



Dave Yost • Auditor of State

PERRY COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

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Independent Auditor's Report on Applying Agreed-Upon Procedures

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

Dear Ms. Schroeder:

As permitted by Ohio Rev. Code § 5123.05 and as required by the *Application for a § 1915(c) Home and Community Based Services Waiver*, Appendix I-2(c), the Auditor of State's Office performed the procedures enumerated below, to which the Ohio Department of Developmental Disabilities (DODD) agreed. The purpose is to assist you in evaluating whether the Perry County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2009 and 2010 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2009 and 2010 (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.

The Auditor of State, under the same authority noted above, also performed the Acuity Testing procedures below for the 2008, 2009 and 2010 cost reports.

Statistics – Square Footage

1. DODD requested us to tour the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle space and, if final 2008 square footage totals are the same and no significant changes in the floor plan have occurred, to perform no additional procedures.

We toured the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle floor space. We found no unreported rented or idle floor space. We also compared 2009 and 2010 square footage totals to final 2008 square footage totals and discussed square footage changes with the County Board and noted significant changes have occurred; therefore AOS will perform the remaining procedures.

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

We measured three rooms and expanded testing by measuring two more rooms and compared the square footage to the County Board's square footage summary.

We found a square footage variance for one room that exceeded 10 percent. We discussed the change with the County Board which informed us this variance was the result of the County Board changing one large room into two smaller rooms so no adjustment was made.

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

We compared one building from each year and traced each room on the floor plan to the County Board's summary for each year. We found no variances exceeding 10 percent when comparing the total square footage of one floor plan from each year to the County Board's summary.

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

We compared the County Board's square footage summary 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 and we reported these variances in Appendix A (2009) and Appendix B (2010)

5. DODD asked us to obtain 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.

We obtained the County Board's methodology for allocating square footage and compared the methodology with the Cost Report Guides.

The County Board did not report the same square footage in the 2009 and 2010 cost reports. Therefore we tested the 2009 and 2010 methodology, and applied the results to both years' cost reports. We found no inconsistencies between the County Board's methodology and the Cost Report Guide.

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

2. DODD asked us to compare the County Board's final 2008 typical hours of service reported on *Schedule B-1, Section B, Attendance statistics* to the typical hours of service reported on *Schedule B-1* for 2009 and 2010 and, if the hours are the same, to do no additional procedures.

We compared the final 2008 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2009 and 2010.

We found no differences.

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

We compared the County Board's Adult Attendance Report for the number of individuals served and days of attendance with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation 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 no variances or computational errors exceeding two percent.

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

We compared the County Board's final 2008 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation for 2009 and the final 2009 individual served to the final individuals served for 2010 on *Schedule B-1, Section B, Attendance Statistics* and determined if the variances were over 10 percent.

The number of reported individuals served changed more than 10 percent from the prior year's Schedule B-1 and as a result we performed procedure 5 below for 2009. The number of reported individuals served did not change more than 10 percent in 2010.

5. DODD requested us to report variances if the individuals 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 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 exceeding three individuals.

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 did not perform this procedure as the County Board did not provide Community Employment services.

Acuity Testing

1. DODD requested us to report variances if days of attendance and individuals served on the Days of Attendance and Individuals Served by Acuity supplemental cost report worksheet did not agree to the County Board's supporting documentation for 2008, 2009 and 2010.

We compared the County Board's individuals served and attendance acuity reports for the number of individuals served and days of attendance for Day Habilitation/Adult Day Services/Vocational

Habilitation with the Days of Attendance and Individuals Served by Acuity supplemental cost report worksheet.

We noted that 88 Days of Attendance and 1 Individual Served should be reclassified to the A-1 acuity level for 2008 from the A acuity level on the Days of Attendance and Individuals Served by Acuity supplemental cost report worksheet

2. We also compared two individuals from each acuity level on the County Board's 2009 and 2010 Adult Attendance by Acuity Report to the Acuity Assessment Instrument for each individual.

We found no acuity variances for any individuals and days of attendance reported on the Days of Attendance and Individuals Served by Acuity supplemental cost report worksheet for 2008, 2009 or 2010.

