



Financial Statements

Jannus, Inc.
(a nonprofit organization)
Includes Supplementary Information
Years Ended June 30, 2025 and 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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.

2024 Financial Statements Restated

As discussed in Note M to the financial statement, the 2024 financial statements have been restated to correct an accounting error. Our opinion is not modified with respect to this matter.

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 December 26, 2025 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.

Sorren CPAs P.C.

Meridian, Idaho
December 26, 2025

JANNUS, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025
With Comparative Totals as of June 30, 2024

	<u>2025</u>	<u>2024</u> <u>(Restated)</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,337,020	\$ 1,663,014
Investments	4,926,920	5,450,703
Grants and contracts receivable	1,810,734	2,955,061
Current portion of Microloans receivable, net	48,609	42,867
Prepaid expenses and other assets	81,352	47,063
Current portion of unconditional promises to give	<u>6,837</u>	<u>13,967</u>
Total Current Assets	9,211,472	10,172,675
Other Assets		
Unconditional promises to give, net of current portion and discount	0	20,203
Microloans receivable, net of current portion	227,101	267,667
Property and equipment, net	684,854	1,832,454
Operating lease right-of-use asset, net	<u>3,868,213</u>	<u>458,637</u>
Total Other Assets	<u>4,780,168</u>	<u>2,578,961</u>
Total Assets	<u>\$ 13,991,640</u>	<u>\$ 12,751,636</u>

See notes to financial statements.

JANNUS, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
June 30, 2025
With Comparative Totals as of June 30, 2024

	<u>2025</u>	<u>2024</u> <u>(Restated)</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,062,418	\$ 1,611,885
Accrued expenses	907,167	925,024
Deferred revenue	637,634	1,203,650
Refundable advance	230,738	316,368
Current portion of SBA Microloan Program notes payable	59,512	53,252
Current portion of mortgages payable	0	30,332
Current portion of operating lease liability	<u>363,395</u>	<u>196,557</u>
Total Current Liabilities	3,260,864	4,337,068
Other Liabilities		
SBA Microloan Program, net of current portion	278,384	212,390
Mortgages payable, net of current portion	0	578,284
Operating lease liability, net of current portion	<u>3,692,360</u>	<u>276,482</u>
Total Liabilities	7,231,608	5,404,224
Net Assets		
Without donor restrictions	4,013,960	4,056,024
With donor restrictions	<u>2,746,072</u>	<u>3,291,388</u>
Total Net Assets	<u>6,760,032</u>	<u>7,347,412</u>
Total Liabilities and Net Assets	<u>\$ 13,991,640</u>	<u>\$ 12,751,636</u>

See notes to financial statements.

JANNUS, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>2024 Total (Restated)</u>
Revenue and Support				
Grants and contracts	\$ 21,243,937	\$ 148,743	\$ 21,392,680	\$ 28,148,508
Fees for service and reimbursements	2,383,430		2,383,430	2,566,202
Contributions and donations	4,647	843,010	847,657	1,147,801
Gross special events revenue	1,365	53,134	54,499	115,176
Less cost of direct benefit to donors	<u>(17,512)</u>	<u> </u>	<u>(17,512)</u>	<u>(24,417)</u>
Net special events revenue	(16,147)	53,134	36,987	90,759
Contributions of nonfinancial assets	167,872		167,872	149,360
Dividends and interest	54,665		54,665	69,627
Net investment income	257,569		257,569	296,957
Gain on sale of assets	357,250		357,250	571,713
Loss on lease termination	(22,259)		(22,259)	0
Net assets released from restrictions for contributions spent in accordance with donor conditions	1,580,079	(1,580,079)	0	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>	<u>0</u>
Total support and revenues	<u>26,021,167</u>	<u>(545,316)</u>	<u>25,475,851</u>	<u>33,040,927</u>

See notes to financial statements.

