



Dave Yost • Auditor of State

**GALLIA COUNTY BOARD OF DEVELOPMENTAL DISABILITIES
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Independent Auditor's Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief
Division of Fiscal Administration, Audit Office
Ohio Department of Developmental Disabilities
30 E. Broad Street, 13th Floor
Columbus, Ohio 43215

Dear Ms. Schroeder:

As permitted by Ohio Rev. Code § 5123.05 and as required by the *Application for a § 1915(c) Home and Community Based Services Waiver*, Appendix I-2(c), the Auditor of State's Office performed the procedures enumerated below, to which the Ohio Department of Developmental Disabilities (DODD) agreed. The purpose is to assist you in evaluating whether the Gallia County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2011 and 2012 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2011 and 2012 (Cost Report Guides) and to assist you in evaluating whether reported receipts and disbursements complied with 2 CFR 225 (OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments*), and other compliance requirements described in the procedures below. The County Board's management is responsible for preparing these reports. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. The sufficiency of these procedures is solely the responsibility of DODD. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Statistics – Square Footage

1. DODD requested us to tour the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle space. DODD also asked us to perform the additional procedures listed below only on those areas that changed by more than 10 percent from the final 2010 square footage totals.

We toured the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle floor space. We found no unreported rented or idle floor space though the tour, however we noted other rented floor space at the Cheshire workshop location that was left off the Cost Report for 2011 and 2012. We reported this rented square footage as non-Federal reimbursable.

We identified significant differences for 2011 during our payroll testing and we revised the square footage summary to reflect the reclassification of employees to different program areas. We also noted that square footage should be allocated for the Community Employment program in 2011 and 2012 and we obtained the County Board's input on allocating this square footage. We reported variances in Appendix A (2011) and Appendix B (2012).

Statistics – Square Footage (Continued)

We also compared 2011 and 2012 square footage totals to final 2010 square footage totals and found that the square footage reported changed by more than 10 percent and we performed the procedures below.

2. DODD requested us to report variances if the County Board's square footage for three rooms varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage*.

We measured three rooms and compared the square footage to the County Board's square footage summary.

We found no square footage variances for rooms that were measured exceeding 10 percent.

3. DODD requested us to report variances if the County Board's square footage for one floor plan varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage*.

We compared square footage for each room on the floor plan of the Gallia County Early Childhood Center to the County Board's summary for each year.

We found no variances exceeding 10 percent. However, we added the square footage for the building's library in 2011 to be consistent with 2012. We reported this adjustment in Appendix A (2011).

4. DODD requested us to report variances if the County Board's square footage summary varied by more than 10 percent when comparing the County Board's summary to the Cost Report for any cell within *Schedule B-1, Section A, Square Footage*.

We compared the County Board's square footage summary to the square footage reported in each cell in *Schedule B-1, Section A, Square Footage*.

We found variances exceeding 10 percent as reported in Appendix A (2011) and we found no variances exceeding 10 percent in 2012.

5. DODD requested that we obtain the County Board's methodology for allocating square footage between programs and review the methodology to ensure that square footage for areas shared by more than one type of service is allocated by program based on reported usage of the area in accordance with the Cost Report Guides.

We obtained the County Board's methodology and compared it to the Cost Report Guides.

We found no inconsistencies between the County Board's methodology and the Cost Report Guides.

Statistics – Attendance

1. We reviewed the Cost Reports to determine if individuals served or units of service were omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which result in unassigned program or general expenses-all program costs.

Statistics – Attendance (Continued)

We determined that there were no individuals served or units of service omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which resulted in unassigned program or general expenses-all program costs.

2. DODD asked us to compare the County Board's final 2010 typical hours of service reported on *Schedule B-1, Section B, Attendance Statistics* to the typical hours of service reported on *Schedule B-1* for 2011 and, if the hours are the same, to do no additional procedures.

We compared the final 2010 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2011.

We found no differences.

3. DODD requested us to report variances if the County Board's attendance statistics were not within two percent of the attendance statistics reported.

We compared the County Board's attendance by acuity reports and Community Employment case note documentation for the number of individuals served, days of attendance and 15 minute units with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation and Community Employment on *Schedule B-1, Section B, Attendance Statistics* and determined if the statistics were reported in accordance with the Cost Report Guides. The County Board was unable to provide a Community Employment summary or detail report with individuals served and 15 minute units. However, the County Board was able to provide case note documentation showing Community Employment progress notes. These notes were compiled for a total number of individuals served and 15 minute units and then compared with information reported on *Schedule B-1, Section B, Attendance Statistics*. We also footed the County Board's reports on attendance statistics for accuracy.

We found no differences exceeding two percent for Adult Day Services individuals served or days of attendance. We reported variances for Community Employment individuals served for 2011 and for Community Employment 15 minute units in 2011 and 2012 in Appendix A (2011) and Appendix B (2012). We found no differences for Community Employment individuals served in 2012.

4. DODD requested us to report variances if the County Board's number of individuals served varied by more than 10 percent when comparing to the prior period's attendance statistics on *Schedule B-1, Section B, Attendance Statistics* for 2011.

We compared the County Board's final 2010 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation for 2011 on *Schedule B-1, Section B, Attendance Statistics* and determined if the variance was over 10 percent.

