



Agreed-Upon Procedures
June 30, 2020

**Developmental Pathways, Inc.
And Affiliates**

Developmental Pathways, Inc. and Affiliates

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Independent Accountant's Report on Applying Agreed-Upon Procedures

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Chief Executive Officer
Developmental Pathways, Inc.

Maureen Waller
Douglas County Commissioners' Office
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 (collectively, County), (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, 2020. 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 consolidated financial statements) for Developmental Pathways for the year ended June 30, 2020 and compare the total from the general ledger to the amount reported in the audited consolidated 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, 2020:
 - o Family Support
 - o Community Outreach
 - o Outsourced Services
 - o Case Management/Program Quality

Compare the totals from the general ledger detail to the amounts reported in the audited consolidated 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 Family Support, Community Outreach, Outsourced Services, and Case Management/Program Quality 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, 2020:
 - o Respite care
 - o Transportation
 - o 3+ Initiative
 - o Community engagement
 - o Infrastructure development

Compare the totals from the general ledger to the amounts reported in the audited consolidated 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 audited consolidated financial statements as releases of the board-designated expenses are not presented separately in the audited consolidated financial statements of Developmental Pathways. We compared the detail to the rollforward of board-designated fund program expenses used in preparation of the audited consolidated 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, 2020, 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 audited consolidated financial statements of Developmental Pathways, Inc. and Affiliates for the year ended June 30, 2020 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	\$ 6,062,702
Less: Depreciation and amortization expense	<u>(397,401)</u>
Net administrative expenses	<u>5,665,301</u>
 Total revenue	 <u>\$ 47,120,756</u>
 Net administrative expenses as a percentage of total revenue	 <u>12.02%</u>
 Gross administrative expenses as a percentage of total revenue	 <u>12.87%</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, 2020 (listed below), confirmation that they did not compensate (or the amount they did compensate) Developmental Pathways’ executives for executive functions related to the affiliated entity/organization:
 - 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 Youth Housing Corporation

Results:

We obtained written confirmation from the Chief Executive Officer of the organization listed in *Note 1 – Organization*, of Developmental Pathways, Inc. and Affiliates’ audited consolidated financial statements for the year ended June 30, 2020. The table below summarizes the responses.

Organization	Compensation to Developmental Pathways executives for executive functions	Changes in the payment for executive services
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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Denver, Colorado
January 20, 2021

Developmental Pathways, Inc. and Affiliates
Appendix A – Management and General Expenditures Testing
June 30, 2020

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	Non-Profit Management Services of Colorado	11,540	08/07/2019	Inverness building maintenance	Invoice 949 dated 7/25/2019 for a total of \$51,480
2	Staples	39	12/11/2019	3pc set baskets salt pepper	Invoice 8056652818 dated 11/30/2019
3	Non-Profit Management Services of Colorado	18,805	11/05/2019	Management fee	Invoice 1170 dated 10/23/2019 for a total of \$333,020.79
4	Schwab	4,957	03/14/2020	Innovest - management fee long-term	Journal entry and balance sheet reconciliation
5	Miller and Steiert, P.C.	2,507	04/02/2020	Attorney fees	Statement 85200 dated 3/15/2020
6	Bayaud Enterprises	95	10/29/2019	64 gal container	Invoice 72022 dated 10/9/2019 for a total of \$140
7	Non-Profit Management Services of Colorado	1,107	12/04/2019	Management fee	Invoice 1202 dated 11/21/2019 for a total of \$333,020.79
8	Staples	235	08/07/2019	Bathroom supplies and 45 gallon container	Invoice 8055249453 dated 8/3/2019
9	Non-Profit Management Services of Colorado	1,107	07/31/2019	Management fee	Invoice 941 dated 6/26/2019 for a total of \$333,020.79
10	Philadelphia Insurance	2,128	06/30/2020	Property insurance	Policy PHPK1998720
11	Non-Profit Management Services of Colorado	128,122	09/04/2019	Management fee	Invoice 1013 dated 8/28/2019 for a total of \$333,020.79
12	Jewell Building	29,920	07/31/2019	Rent expense	Rent expense schedule, lease agreement
13	Smartsheet	2,184	02/05/2020	Enterprise plan subscription	Invoice 142595 dated 1/24/2020 for a total of \$4,368.44

Developmental Pathways, Inc. and Affiliates
Appendix A – Management and General Expenditures Testing
June 30, 2020

