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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

September 21, 2020

Board of Directors
Janus Developmental Services, Inc.
1555 Westfield Rd.
Noblesville, IN 46062

We have reviewed the audit report of Janus Developmental Services, Inc., which was opined upon by Kemper CPA Group LLP, Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition Janus Developmental Services, Inc. as of December 31, 2019 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 State Board of Accounts.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

JANUS DEVELOPMENTAL SERVICES, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019

JANUS DEVELOPMENTAL SERVICES, INC.
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INDEPENDENT AUDITOR'S REPORT

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

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, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Janus Developmental Services, Inc. as of December 31, 2019, 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.

Other Matters

Other 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 August 6, 2020, 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.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants
Champaign, Illinois
August 6, 2020

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,086,599
Accounts receivable:	
Grants	213,709
Trade and other	91,208
Inventory	5,825
Prepaid insurance and other expenses	108,235
TOTAL CURRENT ASSETS	<u>1,505,576</u>
NONCURRENT ASSETS	
Land	769,675
Buildings	1,959,435
Equipment	390,497
Vehicles	1,622,819
Less: accumulated depreciation	<u>(2,155,244)</u>
TOTAL NONCURRENT ASSETS	<u>2,587,182</u>
 TOTAL ASSETS	 <u><u>\$ 4,092,758</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 47,093
Accrued expenses	143,241
Deferred revenue	46,595
Current portion of long-term debt	49,264
Other current liabilities	8,740
TOTAL CURRENT LIABILITIES	<u>294,933</u>
NONCURRENT LIABILITIES	
Long-term debt, less current portion	<u>214,261</u>
 TOTAL LIABILITIES	 <u>509,194</u>
NET ASSETS	
Without donor restrictions	<u>3,583,564</u>
TOTAL NET ASSETS	<u>3,583,564</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 4,092,758</u></u>

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

SUPPORT AND REVENUE	
Grants	\$ 2,338,256
Contributions	87,096
Special events (net of cost of direct benefits to donors of \$17,047)	118,714
Revenue from contracts with customers	
Fees for services	1,033,397
HCE fares & passes	505,934
HCE bus advertising	45,832
Sales of goods and services (net of cost of goods and services of \$120,971)	69,228
Gain on disposal of fixed assets	8,500
Rental income	12,409
Interest	7,793
Miscellaneous	19,987
TOTAL SUPPORT AND REVENUE	<u>4,247,146</u>
EXPENSES	
Program services	
Doorways Training	272,120
Community Employment	153,920
Participant Assistance and Care/Respite	64,453
Golf and Batting	69,499
Work Experience	803,012
Hamilton Co. Express	1,733,883
Janus Transportation	356,054
	<u>3,452,941</u>
Management and general	495,391
Fundraising	183,440
TOTAL EXPENSES	<u>4,131,772</u>
CHANGE IN NET ASSETS	115,374
Net Assets, Beginning	<u>3,468,190</u>
Net Assets, Ending	<u>\$ 3,583,564</u>