The number of reported individuals served for Adult Day Services changed more than 10 percent from the prior year's *Schedule B-1* to 2011 and as a result we performed procedure 5 below.

5. DODD requested us to report variances if the individuals served on *Schedule B-1, Section B, Attendance Statistics* were not within three of the individuals documented on the attendance sheets.

Statistics – Attendance (Continued)

We haphazardly selected 15 individual names from the County Board's attendance sheets for 2011 and compared the individuals by name to the compiled listing of individuals served by program documentation which rolls up to *Schedule B-1*.

We found no differences.

6. DODD requested us to report variances in the total attendance days for five individuals for two months in 2012 between the County Board's monthly attendance documentation and the number of days reported on *Schedule B-1, Section B, Attendance Statistics*. DODD also asked us to compare the acuity level on the County Board's 2012 attendance acuity report to the Acuity Assessment Instrument for each individual.

We traced the number of attendance days for five adult day service individuals from January, February, March, April, June, August, September, October, November, and December 2012 from the County Board's attendance by acuity reports to *Schedule B-1*.

We found no differences.

We also compared each acuity level on the 2012 attendance by acuity reports to the Acuity Assessment Instrument for the same five individuals. We also selected an additional four individuals, to ensure that at least two individuals from each acuity level is tested, and performed the same acuity level comparison.

For 2012, we found 224 facility based Days of Attendance where the Acuity Assessment Instrument or equivalent document provided as supporting documentation was performed on a date after the year of acuity that was tested.

7. DODD requested us to report variances to *Schedule B-1, Section B, Attendance Statistics* if more than three of the 15 minute community employment units tested were not calculated in accordance with the Cost Report Guides or if any units did not meet the service documentation requirements of Ohio Admin. Code § 5123:2-9-05 (see Paid Claims testing, procedure 1).

We could not perform this procedure as prescribed because the County Board could not provide a compiled Community Employment report. However, the County Board was able to provide supporting documentation for the two individuals in the Community Employment program which we used to total Community Employment statistics for both years under review (see procedure 3 above).

Acuity Testing

1. DODD requested us to report variances if days of attendance on the Days of Attendance by Acuity supplemental Cost Report worksheet for 2008, 2009, 2010, and 2011 did not agree to the County Board's supporting documentation. For 2012, adult statistics in *Schedule B-1* are already reported by acuity level and tested as part of procedure 3 in the Statistics - Attendance section above.

Acuity Testing (Continued)

We compared the County Board's attendance by acuity reports for the days of attendance for Day Habilitation/Adult Day Services/ Vocational Habilitation with the Days of Attendance by Acuity supplemental Cost Report worksheet for 2008, 2009, 2010, and 2011.

We found no variances.

2. We also compared two individuals from each acuity level on the County Board's 2008 through 2011 attendance by acuity reports to the Acuity Assessment Instrument for each individual for each respective year.
 - For 2008, we found 216 facility based days of attendance should be reclassified from acuity level B to A;
 - For 2009, we found 206 facility based days of attendance should be reclassified from acuity level B to A;
 - For 2010, we found 206 facility based days of attendance should be reclassified from acuity level B to A; and
 - For 2011, we found 216 facility based days of attendance should be reclassified from acuity level A to A-1.

We revised the Days of Attendance by Acuity supplemental Cost Report spreadsheet for 2009, 2010, and 2011 based upon the County Board's attendance by acuity reports provided. We submitted these revised supplemental spreadsheets to DODD.

Statistics – Transportation

1. DODD requested us to report variances if the County Board's transportation units were not within two percent of total units reported on each line of *Schedule B-3, Quarterly Summary of Transportation Services*.

We compared the number of one-way trips from the County Board's transportation tracking reports with those statistics as reported in *Schedule B-3*. We also footed the County Board's transportation tracking reports for accuracy.

We found no differences exceeding two percent.

2. DODD requested us to report variances of more than 10 percent of the total trips taken for five individuals for both 2011 and 2012 between the County Board's internal documentation versus the amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We traced the number of trips for four adults and one child for March 2011 and October for 2012 from the County Board's daily reporting documentation to *Schedule B-3*.

We found no differences exceeding 10 percent.

Statistics – Transportation (Continued)

3. DODD requested us to report variances if the County Board's cost of bus tokens/cabs was not within two percent of the total amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We did not perform this procedure as the County Board did not report any cost of bus tokens, cabs on *Schedule B-3* for 2011 and 2012. However, we did review the County Board's IHAC Expense Detail reports for any of these costs not identified by the County Board. We found no unreported costs of bus tokens/cabs.

Statistics – Service and Support Administration (SSA)

1. DODD requested us to report variances if the County Board's SSA units were not within two percent of total units reported on each line of *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*.

We compared the number of SSA units (Targeted Case Management (TCM), Other SSA Allowable, and SSA Unallowable) from the County Board's TCM Allowable/Un-Allowable Detail reports with those statistics reported in *Schedule B-4*. We also footed the County Board's SSA reports for accuracy. We also scanned the County Board's detailed revenue and expenditure reports for any unreported Home Choice units.

We found differences as reported in Appendix A (2011) and Appendix B (2012).

