REPORT
ON THE
HOME OFFICE AUDIT

DEVELOPMENTAL CLIENT CARE INDUSTRIES
MORENO VALLEY, CALIFORNIA

FISCAL PERIOD ENDED
DECEMBER 31, 2009

Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Andre Shammas

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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

Date: December 20, 2010

Sarah Saucedo
Developmental Client Care Industries, Inc.
11751 Davis Street
Moreno Valley, CA 92557

DEVELOPMENTAL CLIENT CARE INDUSTRIES
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.

If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

(***Original signed by Margaret Varho***)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

Provider Name	Fiscal Period	Provider Number	Adjustments
DEVELOPMENTAL CLIENT CARE INDUSTRIES	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	HOME OFFICE	2

Report References									
	COST REPORT			AUDIT REPORT					
Adj. No.	Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENTS TO REPORTED COSTS			
1	2	14	4	5	14.00	Taxes and Licenses To eliminate nonallowable state and federal income taxes. 42 CFR 413.9 and 413.20 CMS Pub. 15-1, Sections 2122.2A and 2122.2B	$97,376	($93,081)	$4,295
2	2	33	4	5	33.00	Discounts/Contributions/Penalties To eliminate donation costs for a golf tournament fee that is not related to patient care. 42 CFR 413.5(c)(7), 413.9 and 413.80 CMS Pub. 15-1, Sections 608, 610 and 2102.3	$2,121	($500)	$1,621