

**AGENDA**  
**BOARD OF DIRECTORS MEETING**  
**THURSDAY, SEPTEMBER 24, 2020**  
**6 p.m.**

1. Minutes – Action needed
2. Financials
  - a. Michelle Sainio from FredrickZink and Associates presenting the 2019 Fiscal Year Audit
  - b. Starpoint general – Information
  - c. EHS –
  - d. Budget Updates
  - e. Audit purposals
3. Public comment
4. EHS
  - i. Policy Council and Board report –
5. State/Legislative Updates – Information
6. Other Business
7. Reports from Directors



STARPOINT  
BOARD OF DIRECTORS MEETING  
Thursday, August 27, 2020

Board Chairperson, Annette Nimmo called the meeting to order at 6 p.m.

Fremont County board members present: Janet Trujillo

Fremont County board members present via Zoom video conferencing: Mitch McCartney, Annette Nimmo, and Linda Bay

Chaffee County board members present via Zoom video conferencing: Terry Prewitt, and Katy Grether

Others present: Ron Hinkle, Julie Watts, Bryana Marsicano, and Jami Roy

Others present via Zoom video conferencing: Christi Baxter and Tom Evers from Chaffee County, Brenda Aguirre, Amy Schmisser, Roger Jenson, Michelle Sainio, and Laura Gardner, legal counsel to the board.

#### **MINUTES OF THE PREVIOUS MEETING**

Minutes from the previous meeting that took place on, July 23, 2020 were approved with changes on a motion by Katy Grether and a second by Mitch McCartney.

#### **FINANCIALS**

Michelle Sainio from FredrickZink and Associates, the CPAs who are performing our 2019 audit, shared with the Board the history of her firm and Starpoint. They have been the auditors for Starpoint since 2011. Over the course of these nine years, they have worked with five different Chief Financial Officers/Finance Directors. Over the years, starting with Mary Dice until Robert Lovegrove was in place the audits were timely and things went well. Since this time, the Accounting Department has been in transition and has not been very strong. The last couple of years Julie has been working hard to put practices in place and make the corrections necessary for the audit. Michelle reported that for the fiscal year of 2019 almost every balance sheet has needed adjusting, which is not good during an audit. Michelle and her staff have worked hard making sure the balances for 2019 are accurate going into 2020. Financials and the 990 will be ready by the next Board meeting to approve.

Julie Watts explained to the Board that Great Plains, our accounting software, is not very user friendly and is very outdated. Starpoint has had Great Plains in place since 1977. Not all of the modules talk to each other. You have accounts receivable, financial, and sales/purchasing. In 2019, the bank reconciliation were being done each month but was not reconciled with the general ledger.



Bryana Marsicano told the Board that we have a list of accounting software companies that other CCBs and non-profits use. We would like to set up meetings with each vendor to explore our options.

Both Katy Grether and Mitch McCartney questioned if we should purchase a new accounting software system at this time. Julie responded that she would like to have good numbers and starting balances before integrating a new system. Janet Trujillo asked if we had a timeline for purchasing the new software. Again, Julie would like to complete the 2019 audit and have good numbers. Julie explained that we would put some bids together to present to the Board. Annette Nimmo stated that it sounds like we have a plan in place and the Board is supporting the pursuit of a new accounting software.

Mitch McCartney asked Julie where she was on obtaining bids from auditors for our next audit. She has researched and contacted a list of potential auditors. Last week she spoke with Eide Bailly a nationwide company and was very impressed. They seem very knowledgeable. They do CCBs in Colorado and nationwide. They currently are the auditors for Developmental Pathways and Strive. Julie will provide the Board with the bids by the next Board meeting. Annette stated that she felt Julie's opinion should be a huge piece of the selection process and the decision.

Julie Watts reviewed the Statement of Income and Expenses for all programs, the report ending on June 30, 2020. Total revenue for the year-end is \$13,599,356.09. Personnel expenses are at 68.33%, which is good. The percentage is down due to COVID-19 and not staffing Day Programs. Reviewing the expenses, professional services are higher at \$93,001.00. It looks like some invoices from the month of May carried over into June. Internal purchase services was large in June, due to catching up allocations for year-end. Office and medical supplies are higher due to COVID-19 supplies. In the month of June miscellaneous is \$29,234.85, due to the "Hero's Pay" Visa Gift Cards that were purchased. The SEP contract sent us a \$20,000 check for startup costs that will be allocated to the negative \$19,000 under equipment expense. Our total expenses were \$12,902,196.69. Our net is \$697,159.40. The net amount will be lower once depreciation has been allocated.

Mitch McCartney had a couple of questions on the individual financials. What is an M&G Allocations on PCA Fremont expenses? Julie responded that the M&G expense is for support services each program receives such as accounting, human resources, and management. She allocated a percentage to every department for those services. Mitch's second question was about the losses showing on PCA Fremont and E-Street. The PCAs Fremont is showing a loss of \$73,684.48. Julie reported that due to COVID-19 all homes now need to be staffed 24 hours a day 7 days a week because individuals receiving services are not participating in Day and Community Programs. E-Street is also showing a loss. Staffing has also been an issue at PCAs and E-Street causing a lot of overtime.

Terry Prewitt made a motion to accept the financials as presented to be placed on file. Katy Grether seconded the motion. Motion carried.



Julie also reviewed the EHS Financials with the Board. We have pulled from the EHS Grant \$998,448.56. We used \$401,429.99 in payroll expenses leaving \$107,200.01. There is \$167,415.96 remaining on the grant.

Terry Prewitt made a motion to accept the EHS financials as presented to be placed on file. Mitch McCartney seconded the motion. The motion carried.

She also reviewed Starpoint bank balances as of August 28, 2020.

Legacy Money Market Account	\$666,477.25
Legacy Payroll	\$27,385.07
Bank of the San Juans Money Market Account	\$551,045.09
Bank of the San Juans Rep Payee Account	\$55,084.11
Bank of the San Juans Foundation Account	\$11,474.69
US Bank PPP	\$38,496.09
US Bank Payroll	\$899,797.51
US Bank Money Market Account	\$500,005.00
3 CDS	\$1,000,000.00

#### **PUBLIC COMMENT**

Roger Jensen asked a question about the federal funds received. What is the impact that the federal funds received have on the bottom line this year? Julie reported that the funds currently are not showing on the P&L. Julie explained that currently the funds are showing as a payable. Once we reach 100% loan forgiveness the amount will be posted as income.

#### **EARLY HEAD START**

Brenda Aguirre reported to the Board the EHS Board of Directors and PC Monthly Report for May, June, and July 2020. The biggest difference over the three months has been lower attendance due to COVID-19.

Brenda explained that they received an EHS COVID-19 grant. The funds are being used for updating the A/C units on the building at a cost of \$45,000. \$11,600 of the grant will be used for technology and the purchase of professional Zoom accounts. \$5,000 will be used for infectious disease training, supplies, and cleaning the facilities.

Brenda went over the Starpoint Board Training for EHS. We are set to have a FA 2 review. Brenda would like to provide training that is more detailed to the Board members. What is the Board's preference on when to schedule a training? Brenda will propose a training date to be held prior to a regularly scheduled Board meeting.

Brenda told the Board that we are approved for the EHS Grant for another year.

#### **STATE/LEGISLATIVE UPDATES OTHER BUSINESS**

Bryana Marsicano explained that federally we are supporting a request to delay the EVV rules, but this timeline is upon us, so it does not look like a delay will be likely. There are no big changes recently from the state since the Budget approval. CMS has extended the Final Settings





Rule for one year. However Colorado had determined they will “Stay the course” with the current schedule so that they have the extra year to make any final changes to bring all providers into compliance. We have put the Day Habilitation settings rule work on hold due to the day programming being halted, but are on track with meeting the Residential settings rules in our facilities.

The weekly webinars with updates from HCPF will now be moved to every other week. HCPF is just now starting work on regulations to allow visitation inside the group home settings as families and friends have been unable to go into the group homes since March. They can meet outside if they wear masks and maintain six feet distancing.

HCPF will start monthly Telehealth engagement meetings to discuss telehealth options in ALL HCBS services. We will participate in these as there are mixed feelings on if telehealth works for our population and what services are better for us than others. We feel strongly that there has to be some in person programming, for our individuals to learn and maintain necessary skills to remain as independent as possible.

Continued encouragement from HCPF to vote, specifically voting for candidates that support Medicaid funding as they continue to look at next year being a dismal budget year. We are planning now by saving what we can to be prepared for more cuts to various programs.

#### **OTHER BUSINESS**

The Board was introduced to Amy Schmisser who has submitted a letter of interest in becoming a Starpoint Board Member. Amy described her experiences and her desire to serve our community.

Bryana gave an update on the sale of the LEC.

#### **REPORTS**

Christi Baxter, Co-Director Chaffee County told the Board that they have not had any cases of COVID-19. Things have been tough because we are losing staff which is causing overtime. She reported that staffing is down because they are losing employees to better paying jobs. They are getting individuals we serve outside in the community. Katy Grether asked about losing staff because of low wages and the cost of living in Salida. It sounds like quite the issue. Could we pay them more? Bryana explained that we have been evaluating all wages for Starpoint employees. We want to make sure we are making good decisions, and also planning for next year’s budget cuts. We are considering night and weekend differentials. We are also reviewing all job openings due to attrition to make sure the position is necessary.

Tom Evers, Co-Director Chaffee County, over the past month Chaffee County has developed six hours a day of activities for those we serve. We have a three-hour session in the morning and three hours in the afternoon. Activities include; bowling, bocce ball, art in the park, scavenger hunts and more. We have two Zoom meetings scheduled every day. We have an interview with a good candidate for our RN position.

Brenda Aguirre gave Jody Berg’s Early Intervention report. The EI team is enjoying getting to know our new SEP team. EI is navigating the cut in budget, which is 1% Medicaid, with no more \$10 per visit for telehealth visits. The State determined rather than renew our contracts



July 1<sup>st</sup> to extend the previous year's contract for three months. EI continues to see children virtually through video visits and we are navigating those challenges. We are now allowed to do limited outdoor visits with some children. The EI team is working through this option with families. We thought that referrals would be down but that has not been the case so we continue to enroll new children. EI currently has 72 enrolled children with nine pending.

Brooke Elenga, Director of Case Management communicated how much she is enjoying working for Starpoint. She is learning so much every day and is working with a great team.

