



WEST CENTRAL OHIO NETWORK COUNCIL OF GOVERNMENT

AGREED UPON PROCEDURES

**FOR THE COST REPORTING PERIOD
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**



Dave Yost • Auditor of State

WEST CENTRAL OHIO NETWORK COUNCIL OF GOVERNMENT
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INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

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

Dear Ms. Schroeder:

As permitted by Ohio Revised 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 West Central Ohio Network Council of Government (Westcon COG) prepared its *Income and Expenditure Report* and *County Summary Workbooks*¹ for the year ended December 31, 2010 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 Council of Government'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.

Trial Balance Analysis

1. We compared the COG's total assets to total liabilities plus equity on the Westcon COG and County Board trial balance reports.

We found no differences.

2. We compared all receipt and disbursement entries on the Westcon COG and County Boards trial balance summary reports to Westcon COG and the County Boards general ledger reports.

We found no differences.

3. We compared all receipt and disbursement account totals on the Westcon COG and County Board trial balance reports to *Schedule A, Summary of Service Costs-By Program* of the COG cost report and Worksheets 2 through 10 and *Schedule C Income Report* of the *County Summary Workbooks*.

We found differences as reported in Appendix A.

¹ Westcon COG recorded receipts and disbursements on behalf of the county developmental disabilities boards (County Boards). Westcon COG prepared *County Summary Workbooks* to distribute these receipts and disbursements to each of the following County Boards: Auglaize, Darke, Hardin, Logan, Mercer, Miami, Preble, Shelby and Union.

4. We compared total disbursements on the COG's trial balance report to the total combined disbursements on *Schedule A, Summary of Expenditures-By Program* of the COG cost report and the *County Summary Workbooks*.

We found no differences exceeding two percent of total combined disbursements reported on *Schedule A, Summary of Expenditures-By Program* of the COG cost report or the *County Summary Workbooks*.

Revenue Testing

1. DODD requested us to compare the COG's receipts with those reported on *Schedule C Income Report* of the *County Summary Workbooks* and report variances exceeding two percent of total receipts on *Schedule C Income Report* or greater than \$1,000.

We compared the amounts paid to the COG per the 2010 Annual Subsidy Amount and Reconciliation Final reports (DODD confirmations) to *Schedule C Income Report* of the *County Summary Workbooks*.

We found differences as reported in Appendix A.

2. We scanned Westcon COG and the County Board's trial balance summary reports and the general ledger reports to determine if any transfers were recorded on the COG's *Income and Expenditure Report* and the *County Summary Workbooks*.

We found no transfers that were reported on the COG's *Income and Expenditure Report* or the *County Summary Workbooks*.

Property, Depreciation, and Asset Verification Testing

1. DODD asked us to compare the COG's policies regarding capitalization of fixed assets with the following guidelines:

- Cost Report Guides for preparing *Worksheet 1, Capital Costs*
- 2 CFR 225 (OMB Circular A-87, Appendix B, 15(a)(2), and
- CMS Publication 15-1.

We found no inconsistencies between the COG's capitalization policies and the guidelines listed above.

2. DODD asked us to compare the COG's Depreciation Schedule for 2010 to *Worksheet 1, Capital Costs* of the COG Cost Report and report any variances exceeding two percent of total depreciation costs on *Worksheet 1, Capital Costs*.

We found no differences.

3. We scanned the Westcon COG and County Board General Ledger reports for items purchased during 2010 that met the COG's capitalization criteria and traced them to inclusion on the COG's Depreciation Schedule.

We found no unrecorded purchases meeting the capitalization criteria in the guidelines under Procedure 1 above.

4. DODD asked us to scan the COG's Depreciation Schedule for 2010 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 found no differences.

5. DODD asked us to compare the COG's final 2009 Depreciation Schedule to the COG's 2010 Depreciation Schedule for changes in the depreciation amounts for assets which were not in compliance with the Cost Report Guide.

We found no differences.