JANNUS, INC.
STATEMENTS OF ACTIVITIES (Continued)
For the Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2025 Total</u>	<u>2024 Total (Restated)</u>
Expenses				
Program Services				
Economic opportunity	14,773,320		14,773,320	14,690,119
Community health	7,053,093		7,053,093	8,860,823
Public policy	<u>1,925,283</u>		<u>1,925,283</u>	<u>5,362,583</u>
Total Program Services	23,751,696		23,751,696	28,913,525
Supporting services				
Administration	1,875,600		1,875,600	2,184,973
Building and equipment	<u>435,935</u>		<u>435,935</u>	<u>485,488</u>
Total supporting services	2,311,535		2,311,535	2,670,461
Total Expenses	<u>26,063,231</u>		<u>26,063,231</u>	<u>31,583,986</u>
Change in Net Assets	(42,064)	(545,316)	(587,380)	1,456,941
Net Assets				
Beginning of Year	<u>4,056,024</u>	<u>3,291,388</u>	<u>7,347,412</u>	<u>5,890,471</u>
End of Year	<u>\$ 4,013,960</u>	<u>\$ 2,746,072</u>	<u>\$ 6,760,032</u>	<u>\$ 7,347,412</u>

See notes to financial statements.

JANNUS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

With Comparative Totals for Year Ended June 30, 2024

	Programs			Total Program Services	Supporting Services		Total Supporting Services	2025 Total Expenses	2024 Total Expenses
	Economic Opportunity	Community Health	Public Policy		Administratio	Building & Equipment			
Salaries	\$ 2,734,720	\$ 3,920,628	\$ 385,593	\$ 7,040,941	\$ 1,060,288	\$ 0	\$ 1,060,288	\$ 8,101,229	\$ 8,474,546
Benefits	793,205	1,239,751	127,134	2,160,090	295,874		295,874	2,455,964	2,441,506
Total salaries and benefits	3,527,925	5,160,379	512,727	9,201,031	1,356,162		1,356,162	10,557,193	10,916,052
Contracts and consulting	6,049,662	146,635	769,720	6,966,017	17,807		17,807	6,983,824	9,913,806
Stipends, assistance, & participant support	3,659,012	189,733	222,000	4,070,745			0	4,070,745	3,709,239
Indirect/administrative fees	754,580	863,358	190,307	1,808,245			0	1,808,245	2,025,077
Office rental & maintenance	450,516	224,996	23,556	699,068	103,555	82,185	185,740	884,808	750,057
Supplies	111,684	119,008	45,767	276,459	26,232	1,304	27,536	303,995	374,434
Legal & accounting	21,228	22,121	1,540	44,889	202,351		202,351	247,240	261,306
Travel	42,341	111,111	44,820	198,272	11,176		11,176	209,448	257,633
Depreciation and amortization		10,124		10,124	1,909	142,920	144,829	154,953	322,166
Operating lease				0		150,881	150,881	150,881	4,133
Telephone & utilities	27,413	80,365	767	108,545	6,958	25,607	32,565	141,110	153,287
Meetings and conferences	57,789	8,485	56,763	123,037	1,184		1,184	124,221	75,746
Computer supplies	1,462	12,124	27,988	41,574	71,219	5,585	76,804	118,378	127,677
Insurance	8,338	10,074	2,860	21,272	62,663	4,380	67,043	88,315	100,863
Staff and volunteer training	6,326	46,254	2,544	55,124	8,629		8,629	63,753	131,858
Printing	21,033	23,664	5,334	50,031	5,863		5,863	55,894	49,194
Marketing and outreach	8,450	20,712	18,573	47,735	205		205	47,940	100,155
Fundraising	10,037			10,037	8,046		8,046	18,083	158,444
Interest	4,123			4,123		13,145	13,145	17,268	28,184
Bad debt	16,955			16,955			0	16,955	38,704
Postage	6,731	3,950	324	11,005	5,523		5,523	16,528	16,362
Property taxes				0		9,928	9,928	9,928	19,148
Food provider payments				0			0	0	2,078,605
	14,785,605	7,053,093	1,925,590	23,764,288	1,889,482	435,935	2,325,417	26,089,705	31,612,130
Investment broker fees	(2,091)		(307)	(2,398)	(6,563)		(6,563)	(8,961)	(3,728)
Cost of direct benefit to donors	(10,194)			(10,194)	(7,319)		(7,319)	(17,513)	(24,416)
Total Functional Expenses	\$ 14,773,320	\$ 7,053,093	\$ 1,925,283	\$ 23,751,696	\$ 1,875,600	\$ 435,935	\$ 2,311,535	\$ 26,063,231	\$ 31,583,986

See notes to financial statements.

