



Agreed-Upon Procedures  
June 30, 2019

**Developmental Pathways, Inc.  
And Affiliates**

# Developmental Pathways, Inc. and Affiliates

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June 30, 2019

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

Matt Van Auken  
Chief Executive Officer  
Developmental Pathways, Inc.

Maureen Waller  
Douglas County Commissioners' Officer  
Douglas County, Colorado

Nancy Sharpe  
Arapahoe County Commissioner  
Arapahoe County, Colorado

We have performed the procedures enumerated below, which were agreed to by: management of Developmental Pathways, Inc. and Affiliates "Developmental Pathways", Douglas County, Colorado; and Arapahoe County, Colorado (hereinafter "you"), solely to assist you in reviewing the management and general, program, and board-designated expenses within the consolidated financial statements of Developmental Pathways for the year ended June 30, 2019. Developmental Pathways' management is responsible for the fair presentation of the consolidated financial statements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

### Our procedures were as follows:

1. From Developmental Pathways obtain the general ledger detail of "Management and General" expenses (as named in the audited financial statements) for Developmental Pathways for the year ended June 30, 2019 and compare the total from the general ledger to the amount reported in the audited financial statements. From this population, randomly select 25 transactions and:
  - a) Compare the charge to the underlying invoice or other supporting documentation
  - b) Report to the County the description of the charge based upon supporting documentation so County can determine if the charge:
    - i. Was for a valid business purpose
    - ii. Was for services provided to County residents.

**Results:**

We obtained the general ledger detail of “Management and General” expenses and agreed the total of the detail to the audited consolidated financial statements without exception. The detail provided was not specific to expenses paid by Douglas or Arapahoe Counties Mill Levy funding, as account coding for expenses in the general ledger detail was not specific to funding sources.

We randomly selected 25 transactions from the general ledger detail and obtained the underlying documentation for each transaction. The description of the charge and the underlying documentation reviewed is shown in Appendix A.

2. From Developmental Pathways, obtain the general ledger detail for the following program expenses paid for by County Mill Levy Funds during the year ended June 30, 2019:
  - o Early Intervention
  - o Family Support
  - o Community Outreach
  - o Outsourced Services
  - o Case Management

Compare the totals from the general ledger detail to the amounts reported in the audited financial statements. From this population, randomly select 25 transactions and:

- a) Compare the charge to the underlying invoice or other supporting documentation
- b) Report to the County the description of the charge based upon the supporting documentation, so County can determine if the charge:
  - i. Was for a valid business purpose
  - ii. Was for services provided to County residents.

**Results:**

We obtained the general ledger detail of program expenses for Early Intervention, Family Support, Community Outreach, Outsourced Services, and Case Management and agreed the total of the detail to the audited consolidated financial statements without exception. The detail provided was not specific to expenses paid by Douglas and Arapahoe Counties Mill Levy funding, as account coding for expenses in the general ledger detail was not specific to funding sources.

We randomly selected 25 transactions from the general ledger detail and obtained the underlying documentation for each transaction. The description of the charge and the underlying documentation reviewed is shown in Appendix B.

3. From Developmental Pathways, obtain the general ledger detail for the following Board-Designated Fund program expenses paid for by County Mill Levy Funds during the year ended June 30, 2019:
  - o Capacity building
  - o Respite
  - o Transportation
  - o Wellness
  - o 3+ Initiative
  - o Youth housing
  - o Family engagement
  - o Housing exploration

Compare the totals from the general ledger to the amounts reported in the audited financial statements. From this population, randomly select 25 transactions and:

- a) Compare the charge to the underlying invoice or other supporting documentation
- b) Report to the County the description of the charge based upon the supporting documentation, so County can determine if the charge:
  - iii. Was for a valid business purpose
  - iv. Was for services provided to County residents.

