



UNION COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

AGREED UPON PROCEDURES

**FOR THE COST REPORTING PERIOD
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
AND
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009**



Dave Yost • Auditor of State

UNION COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief
Office of Audits, 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) HCBS 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 Union County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2008 and 2009 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2008 and 2009 (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 attestation standards established by the American Institute of Certified Public Accountants. 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 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* of the Cost Reports.

We measured three rooms and compared the square footage to the County Board's square footage summary. We also 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 square footage variances for rooms that were measured exceeding 10 percent. We found unreported rented or idle floor space. We reported these variances in Appendix A (2008) and Appendix B (2009).

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

The County Board did not provide a summary of square footage. Therefore, we prepared a summary based on square footage as documented on the floor plans (see step 3 for comparison square footage on summary to cost reports).

3. 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* worksheet.

We compared the auditor prepared summary (based on the County Board's floor plans) to the square footage reported for each cell in *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We found variances exceeding 10 percent as reported in Appendix A (2008) and Appendix B (2009).

4. We obtained the County Board's methodology for allocating square footage between programs and reviewed 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.

The County Board reported approximately the same square footage (within 0.2 percent) on the 2008 and 2009 cost reports. Therefore, we tested the 2008 methodology, and applied the results to both years' cost report. We found that the methodology used was not in accordance with the Cost Report Guides and differences are reported in Appendix A (2008) and Appendix B (2009).

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 2009 cost report included the number of individuals served for *Worksheet 7C, Professional Services Worksheet-Speech/Audiology* under Column E-Facility Based Services and the cost report was allocating General Expense-All program costs when no adults were receiving these services. These statistics were omitted as reported in Appendix B (2009).

2. We compared the County Board's supporting documentation for the hours of service to the typical hours of service reported on *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports and determine if the statistics were reported according to the Cost Report Guides.

We found no differences.

3. DODD requested us to report variances if the County Board's attendance statistics were not within 10 percent of the attendance statistics reported to DODD.

We compared the Union County Attendance by Month All Clients (By Age Group) reports for 2008 and 2009 for the number of individuals served and days of attendance; and the Union Units Provided Detail reports for 15 minute units on *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports 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 variances exceeding 10 percent. We reported these variances in Appendix A (2008) and Appendix B (2009).

4. We determined whether individuals served as summarized in *Schedule B-1, Section B, Attendance Statistics* included both Medicaid and non-Medicaid-eligible individuals as documented on Medicaid Billing System (MBS) and the Medicaid Information Technology System (MITS).

We noted the summary of individuals served included both Medicaid and non-Medicaid eligible individuals.

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

We haphazardly selected 15 individual names from the County Board's attendance sheets for 2008 and 15 for 2009 and compared the individuals by name to the compiled listing of individuals served by program documentation which rolls up to *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports.

We found no differences.

6. 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 Guide.

We haphazardly selected 15 units for 2008 and 15 units from 2009 from the Union Units Provided Detail and determined if the units were calculated in accordance with the Cost Report guide.

We found differences as reported in Appendix A (2008). We found no differences in 2009.

Statistics – Transportation

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

We compared the number of one-way trips from the County Board's Union County Board of MR/DD Transportation by Age Group and Union County Board MR/DD Print Consumers Name Given transportation supplied by the Billing Connection with those statistics as reported in *Schedule B-3, Quarterly Summary of Transportation Statistics* of the Cost Reports.

We found differences as reported in Appendix A (2008) and Appendix B (2009).

However, we also noted that transportation statistics for ages 3-5 for 3rd and 4th quarters of 2008 and for 2009 as well as for the community employment program for both years were not documented on *Schedule B-3, Quarterly Summary of Transportation Statistics* of the Cost Reports. Management could not provide supporting documentation compiling the number of these trips nor did they provide a methodology for estimating these trips when requested.

At the request of DODD, we estimated the number of children's trips using the Union County Board MR/DD Print Consumers Name Given transportation supplied by the Billing Connection for the 1st and 2nd quarter of 2008 of 5,741 trips for an estimated total of 11,482 for 2008 for the 71 children reported on *Schedule B-1, Section B, Attendance Statistics* of the cost report for an average of 162 trips per child for 2008. We calculated 2009 using 2008 total trips of 11,482 and adjusted it down to 10,672 trips based on 66 children reported on *Schedule B-1, Section B, Attendance Statistics* in 2009 using the average of 162 trips per child from 2008.

The estimated statistics are reported in Appendix A (2008) and Appendix B (2009). We caution users of this information on the reliability of the estimated units.

At the request of DODD, we also estimated the number of community employment trips for 2008 and 2009 already included as on Line 5-Facility Based Services on *Schedule B-3, Quarterly Summary of Transportation Statistics* of the Cost Reports by identifying those individuals having community employment 15 minute units on the Union Units Provided detail reports and reclassifying trips based on the Union County Board MR/DD Transportation by Name report. For consumers receiving facility based services and community employment services, we reclassified half of the individual trips to facility based services and half to community employment services. For individuals receiving only community employment services, we reclassified all their trips to community employment. Total reclassified trips to community employment in 2008 were 3,066 and 6,923 in 2009.

The estimated statistics are reported in Appendix A (2008) and Appendix B (2009). We caution users of this information on the reliability of the estimated units.

We recommended the County Board maintain the required documentation for services as required by the Cost Report Guide in section Schedule B-3, Quarterly Summary of Transportation Services which states in pertinent part, "This worksheet requires statistical information for children and adult programs. Transportation records indicating trips to and from the county mrdd board programs must be maintained for each person transported and must be maintained by each county mrdd board" and the Audit and Records Retention Requirements section, which states, "Expenditure and Income Reports are subject to audit by DODD, ODJFS and CMS at their discretion. Records, documentation, and supplemental worksheets used to prepare the report must be kept on file for a period of seven years from the date of receipt of payment from all sources, or for six years following completion and adjudication of any state or federal initiated audit, whichever period of time is longer."

2. We compared the cost of bus tokens/cabs from the County Board's State Expenses Detailed Reports to the amount reported in Schedule B-3 of the Cost Reports.

We found differences as listed in Appendix A (2008) and Appendix B (2009).

3. DODD requested us to report variances exceeding two percent in the total trips taken for 30 individuals tested. We haphazardly selected 15 individual names from the County Board's attendance sheets for 2008 and for 2009 and compared the individuals by name to the compiled listing of individuals transported to determine whether the compiled listing is complete.

We found no differences.

4. We determined whether the sample of individuals selected in Step 3 included both Medicaid and non-Medicaid-eligible individuals as documented on Medicaid Billing System (MBS) and the Medicaid Information Technology System (MITS).

We noted the sample of individuals selected included both Medicaid and non-Medicaid eligible individuals.

