



Agreed-Upon Procedures
June 30, 2021

**Developmental Pathways, Inc.
And Affiliate**

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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 Affiliate "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, 2021. Developmental Pathways' management is responsible for the fair presentation of the consolidated financial statements.

Development Pathways and the County have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reviewing the management and general, program, and board designed expenses within the consolidated financial statements of Developmental Pathways for the year ended June 30, 2021 and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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, 2021 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, 2021:
 - o Family Support
 - o Community Outreach
 - o Outsourced Services
 - o Early Intervention
 - o Supported Living 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, Early Intervention, Supported Living Service 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, 2021:
 - o Capacity building
 - o Community engagement

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 and agreed the total of the detail to the Footnote 9 of the audited consolidated financial statements without exceptions. 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, 2021, 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 Affiliate for the year ended June 30, 2021 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	\$ 5,442,301
Less: Depreciation and amortization expense	<u>(177,293)</u>
Net administrative expenses	<u>5,265,008</u>
 Total revenue	 <u>\$ 47,590,146</u>
 Net administrative expenses as a percentage of total revenue	 <u>11.06%</u>
 Gross administrative expenses as a percentage of total revenue	 <u>11.44%</u>

5. Obtain from the Presidents (or designated authority) of the affiliated entities/organizations listed in *Note 1 – Organization*, of Developmental Pathways, Inc. and Affiliate’s consolidated financial statements for the year ended June 30, 2021 (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:
 - 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.
 - 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 Affiliate’s audited consolidated financial statements for the year ended June 30, 2021. 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.

We are required to be independent of Development Pathways and the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Developmental Pathways, Inc. and Affiliate, 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

Developmental Pathways, Inc. and Affiliate
Appendix A – Management and General Expenditures Testing
June 30, 2021

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation
1	Non-Profit Management Services of Colorado	\$3,309.16	04/28/2021	Prof Services - Accounting- DP Administration	Cash Requirements Statement #786831173 dated 4/28/2021 for \$484,668.81
2	Cognito Enterprises	\$99.00	12/31/2020	Postage, Express Mail, Courier-DP Administration	019-122020 ELAN Visa Import
3	Staples	\$30.47	04/22/2021	Supplies - Office	Invoice 8061829753 dated 4/3/2021
4	Various Fringe Payments	\$1,005.55	05/28/2021	Taxes & Fringe Benefits-DP Administration	Payroll report ending 5/21/2021
5	All American Record Management	\$455.34	08/13/2020	Prof Services - Other	Invoice #0030015 dated 7/31/2020
6	Second Medici Company LLC	\$1,701.00	02/25/2021	Rent-Jewell Building - DP	Invoice #927 dated 3/1/2021 for \$33,389.25
7	Recognize Q1 - Q3 Management Fee	\$30,667.13	03/31/2021	Management Fee - Community Outreach	JE 008-032021 - statement and revenue expense; various emails dated 3/30/2021
8	Alliance	\$5,493.76	11/05/2020	Dues, Fees and Subscriptions -DP Administration	Invoice #8866 dated 10/7/2020 for \$8,240
9	Management Fee Adjustment	(\$8,452.18)	11/30/2020	Management Fee-Program Quality	Voided Journal Entry dated 12/9/2020
10	Zoom Amortization	\$1,066.53	08/14/2020	Software and IT Equipment-DP Information Tech	February 2021 Zoom License Amortization
11	Life Insurance True Up	(\$2,244.37)	09/30/2020	Taxes & Fringe Benefits-DP Administration	Q2 adjustment to the life insurance surrender value
12	DocuSign Amortization	\$2,428.80	04/30/2021	Software and IT Equipment-DP Information Tech	April 2021 DocuSign License Amortization
13	Eide Bailly Accrual	\$3,825.00	06/30/2021	Prof Services - Accounting- DP Administration	Developmental Pathways/Continuum Of Colorado Audit Fee Analysis and Proposal

Developmental Pathways, Inc. and Affiliate
Appendix A – Management and General Expenditures Testing
June 30, 2021