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Programs							Supporting Services		
	Total Agency	Doorways Training	Community Employment	Participant Assistance and Care/Respite	Golf and Batting	Work Experience	Hamilton Co. Express	Janus Contracted Transportation	Management and General	Fundraising
Staff salaries and wages	\$ 2,346,679	\$ 174,683	\$ 109,925	\$ 48,838	\$ 30,889	\$ 479,793	\$ 944,157	\$ 188,792	\$ 271,077	\$ 98,525
Benefits	708,078	50,779	13,824	9,786	3,066	156,591	243,718	51,752	130,962	47,600
Professional and contractual	108,790	9,347	7,163	30	220	34,477	36,979	8,433	8,905	3,236
Occupancy	145,374	7,021	4,930	480	21,065	57,267	39,441	4,496	7,829	2,845
Vehicles, equipment, and supplies	354,296	5,015	2,674	10	818	12,014	232,311	61,113	29,587	10,754
Travel, meals, and events	15,921	233	4,699	3,092	-	1,120	810	30	4,354	1,583
Business and professional development	24,417	1,625	1,102	-	-	4,167	1,102	1,102	8,209	7,110
Insurance	85,194	5,762	3,588	2,217	10,448	3,588	40,731	11,796	5,181	1,883
Advertising	6,510	20	248	-	-	20	953	69	3,814	1,386
Miscellaneous	15,336	2,002	2,002	-	-	7	7,001	-	-	4,324
Cost of goods and services	120,971	1,821	-	-	1,312	117,838	-	-	-	-
Cost of direct benefits to donors	17,047	-	-	-	-	-	-	-	-	17,047
Grant-funded supplies and other expenses	17,047	9,979	1,600	-	2,133	3,335	-	-	-	-
Interest and fees expense	15,082	38	-	-	310	633	128	40	13,933	-
Depreciation	289,048	5,616	2,165	-	550	50,000	186,552	28,431	11,540	4,194
Total expenses by function	4,269,790	273,941	153,920	64,453	70,811	920,850	1,733,883	356,054	495,391	200,487
Less expenses included with revenues on the statement of activities										
Cost of goods and services	(120,971)	(1,821)	-	-	(1,312)	(117,838)	-	-	-	-
Cost of direct benefits to donors	(17,047)	-	-	-	-	-	-	-	-	(17,047)
Total expenses on the statement of activities	\$ 4,131,772	\$ 272,120	\$ 153,920	\$ 64,453	\$ 69,499	\$ 803,012	\$ 1,733,883	\$ 356,054	\$ 495,391	\$ 183,440

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Flows from Operating Activities:	
Change in net assets	\$ 115,374
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	289,048
(Gain)/loss on disposal of fixed assets	(8,500)
Changes in assets and liabilities:	
(Increase) decrease in receivables	(3,069)
(Increase) decrease in inventories	(806)
(Increase) decrease in prepaids and other assets	(4,918)
Increase (decrease) in accounts payable	17,728
Increase (decrease) in accrued expenses	(3,758)
Increase (decrease) in deferred revenue	(11,880)
Increase (decrease) in other current liabilities	(3,470)
Net cash provided/(used) by operating activities	<u>385,749</u>
Cash Flows from Investing Activities:	
Proceeds from sale/disposal of fixed assets	8,500
Purchase of fixed assets	(203,113)
Net cash provided/(used) by investing activities	<u>(194,613)</u>
Cash Flows from Financing Activities:	
Principal payments on long-term debt	(47,335)
Net cash provided/(used) by financing activities	<u>(47,335)</u>
Net increase/(decrease) in cash and cash equivalents	143,801
Cash and cash equivalents:	
Beginning	<u>942,798</u>
Ending	<u>\$ 1,086,599</u>
Supplemental Disclosures:	
Cash paid for interest	<u>\$ 15,732</u>
Cash paid for unrelated business income tax	<u>\$ 9,744</u>

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 29 Riverview Health locations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Management’s Review of Subsequent Events

Management has evaluated subsequent events through August 6, 2020, the date when the financial statements were available to be issued.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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. Net Asset Classifications

The Organization reports net assets in two categories: net assets with and without donor restrictions. The Organization's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are for the general operations of the Organization. Net assets with donor restrictions are subject to donor-imposed stipulations and either may be used for the specific purpose stipulated by the donor or must be maintained by the Organization indefinitely. The Organization had no net assets with donor restrictions as of December 31, 2019.

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, 2016.

E. Revenue Recognition

In the current year, the Organization 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.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenue Recognition (Continued)

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.

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 deferred revenue in the statement of financial position.

ASC 606 creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The majority of the Organization’s revenues come from grants and other sources, including contributions, that are outside the scope of ASC 606. The Organization’s revenues that fall within the scope of ASC 606 include bus fares and passes, sales of goods, and sales of 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 a relatively short period, 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. The adoption of ASC 606 did not result in a change to the accounting for any of the relevant revenue streams; therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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.