5. DODD requested us to report variances of more than 10 percent of the total trips taken for two individuals for 2008 and 2009, between the County Board's internal documentation versus the amount reported to DODD in *Schedule B-3, Quarterly Summary of Transportation Services*.

We traced the number of trips for one individual for 2008 and 2009 from the County Board's daily reporting documentation to *Schedule B-3, Quarterly Summary of Transportation Services*. We were unable to select a sample of children's trips for 2008 and 2009. The County Board did not provide a summary listing the number of children's trips provided for each individual in 2008 and 2009 or children's transportation route sheets (see recommendation in Procedure 1 above).

We found no differences in 2009 for adult trips. We reported differences in Appendix A (2008) for adult trips.

Statistics – Service and Support Administration (SSA)

1. DODD requested us to report variances if the 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* to DODD.

We compared the number of SSA units (Targeted Case Management (TCM), Other SSA Allowable, and SSA Unallowable) from the County Board's TCM Units reports with those statistics reported in *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*. We also footed the County Board's TCM Units reports for accuracy.

We found differences as reported in Appendix A (2008) and Appendix B (2009).

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

We haphazardly selected two samples of 72 units for Other Allowable and 74 units for Unallowable SSA services across 2008 and 2009 from CY 2008 and 2009 Unit Entry by Date Span 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 required by Ohio Admin. Code 5101:3-48-01 (F). We also determined if the 72 units for Other Allowable SSA services were provided to individuals that were not Medicaid eligible at the time of service delivery per MITS.

We found no instances of noncompliance or improper classification of units.

3. 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 final cost report.

We compared the final 2007 SSA units to the final adjusted 2008 SSA units and compared the final adjusted 2008 SSA units to the final adjusted 2009 SSA units.

The Unallowable SSA reported units decreased by more than five percent from the prior year's *Schedule B-4* and we obtained the County Board's explanation that additional training was provided to ensure that staff accurately documented the services provided. We reported no variances in Appendix A (2008) and Appendix B (2009).

4. DODD requested us to perform a review to determine compliance with Ohio Admin. Code § 5101-3-48-01(G)(12) which states "A CBMRDD shall not submit claims in excess of twenty-six units per day per service and support administrator (SSA) unless the service(s) associated with such claims is considered medically necessary..." Using Medicaid claims data, we identified the number of individuals and unique dates of service on which 27 or more TCM units were paid through the Medicaid program. We examined the results looking for trends and patterns indicating potential overbilling practices.

We found no indication of trend or pattern indicating potential overbilling.

Revenue Reconciliation to the County Auditor Report

1. We compared the receipt totals from the 12/31/2008 and 12/31/2009 County Auditor's County Fund Reports for 430 MRDD Capital, 352 MRDD, 353 School Lunch MRDD, 354 MRDD Title IV-B, and 325 Preschool Grant MRDD funds to the County Auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences.

2. We compared the account description and amount for each revenue reconciling item on the *County Auditor Reconciliation Worksheet* to the West Central Ohio Network Council of Government (Westcon) summary workbooks.

We found differences as listed in Appendix A (2008) and Appendix B (2009).

3. DODD asked us to determine whether total County Board receipts reported in the *County Auditor Reconciliation Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total receipts for these funds.

Total county board receipts from were within 1/4 percent of the county auditor yearly receipt totals reported for these funds.

4. We compared revenue entries on *Schedule C, Income Report* to the West Cental Ohio Network Council of Government (Westcon) prepared Union County Board Summary Workbook.

We found differences as reported in Appendix A (2008) and Appendix B (2009).

Revenue Cost Report Testing

1. We reviewed the County Board's State Account Code Summary Reports for 2008 and 2009 and *Schedule C, Income Report* to determine whether revenues are maintained separately to offset corresponding expenses via the use of specific expenditure cost 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):

- Refunds in the amount of \$5,960 in 2008 and \$1,765 in 2009.
- Other income and miscellaneous reimbursements in the amount of \$77,696 in 2008 and \$27,116 in 2009.
- IDEA Early Childhood Special Education and Title V revenues in the amount of \$25,492 in 2008 and \$20,105 in 2009.
- Title XX revenues in the amount of \$37,748 in 2008 and \$38,978 in 2009.
- Ohio Rehabilitation Services Commission revenues in amount of \$44,934 in 2008 and \$74,700 in 2009.
- Reimbursement for Transition Coordination/Case Management Services of \$3,570 in 2009.

Paid Claims Testing

1. We selected 50 paid claims among all service codes from 2008 and 2009 from the Medicaid Billing System (MBS) data and determined if the claims met the following service documentation requirements of Ohio Admin. Code §§ 5123:2-9-05 and 5101:3-48-01(F):

- 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 (for homemaker/personal care, type must include if routine, on-site/on-call, or level one emergency);
- Number of units of the delivered service or continuous amount of interrupted time during which the service was provided; 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.

We found instances of non-compliance with these documentation requirements in the Recoverable Findings Schedule below.

Recoverable Finding - 2009

Finding \$13.70

The Auditor of State determined the County Board was over reimbursed for 1 unit of Non-Medical Transportation-One-Way Trip-Eligible Vehicle (FTB) service totaling \$13.70 in which no supporting documentation was provided.

Service Code	Units	Review Result	FFP ₁ Amount	eFMAP ₂ Amount	Total
FTB	1	Lack of supporting documentation for one-way trip	\$12.12	\$1.58	\$13.70

¹ Note: Federal Financial Participation Portion (FFP)

² Enhanced Federal Medicaid Assistance Percentage (eFMAP)

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 reimbursed 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 instances where the Medicaid reimbursed units was greater than units reported.

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

We compared the amounts reported on *Schedule A, Summary of Service Costs-By Program*, Lines (20) to (27) for Community Residential to the amount reimbursed for these services in 2008 and 2009 on the MBS Summary by Service Code report.

We found no differences.

Expenditure Reconciliation to the County Auditor Report

1. We compared the disbursement totals from the 12/31/2008 and 12/31/2009 County Auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the County Auditor's Fund Report balances for 430 MRDD Capital, 352 MRDD, 353 School Lunch MRDD, 354 MRDD Title IV-B, and 325 Preschool Grant MRDD 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.

Total county board disbursements from were within 1/4 percent of the county auditor yearly disbursement totals reported for these funds.

3. We compared all expenditure entries on Worksheets 2 through 10 to the County Board's State Expenses Summary Reports and the Westcon prepared Union County Board Summary Workbooks.

We found differences as reported in Appendix A (2008) and Appendix (B) 2009.

4. We scanned the County Board's State Expenses Detailed Reports 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 (2008) and Appendix B (2009) for misclassified and non-federal reimbursable costs.

