



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B57176

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](http://www.in.gov/sboa)

August 25, 2021

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, 2020 to December 31, 2020. 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, 2020 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

JANUS DEVELOPMENTAL SERVICES, INC.

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2020

JANUS DEVELOPMENTAL SERVICES, INC.  
TABLE OF CONTENTS

	Page
Independent Auditor’s Report .....	1-2
 <u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7-15
 <u>FEDERAL SCHEDULES</u>	
Schedule of Expenditures of Federal Awards .....	16
Notes to Schedule of Expenditures of Federal Awards .....	17
 <u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>	
Section I – Summary of Auditor’s Results .....	18
Section II – Financial Statement Findings .....	19
Section III – Federal Award Findings .....	19
Section IV – Summary Schedule of Prior-Year Audit Findings .....	20
 <u>COMPLIANCE</u>	
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 <i>Government Auditing Standards</i> .....	21-22
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	23-24



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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, 2020, 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, 2020, 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 June 15, 2021, 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  
June 15, 2021

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020

<u>ASSETS</u>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,799,846
Accounts receivable:	
Grants	379,899
Trade and other	67,130
Inventory	4,003
Prepaid insurance and other expenses	35,344
TOTAL CURRENT ASSETS	<u>2,286,222</u>
NONCURRENT ASSETS	
Land	769,675
Buildings	2,140,616
Equipment	395,405
Vehicles	1,764,184
Less: accumulated depreciation	<u>(2,370,782)</u>
TOTAL NONCURRENT ASSETS	<u>2,699,098</u>
 TOTAL ASSETS	 <u>\$ 4,985,320</u>
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 32,412
Accrued expenses	66,502
Deferred revenue	12,442
Current portion of long-term debt	217,201
Other current liabilities	52,379
TOTAL CURRENT LIABILITIES	<u>380,936</u>
NONCURRENT LIABILITIES	
Long-term debt, less current portion	<u>13,435</u>
 TOTAL LIABILITIES	 <u>394,371</u>
NET ASSETS	
Without donor restrictions	<u>4,590,949</u>
TOTAL NET ASSETS	<u>4,590,949</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 4,985,320</u>

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

SUPPORT AND REVENUE	
Grants	\$ 3,056,905
Contributions	89,547
Special events (net of cost of direct benefits to donors of \$5,325)	72,985
Revenue from contracts with customers	
Fees for services	722,816
Transportation systems fares and passes	499,828
HCE bus advertising	43,461
Sales of goods and services (net of cost of goods and services of \$104,679)	128,992
Gain on disposal of fixed assets	8,329
Rental income	7,409
Interest	5,712
Miscellaneous	15,062
TOTAL SUPPORT AND REVENUE	<u>4,651,046</u>
EXPENSES	
Program services	
Doorways Training	319,323
Community Employment	127,989
Golf and Batting	94,086
Work Experience	719,970
Hamilton Co. Express	1,512,047
Janus Transportation	212,036
	<u>2,985,451</u>
Management and general	484,092
Fundraising	174,118
TOTAL EXPENSES	<u>3,643,661</u>
CHANGE IN NET ASSETS	1,007,385
Net Assets, Beginning	<u>3,583,564</u>
Net Assets, Ending	<u>\$ 4,590,949</u>

