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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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May 16, 2025

Board of Directors
Janus Developmental Services, Inc.
Hamilton County, Indiana

We have reviewed the audit report of the Janus Developmental Services, Inc., which was opined upon by Kemper CPA Group LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Janus Developmental Services, Inc. as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kemper CPA Group LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

JANUS DEVELOPMENTAL SERVICES, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

JANUS DEVELOPMENTAL SERVICES, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Janus Developmental Services, Inc.
Noblesville, Indiana

Opinion

We have audited the accompanying financial statements of Janus Developmental Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Janus Developmental Services, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year 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 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 Janus Developmental Services, 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 these 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 Janus Developmental Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Janus Developmental Services, 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 Janus Developmental Services, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2024 on our consideration of Janus Developmental Services, 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 Janus Developmental Services, 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 Janus Developmental Services, Inc.'s internal control over financial reporting and compliance.

Handwritten signature of Kemper CPA Group LLP in black ink.

Kemper CPA Group LLP
Avon, Indiana
July 26, 2024

JANUS DEVELOPMENTAL SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,940,687
Accounts receivable:	
Grants	271,636
Trade and other, net	245,674
Inventory	3,200
Promises to give	30,873
Prepaid expenses	31,994
TOTAL CURRENT ASSETS	<u>3,524,064</u>
 NONCURRENT ASSETS	
Promises to give, net of current portion	47,888
Property and equipment:	
Land	769,675
Buildings	2,392,756
Equipment	593,269
Vehicles	2,031,653
Less: accumulated depreciation	<u>(3,095,987)</u>
TOTAL NONCURRENT ASSETS	<u>2,739,254</u>
TOTAL ASSETS	<u><u>\$ 6,263,318</u></u>
 <u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 76,149
Accrued expenses	108,318
Refundable advances	604,949
Current portion of long-term debt	2,939
TOTAL CURRENT LIABILITIES	<u>792,355</u>
 NONCURRENT LIABILITIES	
Long-term debt, less current portion	<u>4,618</u>
TOTAL LIABILITIES	<u>796,973</u>
 NET ASSETS	
Without donor restrictions	5,387,584
With donor restrictions	78,761
TOTAL NET ASSETS	<u>5,466,345</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,263,318</u></u>

JANUS DEVELOPMENTAL SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE			
Grants	\$ 1,556,047	\$ -	\$ 1,556,047
Contributions	102,223	-	102,223
Special events	100,360	-	100,360
In-kind contribution	5,000	-	5,000
Revenue from contracts with customers			
Fees for services	2,257,575	-	2,257,575
Transportation systems fares and passes	553,138	-	553,138
Sales of goods and services (net of cost of goods and services of \$125,588)	18,162	-	18,162
Gain/(Loss) on disposal of fixed assets	4,500	-	4,500
Rental income	24,419	-	24,419
Interest	47,454	-	47,454
Miscellaneous	21,514	-	21,514
Assets released from restriction	27,821	(27,821)	-
TOTAL SUPPORT AND REVENUE	<u>4,718,213</u>	<u>(27,821)</u>	<u>4,690,392</u>
EXPENSES			
Program services			
Doorways Training	451,961	-	451,961
Community Employment	282,527	-	282,527
Golf and Batting	28,721	-	28,721
Work Experience	839,026	-	839,026
Hamilton Co. Express	1,984,451	-	1,984,451
Janus Transportation	341,282	-	341,282
	<u>3,927,968</u>	<u>-</u>	<u>3,927,968</u>
Management and general	546,825	-	546,825
Fundraising	202,589	-	202,589
TOTAL EXPENSES	<u>4,677,382</u>	<u>-</u>	<u>4,677,382</u>
CHANGE IN NET ASSETS	40,831	(27,821)	13,010
Net Assets, Beginning	<u>5,346,753</u>	<u>106,582</u>	<u>5,453,335</u>
Net Assets, Ending	<u>\$ 5,387,584</u>	<u>\$ 78,761</u>	<u>\$ 5,466,345</u>

