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

November 17, 2022

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, 2021 to December 31, 2021. 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, 2021 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

JANUS DEVELOPMENTAL SERVICES, INC.

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2021

JANUS DEVELOPMENTAL SERVICES, INC.  
TABLE OF CONTENTS

	Page
Independent Auditor’s Report .....	1-3
 <u>FINANCIAL STATEMENTS</u>	
Statement of Financial Position .....	4
Statement of Activities .....	5
Statement of Functional Expenses .....	6
Statement of Cash Flows .....	7
Notes to Financial Statements .....	8-17
 <u>FEDERAL SCHEDULES</u>	
Schedule of Expenditures of Federal Awards .....	18
Notes to Schedule of Expenditures of Federal Awards .....	19
 <u>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</u>	
Section I – Summary of Auditor’s Results .....	20
Section II – Financial Statement Findings .....	21
Section III – Federal Award Findings .....	21
Section IV – Summary Schedule of Prior-Year Audit Findings .....	21
 <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> .....	22-23
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance .....	24-26



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***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, 2021, 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, 2021, 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 July 15, 2022, 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.

A handwritten signature in black ink that reads "Kemper CPA Group LLP". The signature is written in a cursive, flowing style.

Kemper CPA Group LLP  
Avon, Indiana  
July 15, 2022

JANUS DEVELOPMENTAL SERVICES, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

<u>ASSETS</u>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 2,172,323
Accounts receivable:	
Grants	370,556
Trade and other	117,178
Inventory	3,396
Promises to give	30,873
Prepaid insurance and other expenses	110,906
<b>TOTAL CURRENT ASSETS</b>	<u>2,805,232</u>
 <b>NONCURRENT ASSETS</b>	
Promises to give, net of current portion	102,642
Land	769,675
Buildings	2,157,616
Equipment	517,627
Vehicles	1,787,275
Less: accumulated depreciation	<u>(2,588,228)</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>2,746,607</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 5,551,839</u></u>
 <u>LIABILITIES AND NET ASSETS</u>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 39,208
Accrued expenses	76,689
Refundable advances	171,937
Current portion of long-term debt	2,939
Other current liabilities	9,656
<b>TOTAL CURRENT LIABILITIES</b>	<u>300,429</u>
 <b>NONCURRENT LIABILITIES</b>	
Long-term debt, less current portion	<u>10,496</u>
<b>TOTAL LIABILITIES</b>	<u>310,925</u>
 <b>NET ASSETS</b>	
Without donor restrictions	5,107,399
With donor restrictions	133,515
<b>TOTAL NET ASSETS</b>	<u>5,240,914</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 5,551,839</u></u>

JANUS DEVELOPMENTAL SERVICES, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 2,800,873	\$ -	\$ 2,800,873
Contributions	107,827	-	107,827
Special events (net of cost of direct benefits to donors of \$3,000)	80,261	-	80,261
In-kind rent contribution	-	142,673	142,673
Revenue from contracts with customers			
Fees for services	636,859	-	636,859
Transportation systems fares and passes	526,190	-	526,190
HCE bus advertising	44,607	-	44,607
Sales of goods and services (net of cost of goods and services of \$127,886)	117,490	-	117,490
Gain on disposal of fixed assets	9,800	-	9,800
Rental income	7,409	-	7,409
Interest	3,388	-	3,388
Miscellaneous	13,415	-	13,415
Assets released from restriction	9,158	(9,158)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<u>4,357,277</u>	<u>133,515</u>	<u>4,490,792</u>
<b>EXPENSES</b>			
Program services			
Doorways Training	342,385	-	342,385
Community Employment	212,497	-	212,497
Golf and Batting	55,303	-	55,303
Work Experience	720,473	-	720,473
Hamilton Co. Express	1,649,585	-	1,649,585
Janus Transportation	225,562	-	225,562
	<u>3,205,805</u>	<u>-</u>	<u>3,205,805</u>
Management and general	457,197	-	457,197
Fundraising	177,825	-	177,825
<b>TOTAL EXPENSES</b>	<u>3,840,827</u>	<u>-</u>	<u>3,840,827</u>
<b>CHANGE IN NET ASSETS</b>	516,450	133,515	649,965
Net Assets, Beginning	<u>4,590,949</u>	<u>-</u>	<u>4,590,949</u>
Net Assets, Ending	<u>\$ 5,107,399</u>	<u>\$ 133,515</u>	<u>\$ 5,240,914</u>

JANUS DEVELOPMENTAL SERVICES, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021