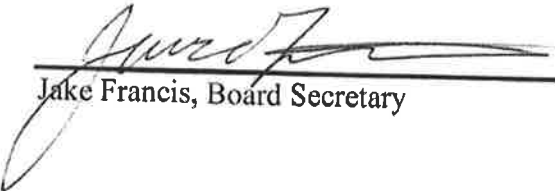
Ron Hinkle, Foundation Director reported that the Rim to Rim is going to be a virtual race. We currently have 48 registrations. On the sponsorship side, we have met the amounts we had for the event in 2018. The Forks, Corks, Farms, and Chefs event has been cancelled due to COVID-19. Last month I reported that we met with Loaves and Fishes to discuss the proposal from Beyond Madness Catering to donate pans of lasagna to be sold to the community for \$50 per pan to raise monies for Loaves and Fishes and Starpoint. The event is planned and is going to be called *Pasta-abilities are unlimited with Love-sagna*. The lasagna dinners will be delivered to families in need 10/12, 10/19, and 10/28. The deadline to order is 10/22/20. The annual Starstruck event will be taking place at the Fine Arts Center. This show will honor all the amazing creative talent of the Starpoint consumers and staff. Prizes will be awarded at the First Friday Opening Reception on Friday, October 2, 2020 from 4:30pm-7:30pm. Dave and Lynda Lambert from Canon Signature Mortgage are sponsoring the show. Ron advised the Board that the Foundation is pursuing hosting a community wide yard sale event. We are still doing the Christmas wrap program. "Night to Shine" has been cancelled by the Tim Tebow Foundation due to COVID-19.

Jami Roy, Director of Human Resources reported that our annual benefit open enrollment was this week. Due to COVID-19, the meetings were held via Zoom and small groups of 10 or less in person. When looking at the 2020/2021 benefit year we asked our health insurance broker Benefit Health Advisor to shop around and get us quotes from traditional health insurance companies to explore a fixed cost plan and other self-funded plan options. Our current provider Meritain came back with the best quote. Companion Life our dental and vision provider held our rates and Mutual of Omaha who provides our short term and long-term disability plans and our life insurance also held our rates. We did make some changes to our health insurance coverage that resulted in almost \$100,000.00 in savings for Starpoint. We were thoughtful in making the changes trying not to put too much burden on our employees and their families. Jami is working on standardizing job descriptions, salary schedules, and exemption status to comply with the Equal Pay for Equal Work Act, which takes effect on January 1, 2021. She is also working on new policies and procedures for the Healthy Families and Workplaces act which will go into effect on January 1, 2021.

Mitch McCartney asked about costing new HR software to meet the needs of Starpoint and assist in compliance of all the new State acts and statues. Jami explained that it would be a huge benefit. She also stated that she is part of the conversations with Bryana and Julie regarding our needs of updating our accounting, payroll, and HR software.

The next meeting will be September 24, 2020.





Jake Francis, Board Secretary

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**DEVELOPMENTAL OPPORTUNITIES, INC.**  
dba  
**STARPOINT**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

June 30, 2019

**DEVELOPMENTAL OPPORTUNITIES, INC.**  
***dba***  
**STARPOINT**

June 30, 2019

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FINANCIAL SECTION

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FINANCIAL STATEMENTS

**DEVELOPMENTAL OPPORTUNITIES, INC.**

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**STARPOINT**

**STATEMENT OF FINANCIAL POSITION**

June 30, 2019

**ASSETS**

	<u>2019</u>
<b>Current assets</b>	
Cash and cash equivalents.....	\$ 1,445,974
Cash set-aside.....	-
Accounts receivable	
Fees and grants due from governmental agencies.....	1,131,344
Other accounts receivable.....	286,558
Prepaid expenses and other.....	<u>126,924</u>
Total current assets.....	2,990,800
<b>Property and equipment, net.....</b>	<u>3,849,865</u>
<b>Total assets.....</b>	<b><u>\$ 6,840,665</u></b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accounts payable.....	\$ 524,223
Accounts accrued.....	<u>308,286</u>
Total liabilities.....	<u>832,509</u>
<b>Net assets</b>	
Without donor restrictions	
Undesignated.....	2,036,722
Net investment in property and equipment.....	<u>3,849,865</u>
Total net assets without donor restrictions.....	<u>5,886,587</u>
With donor restrictions.....	<u>121,569</u>
Total net assets.....	<u>6,008,156</u>
<b>Total liabilities and net assets.....</b>	<b><u>\$ 6,840,665</u></b>

See accompanying notes to financial statements and Independent Auditor's Report

**DEVELOPMENTAL OPPORTUNITIES, INC.**

**dba**  
**STARPOINT**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenue and support			
Fees and grants from governmental agencies			
Fees for services			
State of Colorado			
State General Fund	\$ 666,793	\$ -	\$ 666,793
Medicaid	8,268,299	-	8,268,299
Grants and other government sources			
Fremont County Department of Human Services	233,227	-	233,227
School districts	461,873	-	461,873
Part C - Early intervention	20,172	-	20,172
Colorado Department of Public Health and Environment	82,878	-	82,878
U.S. Department of Health and Human Services			
Early Head Start	764,647	-	764,647
Children and families	43,838	-	43,838
Total fees and grants from governmental agencies	<u>10,541,727</u>	<u>-</u>	<u>10,541,727</u>
Public support - contributions	143,163	289,235	432,398
Public support - in-kind contributions	240	-	240
Residential room and board	658,946	-	658,946
Other revenue	238,009	-	238,009
Gain on sale of assets	277,468	-	277,468
Net assets released from restriction	167,666	(167,666)	-
Total revenues and support	<u>12,027,219</u>	<u>121,569</u>	<u>12,148,788</u>
Expenses			
Program services			
Medicaid comprehensive services	\$ 7,410,931		\$ 7,410,931
State adult supported living services	127,008		127,008
Medicaid adult supported living services	1,171,355		1,171,355
Early intervention	555,116		555,116
Family support services program	97,016		97,016
Case management	424,576		424,576
Early Head Start	823,094		823,094
Children and family services	1,506,089		1,506,089
Total program services	<u>12,115,185</u>	<u>-</u>	<u>12,115,185</u>
Supporting services			
Management and general	936,022		936,022
Development and fundraising	90,100		90,100
Total supporting services	<u>1,026,122</u>	<u>-</u>	<u>1,026,122</u>
Total expenses	<u>13,141,307</u>	<u>-</u>	<u>13,141,307</u>
Change in net assets	<u>(1,114,088)</u>	<u>121,569</u>	<u>(992,519)</u>
Net assets, beginning of year	7,000,675	-	7,000,675
Net assets, end of year	<u>\$ 5,886,587</u>	<u>\$ 121,569</u>	<u>\$ 6,008,156</u>

See accompanying notes to financial statements and Independent Auditor's Report

**DEVELOPMENTAL OPPORTUNITIES, INC.**

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**STARPOINT**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2019

	Medicaid comprehensive services	State adult supported living services	Medicaid adult supported living services	Early Intervention	Program Services Family support services	Case management	Early Head Start
Salaries, benefits and taxes.....	\$ 5,670,001	\$ 108,848	\$ 862,200	\$ 449,557	\$ 12,103	\$ 381,375	\$ 715,488
Professional fees.....	890,157	6,038	43,989	45,775	-	9,197	11,418
Supplies.....	133,255	-	25,145	6,527	77	5,299	10,229
Repair and maintenance.....	88,829	997	65,847	3,097	-	3,495	10,520
Depreciation.....	46,276	930	38,613	7,732	-	7,728	1,226
Food.....	129,870	68	1,935	65	-	-	2,551
Other.....	34,398	895	12,482	305	84,764	-	5,541
Utilities.....	122,304	-	18,208	2,137	-	2,532	9,564
Staff development and travel.....	76,319	3,441	28,062	33,825	60	8,313	30,742
Insurance.....	57,151	3,174	20,574	304	12	1,536	9,236
Telephone.....	48,500	-	12,893	5,623	-	5,101	7,199
Rent.....	73,729	-	-	-	-	-	-
Dues and subscriptions.....	14,582	2,210	4,994	169	-	-	8,880
Vehicle fuel.....	25,560	407	36,413	-	-	-	500
Total expenses.....	\$ 7,410,931	\$ 127,008	\$ 1,171,355	\$ 555,116	\$ 97,016	\$ 424,576	\$ 823,094

The accompanying notes are an integral part of these financial statements.

Children and family services	Total	Supporting Services		Total	Total Expenses
		Management and general	Development and Fundraising		
\$ 1,207,232	\$ 9,406,804	\$ 653,303	\$ 50,209	\$ 703,512	\$ 10,110,316
4,263	1,010,837	93,048	604	93,652	1,104,489
20,577	201,109	28,749	1,064	29,813	230,922
21,408	194,193	9,345	521	9,866	204,059
28,535	131,040	77,203	-	77,203	208,243
85,442	219,931	-	-	-	219,931
40,718	179,103	12,033	33,967	46,000	225,103
15,481	170,226	4,201	367	4,568	174,794
25,422	206,184	6,918	1,130	8,048	214,232
10,731	102,718	29,837	209	30,046	132,764
6,238	85,554	9,355	1,087	10,442	95,996
4,601	78,330	-	-	-	78,330
35,391	66,226	12,001	942	12,943	79,169
50	62,930	29	-	29	62,959
<u>\$ 1,506,089</u>	<u>\$ 12,115,185</u>	<u>\$ 936,022</u>	<u>\$ 90,100</u>	<u>\$ 1,026,122</u>	<u>\$ 13,141,307</u>

**DEVELOPMENTAL OPPORTUNITIES, INC.**

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**STARPOINT**

**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2019

**Increase (Decrease) in Cash and Cash Equivalents**  
**(Excluding Cash set-aside)**

**Cash flows from operating activities:**

Cash received from governmental agencies and others.....	\$ 11,896,751
Cash paid to suppliers and employees.....	(12,669,669)
Interest received.....	3,805
Net cash used by operating activities.....	<u>(769,113)</u>

**Cash flows from investing activities:**

Proceeds from sale of property and equipment.....	680,270
Net cash used by investing activities.....	<u>680,270</u>

**Net decrease in cash and cash equivalents..... (88,843)**

Cash and cash equivalents, beginning of year..... 1,534,817

Cash and cash equivalents, end of year..... \$ 1,445,974

**Reconciliation of change in net assets to net cash provided**

**by operating activities:**

Change in net assets..... \$ (992,519)

**Adjustments to reconcile:**

Depreciation.....	208,243
Decrease (increase) in:	
Accounts receivable.....	53,025
Prepaid expenses and other.....	14,853
Increase (decrease) in:	
Accounts payable and accrued expenses.....	248,542
Deferred revenue.....	(23,789)
Total adjustments.....	<u>223,406</u>

**Net cash used by operating activities..... \$ (769,113)**

The accompanying notes are an integral part of these financial statements.