**Results:**

We obtained the general ledger detail of the board-designated expenses from Developmental Pathways. We could not compare the total of the detail to the consolidated audited financial statements as releases of the board-designated expenses are not presented separately in the consolidated audited financial statements of Developmental Pathways. We compared the detail to the rollforward of board-designated fund program expenses used in preparation of the audited financial statements without exception. In addition, the detail provided was not specific to expenses paid by County Mill Levy funding, as account coding for expenses in the general ledger detail was not specific to funding sources.

We randomly selected 25 transactions from the general ledger detail and obtained the underlying documentation for each transaction. The description of the charge and the underlying documentation reviewed is shown in Appendix C.

4. From Developmental Pathways obtain the calculation of the percentage of administrative expenses to total revenue for the year ended June 30, 2019, and:
  - a) Trace the amounts used in the calculation to the general ledger detail
  - b) Recalculate the percentage of administrative expenses to total revenue so County can determine if its requirement for the percentage of administrative expenses to total revenue based on the intergovernmental agreement between Developmental Pathways and County was met.

**Results:**

The percentage of administrative expenses to total revenue was calculated based on the consolidated audited financial statements of Developmental Pathways, Inc. and Affiliates for the year ended June 30, 2019 using the “Management and General” line as administrative expenses and “Total revenue, support and gains” as total revenue. The calculation reflects a percentage of administrative expenses to total revenue under two scenarios: net administrative expenses reduced by depreciation and amortization expense, which is considered a “non-spending” cost, and gross administrative expenses without the corresponding reduction. The ratios are recalculated as follows:

Administrative expenses	\$ 5,442,465
Less: Depreciation and amortization expense	<u>(782,121)</u>
Net administrative expenses	<u>\$ 4,660,344</u>
Total revenue	\$ 43,985,692
Net administrative expenses as a percentage of total revenue	<u>10.60%</u>
Gross administrative expenses as a percentage of total revenue	<u>12.37%</u>

5. Obtain from the Presidents (or designated authority) of the affiliated entities/organizations listed in *Note 1 – Organization*, of Developmental Pathways, Inc. and Affiliates’ Consolidated Financial Statements for the year ended June 30, 2019 (listed below), confirmation that they did not compensate (or the amount they did compensate) Developmental Pathways executives for executive functions related to the affiliated entities/ organizations:
  - o SUN Foundation (SUN)
  - o Youth Housing Corporation
  
- a) Report to the County any changes in the payment for executive services from those listed below to assist the County in understanding the calculation of administrative expenses as addressed in the intergovernmental agreement and referenced in #4 above.
  - o SUN Foundation (SUN)
  - o Youth Housing Corporation

**Results:**

We obtained written confirmation from the Chief Executive Officer of the organizations listed in *Note 1 – Organization*, of Developmental Pathways, Inc. and Affiliates’ consolidated audited financial statements for the year ended June 30, 2019. The table below summarizes the responses.

Organization	Compensation to Developmental Pathways executives for executive functions	Changes in the payment for executive services
SUN Foundation (SUN)	None	None
Youth Housing Corporation	None	None

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Developmental Pathways, Inc. and Affiliates, Douglas County, Colorado, and Arapahoe County, Colorado, and is not intended to be and should not be used by anyone other than these specified parties.

*Eide Bailly LLP*

Denver, Colorado  
January 29, 2020

Developmental Pathways, Inc. and Affiliates  
Appendix A – Management and General Expenditures Testing  
June 30, 2019