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation
14	Staff	\$5,961.54	07/10/2020	Salary Expense-DP Administration	Payroll report ending 7/3/2020
15	Peak Refreshments	(\$4.75)	07/01/2020	Supplies - Office	Invoice #PEJE014462 dated 6/30/2020
16	Non-Profit Management Services of Colorado	\$1,605.60	03/04/2021	Janitorial/Trash/Grounds/Pest-Jewell Building - DP	Invoice #1755 dated 2/17/2021 for \$4,180.60
17	Allocation	(\$5,805.60)	02/28/2021	Allocated Property Expense-Jewell Building - DP	Allocation journal entry to charge February 2021 facility costs to specific programs
18	Staff	(\$16,641.14)	06/30/2021	Accrued Vacation-DP Administration-	PTO Balances Final Report as of 6/30/2021
19	Mallards Heating & AC	\$960.00	11/19/2020	Prof Services - Contract Labor-Inverness Building	Invoice #2064 dated 11/6/2020
20	Legal Shield	(\$16.95)	12/18/2020	Taxes & Fringe Benefits-DP Administration	Legal report 12/15/2020 for \$112.65
21	Bowditch & Cassell Public Affairs, LLC	\$8,000.00	03/31/2021	Legislative Services-DP Administration	Invoice dated 4/1/2021
22	Paycom	\$3,365.42	04/14/2021	Prof Services - Accounting- DP Administration	Paycom payroll processing fee
23	American Association on Intellectual and Developmental Disabilities	\$85.00	09/30/2020	Staff Development-DP Administration-	Payment for Dues, Fees, and Subscriptions
24	Nonprofit Management Services of Colorado	\$93,909.00	05/06/2021	Management Fee-EI Service Coordination-State	Invoice #1797 dated 4/13/2021 for \$385,037.63
25	Staples	(\$21.91)	02/18/2021	Supplies - Office	Invoice #3415648465 dated 2/17/2021

Developmental Pathways, Inc. and Affiliate

Appendix B – Program Expenditures Testing

June 30, 2021

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	Shield Healthcare Centers	\$21.52	01/21/2021	Specialized Medical Equipment and Supplies	Invoice #3594011600 dated 1/6/2021
2	Shield Healthcare Centers	\$48.13	12/17/2020	Specialized Medical Equipment and Supplies	Invoice 33585326100 dated 12/10/20
3	Peek-A-Boo Pediatric Therapy	\$1,480.70	01/14/2021	Occupational Therapy Services	Invoice PEEK001 #202012.2 dated 7/11/2019 for \$9,449.62
4	Various Fringe	\$105.46	03/05/2021	Taxes & Fringe Benefits -EI - Home Health	Payroll distribution report period ending 2/26/2021
5	KMI Therapy LLC	\$1,215.50	10/14/2020	Speech-Language Therapy-Early Intervention	Invoice EI IGEL001 202009 dated September 2020 for \$6,730.78
6	Tiny Hands Therapy Inc	\$132.60	10/14/2020	Developmental Intervention Svc	Invoice EI TINY001 202009 dated September 2020 for \$1,561.72
7	Shield Healthcare	\$21.31	11/05/2020	Specialized Medical Equipment and Supplies	Invoices #356755500 & 33559796800 dated 9/14/2020 & 10/15/2019
8	Fisk, Lori J.	(\$435.20)	07/16/2020	Social and Emotional Services	Credit memo for invoice EI FISK001 202005
9	Shield Healthcare Centers	\$8.17	03/18/2021	Specialized Medical Equipment and Supplies	Invoice #3613000800 dated 3/2/2021
10	Verizon	\$10,479.38	10/29/2020	Telephone	Invoice Sep 13 –Oct 12 dated 11/4/2020 for \$29,428.66
11	Various Fringe payments	\$6,151.89	04/02/2021	Taxes & Fringe Benefits-Community Outreach Unmet-	Payroll distribution report period ending 3/26/2021
12	EI Prof Serv Accrual	\$13,189.50	08/31/2020	Audiology Services-Early Intervention - State	Batch ID: 019-082020 dated 8/31/2020. Entry was reversed
13	Staff	\$13,416.76	12/24/2020	Salary Expense-Community Outreach Unmet Needs	Payroll distribution report period ending 12/18/2020

Developmental Pathways, Inc. and Affiliate

Appendix B – Program Expenditures Testing

June 30, 2021

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
14	Strength Based Interventions LLC	\$228.80	05/13/2021	Teaming Dev. Intervention - Early Intervention	Invoice EI HEFN001 202104 dated April 2021 for \$2,978.01 after fees
15	Shield Healthcare	\$21.31	11/12/2020	Specialized Medical Equipment and Supplies	Invoice #3568084900 dated 10/7/2020
16	Family Support Funding	\$1,834.38	02/25/2021	Family Support - Direct Services	Voucher #0470221 dated 3/4/2021
17	People 2.0 Global LP	\$982.08	07/30/2020	Prof Services - Contract Labor	Invoice #521010608 dated 7/17/2020
18	Emily dba Brandle Hearing	\$1,086.80	06/30/2021	Audiology Services - Early Intervention - State	EI BRAN015 202106 dated June 2021
19	Smart Translations and Interpreters Inc	(\$15.00)	04/08/2021	Physical Therapy Services	Credit Memo for Invoice Date September 2020 Invoice EI SMAR004 202009
20	A RYSAVY - MEDICAL	\$1,000.00	09/24/2020	Prof Services- Community Outrea-Polak Health	Voucher #461394 dated 9/4/2020
21	Shield Healthcare	\$17.48	11/05/2020	Specialized Medical Equipment and Supplies	Invoices #3568084900 dated 11/5/2020
22	Personal Touch Therapies, PC	\$1,130.00	12/10/2020	Physical Therapy Services	Invoice 2EI PERS002 202011 dated November 2020 for \$2,753.45
23	Tiny Hands Therapy Inc	\$265.20	06/10/2021	Occupational Therapy Services	EI TINY001 202105 request dated May 2021 for \$1,825.67
24	Shield Healthcare	\$21.52	02/18/2021	Specialized Medical Equipment and Supplies	Invoice #3605240600 dated 2/10/2021
25	Family Support Funding	\$5,000.00	08/31/2020	Family Support - Direct Services	AP Payment posted on 8/31/2020