JANUS DEVELOPMENTAL SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Programs					Supporting Services			Total
	Doorways Training	Community Employment	Golf and Batting	Work Experience	Hamilton Co. Express	Janus Contracted Transportation	Management and General	Fundraising	
Staff salaries and wages	\$ 257,951	\$ 192,157	\$ -	\$ 565,007	\$ 1,168,631	\$ 229,607	\$ 264,322	\$ 91,265	\$ 2,768,940
Benefits	62,091	41,410	-	115,132	195,189	28,589	106,982	37,743	587,136
Professional and contractual services	5,033	4,296	-	16,237	61,307	982	66,993	24,491	179,339
Occupancy	6,926	5,695	21,644	55,681	45,223	5,491	6,936	2,535	150,131
Occupancy - in-kind rent	27,821	-	-	-	-	-	-	-	27,821
Vehicles, equipment, and supplies	12,650	4,188	197	10,814	304,530	43,726	49,753	18,188	444,046
Travel, meals, and events	907	8,660	-	1,148	290	-	5,398	1,974	18,377
Business and professional development	569	834	-	859	570	230	6,107	18,239	27,408
Insurance	10,255	7,451	5,497	9,005	51,077	18,111	8,780	2,176	112,352
Advertising	1,009	1,090	-	16	1,260	-	470	366	4,211
Bad debt expense	-	-	-	-	-	-	5,000	-	5,000
Miscellaneous	1,936	1,555	323	1,639	3,133	-	2,031	391	11,008
Cost of goods and services:									
Payroll	-	-	-	66,972	-	-	-	-	66,972
Supplies	1,596	-	-	57,020	-	-	-	-	58,616
Cost of direct benefits to donors	-	-	-	-	-	-	-	3,000	3,000
Grant-funded supplies	44,248	8,164	-	-	-	-	1,799	-	54,211
Interest and fees expense	53	-	-	1,411	125	-	2,696	-	4,285
Depreciation	20,512	7,027	1,060	62,077	153,116	14,546	19,558	5,221	283,117
Total expenses by function	\$ 453,557	\$ 282,527	\$ 28,721	\$ 963,018	\$ 1,984,451	\$ 341,282	\$ 546,825	\$ 205,589	\$ 4,805,970
Less expenses included with revenues on the statement of activities									
Cost of goods and services	(1,596)	-	-	(123,992)	-	-	-	-	(125,588)
Total expenses on the statement of activities	\$ 451,961	\$ 282,527	\$ 28,721	\$ 839,026	\$ 1,984,451	\$ 341,282	\$ 546,825	\$ 202,589	\$ 4,677,382

JANUS DEVELOPMENTAL SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows from Operating Activities:	
Change in net assets	\$ 13,010
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	283,117
(Gain)/loss on disposal of fixed assets	(4,500)
Changes in assets and liabilities:	
(Increase) decrease in receivables	(125,743)
(Increase) decrease in inventories	115
(Increase) decrease in prepaids and other assets	1,970
(Increase) decrease in promises to give	27,821
Increase (decrease) in accounts payable	55,467
Increase (decrease) in accrued expenses	35,649
Increase (decrease) in refundable advances	246,418
Net cash provided/(used) by operating activities	<u>533,324</u>
Cash Flows from Investing Activities:	
Proceeds from sale/disposal of fixed assets	4,500
Purchase of property and equipment	(545,224)
Net cash provided/(used) by investing activities	<u>(540,724)</u>
Cash Flows from Financing Activities:	
Principal payments on long-term debt	(2,939)
Net cash provided/(used) by financing activities	<u>(2,939)</u>
Net increase/(decrease) in cash and cash equivalents	(10,339)
Cash and cash equivalents:	
Beginning	<u>2,951,026</u>
Ending	<u>\$ 2,940,687</u>
Supplemental Disclosures:	
Noncash transactions during the period:	
In-kind contribution	<u>\$ 5,000</u>
Noncash financing and investing activities	<u>\$ 3,052</u>

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Janus Developmental Services, Inc. (“the Organization”) is a not-for-profit corporation organized April 4, 1979. The Organization is governed by a volunteer board of directors whose mission is to provide educational and habilitation services and programs in conjunction with vocational and employment training and placement for individuals with developmental and physical disabilities. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and was established exclusively for charitable, educational, and scientific purposes to enable the handicapped to function at their full potential in society.

Brief descriptions of the Organization’s major programs are listed below.