5. We also compared the account description and amount for each reconciling item on the *Reconciliation to County Auditor Worksheets* County Auditor Reconciliation Worksheet to the County Board's State Expenses Detailed Reports and other supporting documentation.

We found differences as listed in Appendix A (2008) and Appendix B (2009).

Property, Depreciation, and Asset Verification Testing

1. We compared the County Board's written 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 noted the following inconsistency with the County Board's capitalization practices and the guidelines listed above:

The County Board's current capitalization level was communicated as \$500, but review of the County Board's depreciation schedule shows the County Board implemented a capitalization level of \$5,000 on *Worksheet 1, Capital Costs* of the Cost Report. The County Board clarified that the \$500 was used for tagging assets for insurance purposes. Furthermore, Union County utilizes a capitalization threshold of \$2,000 for preparation of its financial statements.

We recommended the County Board use a capitalization threshold for completion of the cost report in accordance with 2 CFR 225, Appendix B, Section 15(a)(2) which states, "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5000."

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

We found no differences.

3. We scanned the County Board's State Expenses Detailed for items purchased during 2008 and 2009 that met the County Board's capitalization criteria and traced them to the County Board's Depreciation Schedule.

We reported differences for purchases that were not properly classified as reported in Appendix A (2008) and Appendix B (2009).

4. We scanned the County Board's Depreciation Schedule for 2008 and 2009 for depreciation taken on the same asset more than once, assets that have been fully depreciated, 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 as reported in Appendix A (2008) and Appendix B (2009).

5. We compared the County Board's final 2007 Depreciation Schedules to the County Board's 2008 and 2009 Depreciation Schedules for changes in the depreciation amounts for assets which were not in compliance with the Cost Report Guides.

We found no differences.

6. We haphazardly selected five assets from the County Board's Depreciation Schedule and traced these assets to their physical location.

We were able to trace all five assets to their physical location.

7. We haphazardly selected the lesser of 10 of the County Board's fixed assets or 10 percent of items which met the County Board's capitalization level for financial statement purposes and purchased in either 2008 or 2009 to determine if their useful life agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guides. We also recomputed the first year's depreciation for these assets, based on their cost, acquisition date and period of useful life to determine compliance with the Cost Report Guides and AHA Asset Guides.

We found differences for purchases in 2008 and 2009 that were not properly capitalized. We reported differences for 2008 purchases to record their first year's depreciation in Appendix B (2009). However, we did not determine if 2009 purchases were properly capitalized and expensed in 2010.

8. We haphazardly selected the lesser of five percent or 20 disposed assets from 2008 and 2009 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger.

No capital assets were identified as being disposed of in 2008 and 2009.

Payroll Testing

1. DODD asked us to determine whether total County Board salaries and benefits in the 2008 and 2009 cost reports were within two percent of the county auditor's report totals for the County Board's 352 MRDD fund.

We totaled salaries and benefits from Worksheets 2-10 from the 2008 and 2009 cost reports and compared the yearly totals to the county auditor's Appropriation History Reports.

The variance was less than two percent.

2. We selected 23 employees and compared the County Board's payroll journal, job descriptions and organizational chart to the worksheet in which each employee's salary and benefit costs were allocated to ensure the allocation is consistent with the Cost Report Guides. DODD asked us to report differences greater than three percent of the total wage and benefit of each worksheet affected.

We found differences as reported in Appendix A (2008) and Appendix B (2009).

3. We scanned the County Board's State Expenses Detailed Reports for 2008 and 2009 and compared 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.

We found differences as reported in Appendix B (2009).

4. DODD asked us to determine an expectation for changes in salary and benefit costs between 2008 and 2009 and to determine whether audited salary and benefit costs were within two percent of this established expectation on worksheets 2 through 10.

We found variances in salary and benefit costs exceeded two percent of expectation on worksheets 2A, 5, 6, 7C, 7E and 7F. We obtained the County Board's explanation that variances were due to staffing changes. We reported no variances in Appendix A (2008) and Appendix B (2009).

Non-Payroll Disbursement Testing

1. We haphazardly selected 40 disbursements from 2008 and 2009 from the County Board's State Expenses Detailed report and 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 differences as reported in Appendix A (2008) and Appendix B (2009) for misclassified and non-federal reimbursable costs.

In 2008, these differences included a lease payment to the not-for-profit corporation, U-CO Industries, Inc., in the amount of \$468,168. This payment was one of two payments totaling \$936,336 during the year towards a 10 year lease of a facility used by the Union CBDD.

The Cost Report Guide in section on *Basis of Accounting* states, "Expenditures and revenue must be reported on a cash basis by the county mrdd board from January 1 through December 31."

In the section on *Allowable and Reasonable Costs* the Cost Report Guide also states, "In order to be allowable costs, costs must meet the criteria of 2 CFR 225 (herein referred to as OMB Circular A-87); and the Provider Reimbursement Manual, CMS Publication 15-1. The most significant section of the allowable cost requirement is the "reasonable cost" criteria. In order to be considered reasonable, costs shall not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The reasonableness criteria are particularly important when the governmental entity is predominately federally funded.

In determining reasonableness of a given cost, OMB Circular A-87 states that consideration must be given to:

- whether the cost is of a type generally recognized as ordinary and necessary for the operation in performance of the function for which the cost was incurred.
- the restraints or requirements imposed by such factors as sound business practices; arms length transactions; Federal, State, and other laws and regulations; and terms and conditions of the Federal award or entitlement.
- **market prices for comparable goods or services.**
- whether the individuals concerned **acted with prudence** in the circumstances considering their responsibilities to the county board mrdd, its employees, the **public at large**, and the **Federal Government**.
- significant deviations from the established practices of the county mrdd board which may unjustifiably increase the Federal awards' cost."

Additionally, 2 CFR Part 225 App B. Section 37.c indicates rental costs under "less-than-arm's-length" leases are allowable only up to the amount (as explained in section 37.b of the appendix) that would be allowable had title to the property vested with the County Board of DD. For this purpose, a less-than-arm's-length lease is one under which one party to the lease agreement is able to control or substantially influence the actions of the other.

U-Co Industries, Inc. is a legally separate, not-for-profit corporation, served by a board of trustees appointed by the Union CBDD. The Industries, under a contractual agreement with the Union CBDD, provides sheltered employment for mentally retarded or handicapped adults in Union County. The Union CBDD provides the Industries with staff to administer and supervise training programs, facilities, transportation, supplies, equipment and other funds as necessary for operation of the Industries. Based on the significant services and resources provided by the County Board to the Industries, the Industries is presented separately as a component unit of Union County.

The Union CBDD leases a facility from U-CO Industries, Inc. Since U-CO Industries, Inc. is a component unit of the Union CBDD, this lease agreement appears to constitute a "less-than-arm's-length" agreement and is therefore subject to the limitations of 2 CFR Part 225, App. B Section 37.c.

