793	
Wilson Fish TANF Coordination Program	93.583	90RW0076	636,788	436,994
Refugee Microenterprise Development	93.576	90RG0184-04, 90RG0227-01, 90RF0227-02- 00	283,855	
Refugee Career Pathways	93.576	90ZM0022-01, 90ZM0022-02, 90ZM0022-03- 00	219,381	69,356
Refugee Employer Engagement Program	93.576	90ZN0026-01-00	215,706	26,556
Refugee Ethnic Communities	93.576	90RE0306	212,188	
Refugee Home-Based Childcare	93.576	90RG0216-01, 90RG0216-02, 90RG0216-03- 00	196,760	
<b>Pass Through Programs Through:</b>				
Idaho Dept of Health and Welfare - Block Grants for Prevention and Treatment of Substance Abuse	93.959	HC960100	750,000	
Idaho Dept of Education - SAMHSA 988 States & Territories Block Grant	93.243	HC960100	324,000	
Idaho Dept of Health and Welfare - Refugee TANF Case Management	93.558	WC093300	293,507	91,834
Idaho Dept of Health and Welfare - Community Grant	93.575	NA	199,707	
Episcopal Migration Ministries (EMM) - Match Grant	93.567	2120NYRVMG	185,452	
Idaho Dept of Health and Welfare - Block Grants for Community Mental Health Services	93.958	HC960100	142,285	
EMM - Preferred Communities Ukrainian Supplemental III	93.576	90RP0117	141,850	
EMM - Intensive Case Management Preferred Communities Grant	93.576	90RP0117	125,911	
University of Washington/Idaho State University - Southwest Idaho Area Health Education Center	93.107	22-0234A-RNUR26	111,349	
EMM- Preferred Communities- REA Supplemental	93.576	90RP0117	105,078	
EMM - Preferred Communities Afghan Parolee Assistance (APA) Supplemental II	93.576	90RP0117	103,516	
Idaho Dept of Health and Welfare - Refugee Community Health Worker Program	93.566	HC235300	103,248	
EMM- Preferred Communities Afghan Supplemental II	93.576	90RP0117	86,746	
EMM- Preferred Communities- Additional Housing	93.576	90RP0117	76,569	
Idaho Commission on Aging - Alzheimer's Disease Demonstration Grant	93.051	NA	61,652	
EMM- Preferred Communities- Ukrainian Humanitarian Aid	93.576	90RP0117	52,468	
Idaho Dept of Health and Welfare - Child Care and Development	93.575	WC091500	37,411	
Idaho State University - Primary Care Training and Enhancement	93.884	22-0124B-RPA006	20,136	

**JANNUS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2024**

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Grant/Award or Pass Through Agency Number	Federal Expenditures	Amounts Passed Through to Subrecipients
<b><u>U.S. Department of Health and Human Services (Continued)</u></b>				
<b>Pass Through Programs Through:</b>				
Idaho Dept of Education - Garret Lee Smith Idaho Lives Project	93.243	25-7806	20,000	
EMM- Preferred Communities- ERMA ADF	93.576	90RP0117	15,055	
Idaho Dept of Health and Welfare - Refugee Entrant & Assistance	93.566	HC225500	4,103	
EMM- Preferred Communities- Afghan Humanitarian Aid	93.576	90RP0117	2,066	
<b>Total U.S. Department of Health and Human Services</b>			<u>16,577,999</u>	<u>5,670,913</u>
<b><u>U.S. Department of Education</u></b>				
<b>Pass Through Programs Through:</b>				
Idaho Dept of Education - Summer Enrichment and After School Programs	84.425	NA	3,128,894	
Idaho Dept of Education - Twenty-First Century Community Learning Centers	84.287	NA	85,116	
<b>Total US Department of Education</b>			<u>3,214,010</u>	
<b><u>U.S. Department of Agriculture</u></b>				
<b>Direct Programs:</b>				
Beginning Farmers and Ranchers Development	10.311	2022-49400-38201	163,302	
Specialty Crop Block Grant	10.170	N/A	51,415	
Outreach and Assistance for Socially Disadvantaged Farmers	10.443	AO202501X443G021	44,910	
<b>Pass Through Programs Through:</b>				
Idaho Dept of Education - Child & Adult Care Food	10.558	4864	2,358,466	
Idaho Dept of Agriculture - Urban Agriculture	10.935	NR233A750005G040	101,929	
<b>Total U.S. Department of Agriculture</b>			<u>2,720,022</u>	
<b><u>U.S. Department of Treasury</u></b>				
<b>Pass Through Programs Through:</b>				
Idaho Dept of Health and Welfare - Coronavirus State and Local Fiscal Recovery Funds - Idaho Crisis and Suicide Prevention Hotline	93.958	HC960100	768,426	
<b><u>U.S. Department of State</u></b>				
<b>Pass Through Programs Through:</b>				
EMM - Cooperative Agreement (R&P)	19.510	S-PRMCO-22-CA-0028	551,414	
EMM - Afghani Parole Support	19.510	S-PRMCO-21-CA-3292	67,478	
<b>Total U.S. Department of State</b>			<u>618,892</u>	
<b><u>U.S. Small Business Administration</u></b>				
<b>Direct Programs:</b>				
Microloan Intermediary Technical Assistance	59.046	SBAOCAML230438-01-00	418,844	
<b><u>Corporation for National and Community Service</u></b>				
<b>Direct Programs:</b>				
Foster Grandparents	94.011	21SFDID001	322,799	
<b>Pass Through Programs Through:</b>				
Arizona State University - Legacy Corp	94.006	ASUB00000150, ASUB00000892, ASUB00000895	55,823	
<b>Total Corporation for National Service</b>			<u>378,622</u>	

JANNUS, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Grant/Award or Pass Through Agency Number	Federal Expenditures	Amounts Passed Through to Subrecipients
<u>U.S. Department of Justice</u>				
<b>Pass Through Programs Through:</b>				
Idaho Dept of Health and Welfare - Crime Victim Assistance	16.575	VC3663	119,123	
<u>Federal Emergency Management Agency</u>				
<b>Direct Programs:</b>				
NonProfit Security Program	97.008	21NSGP645	1,312	
<b>Total Federal Assistance</b>			<u>\$ 24,817,250</u>	<u>\$ 5,670,913</u>

## JANNUS, INC.

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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#### Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Jannus, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this schedule 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 B – Summary of Significant Accounting Policies

Expenditures reported on 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 the Uniform Guidance, wherein, certain types of expenditures are not allowable or are limited as to reimbursement.

#### Note C – Indirect Cost Rate

Jannus has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### Note D – 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, 2024 is:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Balance at June 30, 2024</u>
59.046	SBA Microloan Program	\$372,757



**JANNUS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2024**

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**Section I – Summary of Audit Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Noncompliance material to the financial statements noted? \_\_\_\_\_ yes      X   no

*Federal Awards*

Internal control over major programs:

- Material weakness identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

Identification of major programs:

Assistance Listing Number

Name of Federal Program

93.958	Community Mental Health
93.600	Head Start
93.576	Refugee and Entrant Assistance
93.959	Substance Use Prevention, Treatment and Recovery

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee?   X   yes    \_\_\_\_\_ no

**JANNUS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2024**

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**Section II – Financial Statement Findings**

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

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

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

**JANNUS, INC.**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended June 30, 2024**

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No prior audit finding, whether resolved or unresolved, were identified for Jannus, Inc.