



Agreed-Upon Procedures
June 30, 2022

**Developmental Pathways, Inc.
And Affiliate**

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Independent Accountant's Report

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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, 2022. 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, 2022 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.

The procedures and associated findings are 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, 2022 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, 2022:
 - o Case Management
 - o Support Services
 - o Quality Assurance

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 Case Management and Support Services and agreed the total of the detail to the audited consolidated financial statements without exception. Quality Assurance expenses were included with Support Services on the consolidated financial statements. 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, 2022:
 - 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, 2022, 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 for the year ended June 30, 2022 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	\$ 6,281,896
Less: Depreciation and amortization expense	<u>(286,448)</u>
Net administrative expenses	<u>5,995,448</u>
Total revenue	<u>\$ 47,744,031</u>
Net administrative expenses as a percentage of total revenue	<u>12.56%</u>
Gross administrative expenses as a percentage of total revenue	<u>13.16%</u>

We were engaged by Developmental Pathways and the County to perform this agreed-upon procedures engagement and conducted our engagement 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 Developmental 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.

Eide Bailly LLP

Denver, Colorado
February 3, 2023

Developmental Pathways, Inc. and Affiliate
Appendix A – Management and General Expenditures Testing
June 30, 2022

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation
1	Nonprofit Management Services of Colorado	\$ 2,575.00	08/05/2021	Repairs & Maintenance - Bldgs-Jewell Building	Invoice #01869 dated 7/27/2021
2	Nonprofit Management Services of Colorado	\$ 3,189.42	08/05/2021	Management Fee-EI - Trusts/Insurance	Invoice #01855 dated 7/28/2021
3	Zoom Video Communications	\$ 4,343.00	10/30/2021	Software and IT Equipment - DP Information Tec	Prepays Reconciliation for October 2021 and Invoice #592352
4	DP - Admin IT Expenses	\$ 140.60	02/28/2022	Allocated IT Expense - DP Administration	DP IT Expenses Allocation for February 2022
5	DP - Admin Management Fee	\$ 111.51	08/31/2021	Management Fee - Childrens Ext. Support - Med	DP General Ledger for Management Fees for August 2021 and Allocation breakdown of Mgmt. Fees
6	Nonprofit Management Services of Colorado	\$ 285.05	09/09/2021	Management Fee - Fundraising	Invoice #01879 dated 8/18/2021 for period of September 2021
7	Nonprofit Management Services of Colorado	\$ 99,404.94	09/09/2021	Management Fee - EI Service Coordination - State	Invoice #01879 dated 8/18/2021 for period of September 2021
8	Docusign Amortization	\$ 4,370.00	12/30/2021	Software and IT Equipment - DP Information Tec	Monthly amount of Docusign services from 8/15/21 - 6/14/22 INV26399156
9	Empower Retirement	\$ 1,022.86	09/24/2021	Taxes & Fringe Benefits - DP Administration	Check Request Form and Expense Invoice dated 9/15/2021
10	Bob Ward	\$ 325.00	10/21/2021	Taxes & Fringe Benefits - DP Administration	Invoice dated 10/21/2021 for Monthly Auto Allowance
11	Nonprofit Management Services of Colorado	\$ 18,213.85	11/04/2021	Management Fee - Early Intervention - State	Invoice #01932 dated 10/14/2021
12	Nonprofit Management Services of Colorado	\$256,019.07	12/02/2021	Management Fee	Invoice #01949 dated 11/16/2021
13	Nonprofit Management Services of Colorado	\$ 1,541.03	12/02/2021	Management Fee	Invoice #01949 dated 11/16/2021

Developmental Pathways, Inc. and Affiliate
Appendix A – Management and General Expenditures Testing
June 30, 2022