**DEVELOPMENTAL OPPORTUNITIES, INC.**

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**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES**

Developmental Opportunities, Inc., dba Starpoint (the Center) was incorporated under the laws of the State of Colorado in 1972 for the purpose of providing a community center board to coordinate programs through interagency cooperation and local agencies to provide services to persons with developmental disabilities in Fremont, Chaffee and Custer counties. In 2001, the Center expanded its operations to include Jefferson County, and in 2002 it expanded again, this time to Denver County. In August 2018, the Center decided to discontinue services provided in Denver and sold all related property at that time. The Center is currently operating under the trade name of Starpoint. In September 2003, the Developmental Opportunities Foundation (the Foundation) was incorporated for the purpose of supporting and benefiting the Center. The Center's board of directors has the power to appoint a majority of the directors of the Foundation and, accordingly, the Center is required to consolidate the financial activity of the Foundation in the Center's financial statements. The Center's revenue comes primarily from the State of Colorado.

**Program Services**

Comprehensive Services (Medicaid funded) provide a full day (24 hours) of services and/or supports for adults which are designed to ensure the health, safety and welfare of the individual, and to assist in the acquisition, retention and/or improvement in skills necessary to support individuals to live and participate successfully in their community. These services are individually planned and coordinated through the person's Individual Plan. Additionally, services are provided to give individuals opportunities to experience and actively participate in valued roles in the community. These services may include a combination of life-long or extended duration supervision, training, and/or support such as Day Habilitation Services and Supported Employment.

Adult Supported Living Services (State and Medicaid funded) augment already available supports for those adults who either can live independently with limited support or who, if they need extensive support, are getting that support from other sources, such as family. Services provided may include a combination of life-long or extended duration supervision, training, and/or support such as Day Habilitation Services and Supported Employment. The Center has no responsibility for the living arrangement in the community.

Early Intervention is a program for children from birth through age two offering infants, toddlers and their families services and supports to enhance child development in the areas of cognition, speech, communication, physical, motor, vision, hearing, social-emotional developmental, and self-help skills, parent-child or family interactions; and early identification, screening and assessment services.

Early Head Start is an income eligible program designed to meet the individual needs of families by helping parents to give their children the best possible start. The comprehensive programs combine home visits with Center activities. Services offered include playgroups, development checkups, fun learning activities, family clubs, home visits, access to the Toymobile van, family meals, and help getting access to other community services. Children served are between the ages of 0-3 years.

Family Support Services Program provides an array of supportive services to the person with a developmental disability and his/her family when the person remains within the family home, thereby preventing or delaying the need for out-of-home placement that is unwanted by the person or the family.



**DEVELOPMENTAL OPPORTUNITIES, INC.**

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**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**

June 30, 2019

**NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES - Continued**

**Program Services - Continued**

Case Management includes the determination of eligibility for services and supports, service and support coordination, and the monitoring of all services and supports delivered pursuant to an Individual Plan, and the evaluation of results identified in the Individual Plan.

Children and Family Services include collaborative community-based programs that are designed to help identify problems of children through five years of age and their families and provide assistance at as early an age as possible, serve children through five years of age and their families and provide assistance at as early an age as possible and serve children ages three to five in an organized regular development training program conducted outside the individual residence. Preschool programs provide developmental and training experiences through gross motor, sensory training, perceptual motor, communication skills, health maintenance, leisure, practical multimedia concepts, and other habilitating and remedial services to enhance the person's skill and functioning level.

**Supporting Services**

Management and General includes those activities necessary for planning, coordination and overall direction of the organization, financial administration, general board activities and other related activities indispensable to the Center's corporate existence.

Development and Fundraising includes activities designed to raise additional dollars for the Center that supplement other funding or are for special projects such as capital fund drives.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting and presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with the U.S. generally accepted accounting principles (GAAP), whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred. The financial statements reflect all significant receivables, payables, and other liabilities.

For financial reporting purposes, the Center follows the reporting requirements of GAAP, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. The Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Descriptions of the two net asset categories and the types of transactions affecting each category follow:

Net assets without donor restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

**DEVELOPMENTAL OPPORTUNITIES, INC.**

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**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**

June 30, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Basis of accounting and presentation** - Continued

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**Cash and cash equivalents**

For purposes of the statement of cash flows, the Center defines cash or cash equivalents as all cash on hand and cash on deposit subject to immediate withdrawal, but excludes cash specifically set aside. The Center maintains its cash balances in financial institutions located in Colorado. Balances may, at times, exceed federally insured limits but the Center has obtained additional coverage at Legacy Bank through the CDARS program. The Center has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents.

**Accounts receivable**

The majority of the Center's accounts receivable are due from the State of Colorado through Medicaid funding. Other receivables are primarily due from consumers for room and board. Accounts are due according to contractual terms and are stated at the amount management expects to collect from outstanding balances. The Center believes all receivables are collectible and that no allowance for doubtful accounts is necessary. However, if necessary, management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance. Such a determination is based on management's assessment of the current status of individual accounts considering a number of factors, including the length of time accounts receivables are past due and the Center's previous collection history. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge against the allowance or directly to bad debt expense.

**Fair value measurements**

The Organization applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

**DEVELOPMENTAL OPPORTUNITIES, INC.**  
***dba***  
**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**

June 30, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Fair value measurements - Continued**

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

*Level 1:* Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

*Level 2:* Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

*Level 3:* Unobservable inputs that reflect the Organization's own assumptions.

Cash and cash equivalents are excluded from the fair value hierarchy as cash is generally measured at cost.

**Property and equipment**

Property and equipment are stated at cost at date of acquisition or estimated fair value at date of donation. The Center capitalizes property and equipment acquisitions of \$5,000 or more that have a useful life of more than one year. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Lives are estimated at ten to forty years for buildings and improvements, and three to five years for equipment.

**Revenue recognition**

Revenue is recognized when earned. Amounts received in advance of performance of the underlying services are deferred to the period in which the services are performed. The Center's revenue consists primarily of funds received from the State of Colorado for Medicaid and other services, miscellaneous smaller grants and awards from federal, state, county and municipal sources. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**In-kind donations**

Contributions of property, material, and certain personal services are known as in-kind donations and are recorded at estimated value as of the date received. These donations (other than contributions of property and equipment) are included as program costs to properly reflect the total cost of the particular program.

**Expenses**

Expenses are recognized when incurred. Expenses paid in advance but not yet incurred are deferred to the applicable period.

**DEVELOPMENTAL OPPORTUNITIES, INC.**

**dba**

**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**

June 30, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Functional reporting of expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, staff development and travel, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

**Income taxes**

The Center is exempt from income tax as provided under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Center has adopted accounting requirements that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns, including the position that the Center continues to qualify to be treated as a tax-exempt organization for both federal and state income tax purposes. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying statement of financial position along with any interest and penalties that would result from that assessment. When the Center has unrelated business income, the federal Exempt Organization Business Income Tax Return (Form 990T) would be subject to examination by the Internal Revenue Service for three years after filing. Should any penalties and interest be incurred, they would be recognized as management and general expenses. Consequently, no liability or expense is recognized in the accompanying statements for uncertain income tax positions.

**Impairment of long-lived assets**

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flow analysis or other valuation technique. There was no impairment loss recognized for the year ended June 30, 2019.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

**DEVELOPMENTAL OPPORTUNITIES, INC.**

dba

**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**

June 30, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Recent accounting pronouncements**

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (US GAAP) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. Then again, in June 2020, the FASB issued ASU 2020-05 as a limited deferral of the effective date for annual periods beginning after December 15, 2019. The Center has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The most significant change for lessees is the requirement under the new guidance to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. Changes to the lessor accounting model include: (a) synchronizing key aspects of the model with the new revenue recognition guidance, such as basing whether a lease is similar to a sale or whether control of the underlying asset has transferred to the lessee and (b) prospectively eliminating the specialized accounting for leveraged leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU will be effective for fiscal years beginning after December 15, 2019, with early adoption permitted. Then again, in June 2020, the FASB issued ASU 2020-05 as a limited deferral of the effective date for annual periods beginning after December 15, 2021. The Center is in the process of evaluating the impact of this new guidance.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments in this update clarify the guidance regarding the classification of operating, investing and financing activities for certain types of cash receipts and payments. The amendments in this update are effective for the annual periods, and the interim periods within those years, beginning after December 15, 2018, and should be applied using a retrospective transition method to each period presented. Early adoption is permitted. The Center is in the process of evaluating the impact of this new guidance.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this ASU require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of period total amounts shown on the statement of cash flows. The ASU will be effective for fiscal years beginning after December 15, 2018. Earlier adoption is permitted. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied. The Center is in the process of evaluating the impact of this new guidance.

**DEVELOPMENTAL OPPORTUNITIES, INC.**  
**dba**  
**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**  
 June 30, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Recent accounting pronouncements - Continued**

In June 2018, the FASB issued ASU No. 2018-08 *Not-for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU clarify and improve the scope and the accounting guidance for contributions received and contributions made. The ASU will be effective for all entities that have issued, or is a conduit bond obligor for, securities that are traded, listed or quoted on an exchange or an over-the-counter market services as a resource recipient, for fiscal years beginning after December 15, 2018. The ASU will be effective for all entities that have not issued or is a conduit bond obligor for securities that are traded, listed or quoted on an exchange or an over-the-counter market services as a resource provider, for fiscal years beginning after December 15, 2019. The Center is in the process of evaluating the impact of this new guidance.

**NOTE 3 - FEES AND GRANTS DUE FROM GOVERNMENTAL AGENCIES**

Accounts receivable due from governmental agencies at June 30, 2019 were as follows:

State of Colorado		
General Fund	\$	118,086
Medicaid		813,632
U.S. Department of Health and Human Services		198,681
School districts		-
Other		945
Due from governmental agencies	\$	<u>1,131,344</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

The cost of property and equipment and related accumulated depreciation at June 30, 2019 follows:

Land	\$	872,042
Buildings and improvements		5,087,027
Program and administrative equipment		214,773
Transportation equipment		<u>1,137,926</u>
Total property and equipment		7,311,768
Accumulated depreciation		<u>(3,461,903)</u>
Net property and equipment	\$	<u>3,849,865</u>

Depreciation expense for the year ended June 30, 2019 was \$193,769.