2. DODD requested us to report variances if the Other SSA Allowable units tested had an error rate exceeding 10 percent.

We haphazardly selected two samples of 60 Other SSA Allowable units for both 2011 and 2012 from the TCM Allowable/Un-Allowable Detail Reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation elements required by Ohio Admin. Code § 5101:3-48-01(F).

The units found to be in error did not exceed 10 percent of our sample for 2011. In 2012 the units found to be in error exceeded 10 percent of our sample due to the unallowable activity of providing services to groups. We were able to quantify 100 percent of the errors related to group services and reported the differences in Appendix B (2012).

3. DODD requested us to report variances if the SSA Unallowable units tested had an error rate exceeding 10 percent.

We haphazardly selected a sample of 60 Unallowable SSA service units for both 2011 and 2012 from the TCM Allowable/Un-Allowable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation elements required by Ohio Admin. Code § 5101:3-48-01(F).

The units found to be in error did not exceed 10 percent of our sample for 2011 and 2012.

Statistics – Service and Support Administration (Continued)

4. DODD requested us to report decreases exceeding five percent in total SSA units by line on *Schedule B-4* when compared to the prior year's final Cost Report for 2011. DODD also requested us to report changes exceeding five percent in total SSA units by line on *Schedule B-4* when compared to the prior year's final Cost Report for 2012.

We compared the final 2010 SSA units to the final 2011 SSA units and the final 2011 SSA units to the final 2012 SSA units.

The final 2011 TCM, Other SSA Allowable and Unallowable SSA units did not decrease by five percent or more from the 2010 *Schedule B-4*. The final 2012 TCM and Unallowable SSA units increased by five percent or more while the Other SSA Allowable units decreased by five percent or more from the 2011 *Schedule B-4*. We obtained the County Board's explanation that the increase in TCM units was due to the County Board focusing on increasing productivity and making sure all of the units were documented. We also obtained the County Board's explanation that the decrease in Other SSA Allowable units and increase in Unallowable SSA units were due to an increased number of major unusual incidents at a care facility that required extensive SSA time.

We reported no variances.

5. DODD requested us to determine if the County Board maintained case note documentation for non-individual specific activities (general time units) as described in *Worksheet 9, Service and Support Administration Costs* of the Cost Report Guides. If the County Board did record general time units, and they accounted for over 10 percent of total SSA units on the final *Schedule B-4* plus any general time units recorded, DODD requested us to determine if they were properly classified and report any variances with an error rate exceeding 10 percent and indicating a systemic issue.

We did not perform this procedure because the County Board stated it did not track general time units in 2011 and 2012.

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. DODD asked us to compare the receipt totals from the county auditor's detailed receipt reports for the County Board to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We compared the receipt totals from the county auditor's 2011 and 2012 Revenue Report for the General (19) and Community MR/DD Residential Services (29) funds to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences.

2. DODD asked us to determine whether total County Board receipts reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total receipts for these funds and, if the Cost Reports do not reconcile within limits, to perform procedure 3.

Total County Board receipts were within 1/4 percent of the county auditor's yearly receipt totals reported for these funds.

Revenue Cost Reporting and Reconciliation to the County Auditor Report (Continued)

3. DODD asked us to compare the account description and amount for each revenue reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's 2011 and 2012 Revenue Report and other supporting documentation such as county tax settlement sheets.

We did not perform this procedure since the total County Board receipts were within 1/4 percent of the county auditor's yearly receipt totals in procedure 2 above.

4. DODD requested that we compare revenue entries on *Schedule C, Income Report* to the Council of Governments prepared County Board Summary Workbooks for 2011 and 2012.

We compared revenue entries on *Schedule C, Income Report* to the Southern Ohio Council of Governments (SOCOG) prepared County Board Summary Workbooks.

We found differences as reported in Appendix A (2011) and Appendix B (2012).

5. We reviewed the County Board's Revenue Reports and *Schedule C, Income Report* to determine whether revenues are maintained separately to offset corresponding expense via the use of specific expenditure costs centers and identified any potential revenue offsets/applicable credits.

We identified the following sources of potential revenue credits for which the County Board did not offset costs on the Cost Reports in accordance with 2 CFR 225, Appendix A (C)(3)(c) and (4)(a):

- Miscellaneous refunds, reimbursements and other income in the amount of \$367,916 in 2011 and \$333,432 in 2012;
- IDEA Part B revenues in the amount of \$26,940 in 2011 and \$21,035 in 2012;
- IDEA Early Childhood Special Education revenues in the amount of \$14,122 in 2011 and \$8,942 in 2012;
- School Lunch Program revenues in the amount of \$18,108 in 2011 and \$22,079 in 2012;
- Title XX revenues in the amount of \$19,169 in 2011 and \$11,481 in 2012; and
- Help Me Grow revenues in the amount of \$6,807 in 2011 and \$10,519 in 2012.