14	Nonprofit Management Services of Colorado	\$ 1,525.01	01/06/2022	Management Fee	Invoice #01953 dated 12/9/2021
15	US Bank	\$ 240.96	01/20/2022	Bank Fees	Invoice #462540022 dated 1/10/2022
16	Verizon Wireless	\$ 60.09	01/20/2022	Telephone - DP Administration	Invoice #9897168577 dated 1/12/2022
17	Berkley National Insurance Company	\$ 28.42	05/30/2022	Property & Liab Insurance - Jewell Building - DP	DP General Ledger and Allocation of Insurance dated 6/6/2022
18	Zoom Video Communications	\$ 309.60	03/24/2022	Telephone - DP Information Technology	Invoice #135861060 dated 3/1/2022
19	Quadient Financing, USA	\$ 1,000.00	04/28/2022	Postage, Express Mail, Courier - Jewell Building	Invoice #7029 dated 3/30/2022
20	Quadient Leasing, USA	\$ 1,564.75	05/26/2022	Eqpt Lease - Excl. Vehicle - Jewell Building - DP	Invoice #N9411885 dated 5/15/2022
21	DP - IT Depreciation	\$ 23,962.06	05/31/2022	Depreciation - Excl Vehicles - DP Information Tech	Fixed Assets Posting Journal dated 6/1/2022 for monthly period ending 5/31/2022
22	Zendesk	\$ 50.50	05/31/2022	Software and IT Equipment - DP Information Tec	DP General Ledger for IT Expenses for May 2022 + Credit Card Statement
23	SignupGenius	\$ 24.99	05/31/2022	Software and IT Equipment - DP Information Tec	DP General Ledger for IT Expenses for May 2022 + Credit Card Statement
24	Miller & Steiert, P.C.	\$ 460.00	06/30/2022	Prof Services - Legal - DP Administration	Invoice #98239 dated 6/15/2022 for Professional Services
25	Second Medici Company LLC	\$ 745.00	06/30/2022	Rent - Jewell Building - DP	Invoice #1013 dated 6/1/2022 for utilities charges for a building owned by DP

Developmental Pathways, Inc. and Affiliate

Appendix B – Program Expenditures Testing

June 30, 2022

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation Reviewed
1	A World of Excellent Home Care	\$ 54.20	07/22/2021	Personal Care	Payables Transaction Posting Journal for the period ending 7/21/2021
2	Shield Healthcare	\$ 18.85	07/22/2021	Specialized Medical Equipment and Supplies	Transaction Detail for Shield Healthcare for the period 6/22/21 - 7/8/21
3	Milestone Pediatric Therapy Services Inc.	\$ 270.48	07/31/2021	Occupational Therapy Services	Monthly Service Record for Milestone Pediatric Therapy Services Inc. for the month of July 2021
4	DP - Overtime Earnings	\$ 15.07	08/06/2021	Overtime Earnings - Community Outreach Unmet Needs	Payroll Distributed Summary Report for period ending 7/30/2021
5	Shield Healthcare	\$ 21.52	08/31/2021	Specialized Medical Equipment and Supplies	Transaction Detail for Shield Healthcare for the period 4/28/21 - 8/24/21
6	Shield Healthcare	\$ 21.52	08/31/2021	Specialized Med Equip & Suppli-Independent Contr	Transaction Detail for Shield Healthcare for the period 4/28/21 - 8/24/21
7	Jaffery, Shumaila	\$ 500.00	08/31/2021	Family Support - Direct Services	Approved expenses for Family Support Services dated 8/31/2021
8	Denver Behavior Consultants LLC	\$ 145.60	09/16/2021	Provider Travel Costs-Early Intervention - State	Monthly Service Record for Denver Behavior Consultants for the month of August 2021
9	Shield Healthcare	\$ 53.55	09/16/2021	Specialized Medical Equipment and Supplies	Transaction Detail for Shield Healthcare for the period 9/3/21 - 9/8/21
10	STAR Center Foundation	\$ 3,000.00	09/30/2021	Individual Plan - Community Outrea-Polak Health & W	Approved expenses for Community Outreach dated 10/4/2021
11	Denver Behavior Consultants LLC	\$ 320.00	11/11/2021	Individual Plan Ex-Community Outrea - Douglas County	Approved expenses for Community Outreach dated 11/5/2021
12	EI State GAE & Trust	\$ 431.25	11/30/2021	Assistive Technology Services - Early Intervention	Reversing Journal entries report and Monthly Service Record dated 11/30/2021
13	Kelle Walker	\$ 15.00	03/10/2022	Family Support - Direct Services	Approved expenses for Family Support Services dated 3/3/2022