6. DODD asked us to select five assets from the COG's fixed asset schedule and trace these assets to their physical location.

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

7. DODD asked us to haphazardly select five of the COG's fixed assets from their fixed asset schedule which meet the COG's capitalization policy and are correctly being depreciated in their first year in 2010.

No purchases meeting the capitalization criteria guidelines outlined in Procedure #1 above were identified per review of the COG's Depreciation Schedule and the Westcon COG and the County Board general ledger reports.

8. DODD asked us to haphazardly select the lesser of five percent or 20 disposed assets from the COG's 2010 list of disposed assets and determine if the asset was removed from the COG's fixed asset ledger.

A list of disposed assets was unavailable for 2010 and was not examined. The business manager stated they did not have any fixed asset disposals during 2010.

Payroll Expenditure Testing

1. DODD asked us to determine if employee salaries on the COG's payroll register were properly classified on the COG cost report or the *County Summary Workbooks* within one percent of total payroll costs on the COG and County Board trial balance reports.

We scanned the COG's 2010 payroll register to determine if the employee salaries were recorded in the appropriate cost category on the COG cost report or the *County Summary Workbooks*.

We identified differences exceeding one percent as reported in Appendix A.

2. DODD asked us to compare total payroll costs on the COG's trial balance to total payroll costs on the COG's cost report and the *County Summary Workbooks* and report variances exceeding one percent of total payroll costs on the COG's trial balance.

We compared the total payroll costs reported per the Westcon COG and the County Board's trial balance summary reports to total payroll per the COG cost report and the *County Summary Workbooks*.

We found no differences exceeding one percent.

3. DODD asked us to compare total payroll costs per the COG's cumulative W-2 report to total payroll costs per the COG's payroll register and report variances exceeding one percent of total payroll costs on the cumulative W-2 report.

We compared total payroll costs per the COG's cumulative W-2 report to total payroll costs per the COG's payroll register.

We found no differences exceeding one percent.

4. We selected a haphazard sample of five employees and compared classification of the employees to entries on the COG's cost report or the *County Summary Workbooks* to determine if the allocation of salaries and benefit costs was consistent with the Cost Report Guides.

We found no differences.

Non-Payroll Expenditure Testing

1. We haphazardly selected a sample of 60 non-payroll disbursements from the Westcon COG and the County Boards general ledger reports to 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 on the COG's cost report or the *County Summary Workbooks* or transfers properly left off these reports in accordance with the Cost Report Guides.

We found differences as reported in Appendix A.

2. We scanned the Westcon COG and the County Boards general ledger reports and reviewed documentation to identify disbursements not classified according to the Cost Report Guides or costs which are non-federal reimbursable under 2 CFR 225 Appendix B or costs which are not capitalized in accordance with the COG's capitalization policies reviewed under Procedure 1 of the Property, Depreciation, and Asset Verification Testing.

We found no differences.

Medicaid Administrative Claiming Testing

1. We compared the totals in the COG's MAC Costs by Code Report and MAC Random Moment Time Summary (RMTS) reports Lines 1-2 of *Worksheet 4, Medicaid Administrative Claiming* of the COG cost report.

We found no differences.

2. We compared salaries for MAC employees recorded on the MAC Costs by Code and MAC Random Moment Time Summary (RMTS) reports to the total payroll recorded on the COG's payroll register.

We found no differences.

3. We compared ancillary costs on the Roll up Report for the Ohio Department of Job and Family Services to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We found differences as reported in Appendix A.