JANNUS, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	<u>2025</u>	<u>2024</u> (Restated)
Cash Flow From Operating Activities		
Change in net assets	\$ (587,380)	\$ 1,456,941
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	154,952	322,167
Noncash lease expense	484,109	184,891
Unrealized gain on investments	(215,453)	(256,415)
Realized gain on investments	(51,076)	(44,270)
Gain on disposal of property	(357,250)	(571,713)
Loss on termination of lease	22,259	0
Changes in operating assets and liabilities:		
Accounts receivable	(16,100)	0
Unconditional promises to give	27,333	(34,170)
Grants and contracts receivables	1,160,427	110,781
Prepaid expenses and other assets	(34,289)	(8,595)
Accounts payable	(549,467)	(410,424)
Operating lease liability	(333,228)	(180,757)
Accrued expenses	(17,857)	(148,839)
Deferred revenue	(566,016)	341,075
Refundable advances	<u>(85,630)</u>	<u>(1,562,429)</u>
Net Cash Provided (Used) in Operating Activities	(964,666)	(801,757)
Cash Flow From Investing Activities		
Proceeds from sale of property and equipment	773,068	667,427
Proceeds from sale of investments	1,606,879	0
Purchase of property and equipment	(22,201)	(45,128)
Purchase of investments	(816,567)	(179,405)
Microloan lending	(72,750)	(203,456)
Microloan cash collection	<u>107,574</u>	<u>116,815</u>
Net Cash Provided (Used) in Investing Activities	1,576,003	356,253

See notes to financial statements.

JANNUS, INC.
STATEMENTS OF CASH FLOWS (Continued)
For the Year Ended June 30, 2025
With Comparative Totals for the Year Ended June 30, 2024

	<u>2025</u>	<u>2024</u> (Restated)
Cash Flows From Financing Activities		
New SBA Microloan Program borrowing	125,000	125,000
SBA Microloan Program note payments	(52,746)	(33,680)
Mortgage payments	<u>(9,585)</u>	<u>(25,369)</u>
Net Cash Provided (Used) in Financing Activities	<u>62,669</u>	<u>65,951</u>
Net Change in Cash and Cash Equivalents	674,006	(379,553)
Cash and Cash Equivalents, Beginning of Year	<u>1,663,014</u>	<u>2,042,567</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,337,020</u>	<u>\$ 1,663,014</u>

See notes to financial statements.

JANNUS, INC.

NOTES TO FINANCIAL STATEMENTS

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, and Sandpoint, 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.

Community Health programs and services across the state of Idaho promote healthy parenting and early childhoods, 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. 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

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)
- Agency for New Americans
- Idaho Office for Refugees
- English Language Center
- Global Gardens
- Global Talent

Public Policy programs are a voice for Idaho’s children and families with an eye towards policies that promote health, education, and child well-being. We educate policymakers and the public, conduct research and analysis, and convene partnerships to ensure the needs of Idaho’s children are met. We are building awareness of the importance of out-of-school programming, providing tools and resources like enrichment grants to improve access and quality in out-of-school time programs and development opportunities for professionals in this field. Our work with Idaho Voices for Children and Idaho Center for Fiscal Policy ended September 2024. 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.

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.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note B – Significant Accounting Policies (Continued)

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 contributed nonfinancial 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. Contributed nonfinancial assets 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.

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.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note B – Significant Accounting Policies (Continued)

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

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 2025 and 2024, and had no allowance for credit losses for grants and contracts as of June 30, 2025 and 2024.

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, 2025 and 2024 were \$154,952 and \$322,167, 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

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, 2025 and 2024, because qualifying expenditures have not yet been incurred. Advanced payments of \$230,738 and \$316,368 are recognized in the statements of financial position as a refundable advance as of June 30, 2025 and 2024, respectively.

Revenue Concentration

For the year ended June 30, 2025, Jannus received approximately 62% of its revenue from the Department of Health and Human Services. For the year ended June 30, 2024, Jannus received approximately 50% of its revenue from the Department of Health and Human Services, and 10% from the Department of Education. 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

Note B – Significant Accounting Policies (Continued)

Marketing and Outreach

Advertising costs, including marketing and client outreach, are expensed as incurred and amounted to \$47,941 and \$100,154, for the years ended June 30, 2025 and 2024, 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 2025 or 2024. 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 2021.