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Programs						Supporting Services		
	Total Agency	Doorways Training	Community Employment	Golf and Batting	Work Experience	Hamilton Co. Express	Janus Contracted Transportation	Management and General	Fundraising
Staff salaries and wages	\$ 2,067,792	\$ 187,905	\$ 88,377	\$ 35,580	\$ 428,888	\$ 847,036	\$ 132,026	\$ 255,218	\$ 92,762
Benefits	636,456	72,402	11,020	1,842	143,141	233,174	10,327	120,686	43,864
Professional and contractual	84,535	6,931	4,680	110	20,742	36,267	1,829	10,250	3,726
Occupancy	153,124	8,085	6,103	24,464	57,357	42,116	4,352	7,809	2,838
Vehicles, equipment, and supplies	238,569	3,701	2,649	919	7,517	130,359	27,622	48,261	17,541
Travel, meals, and events	7,149	301	3,039	22	476	142	-	2,324	845
Business and professional development	14,861	324	175	-	2,349	414	135	6,255	5,209
Insurance	87,848	6,041	3,908	11,236	3,908	43,474	11,962	5,368	1,951
Advertising	2,305	-	-	-	-	696	40	1,151	418
Miscellaneous	17,403	2,045	2,028	213	39	11,394	25	1,217	442
Cost of goods and services	104,679	1,358	-	1,045	102,276	-	-	-	-
Cost of direct benefits to donors	5,325	-	-	-	-	-	-	-	5,325
Grant-funded supplies and other expenses	54,206	25,467	3,338	18,349	7,052	-	-	-	-
Interest and fees expense	14,579	34	-	652	650	130	-	13,113	-
Depreciation	264,834	6,087	2,672	699	47,851	166,845	23,718	12,440	4,522
<b>Total expenses by function</b>	<b>3,753,665</b>	<b>320,681</b>	<b>127,989</b>	<b>95,131</b>	<b>822,246</b>	<b>1,512,047</b>	<b>212,036</b>	<b>484,092</b>	<b>179,443</b>
Less expenses included with revenues on the statement of activities									
Cost of goods and services	(104,679)	(1,358)	-	(1,045)	(102,276)	-	-	-	-
Cost of direct benefits to donors	(5,325)	-	-	-	-	-	-	-	(5,325)
<b>Total expenses on the statement of activities</b>	<b>\$ 3,643,661</b>	<b>\$ 319,323</b>	<b>\$ 127,989</b>	<b>\$ 94,086</b>	<b>\$ 719,970</b>	<b>\$ 1,512,047</b>	<b>\$ 212,036</b>	<b>\$ 484,092</b>	<b>\$ 174,118</b>

See accompanying notes to financial statements.

JANUS DEVELOPMENTAL SERVICES, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities:	
Change in net assets	\$ 1,007,385
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	264,834
(Gain)/loss on disposal of fixed assets	(8,329)
Changes in assets and liabilities:	
(Increase) decrease in receivables	(142,112)
(Increase) decrease in inventories	1,822
(Increase) decrease in prepaids and other assets	72,891
Increase (decrease) in accounts payable	(14,681)
Increase (decrease) in accrued expenses	(76,739)
Increase (decrease) in deferred revenue	(34,153)
Increase (decrease) in other current liabilities	43,639
Net cash provided/(used) by operating activities	<u>1,114,557</u>
Cash Flows from Investing Activities:	
Proceeds from sale/disposal of fixed assets	9,500
Purchase of fixed assets	(377,920)
Net cash provided/(used) by investing activities	<u>(368,420)</u>
Cash Flows from Financing Activities:	
Proceeds from borrowing on note payable	17,599
Principal payments on long-term debt	(50,489)
Net cash provided/(used) by financing activities	<u>(32,890)</u>
Net increase/(decrease) in cash and cash equivalents	713,247
Cash and cash equivalents:	
Beginning	<u>1,086,599</u>
Ending	<u>\$ 1,799,846</u>
Supplemental Disclosures:	
Cash paid for interest	<u>\$ 15,415</u>
Cash paid for unrelated business income tax	<u>\$ 9,877</u>

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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 June 15, 2021, the date when the financial statements were available to be issued.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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, 2020.

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, 2017.

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.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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.

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, 2020, at which time the Organization’s deposits in excess of FDIC insured limits were \$1,337,738. The Organization believes it is not exposed to any significant risk on cash deposits.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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, 2020; 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 year ended December 31, 2020.

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.

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.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

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: Salaries are allocated based on time and effort, 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 \$2,305 for the year ended December 31, 2020.

P. Paycheck Protection Program Loan (PPP)

The Organization is accounting for the PPP loan as a grant in accordance with FASB ASC 958-605-15, Not-for-Profit Entities, Revenue Recognition of Contributions Received. Grant revenue is recognized as qualifying expenses are incurred and conditions for cancellation of the liability are substantially met. PPP loan funds are included in the accompanying statement of activities as grant revenue.

NOTE 3 – INVENTORIES

Inventories on hand as of December 31, 2020, consist of the following:

Consumables and Other	<u>\$ 4,003</u>
-----------------------	-----------------

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

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	\$ 1,799,846
Accounts receivable:	
Grants	379,899
Trade and other	<u>67,130</u>
	<u>\$ 2,246,875</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, 2020, 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, 2020. As of December 31, 2020, 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, 2020.

