

**REPORT
ON THE
HOME OFFICE**

**NORTH VALLEY DEVELOPMENT
SERVICES, INC. (aka NVDS, INC.)
REDDING, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section - Sacramento
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Steven Gary
Audit Supervisor: Gary Diffenderffer
Auditor: Janis Nelsen**



DAVID MAXWELL-JOLLY
Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

December 29, 2010

Gary Green, President
North Valley Development Services, Inc.
aka NVDS, Inc.
PO Box 492478
Redding, CA 96049-2478

PROVIDER NAME: NORTH VALLEY DEVELOPMENT SERVICES, INC.
(aka NVDS, INC.)

FISCAL PERIOD ENDED DECEMBER 31, 2009

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2009. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Comparison of Reported and Audited Home Office Cost represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Comparison of Reported and Audited Home Office Cost and supporting schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Gary Green
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If you have questions regarding this report, you may call the Audits Section – Sacramento at (916) 650-6994.

Original Signed By

Steven Gary, Chief
Audits Section - Sacramento
Financial Audits Branch

Certified

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**COMPARISON OF REPORTED AND AUDITED
HOME OFFICE COST**

HOME OFFICE:
NORTH VALLEY DEVELOPMENTAL SERVICES, INC. (aka NVDS, INC.)

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
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(From Sch 2, Col 6) (Col 5 - Col 4)

1.	Christian House - ICFDD-H	LTC60530H	12/31/09	\$44,990	\$33,808	(\$11,182)
2.	Harpole House - ICFDD-H	LTC60590H	12/31/09	44,964	33,735	(11,229)
3.	Walker House - ICFDD - H	LTC60907G	12/31/09	44,555	33,326	(11,229)
4.	Valentine House - ICFDD-H	LTC60518H	12/31/09	44,231	33,152	(11,079)
5.					0	0
6.					0	0
7.					0	0
8.					0	0
9.					0	0
10.					0	0
11.					0	0
12.					0	0
13.					0	0
14.					0	0
15.					0	0
16.					0	0
17.					0	0
18.					0	0
19.					0	0
20.					0	0
21.					0	0
22.					0	0
23.					0	0
24.					0	0
25.					0	0

TOTALS

<u>\$178,740</u>	<u>\$134,021</u>	<u>(\$44,719)</u>
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SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:
NORTH VALLEY DEVELOPMENTAL SERVICES, INC. (aka NVDS, INC.)

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	DIRECT EXPENSES 4 (From Sch 4)	POOLED EXPENSES 5 (From Sch 3)	TOTAL DIRECT & POOLED FACILITY EXPENSE 6 (Col 4 + Col 5)
1. Christian House - ICFDD-H	LTC60530H	12/31/09	\$4,208	\$29,600	\$33,808
2. Harpole House - ICFDD-H	LTC60590H	12/31/09	4,013	29,722	33,735
3. Walker House - ICFDD - H	LTC60907G	12/31/09	3,604	29,722	33,326
4. Valentine House - ICFDD-H	LTC60518H	12/31/09	3,823	29,329	33,152
5.			0	0	0
6.			0	0	0
7.			0	0	0
8.			0	0	0
9.			0	0	0
10.			0	0	0
11.			0	0	0
12.			0	0	0
13.			0	0	0
14.			0	0	0
15.			0	0	0
16.			0	0	0
17.			0	0	0
18.			0	0	0
19.			0	0	0
20.			0	0	0
21.			0	0	0
22.			0	0	0
23.			0	0	0
24.			0	0	0
25.			0	0	0
TOTALS			\$15,648	\$118,373	\$134,021

(To Sch 1)

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:
NORTH VALLEY DEVELOPMENTAL SERVICES, INC. (aka NVDS, INC.)