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	Staples Business Advantage	53.74	8/21/2018	500 paper coffee cups	Invoice #8050902274 dated 8/4/18, total of \$2,230.45
2	Staples Business Advantage	15.39	4/17/2019	Small tapered bins black	Invoice #8053875883 dated 4/6/19, total of \$4,775.25
3	Nonprofit Management Services of Colorado	585.26	9/11/2018	September 2018 management fees	Invoice #00000000000745 dated 8/30/18, total of \$47,025.81
4	Nonprofit Management Services of Colorado	6,014.64	10/3/2018	October 2018 management fees	Invoice #00000000000764 dated 9/20/18, total of \$289,690.88
5	NMSC Construction Services, LLC	19,102.00	3/12/2019	Building and grounds maintenance for Inverness building	Invoice #032019 dated 3/12/2019, total of \$28,268.60
6	Wedow-8381	99.00	9/30/2018	Computer equipment services	Invoice #91718 dated 9/17/18, total of \$23,078.88
7	Microsoft Corporation	20.00	6/30/2019	Microsoft PowerApps Plan 2 license fee	Invoice #E06008N74C dated 7/6/19, total of \$20
8	Staples Business Advantage	356.29	6/11/2019	10 cases of copy paper	Invoice #8054548856 dated 6/1/19, total of \$3,558.64
9	Nonprofit Management Services of Colorado	6,790.36	9/11/2018	September 2018 management fees	Invoice #00000000000738 dated 8/20/18, total of \$289,690.88
10	Philadelphia Insurance	19.08	2/28/2019	Property and liability insurance for February 2019	Philadelphia Account Summary showing a premium charge of \$229 on 7/1/2018
11	Philadelphia Insurance	606.42	11/30/2018	Property and liability insurance for November 2018	Philadelphia Account Summary showing a premium charge of \$7,277 on 7/1/2018
12	Comcast Business	2,201.88	6/30/2019	Monthly ethernet internet services for June 2019	Invoice #83882435 dated 6/15/19, total of \$3,802.55
13	Specialty Incentives	645.00	1/29/2019	1,000 blue ink pens	Invoice #32130 dated 2/1/2019, total of \$645.00



Developmental Pathways, Inc. and Affiliates  
Appendix A – Management and General Expenditures Testing  
June 30, 2019

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
14	NMSC Construction Services, LLC	9166.66	1/2/2019	Janitorial services for the Inverness building for January 2019	Invoice #951-D dated 1/1/19, total of \$9,166.66
15	Staples Business Advantage	20.71	4/17/2019	1-ply multi-fold bathroom towels	Invoice #8053875883 dated 4/6/19, total of \$4,775.25
16	Staples Business Advantage	14.32	6/30/2019	12 black permanent markers	Invoice #8054925171 dated 7/6/19, total of \$4,714.84
17	Elan Visa Import	99.00	11/30/2018	Computer equipment services 10/18/18-11/17/18	Invoice #111618 dated 11/16/18, total of \$20,057.23
18	Staples Business Advantage	37.79	6/30/2019	100 Sheets of mailing labels	Invoice #8054925171 dated 7/6/19, total of \$4,714.84
19	TRANE	2165.23	9/1/2018	Inverness building maintenance	Invoice #39202289 dated 7/25/18, total of \$6,495.69
20	Nonprofit Management Services of Colorado	2293.43	12/5/2018	December 2018 management fees	Invoice #0000000000814 dated 11/20/18, total of \$289,690.88
21	Nonprofit Management Services of Colorado	962.62	8/31/2018	Reaccrue dollars paid between DP and NMSC for 2018 management fee in September	September NMSC management fee breakout for September 2018
22	Staples Business Advantage	-35.99	3/7/2019	Credit from Staples for trash bags ordered	Invoice #CR3409686371 dated 3/7/19, total of \$(35.99)
23	Staples Business Advantage	6.30	1/10/2019	2019 monthly calendar	Invoice #8052772352 dated 1/5/19, total of \$2,504.30
24	CenturyLink	10.83	6/26/2019	Long distance line charge 5/1/19-5/31/19	Invoice #1469642858 dated 5/31/19 total of \$110.82
25	Staples Business Advantage	82.80	6/11/2019	2 cases of pink lotion soap	Invoice #8054548856 dated 6/1/19, total of \$3,558.64