Subsequent Events

Jannus has evaluated subsequent events through December 26, 2025, which is the date the financial statements were available to be issued.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

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	\$ 2,337,020
Investments	4,926,920
Grants receivable	1,794,634
Accounts receivable	16,100
Microloan receivable, Current portion	<u>48,609</u>
Total financial assets available within one year	<u>\$ 9,123,283</u>
Less amounts unavailable for general expenditures, due to:	
Board designated endowment	(164,954)
Restricted by donors with purpose restrictions	<u>(2,746,072)</u>
Total financial assets available within one year after restriction	<u>\$ 6,212,253</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, 2025, 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.

Note D – Investments

Investments are summarized as follows as of June 30:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
June 30, 2025			
Investments	<u>\$ 4,404,027</u>	<u>\$ 4,926,920</u>	<u>\$ 522,893</u>
June 30, 2024			
Investments	<u>\$ 5,143,264</u>	<u>\$ 5,450,703</u>	<u>\$ 307,439</u>

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note D – Investments (Continued)

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

	<u>2025</u>	<u>2024</u>
Unrealized gain	215,453	256,415
Realized gain	51,076	44,270
Fees	<u>(8,960)</u>	<u>(3,728)</u>
	<u>\$ 257,569</u>	<u>\$ 296,957</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.

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.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

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

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, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 896,489	\$ 0	\$ 0	\$ 896,489
Equity mutual funds	262,669			262,669
Exchange traded funds	895,760			895,760
Treasury bills	2,619,505			2,619,505
Municipal Bonds		252,497		252,497
	<u>4,674,423</u>	<u>252,497</u>	<u>0</u>	<u>4,926,920</u>
Total	<u>\$ 4,674,423</u>	<u>\$ 252,497</u>	<u>\$ 0</u>	<u>\$ 4,926,920</u>
	<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 and corporate bonds		454,095		454,095
	<u>4,996,608</u>	<u>454,095</u>	<u>0</u>	<u>5,450,703</u>
Total	<u>\$ 4,996,608</u>	<u>\$ 454,095</u>	<u>\$ 0</u>	<u>\$ 5,450,703</u>

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note F – 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.

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, 2025 and 2024, 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% for each of the years ended June 30, 2025 and 2024, respectively. For a microloan of \$10,000 or less, those rates ranged from 4.50% to 9.50% for each of the years ended June 30, 2025 and 2024, respectively.

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

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note F – Microloan Lending Transactions (Continued)

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, 2025 and 2024, the percent of microenterprise loans receivable balances collateralized by borrowers’ business-related vehicles and equipment are 88%. To determine the collateralized balance, Jannus uses the lower of the ending loan receivable balance at June 30 or the fair value of the collateral. Fair value of collateral is based on Kelly Blue Book for vehicles or purchase price of applicable business assets. Jannus files a lien on the vehicle’s title and holds the title until the loan is paid in full or files a UCC1 lien with the State of Idaho for business equipment.

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

Consumers can borrow up to \$1,500 with no collateral and terms up to 18 months. Interest on loans is charged at 12%, is recognized as interest income over the term of the loan, and calculated using the simple-interest method on principal amounts outstanding. 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% allowance at June 30, 2025 and 2024, 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.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note F – Microloan Lending Transactions (Continued)

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

	<u>2025</u>	<u>2024</u>
Microenterprise loans receivable, current	\$ 21,902	\$ 25,091
SBA microloan program loans receivable, current	68,186	59,877
Consumer loans receivable, current	240	7,024
Less allowance for doubtful accounts	<u>(41,719)</u>	<u>(49,125)</u>
	48,609	42,867
Microenterprise loans receivable, long-term	37,766	49,400
SBA microloan program loans receivable, long-term	189,333	216,541
Consumer loans receivable, long-term	<u>0</u>	<u>1,726</u>
Microloans receivable, long-term	<u>227,099</u>	<u>267,667</u>
Total microloans receivable	<u>\$ 275,708</u>	<u>\$ 310,534</u>