Doorways Training – builds upon the educational efforts of local school systems. The program’s trainers and curriculum enhance each individual’s ability to function more independently in his or her environment and support the integration of individuals into the community.

Community Employment – smooths the transition from student to adult employment life. Hand in hand and side by side, the job coaches assist the individual with resume writing, job searching, and interviewing. After successful employment has been accomplished, the job coaches follow the individual to help the employer with training or any other employment challenges that arise to ensure a positive and successful employment experience.

Work Experience – offers individuals with developmental, physical, and intellectual disabilities the opportunity to learn basic employment skills such as completing assignments, working with co-workers, and arriving to work on time.

Hamilton County Express (HCE) – operates an affordable, on-demand public transit system for Hamilton County. The program is available to meet the transportation needs of individuals with disabilities as well as the general public.

Janus Contracted Transportation – operates Riverview Health Rides, a service providing door-to-door, shared ride transportation to medical appointments at Riverview Health facilities. Rides are available to patients with appointments at any of the 38 Riverview Health locations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Management’s Review of Subsequent Events

Management has evaluated subsequent events through July 26, 2024, the date when the financial statements were available to be issued.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting

Janus Developmental Services, Inc., uses the accrual method of accounting for financial statement reporting. Revenues are recognized when services are rendered and expenses are recognized when obligations are incurred.

C. Basis of Presentation

The Organization reports information regarding its financial position and activities to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of the net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and other that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

D. Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization files information tax returns in the U.S. federal and Indiana jurisdictions. The Organization is no longer subject to U.S. federal, state, and local income tax examinations by tax authorities for years ending prior to December 31, 2020.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenue Recognition

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to ASU 2014-09 (collectively, “ASC 606”), as management believes these standards improve the usefulness and understandability of the Organization’s financial reporting.

ASU 2018-08 clarifies the distinction between contributions and exchange-like transactions, which affects when revenue from such transactions is recognized. Management did not identify any types of transactions whose recognition was altered as a result of adopting ASU 2018-08.

ASC 606 creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The Organization’s revenues that fall within the scope of ASC 606 include bus fares and passes, sales of goods and services, and fees for services with state contracts for community transportation services. Revenue from bus fares and passes is recognized when the service is provided or when the pass is sold. No refunds are issued for unused bus passes. Management estimates that the majority of passes are used completely within 30 days or less, so that this method does not differ materially from recognizing revenue over time as the passes are used and the Organization satisfies its obligation to purchasers. Revenue from other services is reported as income when the related service has been provided. Sales of goods are reported as income as deliveries are made of the products purchased.

A portion of the Organization’s 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 the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advance in the statement of financial position.

The Organization’s sources of revenue are heavily reliant on market conditions, the economy, and the government budget for the area in which they are located in Hamilton County, Indiana. The Organization could be significantly impacted if economic downturns transpired.

F. Cash and Cash Equivalents

The Organization considers all checking, savings, and money market accounts and certificates of deposit with original maturities of 12 months or less to be cash and cash equivalents.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Concentration of Credit Risk

Deposits at each financial institution were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at December 31, 2023, at which time the Organization's deposits in excess of FDIC insured limits were \$2,188,057. The Organization believes it is not exposed to any significant risk on cash deposits.

H. Accounts Receivable

On January 1, 2023, the Organization adopted the new accounting guidance related to the allowance for credit losses on accounts receivable. The impact of adoption of this standard was not material to the financial statements and had no impact on the opening balance of retained earnings.

The Organization extends credit on a short-term basis to customers in the normal course of business. Accounts receivable are stated at their estimated collectible amounts and comprise amounts billed and currently due from customers. These uncollateralized customer obligations are due under normal trade terms requiring payment within thirty days from the invoice date.

The carrying amounts of accounts receivable are reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Collections from customers are continuously monitored and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors. The Organization also considers any specific customer collection issues. Since the Organization's accounts receivable are largely similar, the Organization evaluates its allowance for credit losses as one portfolio segment. At origination, the Organization evaluates credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, probabilities of default, industry trends and other internal metrics. On a continuing basis, data for each major customer is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses; actual write-offs are charged against the allowance. Write-offs to the allowance for credit losses was \$5,000 for year ended 2023.

Accounts receivable beginning balance as of January 1, 2023 was \$90,321 and ending balance as of December 31, 2023 was \$245,674.

