



Dave Yost • Auditor of State



**FAIRWAYS REGIONAL COUNCIL OF GOVERNMENTS  
GREENE COUNTY**

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## Independent Accountants' Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief  
Division of Fiscal Administration, Audit Office  
Ohio Department of Developmental Disabilities  
30 East Broad Street, 8<sup>th</sup> Floor  
Columbus Ohio 43215

Dear Ms. Schroeder:

As permitted by Ohio Revised Code Section 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 has 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 Fairways Regional Council of Governments (COG) prepared its *Income and Expenditure Report* (Cost Report) and *County Summary Workbooks*<sup>1</sup> for the year ended December 31, 2014 in accordance with DODD's Guide to Preparing Income and Expenditure Reports for COGs and County Boards of Developmental Disabilities (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 COG'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.

### **Trial Balance and Non-Payroll Expenditures**

1. We compared the COG's disbursements on the General Ledger reports to *Schedule A, Summary of Service Costs-By Program* and worksheets 2 through 5 of the Cost Report and *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks*, to identify variances greater than \$250 for total service contracts, other expenses and COG expenses on any worksheet.

We found differences as reported in Appendix A.

2. We compared total COG non-payroll disbursements on the General Ledger reports to total service contracts, other expenses and COG expenses for worksheets 2 through 5 of the Cost Report, and *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks*, to determine if non-payroll costs were reported within two percent.

We found no differences exceeding two percent on any worksheet.

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<sup>1</sup> Fairways Regional Council of Governments recorded receipts and disbursements on behalf of the county boards of developmental disabilities (County Boards). The COG prepared *County Summary Workbooks* to distribute these receipts and disbursements to each of the following County Boards: Champaign, Greene, and Madison.

### **Trial Balance and Non-Payroll Expenditures (Continued)**

3. We scanned the COG's General Ledger reports, and judgmentally selected 20 non-payroll disbursements from the service contracts, other expenses and COG expense on worksheets 2 through 5 of the COG Cost Report, and *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks*.

We determined if supporting documentation was maintained, the costs were allowable and properly classified according to the Cost Report Guides and 2 CFR 225 and identified any variances not classified as prescribed by the Cost Report Guide or costs which are non-federal reimbursable under 2 CFR 225 Appendix B and over \$250.

We also scanned for any program costs without corresponding statistics that are non-federal reimbursable because they do not demonstrate that the COG or one of the member County Board's programs received a measurable benefit as required under Appendix A, section (C)(3)(a) and the Cost Report Guides.

We reported misclassified and non-federal reimbursable costs in Appendix A. We found no program costs that lacked corresponding statistics.

4. We scanned the COG's General Ledger reports for items purchased during 2014 that met the COG's capitalization criteria and traced them to inclusion on the COG's fixed asset listing.

We found no unrecorded purchases meeting the capitalization criteria. We noted in Property, Depreciation, and Asset Verification Testing that the COG reported no fixed assets.

### **Payroll Testing**

1. DODD asked us to compare the COG's payroll disbursements on the payroll reports to salaries and benefits reported on the Cost Report and the *County Summary Workbooks* to determine if payroll costs were reported within two percent.

We did not perform this procedure as the COG had no payroll costs.

2. DODD asked us to scan the COG's payroll journal and compared classification of employees to entries on the Cost Report and *County Summary Workbooks* to determine if salary and benefit costs were reported in accordance with the Cost Report Guides.

We did not perform this procedure as the COG had no payroll costs.

### **Property, Depreciation, and Asset Verification Testing**

1. DODD asked us to compare all depreciation entries on *Worksheet 1, Capital Costs* to the COG's Depreciation Schedule to report any variances exceeding \$250.

We did not perform this procedure as the COG had no depreciation schedule and reported no fixed assets.

2. DODD asked us to compare the COG's final 2013 Depreciation Schedule and prior year depreciation adjustments to the COG's 2014 Depreciation Schedule 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 to identify any cell variances greater than \$250.

### **Property, Depreciation, and Asset Verification Testing (Continued)**

We did not perform this procedure as the COG had no depreciation schedule and reported no fixed assets.

3. DODD asked us to haphazardly select the lesser of 10 of the COG's fixed assets or 10 percent of items which met the COG's capitalization policy and were being depreciated in their first year in 2014 to determine if their useful lives agreed to the estimated useful lives prescribed in the 2013 AHA Asset Guides. DODD also asked us to recompute 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 to identify any variances.

We did not perform this procedure as the COG had no depreciation schedule and reported no fixed assets. We also scanned the COG's General Ledger report and found no purchases of fixed assets meeting the COG's capitalization threshold.

4. DODD asked us to haphazardly select the lesser of 10 percent or 10 disposed assets in 2014 from the COG's list of disposed assets and determined if the asset was removed from the COG's fixed asset ledger. DODD also asked us to recalculate depreciation and any gain or loss applicable to 2013 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 and identify any variances.

We did not perform this procedure because the COG did not have a disposed asset list. We also scanned the COG's General Ledger report and did not identify any proceeds from the sale or exchange of fixed assets.