Note G – Property and Equipment

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

	<u>2025</u>	<u>2024</u>
Land	\$ 70,240	\$ 386,929
Buildings and improvements	784,681	1,959,552
Office equipment and software	<u>484,897</u>	<u>1,458,114</u>
	1,339,818	3,804,595
Less accumulated depreciation	<u>(654,964)</u>	<u>(1,972,141)</u>
	<u>\$ 684,854</u>	<u>\$ 1,832,454</u>

For each of the years ended June 30, 2025 and 2024, Jannus sold a building and land. This was done in order to consolidate program offices to one central location.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note H – Mortgages Payable

At June 30, mortgages payable consisted of the following:

	<u>2025</u>	<u>2024</u>
Note payable to US Bank, \$3,673 monthly, including interest at 4.69% per annum, maturing May 2029. Secured by property.	\$ 0	\$ 470,864
Note payable to Mountain West Bank, \$1,096 monthly, including interest at 5% per annum, maturing April 2029. Secured by property.	<u>0</u>	<u>137,752</u>
	<u>\$ 0</u>	<u>\$ 608,616</u>

Jannus paid off all mortgages payable during the year ended June 30, 2025 through the sales of the related properties, see Note G. There are no future maturities. The loan agreement requires Jannus to meet certain operating and financial covenants, including a minimum liquidity amount. At June 30, 2024, Jannus was in compliance with these covenants.

Note I – 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, 2025 and 2024, 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, 2025, are as follows:

2026	\$ 59,512
2027	62,663
2028	40,438
2029	41,061
2030	38,324
Thereafter	<u>95,898</u>
Total	<u>\$ 337,896</u>

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note J – Line of Credit

Jannus has a \$200,000 line of credit with a bank. At June 30, 2024, the line of credit was secured by property, and borrowing under the line bore interest at the bank’s prime rate plus 0.25%, but no less than 4%. Interest was payable monthly, with accrued interest and principal due at maturity in March 2025 at which time the line of credit was renewed. At June 30, 2025, the line of credit is unsecured and borrowing under the line bears interest at the bank’s prime rate plus 0.25%, but no less than 0%. Interest is payable monthly, with accrued interest and principal payable on demand. As of June 30, 2025 and 2024, there was no outstanding balance. Jannus was in compliance with the loan covenants for the year ended June 30, 2025 and 2024.

Note K – 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>2025</u>	<u>2024</u> (Restated)
Without donor restrictions:		
Undesignated	\$ 3,164,152	\$ 2,679,850
Board designated endowment	164,954	152,336
Invested in property and equipment	<u>684,854</u>	<u>1,223,838</u>
Total net assets without donor restrictions	4,013,960	4,056,024
With donor restrictions:		
Program specific support	2,483,900	3,019,092
Restricted building acquired with federal funds	<u>262,172</u>	<u>272,296</u>
Total net assets with donor restrictions	<u>2,746,072</u>	<u>3,291,388</u>
Total net assets	<u>\$ 6,760,032</u>	<u>\$ 7,347,412</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

Note L – Contributed Nonfinancial Assets

For the year ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2025</u>	<u>2024</u>
Supplies	\$ 4,271	\$ 889
Services	17,751	17,021
Rent	<u>145,850</u>	<u>131,450</u>
Total contributed nonfinancial assets	<u>\$ 167,872</u>	<u>\$ 149,360</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 M – 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, 2025 and 2024, was 3.85% and 3.99%, respectively.

Jannus leases office space and equipment under various operating lease agreements that require monthly payments ranging from \$1 to \$35,600 with lease expirations ranging from fiscal years 2024 through 2035. In addition, Jannus also leases various facilities on a month-to-month basis.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note M – Leases (Continued)

For the years ended June 30, 2025 and 2024, total operating lease expense was \$583,154 and \$433,908, respectively. As of June 30, 2025 and 2024, the weighted-average remaining lease term for Jannus' operating leases was approximately 9.48 years and 2.68 years.

For the years ended June 30, 2025 and 2024, cash paid for operating leases was \$577,268 and \$429,775, respectively. Noncash investing and financing transactions related to leasing during the year ended June 30, 2025 was \$3,945,206.