Developmental Pathways, Inc. and Affiliate

Appendix B – Program Expenditures Testing

June 30, 2022

14	P20 Global Holdings Inc. d.b.a. People 2.0 Global LLC	\$ 9,293.44	03/24/2022	Prof Services - Contract Labor	Invoice #521021363 dated 3/7/2022
15	Shield Healthcare	\$ 20.08	04/14/2022	Specialized Medical Equipment and Supplies	Transaction Detail for Shield Healthcare for the period 1/7/2022 - 4/6/2022
16	Verizon Wireless	\$ 10,831.00	12/29/2021	Telephone	Check remittance detail dated 12/29/2021 and Payables Transaction Posting Journal showing detail of the transaction.
17	Continuum Home & Community Support	\$ 744.18	05/12/2022	Prof Services - ther - Supported Living - Internal SLS	SLS State Funded Monthly Service Record Invoice # SLSS CON1250 202204M date of billing period was for April 2022; check date for amount was on 5/12/2022
18	Ease-e Medical Inc.	\$ 28.00	05/26/2022	Specialized Medical Equipment and Supplies	Invoice #772979 dated 5/9/2022
19	Shield Healthcare	\$ 92.97	05/31/2022	Specialized Med Equip & Suppli - Independent Contr-	Transaction Detail for Shield Healthcare for the period 5/5/2022-5/16/2022
20	Amazon Business	\$ 229.99	05/31/2022	Family Support - Direct Services	Invoice #1LG6 - R79D - XK4N dated 5/17/2022
21	Hunter Hodges	\$ 500.00	06/23/2022	Family Support - Direct Services	Approved expenses for Family Support Services dated 6/16/2022
22	A Little Nourishment	\$ 1,262.24	06/30/2022	Nutrition Services - EI Direct Service - State	Monthly Service Record for A Little Nourishment for the month of June 2022
23	Shield Healthcare	\$ 51.24	06/30/2022	Specialized Medical Equipment and Supplies	Transaction Detail for Shield Healthcare for the period 5/24/2022-6/8/2022
24	SafeSplash Swim School	\$ 225.00	06/30/2022	Personal Care	Invoice #JW - 0622 dated 7/7/2022
25	DP - YE Allocation	\$ 564.70	06/30/2022	Rent - Childrens Ext. Support - Med	DP Rent Allocation Calculation for the period ending 6/30/2022

Developmental Pathways, Inc. and Affiliate
Appendix C – Board-Designated Expenditures Testing
June 30, 2022

