



Dave Yost • Auditor of State

FAIRFIELD 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, 8th 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 Fairfield 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 that we 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 and found no unreported rented or idle floor space.

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.

2. DODD requested that we 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 variances exceeding 10 percent.

STATISTICS – SQUARE FOOTAGE (Continued)

3. DODD requested that we 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 Administrative building in 2011 and the Forest Rose School building in 2012 to the County Board's summary for each year.

We found no variances exceeding 10 percent.

4. DODD requested that we 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 no variances exceeding 10 percent.

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 as a result of applying this procedure. We identified differences for 2011 and 2012 during our payroll testing and we revised the square footage summary to reflect the reclassification of employees to different program areas. We reported the differences in Appendix A (2011) and Appendix B (2012).

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.

We determined that the number of meals served for *Worksheet 4, Dietary Services* needed to be obtained as costs in General Expense-All Programs were not being assigned to column (E) Facility Based Services.

The County Board provided the statistics as reported in Appendix A (2011) and Appendix B (2012).

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 the reported Enclave typical hours of service changed in 2011 and we compared the County Board's supporting documentation for typical hours of service to the typical hours of service reported on *Schedule B-1*.

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

STATISTICS – ATTENDANCE (Continued)

3. DODD requested that we 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 Day Services Attendance Summary By Consumer, Location, Acuity and Month; 2011 Summary of Supported Employment Units; and Billing History reports 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, Enclave 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. We also footed the County Board's reports on attendance statistics for accuracy.

We found no differences exceeding two percent in 2011. In 2012, we found differences for Community Employment as reported in Appendix B.

4. DODD requested that we 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 and Enclave for 2011 on *Schedule B-1, Section B, Attendance Statistics*.

The number of reported individuals served did not change by more than 10 percent.

5. DODD asked 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.

We did not perform this test since the variance in procedure 4 was less than 10 percent.

6. DODD requested that we 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 Day Services Attendance Summary By Consumer, Location, Acuity and Month reports to the Acuity Assessment Instruments for each individual.

We traced the number of attendance days for four adult day service and one enclave individual for two months each in 2012 from the County Board's daily attendance roster to *Schedule B-1*.

We found no differences.

We compared each acuity level on the 2012 Day Service Attendance Summary reports to the Acuity Assessment Instrument for the same five individuals. We also selected an additional six individuals, to ensure that at least two individuals from each acuity level was tested, and performed the same acuity level comparison.

We found no acuity variances.

STATISTICS – ATTENDANCE (Continued)

7. DODD requested that we 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 haphazardly selected 16 units from each year from the County Board's 2011 Summary of Supported Employment Units and Billing History report and determined if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements.

We found no differences or instances of non-compliance with these documentation requirements.

ACUITY TESTING

1. DODD requested that we report variances if days of attendance on the Days of Attendance by Acuity supplemental worksheet for 2009, 2010 and 2011 did not agree to the County Board's supporting documentation.

We compared the County Board's monthly attendance acuity reports for 2009; Day Services Attendance Summary By Consumer, Location, Acuity and Month and 2010 Acuity Days - Summary by Individual reports for 2010; and Day Services Attendance Summary By Consumer, Location, Acuity and Month report for 2011 with the Days of Attendance by Acuity supplemental worksheet.

We found no variances in 2009.

For 2010, we found the following acuity variances:

- 13 adult day services attendance days should be added to acuity level A;
- 41 adult day services attendance days should be added to acuity level B; and
- 54 adult day services attendance days should be removed from acuity level C.

For 2011, we found 816 adult day services attendance days should be added to acuity level A.

2. We also compared two individuals from each acuity level on the County Board's monthly attendance acuity reports for 2009; Day Services Attendance Summary By Consumer, Location, Acuity and Month and 2010 Acuity Days - Summary by Individual reports for 2010; and Day Services Attendance Summary By Consumer, Location, Acuity and Month report for 2011 to the Acuity Assessment Instrument for each individual for each respective year.

We found no acuity variances.

We developed revised Days of Attendance by Acuity supplemental worksheet for 2010 and 2011 to reflect variance in procedure 1 and submitted it to DODD.

STATISTICS – TRANSPORTATION

1. DODD requested that we 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 Trips by Age Group and other supporting documentation with those statistics as reported in *Schedule B-3*. We also footed the County Board's Transportation Trips by Age Group for accuracy.

STATISTICS – TRANSPORTATION (Continued)

We found no differences; however, we determined that the 2011 *Schedule B-3* did not include the statistics for Lifeworks transportation. The County Board provided the omitted statistics as reported in Appendix A (2011).

2. DODD requested that we 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 one quarter in 2011 and one quarter in 2012 from the County Board's daily reporting documentation to *Schedule B-3*.

We found no differences exceeding 10 percent.

3. DODD requested that we 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 compared the cost of bus tokens/cabs from the County Board's 2011 YTD GL Detail by Report Code and 2012 YTD Expense Detail by Report Code reports and other supporting documentation to the amount reported in *Schedule B-3*.

We found differences as reported in Appendix A (2011). In 2012, we found no differences exceeding two percent. We identified differences impacting transportation related costs reported on *Worksheet 8, Transportation Services* as reported in Appendix A (2011) and Appendix B (2012).

We also found that commercial transportation services for both 2011 and 2012 were included in the one-way trips reported on *Schedule B-3*. We obtained the authorized costs from the County Board for these transports and we removed the corresponding number of one-way trips included in the statistics reported on *Schedule B-3*.

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

We further determined through inquiry with the County Board that field trips were included in the claims submitted for Non-Medical Transportation - Per Trip (ATB) and Non-Medical Transportation - Per Trip (FTB). We reviewed the 2011 and 2012 Medicaid Billing System (MBS) data and found the County Board was reimbursed for 1,848 ATB and 2,737 FTB field trips in 2011 and 473 ATB and 1,173 FTB field trips in 2012. Fieldtrips are covered under the County Board's reimbursement for Adult Day Support services already reimbursed on those service days in accordance with Ohio Admin. Code § 5123:2-9-18 (B)(9)(a). The County Board responded that any non-Enclave individuals should have only been billed for two trips per day. We reported these findings in the Paid Claims Testing section.