Developmental Pathways, Inc. and Affiliates

Appendix B – Program Expenditures Testing

June 30, 2019

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	Staff	918.89	1/11/2019	Employer fringe payments for Early Intervention program period 12/21/18 - 1/4/19	Payroll Distribution Summary Report period 12/21/18 - 1/4/19 check date 1/11/19
2	Staff	346.66	3/22/2019	Early Intervention - bereavement leave	Payroll Distribution Summary Report
3	Cabrera Valle	62.50	6/30/2019	Vision Services - Total of 5 hours	February 2019 Service Report
4	Lori Kay Masterson	400.00	4/30/2019	Family reimbursement for respite for two dates	FS Allocations Report, check date 5/2/2019
5	Client	304.35	2/6/2019	FSSP Payment - January 2019	FSSP request form approved on 1/28/19
6	Client	500.00	4/30/2019	FSSP Payment - April 2019	FSSP request form approved on 4/24/19
7	Client	175.00	9/19/2018	FSSP Payment - November 2018	FSSP request form approved on 9/12/18
8	Zayden Salinas	287.30	5/16/2019	Speech Language Pathology- Total of 17.5 hours	November Service record - DP wasn't invoiced by Zayden Salinas until May
9	IRS	452.97	7/31/2018	Reversal of accrued tax and fringe benefits for EI for June 2019	Accrual wages report- June 2019
10	Hernan Robles Meza	2,121.60	5/16/2019	Speech Language Pathology- Total of 16 hours (amount is cumulative cost)	April Service Report
11	Client	74.38	4/30/2019	Two pairs of pajamas for a client in Douglas County	FS Allocations Report, check date 5/2/2019
12	401k ER	916.58	4/5/2019	Employer 401k benefit payments for Community Outreach	Payroll Distribution Summary Report period 3/15-3/29/19 check date 4/5/19
13	Ark Therapeutic	37.99	11/30/2018	Assistive Technology Device - ARK Therapeutic	Visa Credit Card Statement
14	Dotson Stoked, Elliot	353.60	5/16/2019	Occupational Therapy - Total of 16 hours	April 2019 service record, certified on 5/9/2019 for a total of \$2,991.46
15	Emiliano Martinez Blanco	225.00	8/14/2018	Physical Therapy - Total of 5 hours	July 2018 service record, certified on 8/7/2018

Developmental Pathways, Inc. and Affiliates

Appendix B – Program Expenditures Testing

June 30, 2019

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
16	Kalisie Diaz	309.40	1/9/2019	Occupational Therapy - Total of 4 hours	December 2018 service report, certified on 1/7/2019
17	Santiago Sierra	1,580.80	11/14/2018	Sign Language Cued Speech Services - Total of 12 hours (amount is cumulative cost)	October 2018 service report, certified on 11/8/2018
18	Staff	601.78	4/30/2019	Accrued Salaries and Wages - EI Service Coordinator PTO	Payroll Accrual Report April 2019
19	Staff	9,785.39	10/5/2018	Salary Expense - Community outreach unmet need	Payroll Distribution Summary Report period 9/14-9/28/18 check date 10/5/2018
20	Client	320.00	5/16/2019	FSSP Payment - May 2019	FSSP request form approved on 5/8/2019
21	Breslin Pediatric PT LLC	176.80	4/10/2019	Physical Therapy - Total of 8 hours	April 2019 service record, certified on 4/9/2019
22	Amy Black-Ryel Speech Therapy	1,326.00	2/13/2019	Speech Language Pathology- Hours allocated between two GL codes- 235 total hours	January 2019 service record, certified on 2/7/2019
23	Staff	1,896.17	9/21/2018	Employee Fringe payments for Early Intervention program period 9/1-9/14/18	Payroll Distribution Summary Report period 9/1-9/14/18 check date 9/21/18
24	Client	500.00	6/27/2019	FSSP Payment - April 2019	FSSP request form, approved on 6/17/19
25	Autism Community Store	132.96	1/9/2019	Playaway Toy Company Support Bar	Invoice #116802A, total of \$132.96