#	Payee	Amount	Date	Transaction Description	Description of Supporting Documentation
1	Nonprofit Management Services of Colorado	\$ 3,470.84	08/05/2021	Management Fee - Capacity Building Initiative	Invoice #01855 dated 7/28/2021
2	DP Admin - Depreciation	\$ 396.45	05/30/2022	Depreciation - Excl Vehicles-Capacity Building I	DP Depreciation Expense Calculation for the period ending 5/30/2022
3	DP Admin - Allocated Property Expense	\$ 42.07	06/30/2022	Allocated Property Expense - Capacity Building Ini	Jewell Facility Cost Allocation for the period ending 6/30/2022
4	Shield Healthcare	\$ 137.80	07/01/2021	Postage, Express Mail, Courier - Community Engagem	DP General Ledger for Accruals that were rebooked as of 7/22/2021
5	DP Admin - Management Fee	\$ 8,191.30	08/01/2021	Management Fee - Community EngagementInitiative	DP General Ledger for Management Fee Adjustments as of 8/30/2021
6	The Travelling Gnomes	\$ 420.00	09/23/2021	Public Relations - Community Engageme - Douglas County	Invoice #1017 dated 9/13/2021
7	Parker Personal Care Homes	\$ 525.00	10/30/2021	Public Relations - Community Engageme - Douglas County	Invoice #1000 dated 10/18/2021
8	Developmental FX	\$ 7,500.00	11/18/2021	Provider Grants - Community Engagem - Douglas County B	Invoice #PGFY22106 dated 11/3/2021
9	Dragonfly Pediatric Speech Therapy	\$ 175.00	11/24/2021	Public Relations - Community Engage - Arapahoe County	Invoice #682 dated 11/11/2021
10	DP Admin - Payroll	\$ 456.30	12/10/2021	Employee Incentive Earnings - Family Engagement	DP General Ledger for the period ending 12/10/2021 and Payroll Distributed Summary Report
11	CaseWorthy, Inc.	\$ 7,537.50	01/20/2022	Software and IT Equipment - Capacity Building	Invoice #21 - 1112 dated 1/7/2022
12	Adams Camp	\$ 4,745.00	01/31/2022	Provider Grants - Community Engagem - Douglas County B	Invoice #PGFY22131 dated 1/12/2022
13	Staff	\$ 1,382.59	02/28/2022	Taxes & Fringe Benefits - Capacity Building Initiative	DP General Ledger for Employee Payroll for the period ending 2/28/2022

Developmental Pathways, Inc. and Affiliate

Appendix C – Board-Designated Expenditures Testing

June 30, 2022

14	BehaviorSpan	\$ 3,072.00	02/28/2022	Provider Grants - Community Engagem - Douglas County B	Invoice #PGFY22122 dated 2/15/2022
15	Breathe MBS LLC	\$ 4,416.00	02/28/2022	Provider Grants - Community Engagem - Arapahoe County	Invoice #PGFY22141 dated 2/8/2022
16	Festive Cup Coffe & Boutique	\$ 20,000.00	03/31/2022	Provider Grants - Community Engagem - Douglas County B	Invoice #PGFY22173 dated 3/7/2022
17	To The Rescue HOPE Foundation	\$ 600.00	03/31/2022	Public Relations - Community Engage - Arapahoe County	Invoice #30003 dated 3/31/2022
18	Gigi's Playhouse	\$ 875.00	04/28/2022	Public Relations - Community Engage - Douglas County B	Invoice #1001 dated 3/30/2022
19	Staff	\$ 14,243.62	04/29/2022	Salary Expense-Community EngagementInitiative	DP General Ledger for Employee Payroll for the period ending 4/29/2022
20	Staff	\$ 3,957.32	04/30/2022	Accrued Salaries and Wages-Family Engagement Ini	DP General Ledger for Employee Payroll Accrual for the period ending 4/30/2022
21	Megan's Place LLC	\$ 350.00	05/12/2022	Public Relations - Community Engage - Douglas County B	Invoice #MP 05032022 dated 5/3/2022
22	CaseWorthy, Inc.	\$ 8,475.00	05/26/2022	Prof Services - Other-Capacity Building Initiati	Invoice #22 - 0463 dated 4/30/2022
23	Staff	\$ 5,167.08	05/27/2022	Taxes & Fringe Benefits - Family Engagement Initia	DP General Ledger for Employee Payroll Accrual for the period ending 5/27/2022
24	DP Admin	\$ 10,800.00	06/30/2022	Provider Grants - Community Engagem - Arapahoe County	DP General Ledger for year - end Allocation by Account for DP at 6/30/2022
25	DP Admin	\$ 7,000.00	06/30/2022	Provider Grants - Community Engagem - Douglas County B	DP General Ledger for year - end Allocation by Account for DP at 6/30/2022