Recommendation:

The County Board should develop procedures to ensure transportation trips are correctly billed in order to comply with Ohio Admin. Code § 5123:2-9-18 (B)(9)(a) which states in pertinent part, "Billing for the provision of non-medical transportation is limited to those times when an individual is transported to, from, and/or between sites where adult day support, vocational habilitation, supported employment-enclave, and/or supported employment-community waiver services are provided to the individual."

STATISTICS – SERVICE AND SUPPORT ADMINISTRATION (SSA)

1. DODD requested that we 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 Services Provided Detail reports with those statistics reported in *Schedule B-4*. We also footed the County Board's SSA reports for accuracy.

We found no differences.

2. DODD asked 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 Services Provided 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 or 2012.

3. DODD asked 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 Services Provided 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 exceeded 10 percent of our sample and we reported these differences in Appendix A (2011) and Appendix B (2012).

Recommendation:

We recommend the County Board review the Cost Report Guide in section Schedule B-4, Quarterly Summary of Service and Support Administration Units and Ohio Admin. Code § 5101:3-48-01(D)(2) to become familiar with activities that constitute SSA Unallowable units and properly report these units on *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*.

4. DODD asked 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 that we 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 and Unallowable SSA units decreased by five percent or more from the 2010 *Schedule B-4*. We obtained the County Board's explanation that 2010 units were based upon a compilation prepared by the Auditor of State due to systemic issues identified during the prior engagement. The County Board now uses the Gatekeeper system and believes its units to be accurate. The final 2012 Other SSA Allowable and Unallowable SSA units increased by five percent or more from the 2011 *Schedule B-4*. We obtained the County Board's explanation that the changes were due to the increased number of full-time employees providing services.

STATISTICS – SERVICE AND SUPPORT ADMINISTRATION (Continued)

5. DODD asked 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 that we 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 12/31/2011 and 12/31/2012 county auditor's Revenue Summary report for the Board of Developmental Disabilities (2060), FCBDD Facilities (3062), FCBDD/MH Shared Complex (3064) and FCBDD Capital Improvements (3698) 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.

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 YTD Revenue Detail Report and other supporting documentation.

We did not perform this procedure since the Cost Reports reconciled within limits.

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

We compared revenue entries on *Schedule C, Income Report* to the Mid East Ohio Regional Council and The Employment Connection prepared County Board Summary Workbooks.

We found no differences.

5. We reviewed the County Board's Year to Date Revenue Detail 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):

REVENUE COST REPORTING AND RECONCILIATION TO THE COUNTY AUDITOR REPORT (Continued)

- Miscellaneous refunds, reimbursements and other income in the amount of \$45,504 in 2011 and \$158,934 in 2012;
- IDEA Part B revenues in the amount of \$69,651 in 2011 and \$35,770 in 2012;
- IDEA Early Childhood Special Education revenues in the amount of \$16,470 in 2011 and \$17,472 in 2012;
- School Lunch Program revenues in the amount of \$13,564 in 2011 and \$14,181 in 2012;
- Title XX revenues in the amount of \$86,010 in 2011 and \$71,405 in 2012;
- Insurance reimbursements in the amount of \$365,616 in 2011 and \$2,774 in 2012;
- Rental income in the amount of \$23,499 in 2011 and \$24,678 in 2012; and
- Aide reimbursement in the amount of \$69,782 in 2011 and \$284,184 in 2012.

We noted Opportunities for Ohioans with Disabilities (formerly the Ohio Rehabilitation Services Commission) revenue in the amount of \$419,791 in 2011 and \$470,311 in 2012. We found that the County Board recorded Lifeworks expenses in the amount of \$256,375 in 2011 and \$136,286 in 2012 as revenue offsets on the *Allocation of Costs for a1, Adult*. However, we found additional Lifeworks program related expenses and identified adjustments to offset all additional expenses on *Schedule a1, Adult Program* as reported in Appendix A (2011) and Appendix B (2012).

We also noted Lifeworks transportation related expenses reported as non-federal reimbursable costs on *Worksheet 8, Transportation Services* in 2011. Since the County Board tracked the Lifeworks transportation statistics these costs were reclassified as allowable as reported in Appendix A (2011). See Statistics - Transportation section.

PAID CLAIMS TESTING

1. We selected 100 paid services among all service codes from 2011 and 2012 from the MBS data and determined if the services met the following service documentation requirements of Ohio Admin. Code §§ 5123:2-9-05, 5123-2-9-18(H)(1)-(2), and 5101:3-48-01(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;
 - 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.

PAID CLAIMS TESTING (Continued)

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). We applied the service documentation rules in effect at the time of service delivery. For selected services codes that have contracted services, DODD asked us to compare the County Board's usual and customary rate with the reimbursed rate to ensure that the County Board was reimbursed the lesser of the two as per Ohio Admin. Code § 5123:2-9-06. For any errors found, DODD asked that we obtain documentation and identify all overpayments related to reimbursements exceeding the usual and customary rate.

We found instances of non-compliance with these documentation requirements for 2011 and 2012 in the following service codes: Non-Medical Transportation - Per Trip (FTB) and Supported Employment - Equipment and/or Modification (FEQ). We also noted TCM services units in 2012 in which the individual met criteria for coverage exclusion. Per Ohio Admin. Code Section 5101-3-48-01(2)(a) 'Activities performed on behalf of an eligible individual residing in an institution are not billable for Medicaid TCM reimbursement except for the last on hundred eighty consecutive days of residence when the activities are related to moving the eligible individual from an institution to a noninstitutional community setting". As previously reported in the Statistics - Transportation section, the County Board erroneously billed field trips as Non-Medical Transportation - Per Trip (FTB) and Non-Medical Transportation - Per Trip (ATB).