During 2008, a total of \$936,336 was paid to U-CO Industries, Inc. for a 10 year lease of the facility. Maintenance and insurance are paid directly by U-CO Industries, Inc. and are therefore not included as part of the rent. We contacted the Union County Chamber of Commerce and obtained commercial square footage cost per year data for the years 2008-2012 for the area where the facility leased by the Union CBDD is located. The unallowable cost in excess of market price for comparable goods is shown in the schedule below:

Average Market Cost per Square Foot	\$12.66/sq ft
Leased space by Union CBDD	<u>7,657 sq ft</u>
Total Allowable Rental Cost per year	\$96,938

Total paid by Union CBDD for 10 year term \$936,336

Unallowable rental costs in 2008 \$839,398

We discussed the issue with representatives from DODD, who recommended that the Union CBDD charge the rental cost of approximately \$93,634 each year over the 10 year lease period.

We reported \$842,736 as a reconciling item on the Reconciliation to County Auditor Worksheet in 2008 and \$93,634 as allowable rental costs in 2008 and 2009 as reported in Appendix A (2008) and Appendix B (2009).

Medicaid Administrative Claiming

1. DODD asked us to contact its Office of Audits to report differences between the MAC salary and benefits versus the County Board's payroll records exceeding one percent.

We compared the salaries and benefits entered on the Individual MAC Costs by Code Reports to the County Board's State Expenses Detailed Reports.
We found no differences exceeding one percent.

2. We compared the original Individual MAC Costs by Code Reports to Worksheet 6, columns (I) and (O) for both years.

We reported differences in Appendix A (2008) and Appendix B (2009).

3. We compared Ancillary Costs on the Rollup Report for the Ohio Department of Job and Family Services to Lines 6-10 of the *MAC Reconciliation worksheet*.

We reported differences in Appendix A (2008) and Appendix B (2009).

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.

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This report is intended solely for the use of the managements of the County Board, DODD, the Ohio Department of Job and Family Services, 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.

Sincerely,

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

March 26, 2012

cc: Kim Miller, Superintendent, Union County Board of Developmental Disabilities
Cheryl Gugel, Business Manager, Union County Board of Developmental Disabilities
Pam Klaus, Board President, Union County Board of Developmental Disabilities

Appendix A
Union County Board of Developmental Disabilities
2008 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule A				
19. Room and Board/Cost to Live (L) Community Residential	\$ 50,000	\$ 12,742	\$ 62,742	To correct Schedule A costs
25. Other Waiver Services (L) Community Residential	\$ 1,467	\$ (1,467)	\$ -	To correct Schedule A costs
Schedule B-1, Section A				
1. Building Services (C) Child	620	(452)	168	
2. Dietary Services (C) Child	1,520	(876)	644	
4. Nursing Services (B) Adult	900	(900)	-	
4. Nursing Services (C) Child	150	74	224	
6. Psychology (C) Child	140	(28)	112	
7. Occupational Therapy (B) Adult	264	(264)	-	
7. Occupational Therapy (C) Child	389	59	448	
8. Physical Therapy (B) Adult	264	(264)	-	
8. Physical Therapy (C) Child	389	59	448	
11. 0-2 Age Children (C) Child	3,198	(2,450)	748	To correct square footage
12. 3-5 Age Children (C) Child	3,756	4,268	8,024	
14. Facility Based Services (B) Adult	12,860	(12,860)	-	
16. Supported Emp. -Comm Emp. (B) Adult	2,784	(2,784)	-	
17. Medicaid Administration (A) MAC	-	12	12	
21. Service And Support Admin (D) General	3,570	(3,570)	-	
22. Program Supervision (B) Adult	1,192	(1,192)	-	
22. Program Supervision (C) Child	958	(374)	584	
23. Administration (D) General	1,365	652	2,017	
25. Non-Reimbursable (D) General	-	748	748	
Schedule B-1, Section B				
1. Total Individuals Served By Program (A) Facility Based Services	88	(22)	66	To correct reclassify individuals served
1. Total Individuals Served By Program (C) Supported Emp. -Community Employment	-	22	22	To correct individuals served
2. Days Of Attendance (A) Facility Based Services	12,541	(1,531)	11,010	To correct days of attendance
4. 15 Minute Units (C) Supported Emp. -Community Employment	5,642	8	5,650	To correct 15-minute units
Schedule B-3				
2. Children 3-5 (G) One Way Trips- Fourth Quarter	-	11,482	11,482	To record one-way trips
5. Facility Based Services (G) One Way Trips- Fourth Quarter	4,023	2,049	6,072	To correct one-way trips
		(8)	6,064	To correct one-way trips
7. Supported Emp. -Comm Emp. (G) One Way Trips- Fourth Quarter	-	3,066	3,066	To record one-way trips
7. Supported Emp. -Comm Emp. (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ -	\$ 3,731	\$ 3,731	To record transportation expenses
Schedule B-4				
1. TCM Units (D) 4th Quarter	4,102	(2,204)	1,898	
1. TCM Units (E) COG Activity	-	-	1,350	
2. Other SSA Allowable Units (D) 4th Quarter	1,032	1,816	2,848	
2. Other SSA Allowable Units (E) COG Activity	-	30	30	To correct SSA units
5. SSA Unallowable Units (B) 2nd Quarter	477	(272)	205	
5. SSA Unallowable Units (C) 3rd Quarter	237	(237)	-	
5. SSA Unallowable Units (D) 4th Quarter	23	(23)	-	
5. SSA Unallowable Units (E) COG Activity	-	73	73	
Schedule C				
II. Department of MR/DD				
(G) Waiver Administration- Subsidy- COG Revenue	\$ -	\$ 5,041	\$ 5,041	To adjust to audited COG amounts
Worksheet 1				
3. Buildings/Improve (D) Unasn Children Programs	\$ 34,452	\$ 5,530	\$ 39,982	To record depreciation expense
3. Buildings/Improve (E) Facility Based Services	\$ 13,239	\$ 1,827	\$ 15,066	To record depreciation expense
3. Buildings/Improve (X) Gen Expense All Prgm.	\$ 10,335	\$ 29,198	\$ 39,533	To record depreciation expense
4. Fixtures (E) Facility Based Services	\$ 225	\$ 1,897	\$ 2,122	To record depreciation expense
4. Fixtures (X) Gen Expense All Prgm.	\$ 48	\$ 1,574	\$ 1,622	To record depreciation expense for 2007 acquisition
8. COG Expenses (L) Community Residential	\$ 236	\$ 1,448	\$ 3,070	To record depreciation expense
8. COG Expenses (M) Family Support Services	\$ 62	\$ 576	\$ 638	To adjust to audited COG amounts
8. COG Expenses (N) Service & Support Admin	\$ 23	\$ 26	\$ 49	To adjust to audited COG amounts
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 347,825	\$ (34,974)	\$ 312,851	To reclassify MAC salary expenses
		\$ (17,881)	\$ 294,970	To reclassify MUI salary expenses
		\$ (43,510)	\$ 251,460	To reclassify MAC salary expenses
		\$ 28,261	\$ 279,721	To reclassify payout for leave expense to WK 2
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 162,989	\$ (11,045)	\$ 151,944	To reclassify MAC benefit expenses
		\$ (5,647)	\$ 146,297	To reclassify MUI benefit expenses
		\$ (20,144)	\$ 126,153	To reclassify MAC benefit expenses
3. Service Contracts (X) Gen Expense All Prgm.	\$ 277,507	\$ (2,363)	\$ 275,144	To reclassify adult service director expense
		\$ (31,195)	\$ 243,949	To reclassify non-federal public relations and contingent billing costs
		\$ (13,208)	\$ 230,741	To reclassify payment to COG to reconciliation
		\$ (16,430)	\$ 214,311	To reclassify adult community employment expense
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 31,195	\$ 31,195	To reclassify non-federal expenses public relations and contingent billing costs
		\$ 5,112	\$ 26,083	To reclassify non-federal expenses public relations
		\$ 104	\$ 25,979	To reclassify non-federal expenses staff appreciation
		\$ 3,073	\$ 22,906	To reclassify non-federal expenses workers compensation reimbursement (refund of receipt)
4. Other Expenses (X) Gen Expense All Prgm.	\$ 129,971	\$ 2,253	\$ 132,224	To reclassify non-federal expenses public relations
		\$ 745	\$ 131,479	To reclassify equipment expenses
		\$ (2,253)	\$ 129,226	To reclassify non-federal expenses public relations
		\$ (5,112)	\$ 124,114	To reclassify non-federal expenses public relations
		\$ (35,385)	\$ 88,729	To reclassify TCM Match expenses
5. COG Expenses (L) Community Residential	\$ 9,101	\$ 3,949	\$ 13,050	To adjust to audited COG amounts
5. COG Expense (M) Family Support Services	\$ 2,389	\$ (320)	\$ 2,069	To adjust to audited COG amounts
5. COG Expense (N) Service & Support Admin	\$ 903	\$ (121)	\$ 782	To adjust to audited COG amounts
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ 19,563	\$ 133,928	\$ 153,491	To record county auditor/treasurer fees