Developmental Pathways, Inc. and Affiliate

Appendix C – Board-Designated Expenditures Testing

June 30, 2021

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation
1	Real Life Colorado	\$20,000.00	08/13/2020	Prof Services - Other-Family Engagement Initiative	Grant Number: 03020 dated 8/3/2020
2	Various (Fringe Payments)	\$1,960.66	03/05/2021	Taxes & Fringe Benefits-Family Engagement Initiative	Payroll register for period ended 2/26/2021
3	BehaviorSpan	\$1,750.00	01/21/2021	Prof Services-Other-Family Engagement	Grant PG103020 dated 12/14/2020 for \$35,000
4	Staff	\$2,930.16	12/11/2020	Salary Expense-Community Engagement Initiative	Payroll register 12/4/2020
5	Various (Payments)	\$195.00	05/31/2021	Conference Expense-Community Engagement-Arapahoe County	Corporate Statement Date: 5/17/21
6	Real life Co	(\$20,000.00)	06/30/2021	Prof Services - Other-Family Engagement Initiation	Reclassify provider grants to the correct account
7	Staff	\$902.53	07/31/2020	Accrued Taxes and Fringe Bene-Family Engagement	Used 8/7/20 payroll data
8	Tall TALES Ranch	\$525.00	03/04/2021	Public Relations-Community Engagement-Douglas County	Invoice dated 2/23/21 for \$1,500
9	Autism Community Store	\$750.00	06/17/2021	Public Relations-Community Engagement-Douglas County	Invoice 2021-322 dated 6/7/2021 for \$1,500
10	Rocky Mountain Sibs	\$750.00	06/10/2021	Public Relations-Community Engagement-Arapahoe County	Invoice May 2021 for \$1,500
11	Guided by Humanity	\$5,250.00	12/17/2020	Prof Services - Ot-Community Engage-Douglas County	Grant PG093020 dated 11/19/21 for \$15,000
12	Colorado Institute of Pediatrics	\$8,500.00	01/31/2021	Prof Services - Ot-Community Engage-Douglas County	Grant PG102720 dated 1/4/21 for \$25,000
13	Highlands Ranch Community Association	\$500.00	03/04/2021	Public Relations-Community Engagement-Arapahoe County	2021 Highlands Ranch Race Series Sponsorship Levels

Developmental Pathways, Inc. and Affiliate
Appendix C – Board-Designated Expenditures Testing
June 30, 2021

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation
14	Real life Co	(\$20,000.00)	06/30/2021	Provider Grants-Community Engagement Initiative	Reclassify provider grants to the correct account
15	Tall TALES Ranch	\$75.00	03/04/2021	Public Relations-Community Engagement	Invoice date 2/23/21 for \$1,500
16	Staff	\$161.96	06/25/2021	Employee Incentive Earnings-Family Engagement In	Payroll register for period ended 6/18/2021
17	Rehabilitative Rhythms	\$8,010.96	02/25/2021	Prof Services - Ot-Family Engagement-Arapahoe County	Grant PG010721 dated 02/15/21 for \$13,351.60
18	Parker Personal Care Homes	\$3,500.00	12/30/2020	Prof Services - Ot-Community Engage-Douglas County	Grant PG101520 PPCH dated 11/17/20 for \$10,000
19	Nonprofit Management Services of Colorado	\$8,549.00	01/07/2021	Management Fee-Community Engagement Initiative	Invoice INV1656 dated 12/15/2020 for \$38,5037.36
20	Guided by Humanity	\$9,000.00	12/17/2020	Prof Services - Ot-Family Engagement-Arapahoe County	Grant PG093020 dated 11/19/20 for \$15,000
21	TACT	\$7,000.00	12/17/2020	Prof Services - Ot-Community Engage-Douglas County	Grant PG100620 dated: 12/7/20 for \$20,000
22	Thrive Center	\$600.00	06/17/2021	Public Relations-Community Engagement-Arapahoe County	Invoice #333 dated 6/2/2021 for \$1,200
23	Ability Advocates	\$530.00	12/03/2020	Prof Services - Other-Family Engagement	Grant PG093020 dated 11/16/21 for \$10,600
24	Centrepont Academy	\$10,000.00	06/24/2021	Prof Services - Ot-Family Engagement-Arapahoe County	Invoice Grant #PG033021 dated 6/17/2021 for \$20,000
25	Staff	\$2,930.17	07/24/2020	Salary Expense-Community Engagement Initiative	Payroll register 7/17/2020