Developmental Pathways, Inc. and Affiliates

Appendix C – Board-Designated Expenditures Testing

June 30, 2019

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	Nonprofit Management Services of Colorado	505.90	4/2/2019	Management fee for March 2019	Invoice #00000000000881, dated 3/20/19, total of \$289,690.88
2	Staff	440.48	7/13/2018	Salary expense	Payroll register for the period of 6/22/18-7/6/18, check dated 7/13/18
3	Various (Fringe Payment)	92.68	12/28/2018	Fringe allocation	Payroll register for the period 12/07-12/21/18, check dated 12/28/18
4	Various (Fringe Payment)	25.23	8/24/2018	Fringe allocation	Payroll register for the period 8/03-8/17/18, check dated 8/24/18
5	Staff	659.74	9/7/2018	Salary expense	Payroll register for the period 8/17-8/31/18, check dated 9/7/18
6	Staff	84.08	11/30/2018	Salary expense	Payroll register for the period 11/9-11/23/18, check dated 11/30/18
7	Various (Fringe Payment)	73.00	6/28/2019	Fringe allocation	Payroll register for the period 6/7-6/21/19, check dated 6/28/19
8	Staff	272.59	5/17/2019	Salary expense	Payroll register for the period 4/26-5/10/19, check dated 5/17/19
9	Staff	588.51	10/31/2018	Accrued salary expense	PR accrual report on 10/31/18
10	Staff	248.18	3/22/2019	Paid time off salary expense	Payroll register for the period 3/1-3/15/19, check dated 3/22/19
11	Various (Fringe Payment)	25.48	10/5/2018	Fringe allocation	Payroll register for the period 9/7-9/21/18, check dated 10/5/18
12	Various (Fringe Payment)	92.67	12/14/2018	Fringe allocation	Payroll register for the period 11/23-12/7/18, check dated 12/14/18
13	Staff	160.33	7/31/2018	Accrued salary expense	PR accrual report on 8/8/18

Developmental Pathways, Inc. and Affiliates  
Appendix C – Board-Designated Expenditures Testing  
June 30, 2019

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
14	Staff	95.58	9/30/2018	Accrued salary expense	PR accrual report on 10/2/18
15	Kari S. Hall, Inc. DBA Sensory Pathways 4 Kids	600.00	8/31/2018	Early childhood center sensory consulting	Invoice #108 dated 8/17/18, total of \$600
16	Denver Desks, Inc	3,070.00	10/9/2018	Tables and chairs for 2nd floor conference rooms. The amount was later reclassified from the board-designated funds to other operational expenditures to align with board initiatives.	Invoice #5012; total of \$3,070.
17	Various (Fringe Payment)	77.55	12/28/2018	Fringe allocation	Payroll register for the period 12/7-12/21/18, check dated 12/28/18
18	Susan Mooney- Executive Director- Tell Tales Ranch	350.00	3/7/2019	Susan's trip to Arizona to two residential programs for the work relevant for the Housing Exploration Initiative	Email from Susan to Barb detailing the expenses from the trip, approved by Barb Komdat on 2/28/19
19	Staff	678.74	1/25/2019	Salary expense	Payroll register for the period 1/4-1/18/19, check dated 1/25/19
20	Nonprofit Management Services of Colorado	79.65	7/9/2018	Management fee for June 2018	Invoice #00000000000683, dated 6/21/18, total of \$45,789
21	Staff	130.54	6/1/2019	Accrued salary expense	PR accrual report for June 2019
22	Nonprofit Management Services of Colorado	505.90	10/3/2018	Management fee for October 2018	Invoice #00000000000764, dated 9/20/18, total of \$289,690.88
23	Staff	77.56	1/11/2019	Salary expense	Payroll register for the period 12/21/18-1/4/19, check dated 1/11/19
24	Amazon	33.98	10/31/2018	Supplies for Client Care-Respite Initiative	Visa credit card statement dated 10/9
25	Staff	32.14	7/31/2018	Accrued salary expense	PR accrual report for July 2018