Recoverable Finding- 2011

Finding \$61,905.15

Service Code	Units	Review Results	Finding
ATB	1,848	Field trips incorrectly billed	\$27,043.07
FTB	2,742	No supporting documentation (5 units); field trips incorrectly billed	\$34,819.93
TCM	6	No documentation to support service	\$42.15
		Total	\$61,905.15

Recoverable Finding - 2012

Finding \$21,502.57

Service Code	Units	Review Results	Finding
ATB	473	Field trips incorrectly billed	\$6,722.60
FTB	1,174	Units billed exceeded actual units (1 unit); field trips incorrectly billed	\$14,534.37
TCM	21	Individual resides in an ICF-IID or nursing home or there was no supporting documentation	\$206.77
FEQ	1	Amount billed did not match support	\$38.83
		Total	\$21,502.57

Recoverable findings are subject to interest collection pursuant to Ohio Rev. Code § 5164.60.

PAID CLAIMS TESTING (Continued)

2. DODD requested that we 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 or Supported Employment - Community Employment units.

3. DODD requested that we report whether any reimbursements exceeded disbursements on *Schedule A, Summary of Service Costs- By Program* worksheet 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 in 2011. In 2012, reimbursements exceeded the amount reported by two percent. The variance was due to amounts not being reported on *Schedule A, Summary of Service Costs – By Program*. We reported differences in Appendix B (2012), there were no findings warranted after adjustments.

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 Expenditure Summary for the Board Developmental Disabilities (2060), FCBDD Facilities (3062), FCBDD/MH Shared Complex (3064) and FCBDD Capital Improvements (3698) funds.

We found no differences.

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 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 expenditure reports and other supporting documentation.

We did not perform this procedure since the Cost Reports reconciled within acceptable limits.

NON-PAYROLL EXPENDITURES AND RECONCILIATION TO THE COUNTY AUDITOR REPORT (Continued)

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 2011 YTD GL Detail by Report Code and 2012 YTD Expense Detail by Report Code reports and other supporting documentation.

We found differences as reported in Appendix A (2011) and Appendix B (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 COG prepared County Board Summary Workbooks.

We found no differences.

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 2011 YTD GL Detail by Report Code and 2012 YTD Expense Detail by Report Code 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, (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 and trace them to inclusion on the County Board's fixed asset listing.

We scanned the County Board's 2011 YTD GL Detail by Report Code and 2012 YTD Expense Detail by Report Code 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 Depreciation Schedule.

We reported differences for purchases that were not properly capitalized as reported in Appendix A (2011) and Appendix B (2012). We reported differences for 2011 purchases to record their first year's depreciation in Appendix B (2012).

NON-PAYROLL EXPENDITURES AND RECONCILIATION TO THE COUNTY AUDITOR REPORT (Continued)

8. DODD asked us to select 40 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 40 disbursements from 2011 and 2012 from the County Board's 2011 YTD GL Detail by Report Code and 2012 YTD Expense Detail by Report Code 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 reported differences in Appendix A (2011) and Appendix B (2012) for misclassified and non-federal reimbursable costs.

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)).

We found no inconsistencies as a result of applying this procedure.

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 Schedule.

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 reported differences for purchases that were not properly capitalized in Appendix A (2011) and Appendix B (2012).

4. We haphazardly selected five of the County Board's fixed assets which meet the County Board's capitalization policy and were being depreciated in their first year in either 2011 or 2012 and determined if the useful lives agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. We also recomputed 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 found no differences.

PROPERTY, DEPRECIATION, AND ASSET VERIFICATION TESTING (Continued)

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 determine 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 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 haphazardly selected one disposed assets from the County Board's 2011 list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. We recalculated depreciation and any gain or loss applicable to 2011 for the disposed item.

We found difference as reported in Appendix A (2011) and selected two more disposed assets for testing. We found additional variances and reported them in Appendix A (2011). In 2012, we did not perform this procedure because the County Board stated that no disposed capital assets. We scanned the County Board's YTD Revenue Detail by Report Code report and did not find any proceeds from the sale or exchange of fixed assets.

Recommendation:

We recommend the County Board implement a process to report any gain or loss from disposed assets to meet the requirements contained in the Cost Report Guidelines which specify that, "when depreciable assets with salvage value are disposed of an adjustment will be necessary in the County Board's allowable cost. The amount of loss to be included on the 'Income and Expense Report' is limited to the non-depreciated basis of the asset. The loss should be handled in the same manner as was the depreciation. Gains should be used to offset depreciation in the current year manner as was the depreciation."

PAYROLL TESTING

1. DODD asked us to determine whether total County Board salaries and benefits in the 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 Cost Reports and compared the yearly totals to the county auditor's Expenditure Summary reports for the Board of Developmental Disabilities (2060), FCBDD Facilities (3062), FCBDD/MH Shared Complex (3064) and FCBDD Capital Improvements (3698) 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 2011 YTD GL Detail by Report Code and 2012 YTD Expense Detail by Report Code reports and other supporting documentation.

We found no differences exceeding \$100 on any worksheet. However, we found Lifeworks salary reported as non-federal reimbursable on *Worksheet 8, Transportation Services* in 2011. Since the County Board tracked the Lifeworks trips, we reclassified salaries to the Community Employment column. We reported this adjustment in Appendix A (2011).

PAYROLL TESTING (Continued)

Recommendation:

The County Board allocated a portion of their payroll based on revenues received. We recommend the County Board allocate payroll based on the time spent on each activity.

3. DODD requested that we select a sample of 25 percent of the average number of employees for the two-year period 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 asked us to perform procedure 4.