	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	\$ 204,041	\$ 153,510	\$ 17,339	\$ 436,598	\$ 879,423	\$ 138,581	\$ 225,525	\$ 81,969	\$ 2,136,986
Benefits	71,933	24,349	1,454	126,534	238,323	10,687	105,157	38,221	616,658
Professional and contractual	6,262	6,737	60	20,615	37,658	1,685	19,003	6,907	98,927
Occupancy	19,271	6,294	21,203	64,075	44,524	4,465	7,485	2,720	170,037
Vehicles, equipment, and supplies	8,165	3,554	127	10,381	243,968	43,368	57,638	20,949	388,150
Travel, meals, and events	599	5,792	12	417	266	-	4,274	1,554	12,914
Business and professional development	493	776	-	618	214	214	7,537	17,351	27,203
Insurance	6,861	4,687	10,426	4,687	49,884	12,894	5,987	2,176	97,602
Advertising	309	248	-	123	1,233	52	1,008	366	3,339
Miscellaneous	1,729	1,729	501	1,747	11,677	15	1,077	391	18,866
Cost of goods and services	982	-	301	126,603	-	-	-	-	127,886
Cost of direct benefits to donors	-	-	-	-	-	-	-	3,000	3,000
Grant-funded supplies and other expenses	13,742	-	2,906	2,809	-	-	-	-	19,457
Interest and fees expense	14	-	501	1,053	23	40	8,143	-	9,774
Depreciation	8,966	4,821	774	50,816	142,392	13,561	14,363	5,221	240,914
<b>Total expenses by function</b>	<b>\$ 343,367</b>	<b>\$ 212,497</b>	<b>\$ 55,604</b>	<b>\$ 847,076</b>	<b>\$ 1,649,585</b>	<b>\$ 225,562</b>	<b>\$ 457,197</b>	<b>\$ 180,825</b>	<b>\$ 3,971,713</b>
Less expenses included with revenues on the statement of activities									
Cost of goods and services	(982)	-	(301)	(126,603)	-	-	-	-	(127,886)
Cost of direct benefits to donors	-	-	-	-	-	-	-	(3,000)	(3,000)
<b>Total expenses on the statement of activities</b>	<b>\$ 342,385</b>	<b>\$ 212,497</b>	<b>\$ 55,303</b>	<b>\$ 720,473</b>	<b>\$ 1,649,585</b>	<b>\$ 225,562</b>	<b>\$ 457,197</b>	<b>\$ 177,825</b>	<b>\$ 3,840,827</b>

JANUS DEVELOPMENTAL SERVICES, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021

Cash Flows from Operating Activities:	
Change in net assets	\$ 649,965
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	240,914
(Gain)/loss on disposal of fixed assets	(9,800)
In-kind rent contributions	(133,515)
Changes in assets and liabilities:	
(Increase) decrease in receivables	(40,705)
(Increase) decrease in inventories	607
(Increase) decrease in prepaids and other assets	(75,562)
Increase (decrease) in accounts payable	6,796
Increase (decrease) in accrued expenses	10,187
Increase (decrease) in deferred revenue	115,010
Increase (decrease) in other current liabilities	1,760
Net cash provided/(used) by operating activities	<u>765,657</u>
Cash Flows from Investing Activities:	
Proceeds from sale/disposal of fixed assets	9,800
Purchase of fixed assets	(185,779)
Net cash provided/(used) by investing activities	<u>(175,979)</u>
Cash Flows from Financing Activities:	
Principal payments on long-term debt	(217,201)
Net cash provided/(used) by financing activities	<u>(217,201)</u>
Net increase/(decrease) in cash and cash equivalents	372,477
Cash and cash equivalents:	
Beginning	<u>1,799,846</u>
Ending	<u><u>\$ 2,172,323</u></u>
Supplemental Disclosures:	
Cash paid for interest	<u>\$ 9,774</u>
Cash paid for unrelated business income tax	<u>\$ 14,557</u>

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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 July 15, 2022, the date when the financial statements were available to be issued.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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 place 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, 2018.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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 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.

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.

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, 2021

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, 2021, at which time the Organization's deposits in excess of FDIC insured limits were \$1,733,997. The Organization believes it is not exposed to any significant risk on cash deposits.

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, 2021; therefore, there was no allowance recorded as of that date. Accounts receivable beginning balance as of January 1, 2021 was \$447,029 and ending balance as of December 31, 2021 was \$487,734.

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. Prepaid Expenses

Amounts paid for insurance prior to the policy taking place are recorded as prepaid expenses until the expense is incurred.

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, 2021.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Property and Equipment (Continued)

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 received from funding sources that has not yet had qualifying expenditures and right to demand return 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 unrestricted.

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.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Functional Allocation of Expenses (Continued)

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.

P. Advertising

The Organization expenses advertising costs as incurred. Total advertising costs were \$3,339 for the year ended December 31, 2021.