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
14	Non-Profit Management Services of Colorado	11,540	10/02/2019	Maintenance for October 2019	Invoice 1072 dated 9/23/2019 for a total of \$19,440
15	Mountain States Fire Protection Inc.	1,660	03/05/2020	Inspections and certifications	Invoice SI-20013 dated 2/22/2020
16	Non-Profit Management Services of Colorado	77	08/31/2019	Executive management fee	Invoice 945 dated 7/25/2019 for a total of \$38,598.20
17	Staples	64	04/09/2020	Aspirin tablets and correction tape	Invoice 8058080685 dated 4/4/2020
18	Non-Profit Management Services of Colorado	2,259	04/02/2020	Management fee	Invoice 1290 dated 2/18/2020 for a total of \$333,020.79
19	Peak Refreshments	100	12/30/2019	Vending machine supplies	Invoice PE00012050 dated 9/30/2019
20	Staples	127	02/20/2020	Plates, cups and napkins	Invoice 8057355461 dated 2/1/2020
21	Staples	4	11/06/2019	Purell hand sanitizer	Staples invoice file summary #8056318129
22	Non-Profit Management Services of Colorado	175	10/02/2019	Executive management fee	Invoice 1049 dated 9/19/2019 for a total of \$17,285.90
23	U.S. Bank	357	07/17/2019	Xerox copier	Invoice 389924176 dated 7/31/2019 for a total of \$3,108.96
24	Xcel Energy	4,807	01/16/2020	Utilities	Statement 666994209 dated 12/31/2019
25	Jewell Building	29,920	07/31/2019	Rent expense	Rent expense schedule, lease agreement

Developmental Pathways, Inc. and Affiliates

Appendix B – Program Expenditures Testing

June 30, 2020

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	Elan Financial Services (Visa)	417.68	07/31/2019	Engage Conference	Statement dated 7/17/2019 for a total of \$30,485.55
2	Early Start Speech and Language Services Inc	4,729.40	01/15/2020	Occupational therapy	Invoice EARL005 dated December 2019 for a total of \$23,580.70
3	Wellspring Community	819.00	07/11/2019	Respite	Remittance advice, services detail dated 7/11/2019
4	Shield Healthcare	47.41	11/19/2019	Hygea adult washcloth	Invoice 1902828200 dated 11/4/2019
5	Shield Healthcare	23.46	12/19/2019	Cuties unscented baby wipes	Invoice 1910224100 dated 11/25/2019
6	Personal Touch Therapies	1,574.40	05/14/2020	Physical therapy	Invoice PERS002 dated April 2020
7	Perez-Mesa, Tami	330.00	10/15/2019	Respite	Remittance advice, services detail dated 10/15/2019
8	Shield Healthcare	47.41	09/11/2019	Hygea adult washcloth	Invoice 1882490800 dated 8/27/2019
9	Roots Colorado, Inc., dba Dirt	2,500.00	08/21/2019	Take Root 2019 - Grow a Flower Level sponsorship	Invoice dated 7/26/2019
10	Shield Healthcare	21.31	01/30/2020	Hygea adult washcloth	Invoice 1919936100 dated 1/2/2020
11	Dragonfly Pediatric Speech Therapy	114.40	06/11/2020	DI Teaming	Invoice PLAY009 dated May 2020
12	Adam's Camp	2,800.00	06/04/2020	Summer program sponsorship	Check request form approved 5/28/2020
13	Verizon	70.66	04/30/2020	Phone bill	Invoice 9852434951 dated 5/4/2020 for a total of \$31,179.73
14	Staff	336.42	12/27/2019	Meals and mileage	Payroll register for the period ended 12/20/2019
15	Rivas, Rorie	548.51	05/14/2020	Reimbursement for services	Remittance advice, services detail dated 5/13/2020

Developmental Pathways, Inc. and Affiliates

Appendix B – Program Expenditures Testing

June 30, 2020

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
16	Laradon	98.40	06/11/2020	Developmental intervention	Invoice LARA001 dated May 2020
17	Mindful Start Early Intervention LLC	546.25	12/11/2019	Assistive technology service	Invoice REID004
18	Margarita Cordoba	(50.00)	02/17/2020	Amount was for respite in prior year and voided	Voided check, email explanation and allocation spreadsheet for respite charge
19	Rippe Speech and Language Services LLC	2,121.60	05/14/2020	Developmental intervention	Invoice RIPP003 dated April 2020
20	Visionworks	449.95	09/18/2019	Vision appointment and glasses	Sales receipt dated 9/3/2019
21	Shield Healthcare	21.31	08/21/2019	Hygea adult washcloth	Invoice 1875111200 dated 8/1/2019
22	tykeSPEAK LLC	2,475.20	01/15/2020	Speech language pathology	Invoice BONA001 dated December 2019
23	Guadalupe Huerta	405.00	09/04/2019	Respite	Paid allocation request dated 8/26/2019
24	Shield Healthcare	17.48	01/30/2020	Cuties unscented baby wipes	Invoice 1921127900 dated 1/7/2020
25	Haaksma Speech Pathology	787.20	05/14/2020	Speech language pathology	Invoice HAAK002 dated April 2020