We selected 40 employees and compared the County Board's organizational chart, Individual Earnings Record by Account report and job descriptions 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 reported differences in Appendix A (2011) and Appendix B (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 as the errors in procedure 3 did not exceed 10 percent.

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 compared the salary and benefits entered on the MAC Cost by Individual reports to the County Board's Individual Earnings Record by Account report and Detail Check History by Employee Name reports.

We found no variance exceeding one percent.

2. We compared the MAC Cost by Individual report(s) to Worksheet 6, columns (I) and (O) for both years.

We found no differences.

3. We compared 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 reported differences in Appendix A (2011) and Appendix B (2012).

MEDICAID ADMINISTRATIVE CLAIMING (Continued)

4. We selected 14 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 13 RMTS observed moments from the second quarter of 2012 in which they documented their time spent on administering Medicaid-funded programs. We determined 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 2010 and 2012.

In 2011, we found one observed moment for Activity Code 4-Non-Medicaid Outreach and one observed moment for Activity Code 12-Program Planning, Development and Interagency Coordination of Non-Medicaid Services that lacked supporting documentation. In 2012, we found one observed moment for Activity Code 18-General Administration that lacked supporting documentation.

We reported these instances of non-compliance to DODD. In response, DODD communicated to us that it is working with the ODM to calculate findings for recovery, if needed.

The County Board submitted an official response to the results of these agreed-upon procedures which is presented in Appendix C. We did not examine the County Board's response and, accordingly, we express no opinion on it.

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.



Dave Yost
Auditor of State

June 16, 2015

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Appendix A
Fairfield 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 B-1, Section A				
11. Early Intervention (C) Child	2,456	43 85	2,584	To reclassify Curriculum Coordinator office To reclassify Early Intervention Supervisor office
12. Pre-School (C) Child	6,374	43	6,417	To reclassify Curriculum Coordinator office
13. School Age (C) Child	8,487	43	8,530	To reclassify Curriculum Coordinator office
22. Program Supervision (C) Child	667	(43) (43) (43) (85)	453	To reclassify Curriculum Coordinator office To reclassify Curriculum Coordinator office To reclassify Curriculum Coordinator office To reclassify Early Intervention Supervisor office
Schedule B-1, Section B				
3. Typical Hours Of Service (B) Supported Emp. - Enclave	varies	4.1	4.1	To correct typical hours of service
Schedule B-3				
5. Facility Based Services (G) One Way Trips- Fourth Quarter	16,042	(1,482)	14,560	To remove commercial transportation trips
5. Facility Based Services (H) Cost of Bus, Tokens, \$ Cabs- Fourth Quarter	2,979	\$ (627)		To correct the cost of per mile transportation
6. Supported Emp. -Enclave (G) One Way Trips- Fourth Quarter	31	\$ (31)	19,146	To record commercial transportation costs - To remove commercial transportation trips
6. Supported Emp. -Enclave (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ -	\$ 373	\$ 373	To record commercial transportation costs
7. Supported Emp. -Comm Emp. (E) One Way Trips- Third Quarter	113	(13)	100	To remove commercial transportation trips
7. Supported Emp. -Comm Emp. (G) One Way Trips- Fourth Quarter	118	(118)		To remove commercial transportation trips
7. Supported Emp. -Comm Emp. (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ 101,969	\$ 892 \$ 1,493	\$ 103,462	To report Lifeworks trips To record commercial transportation costs
Schedule B-4				
2. Other SSA Allowable Units (D) 4th Quarter	1,717	17	1,734	To reclassify allowable unit errors
5. SSA Unallowable Units (D) 4th Quarter	358	(2) (17)	339	To remove general time unit errors To reclassify allowable unit errors
Worksheet 1				
5. Movable Equipment (E) Facility Based Services	\$ 14,645	\$ 328	\$ 14,973	To record depreciation for Art & Clay settlement
5. Movable Equipment (U) Transportation	\$ 41,813	\$ (772)	\$ 41,041	To report gain on sale of assets
5. Movable Equipment (V) Admin	\$ 7,699	\$ 1,728	\$ 9,427	To record depreciation for asset erroneously excluded
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 292,629	\$ 261	\$ 292,890	To reclassify Secretary salary
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 255,573	\$ 40	\$ 255,613	To reclassify Secretary benefits
4. Other Expenses (O) Non-Federal Reimbursable	\$ 11,726	\$ 1,289	\$ 13,015	To reclassify unallowable meeting, general government, etc. expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 242,266	\$ (1,289) \$ 39,077 \$ (42,076)	\$ 237,978	To reclassify unallowable meeting, general government, etc. expenses To reclassify software expenses To reclassify fees paid to COG
10. Unallowable Fees (O) Non-Federal	\$ 363,566	\$ (30,107) \$ 7,242	\$ 340,701	To reclassify settlement expense To reclassify unallowable contingency fees