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

2026	511,219
2027	529,949
2028	479,089
2029	460,692
2030	469,906
Thereafter	<u>2,410,142</u>
Total lease payments	4,860,997
Less present value discount	<u>(805,242)</u>
Total lease obligations	4,055,755
Less current portion	<u>(363,395)</u>
Long-term portion of leases	<u>\$ 3,692,360</u>

Note N – 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, 2025 and 2024 was \$491,714 and \$509,842, respectively. Employees are immediately vested in employer contributions.

JANNUS, INC.
NOTES TO FINANCIAL STATEMENTS

Note O – Restatement

During 2025, management identified two separate accounting issues affecting prior year financial statements. First, certain amounts of revenue—\$469,198 related to 2024 and \$233,477 related to years prior to 2024—were improperly excluded from revenue and instead recorded as refundable advances, resulting in an overstatement of refundable advances in prior periods. Second, the restatement increased deferred revenue, as additional amounts were identified that should have been classified as deferred revenue rather than refundable advances in prior periods. These adjustments reflect corrections to both deferred revenue and refundable advances. The effect of these corrections on the 2024 financial statements is summarized as follows:

	<u>As Previously Reported</u>	<u>Restated</u>
Grants and contracts receivable	\$ 2,721,585	\$ 2,955,061
Deferred revenue	\$ 732,154	\$ 1,203,650
Refundable advance	\$ 1,522,225	\$ 316,368
Net assets without donor restrictions	\$ 3,834,697	\$ 4,056,024
Net assets with donor restrictions	\$ 2,544,877	\$ 3,291,388
Grants and contracts	\$ 27,679,310	\$ 28,148,508

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, 2025, 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 December 26, 2025.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses, in which the findings are reported as items 2025-001 that we consider to be material weaknesses.

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.

Sorren CPAs P.C.

Meridian, Idaho
December 26, 2025

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, 2025. 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, 2025.

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.

Sorren CPAs P.C.

Meridian, Idaho
December 26, 2025

JANNUS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

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.S. Department of Health and Human Services				
Direct Programs:				
Refugee Social Services	93.566	2101IDRSOC, 2301IDRSOC, 2401IDRSOC, \$ 2501IDRSOC	5,646,986	\$ 4,701,589
Refugee Cash and Medical Assistance Program	93.566	23ABIDRCMA, 24ABIDRCMA	4,166,318	689,539
Early Head Start	93.600	10CH012265-01-00	2,565,587	
Wilson Fish TANF Coordination Program	93.583	90RW0076	649,278	444,426
Refugee Microenterprise Development	93.576	90RF0227-02-00	209,307	
Refugee Career Pathways	93.576	90ZM0022-03-00	51,016	134,421
Refugee Employer Engagement Program	93.576	90ZN0026-01-00, 90ZN0026-02-00	373,504	127,860
Refugee Ethnic Communities	93.576	90RE0306	190,821	
Refugee Home-Based Childcare	93.576	90RG0216-03-00	49,977	
Pass Through Programs Through:				
Idaho Dept of Education - SAMHSA 988 States & Territories Block Grant	93.243	HC960100	40,000	
Idaho Dept of Health and Welfare - Refugee TANF Case Management	93.558	WC093300	230,736	92,069
Episcopal Migration Ministries (EMM) - Match Grant	93.567	2120NYRVMG	187,171	
Idaho Dept of Health and Welfare - Block Grants for Community Mental Health Services	93.958	HC960100	357,689	
EMM - Preferred Communities Ukrainian Supplemental III	93.576	90RP0117	104,445	
EMM - Intensive Case Management Preferred Communities Grant	93.576	90RP0117	94,742	
University of Washington/Idaho State University - Southwest Idaho Area Health Education Center	93.107	22-0234A-RNUR26	133,382	
EMM- Preferred Communities- REA Supplemental	93.576	90RP0117	24,731	
EMM - Preferred Communities Afghan Parolee Assistance (APA) Supplemental II	93.576	90RP0117	10,615	
Idaho Dept of Health and Welfare - Refugee Community Health Worker Program	93.566	HC235300	100,698	
EMM- Preferred Communities Afghan Supplemental II	93.576	90RP0117	68,766	
EMM- Preferred Communities- Additional Housing	93.576	90RP0117	210,735	
Oasis Institute - Community Cares Corp	93.048	NA	50,325	
Idaho Commission on Aging - Alzheimer's Disease Demonstration Grant	93.051	NA	61,000	
EMM- Preferred Communities- Ukrainian Humanitarian Aid	93.576	90RP0117	2,162	
Idaho Dept of Health and Welfare - Child Care and Development	93.575	WC091500	60,331	
Idaho State University - Primary Care Training and Enhancement	93.884	22-0124B-RPA006	20,812	
Idaho Dept of Education - Garret Lee Smith Idaho Lives Project	93.243	25-7806	10,000	
EMM- Preferred Communities- ERMA ADF	93.576	90RP0117	2,940	
EMM- Preferred Communities - Refugee and Entrant Assistance	93.576	90RP0117	24,181	
EMM- Preferred Communities- Afghan Humanitarian Aid	93.576	90RP0117	5,578	
Idaho Dept of Health and Welfare - Expansion of a Community-led Respite Program	93.072	HC6824	16,994	
Total U.S. Department of Health and Human Services			15,720,827	6,189,904