Appendix A
Union County Board of Developmental Disabilities
2008 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 383,850	\$ (55,306)		To reclassify Shipping and Receiving Coordinator salary expenses
		\$ (47,970)		To reclassify Production Manager salary expenses
		\$ (28,261)	\$ 252,313	To reclassify payout for leave expense to WK 2
1. Salaries (I) Medicaid Admin	\$ 96,772	\$ (31,214)		To reclassify MAC salary expenses
		\$ (39,634)	\$ 25,924	To reclassify MAC salary expenses
1. Salaries (N) Service & Support Admin	\$ 96,466	\$ (37,594)	\$ 58,872	To reclassify MAC salary expenses
2. Employee Benefits (E) Facility Based Services	\$ 152,566	\$ 630		To reclassify retirement expense
		\$ (12,631)		To reclassify Shipping and Receiving benefits expenses
		\$ (24,120)	\$ 116,445	To reclassify Production Manager benefits expenses
2. Employee Benefits (I) Medicaid Admin	\$ 7,106	\$ (5,821)	\$ 1,285	To reclassify MAC benefits expenses
2. Employee Benefits (N) Service & Support Admin	\$ 32,795	\$ (17,691)		To reclassify MAC benefits expenses
		\$ (10,678)	\$ 4,426	To reclassify MAC benefits expenses
3. Service Contracts (E) Facility Based Services	\$ 33,432	\$ 2,363		To reclassify adult service director expenses
		\$ 1,358		To reclassify prepaid lease expense
		\$ 1,358	\$ 38,511	To reclassify prepaid lease expense
3. Service Contracts (N) Service & Support Admin	\$ 5,550	\$ 609		To reclassify prepaid lease expense
		\$ 609	\$ 6,768	To reclassify prepaid lease expense
4. Other Expenses (D) Unasn Children Program	\$ 6,438	\$ (104)	\$ 6,334	To reclassify non-federal expenses staff appreciation
4. Other Expenses (E) Facility Based Services	\$ 4,603	\$ (630)	\$ 3,973	To reclassify retirement expenses
Worksheet 3				
5. COG Expenses (L) Community Residential	\$ 1,295	\$ 562	\$ 1,857	To adjust to audited COG amounts
5. COG Expenses (M) Family Support Services	\$ 340	\$ (45)	\$ 295	To adjust to audited COG amounts
5. COG Expenses (N) Service & Support Admin	\$ 129	\$ (18)	\$ 111	To adjust to audited COG amounts
Worksheet 5				
1. Salaries (O) Non-Federal Reimbursable	\$ 45,801	\$ 17,881		To reclassify MUI salary expenses
		\$ (26,674)	\$ 37,008	To reclassify MAC salary expenses
2. Employee Benefits (O) Non-Federal Reimbursable	\$ 4,390	\$ 5,647	\$ 10,037	To reclassify MUI benefits expenses
3. Service Contracts (L) Community Residential	\$ 500,000	\$ 293,450		To re-classify non-profit housing expenses.
		\$ (500,000)	\$ 293,450	To reclassify payment to COG expense
3. Service Contracts (M) Family Support Services	\$ 15,000	\$ (15,000)	\$ -	To reclassify payment to COG expense
4. Other Expenses (B) Ages (3-5)	\$ 8,464	\$ (900)	\$ 7,564	To reclassify transfer expense
5. COG Expenses (L) Community Residential	\$ 211,742	\$ 138,725	\$ 350,467	To adjust to audited COG amounts
Worksheet 6				
1. Salaries (I) Medicaid Admin	\$ -	\$ 154,222	\$ 154,222	To reclassify MAC expenses
1. Salaries (O) Non-Federal Reimbursable		\$ 124,756	\$ 124,756	To reclassify MAC expenses
Worksheet 7-B				
3. Service Contracts (E) Facility Based Services	\$ -	\$ 3,460		To reclassify prepaid lease
		\$ 3,460	\$ 6,920	To reclassify prepaid lease
4. Other Expenses (E) Facility Based Services	\$ -	\$ 576	\$ 576	To reclassify nursing expenses
Worksheet 7-E				
3. Service Contracts (E) Facility Based Services	\$ 16,702	\$ 954		To reclassify prepaid lease
		\$ 954	\$ 18,610	To reclassify prepaid lease
Worksheet 7-F				
3. Service Contracts (E) Facility Based Services	\$ 5,630	\$ 954		To reclassify prepaid lease
		\$ 954	\$ 7,538	To reclassify prepaid lease
Worksheet 8				
4. Other Expenses (G) Community Employment	\$ -	\$ 1,500	\$ 1,500	To reclassify transportation expenses
Worksheet 9				
3. Service Contracts (N) Service & Support Admin. Costs	\$ 25,939	\$ 12,449		To reclassify prepaid lease
		\$ 12,449	\$ 50,837	To reclassify prepaid lease
4. Other Expenses (N) Service & Support Admin. Costs	\$ 22,953	\$ 34,395		To reclassify SSA equipment expenses.
		\$ (839)	\$ 56,509	To reclassify TCM match to reconciliation
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 463,776	\$ 55,306		To reclassify Shipping and Receiving Coordinator salary expenses
		\$ 47,971	\$ 567,053	To reclassify Production Manager salary expenses
2. Employee Benefits (E) Facility Based Services	\$ 164,853	\$ 12,631		To reclassify Shipping and Receiving Coordinator benefits expenses
		\$ 24,120	\$ 201,604	To reclassify Production Manager benefits expenses
3. Service Contracts (E) Facility Based Services	\$ 468,774	\$ (421,368)		To reclassify prepaid lease
		\$ (17,655)		To reclassify prepaid lease
		\$ 9,363		To reclassify prepaid lease
		\$ (12,449)		To reclassify prepaid lease
		\$ (954)		To reclassify prepaid lease
		\$ (954)		To reclassify prepaid lease
		\$ (3,460)		To reclassify prepaid lease
		\$ (609)		To reclassify prepaid lease
		\$ (1,358)	\$ 19,330	To reclassify prepaid lease
3. Service Contracts (G) Community Employment	\$ 610,220	\$ (421,368)		To reclassify prepaid lease
		\$ (9,363)		To reclassify prepaid lease
		\$ 17,655		To reclassify prepaid lease
		\$ (12,449)		To reclassify prepaid lease
		\$ (954)		To reclassify prepaid lease
		\$ (954)		To reclassify prepaid lease
		\$ (3,460)		To reclassify prepaid lease
		\$ (609)		To reclassify prepaid lease
		\$ (1,358)		To reclassify prepaid lease
		\$ 16,430	\$ 193,790	To reclassify community employment expenditures
4. Other Expenses (E) Facility Based Services	\$ 15,580	\$ (576)		To reclassify nursing expense
		\$ (3,073)	\$ 11,931	To reclassify non-federal expenses workers compensation (refund of receipt)
4. Other Expenses (G) Community Employment	\$ 30,961	\$ 21,829		To reclassify community employment equipment expenses
		\$ (5,817)		To reclassify non-federal expenses
		\$ (1,500)	\$ 45,473	To reclassify transportation expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 5,817	\$ 5,817	To reclassify non-federal expenses