Appendix A (Page 2)
Fairfield 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				
1. Salaries (A) Early Intervention	\$ 61,599	\$ (61,599)	\$ -	To reclassify Early Intervention Supervisor salary
1. Salaries (D) Unasgn Children Program	\$ 149,327	\$ (46,512)	\$ 102,815	To reclassify Curriculum Coordinator salary
1. Salaries (H) Unasgn Adult Program	\$ -	\$ 73,870	\$ 73,870	To reclassify Director of Adult Services' salary
2. Employee Benefits (A) Early Intervention	\$ 24,036	\$ (24,036)	\$ -	To reclassify Early Intervention Supervisor benefits
2. Employee Benefits (D) Unasgn Children	\$ 52,344	\$ (7,247)	\$ 45,097	To reclassify Curriculum Coordinator
2. Employee Benefits (H) Unasgn Adult Program	\$ 1,247	\$ 25,754		To reclassify Director of Adult Services' benefits
		\$ (1,247)	\$ 25,754	To reclassify Director of Quality Assurance benefits
2. Employee Benefits (L) Community Residential	\$ -	\$ 374	\$ 374	To reclassify Director of Quality Assurance benefits
2. Employee Benefits (N) Service & Support Admin	\$ 40,971	\$ 873		To reclassify Director of Quality Assurance
		\$ (40)		To reclassify Secretary benefits
		\$ (927)		To reclassify File Clerk benefits
		\$ (132)		To reclassify File Clerk benefits
		\$ (38)		To reclassify Secretary benefits
		\$ (6,116)		To reclassify File Clerk benefits
		\$ (261)		To reclassify Secretary benefits
		\$ (852)		To reclassify File Clerk benefits
		\$ (248)	\$ 33,230	To reclassify Secretary benefits
4. Other Expenses (A) Early Intervention	\$ 1,848	\$ (1,848)	\$ -	To reclassify direct service expenses
4. Other Expenses (D) Unasgn Children Program	\$ 22,838	\$ (261)		To reclassify unallowable general government expenses
		\$ (1,587)	\$ 20,990	To reclassify direct service expenses
4. Other Expenses (H) Unasgn Adult Program	\$ 25,642	\$ (11,962)		To reclassify field trip expenses
		\$ (35)	\$ 13,645	To reclassify direct service expense
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 261	\$ 261	To reclassify unallowable general government expenses
Worksheet 3				
4. Other Expenses (H) Unasgn Adult Program	\$ 158,197	\$ (7,956)	\$ 150,241	To reclassify capital asset acquisitions
4. Other Expenses (V) Admin	\$ 33,792	\$ (13,297)	\$ 20,495	To reclassify capital asset acquisitions
4. Other Expenses (X) Gen Expense All Prgm.	\$ 11,106	\$ (7,495)	\$ 3,611	To reclassify capital asset acquisition
Worksheet 4				
14. No. of Individual Meals Served (E) Facility Based Services	-	587	587	To report meals served
Worksheet 5				
1. Salaries (A) Early Intervention	\$ 92,775	\$ (83)		To reclassify Bus Aid salary
		\$ 61,599	\$ 154,291	To reclassify Early Intervention Supervisor salary
1. Salaries (D) Unasgn Children Program	\$ 92,113	\$ 46,512		To reclassify Curriculum Coordinator salary
		\$ (1,953)	\$ 136,672	To reclassify Bus Aid salary
1. Salaries (M) Family Support Services	\$ 39,287	\$ 248	\$ 39,535	To reclassify Secretary salary
2. Employee Benefits (A) Early Intervention	\$ 33,988	\$ (13)		To reclassify Bus Aid benefits
		\$ 24,036	\$ 58,011	To reclassify Early Intervention Supervisor benefits
2. Employee Benefits (D) Unasgn Children	\$ 34,504	\$ 7,247		To reclassify Curriculum Coordinator
		\$ (260)	\$ 41,491	To reclassify Bus Aid benefits
2. Employee Benefits (M) Family Support Services	\$ 20,204	\$ 38	\$ 20,242	To reclassify Secretary benefits
4. Other Expenses (A) Early Intervention	\$ 5,311	\$ 1,848		To reclassify direct service expenses
		\$ (280)	\$ 6,879	To reclassify unsupported expense
4. Other Expenses (D) Unasgn Children Program	\$ 34,486	\$ 1,587		To reclassify direct service expenses
		\$ (8,995)	\$ 27,078	To reclassify capital asset acquisition
4. Other Expenses (L) Community Residential	\$ 71,686	\$ (960)		To reclassify community employment expense
		\$ (800)	\$ 69,926	To reclassify psychology expense
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 280	\$ 280	To reclassify unsupported expense

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Fairfield 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 7-D				
4. Other Expenses (L) Community Residential	\$ -	\$ 800	\$ 800	To reclassify psychology expense
Worksheet 8				
1. Salaries (A) Early Intervention	\$ -	\$ 83	\$ 83	To reclassify Bus Aid salary
1. Salaries (D) Unasgn Children Program	\$ -	\$ 1,953	\$ 1,953	To reclassify Bus Aid salary
1. Salaries (G) Community Employment	\$ 53,872	\$ 10,466	\$ 64,338	To reclassify Lifeworks salary
1. Salaries (O) Non-Federal Reimbursable	\$ 10,466	\$ (10,466)	\$ -	To reclassify Lifeworks salary
2. Employee Benefits (A) Early Intervention	\$ -	\$ 13	\$ 13	To reclassify Bus Aid benefits
2. Employee Benefits (D) Unasgn Children	\$ -	\$ 260	\$ 260	To reclassify Bus Aid benefits
3. Service Contracts (B) Pre-School	\$ 20,362	\$ 105,108		To correct cell total
		\$ (45)	\$ 125,425	To reclassify community employment transportation expense
3. Service Contracts (C) School Age	\$ 196,153	\$ (66,551)		To correct cell total
		\$ (46)	\$ 129,556	To reclassify community employment transportation expense
3. Service Contracts (E) Facility Based Services	\$ 1,588,143	\$ (40,481)		To correct cell total
		\$ (409)		To reclassify community employment transportation expense
		\$ (123,912)	\$ 1,423,341	To reclassify field trip expenses
3. Service Contracts (F) Enclave	\$ -	\$ 373	\$ 373	To reclassify enclave transportation expenses
3. Service Contracts (G) Community Employment	\$ -	\$ 1,493		To reclassify community employment transportation expenses
		\$ 500		To reclassify community employment transportation expense
		\$ 18,808	\$ 20,801	To reclassify transportation expenses
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 873,427	\$ 6,116		To reclassify File Clerk salary
		\$ 852	\$ 880,395	To reclassify File Clerk salary
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 335,321	\$ 927		To reclassify File Clerk benefits
		\$ 132	\$ 336,380	To reclassify File Clerk benefits
4. Other Expenses (N) Service & Support Admin. Costs	\$ 93,847	\$ (39,077)		To reclassify software expenses
		\$ (7,242)	\$ 47,528	To reclassify contingency fees
Worksheet 10				
1. Salaries (G) Community Employment	\$ 105,050	\$ (900)		To reclassify Special Olympics salary
		\$ 53,638	\$ 157,788	To reclassify Pathways salaries
1. Salaries (H) Unasgn Adult Program	\$ 430,512	\$ (73,870)		To reclassify Director of Adult Services' salary
		\$ 900	\$ 357,542	To reclassify Special Olympics salary
2. Employee Benefits (G) Community Employment	\$ 48,518	\$ (142)		To reclassify Special Olympics benefits
		\$ 19,280	\$ 67,656	To reclassify Pathways benefits
2. Employee Benefits (H) Unasgn Adult Program	\$ 200,824	\$ (25,754)		To reclassify Director of Adult Services' benefits
		\$ 142	\$ 175,212	To reclassify Special Olympics benefits
3. Service Contracts (E) Facility Based Services	\$ 396,175	\$ 123,912	\$ 520,087	To reclassify field trip expenses
3. Service Contracts (G) Community Employment	\$ 21,920	\$ (18,808)	\$ 3,112	To reclassify transportation expenses
4. Other Expenses (E) Facility Based Services	\$ 149,097	\$ (1,823)		To reclassify capital asset acquisitions
		\$ 11,962	\$ 159,236	To reclassify field trip expenses
4. Other Expenses (G) Community Employment	\$ 197,559	\$ 37,261		To correct cell total
		\$ (33,436)		To reclassify RSC match payments
		\$ 960		To reclassify community employment expense
		\$ (1,293)		To reclassify unallowable meeting costs
		\$ (53,638)		To reclassify Pathways salaries
		\$ (19,280)	\$ 128,133	To reclassify Pathways benefits
4. Other Expenses (H) Unasgn Adult Program	\$ 80,574	\$ (3,843)		To reclassify unallowable meeting costs
		\$ 35	\$ 76,766	To reclassify direct service expense
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 1,293		To reclassify unallowable meeting costs
		\$ 3,843	\$ 5,136	To reclassify unallowable meeting costs