Paid Claims

1. We selected 100 paid services among all service codes from 2011 and 2012 from the Medicaid Billing System (MBS) data and determined if the services met the following service documentation requirements of Ohio Admin. Code Sections 5123:2-9-05, 5123-2-9-18 (H) (1)-(2), and 5101:3-48-01(D) and (F) as applicable to the specific service provided:

- Date of service;
- Place of service;
- Name of the recipient;
- Name of the provider;
- Signature of the person delivering the service or initials of the person delivering the service if the signature and corresponding initials are on file with the provider;
- Type of service;
- Number of units of the delivered service or continuous amount of uninterrupted time during which the service was provided;

Paid Claims (Continued)

- Group size in which the services were delivered; and
- Arrival and departure times of the provider of service's site visit to the recipient's location or of the recipient's visit to the provider of service's location.

For non-medical transportation service codes, we reviewed similar service documentation requirements to ensure compliance with Ohio Admin. Code § 5123:2-9-18 (H)(1)-(2) excluding H(1)(d),(f),(j) and H (2)(d),(f). For all services reviewed, we applied the rules in effect at the time of service delivery.

We found instances of non-compliance with these documentation requirements for 2011 in the following service codes: Targeted Case Management – 15 minute unit (TCM) and Non-Medical Transportation - One-Way Trip - Eligible Vehicle (FTB). We found no non-compliance in 2012.

Recoverable Finding - 2011

Finding \$91.15

Service Code	Units	Review Results	Finding
FTB	2	Units billed in excess of actual service delivery	\$25.85
TCM	10	Service billed to wrong recipient number	\$65.30
		Total	\$91.15

2. DODD requested us to report variances if units reimbursed by Medicaid were more than the units reported in the Cost Reports.

We compared the number of reimbursed TCM units and Community Employment units from the MBS Summary by Service Code report, to the final units on *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*, Line (1)(F), *TCM Units* and to *Schedule B-1, Section B, Attendance Statistics*, Line (4)(C), *Supported Employment – Community Employment*, 15 minute units, respectively.

We found no instance where the Medicaid reimbursed units were greater than final TCM and Supported Employment - Community Employment units.

3. DODD requested us to report whether any reimbursements exceeded disbursements on *Schedule A, Summary of Service Costs- By Program* by two percent.

We compared the amounts reported on *Schedule A, Summary of Service Costs – By Program*, Lines (20), Environmental Accessibility Adaptations to Line (25), Other Waiver Services to the amount reimbursed for these services in 2011 and 2012 on the MBS Summary by Service Code reports.

We found no differences. The County Board did not report costs on *Schedule A*, for Lines (20) to Line (25). We reviewed the MBS Summary by Service Code reports and found the County Board was not reimbursed for these services in 2011 and 2012.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. DODD asked us to compare the disbursement totals from the county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the County Auditor's disbursements report for County Board's funds.

We compared the disbursement totals from the 12/31/2011 and 12/31/2012 County Auditor's Report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's Expense Period Reports for the General (19) and Community MRDD Residential Services (29) funds.

We found a difference in 2011 as reported in Appendix A. We found no differences in 2012.

2. DODD asked us to determine whether total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total disbursements for these funds and, if the Cost Reports did not reconcile within acceptable limits, to perform procedure 3.

Total County Board disbursements were within 1/4 percent of the county auditor's yearly disbursement totals reported for these funds.

3. DODD asked us to compare the account description and amount for each reconciling item on the *County Auditor Reconciliation Worksheets* to the County Board's detailed expense reports and other supporting documentation such as county tax settlement sheets.

We did not perform this procedure since total County Board disbursements were within 1/4 percent of the county auditor's yearly disbursement totals in procedure 2 above.

4. DODD asked us to compare the County Board's detailed disbursements to the amounts reported on worksheets 2 through 10, and report variances exceeding \$100 for service contracts and other expenses on any worksheet.

We compared all service contract and other expenses entries on worksheets 2 through 10 to the County Board's IHAC Expense Detail reports.

We found difference as reported in Appendix A (2011). We found no variances in 2012.

5. DODD asked us to compare disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 2 through 10 to the COG prepared County Board Summary Workbooks.

We compared disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 2 through 10 to the SOCOG prepared County Board Summary Workbooks.

We found differences as reported in Appendix A (2011) and Appendix B (2012).

Non-Payroll Expenditures and Reconciliation to the County Auditor Report (Continued)

6. DODD asked us to determine whether the County Board's detailed disbursements were properly classified within two percent of total service contracts and other expenses for all worksheets and if any worksheet included disbursements over \$100 which are non-federal reimbursable under 2 CFR 225 Appendix B.

We scanned the County Board's IHAC Expense Detail reports for service contracts and other expenses in the following columns and worksheets: column (X) General Expense-All Programs on worksheets 2 through 8; column (N) Service and Support Administration Costs on worksheet 9; and columns (E) Facility Based Services, (F) Enclave, and (G) Community Employment and (H) Unassigned Adult Program on worksheet 10 and reviewed documentation to identify disbursements not classified as prescribed by the Cost Report Guides or costs which are non-federal reimbursable under 2 CFR 225 Appendix B.

We found differences as reported in Appendix A (2011) and Appendix B (2012) for misclassified and non-federal reimbursable costs.

7. DODD asked us to scan the County Board's detailed expense reports for items purchased during 2011 and 2012 that met the County Board's capitalization threshold of \$5,000 and traced them to inclusion on the County Board's fixed asset listing.

We scanned the County Board's IHAC Expense Detail reports for items purchased during 2011 and 2012 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's 2011 depreciation schedule.