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY 1	Allocation Statistics Base: Accumulated Cost 2	Percent 3	Allocation Pool Expenses 4
Program Services (Adj)	\$1,373,774	71.9718%	\$118,374
Quest Day Program - Nonprog Services (Adj)	534,994	28.0282%	46,099
TOTAL	\$1,908,768	100.0000%	\$164,473

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	MEDI-CAL NUMBER	Audit Adjustment	Allocation Statistic: (Client Days)	Allocated Pool Expense (Col 3 X UCM)
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1.	Christian House - ICFDD-H	LTC60530H	2,181	\$29,600
2.	Harpole House - ICFDD-H	LTC60590H	2,190	29,722
3.	Walker House - ICFDD - H	LTC60907G	2,190	29,722
4.	Valentine House - ICFDD-H	LTC60518H	2,161	29,329
5.				0
6.				0
7.				0
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0

TOTALS

8,722 \$118,373

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	13.571908
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:
NORTH VALLEY DEVELOPMENTAL SERVICES, INC. (aka NVDS, INC.)

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

CHAIN COMPONENTS 1	MEDI-CAL NUMBER	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			specify expense 3	specify expense 4	specify expense 5	specify expense 6	
			(Adj) (Adj)	(Adj) (Adj)	(Adj) (Adj)	(Adj) (Adj)	
1. Christian House - ICFDD-H	LTC60530H	\$4,208	\$0	\$0	\$0	\$0	\$4,208
2. Harpole House - ICFDD-H	LTC60590H	4,013	0	0	0	0	4,013
3. Walker House - ICFDD - H	LTC60907G	3,604	0	0	0	0	3,604
4. Valentine House - ICFDD-H	LTC60518H	3,823	0	0	0	0	3,823
5.		0	0	0	0	0	0
6.		0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
21.		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
TOTALS		\$15,648	\$0	\$0	\$0	\$0	\$15,648

(To Sch 2)

STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:
NORTH VALLEY DEVELOPMENTAL SERVICES, INC. (aka NVDS, INC.)

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

ACCOUNT DESCRIPTION 1	REPORTED COSTS 2	COST AUDIT ADJUSTMENTS 3	ALLOWABLE COST SUBTOTAL 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adj 1) (Adj 2) (Adj 3)	(Col 2 + Col 3)	(Adj) (Adj)	(Col 4 - Col 5)
1. Salaries-Officers	\$42,357		\$42,357		\$42,357
2. Salaries-Other	27,871		27,871		27,871
3. Payroll Taxes	6,592	(5,608)	984		984
4. Employee Benefits	24,003		24,003	15,648	8,355
5. Travel	823		823		823
6. Entertainment			0		0
7. Automobile	2,780		2,780		2,780
8. Depreciation-Building			0		0
9. Depreciation-Equipment	5,959	(1,060)	4,899		4,899
10. Other Depreciation and Amortization			0		0
11. Leases and Rentals			0		0
12. Interest-Mortgages			0		0
13. Interest-Other	43,657	(43,657)	0		0
14. Taxes and Licenses	2,398		2,398		2,398
15. Legal and Accounting	17,869		17,869		17,869
16. Insurance	8,316	(2,104)	6,212		6,212
17. Telephone	10,065		10,065		10,065
18. Utilities	7,364		7,364		7,364
19. Office Supplies	4,832		4,832		4,832
20. Nonprogram			0		0
21. Other-Advertising	3,431		3,431		3,431
22. Physicals & Fingerprints	2,449		2,449		2,449
23. Repairs & Maintenance	6,526		6,526		6,526
24. Meeting Expense	323		323		323
25. Household Supplies	4,578		4,578		4,578
26. Payroll Service Fees			0		0
27. Dues & Subscriptions	3,850		3,850		3,850
28. Equipment Lease & Rentals	2,880		2,880		2,880
29. Finance & Bank Charges	895		895		895
30. Gifts & Donations			0		0
31. Education/Inservice	2,732		2,732		2,732
32. Contract Labor-Consultants	9,708	(9,708)	0		0
33. Employee Moral			0		0
34. Interest Income			0		0
TOTAL EXPENSES	\$242,258	(\$62,137)	\$180,121	\$15,648	\$164,473
				(To Sch 4)	(To Sch 3)