Appendix A (Page 4)
 Fairfield 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>
a1 Adult				
10. Community Employment (B) Less Revenue	\$ 256,375	\$ (95,018)	\$ 161,357	To correct RSC expense offset
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Purchases Greater Than \$5,000	\$ 460,665	\$ 1,823		To reclassify capital asset acquisitions
		\$ 13,297		To reclassify capital asset acquisitions
		\$ 7,495		To reclassify capital asset acquisition
		\$ 8,995		To reclassify capital asset acquisition
		\$ 7,956	\$ 500,231	To reclassify capital asset acquisitions
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 388,025	\$ (37,261)		To correct cell total
		\$ 42,076	\$ 392,840	To reclassify fees paid to COG
Plus: Cost Report Settlement	\$ -	\$ 30,107	\$ 30,107	To reclassify settlement expense
Plus: Other	\$ -	\$ 33,436	\$ 33,436	To reclassify RSC match payments
Less: Capital Costs	\$ (254,073)	\$ (1,728)		To reconcile off depreciation expense
		\$ (328)		To reconcile off depreciation expense
		\$ 772	\$ (255,357)	To reconcile off gain on disposal
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement Requested	\$ -	\$ 26,164	\$ 26,164	To record ancillary costs
10. Through Calendar Year				

Appendix B
Fairfield 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>
Schedule A						
20. Environmental Accessibility Adaptations And/Or Modifications And Supplies (L) Community Residential	\$ -	\$	7,445	\$	7,445	To reclassify environmental modification
24. Supported Emp. Enclave/Community Equipment Pur And/Or Modification (L) Community Residential	\$ -	\$	417	\$	417	To reclassify supported employment modification
Schedule B-1, Section A						
11. Early Intervention (C) Child	2,238		85		2,323	To reclassify Curriculum Coordinator office
12. Pre-School (C) Child	6,374		85		6,459	To reclassify Curriculum Coordinator office
13. School Age (C) Child	9,157		85		9,242	To reclassify Curriculum Coordinator office
22. Program Supervision (C) Child	750		(85)			To reclassify Curriculum Coordinator office
			(85)			To reclassify Curriculum Coordinator office
			(85)		495	To reclassify Curriculum Coordinator office
Schedule B-1, Section B						
4. 15 Minute Units (C) Supported Emp. - Community Employment	11,093		(4,051)		7,042	To correct 15 minute units
Schedule B-3						
5. Facility Based Services (G) One Way Trips- Fourth Quarter	13,757		(850)		12,907	To remove commercial transportation trips
5. Facility Based Services (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ -	\$	10,593	\$	10,593	To record commercial transportation costs
6. Supported Emp. -Enclave (G) One Way Trips- Fourth Quarter	37		(32)		5	To remove commercial transportation trips
6. Supported Emp. -Enclave (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ 66	\$	336	\$	402	To record commercial transportation costs
7. Supported Emp. -Comm Emp. (G) One Way Trips- Fourth Quarter	657		(471)		186	To remove commercial transportation trips
7. Supported Emp. -Comm Emp. (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ 91,653	\$	5,885	\$	97,538	To record commercial transportation costs
Schedule B-4						
2. Other SSA Allowable Units (D) 4th Quarter	2,271		11		2,282	To reclassify allowable unit errors
5. SSA Unallowable Units (D) 4th Quarter	524		(4)			To remove general time unit errors
			(11)		509	To reclassify allowable unit errors
Worksheet 1						
3. Buildings/Improve (E) Facility Based Services	\$ 42,243	\$	(285)	\$	41,958	To remove depreciation for an asset under the capitalization threshold
5. Movable Equipment (D) Unasgn Children Programs	\$ 3,373	\$	1,619	\$	4,992	To record depreciation for TAP IT mobility
5. Movable Equipment (E) Facility Based Services	\$ 14,645	\$	328	\$	14,973	To record depreciation for Art & Clay settlement
5. Movable Equipment (V) Admin	\$ 3,887	\$	1,728	\$	5,615	To record depreciation for an asset erroneously excluded
5. Movable Equipment (X) Gen Expense All Prgm.	\$ -	\$	1,686	\$	1,686	To record depreciation for snow plow and
Worksheet 2						
3. Service Contracts (X) Gen Expense All Prgm.	\$ -	\$	29,130	\$	29,130	To reclassify software expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ 53,431	\$	1,579	\$	55,010	To reclassify unallowable meeting, general government, etc. expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 234,626	\$	(21,639)			To reclassify MAC fees
		\$	(20,507)			To reclassify fees paid to COG
		\$	(1,579)	\$	190,901	To reclassify unallowable meeting, general government, etc. expenses
10. Unallowable Fees (O) Non-Federal	\$ 157,340	\$	21,639	\$	178,979	To reclassify MAC fees