We found no unrecorded purchases meeting the capitalization criteria.

8. DODD asked us to select disbursements from 2011 and 2012 from the County Board's detailed expense reports that were classified as service contract and other expenses on worksheets 2 through 10 and determine if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We haphazardly selected 20 disbursements from 2011 and 2012 from the County Board's IHAC Expense Detail reports that were classified as service contract and other expenses on worksheets 2 through 10. We determined if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We found no differences exceeding two percent or any disbursements over \$100 which are non-federal reimbursable in 2011. We found one misclassified expense in 2012 as reported in Appendix B. Other similar expenses related to this error were identified in procedure 6 above.

Property, Depreciation, and Asset Verification Testing

1. We compared the County Board's procedures regarding capitalization of fixed assets with the Cost Report Guides for preparing *Worksheet 1, Capital Costs* and 2 CFR 225 (OMB Circular A-87, Appendix B, 15(a)(2)).

Property, Depreciation, and Asset Verification Testing (Continued)

We noted the following inconsistencies between the County Board's capitalization policy and the guidelines listed above: County Board policy states that depreciation can be taken in period of acquisition; however, the Cost Report Guides state depreciation cannot be taken in the year of purchase. The County Board took depreciation in year of acquisition on some items. We adjusted for the discrepancy in further procedures.

Recommendation:

We recommend the County Board update the Capitalization Policy to bring it in compliance with the Cost Report Guides and 2 CFR 225 - Allowable Cost Principles.

2. DODD asked us to compare the depreciation costs reported in the County Board's depreciation schedules to the amounts reported on *Worksheet 1, Capital Costs*, and to report variances exceeding \$100.

We compared all depreciation entries reported on *Worksheet 1, Capital Costs* to the County Board's Depreciation Schedules.

We found no differences exceeding \$100.

3. We compared the County Board's final 2010 Depreciation Schedule to the County Board's 2011 and 2012 Depreciation Schedules for changes in the depreciation amounts for assets purchased prior to the periods under review, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation taken on assets during the period of acquisition which were not in compliance with the Cost Report Guides.

We found differences in depreciation as reported in Appendix A (2011) and Appendix B (2012).

4. DODD asked us to haphazardly select the lesser of 10 percent or 10 of the County Board's fixed assets which meet the County Board's capitalization policy and purchased in either 2011 or 2012 to determine if the useful lives agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. DODD also asked us to recalculate the first year's depreciation for these assets, based on their cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

We did not perform this procedure because the County Board stated that no capital assets were purchased in 2011 or 2012. We scanned the County Board's IHAC Expense Detail reports and found no expenses for the purchase of fixed assets.

5. DODD asked us to haphazardly select the lesser of five percent or 20 disposed assets from 2011 and 2012 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. DODD also asked us to recalculate depreciation and any gain or loss applicable to 2011 (and 2012, if applicable) for the disposed items based on its undepreciated basis and any proceeds received from the disposal or sale of the asset to determine compliance with the Cost Report Guide and CMS Publication 15-1, Chapter 1.

We did not perform this procedure because the County Board stated that no capital assets were disposed of in 2011 or 2012. We scanned the County Board's 2011 and 2012 Revenue Reports and found no proceeds from the sale or exchange of fixed assets.

Payroll Testing

1. DODD asked us to determine whether total County Board salaries and benefits in the 2011 and 2012 Cost Reports were within two percent of the county auditor's report totals for the County Board's funds.

We totaled salaries and benefits from worksheets 2 through 10 from the 2011 and 2012 Cost Reports and compared the yearly totals to the county auditor's expense reports for the General (19) and Community MR/DD Residential Services (29) funds.

The variance was less than two percent.

2. DODD asked us to compare the County Board's detailed payroll disbursements to the amounts reported on worksheets 2 through 10, and to report variances exceeding \$100 for salaries or employee benefit expenses.

We compared all salary and employee benefit entries on worksheets 2 through 10 to the County Board's payroll reports.

We found no differences exceeding \$100 on any worksheet.

3. DODD requested us to select employees and compare the County Board's organizational chart, staffing/payroll journal and job descriptions, if needed, to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides. If misclassification errors exceed 10 percent, DODD requested us to perform procedure 4.

We selected 16 employees and compared the County Board's table of organization, payroll journal, and job descriptions, as needed, to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides.

We found differences in 2011 due to salaries posted in error on worksheet 2A. We reported differences for all errors on worksheet 2A in Appendix A (2011). We found no differences in 2012.

4. DODD asked us to scan the County Board's detailed payroll reports for 2011 and 2012 and compare classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides, if the errors in procedure 3 above exceeded 10 percent.

We did not perform this procedure. While the misclassification errors in procedure 3 did exceed 10 percent of the sample size, we isolated the errors to worksheet 2A in 2011 as reported above; therefore, we determined no additional testing was necessary.

Medicaid Administrative Claiming (MAC)

1. DODD asked us to contact its Random Moment Time Study (RMTS) Coordinator to report differences if the MAC salary and benefits versus the County Board's payroll records exceeded one percent or more.

We did not perform this procedure as the County Board did not participate in the MAC program in 2011 or 2012.