### **Medicaid Administrative Claiming Testing**

1. DODD asked us to compare the MAC salary and benefits versus the COG's payroll records to identify and notify DODD's RMTS Coordinator of any variances exceeding one percent. DODD also asked us to compare salaries and benefits entered on the MAC RMTS reports to the COG's payroll records.

We did not perform this procedure test as the COG did not participate in the MAC program.

2. We compared the MAC RMTS reports to lines 1-2 of *Worksheet 4, Medicaid Administrative Claiming*.

We did not perform this procedure as the COG did not participate in the MAC program.

3. We selected 10 RMTS observed moments and 10 percent of any RMTS moments above that amount that were completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the 4th quarter of 2014 in which they documented their time spent on administering Medicaid-funded programs. We determined if supporting documentation of the COG employees' activity for each of the 2014 observed moments tested were maintained and properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2012.

We did not perform this procedure as the COG did not participate in the MAC program.

Fairways COG 2014  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the COG's Cost Report. 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 COG, DODD, the Ohio Department of Medicaid, 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 "D" and "Y".

**Dave Yost**  
Auditor of State

October 6, 2015



Fairways Regional Council of Governments  
2014 Income and Expenditure Report and County Summary Workbook Adjustments

Cost Report Location	Reported Amount	Correction	Corrected Amount	Explanation of Correction
<b>Fairways Regional Council of Governments</b>				
<b>Schedule A</b>				
16. Match Paid To DODD On Behalf Of All County Boards	\$ 281,883	\$ 61,847	\$ 343,730	To reclassify waiver match payment
<b>Champaign County</b>				
<b>Worksheet 5</b>				
15. Direct Costs (L) Community Residential	\$ 110,065	\$ (61,847)		To reclassify waiver match payment
15. Direct Costs (M) Family Support Services	\$ 18,829	\$ (28,652)	\$ 19,566	To remove developmental center costs
		\$ 2,109		To reclassify medical bill assistance payments
		\$ 202		To reclassify speech assistance payments
		\$ 950	\$ 22,090	To reclassify psychology assistance payments
<b>Worksheet 7-A</b>				
17. Physician Services (M) Family Support Services	\$ 2,109	\$ (2,109)	\$ -	To reclassify medical bill assistance payments
<b>Worksheet 7-C</b>				
19. Speech/Audiology (M) Family Support Services	\$ 202	\$ (202)	\$ -	To reclassify speech assistance payments
<b>Worksheet 7-D</b>				
20. Psychology (L) Community Residential	\$ 950	\$ (950)	\$ -	To reclassify psychology assistance payments
<b>Greene County</b>				
<b>Schedule A</b>				
1. Room and Board/Cost to Live (L) Community Residential	\$ 180,625	\$ (174,051)	\$ 6,574	To reclassify housing cost
<b>Worksheet 2</b>				
10. Indirect Costs (L) Community Residential	\$ 445	\$ 67	\$ 512	To allocate financial audit cost
10. Indirect Costs (M) Family Support Services	\$ 10,172	\$ (5,205)		To reclassify unallowable promotional and food items
		\$ (1,886)		To reclassify financial audit cost
		\$ 464	\$ 3,545	To allocate financial audit cost
10. Indirect Costs (O) Non-Federal Reimbursable	\$ 3,784	\$ 5,205		To reclassify unallowable promotional and food items
		\$ 1,355	\$ 10,344	To allocate financial audit cost
<b>Worksheet 5</b>				
15. Direct Costs (L) Community Residential	\$ 225,724	\$ 174,051	\$ 399,775	To reclassify housing cost
15. Direct Costs (M) Family Support Services	\$ 155,254	\$ 150		To reclassify physical therapy assistance payments
		\$ 10,187		To reclassify speech therapy assistance payments
		\$ 1,080		To reclassify occupational therapy assistance payments
		\$ 3,569		To reclassify physical therapy assistance payments
		\$ 31,334	\$ 201,574	To add unreported family assistance costs
<b>Worksheet 7-A</b>				
17. Physician Services (M) Family Support Services	\$ 150	\$ (150)	\$ -	To reclassify physical therapy assistance payments
<b>Worksheet 7-C</b>				
19. Speech/Audiology (M) Family Support Services	\$ 10,187	\$ (10,187)	\$ -	To reclassify speech therapy assistance payments
<b>Worksheet 7-E</b>				
21. Occupational Therapy (M) Family Support Services	\$ 1,080	\$ (1,080)	\$ -	To reclassify occupational therapy assistance payments
<b>Worksheet 7-F</b>				
22. Physical Therapy (M) Family Support Services	\$ 2,568	\$ 1,001		To match general ledger report
		\$ (3,569)	\$ -	To reclassify physical therapy assistance payments
<b>Madison County</b>				
<b>Worksheet 5</b>				
15. Direct Costs (M) Family Support Services	\$ 4,125	\$ 1,234	\$ 5,359	To reclassify physician assistance payments
<b>Worksheet 7-A</b>				
17. Physician Services (M) Family Support Services	\$ 1,234	\$ (1,234)	\$ -	To reclassify physician assistance payments

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# Dave Yost • Auditor of State

**FAIRWAYS DEPARTMENTS OF DEVELOPMENTAL DISABILITIES**

**GREENE 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  
OCTOBER 20, 2015**