Statistics – Transportation

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

We compared the number of one-way trips from the County Board's Transportation Detail report with those statistics as reported in Schedule B-3, Quarterly Summary of Transportation Statistics of the Cost Reports. We also footed the County Board's Transportation Detail report for accuracy.

We found no differences or computational errors.

2. DODD requested us to report variances of more than 10 percent of the total trips taken for five individuals for both 2009 and 2010, between the County Board's internal documentation versus the amount reported on Schedule B-3, Quarterly Summary of Transportation Services.

We traced the number of trips for five individuals for 2009 and five individuals for 2010 from the County Board's daily reporting documentation to Schedule B-3, Quarterly Summary of Transportation Services.

We reported differences exceeding 10 percent in Appendix A for 2009. In 2010, we found no differences exceeding 10 percent.

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

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

We found differences in 2009 as reported in Appendix A in 2009. In 2010, we found no differences or computational errors exceeding two percent.

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*.

We compared the number of SSA units (Targeted Case Management (TCM), Other SSA Allowable, Home Choice, and SSA Unallowable) from the County Board's Targeted Case Management 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 Targeted Case Management reports for accuracy.

In 2009, we found differences as reported in Appendix A. We found no differences or computational errors exceeding two percent in 2010.

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

We haphazardly selected a sample of 40 Other SSA Allowable units for both 2009 and 2010 from the Collect Billing/Make File Rejection Report 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 units for Other Allowable SSA services for both 2008 and 2009 were provided to individuals that were not Medicaid eligible at the time of service delivery per the Medicaid Information Technology System (MITS).

From the sample population of 1,774 Other SSA Allowable units for 2009, we selected our sample of 40 units and found 17.5 percent of those units were for individuals Medicaid eligible at the time of service delivery. Because the selection of additional units would likely result in the duplication of individuals, we selected 100 percent of units and 271 units were for individuals Medicaid eligible at the time of service and we reclassified these units as TCM.

We reported these differences in Appendix A (2009).

From the sample population of 1,627 Other SSA Allowable units for 2010, we selected our sample of 40 units and found 27.5 percent of those units were for individuals Medicaid eligible at the time of service delivery. Because the selection of additional units would likely result in the duplication of individuals, we selected 100 percent of units and 622 units were for individuals Medicaid eligible at the time of service and we reclassified these units as TCM.

We reported these differences in Appendix B (2010).

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

We haphazardly selected a sample of 40 Unallowable SSA service units for 2009 and 40 units for 2010 from the Collect Billing/Make File Rejection Report 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).

The units found to be in error did not exceed 10 percent of our sample for 2009 and/or 2010.

4. DODD requested us to report decreases exceeding five percent in total SSA units by line on Schedule B-4 when compared to the prior year's final cost report.

We compared the final 2008 SSA units to the final 2009 SSA units and compared the final 2009 SSA units to the final 2010 SSA units.

The final units decreased by more than five percent from the prior year's Schedule B-4 and we obtained the County Board's explanation that they assisted individuals in becoming Medicaid eligible in order for them to attend private providers of adult services.

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

We haphazardly selected a sample of 40 General Time Units for 2010 from the Collect Billing/Make File Rejection Report and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) or in *Worksheet 9, Service and Support Administration Costs*, Section 1(b) of the Cost Report Guides.

The units found to be in error did not exceed 10 percent of our sample for 2010.

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the 12/31/2009 and 12/31/2010 County Auditor's Revenue Audit Trail Report for funds 019-Operating, 020-Capital, 087-Family & Children First, and 355-Help Me Grow to the County Auditor's report totals reported on the Reconciliation to County Auditor Worksheets.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

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

Total County Board receipts were not within 1/4 percent of the County Auditor yearly receipt totals reported for these funds. Receipts in the County Auditor's reports exceeded the County Board receipts by \$151,005 for 2009 and \$342,548 in 2010. In 2009, we found the County Board did not include fund 087-Family & Children First on the cost report and did not report Capital Housing revenue received. In 2010, the County Board did not include funds 087-Family & Children First or 355-Help Me Grow and recorded Capital Housing revenue that was not received. We reported differences in Appendix A (2009) and Appendix B (2010). After all adjustments, total County Board receipts were within 1/4 percent of the County Auditor yearly receipt totals reported for these funds.