Appendix A
 Union County Board of Developmental Disabilities
 2008 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Real Estate Fees	\$ -	\$ (133,928)	\$ (133,928)	To record county auditor/treasurer fees
Plus: Transfers Out-General	\$ -	\$ 900	\$ 900	To reclassify transfer expense
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$ 13,208	\$ 13,208	To reclassify payment to COG expense
	\$	\$ 500,000	\$ 500,000	To reclassify payment to COG expense
	\$	\$ 15,000	\$ 15,000	To reclassify payment to COG expense
Plus: Match Paid To ODMRDD For TCM	\$ -	\$ 35,385	\$ 35,385	To reclassify TCM match
	\$	\$ 839	\$ 839	To reclassify TCM match
	\$	\$ 36,298	\$ 36,298	To reclassify TCM match
Plus: (no heading listed)	\$ 391,494	\$ (293,450)	\$ 98,044	To reclassify non-profit housing expenses.
	\$	\$ (745)	\$ (745)	To reclassify equipment expenses
	\$	\$ (21,829)	\$ (21,829)	To reclassify community employment equipment expenses
	\$	\$ (34,395)	\$ (34,395)	To reclassify SSA equipment expenses
	\$	\$ (36,298)	\$ (36,298)	To reclassify TCM Match
Less: Capital Costs	\$ (71,136)	\$ (41,474)	\$ (112,610)	To reconcile depreciation from worksheet 1
Less: COG Expenses	\$ (51,467)	\$ (11,275)	\$ (62,742)	To adjust to audited COG amounts
Other - Prepaid Lease	\$ -	\$ 421,368	\$ 421,368	To reconcile portion of prepaid lease
	\$	\$ 421,368	\$ 421,368	To reconcile portion of prepaid lease
Revenue:				
Less: COG Revenue	\$ (181,055)	\$ (5,041)	\$ (186,096)	To adjust to audited COG amounts
Medicaid Administration Worksheet				
Lines 6-10, Ancillary Costs	\$ -	\$ 7,693	\$ 7,693	To record ancillary costs