I. Inventories

Inventories consist of materials and supplies and are stated at the lower of cost (first-in, first-out method) or net realizable value.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Prepaid Expenses

Amounts paid for insurance prior to the policy taking place are recorded as prepaid expenses until the expense is incurred. Amounts also include equipment which have not received sufficient title for which the period has not begun and prepaid association membership.

K. Property and Equipment

Buildings, property, equipment, and vehicles are recorded at cost at the date of acquisition or fair value at the date of donation in the case of gifts. The Organization's capitalization policy requires individual assets to be capitalized if the original cost or fair value at the date of donation exceeds \$1,000, or \$500 for computer equipment.

The Organization evaluates long-lived assets and intangibles held and used for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized when the carrying amounts of such assets cannot be recovered by the discounted net cash flows they will generate. There were no impairment losses recognized for the year ended December 31, 2023.

Depreciation is computed using the straight-line method over the estimated useful lives of the equipment (3-10 years), vehicles (5 years), and buildings and improvements (10-40 years). The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

L. Refundable Advances

The Organization records cash or equipment received from funding sources that has not yet had qualifying expenditures or condition barriers have not been met and right to demand return exists if stipulations are not met as a refundable advance.

M. Contributions

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is 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 met.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. If a restriction is placed by the donor on the contribution but the restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Functional Allocation of Expenses

The cost of providing the various programs, fundraising, and other activities has been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs that are attributed to more than one program or supporting function have been allocated among the programs and supporting functions benefited.

Expenses are allocated on the following bases: Salaries are allocated based on time, professional services are allocated based on the number of full-time equivalent staff members, occupancy costs are allocated based on square footage, and office supplies and business development costs are allocated evenly among the programs. Any remaining expenses are allocated by estimates from management or based on the time study. Management, general, and fundraising expenses are allocated on the basis of a time study.

P. Advertising

The Organization expenses advertising costs as incurred. Total advertising costs were \$4,211 for the year ended December 31, 2023.

Q. Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of future cash flows. The discounts on those amounts were computed using risk-adjusted interest rates applicable to the year in which the unconditional promise to give lease commenced.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for the leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022, and evaluated and recognized leases existing at, or entered into after, January 1, 2021 using the modified retrospective approach, with certain practical expedients available. Adopting the new lease accounting guidance did not have an impact on the financial statements as future minimum lease rental amounts are deemed immaterial to the financial statements as a whole.

S. In-Kind Contributions

Contributed goods and professional services are recorded at fair value at the date of donation or when the services are received.

NOTE 3 – INVENTORIES

Inventories on hand as of December 31, 2023, consist of the following:

Consumables and Other	<u>\$ 3,200</u>
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JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 2,940,687
Accounts receivable:	
Grants	271,636
Trade and other	245,674
Promises to give	<u>30,873</u>
	3,488,870
Less those unavailable for general expenditures:	
within one year, due to:	
Promises to give, in-kind rent	<u>30,873</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 3,457,997</u>

As part of their liquidity management plan, the Organization invests cash in excess of operating requirements in short-term certificates of deposit and money market funds.

NOTE 5 – LINE OF CREDIT

As of December 31, 2023, the Organization had a \$200,000 demand note line of credit with Key Bank, collateralized by all assets of the Organization. This note has an interest rate of the prime rate plus 0.5%, resulting in a rate of 3.75% as of December 31, 2023. As of December 31, 2023, this note had an outstanding balance of \$-0-. There was no interest expense paid on the line of credit during the year ended December 31, 2023.

NOTE 6 – RETIREMENT PLAN

The Organization has a defined contribution 401(k) retirement plan covering substantially all of its employees who meet the minimum entry requirements. The Organization makes discretionary matching contributions equal to a uniform percentage of eligible employee salary deferrals. Additionally, the Organization may make annual discretionary profit-sharing contributions. The Organization contributed a total of \$31,035 to the plan on behalf of employees for the year ended December 31, 2023.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 – LONG-TERM DEBT

In July of 2020, the Organization entered into a note payable to John Deere Financial for the purchase of a tractor. The original note was for \$17,599. Payments of \$245 are due monthly through July 2026, with a stated interest rate of 0%. The note is secured by the equipment. The principal balance was \$7,557 as of December 31, 2023, with the following future maturities:

2024	\$	2,939
2025		2,939
2026		1,679
Total	\$	<u>7,557</u>

NOTE 8 – LEASE COMMITMENTS

The Organization has entered into a lease agreement with Pitney Bowes Global Financial Services for a postage meter machine. The lease began in April 2020 and expires in July 2025. Rent expense under this agreement was \$708 for the year ended December 31, 2023.