**NOTE 5 - LINE OF CREDIT**

The Center has an \$875,000 revolving line of credit arrangement with Legacy Bank which expires in April 2021. The line is secured by a deed of trust on two properties with a carrying value of \$1,230,817. Interest will accrue on the unpaid principal balance of the loan at a variable rate equal to the Wall Street Journal prime plus 1.0%. As of June 30, 2019, the variable interest rate was 6.5% but decreased to 3.25% in March 2020. There were no borrowings on the line of credit during the year ended June 30, 2019.

**DEVELOPMENTAL OPPORTUNITIES, INC.**

dba

**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**

June 30, 2019

**NOTE 6 - EMPLOYEE BENEFITS**

Self-funded Insurance Plan

The Center established a self-funded health insurance plan in October 1984. Insurance claims are processed by a third party administrator. Employee insurance claims submitted to the Center by the third-party administrator are paid as submitted, along with administrative costs. The Center is liable for individual claims up to \$50,000 per person. The Center carries specific stop loss insurance for additional coverage.

The expense recognized under this Plan was \$2,018,402 for the year ended June 30, 2019. The Center had a reserve of \$319,000 as of June 30, 2019, representing estimated claims incurred but not reported as of each respective year end. The reserve is included in accounts payable and accrued expenses on the statements of financial position.

Retirement Plan

The Center also sponsors a pension plan for its employees as provided under section 403(b) of the Internal Revenue Code. Employee contributions to the plan are voluntary and allow the employee to defer income tax on that portion of wages earned. The Center, as employer, does not contribute directly to the plan.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The State of Colorado is considered a related party by virtue of significant management influence exercised by the State through contract provisions. The Center received a substantial portion of its revenue from the State of Colorado as identified in the statement of activities. The amount due to the Center from the State of Colorado is described in Note 3.

**NOTE 8 - CONTINGENCIES**

Under the terms of federal grants, certain costs may be questioned as not being appropriate expenditures, which could lead to reimbursement to the grantor agencies. Although the outcome of any such audit cannot be predicted, it is management's opinion that these audits will not result in liabilities to such an extent that they would materially affect the Center's financial position.

**NOTE 9 - LIQUIDITY AND AVAILABILITY**

The Center regularly monitors liquidity so that it can meet its operating needs and other contractual commitments. Financial assets available within one year of the financial statement date for general expenditure without limitations are as follows:

Cash and cash equivalents	\$ 1,445,974
Accounts receivable governmental agencies	1,131,344
Accounts receivable other	<u>286,558</u>
	<u>\$ 2,863,876</u>

**DEVELOPMENTAL OPPORTUNITIES, INC.**

**dba**

**STARPOINT**

**NOTES TO FINANCIAL STATEMENTS - Continued**

June 30, 2019

**NOTE 9 - LIQUIDITY AND AVAILABILITY - Continued**

Center's primary sources of revenue and support are through fees through Medicaid. All of that support is available to be used at the Center's discretion. The Center receives grants and contributions representing approximately 16% of revenue and support, of which less than 1% is donor restricted support required to be used in accordance with the purpose restrictions imposed by the donors. The Center's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 90 days of program expenditures.

**NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September XX, 2020, the date which the financial statements were available to be issued. There were no material subsequent events that required additional disclosure in the financial statements, except as noted below.

**COVID-19**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. The extent of the impact of COVID-19 on the Center and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

**Paycheck Protection Program**

In April 2020, the Center received loan proceeds in the amount of approximately \$1,918,000 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Center intends to use the proceeds for purposes consistent with the PPP. While the Center currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, we cannot assure you that we will not take actions that could cause the Center to be ineligible for forgiveness of the loan, in whole or in part.



**DRAFT**

**SINGLE AUDIT SECTION**

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  
Developmental Opportunities, Inc., dba Starpoint  
Canon City, Colorado

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 Developmental Opportunities, Inc., dba Starpoint (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, of functional expenses, and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Starpoint's internal control over financial reporting (internal control) to determine 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 Starpoint's internal control. Accordingly, we do not express an opinion on the effectiveness of Starpoint'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 identified one deficiency in internal control that we consider to be material weaknesses as described in the accompanying schedule of findings and questions costs as item 2019-001. We did not identify any deficiencies in internal control that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Starpoint'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 determination of financial statement amounts. 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*.

### **Starpoint's Response to Findings**

Starpoint's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Starpoint's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 Starpoint's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Starpoint's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FredrickZink & Associates, PC  
September 24, 2020

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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  
Developmental Opportunities, Inc., dba Starpoint  
Canon City, Colorado

**Report on Compliance for Each Major Federal Program**

We have audited Developmental Opportunities, Inc., dba Starpoint'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 Starpoint's major federal programs for the year ended June 30, 2019. Starpoint's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulation, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Starpoint's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Starpoint's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Starpoint's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Starpoint 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 June 30, 2019.

## **Report on Internal Control Over Compliance**

Management of Starpoint is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Starpoint's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Starpoint's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FredrickZink & Associates, PC  
September 24, 2020

**DEVELOPMENTAL OPPORTUNITIES, INC.**

**dba**  
**STARPOINT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2019

<b>FEDERAL GRANTOR</b>	<b>CFDA</b>	<b>Control /</b>	<b>Federal</b>
<b><u>Pass Through Grantor</u></b>	<b><u>Number</u></b>	<b><u>Grant</u></b>	<b><u>Expenditures</u></b>
<b>Program Title</b>		<b>Number</b>	
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
Pass-through Programs from:			
<b><u>Colorado Department of Human Services</u></b>			
Special Education-Grants for Infants and Families	84.181		\$ 69,160
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>69,160</u>
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Direct Programs:			
Head Start	93.600		836,464
Pass-through Programs from:			
<b><u>Colorado Department of Public Health and Environment</u></b>			
Community Based Child Abuse Prevention	93.590		<u>17,960</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>854,424</u>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION</b>			
Pass-through Programs from:			
<b><u>Colorado Department of Public Health and Environment</u></b>			
Child and Adult Care Food Program	10.558		<u>90,455</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>90,455</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,014,039</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Developmental Opportunities, Inc. dba Starpoint under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*. Because the Schedule presents only a selected portion of the operations of Developmental Opportunities, Inc. dba Starpoint, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Developmental Opportunities, Inc. dba Starpoint.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

STARPOINT  
Statement of Income and Expenses by Program  
For The Two Months Ended August, 31 2020

	Monthly Report		Year To Date	
	7/31/2020	8/31/2020	Actual	% To Income
	Actual	Actual		
<b>REVENUES</b>				
HCB-DD Waiver Residential	\$524,555.47	\$489,521.00	\$1,014,076.47	54%
HCB-DD Waiver Day Svcs/CP	107,584.61	16,056.44	123,641.05	7%
HCB-DD Waiver Supported Employ	12,096.00	8,229.45	20,325.45	1%
HCB-DD Waiver Transportation	5,584.34	6,081.95	11,666.29	1%
HCB-DD Waiver Vision	935.00	624.00	1,559.00	0%
HCB-DD Spec. Med Equip	599.00	353.00	952.00	0%
HCB-DD Behavioral Svcs	949.86	1,000.94	1,950.80	0%
HCB-DD Personal Assistance	4,698.53	7,010.36	11,708.89	1%
HCB-DD Assistive Tech	250.00	250.00	500.00	0%
HCB-DD Parent Education		373.44	373.44	0%
NOS Waiver Services	15,349.62	16,245.89	31,595.51	2%
Targeted Case Management	31,601.68	33,127.10	64,728.78	3%
State General Fund	1,137.81	10,187.49	11,325.30	1%
Management Fees	3,729.55	3,107.78	6,837.33	0%
Medicaid Therapy	2,697.02	2,115.55	4,812.57	0%
State/CACCF (USDA)	3,253.56		3,253.56	0%
Voc Rehab	268.65		268.65	0%
Fremont Co Dept of Human Svcs	20,394.58	18,133.49	38,528.07	2%
Colorado Foundation for Parents/Children	748.80	810.15	1,558.95	0%
State/Dept of Human Services	67,235.23	52,750.02	119,985.25	6%
ACYF-Admin for Children, Youth & Families	60,645.39	59,158.99	119,804.38	6%
Donations	11,378.89	4,934.02	16,312.91	1%
In-Kind Donations	34,616.40	23,462.40	58,078.80	3%
Donations-Restricted Building Fund	5,000.00		5,000.00	0%
Residential Fees	53,900.00	53,200.00	107,100.00	6%
Interest Income	140.95	171.96	312.91	0%
Rent Income	243.74		243.74	0%
Tuition Fees	10,761.00	11,778.63	22,539.63	1%
Other Income	674.40	68,652.58	69,326.98	4%
Internal Services Revenue	9,121.56	8,460.41	17,581.97	1%
<b>TOTAL REVENUES</b>	<b>990,151.64</b>	<b>895,797.04</b>	<b>1,885,948.68</b>	<b>100%</b>
<b>PERSONNEL EXPENSES</b>				
Directors	51,341.56	44,057.07	95,398.63	5%
Resource Coordinator	48,521.75	47,424.23	95,945.98	5%
Secretaries	2,604.00	2,213.41	4,817.41	0%
Data Coordinator/Passport Aide	3,387.80	2,887.54	6,275.34	0%
Coordinator	4,265.47	2,103.36	6,368.83	0%
Childcare Director	7,193.40	3,636.60	10,830.00	1%
Family Center Coordinator	7,128.00	6,062.14	13,190.14	1%
First Steps/EHS HV Coordinator	8,614.83	7,372.03	15,986.86	1%
Accounting Clerks	8,534.70	7,664.92	16,199.62	1%
Early Childhood Assistant	2,442.85	2,030.37	4,473.22	0%
Information Technology Manager	5,542.00	4,710.70	10,252.70	1%
Site Coordinator	29,180.50	28,583.14	57,763.64	3%
Program Director	20,956.00	17,812.60	38,768.60	2%
Team Leader Assistant	17,483.20	15,369.76	32,852.96	2%
Direct Support Professional	220,935.95	183,498.96	404,434.91	21%
Medical Support Professional	29,449.53	25,655.07	55,104.60	3%
Systems Coordinator	12,440.91	10,422.30	22,863.21	1%
On-Call Coordinator	5,100.38	4,250.44	9,350.82	0%
Speech Pathologist	10,618.00	9,025.30	19,643.30	1%
Teacher	21,036.37	18,073.38	39,109.75	2%
Home Visitor	28,151.37	23,973.10	52,124.47	3%
Maintenance	3,527.28	2,829.94	6,357.22	0%
Aide	23,177.93	19,969.85	43,147.78	2%
Cook	2,385.00	2,028.38	4,413.38	0%
Consumer Salaries	1,282.50	3,358.50	4,641.00	0%
Employer FICA Expense	43,034.46	38,274.64	81,309.10	4%
Worker's Compensation	10,603.83	10,743.06	21,346.89	1%
Health & Disability Insurance	115,151.21	163,995.22	279,146.43	15%
<b>TOTAL PERSONNEL EXP</b>	<b>744,090.78</b>	<b>708,026.01</b>	<b>1,452,116.79</b>	<b>77%</b>