3. DODD asked that we compare the account description and amount for each revenue reconciling item on the Reconciliation to County Auditor Worksheet to the County Board's State Account Code Detail Reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

We did not perform this procedure since the total County Board receipts were within 1/4 percent of the County Auditor yearly receipt totals after adjustments in Procedure 2 above.

4. We compared revenue entries on *Schedule C Income Report* to the Mid-East Ohio Regional Council (MEORC) Council of Government (COG) prepared County Board Summary Workbook.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

5. We reviewed the County Board's State Account Code Detailed Report in 2009 and Revenue Received report in 2010 and *Schedule C Income Report* to determine whether revenues are maintained separately to offset corresponding expense via the use of specific expenditure costs centers and identified any potential revenue offsets/applicable credits.

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

- Miscellaneous refunds, reimbursements and other income in the amount of \$226,041 in 2009 and \$322,267 in 2010;
- Title XX revenues in the amount of \$28,502 in 2009 and \$40,516 in 2010; and
- Help Me Grow revenues in the amount of \$313,594 in 2009 and \$257,775 in 2010.

Paid Claims Testing

1. We selected 50 paid claims among all service codes from 2009 and 2010 from the Medicaid Billing System (MBS) data and determined if the claims met the following service documentation requirements of Ohio Admin. Code Sections 5123:2-9-05, 5123-2-9-18(H)(1)-(2), and 5101:3-48-01(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 uninterrupted 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.¹

We found no instances of non-compliance with these documentation requirements for 2009 or 2010.

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

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

¹ For non-medical transportation (service codes) we reviewed similar service documentation requirements to ensure compliance with Ohio Admin. Code § 5123:2-9-18(H)(1)-(2) excluding (H)(1)(d),(f),(j) and (H)(2)(d),(f).

We found no instance where the Medicaid reimbursed units were greater than audited TCM units. We did not perform this procedure for Community Employment units as the County Board was not reimbursed for this service.

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

We did not perform this procedure as the County Board was not reimbursed for any of these services.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. We compared the disbursement totals from the 12/31/2009 and 12/31/2010 County Auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the County Auditor's Expense Audit Trail Report balances for funds 019-Operating, 020-Capital, 087-Family & Children First and 355-Help Me Grow.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

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 were not within 1/4 percent of the County Auditor yearly disbursement totals reported for these funds. Disbursements in the County Auditor's reports exceeded the County Board disbursements by \$62,610 for 2009 and \$395,427 in 2010. In 2009, we found the County Board did not include fund 087-Family & Children First on the cost report. In 2010, the County Board did not include funds 087-Family & Children First or 355-Help Me Grow.

We reported differences in Appendix A (2009) and Appendix B (2010). After all adjustments, total County Board disbursements were within 1/4 percent of the County Auditor yearly disbursement totals reported for these funds.

3. DODD asked that we compare the account description and amount for each reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's State Expense Detailed Reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

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

4. DODD asked us to compare the County Board disbursements on the State Expenses Detailed reports to the amounts reported on Worksheets 2 through 10, and report variances exceeding \$100 for service contracts and other expenses on any Worksheet.

We compared all Service Contract and Other Expenses entries on Worksheets 2 through 10 to the County Board's State Expenses Detailed reports.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

5. We compared disbursement entries on Schedule A, Summary of Service Costs – By Program and Worksheets 2 through 10 to the Midwest Ohio Regional Council of Government (COG) prepared County Board Summary Workbook.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

6. DODD asked us to determine whether total County Board disbursements on the State Expenses Detailed reports were properly classified, on Worksheets 2 through 10, within two percent of total service contracts and other expenses for each individual Worksheet and that no Worksheet included disbursements over \$100 which are non-federal reimbursable under 2 CFR 225 Appendix B.

We scanned the County Board's State Expenses Detailed reports for service contracts and other expenses in the following columns and worksheets: Column X-Gen Expense all Programs on Worksheets 2, 3 and 8; Column N-Service and Support Admin Costs on Worksheet 9; and Columns E-Facility Based Services, F-Enclave, and G-Community Employment and H-unassigned on Worksheet 10 and reviewed documentation to identify disbursements not classified as prescribed by the Cost Report Guides or costs which are non-federal reimbursable under 2 CFR 225 Appendix B.