2. DODD asked us to compare the original MAC Cost by Individual report(s) to Worksheet 6, columns (I) and (O) for both years.

We did not perform this procedure as the County Board did not participate in the MAC program in 2011 or 2012.

3. DODD asked us to compare Ancillary Costs on the Roll Up Report for the Ohio Department of Medicaid (ODM) report to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We did not perform this procedure as the County Board did not participate in the MAC program in 2011 or 2012.

4. DODD asked us to select RMTS observed moments completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the third quarter of 2011 and observed moments from the second quarter of 2012 in which they documented their time spent on administering Medicaid-funded programs. They requested us to determine if supporting documentation of the County Board employees' activity for each observed moment was maintained and the observed moment was properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2011 and 2012.

We did not perform this procedure as the County Board did not participate in the MAC program in 2011 or 2012.

We did not receive a response from officials to the exceptions noted above.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the County Board's Cost Reports. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the managements of the County Board, DODD, the Ohio Department of Medicaid, and the Centers for Medicare and Medicaid Services, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

November 5, 2014

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Appendix A
Gallia County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Schedule A				
22. Respite (L) Community Residential	\$ -	\$ 737	\$ -	To reclassify Respite expenses
		\$ 288	\$ 1,025	To reclassify Respite expenses
Schedule B-1, Section A				
11. Early Intervention (C) Child	167	6	173	To reclassify to early intervention
12. Pre-School (C) Child	4,418	160	4,791	To reclassify to pre-school
		213		To reclassify to pre-school
13. School Age (C) Child	2,419	91		To reclassify to school age
		213	2,723	To reclassify to school age
14. Facility Based Services (B) Adult	5,809	1,069	6,878	To reclassify to facility based
16. Supported Emp. - Comm Emp. (B) Adult	-	2	2	To reclassify to Community Employment
21. Service And Support Admin (D) General	351	(2)	349	To reclassify to Community Employment
22. Program Supervision (B) Adult	1,069	(1,069)	-	To reclassify to facility based
22. Program Supervision (C) Child	257	(257)	-	To reclassify to early intervention, pre-school and school age
25. Non-Reimbursable (B) Adult	-	538	538	To reclassify common space to non-federal reimbursable
25. Non-Reimbursable (C) Child	4,520	9,961	14,481	To reclassify leased space
Schedule B-1, Section B				
1. Total Individuals Served By Program (C) Supported Emp. - Community Employment	-	2	2	To correct individuals served
4. 15 Minute Units (C) Supported Emp. -Community Employment	9,840	(9,812)	28	To correct 15 Minute units
Schedule B-4				
1. TCM Units (D) 4th Quarter	1,799	(398)	1,401	To correctly report SSA units
1. TCM Units (E) COG Activity	-	398	398	To correctly report SSA units
2. Other SSA Allowable Units (D) 4th Quarter	282	(13)	269	To correctly report SSA units
2. Other SSA Allowable Units (E) COG Activity	-	13	13	To correctly report SSA units
Schedule C				
II. Department of DD				
(D) SERMAK Waiver Administration- COG Revenue	\$ 480	\$ (480)	\$ -	To match COG report
(E) Waiver Administration- COG Revenue	\$ -	\$ 480	\$ 480	To match COG report
Worksheet 1				
2. Land Improvements (D) Unasgn Children Programs	\$ 2,085	\$ 1,033	\$ 3,118	To adjust to actual depreciation
3. Buildings/Improve. (D) Unasgn Children Programs	\$ 90,290	\$ (13,434)	\$ 76,856	To adjust to actual depreciation
3. Buildings/Improve. (H) Unasgn Adult Programs	\$ 26,266	\$ (4,477)	\$ 17,952	To adjust to actual depreciation
		(3,837)		To adjust to actual depreciation
3. Buildings/Improve. (X) Gen Expense All Prgm.	\$ -	\$ 4,477	\$ 4,477	To adjust to actual depreciation
5. Movable Equipment (A) Early Intervention	\$ 1,043	\$ (1,043)	\$ -	To correct depreciation
5. Movable Equipment (D) Unasgn Children Programs	\$ 399	\$ (91)	\$ 308	To correct depreciation
5. Movable Equipment (H) Unasgn Adult Programs	\$ 205	\$ (205)	\$ -	To correct depreciation
5. Movable Equipment (N) Service & Support Admin	\$ 1,176	\$ (1,176)	\$ -	To correct depreciation
5. Movable Equipment (U) Transportation	\$ 21,505	\$ (6,562)	\$ 14,943	To correct depreciation
8. COG Expenses (N) Service & Support Admin	\$ 13	\$ (13)	\$ -	To match COG report
Worksheet 2				
4. Other Expenses (O) Non-Federal Reimbursable	\$ 53,091	\$ 271	\$ 53,262	To reclassify Other Expenses
		(100)		To correct NFR Expenses total
4. Other Expenses (X) Gen Expense All Prgm.	\$ 24,443	\$ (271)	\$ 24,172	To reclassify Other Expenses
5. COG Expense (N) Service & Support Admin	\$ 632	\$ (632)	\$ -	To match COG report
Worksheet 2A				
1. Salaries (D) Unasgn Children Program	\$ 70,299	\$ (70,299)	\$ -	To reclassify Program Supervision salaries
1. Salaries (H) Unasgn Adult Program	\$ 92,812	\$ (92,812)	\$ -	To reclassify Program Supervision salaries
2. Employee Benefits (D) Unasgn Children Program	\$ 43,030	\$ (43,030)	\$ -	To reclassify Program Supervision
2. Employee Benefits (H) Unasgn Adult Program	\$ 31,009	\$ (31,009)	\$ -	To reclassify Program Supervision benefits