STARPOINT  
Statement of Income and Expenses by Program  
For The Two Months Ended August, 31 2020

	Monthly Report		Year To Date	
	7/31/2020	8/31/2020	Actual	% To Income
	Actual	Actual		
OTHER EXPENSES				
In-Kind Donations	34,616.40	23,462.40	58,078.80	3%
Legal Services	487.50	412.50	900.00	0%
Medical Services		478.00	478.00	0%
Dental/Vision/Therapy	5,768.44	5,559.71	11,328.15	1%
Professional Services	80,479.93	76,982.68	157,462.61	8%
Consultants	596.75		596.75	0%
Purchased Services	80.00	420.00	500.00	0%
Purchased Transportation Services	853.00	1,444.00	2,297.00	0%
Staff Travel (Local)	5,189.86	5,604.42	10,794.28	1%
Meetings/Conferences	115.00	278.90	393.90	0%
Gifts/Gratuities	164.93	260.71	425.64	0%
Staff Medical	25.00	25.00	50.00	0%
Family Support Services	3,515.97	6,859.00	10,374.97	1%
Activity Fees	101.86	152.98	254.84	0%
Educational Equip/Supplies	535.76	446.26	982.02	0%
Other Parent Services		38.47	38.47	0%
Food	10,625.33	11,073.75	21,699.08	1%
Medical Supplies	2,806.89	2,986.36	5,793.25	0%
Assitive Technology	55.00	70.00	125.00	0%
Hshld/Equip-Supplies	4,693.32	3,126.88	7,820.20	0%
Vehicle-Gas/Oil	1,902.64	2,562.79	4,465.43	0%
Vehicle-Main/Repair	1,366.97	1,148.83	2,515.80	0%
Office Supplies	7,872.89	9,161.93	17,034.82	1%
Telephone Expense	11,330.53	(4,104.83)	7,225.70	0%
Space-Rent/Lease	4,200.00	4,300.00	8,500.00	0%
Utilities	17,558.30	16,938.76	34,497.06	2%
Building Maintenance	12,532.33	21,026.75	33,559.08	2%
General Liability Insurance	3,677.98	3,650.14	7,328.12	0%
Dues/Pubs/Fees	7,849.84	15,150.78	23,000.62	1%
Staff Development/Training	3,353.88	2,424.01	5,777.89	0%
Pre-Employment Expense	2,646.51	2,128.76	4,775.27	0%
Bad Debt Expense	18.98		18.98	0%
Equipment	2,897.04	61,563.25	64,460.29	3%
Childcare expense allocation	9,121.56	8,460.41	17,581.97	1%
TOTAL OTHER EXPENSE	<u>237,040.39</u>	<u>284,093.60</u>	<u>521,133.99</u>	<u>28%</u>
TOTAL EXPENSES	<u>981,131.17</u>	<u>992,119.61</u>	<u>1,973,250.78</u>	<u>105%</u>
NET	<u>\$9,020.47</u>	<u>(\$96,322.57)</u>	<u>(\$87,302.10)</u>	<u>-5%</u>



POLICY COUNCIL REPORT  
For The Twelve Months Ended August 31, 2020

	Year To Date												Remaining		
	9/30/2019	10/31/2019	11/30/2019	12/31/2019	1/31/2020	2/29/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020	7/31/2020	8/31/2020		Actual	Budget
<b>Revenue</b>															
ACF	\$71,839.36	\$71,906.47	\$64,755.42	\$64,826.67	\$80,912.57	\$59,974.32	\$60,462.17	\$54,846.84	\$56,167.38	\$79,428.84	\$60,645.39	\$59,158.99	\$784,924.42	\$632,536.00	\$47,611.58
Other Income															
USA - State of Colorado Revenue															
In-kind Donations	26,305.89	33,354.95	32,020.17	25,642.11	38,313.60	30,287.40	22,308.00	48,874.80	38,220.00	38,001.60	34,616.40	23,465.40	391,407.32	206,134.00	(183,273.32)
<b>Total Revenue</b>	<b>98,145.25</b>	<b>105,261.42</b>	<b>96,775.59</b>	<b>90,468.78</b>	<b>119,226.17</b>	<b>90,261.72</b>	<b>82,770.17</b>	<b>103,721.64</b>	<b>94,387.38</b>	<b>117,430.44</b>	<b>95,261.79</b>	<b>149,532.39</b>	<b>1,242,242.74</b>	<b>1,040,670.00</b>	<b>(135,661.74)</b>
<b>Expenses</b>															
<b>Personnel</b>															
Program Design & Management Staff	5,077.20	5,099.20	5,099.20	5,099.20	7,648.80	5,099.20	5,099.20	5,099.20	5,099.20	7,648.80	5,099.20	5,099.20	66,267.60		
Resource Coordinator	544.78	1,951.35	3,276.04	3,286.29	4,922.22	3,279.96	3,267.60	3,279.96	3,279.96	4,730.40	2,931.92	2,883.46	37,615.26		
Fiscal Department	1,775.60	3,749.98	4,085.20	3,300.60	1,090.30	1,180.48	1,156.81	2,264.37	1,156.81	1,278.46	2,840.44	29,781.15	346,721.28		
Child Health & Devel Services	26,843.05	25,353.86	25,397.28	25,681.15	39,335.94	27,667.21	25,825.31	26,760.15	24,133.48	41,539.26	28,403.44	29,781.15	346,721.28		
Family & Community Partnerships	2,651.76	1,333.76											3,965.52		
<b>Total Personnel</b>	<b>36,892.39</b>	<b>37,488.15</b>	<b>37,857.72</b>	<b>37,367.24</b>	<b>52,997.35</b>	<b>37,226.85</b>	<b>35,348.64</b>	<b>37,391.32</b>	<b>33,663.41</b>	<b>55,196.92</b>	<b>36,434.56</b>	<b>37,761.81</b>	<b>475,628.36</b>	<b>508,630.00</b>	<b>33,001.64</b>
<b>Fringe Benefits</b>															
Employer FICA Expense	2,633.47	2,495.29	2,497.94	2,518.52	3,864.90	2,674.39	2,540.03	2,615.58	2,412.31	4,010.40	2,749.26	2,806.61	33,838.70	39,992.98	6,154.28
Worker's Compensation	197.19	188.38	188.60	190.45	290.78	202.96	(858.17)	197.15	180.60	201.31	205.41	213.81	1,398.47	3,502.65	2,104.18
Health Insurance	17,451.79	16,429.30	8,676.12	9,044.14	9,563.13	7,471.31	10,552.89	1,341.89	5,366.04	3,891.02	4,250.60	3,737.10	97,795.33	99,637.37	1,842.04
<b>Total Fringe</b>	<b>20,282.45</b>	<b>19,112.97</b>	<b>11,362.66</b>	<b>11,753.11</b>	<b>13,758.81</b>	<b>10,348.66</b>	<b>12,234.75</b>	<b>4,154.62</b>	<b>7,958.95</b>	<b>8,102.73</b>	<b>7,202.27</b>	<b>6,757.52</b>	<b>133,032.50</b>	<b>143,133.00</b>	<b>10,100.30</b>
<b>Travel/Out of Area</b>															
<b>Supplies</b>															
Office Supplies	314.29	34.83	318.94	294.04	371.88	495.89	393.00	495.89	1,015.42	1,655.32	701.83	983.14	6,578.58	2,000.00	(4,578.58)
Educational Equip/Supplies	452.35	512.75	127.50	183.18	183.18	77.27	240.41	93.92	1,412.31	1,881.77	535.76	90.38	2,501.69	3,500.00	998.31
Food	161.24	272.73	225.19	340.49	269.47	230.04	177.83	230.04	2.97	33.33	70.70	1,679.96	3,500.00	3,500.00	1,820.04
Household Equip/Supplies	430.20	238.09	20.57	624.66	73.77	281.95	132.84	132.84	32.05	33.33	70.70	1,937.66	2,000.00	2,000.00	62.34
<b>Total Supplies</b>	<b>905.73</b>	<b>998.00</b>	<b>1,077.45</b>	<b>1,366.69</b>	<b>897.80</b>	<b>589.26</b>	<b>1,046.57</b>	<b>486.92</b>	<b>1,050.44</b>	<b>1,876.82</b>	<b>1,308.29</b>	<b>1,073.52</b>	<b>12,697.89</b>	<b>11,000.00</b>	<b>(1,697.89)</b>
<b>Other</b>															
Staff Travel (Local)	1,037.13	791.80	708.45	487.92	573.22	467.20	397.02	13.02	155.52	170.30	437.89	1,374.86	6,614.33	9,950.00	3,335.67
Meetings/Conferences	1,649.5	80.08				80.00							325.03	500.00	174.97
Audit / Legal	162.49	1,558.93	578.36	1,445.00	176.00								787.50	3,000.00	2,212.50
Professional Svcs/Consultants	355.00	877.96	91.41	60.00	70.00	79.90	246.00	150.00	100.00	340.92	121.00	1,410.00	6,186.70	7,000.00	813.30
Other Parent Services													2,232.76	2,491.00	258.24
Activity Fees													4.46	20.22	(20.22)
Telephone Expense	570.39	755.67	750.29	772.73	772.93	772.93	772.93	771.65	83.02	988.35	1,357.88	(1,959.87)	5,396.01	6,000.00	601.99
Utilities	227.87	720.22	621.74	672.84	295.19	707.32	627.20	975.62	1,163.65	988.35	1,071.51	1,336.46	9,407.97	7,000.00	(2,407.97)
Building Maintenance	273.92	47.35	718.91	548.10	508.34	235.51	206.10	50.04	50.04	566.29	1,278.47	692.65	5,491.64	3,000.00	(2,491.64)
General Pkg Insurance	642.14	749.17	642.14	642.14	57.66	601.61	601.61		1,045.05	2,324.64			7,306.16	6,000.00	(1,306.16)
Dues/Pubs/Fees	8,976.50	8,208.81	9,708.79	9,713.04	9,182.72	8,533.18	8,004.58	9,607.62	9,519.71	9,121.56	9,121.56	8,460.41	108,958.48	105,124.00	(3,834.48)
Child Care Partnership													44,730.00	44,730.00	0.00
Equipment-Air Conditioner													49.50	547.40	497.90
Pre-Employment Expense													198,793.20	151,065.00	(47,728.20)
<b>Total Other</b>	<b>12,410.39</b>	<b>13,790.01</b>	<b>14,457.59</b>	<b>14,319.63</b>	<b>11,798.61</b>	<b>11,699.55</b>	<b>11,718.23</b>	<b>12,067.95</b>	<b>12,452.91</b>	<b>13,492.06</b>	<b>13,664.31</b>	<b>56,921.96</b>	<b>198,793.20</b>	<b>151,065.00</b>	<b>(47,728.20)</b>
<b>Training &amp; Technical Assistance PA26</b>															
Staff Development (CAN 4121 funds)	1,348.40	517.34				110.00	113.58	746.03	1,041.67	760.31	2,032.96	1,372.18	9,502.47	18,708.00	9,205.53
<b>Total Federal Share</b>	<b>71,839.36</b>	<b>71,906.47</b>	<b>64,755.42</b>	<b>64,826.67</b>	<b>80,912.57</b>	<b>59,974.32</b>	<b>60,462.17</b>	<b>54,846.84</b>	<b>56,167.38</b>	<b>79,428.84</b>	<b>60,645.39</b>	<b>59,158.99</b>	<b>829,654.42</b>	<b>831,536.00</b>	<b>(621,520.42)</b>
<b>In-kind Donations</b>	<b>26,305.89</b>	<b>33,354.95</b>	<b>32,020.17</b>	<b>25,642.11</b>	<b>38,313.60</b>	<b>30,287.40</b>	<b>22,308.00</b>	<b>48,874.80</b>	<b>38,220.00</b>	<b>38,001.60</b>	<b>34,616.40</b>	<b>23,465.40</b>	<b>391,407.32</b>	<b>206,134.00</b>	<b>649,261.68</b>
<b>Total Expenses</b>	<b>71,839.36</b>	<b>71,906.47</b>	<b>64,755.42</b>	<b>64,826.67</b>	<b>80,912.57</b>	<b>59,974.32</b>	<b>60,462.17</b>	<b>54,846.84</b>	<b>56,167.38</b>	<b>79,428.84</b>	<b>60,645.39</b>	<b>59,158.99</b>	<b>829,654.42</b>	<b>1,040,670.00</b>	<b>(829,654.42)</b>
<b>Net Assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\* Note on Financials:  
9 days of August Payroll accrual not reflected in these figures