We found differences as reported in Appendix A (2009) and Appendix B (2010) for misclassified and non-federal reimbursable costs.

7. We scanned the County Board's State Expenses Detailed for items purchased during 2009 and 2010 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Fixed Asset Listing.

We reported differences for purchases that were not properly capitalized as reported in Appendix A (2009) and Appendix B (2010). We also found depreciation errors we reported in Appendix B (2010).

8. We haphazardly selected 20 disbursements from 2009 and 2010 from the County Board's State Expenses Detailed report that were classified as service contract and other expenses on Worksheets 2-10 (not selected for scanning under Step 5 above). We determined if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We reported differences from these procedures in Appendix A (2009) for misclassified and non-federal reimbursable costs. We found no differences in 2010 requiring adjustment.

Property, Depreciation, and Asset Verification Testing

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

We found no inconsistencies between the County Board's capitalization procedures and the guidelines listed above.

2. We compared the County Board's final 2008 Depreciation Schedule to the County Board's 2009 and 2010 Depreciation Schedules for changes in the depreciation amounts for assets purchased prior to the periods under review which were not in compliance with the Cost Report Guides.

We found no differences.

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

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

We found no differences exceeding \$100.

4. We scanned the County Board's Depreciation Schedule for 2009 and 2010 for 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.

In 2009, we reported differences for purchases that were not properly capitalized in Appendix A including an asset noted in the prior audit working papers. We found no differences in 2010.

5. We haphazardly selected 1 County Board's fixed asset which meet the County Board's capitalization policy and purchased in either 2009 or 2010 to determine if their useful life agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. We also recomputed the first year's depreciation for these assets, based on their cost, acquisition date and period of useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

We found no differences.

6. DODD asked us to haphazardly select the lesser of five percent or 20 disposed assets from 2009 and 2010 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. DODD also asked us to recalculate depreciation and any gain or loss applicable to 2009 (and 2010, if applicable) for the disposed items based on its undepreciated basis and any proceeds received from the disposal or sale of the asset to determine compliance with the Cost Report Guide and CMS Publication 15-1, Chapter 1.

We did not perform this procedure because the County Board stated that no capital assets were disposed of in 2009 or 2010. We reviewed the County Board Detailed Revenue Report and did not note anything that indicated proceeds from the sale or disposal of assets.

Payroll Testing

1. DODD asked us to determine whether total County Board salaries and benefits in the 2009 and 2010 cost reports were within two percent of the County Auditor's report totals for these funds.

We totaled salaries and benefits from Worksheets 2-10 from the 2009 and 2010 cost reports and compared the yearly totals to the County Auditor's Expense Audit Trail Report. The variance was less than two percent.

2. DODD asked us to compare the County Board disbursements on the State Expenses Payroll Reports to the amounts reported on worksheets 2 through 10, and to report variances exceeding \$100 for salaries or employee benefit expenses.

We compared all Salary and Employee Benefit entries on worksheets 2 through 10 to the County Board's State Expenses Payroll Reports.

We found no differences exceeding \$100 for Salary or Employee Benefit expenses on any worksheet.

3. We selected 22 employees and compared the County Board's organizational chart and staffing/payroll journal to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides.

We reported differences from these procedures in Appendix A (2009) and Appendix B (2010).

4. DODD asked us to scan the County Board's State Expenses Detailed Reports for 2009 and 2010 and compare classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides if the errors in Procedure 3 above exceeded 10 percent.

We did not perform this procedure as the misclassification errors in Procedure 3 above did not exceed 10 percent of the sample size.

Medicaid Administrative Claiming (MAC)

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

We compared the salary and benefits entered on the Individual MAC Costs by Code and MAC Random Moment Time Summary (RMTS) reports to the County Board's payroll records.

We found no variance exceeding one percent.

2. We compared the original Individual MAC Costs by Code and MAC Random Moment Time Summary (RMTS) Report(s) to Worksheet 6, columns (I) and (O) for both years.

We found no differences in 2009. In 2010, we reported differences in Appendix B.

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 reported differences in Appendix A (2009) and Appendix B (2010).