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

This report is intended solely for the use of the managements of the Westcon COG, DODD, the Ohio Department of Job and Family Services, 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

May 16, 2012

cc: Michael Halpin, Executive Director, Westcon COG
Carolyn Minichello, Fiscal Consultant, Westcon COG
Diane Knupp, Board President, Westcon COG
Superintendents of all Member County Boards of Developmental Disabilities
Business Managers of all Member County Boards of Developmental Disabilities

Appendix A
West Central Ohio Network Council of Government
2010 Income and Expenditure Report and County Summary Workbook Adjustments

Cost Report Location	Reported Amount	Correction	Corrected Amount	Explanation of Correction
West Central Ohio Network Council of Government Income and Expenditure Report				
Worksheet 2				
1. Salaries	\$ 56,355	\$ (15,274)	\$ 41,081	To reclassify MUI salaries
Worksheet 5				
3. Service Contracts	\$ 22,889	\$ (22,889)	\$ -	To reclassify PLAY Program expense
4. Other Expenses	\$ 2,092	\$ (1,209)	\$ 883	To reclassify PLAY Program expense
Medicaid Administration Reconciliation				
6. Other Costs Column A	\$ -	\$ 14,973	\$ 14,973	To record Ancillary costs
Auglaize County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ 7,131	\$ 4,055	\$ 11,186	To reclassify room & board expense
3. Adaptive and Assistive Equipment	\$ -	\$ 1,731	\$ 1,731	To reclassify adaptive equipment expense
Worksheet 5				
15. COG Expense (M) Family Support Services	\$ 23,918	\$ (5,786)	\$ 18,132	To reclassify R&B & adaptive equipment expense
15. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 2,546	\$ 2,546	To allocate MUI expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ (5,978)	\$ 3,772	\$ (2,206)	To correct Waiver Reconciliation revenue totals
Darke County Summary Workbook				
Schedule A				
3. Adaptive and Assistive Equipment	\$ -	\$ 2,866	\$ 2,866	To reclassify adaptive equipment expense
Worksheet 5				
15. COG Expense (M) Family Support Services	\$ 34,481	\$ (2,866)	\$ 31,615	To reclassify adaptive equipment expense
15. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 2,546	\$ 2,546	To allocate MUI expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ (7,516)	\$ 809	\$ (6,707)	To correct Waiver Reconciliation revenue totals
Hardin County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ 8,854	\$ 26,943	\$ 35,797	To reclassify room & board expense
3. Adaptive and Assistive Equipment	\$ -	\$ 2,251	\$ 2,251	To reclassify adaptive equipment expense
Worksheet 5				
15. COG Expense (B) Pre-School	\$ -	\$ 2,337	\$ 2,337	To reclassify PLAY Program expense
15. COG Expense (L) Community Residential	\$ 33,867	\$ (24,478)	\$ 9,389	To reclassify R&B & adaptive equipment expense
15. COG Expense (M) Family Support Services	\$ 21,732	\$ (4,716)	\$ 17,016	To reclassify R&B & adaptive equipment expense
15. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 2,546	\$ 2,546	To allocate MUI expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ 16,149	\$ (9,481)	\$ 6,668	To correct Waiver Reconciliation revenue totals
Logan County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ 7,658	\$ 1,564	\$ 9,222	To reclassify room & board expense
3. Adaptive and Assistive Equipment	\$ -	\$ 6,232	\$ 6,232	To reclassify adaptive equipment expense
Worksheet 5				
15. COG Expense (B) Pre-School	\$ -	\$ 106	\$ 106	To reclassify PLAY Program expense
15. COG Expense (L) Community Residential	\$ 41,305	\$ (2,926)	\$ 38,379	To reclassify R&B & adaptive equipment expense
15. COG Expense (M) Family Support Services	\$ 46,218	\$ (4,870)	\$ 41,348	To reclassify R&B & adaptive equipment expense
15. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 2,546	\$ 2,546	To allocate MUI expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ 37,864	\$ (6,764)	\$ 31,100	To correct Waiver Reconciliation revenue totals
Mercer County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ -	\$ 4,014	\$ 4,014	To reclassify room & board expense
2. Environmental Accessibility Adaptations	\$ -	\$ 289	\$ 289	To reclassify Home Adaptations expense
3. Adaptive and Assistive Equipment	\$ -	\$ 7,664	\$ 7,664	To reclassify adaptive equipment expense
Worksheet 5				
15. COG Expense (A) Early Intervention	\$ -	\$ 4,225	\$ 4,225	To reclassify PLAY Program expense
15. COG Expense (B) Pre-School	\$ -	\$ 12,674	\$ 12,674	To reclassify PLAY Program expense
15. COG Expense (C) School Age	\$ -	\$ 4,225	\$ 4,225	To reclassify PLAY Program expense
15. COG Expense (L) Community Residential	\$ 140,514	\$ (4,014)	\$ 136,500	To reclassify R&B & adaptive equipment expense
15. COG Expense (M) Family Support Services	\$ 23,031	\$ (7,953)	\$ 15,078	To reclassify R&B & adaptive equipment expense
15. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 2,546	\$ 2,546	To allocate MUI expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ 7,423	\$ (17,508)	\$ (10,085)	To correct Waiver Reconciliation revenue totals
Miami County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ 683	\$ 12,727	\$ 13,410	To reclassify room & board expense
3. Adaptive and Assistive Equipment	\$ -	\$ 9,562	\$ 9,562	To reclassify adaptive equipment expense
Worksheet 5				
15. COG Expense (B) Pre-School	\$ -	\$ 106	\$ 106	To reclassify PLAY Program expense
15. COG Expense (L) Community Residential	\$ 645,560	\$ (22,289)	\$ 623,271	To reclassify R&B & adaptive equipment expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ (49,076)	\$ 28,638	\$ (20,438)	To correct Waiver Reconciliation revenue totals