The logo for EideBailly, featuring the company name in a serif font with a thin, curved line above the 'i' in 'Bailly'.

EideBailly.

A black and white photograph of several hands stacked on top of each other in a pyramid shape, symbolizing teamwork and collaboration. The background is a blurred bokeh of light spots.

**INSPIRED TO  
WORK TOGETHER  
TOWARD SUCCESS**

September 7, 2020

**Proposal for Audit and Tax Services**

**DEVELOPMENTAL OPPORTUNITIES, INC.  
dba Starpoint**

**Submitted by:**

Eide Bailly LLP

**Dave Studebaker, CPA**  
Partner



Executive Summary

## WE WANT TO WORK WITH YOU

Thank you for the opportunity to present this proposal to provide audit and tax services for Developmental Opportunities, Inc. dba Starpoint ("Starpoint"). We understand your needs and have provided similar services to the nonprofit community, including Community Centered Boards ("CCBs") for more than 100 years. We have provided this proposal to address questions you may have and also to highlight the additional value we feel differentiates us from other firms. We believe Eide Bailly has the qualifications to be the firm of choice for Starpoint for the following reasons:

**Extensive Nonprofit Industry Experience.** Our extensive nonprofit experience and knowledge positions us to be the right firm for you. Eide Bailly currently serves over 3,000 nonprofit organizations. The proposed engagement team that will serve Starpoint is comprised of people who spend the majority of their time working with nonprofit clients. Each team member has significant experience in the financial aspects of nonprofits and CCBs and will bring this experience to all interactions with Starpoint. In addition, our service philosophy is to have the most experienced industry people – our partners and managers – work closely with clients so that we can provide forward-thinking advice regarding the financial, operational and business issues they face.

- **Local Office Presence** – While you will be served by professionals in our Denver office, you will also have access to national resources, including more than 2,500 professionals with diverse skill sets and experiences across the firm.
- **Proactive Communication** – You can expect that your Eide Bailly service team will keep you informed of changes that may affect your organization.
- **Partner Involvement** – You can expect partner and senior staff involvement not only during the audit engagement, but also throughout the year as issues, questions and opportunities arise.

**Timeliness.** We will meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We will work closely with your management team to customize our services to your needs. We believe in clear, up-front and open communication with no surprises. We understand and will comply with the schedules and scope for the audit and tax work, as outlined in your Request for Proposal, and will perform all work within the timeframes outlined.

**Unmatched client service is our passion.** Our history of high staff continuity – significantly higher than most firms – means that you will work consistently with the same team, all of whom have been chosen because of their experience serving and advising nonprofit entities. Working with Eide Bailly means that all your service needs will be concentrated within a single, core team, with resulting economies of efficiency and scale.



### EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

### PEOPLE

We're a team of collaborators and innovators. Our culture is the heart of our firm, and we're always working together to do things differently and better.

### COMMUNICATIONS

Open, honest, frequent communication ensures that you're not in for any surprises. We'll stay in touch throughout the year so you feel understood, connected and confident.

### CORPORATE RESPONSIBILITY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.





## DEVELOPMENTAL OPPORTUNITIES, INC DBA STARPOINT


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➤➤➤ **Understanding of Work to be Performed.** We confirm that the services requested include an annual audit of the financial statements, a Uniform Guidance (UG) engagement, a management letter containing recommendations for process improvements, regular meetings with management and Board of Directors (as requested), preparation of Form 990 and also our availability throughout the year to provide professional advice and guidance to Starpoint personnel.

➤➤➤ **We Want to Work with You.** We've developed the following proposal with Starpoint in mind, and we'll provide timely, personalized audit and tax services for you. We will also get to know you and your staff and take the time to understand your specific challenges and opportunities. We pride ourselves on delivering honest and insightful advice beyond what is normally experienced in the public accounting industry. If you're still wondering "Why Eide Bailly," our tagline sums it up—what inspires you, inspires us. Your success is our success.

The following pages highlight our firm's strengths and demonstrate why Eide Bailly merits serious consideration. Know that you will be a highly valued client. We would be proud to work with Starpoint and build a trusting relationship with your team. Please contact us if you would like to discuss any aspect of this proposal.

Sincerely,



**Dave Studebaker, CPA**

Partner

303.459.6792

[dstudebaker@eidebailly.com](mailto:dstudebaker@eidebailly.com)

**COVID-19: Organizational and Individual Impacts.** As the COVID-19 situation continues to evolve, so too does our response at Eide Bailly. The effects on all organizations, as well as individual financial planning and resources, can't be understated. To help our clients and communities make sense of this unprecedented time, we've compiled resources on the impact of COVID-19 and what you need to know moving forward. [www.eidebailly.com/covid19](http://www.eidebailly.com/covid19)





### Firm Background

## WHAT INSPIRES YOU, INSPIRES US

With more than 100 years of service, Eide Bailly focuses on what matters most to our clients. Our CPAs and business advisors deliver industry and subject matter expertise resourcefully, ensuring that we're providing our clients with guidance that responds to their needs.

We pride ourselves on being leaders in our service industries, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're here to help guide the strategy and operations of your organization, and we'll make sure you feel understood, connected and confident.

Our people are optimistic and good-natured—we know you'll enjoy working with us as much as we enjoy working with each other. Our service style is hands-on, and we're always looking for new solutions to your problems or to help you embrace opportunities.

### Our Culture

It's no secret that culture speaks volumes about a company. Some companies stand for honesty, trust, accountability, respect and integrity. Others value passion, teamwork, innovation and superior customer service. At Eide Bailly, all these and many other values stand at the forefront of our business model.

Without culture, Eide Bailly would not be one of the top 25 CPA firms in the nation. Without culture our clients would look elsewhere for their accounting and business consulting needs. Culture has been the unshakable foundation underpinning 100 years of growth and innovation.





**Firmwide Resources**

Our clients benefit from our unique combination of strengths. Eide Bailly is a top 25 CPA firm in the nation with offices in 14 states. Our clients benefit from local, personal service and, at the same time, enjoy access to 2,500 professionals with diverse skill sets and experiences.

Our size and scope give us considerable resources to assist you on all levels – and we will do so – with a Colorado based team and a personalized approach.

Because we truly are a full-service firm, we can provide Starpoint with a wide variety of industry experts and specialists in many different disciplines when you need them. We offer a wide array of complementary and supporting services including Technology, Cybersecurity, State and Local Tax, International Tax consulting, Data Security, Human Resource consulting, Affordable Care Act compliance and others.

**Nonprofit Expertise**

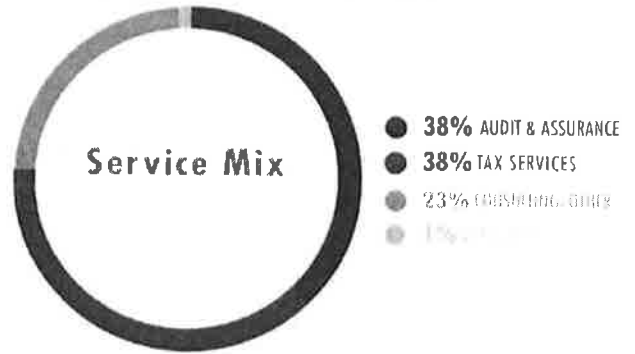
We are committed to serving nonprofit organizations and have done so since the firm’s founding in 1917. Eide Bailly currently serves over 3,000 nonprofit organizations throughout the nation, including over 200 served by Colorado-based teams. Firmwide, our nonprofit service groups prepared a total of 3,446 Form 990s during fiscal year 2020. Together, our audit, tax and specialty service teams work with our nonprofit clients to address structural, operational and strategic issues, our experience being that organizations embracing strategic, ongoing planning set themselves up for operational effectiveness for years to come.

While still taking pride in having an old-fashioned work ethic, we know how important it is to be on the cutting edge of thought leadership in the accounting profession. We don’t simply know the auditing, accounting and financial reporting standards, we help write and improve them by serving on local and national boards and committees advising FASB and the AICPA.