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 \$35,720 to the plan on behalf of employees for the year ended December 31, 2020.

NOTE 7 – LONG-TERM DEBT

At December 31, 2020, 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 \$14,579 during the year ended December 31, 2020. The outstanding balance at December 31, 2020 was \$214,261, all of which matures in 2021.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Additionally, 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 \$16,374 as of December 31, 2020, with the following future maturities:

2021	\$ 2,939
2022	2,939
2023	2,939
2024	2,939
2025	2,938
Thereafter	<u>1,680</u>
Total	<u><u>\$ 16,374</u></u>

NOTE 8 – 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 April 2020 and expires in July 2025. Rent expense under this agreement was \$729 for the year ended December 31, 2020.

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, 2020.

Future minimum rental payments as of December 31, 2020, under these leases are due as follows:

2021	\$ 2,780
2022	708
2023	708
2024	708
2025	<u>413</u>
Total	<u><u>\$ 5,317</u></u>

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 9 – CONCENTRATIONS

During the year ended December 31, 2020, approximately 66% 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 – 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, 2020:

Grants:

Hamilton County Federal, State and Local Funds	\$ 1,174,338
Indiana Department of Transportation: HCE (Federal Funds)	821,887
Indiana Department of Transportation: HCE (State Funds)	413,145
PPP Loan	496,748
Other Counties and Townships	51,750
Other	99,037
	\$ 3,056,905

Fees for Services:

Indiana Family and Social Services Administration	\$ 603,230
Vocational Rehabilitation	62,465
Group Homes and Client/Family Payments	45,592
Division of Disability and Rehabilitative Services	11,529
	\$ 722,816

NOTE 11 – EFFECT OF THE COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization (“WHO”) recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. We believe the ultimate financial impact of the COVID-19 pandemic on the Organization is likely to be determined by factors which are uncertain, unpredictable and outside of the control of the Organization. The situation surrounding COVID-19 remains fluid and, if disruptions do arise, they could materially adversely affect future revenues.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 12 – PAYCHECK PROTECTION PROGRAM LOAN (PPP LOAN)

During 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of approximately \$496,748. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of five years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments. The loan was fully forgiven by the end of 2020 and has been included as grant revenue on the statement of activities.

JANUS DEVELOPMENTAL SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Federal Grantor/Pass-Through Grantor,</u> <u>Program or Cluster Title</u>	<u>CFDA</u> <u>Number</u>	<u>Project # or</u> <u>Contract #</u>	<u>Total</u> <u>Expenditures</u>
<b><u>U.S. Department of Transportation</u></b>			-
Passed through Indiana Department of Transportation through Hamilton County Commissioners:			
Formula Grants for Rural Areas	20.509	A249-20-G190114	\$ 294,440 (M)
Formula Grants for Rural Areas - CARES Act	20.509	A249-20-G200053	392,567 (M)
Total Formula Grants for Rural Areas			<u>687,007</u>
 Federal Transit Cluster			
Bus and Bus Facilities Formula Program	20.526	A249-20-G190044	134,880
Total Federal Transit Cluster			<u>134,880</u>
 <b>Total U.S. Department of Transportation</b>			<u>821,887</u>
 <b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed through Hamilton County Commissioners:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grant	14.218	HCCDBG-15-2	39,250
Total CDBG - Entitlement Grants Cluster			<u>39,250</u>
 <b>Total U.S. Department of Housing and Urban Development</b>			<u>39,250</u>
 <b>Total Expenditures of Federal Awards</b>			<u>\$ 861,137</u>

(M) Program was audited as a major program

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2020

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, 2020. 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, 2020

**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:<br>U.S. Department of Transportation:<br>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?                       | Yes        |

JANUS DEVELOPMENTAL SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**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, 2020

**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, 2020, 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 June 15, 2021.

**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 the Janus Developmental Services, Inc.'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 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.

*Kemper CPA Group LLP*

KEMPER CPA GROUP LLP  
Certified Public Accountants and Consultants  
Champaign, Illinois  
June 15, 2021



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, 2020. 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, 2020.

## 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  
June 15, 2021