Appendix B (Page 2)
Fairfield 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 2A				
1. Salaries (D) Unasgn Children Program	\$ 152,724	\$ (46,349)	\$ 106,375	To reclassify Curriculum Coordinator salary
1. Salaries (H) Unasgn Adult Program	\$ -	\$ 103,860	\$ 103,860	To reclassify Director of Adult Services salary
1. Salaries (N) Service & Support Admin	\$ 55,629	\$ (6,169)		To reclassify PR File salary
		\$ (8,022)		To reclassify Discovery Manager salary
		\$ (3,768)		To reclassify File Clerk salary
		\$ (5)	\$ 37,665	To reclassify Secretary salary
2. Employee Benefits (D) Unasgn Children	\$ 49,014	\$ (12,340)	\$ 36,674	To reclassify Curriculum Coordinator
2. Employee Benefits (H) Unasgn Adult Program	\$ -	\$ 24,990	\$ 24,990	To reclassify Director of Adult Services benefits
2. Employee Benefits (N) Service & Support Admin	\$ 52,102	\$ (953)		To reclassify PR File benefits
		\$ (2,655)		To reclassify Discovery Manager benefits
		\$ (582)		To reclassify File Clerk benefits
		\$ (1)	\$ 47,911	To reclassify Secretary benefits
4. Other Expenses (D) Unasgn Children Program	\$ 17,761	\$ (1,434)	\$ 16,327	To reclassify direct service expenses
4. Other Expenses (H) Unasgn Adult Program	\$ 28,209	\$ (9,979)	\$ 18,230	To reclassify field trip expenses
Worksheet 3				
4. Other Expenses (D) Unasgn Children Program	\$ 123,519	\$ (2,044)		To reclassify facility based building service expense
		\$ (2,044)	\$ 119,431	To reclassify administrative building service expense
4. Other Expenses (E) Facility Based Services	\$ -	\$ 2,044	\$ 2,044	To reclassify facility based building service expense
4. Other Expenses (H) Unasgn Adult Program	\$ 176,707	\$ (4,367)	\$ 172,340	To reclassify capital asset acquisitions
4. Other Expenses (N) Service & Support Admin	\$ 31,739	\$ (2,109)	\$ 29,630	To reclassify capital asset acquisitions
4. Other Expenses (V) Admin	\$ 45,725	\$ (346)	\$ 45,379	To reclassify capital asset acquisitions
4. Other Expenses (X) Gen Expense All Prgm.	\$ 5,750	\$ 2,044	\$ 7,794	To reclassify administrative building service expense
Worksheet 4				
4. Other Expenses (E) Facility Based Services	\$ -	\$ 2,316		To reclassify dietary expenses
		\$ 4,800	\$ 7,116	To reclassify facility based dietary expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ 4,800	\$ (4,800)	\$ -	To reclassify facility based dietary expenses
14. No. of Individual Meals Served (E) Facility Based Services	-	640	640	To report meals served
Worksheet 5				
1. Salaries (D) Unasgn Children Program	\$ 114,423	\$ 46,349		To reclassify Curriculum Coordinator salary
		\$ (2,844)	\$ 157,928	To reclassify Bus Aides salary
1. Salaries (M) Family Support Services	\$ 39,493	\$ 5	\$ 39,498	To reclassify Secretary salary
2. Employee Benefits (D) Unasgn Children	\$ 37,277	\$ 12,340		To reclassify Curriculum Coordinator
		\$ (438)	\$ 49,179	To reclassify Bus Aides benefits
2. Employee Benefits (M) Family Support Services	\$ 20,314	\$ 1	\$ 20,315	To reclassify Secretary benefits
3. Service Contracts (L) Community Residential	\$ 134,274	\$ 1,450	\$ 135,724	To correct cell total
4. Other Expenses (B) Pre-School	\$ 15,626	\$ (7,740)	\$ 7,886	To reclassify capital asset acquisition
4. Other Expenses (D) Unasgn Children Program	\$ 39,266	\$ 1,434	\$ 40,700	To reclassify direct service expenses
4. Other Expenses (L) Community Residential	\$ 77,534	\$ (1,450)		To correct cell total
		\$ (7,445)	\$ 68,639	To reclassify environmental modification
Worksheet 7-G				
4. Other Expenses (H) Unasgn Adult Program	\$ -	\$ 10,000	\$ 10,000	To reclassify social work expenses