Appendix B
Union County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule A				
19. Room and Board/Cost to Live (L) Community Residential	\$ -	\$ 4,255	\$ 4,255	To match audited COG data
Schedule B-1, Section A				
1. Building Services (C) Child	620	(452)	168	
2. Dietary Services (C) Child	1,520	(876)	644	
4. Nursing Services (B) Adult	900	(900)	-	
4. Nursing Services (C) Child	150	(38)	112	
6. Psychology (C) Child	140	84	224	
7. Occupational Therapy (B) Adult	264	(264)	-	
7. Occupational Therapy (C) Child	389	59	448	
8. Physical Therapy (B) Adult	264	(264)	-	
8. Physical Therapy (C) Child	389	59	448	
11. 0-2 Age Children (C) Child	3,198	(2,450)	748	To correct square footage
12. 3-5 Age Children (C) Child	3,756	4,268	8,024	
14. Facility Based Services (B) Adult	12,860	(12,860)	-	
16. Supported Emp. -Comm Emp. (B) Adult	2,784	(2,784)	-	
17. Medicaid Administration (A) MAC	-	12	12	
18. County Board Operated ICF/MR (D) General	3,570	(3,570)	-	
22. Program Supervision (B) Adult	1,192	(1,192)	-	
22. Program Supervision (C) Child	958	(374)	584	
23. Administration (D) General	1,365	652	2,017	
25. Non-Reimbursable (D) General	-	748	748	
Schedule B-1, Section B				
1. Total Individuals Served By Program (A) Facility Based Services	109	(22)	87	To correct number of individuals served
1. Total Individuals Served By Program (C) Supported Emp. -Community Employment	-	43	43	
Schedule B-3				
2. Children 3-5 (G) One Way Trips- Fourth Quarter	-	10,672	10,672	To record one-way trips
5. Facility Based Services (E) One Way Trips- Third Quarter	6,270	(3,421)	2,849	To correct one-way trips
5. Facility Based Services (G) One Way Trips- Fourth Quarter	5,161	(3,421)	1,740	To correct one-way trips
7. Supported Emp. -Comm Emp. (G) One Way Trips- Fourth Quarter	-	6,923	6,923	To record one-way trips
7. Supported Emp. -Comm Emp. (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ -	\$ 6,095	\$ 6,095	To record transportation expenses
Schedule B-4				
1. TCM Units (D) 4th Quarter	5,114	(719)	4,395	
1. TCM Units (E) COG Activity	2,124	(134)	1,990	
2. Other SSA Allowable Units (D) 4th Quarter	2,353	1,592	3,945	To correct SSA units
2. Other SSA Allowable Units (E) COG Activity	91	134	225	
5. SSA Unallowable Units (D) 4th Quarter	273	40	313	
Schedule C				
I. County				
(B) Interest- COG Revenue	\$ -	\$ 47,715	\$ 47,715	
II. Department of MR/DD				
(A) Supported Living- COG Revenue	\$ -	\$ 76,249	\$ 76,249	
(B) Family Support Services- COG Revenue	\$ -	\$ 25,921	\$ 25,921	To match audited COG data
(G) Waiver Administration- Subsidy- COG Revenue	\$ -	\$ 4,144	\$ 4,144	
V. Other Revenues				
(I) Other (Detail On Separate Sheet)- COG Revenue	\$ -	\$ 79,482	\$ 79,482	
23. Waiver Match Reconciliation	\$ -	\$ -	\$ -	
Worksheet 1				
3. Buildings/Improve (E) Facility Based Services	\$ 12,357	\$ 340	\$ 12,697	To record depreciation expense
4. Fixtures (X) Gen Expense All Prgm.	\$ 48	\$ 1,574	\$ 1,622	To record depreciation expense for 2007 acquisition
		\$ 1,448	\$ 1,496	To record depreciation expense
		\$ 860	\$ 3,930	To record depreciation expense for 2008 acquisition
8. COG Expenses (L) Community Residential	\$ -	\$ 226	\$ 226	To match audited COG data
8. COG Expenses (M) Family Support Services	\$ -	\$ 339	\$ 339	To match audited COG data
8. COG Expenses (N) Service & Support Admin	\$ -	\$ 81	\$ 81	To match audited COG data
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 393,744	\$ (37,950)	\$ 355,794	To reclassify MAC salary expenses
		\$ (16,069)	\$ 339,725	To reclassify MUI salary expenses
		\$ (42,667)	\$ 297,058	To reclassify MAC salary expenses
		\$ (23,398)	\$ 273,660	To reclassify MAC salary expenses
		\$ (17,444)	\$ 256,216	To reclassify MUI salary expenses
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 186,522	\$ (15,403)	\$ 171,119	To reclassify MAC benefits expenses
		\$ (6,522)	\$ 164,597	To reclassify MUI benefits expenses
		\$ (19,164)	\$ 145,433	To reclassify MAC benefits expenses
		\$ (6,485)	\$ 138,948	To reclassify MAC benefits expenses
		\$ (4,834)	\$ 134,114	To reclassify MUI benefits expenses
3. Service Contracts (X) Gen Expense All Prgm.	\$ 295,314	\$ (52,138)	\$ 243,176	To reclassify non-federal expenses public relations and contingent billing
		\$ (15,725)	\$ 227,451	To reclassify payment to COG expenses to reconciliation
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 52,138	\$ 52,138	To reclassify non-federal expenses public relations and contingent billing
		\$ 21,730	\$ 73,868	To reclassify non-federal advertising and public relations expenses
		\$ 9,970	\$ 83,838	To reclassify non-federal advertising and public relations expenses
		\$ 456	\$ 84,294	To reclassify non-federal advertising and public relations expenses
		\$ 30	\$ 84,324	To reclassify non-federal advertising and public relations expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 88,316	\$ (21,730)	\$ 66,586	To reclassify non-federal advertising and public relations expenses
5. COG Expenses (L) Community Residential	\$ -	\$ 3,148	\$ 3,148	To match audited COG data
5. COG Expense (M) Family Support Services	\$ -	\$ 4,721	\$ 4,721	To match audited COG data
5. COG Expense (N) Service & Support Admin	\$ -	\$ 1,125	\$ 1,125	To match audited COG data
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ 57,461	\$ 122,528	\$ 179,989	To record real estate fees