**Resources Devoted to Nonprofit Organizations**

Within Eide Bailly, services to nonprofit organizations represent our 3rd largest industry sector. As such, we have devoted considerable resources to this industry to both support and expand our expertise.

To ensure we have adequate technical resources, Eide Bailly has an eight-member National Assurance Office, which develops the audit methodology used throughout the firm, serves as a technical resource to engagement teams and provides a quality control oversight role. Dave Studebaker recently completed a two-year rotation working as part of this team. His work was focused on the nonprofit and healthcare industries. Additionally, the firm has industry Technical Issues Committees made up of practicing technical experts for the largest industries we serve. Ksenia Popke of our Colorado practice serves on the Nonprofit Technical Issues Committee and Dave Studebaker serves on the Healthcare Technical Issues Committee.



**EIDE BAILLY AT A GLANCE**

**NONPROFIT**

**3,000**

INDUSTRY CLIENTS SERVED

**350**

DEDICATED STAFF

1917

Founded

\$587M

Revenue Firmwide

★ 14 States

👥 330+ Partners

👤 2,500+ Staff

🏆 Top 25 CPA Firm



## DEVELOPMENTAL OPPORTUNITIES, INC DBA STARPOINT

Our Technical Issues Committees evaluate our firmwide industry practices, identify training opportunities and also provides white papers on important topics specific to each industry practice area.

Through our involvement with national AICPA committees, we have the unique insight and experience to guide you through the implementation of new accounting standards. Ksenia also serves on the national AICPA Nonprofit Advisory Council. In fact, Ksenia and Dave were part of the Colorado-based Eide Bailly team that drafted the financial statement template adopted by the AICPA as their preferred format for nonprofit financial reporting.

We communicate our knowledge and expertise through regular training events and webinars – free of charge – to our clients. We also publish an online newsletter for our nonprofit clients.

We hold implementation training events for our clients when new accounting and reporting standards are issued that require in-depth training and discussion. This is an example of our commitment to nonprofit organizations and the professional resources available to Starpoint if Eide Bailly is chosen as your service provider.

### Your Service Office – Denver Colorado

Our size and scope give us considerable resources to assist you – and we will do so – with a Denver-based team and a personalized approach. Because we truly are a full-service firm, we can provide you with a wide variety of industry experts and specialists in many different disciplines when you need them.

### References

Eide Bailly is well known for the quality of client interactions and the deep relationships formed with clients. In fact, we are ranked 2nd in the nation for interaction with clients in Vault's Accounting Firms Rankings: *2018 Vault Accounting 50 Report*.

Each of us have a shared understanding of what we expect from ourselves, what our clients expect, and how to deliver the Eide Bailly client experience in a consistent and memorable manner. Our clients bring out the best in us through their trust and by holding us accountable. The clients below are representative of our nonprofit sector and we encourage you to contact them to learn more about their Eide Bailly experience.

### Similar Clients

Client Entity Name	Contact Name & Title	Phone & Email
Strive Colorado Grand Junction, Colorado	Chris Bergquist Chief Financial Officer	970.256.8603 <a href="mailto:cbergquist@strivecolorado.org">cbergquist@strivecolorado.org</a>
Developmental Pathways Englewood, Colorado	Karen Flores Vice President of Finance	303.360.6600 <a href="mailto:k.flores@nmscolo.org">k.flores@nmscolo.org</a>
Easter Seals Colorado Lakewood, Colorado	Kerry Erdahl Chief Financial Officer	303.820.4762 <a href="mailto:kerdahl@eastersealscolorado.org">kerdahl@eastersealscolorado.org</a>





## Peer Review

The peer review process underpins the quality of an audit practice. Along with Eide Bailly, only a few firms of our size provide this service. We employ a CPA firm for our peer review that is well-known for their skills in this service area and our most recent peer review report is below. We did not receive a letter of comments.



### Report on the Firm's System of Quality Control

December 28, 2017

To the Partners of Eide Bailly LLP and the  
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.

*Cherry Bekaert LLP*

Cherry Bekaert LLP





**DO MORE  
TOGETHER**

Engagement Team



**Dave Studebaker, CPA**  
**RELATIONSHIP AND AUDIT PARTNER**

Dave will lead the engagement team and oversee the single audit portion of the engagement. His clients include nonprofits, governments and healthcare entities, including organizations with total revenues and total assets ranging from less than \$1 million to in excess of \$100 million, many of which also have single audit requirements. Dave also has experience with comfort letters/agreed upon procedures letters needed to meet the requirements of underwriter counsel for tax-exempt bond issues. He recently finished a rotation with the firm's National Assurance Office, providing quality control and technical support to audit teams and working on projects to shape strategic changes within Eide Bailly's assurance practice.



**Ksenia Popke, CPA**  
**TECHNICAL RESOURCE PARTNER**

Ksenia is a talented not-for-profit specialist and will serve as the team's technical resource partner. Her legal, financial, and accounting training combine to make her a true contributor to her teams' success. Ksenia serves on the Firm's National Not-for-profit Technical Issues Committee, which provides training and technical assistance to our professional staff firmwide. She is also a member of the AICPA's National Not-for-profit Advisory Council and provides insight from that role to our clients and to our not-for-profit service teams. Ksenia will serve as an additional contact point within Eide Bailly should Dave be unavailable when a question arises.



**Kyle Fritch, CPA**  
**TAX EXEMPT MANAGER**

Kyle is responsible for Eide Bailly's Colorado-based tax-exempt practice that serves more than 200 nonprofit entities. With over ten years' experience in the nonprofit sector, Kyle provides planning, compliance and advisory services to a diverse array of nonprofit organizations, many of which have complex structures and activities. He works closely with Kim and his team to ensure timely and accurate delivery of services.



### Staff Retention Rate

Eide Bailly enjoys an unusually high staff retention rate, allowing us to provide clients with consistent, quality service teams. In fact, we are ranked 10<sup>th</sup> in the nation for culture in Vault's Accounting Firms Rankings: 2021 Vault Accounting 50 Report. A high level of staff continuity means that you will work with a consistent, qualified and focused team.



We attribute our remarkable staff retention rates to our commitment to our staff and our culture, which places the individual at the center of all we do. We support our staff with extensive mentoring and career counseling, leadership training, developmental and educational opportunities, and a heart-felt interest in their advancement, career satisfaction and happiness.

Our high level of staff continuity also means that you should work consistently with the same team, all of whom have been chosen because of their experience with similar nonprofit entities. The value of using a firm with the breadth and depth of experience that Eide Bailly offers means that all your services are concentrated within a single team, with resulting economies of efficiency and scale.

### Partner Involvement

Another factor in our remarkable staff retention rate is the interaction of our partners with our teams. You can expect partner involvement throughout all phases of the engagement as well as throughout the year. Our partners spend considerable time onsite and their presence allows for immediate resolution of any issues or questions that may arise. We strongly believe that it is essential to have partners involved day to day, working with our teams and communicating with our clients.

### Service Approach

Our approach begins with a commitment to give you a better overall experience than you expect. As part of that commitment, we appreciate that every situation and organization is unique and that every service we provide to you must be designed, monitored and adjusted to meet your specific needs and circumstances.

We value our client relationships and demonstrate this through our high degree of partner and manager involvement. Staying current and connected with you is the best way for us to be proactive and allows us to ensure the best outcomes for planned activities, transactions and operational changes.



## A COLLABORATIVE APPROACH



Cost Proposal

### EXPECTED FEES

As a valued client, we will always give you our very best and work with you to hold the line on cost. We offer a reduced-fee scale to our nonprofit clients because we believe we have a responsibility to help support their efforts professionally and financially. Assuming there are no significant changes in your operations, we anticipate only minor annual increases (approximately 3-4% per year) in fees necessary to adjust staff compensation and meet generally rising costs, ensuring our continuing ability to staff your audit with highly competent staff and to serve you at the highest level.

Our fees are based on the complexity of the issue and the experience level of the staff members necessary to address it. If you request additional services, we will obtain your agreement on fees before commencing work, so there are no surprises or hidden fees. We propose the following fees based on our understanding of the scope of work and the level of involvement of Starpoint's staff:

#### Engagement Services and Fees

Professional Services	2020
Annual Audit of Financial Statements, including Uniform Guidance audit over federal expenditures.	\$ 33,500
Preparation of federal Form 990.	\$ 3,000
<b>Total Fees</b>	<b>\$ 36,500</b>

#### Initial Engagement Hours

As you expect, we will incur significant additional time in the first year of engagement. We will contribute these first-year hours (approximately 40 hours) as part of our ongoing commitment to our relationship





### **Value for Fees**

Eide Bailly has a reputation for providing quality services at a fair price. Our high standards of quality and professionalism prevent us from being a low-cost provider as we will not sacrifice quality to win work or maximize profitability. That said, our clients repeatedly tell us we provide the highest level of service-to-cost they have ever enjoyed in a CPA firm relationship. We believe in clear, upfront and open communication with no surprises. Our work revolves around independence and objectivity, proactive planning and consulting, and thoughtful creative thinking on issues that are important to you.

### **Out-of-Pocket Costs**

In addition to the professional fees above, you will be billed for any incurred out-of-pocket expenses such as mileage, any travel costs and confirmation fees charged by financial institutions. Your Eide Bailly service team is just a few miles away and we expect to incur minimal team-related costs during the course of our services to Starpoint.

### **Billing Policy Regarding Routine Inquiries**

We embrace the opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. Throughout the year we receive many questions from our clients and if the question can be answered with a brief meeting or phone call, we do not bill for our time. In addition, we will meet annually with you to discuss issues of importance at no charge, bringing Eide Bailly experts to the table as requested to explore additional service needs.

If we are required to do research, or to meet for extended discussions with management or the Board of Directors, we will bill for these services at the discounted rates charged to our nonprofit clients. If our research requires more than a few hours of time, we will discuss these services and fees with you prior to commencing the work, so that you will not receive any surprise invoices for services performed.

We encourage you to contact us whenever you have questions or need assistance. It is our desire to be your trusted business advisor, proving you with the information and advice you need when you need it.



## Nonprofit Community Support

### **Commitment to the Nonprofit Industry**

Our commitment to serving nonprofits extends beyond providing a full array of services. We support our communities by supporting nonprofit entities through the donation of time, talent and other resources. Eide Bailly professionals are actively involved in local organizations and associations, helping deliver value and new ideas. Many of our partners and staff are Board members of nonprofit organizations and serve or have served on numerous AICPA and CPA committees, task forces and expert panels. We were one of the first members of the Not-for-Profit Industry Section sponsored by the AICPA. To continuously discover new ideas for our clients – and, frankly, because we really enjoy serving mission-driven organizations - our nonprofit professionals are actively involved in local organizations and associations.