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, 2019, at which time the Organization’s deposits in excess of FDIC insured limits were \$581,088. The Organization believes it is not exposed to any significant risk on cash deposits.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Accounts Receivable

Accounts receivable are carried at original cost and represent primarily amounts due from state and federal agencies and other third-party payers and are due within 30 days. Accounts receivable are considered to be past due if any portion of the receivable balance is outstanding for more than 90 days. Interest is not charged on accounts receivable. Management did not consider any of the accounts receivable uncollectible at December 31, 2019; therefore, there was no allowance recorded as of that date.

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.

J. 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 years ended December 31, 2019 and 2018.

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.

K. Deferred Revenue

The Organization records cash received from funding sources that has not yet been earned as deferred revenue.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Contributions

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 unrestricted.

M. 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.

N. 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: 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. Management and general expenses are allocated to fundraising on the basis of a time study.

O. Advertising

The Organization expenses advertising costs as incurred. Total advertising costs were \$6,510 for the year ended December 31, 2019.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 – LIQUIDITY AND AVAILABILITY

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

Cash and cash equivalents	\$ 1,086,599
Accounts receivable:	
Grants	213,709
Trade and other	<u>91,208</u>
	<u>\$ 1,391,516</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 4 – INVENTORIES

Inventories on hand as of December 31, 2019, consist of the following:

Consumables and Other	<u>\$ 5,825</u>
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NOTE 5 – LINE OF CREDIT

As of December 31, 2019, 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 6.0% as of December 31, 2019. As of December 31, 2019, 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, 2019.

NOTE 6 – LONG-TERM DEBT

At December 31, 2019, the Organization had a mortgage note payable to a private individual. The original note was for \$400,000, dated August 30, 2016. The note is secured by land, buildings, and improvements. The note is payable in annual payments of \$60,000, including principal and interest, beginning August 31, 2017, through August 31, 2021, at which time the remaining principal balance is due.

The interest rate is fixed at 4.0%, and total interest expense paid was \$15,594 during the year ended December 31, 2019. The outstanding balance at December 31, 2019, was \$263,525, with annual maturities summarized as follows:

2020	\$ 49,264
2021	<u>214,261</u>
Total	<u>\$ 263,525</u>

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – LEASE COMMITMENTS

The Organization has entered into an operating lease agreement with Pitney Bowes Global Financial Services for a postage meter machine. The lease began in January 2015 and expires in April 2020. Rent expense under this agreement was \$792 for the year ended December 31, 2019.

The Organization has also entered into an operating lease agreement with Gordon Flesch Company, Inc., for a copier machine. The lease began in May 2016 and expires in May 2021. Rent expense under this agreement was \$4,974 for the year ended December 31, 2019.

Future minimum rental payments as of December 31, 2019, under these leases are due as follows:

2020	\$ 5,172
2021	<u>2,072</u>
Total	<u><u>\$ 7,244</u></u>

NOTE 8 – 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 \$38,758 to the plan on behalf of employees for the year ended December 31, 2019.

NOTE 9 – CONCENTRATIONS

During the year ended December 31, 2019, approximately 55% 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 10 – LITIGATION

As of December 31, 2019, the Organization is the defendant in a lawsuit in which the plaintiff is alleging negligence and seeking damages. The claim is insured, and as such management believes that damages awarded to the plaintiff (if any) will not materially affect the Organization's financial position. Due to uncertainties in the settlement process, it is at least reasonably possible that management's view of the outcome will change in the near term.