Appendix A (Page 2)
Gallia County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>		<u>Correction</u>		<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 2A Continued)						
3. Service Contracts (D) Unasgn Children Program	\$ 405	\$	(405)	\$	-	To reclassify Service Contracts
3. Service Contracts (H) Unasgn Adult Program	\$ 180	\$	(180)	\$	-	To reclassify Service Contracts
4. Other Expenses (D) Unasgn Children Program	\$ 150	\$	(150)	\$	-	To reclassify Service Contracts
4. Other Expenses (H) Unasgn Adult Program	\$ 797	\$	(797)	\$	-	To reclassify Service Contracts
5. COG Expenses (N) Service & Support Admin	\$ 38	\$	(38)	\$	-	To match COG report
Worksheet 3						
5. COG Expenses (N) Service & Support Admin	\$ 4	\$	(4)	\$	-	To match COG report
Worksheet 5						
1. Salaries (D) Unasgn Children Program	\$ 3,760	\$	70,299	\$	74,059	To reclassify Program Supervision Salaries
2. Employee Benefits (D) Unasgn Children Program	\$ 756	\$	43,030	\$	43,786	To reclassify Program Supervision
3. Service Contracts (D) Unasgn Children Program	\$ 253	\$	405	\$	659	To reclassify Service Contracts
3. Service Contracts (M) Family Support Services	\$ 1,498	\$	(737)	\$	761	To reclassify Respite services
4. Other Expenses (D) Unasgn Children Program	\$ 1,860	\$	150	\$	2,010	To reclassify Service Contracts
5. COG Expenses (O) Non-Federal Reimbursable	\$	\$	2,970	\$	2,970	To match COG report
Worksheet 8						
4. Other Expenses (H) Unasgn Adult Program	\$ 28,803	\$	138	\$	28,941	To correct worksheet total
Worksheet 9						
3. Service Contracts (N) Service & Support Admin. Costs	\$ 1,796	\$	(480)	\$	1,316	To reclassify SOCOG expenses
5. COG Expenses (N) Service & Support Admin. Costs	\$ 3,581	\$	1,592	\$	5,173	To match COG report
Worksheet 10						
1. Salaries (H) Unasgn Adult Program	\$ 179,018	\$	92,812	\$	271,830	To reclassify Program Supervision salaries
2. Employee Benefits (H) Unasgn Adult Program	\$ 128,604	\$	31,009	\$	159,613	To reclassify Program Supervision benefits
3. Service Contracts (H) Unasgn Adult Program	\$ 48,442	\$	180	\$		To reclassify Service Contracts
			(288)	\$	48,334	To reclassify Respite expenses
4. Other Expenses (H) Unasgn Adult Program	\$ 2,139	\$	797	\$	2,936	To reclassify Service Contracts
Reconciliation to County Auditor Worksheet Expense:						
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 56,892	\$	480	\$	57,372	To fees paid to SOCOG
Less: Capital Costs	\$ (148,125)	\$	(1,033)			To reconcile for depreciation adjustment to 1/2/D
			13,434			To reconcile for depreciation adjustment to 1/3/D
			4,477			To reconcile for depreciation adjustment to 1/3/H
			3,837			To reconcile for depreciation adjustment to 1/3/H
			(4,477)			To reconcile for depreciation adjustment to 1/3/X
			1,043			To reconcile for depreciation adjustment to 1/5/A
			91			To reconcile for depreciation adjustment to 1/5/D
			205			To reconcile for depreciation adjustment to 1/5/H
			1,176			To reconcile for depreciation adjustment to 1/5/N
Total from 12/31 County Auditor's Report	\$ 2,871,091	\$	6,562	\$	(122,810)	To reconcile for depreciation
			(10)	\$	2,871,081	To reconcile the County Auditor's