Appendix A
West Central Ohio Network Council of Government
2010 Income and Expenditure Report and County Summary Workbook Adjustments

Cost Report Location	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Preble County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ 4,238	\$ 8,121	\$ 12,359	To reclassify room & board expense
2. Environmental Accessibility Adaptations	\$ -	\$ 878	\$ 878	To reclassify Home Adaptations expense
Worksheet 5				
15. COG Expense (B) Pre-School	\$ -	\$ 106	\$ 106	To reclassify PLAY Program expense
15. COG Expense (L) Community Residential	\$ 70,023	\$ (8,999)	\$ 61,024	To reclassify room & board expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ 20,180	\$ (21,780)	\$ (1,600)	To correct Waiver Reconciliation revenue totals
Shelby County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ -	\$ 2,222	\$ 2,222	To reclassify room & board expense
2. Environmental Accessibility Adaptations	\$ -	\$ 2,965	\$ 2,965	To reclassify Home Adaptations expense
Worksheet 5				
15. COG Expense (B) Pre-School	\$ -	\$ 319	\$ 319	To reclassify PLAY Program expense
15. COG Expense (L) Community Residential	\$ 61,953	\$ (5,186)	\$ 56,767	To reclassify R&B & Home Adaptations expense
15. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 2,546	\$ 2,546	To allocate MUI expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ 62,415	\$ (34,634)	\$ 27,781	To correct Waiver Reconciliation revenue totals
Union County Summary Workbook				
Schedule A				
1. Room and Board/Cost to Live	\$ 3,496	\$ 10,840	\$ 14,336	To reclassify room & board expense
2. Environmental Accessibility Adaptations	\$ -	\$ 7,522	\$ 7,522	To reclassify Home Adaptations expense
3. Adaptive and Assistive Equipment	\$ -	\$ 20,417	\$ 20,417	To reclassify adaptive equipment expense
Worksheet 5				
15. COG Expense (L) Community Residential	\$ 201,990	\$ (11,870)	\$ 190,120	To reclassify R&B & Home Adaptations expense
15. COG Expense (M) Family Support Services	\$ 191,449	\$ (26,909)	\$ 164,540	To reclassify R&B & Home Adaptations expense
Schedule C				
II. Department of DD				
M. Other (Detail on Separate Sheet)	\$ (34,657)	\$ (2,397)	\$ (37,054)	To correct Waiver Reconciliation revenue totals



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WEST CENTRAL OHIO NETWORK COUNCIL OF GOVERNMENT

SHELBY 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
JUNE 12, 2012