The Organization has also entered into a lease agreement with Gordon Flesch Company, Inc., for a copier machine. The lease began in May of 2021 and will expire May of 2026. Rent expense under this agreement was \$2,431 for the year ended December 31, 2023.

Future minimum rental payments as of December 31, 2023, under these leases are due as follows:

2024	\$	3,139
2025		2,844
2026		1,013
Total	\$	<u>6,996</u>

NOTE 9 – DONATED FACILITIES

In September 2021, the Organization entered into a lease agreement with SouthPointe Village Apartments, LP, where the Organization would lease office space in Fishers, Indiana. The initial term of the lease is for a five-year period commencing September 24, 2021, with a monthly base rent of \$1.00. An independent valuation determined that the fair value of the lease was \$30,873 annually based on gross basis. In connection with this lease agreement, the Organization recorded an unconditional promise to give described in Note 10. For the year ended December 31, 2023, in-kind rent expense was recorded in the amount of \$27,821.

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Note 10 – PROMISES TO GIVE

Unconditional promises to give at December 31, 2023, are as follows:

Donor-restricted, free use of facility	\$ <u>78,761</u>
Receivable in one to five years	82,329
Less discounts to net present value	<u>(3,568)</u>
	<u>\$ 78,761</u>

Promises to give receivable in more than one year are discounted at the measurement date over the period in which the gifts will be received. The discount rate was 3.25% as of December 31, 2022.

NOTE 11 – CONCENTRATIONS

During the year ended December 31, 2023, approximately 33% of the Organization’s total support and revenue was from grants, primarily from federal, state, county, and city agencies. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization’s programs and activities.

NOTE 12 – GRANTS AND FEES FOR SERVICES

The following is a summary of the revenue from grants and fees for services during the year ended December 31, 2023:

Grants:

Hamilton County Federal, State and Local Funds	\$ 1,278,467
Indiana Department of Transportation: tripmaster	57,625
Indiana Department of Transportation: bus lift	28,793
Other Counties and Townships	18,000
Other - private grants	<u>173,162</u>
	<u>\$ 1,556,047</u>

Fees for Services:

Indiana Family and Social Services Administration	\$ 921,477
Indiana Department of Transportation: HCE (State Funds)	983,035
Vocational Rehabilitation	200,338
Group Homes and Client/Family Payments	144,744
Division of Disability and Rehabilitative Services	<u>7,981</u>
	<u>\$ 2,257,575</u>

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NOTE 13 – PAYCHECK PROTECTION PROGRAM LOAN (PPP LOAN)

On April 13, 2020, the Organization received a loan under the Paycheck Protection Program (“PPP”). The PPP established as part of the Coronavirus Act, Relief and Economic Security Act (“CARES Act”) and expanded as part of the Economic Aid Act, provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business.

The Organization was notified that as of April 30, 2021, the Small Business Administration (“SBA”) had remitted to the Lender of Record, full payment of principal and interest due on the loan, for full forgiveness of the PPP loan. However, the SBA may review loan forgiveness for six years from the date of forgiveness.

On March 16, 2021, the Organization received a loan under the Paycheck Protection Program (“PPP”). The Organization was notified that as of February 22, 2022, the Small Business Administration (“SBA”) had remitted to the Lender of Record, full payment of principal and interest due on the loan, for full forgiveness of the PPP loans. However, the SBA may review loan forgiveness for six years from the date of forgiveness.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Janus Developmental Services, Inc.
Noblesville, Indiana

We have audited, in accordance with the 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 Janus Developmental Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 July 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Janus Developmental Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Janus Developmental Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Janus Developmental Services, Inc.'s internal controls.

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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Janus Developmental Services, Inc.'s 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "KEMPER CPA GROUP LLP". The signature is written in a cursive, slightly slanted style.

Kemper CPA Group LLP
Avon, Indiana
July 26, 2024