Appendix B
Gallia County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule A				
22. Respite (L) Community Residential	\$ -	\$ 400	\$ -	To reclassify respite expenses
		\$ 247	\$ 647	To reclassify respite expenses
Schedule B-1, Section A				
16. Supported Emp. -Comm Emp. (B) Adult	-	1	1	To reclassify to Community Employment
21. Service And Support Admin (D) General	351	(1)	350	To reclassify to Community Employment
25. Non-Reimbursable (C) Child	4,520	9,961	14,481	To reclassify leased space
Schedule B-1, Section B				
4. 15 Minute Units (C) Supported Emp. -Community Employment	26	(17)	9	To correct 15 Minute units
Schedule B-4				
1. TCM Units (D) 4th Quarter	1,595	(189)	1,132	To match detailed SSA unit report
		(274)	274	To correctly report SSA units
1. TCM Units (E) COG Activity	-	274	274	To correctly report SSA units
2. Other SSA Allowable Units (D) 4th Quarter	179	154		To match detailed SSA unit report
		(151)		To reclassify unallowable units
		(20)	162	To correctly report SSA units
2. Other SSA Allowable Units (E) COG Activity	-	20	20	To correctly report SSA units
5. SSA Unallowable Units (D) 4th Quarter	294	(23)		To match detailed SSA unit report
		151	422	To reclassify unallowable units
Schedule C				
II. Department of MR/DD				
(E) Waiver Administration- COG Revenue	\$ -	\$ 240	\$ 240	To match COG report
Worksheet 1				
2. Land Improvements (D) Unasgn Children Programs	\$ 1,216	\$ 1,033	\$ 2,249	To adjust to actual depreciation
3. Buildings/Improve (D) Unasgn Children Programs	\$ 90,290	\$ (13,434)	\$ 76,454	To adjust to actual depreciation
		(402)		To correct depreciation
3. Buildings/Improve (H) Unasgn Adult Programs	\$ 26,266	\$ (4,477)	\$ 17,952	To adjust to actual depreciation
		(3,837)		To adjust to actual depreciation
3. Buildings/Improve (X) Gen Expense All Prgm.	\$ -	\$ 4,477	\$ 4,477	To adjust to actual depreciation
4. Fixtures (D) Unasgn Children Programs	\$ 4,406	\$ (1,307)	\$ 3,099	To correct depreciation
4. Fixtures (H) Unasgn Adult Programs	\$ 283	\$ (283)	\$ -	To correct depreciation
5. Movable Equipment (D) Unasgn Children Programs	\$ 308	\$ (308)	\$ -	To correct depreciation
5. Movable Equipment (V) Admin	\$ 467	\$ (467)	\$ -	To correct depreciation
8. COG Expenses (N) Service & Support Admin	\$ -	\$ 12	\$ 12	To match COG report
8. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 9	\$ 9	To match COG report
Worksheet 2				
4. Other Expenses (O) Non-Federal Reimbursable	\$ 10,459	\$ 616	\$ 11,075	To reclassify staff appreciation NFR Expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 21,652	\$ (616)	\$ 21,036	To reclassify staff appreciation NFR Expenses
5. COG Expense (N) Service & Support Admin	\$ -	\$ 423	\$ 423	To match COG report
5. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 296	\$ 296	To match COG report
Worksheet 4				
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 8,926	\$ 625	\$ 9,551	To reclassify Cook Health Insurance Incentive
4. Other Expenses (X) Gen Expense All Prgm.	\$ 47,257	\$ (625)	\$ 46,632	To reclassify Health Insurance Incentive

Appendix B (Page 2)
Gallia County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 5				
2. Employee Benefits (B) Pre-School	\$ 93,781	\$ 3,750	\$ 97,531	To reclassify Instructor/Instructor Assistant's Health Insurance Incentive Benefits
2. Employee Benefits (C) School Age	\$ 95,584	\$ 1,375	\$ 96,959	To reclassify School Age Instructor Health Insurance benefits
3. Service Contracts (M) Family Support Services	\$ 1,851	\$ (400)	\$ 1,451	To reclassify respite expenses
4. Other Expenses (B) Pre-School	\$ 5,897	\$ (3,750)	\$ 2,147	To reclassify Health Insurance Incentives
4. Other Expenses (C) School Age	\$ 4,468	\$ (1,375)	\$ 3,093	To reclassify Health Insurance Incentives
5. COG Expenses (O) Non-Federal Reimbursable	\$ 3,939	\$ (365)	\$ 3,574	To match COG report
Worksheet 7-C				
2. Employee Benefits (D) Unasgn Children Program	\$ 8,798	\$ 1,500	\$ 10,298	To reclassify the Speech Therapist's Health Insurance Incentive benefits
4. Other Expenses (D) Unasgn Children Program	\$ 2,006	\$ (1,500)	\$ 506	To reclassify Health Insurance Incentive
Worksheet 10				
2. Employee Benefits (H) Unasgn Adult Program	\$ 149,708	\$ 1,500	\$ 151,208	To reclassify the Workshop Directory Secretary's Health Insurance
3. Service Contracts (H) Unasgn Adult Program	\$ 13,995	\$ (247)	\$ 13,748	To reclassify respite expenses
4. Other Expenses (H) Unasgn Adult Program	\$ 7,539	\$ (1,500)	\$ 6,039	To reclassify Health Insurance
Reconciliation to County Auditor Worksheet				
Expense:				
Less: Capital Costs	\$ (138,179)	\$ (1,033)		To reconcile for depreciation adjustment for 1/2/D
			13,434	To reconcile for depreciation adjustment for 1/3/D
			402	To reconcile for depreciation adjustment for 1/3/D
			4,477	To reconcile for depreciation adjustment for 1/3/H
			3,837	To reconcile for depreciation adjustment for 1/3/H
			(4,477)	To reconcile for depreciation adjustment for 1/3/X
			1,307	To reconcile for depreciation adjustment for 1/4/D
			283	To reconcile for depreciation adjustment for 1/4/H
			308	To reconcile for depreciation adjustment for 1/5/D
			467	To reconcile for depreciation adjustment for 1/5/V
			\$ (119,174)	



Dave Yost • Auditor of State

GALLIA COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

GALLIA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 30, 2014**