Appendix B
Union County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 368,884	\$ (47,108)	\$ 269,316	To reclassify Shipping and Receiving Coordinator salary expenses
		\$ (52,460)		To reclassify Production Manager salary expenses
1. Salaries (I) Medicaid Admin	\$ -	\$ 10,701		To reclassify Nickle salary expenses not submitted to MAC program
		\$ 14,621	\$ 25,322	To reclassify Walters salary expenses not submitted to MAC program
1. Salaries (N) Service & Support Admin	\$ 98,398	\$ (38,740)	\$ 59,658	To reclassify MAC salary expenses
2. Employee Benefits (E) Facility Based Services	\$ 144,784	\$ (14,810)		To reclassify Shipping and Receiving Coordinator benefit expenses
		\$ (17,192)	\$ 112,782	To reclassify Production Manager benefit expenses
2. Employee Benefits (I) Medicaid Admin	\$ -	\$ 1,781		To reclassify Nickel benefits not submitted to MAC program
		\$ 3,901	\$ 5,682	To reclassify Walters benefits not submitted to MAC program
2. Employee Benefits (N) Service & Support Admin	\$ 32,196	\$ (18,057)	\$ 14,139	To reclassify MAC benefit expenses
3. Service Contracts (E) Facility Based Services	\$ 52,209	\$ (9,970)		To reclassify non-federal advertising and public relations expenses
		\$ (13,300)		To reclassify residential housing expense
		\$ 2,715	\$ 31,654	To record prepaid lease expense
3. Service Contracts (N) Service & Support Admin	\$ 1,574	\$ 1,217	\$ 2,791	To record prepaid lease expense
4. Other Expenses (D) Unasn Children Program	\$ 7,150	\$ (456)	\$ 6,694	To reclassify non-federal advertising and public relations expenses
4. Other Expenses (E) Facility Based Services	\$ 5,032	\$ (30)	\$ 5,002	To reclassify non-federal advertising and public relations expenses
Worksheet 3				
1. Salaries (X) Gen Expense All Prgm.	\$ 89,747	\$ 33,813	\$ 123,560	To reclassify Smith salary expenses
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 86,769	\$ (33,813)	\$ 52,956	To reclassify Smith benefits expenses
5. COG Expenses (L) Community Residential	\$ -	\$ 422	\$ 422	To match audited COG data
5. COG Expenses (M) Family Support Services	\$ -	\$ 633	\$ 633	To match audited COG data
5. COG Expenses (N) Service & Support Admin	\$ -	\$ 151	\$ 151	To match audited COG data
Worksheet 5				
1. Salaries (O) Non-Federal Reimbursable	\$ 37,014	\$ 16,069		To record Gerard salary expenses not reported for MAC
		\$ 17,444	\$ 70,527	To record Rucker salary not reported for MAC
2. Employee Benefits (O) Non-Federal Reimbursable	\$ 7,110	\$ 6,522		To record Gerard benefits expenses not reported for MAC
		\$ 4,834	\$ 18,466	To record Rucker benefits expenses not reported for MAC
3. Service Contracts (L) Community Residential	\$ 500,000	\$ 11,060		To reclassify non-profit housing expenses
		\$ (500,000)		To reclassify to payment to COG expense
		\$ 13,300	\$ 24,360	To reclassify residential housing expense
4. Other Expenses (D) Unasn Children Program	\$ 5,637	\$ (441)		To reclassify nursing expense
		\$ (213)	\$ 4,983	To reclassify nursing expense
5. COG Expenses (L) Community Residential	\$ -	\$ 81,394	\$ 81,394	To match audited COG data
5. COG Expenses (M) Family Support Services	\$ -	\$ 122,062	\$ 122,062	To match audited COG data
Worksheet 6				
1. Salaries (I) Medicaid Admin	\$ 98,380	\$ 51,158	\$ 149,538	To reclassify MAC expenses
1. Salaries (O) Non-Federal Reimbursable	\$ -	\$ 135,219	\$ 135,219	To reclassify MAC expenses
Worksheet 7-B				
3. Service Contracts (E) Facility Based Services	\$ -	\$ 10,688		To reclassify nursing expenses
		\$ 6,920	\$ 17,608	To record prepaid lease expense
4. Other Expenses (D) Unasn Children Program	\$ -	\$ 441		To reclassify nursing expense
		\$ 213	\$ 654	To reclassify nursing expense
4. Other Expenses (E) Facility Based Services	\$ -	\$ 1,788	\$ 1,788	To reclassify nursing expense
Worksheet 7-C				
2. Employee Benefits (D) Unasn Children Program	\$ 44,344	\$ 1,116	\$ 45,460	To reclassify unemployment expenses
4. Other Expenses (D) Unasn Children Program	\$ 3,570	\$ (1,116)	\$ 2,454	To reclassify unemployment expenses
13. No. of individuals served (E) Facility Based Services	109	(109)	0	To reclassify adult individuals served
Worksheet 7-E				
3. Service Contracts (E) Facility Based Services	\$ 7,845	\$ 1,907	\$ 9,752	To record prepaid lease expense
Worksheet 7-F				
3. Service Contracts (E) Facility Based Services	\$ 10,676	\$ 1,907	\$ 12,583	To record prepaid lease expense
Worksheet 8				
3. Service Contracts (E) Facility Based Services	\$ 741,236	\$ 29,318	\$ 770,554	To reclassify transportation expenditures
Worksheet 9				
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 176,017	\$ 2,356	\$ 178,373	To reclassify benefit expense
3. Service Contracts (N) Service & Support Admin. Costs	\$ 49,477	\$ (919)		To reclassify TCM Match
		\$ 24,897	\$ 73,455	To record prepaid lease expense
4. Other Expenses (N) Service & Support Admin. Costs	\$ 43,226	\$ (2,356)		To reclassify benefits expense
		\$ (17,550)		To reclassify TCM Match
		\$ (3,250)	\$ 20,070	To reclassify capital asset expense
5. COG Expenses (N) Service & Support Admin. Costs	\$ -	\$ 29,083	\$ 29,083	To match audited COG data
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 492,288	\$ 47,108		To reclassify Shipping and Receiving Coordinator salary expense
		\$ 52,460	\$ 591,856	To reclassify Production Manager salary expense
2. Employee Benefits (E) Facility Based Services	\$ 175,424	\$ 14,810		To reclassify Shipping and Receiving benefits expense
		\$ 17,192	\$ 207,426	To reclassify Production Managers benefits expense
3. Service Contracts (E) Facility Based Services	\$ 71,501	\$ (29,318)		To reclassify transportation expenses
		\$ (10,688)		To reclassify nursing expenses
		\$ 18,727	\$ 50,222	To record prepaid lease expense
3. Service Contracts (G) Community Employment	\$ 176,367	\$ (50,000)		To reconcile Pathways II grant expense
		\$ 35,309	\$ 161,676	To record prepaid lease expense
4. Other Expenses (E) Facility Based Services	\$ 12,683	\$ (1,788)		To reclassify nursing expenses
		\$ (257)		To reclassify non-federal expense staff appreciation
		\$ (2,371)	\$ 8,267	To reclassify capital asset expense
4. Other Expenses (G) Community Employment	\$ 39,329	\$ (30)	\$ 39,299	To reclassify non-federal expense professional day
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 257		To reclassify non-federal expense staff appreciation
		\$ 30	\$ 287	To reclassify non-federal expense professional day
Reconciliation to County Auditor Worksheet Expense:				
Plus: Real Estate Fees	\$ -	\$ (122,528)	\$ (122,528)	To reclassify real estate fees
Plus: Purchases Greater Than \$5,000	\$ 11,060	\$ (11,060)	\$ -	To reclassify non-profit house expense
		\$ 3,250		To reconcile 2009 capital acquisition
		\$ 2,371	\$ 5,621	To reconcile 2009 capital acquisition
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$ 15,725		To reclassify fees paid to COG
		\$ 500,000	\$ 515,725	To reclassify fees paid to COG
Plus: Match Paid To ODMRDD For TCM	\$ 5,161	\$ 919		To reclassify TCM match
		\$ 17,550	\$ 23,630	To reclassify TCM match
Plus: Match Payment for Pathways II Grant	\$ -	\$ 50,000	\$ 50,000	To reconcile Pathways II grant expense
Less: Capital Costs	\$ (67,119)	\$ (4,222)	\$ (71,341)	To reconcile depreciation expenses from worksheet 1
Less: Other COG Expense	\$ -	\$ (4,255)	\$ (4,255)	To reconcile additional COG expenses on Schedule A
Other - Prepaid Lease	\$ -	\$ (93,600)	\$ (93,600)	To reconcile portion of prepaid lease in 2009
Revenue:				
Less: COG Revenue	\$ -	\$ (233,511)	\$ (233,511)	To reconcile COG revenue
Medicaid Administration Worksheet				
Lines 6-10 Ancillary Costs	\$ -	\$ 7,791	\$ 7,791	To report ancillary costs



Dave Yost • Auditor of State

UNION BOARD OF DEVELOPMENTAL DISABILITIES

UNION 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
APRIL 10, 2012**