Appendix B (Page 3)
Fairfield 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 8				
1. Salaries (D) Unasgn Children Program	\$ -	\$ 2,844	\$ 2,844	To reclassify Bus Aide salary
2. Employee Benefits (D) Unasgn Children	\$ -	\$ 438	\$ 438	To reclassify Bus Aide benefits
3. Service Contracts (B) Pre-School	\$ 155,501	\$ (2,007)	\$ 153,494	To correct cell total
3. Service Contracts (C) School Age	\$ 159,207	\$ (2,064)	\$ 157,143	To correct cell total
3. Service Contracts (E) Facility Based Services	\$ 1,215,641	\$ (2,150)		To correct cell total
		\$ 12,339		To reclassify facility based transportation expenses
		\$ 1,144	\$ 1,226,974	To reclassify transportation expenses
3. Service Contracts (F) Enclave	\$ -	\$ 336		To reclassify enclave transportation expenses
		\$ 419	\$ 755	To reclassify enclave transportation expenses
3. Service Contracts (G) Community Employment	\$ -	\$ 5,885		To reclassify community employment transportation expenses
		\$ 10,045		To reclassify community employment transportation expenses
		\$ 18,866	\$ 34,796	To reclassify transportation expenses
3. Service Contracts (H) Unasgn Adult Program	\$ 78,915	\$ (10,464)		To reclassify supported employment transportation expenses
		\$ (12,339)	\$ 56,112	To reclassify facility based transportation expenses
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 891,642	\$ 6,169		To reclassify PR File salary
		\$ 8,022		To reclassify Discovery Manager salary
		\$ 3,768	\$ 909,601	To reclassify File Clerk salary
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 415,998	\$ 953		To reclassify PR File benefits
		\$ 2,655		To reclassify Discovery Manager benefits
		\$ 582	\$ 420,188	To reclassify File Clerk benefits
4. Other Expenses (N) Service & Support Admin. Costs	\$ 80,748	\$ (29,130)	\$ 51,618	To reclassify software expenses
Worksheet 10				
1. Salaries (H) Unasgn Adult Program	\$ 503,357	\$ (103,860)	\$ 399,497	To reclassify Director of Adult Services salary
2. Employee Benefits (H) Unasgn Adult Program	\$ 204,287	\$ (24,990)	\$ 179,297	To reclassify Director of Adult Services benefits
3. Service Contracts (E) Facility Based Services	\$ 369,621	\$ (1,144)	\$ 368,477	To reclassify transportation expenses
3. Service Contracts (G) Community Employment	\$ 69,557	\$ (1,211)		To reclassify unallowable general government expenses
		\$ (18,866)	\$ 49,480	To reclassify transportation expenses
4. Other Expenses (E) Facility Based Services	\$ 136,418	\$ (2,316)		To reclassify dietary expenses
		\$ 9,979		To reclassify field trip expenses
		\$ (2,399)	\$ 141,682	To reclassify capital asset acquisition
4. Other Expenses (G) Community Employment	\$ 12,698	\$ (417)	\$ 12,281	To reclassify supported employment modification
4. Other Expenses (H) Unasgn Adult Program	\$ 91,830	\$ (1,296)		To reclassify unallowable general government expenses
		\$ (10,000)	\$ 80,534	To reclassify social work expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ 403	\$ 1,211		To reclassify unallowable general government expenses
		\$ 1,296	\$ 2,910	To reclassify unallowable general government expenses
a1 Adult				
8. Facility Based (B) Less Revenue	\$ 12,405	\$ (12,405)	\$ -	To correct RSC expense offset
10. Community Employment (B) Less Revenue	\$ 136,286	\$ (81,485)	\$ 54,801	To correct RSC expense offset

Appendix B (Page 4)
Fairfield 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>
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Purchases Greater Than \$5,000	\$ 223,928	\$ 2,399		To reclassify capital asset acquisition
		\$ 4,367		To reclassify capital asset acquisitions
		\$ 2,109		To reclassify capital asset acquisitions
		\$ 7,740		To reclassify capital asset acquisition
		\$ 346	\$ 240,889	To reclassify capital asset acquisitions
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 532,799	\$ 20,507	\$ 553,306	To reclassify fees paid to COG
Less: Capital Costs	\$ (271,210)	\$ (1,728)		To reconcile off depreciation expense
		\$ (1,686)		To reconcile off depreciation expense
		\$ (1,619)		To reconcile off depreciation expense
		\$ (328)		To reconcile off depreciation expense
		\$ 285	\$ (276,286)	To reconcile off depreciation expense
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement Requested	\$ -	\$ 25,887	\$ 25,887	To record ancillary costs
10. Through Calendar Year				

Appendix C

The letter that follows is the County Board's official response to the agreed-upon procedures.



John R. Pekar, Superintendent

Board Members

Dr. Mark Weedy, President
Theresa Nixon, Vice President
Linda Barber, Secretary
Kelly Brick
Bob Competti
Sheila Meyer
Sharon Scruggs

Jeffrey M. Hamilton, CPA
Senior Audit Manager
Auditor of State of Ohio

Dear Jeffrey,

Thank you for the opportunity to respond to the Fairfield County Board of DD audit report for the 2011 and 2012 cost reports.

Statistics – Service and Support Administration (SSA)

We will continue to provide training to SSA staff related to the proper coding of Targeted Case Management units.

Transportation

In 2012 we recognized that in order to have multiple trips they needed to change venues and receive a second distinct service. We discontinued billing for these trips 7/31/12. It is our belief that the issues that were discovered during the audit of 2011 and 2012 have been corrected.

Property, Depreciation, and Asset Verification

A comprehensive checklist has been developed for steps to be completed during cost report preparation. Review of asset disposals (and calculation of gain/loss) has been added to the listing.

Payroll Testing

The county board discontinued this allocation methodology with the filing of the 2013 cost report.

Sincerely,


John R. Pekar, Superintendent

Fairfield County Board of Developmental Disabilities

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Forest Rose School
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DiscoverU
River Valley Mall
1635 River Valley Circle
Lancaster, Ohio 43130
(740) 808-8100



Dave Yost • Auditor of State

FAIRFIELD COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

FAIRFIELD 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
JULY 28, 2015**