Developmental Pathways, Inc. and Affiliates

Appendix C – Board-Designated Expenditures Testing

June 30, 2020

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	Non-Profit Management Services	180.93	10/02/2019	Executive management	Invoice 1049, dated 9/19/2019 for a total of \$17,285.90
2	Staff	54.80	10/04/2019	Employee incentive bonus - Respite initiative	Payroll register for period ended 9/27/2019
3	Non-Profit Management Services	180.93	02/05/2020	February 2020 executive management	Invoice 1264 dated 1/22/2020 for a total of \$17,285.90
4	Madison House Autism Foundation	10,000.00	12/18/2019	Consulting to expand housing collaboration and leadership	Invoice 1416 dated 11/14/2019
5	Non-Profit Management Services	29.75	10/09/2019	PR Allocation - DP Housing Exploration initiative	Check request form dated 9/30/2019 and time log with approval for 9/16/2019
6	Staff	10.83	08/23/2019	Staff travel - meals and mileage respite	Payroll register for period ended 8/16/2019
7	Non-Profit Management Services	180.93	05/07/2020	May 2020 executive management	Invoice 1353 dated 4/24/2020 for a total \$17,285.90
8	Various (Fringe Payments)	79.71	08/09/2019	Taxes/Fringe benefits - Transportation initiative	Payroll register 8/2/2019
9	Staff	18.09	07/01/2019	Management fee Exec - Transportation initiative	G/L Journal Entry on 7/1/2019 for a total \$23,402.82
10	Non-Profit Management Services	3,489.02	01/09/2020	Management fee - Community Engagement initiative	Invoice 1232 dated 12/18/2019 for a total \$333,020.79
11	Staff	1,195.97	07/26/2019	Salary Expense - Community Engagement initiative	Payroll register for period ended 7/19/2019
12	Staff	281.67	11/01/2019	Hourly Expense - Respite initiative	Payroll register for period ended 10/25/2019
13	Staff	320.70	02/07/2020	Hourly Expense - Community Engagement initiative	Payroll register for period ended 1/31/2020

Developmental Pathways, Inc. and Affiliates
Appendix C – Board-Designated Expenditures Testing
June 30, 2020

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
14	Elan Financial Services (Visa)	50.00	07/31/2019	Staff meetings and morale	Corporate payment statement dated 7/17/2019
15	Various (Fringe Payments)	111.94	05/15/2020	Taxes/Fringe benefits - Community Engagement Initiative	Payroll register for period ended 5/8/2020
16	Non-Profit Management Services	3,489.02	06/04/2020	Management fee	Invoice 1385 dated 5/20/2020 for total amount of \$333,020.84
17	Staff	1,200.68	11/01/2019	Salary Expense - Community Engagement Initiative	Payroll register for period ended 10/25/2019
18	Non-Profit Management Services	3,489.02	11/05/2019	November 2019 Management Fee	Invoice 1170 dated 10/23/2019 for a total of \$333,020.79
19	Staff	177.70	04/03/2020	Hourly Expense - Community Engagement initiative	Payroll register for period ended 3/27/2020
20	Non-Profit Management Services	3,489.02	09/04/2019	September 2019 management fee	Invoice 1013 dated 8/28/2019 for a total of \$333,020.79
21	Non-Profit Management Services	3,489.00	08/31/2019	August 2019 management fee	Invoice 949 dated 7/25/2019 for a total of \$333,020.79
22	Staff	310.82	12/27/2019	Hourly Expense - Community Engagement initiative	Payroll register for period ended 12/20/2019
23	Various (Fringe Payments)	314.73	01/10/2020	Taxes/Fringe benefits - Community Engagement Initiative	Payroll register for period ended 1/3/2020
24	Staff	836.14	02/07/2020	Salary Expense - Community Engagement initiative	Payroll register for period ended 1/31/2020
25	Staff	325.04	05/01/2020	Salary Expense - Community Engagement initiative	Payroll register for period ended 4/24/2020