Q. 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.

R. 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.

NOTE 3 – INVENTORIES

Inventories on hand as of December 31, 2021, consist of the following:

Consumables and Other	<u>\$ 3,396</u>
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JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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	\$ 2,172,323
Accounts receivable:	
Grants	370,556
Trade and other	117,178
Promises to give	<u>133,515</u>
	2,793,572

Less those unavailable for general expenditures: within one year, due to:	
Promises to give, in-kind rent	<u>133,515</u>

Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 2,660,057</u>
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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, 2021, 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, 2021. As of December 31, 2021, 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, 2021.

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 \$27,922 to the plan on behalf of employees for the year ended December 31, 2021.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 7 – LONG-TERM DEBT

As of December 31, 2021, the Organization had paid in full a mortgage note payable to a private individual. The original note was for \$400,000, dated August 30, 2016. The note was secured by land, buildings, and improvements. The note was 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 was due.

The interest rate was fixed at 4.0%, and total interest expense paid was \$9,760 during the year ended December 31, 2021. The loan was paid in full in August of 2021.

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 \$13,435 as of December 31, 2021, with the following future maturities:

2022	\$ 2,939
2023	2,939
2024	2,939
2025	2,939
2026	1,679
Total	<u>\$ 13,435</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 \$708 for the year ended December 31, 2021.

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 expired in May 2021. There was a new copier lease that began in June of 2021 with the same company. Rent expense under both these agreements was \$3,490 for the year ended December 31, 2021.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 8 – LEASE COMMITMENTS (Continued)

Future minimum rental payments as of December 31, 2021, under these leases are due as follows:

2022	\$ 3,139
2023	3,139
2024	3,139
2025	2,484
2026	1,013
Total	<u>\$ 12,914</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, 2021, in-kind rent expense was recorded in the amount of \$9,158.

Note 10 – PROMISES TO GIVE

Unconditional promises to give at December 31, 2021, are as follows:

Donor-restricted, free use of facility	\$ <u>133,515</u>
Receivable in one to five years	144,076
Less discounts to net present value	<u>(10,561)</u>
	<u>\$ 133,515</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, 2021.

NOTE 11 – CONCENTRATIONS

During the year ended December 31, 2021, approximately 62% 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.

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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, 2021:

Grants:

Hamilton County Federal, State and Local Funds	\$ 815,901
Indiana Department of Transportation: HCE (Federal Funds)	1,403,696
Indiana Department of Transportation: HCE (State Funds)	3,841
PPP Loan	496,748
Other Counties and Townships	24,000
Other	56,687
	\$ 2,800,873

Fees for Services:

Indiana Family and Social Services Administration	\$ 430,437
Vocational Rehabilitation	132,186
Group Homes and Client/Family Payments	68,462
Division of Disability and Rehabilitative Services	5,774
	\$ 636,859

NOTE 13 – EFFECT OF THE COVID-19 PANDEMIC

Management is continuing to evaluate 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 from its mission 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.

NOTE 14 – PAYCHECK PROTECTION PROGRAM LOAN (PPP LOAN)

During 2021, 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 subsequent to year end and has been included as grant revenue on the statement of activities.

JANUS DEVELOPMENTAL SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021

<b>Federal Grantor/Pass-Through Grantor, Program or Cluster Title</b>	CFDA Number	Project # or Contract #	Total Expenditures
<b><u>U.S. Department of Transportation</u></b>			
Passed through Indiana Department of Transportation through Hamilton County Commissioners:			
Formula Grants for Rural Areas - CARES Act	20.509	A249-20-G200053	1,386,840 (M)
Total Formula Grants for Rural Areas			1,386,840
Federal Transit Cluster			
Bus and Bus Facilities Formula Program	20.526	A249-21-G200160	15,362
Total Federal Transit Cluster			15,362
<b>Total U.S. Department of Transportation</b>			1,402,202
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed through Hamilton County Commissioners:			
State Administered CDBG Program			
Community Development Block Grant	14.218	B-20-UC-18-0023	10,000
Total State Administered CDBG Program			10,000
<b>Total U.S. Department of Housing and Urban Development</b>			10,000
<b>Total Expenditures of Federal Awards</b>			\$ 1,412,202

(M) Program was audited as a major program

JANUS DEVELOPMENTAL SERVICES, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2021

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, 2021. 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.

JANUS DEVELOPMENTAL SERVICES, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2021

**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  
YEAR ENDED DECEMBER 31, 2021

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS**

None

**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, 2021, 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 15, 2022.

**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 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 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.

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



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**

***Opinion on 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, 2021. 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.

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, 2021.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Janus Developmental Services, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Janus Developmental Services, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Janus Developmental Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Report on Internal Control over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

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

A handwritten signature in black ink that reads "KEMPER CPA GROUP LLP". The letters are cursive and somewhat stylized, with the "K" and "G" being particularly prominent.

Kemper CPA Group LLP  
Avon, Indiana  
July 15, 2022