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11 – 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, 2019:

Grants:

Hamilton County State and Local Funds	\$ 1,146,952
Indiana Department of Transportation: HCE (Federal Funds)	850,845
Indiana Department of Transportation: HCE (State Funds)	245,956
Other Counties and Townships	54,500
Other	40,003
	\$ 2,338,256

Fees for Services:

Indiana Family and Social Services Administration	\$ 787,941
Vocational Rehabilitation	61,000
Group Homes and Client/Family Payments	161,944
Division of Disability and Rehabilitative Services	22,512
	\$ 1,033,397

NOTE 12 – SUBSEQUENT EVENTS

Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that, while it is reasonably possible that the virus could have a negative effect on the Organization’s financial position, results of its operations, and cash flows, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In April of 2020, the Organization received loan proceeds in the amount of \$496,748, pursuant to the Paycheck Protection Program (the “PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. The Organization intends to use the proceeds for purposes consistent with the PPP. The Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan.

JANUS DEVELOPMENTAL SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Federal Grantor/Pass-Through Grantor, Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Project # or Contract #</u>	<u>Total Expenditures</u>
<u>U.S. Department of Transportation</u>			
Passed through Indiana Department of Transportation through Hamilton County Commissioners:			
Formula Grants for Rural Areas	20.509	A249-19-G180504	\$ 707,416 (M)
Total Formula Grants for Rural Areas			<u>707,416</u>
Federal Transit Cluster			
Bus and Bus Facilities Formula Program	20.526	A249-19-G180393	143,429
Total Federal Transit Cluster			<u>143,429</u>
Total U.S. Department of Transportation			<u>850,845</u>
Total Expenditures of Federal Awards			<u>\$ 850,845</u>

(M) Program was audited as a major program

JANUS DEVELOPMENTAL SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Janus Developmental Services, Inc. (the Organization) for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented on the accrual basis of accounting. 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. The Organization has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Indirect costs are charged to federal programs using the rates stipulated in the grant agreements.

NOTE 3 – SUBRECIPIENTS

The Organization did not provide any federal awards to subrecipients.

NOTE 4 – DESCRIPTION OF MAJOR FEDERAL PROGRAMS

Formula Grants for Rural Areas: This program's objectives are to initiate, improve, or continue public transportation service in rural areas by providing financial assistance for operating, planning, administrative expenses, and the acquisition, construction, and improvement of facilities and equipment.

NOTE 5 – NONCASH ASSISTANCE, INSURANCE, AND LOAN GUARANTEES

The Organization did not receive any noncash assistance in the current year. In addition, the Organization had no federal insurance or loan guarantees in the current year.

JANUS DEVELOPMENTAL SERVICES, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|---|------------|
| 1. Type of auditor’s report issued on financial statements | Unmodified |
| 2. During the audit of the financial statements, were any significant deficiencies in internal control disclosed? | No |
| 3. If so, were any such deficiencies considered material weaknesses? | N/A |
| 4. Did the audit disclose any instances of noncompliance that would be considered material to the financial statements? | No |

Federal Awards

- | | |
|--|------------|
| 1. Were any significant deficiencies in internal control over major programs disclosed? | No |
| 2. If so, were any such deficiencies considered material weaknesses? | N/A |
| 3. Type of report issued on compliance for major programs | Unmodified |
| 4. Any findings disclosed that are required to be reported under 2 CFR § 200.516(a)? | No |
| 5. Major Programs:
U.S. Department of Transportation:
Formula Grants for Rural Areas | 20.509 |
| 6. Dollar threshold to distinguish between Type A and Type B programs | \$ 750,000 |
| 7. Does auditee qualify as a low-risk auditee under 2 CFR § 200.520? | No |

JANUS DEVELOPMENTAL SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS

None

JANUS DEVELOPMENTAL SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION IV – SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS

None

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, 2019, 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 August 6, 2020.

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) to determine 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 the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants
Champaign, Illinois
August 6, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Janus Developmental Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Janus Developmental Services, Inc.'s major federal programs for the year ended December 31, 2019. Janus Developmental Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Janus Developmental Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Janus Developmental Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Janus Developmental Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Janus Developmental Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of Janus Developmental Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Janus Developmental Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Janus Developmental Services, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kemper CPA Group LLP

KEMPER CPA GROUP LLP
Certified Public Accountants and Consultants
Champaign, Illinois
August 6, 2020