### **Going Beyond Accounting Services - Helping to Strengthen the Nonprofit Community**

In addition to our daily interaction with nonprofits through the services we provide and the organizations in which we are involved, Eide Bailly has committed to strengthening the nonprofit community through the Eide Bailly Resourcefulness Award. This award was created to provide recognition and support to 501(c)(3) organizations that have undertaken sustainable, creative and impactful revenue generating initiatives. Following the issuance of the award, we provide a number of learning events which bring lessons learned through the process to the nonprofit community as a whole. These events spark conversations within and between organizations which strengthens their revenue-generating approaches. It is our hope that our award winners, coupled with these events, assist the nonprofit community in critically thinking about their operations and how they can better approach them.

In September 2019, we announced winners in all four markets where this award was given (Arizona, Colorado, Minnesota and North Dakota). Our Colorado grand prize winner was Easterseals Colorado. They were awarded \$10,000 for their Discovery Club project. The application process for this year opened on July 17, 2020. We will continue celebrating and sharing the trends with our nonprofit community so that we can all learn and grow together. You can find more information and sign up to receive alerts regarding the Resourcefulness Award on our website using the link below. We look forward to learning more about your creative and sustainable nonprofit initiatives.

<https://www.eidebailly.com/industries/nonprofit/insights/resourcefulness-award>







*Additional Resources*

## **LET US HELP YOU WITH MORE.**

We pride ourselves on being leaders in the nonprofit industry, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're business advisors who want to help guide the strategy and operations of your organization, and we'll make sure you feel connected and understand the process. Our professionals work closely together so you receive valuable service from people who understand your needs and know your business.

When you work with us, you'll have access to the knowledge and talents of more than 2,500 professionals across our firm. This includes specialized tax knowledge, a full spectrum of audit/assurance services and our many specialized services, such as:

### **Cybersecurity**

Our professionals have deep IT backgrounds, specializing in a broad range of security services allowing us to tailor solutions to your needs. We work with every level of your organization—your boards and executives, technical IT admins and general users—to provide insight and guidance so you can feel confident your data is protected.

### **IT Consulting**

Business planning and technology strategy go hand-in-hand, like having a good offense and defense. You can't win the game without planning for both.

Whether you want a better way to power your decision making, a simpler way to run your organization, or you just want to see a return on your technology, a solid strategy always comes first. Our business consultants will help you define your goals and business needs so that your technology game plan keeps you winning.

### **Technology Consulting**

Our technology consultants are committed to helping organizations with their technology and enhancing productivity and profitability. They will help you to prioritize technology project initiatives to maximize your available resources. They offer a variety of services including IT value assessments, technology planning, technology systems selection, project management and IT resource identification.



# CULTURE

## THE FOUNDATION OF SUCCESS



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the Firm,  
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.

[eidebailly.com](http://eidebailly.com)





August 27, 2020

To the Board of Directors and Management  
Developmental Opportunities, Inc., dba Starpoint  
Canon City, Colorado

Ladies and Gentlemen:

It has been our pleasure to have provided audit and tax services for the Organization for several years now. While maintaining our professional independence is essential, our familiarity with the organization's financial reporting is unparalleled. We believe that is a significant benefit to the Board in its fiduciary capacity and to management in terms of accomplishing efficiency and accountability.

With this letter, we propose to continue that relationship for your fiscal year ended June 30, 2020. We appreciate your patience over the past couple years in working through the audits and look forward to having a smooth audit for 2020. There have been significant improvements during the year in working with Julie and believe the work she has done and continues to do will result in a smoother audit going forward.

We expect the support provided for the audit to be complete and there to be minimal entries, if at all. We anticipate the cost of the 2020 audit to be between \$25,000 to \$28,000 and the tax return to be between \$1,200 to \$1,400. Any non-audit services outside of the audit engagement (e.g. consultation, research) would be billed at standard hourly rates for actual time incurred.

The audit staffing will be consistent with Jamie Avila and Douglass Field performing the audit. We will have additional audit staff available to assist if needed. Once our appointment has been approved by the Board, we will begin the planning process with management. We look forward to that day coming soon. If you need any further information, please let me know.

Sincerely,



Michelle L. Sainio, CPA



**LENNY MERRIAM**  
Certified Public Accountant  
Certified Fraud Examiner

Post Office Box 1927  
Cañon City, CO 81215-1927

Telephone: (719) 275-4623  
[lennymerriamcpa@gmail.com](mailto:lennymerriamcpa@gmail.com)

September 3, 2020

Julie Watts, Chief Financial Officer  
Developmental Opportunities, Inc. d/b/a Starpoint  
700 South Eighth Street  
Canon City, Colorado 81212

Dear Ms. Watts:

Thank you for providing the opportunity to bid on the 2020 fiscal year-end financial audit and Federal form 990 and 990-T tax return preparation services for Developmental Opportunities, Inc. d/b/a Starpoint.

**Non-Profit Qualifications and Experience**

Over my approximate twenty-year public and non-profit accounting career, my extensive non-profit knowledge and experience will benefit Starpoint. I have been an actively Colorado licensed Certified Public Accountant for approximately twenty-one years, and have been a Certified Fraud Examiner for approximately sixteen years. In 2000, I established and have maintained my independent accounting practice in Canon City. This includes public accounting experience serving a variety of clients, which includes a strong emphasis on non-profit organization consulting, required tax return preparation, and financial audits. My experience also includes the management and coordination of business consulting and non-profit audit engagements within the Federal OMB Uniform Guidance frameworks.

While serving as the Colorado Department of Corrections' Internal Audit Manager, and subsequent agency Controller, I was very instrumental in providing oversight and guidance to the Colorado Department of Corrections' Inmate Bank Office. This Office is very instrumental in working with the State of Colorado's Department of Human Services to obtain Medicaid funding and other financial resources to promote the health, safety, and welfare for those in need within the offender population.

I maintain professional memberships with the American Institute of Certified Public Accountants (AICPA) and the Colorado Society of Certified Public Accountants.



## **Transition**

A change to Starpoint's team of accounting and financial advisors is often a concern to entities. I place a significant emphasis on careful and thoughtful planning, and working with Starpoint and its external predecessors to ensure a smooth, seamless transition. My refined audit process will allow you to focus on day-to-day activities, with the least possible disruption to Starpoint personnel and operations. I have successfully transitioned several entities from other accounting firms. Being a local sole practitioner allows flexibility and close proximity with my audit clients to be a trusted and reliable resource.

## **Personal and Customized Service**

As an accounting professional, I offer vital services to all types of organizations facing an ever-changing business and accounting compliance environment. Delivering a high level of service to clients is a very top priority, and I realize the critical importance of building strong business and personal relationships, and staying abreast of current issues impacting the non-profit industry.

During the engagement, I will work closely with management to identify issues and provide responsive solutions that are tailored to Starpoint's operations. You will experience my personal involvement during all phases of the engagement, and I make it a priority to be accessible to my clients.

I realize that other firms are knowledgeable as well, but believe what differentiates myself is my personal and attentive service. I will take the time to get to know Starpoint staff in order to appropriately understand specific challenges and opportunities. I pride myself in delivering honest, professional, and insightful advice beyond what is normally experienced in the public accounting industry.

## **Timeliness**

I will work closely with Starpoint staff to customize my audit services to meet your needs. I commit that I will begin the audit upon your review and signature approval of an audit engagement letter. I anticipate performing audit planning and conducting audit fieldwork during October 2020. Without any unforeseen delays, I anticipate completing the internal control, compliance work, Federal Single Audit, submit proposed audit adjustments, complete the Federal form 990 and 990-T tax returns, and provide a draft report of potential findings and recommendations (as applicable) by the end of December 2020.

## **Value for Fees**

Starpoint can expect quality service at a reasonable and competitive fee. The projected engagement budget, which includes the time spent to perform services required to complete and report the results of the tax returns and financial audit in accordance with professional standards, is \$26,750. I have established a reputation of providing high quality work at a fair price.



### **Professional Audit Service References**

I have maintained a professional and long-term audit service business relationship with the following local non-profit organizations. Please do not hesitate to contact any of the following audit clients.

Jenni Guentcheva  
Executive Director  
The Green Thumb Initiative, Inc.  
(719) 406-8073

DeeDee Clement  
Executive Director  
Loaves and Fishes Ministries of Fremont County  
(719) 275-0593

Darcy Cole  
Chief Executive Officer  
Boys and Girls Club of Fremont County  
(719) 345-4038

### **I Want to Work with You**

Please know that Starpoint will be a highly valued client. I would be honored to be able to fulfill a highly desired long-term commitment with Starpoint to continue to ensure that the financial statements are in accordance with non-profit accounting standards generally accepted in the United States of America.

Thank you for your time and consideration for me to provide these audit services. I would be proud to work with Starpoint, and build a trusting relationship. Please do not hesitate to contact me if you would like to discuss any aspect of this proposal.

Sincerely,

*/s/ Lenny Merriam*

Lenny Merriam  
Certified Public Accountant  
Certified Fraud Examiner





# EHS Board of Directors and PC Monthly Report

Month: August 2020

1) EHS Enrollment: 75

Center-Based: 10

Home-Based: 63

Pregnant Women: 2

Waiting List —this includes some from 101-130% income category: 10

2) Number of EHS children receiving EI services: 13

3) Attendance for Center-based Option: 79% due (COVID-19)

4) (CACFP) Food program reimbursement: 0

5) Socialization- Language and literacy: None at this time (COVID-19)

6) EHS Credit Card Purchases all booked on 8/15/2020 :

DATE	COMPANY	DESCRIPTION	AMOUNT
8/4/20	Parents as Teachers	Staff certification	\$975.00
8/7/20	Facebook	Boost a post	\$20.00
8/13/20	Social-emotional Symposium	Staff Training	\$202.18
8/31/20	16 <sup>th</sup> St. Cafe	Managers Training	\$181.50
8/31/20	Colorado Fingerprinting	Fingerprints new staff	\$49.50
		Total	\$1428.18

7) We received the Notice of Award (NOA) for the Non-competing continuation grant # 08CH010644-03 in the amount of \$813,828 and T&TA in the amount of \$18,708 to total \$832,536

Correspondence with the Regional Office: Monthly check in with program specialist, Dolly Hull on 8/20/20 @ 11:00. Program updates and grant check-in