JANNUS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

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 Education</u>				
Pass Through Programs Through:				
Idaho Dept of Education - Summer Enrichment and After School Programs	84.425	NA	276,455	
Rural Expansion of the Idaho Coalition for Community Schools	84.215J	NA	206,175	
Idaho Dept of Education - Twenty-First Century Community Learning Centers	84.287	NA	88,428	
Total US Department of Education			571,058	
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Beginning Farmers and Ranchers Development	10.311	2022-49400-38201	177,522	
Specialty Crop Block Grant	10.170	N/A	44,650	
Farmers Market and Local Food Promotion Program	10.175	24FMPPID1247	16,767	
Pass Through Programs Through:				
Idaho Dept of Agriculture - Urban Agriculture	10.935	NR233A750005G040	117,976	
Total U.S. Department of Agriculture			356,915	
<u>U.S. Department of State</u>				
Pass Through Programs Through:				
EMM - Cooperative Agreement (R&P)	19.510	S-PRMCO-22-CA-0028	482,814	
EMM - Afghani Parole Support	19.510	S-PRMCO-21-CA-3292	156,722	
Total U.S. Department of State			639,536	
<u>U.S. Small Business Administration</u>				
Direct Programs:				
Prime Technical Assistance	593050	SBAOCAPR240143-01-00	59,299	
Microloan Intermediary Technical Assistance	59.046	SBAOCAML240612-01-00	368,205	
Total U.S. Small Business Administration			427,504	
<u>Corporation for National and Community Service</u>				
Direct Programs:				
Foster Grandparents	94.011	24SFDID001	328,333	
Retired and Senior Volunteer Program	94.002	25SRDID002	12,269	
Pass Through Programs Through:				
Arizona State University - Legacy Corp	94.006	ASUB00000895, ASUB00001829	52,238	
Total Corporation for National Service			392,840	
<u>U.S. Department of Justice</u>				
Pass Through Programs Through:				
Idaho Dept of Health and Welfare - Crime Victim Assistance	16.575	VC6351	104,086	
Total Federal Assistance			\$ 18,212,766	\$ 6,189,904

JANNUS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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, 2025. 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, 2025 is:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Balance at June 30, 2025</u>
59.046	SBA Microloan Program	\$368,205

JANNUS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Section I – Summary of Audit Results

Financial Statements

Type of auditors' report issued: Unmodified
 Internal control over financial reporting:
 • Material weakness identified? X yes 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

93.566

Name of Federal Program

Refugee Social Services

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 (Continued)
For the Year Ended June 30, 2025

Section II – Financial Statement Findings

2025-001 Material Weakness – Material Adjustments to Beginning Balances

Criteria: The Organization did not have effective internal control processes or procedures in place for correctly recognizing revenue within the correct period.

Condition: The Organization was deferring revenue when received rather than recognizing it when earned.

Cause: The Organization did not have effective internal control processes in place for recording and recognizing revenue.

Effect: There was material understatement of revenue, which resulted in an understatement of net assets.

Recommendation: We recommend the Organization implement procedures to ensure revenue are recognized following the correct recognition criteria and within the correct period.

Management’s Response:

Procedures to record and recognize revenue have already been established and have been implemented during the fiscal year 2026.

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, 2025

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