4. We selected 12 RMTS observed moments completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the fourth quarter of 2010 in which they documented their time spent on administering Medicaid-funded programs. We determined if supporting documentation of the County Board employees' activity for each observed moment was maintained and the observed moment was properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2010.

We found no differences.

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

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

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

Sincerely,

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

Dave Yost
Auditor of State

June 25, 2013

cc: David Couch, Superintendent, Perry County Board of Developmental Disabilities
Beth Pompey, Business Manager, Perry County Board of Developmental Disabilities
Ken Yuchasz, Board President, Perry County Board of Developmental Disabilities

Appendix A
Perry County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1, Section A				
1. Building Services (B) Adult	\$ -	\$ 478	\$ 478	To record square footage
1. Building Services (C) Child	\$ -	\$ 172	\$ 172	To record square footage
11. 0-2 Age Children (C) Child	\$ 1,117	\$ (701)	\$ 416	To agree to compiled report
13. 6-21 Age Children (C) Child	\$ 98	\$ (10)	\$ 88	To agree to compiled report
17. Medicaid Administration (A) MAC	\$ -	\$ 36	\$ 36	To agree to compiled report
21. Service And Support Admin (D) General	\$ 2,189	\$ (2,139)	\$ 50	To agree to compiled report
22. Program Supervision (B) Adult	\$ 981	\$ (140)	\$ 941	To agree to compiled report
22. Program Supervision (C) Child	\$ -	\$ 401	\$ 401	To agree to compiled report
23. Administration	\$ 1,971	\$ (36)	\$ 1,935	To agree to compiled report
25. Non-Reimbursable (B) Adult	\$ -	\$ 56	\$ 56	To agree to compiled report
25. Non-Reimbursable (C) Child	\$ -	\$ 1,263	\$ 1,263	To agree to compiled report
25. Non-Reimbursable (D) General	\$ 1,020	\$ (821)	\$ 199	To agree to compiled report
Schedule B-3				
3. Children 6-21 (E) One Way Trips- Third Quarter	\$ 507	\$ (88)	\$ 419	To reclassify adult trips
5. Facility Based Services (E) One Way Trips- Third Quarter	\$ 10,325	\$ 88	\$ 10,413	To reclassify adult trips
5. Facility Based Services (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ 356	\$ 2,429	\$ 2,785	To correct cost of taxis
Schedule B-4				
1. TCM Units (D) 4th Quarter	\$ 6,302	\$ 271	\$ 6,573	To reclassify TCM units
1. TCM Units (E) COG Activity	\$ -	\$ 558	\$ 558	To correct TCM units
2. Other SSA Allowable Units (D) 4th Quarter	\$ 345	\$ (271)	\$ 74	To reclassify TCM units
Schedule C				
VI. Capital Revenue				
(D) Capital Housing	\$ -	\$ 74,068	\$ 74,068	To record capital housing revenue
Worksheet 1				
3. Buildings/Improve (V) Admin	\$ 20,333	\$ (7,740)	\$ 12,593	To remove depreciation on assets in the period of acquisition
		\$ (893)	\$ 11,700	To remove depreciation on assets in the period of acquisition
5. Movable Equipment (L) Community Residential	\$ 5,684	\$ (2,646)	\$ 3,038	To remove depreciation on assets in the period of acquisition
8. COG Expenses (L) Community Residential	\$ 2,344	\$ (1,912)	\$ 432	To match audited COG workbook
8. COG Expenses (N) Service & Support Admin	\$ 904	\$ (729)	\$ 175	To match audited COG workbook
Worksheet 2				
3. Service Contracts (X) Gen Expense All Prgm	\$ 96,145	\$ (1,192)	\$ 94,953	To reclassify COG fees
		\$ (39,059)	\$ 55,894	To reclassify admin fees
		\$ (22,400)	\$ 33,494	To reclassify non-federal reimbursable expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 22,400	\$ 22,400	To reclassify non-federal reimbursable expenses
		\$ 7,172	\$ 29,572	To reclassify non-federal reimbursable expenses
		\$ 215	\$ 29,787	To reclassify non-federal reimbursable expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 76,267	\$ (7,172)	\$ 69,095	To reclassify non-federal reimbursable expenses
		\$ (100)	\$ 68,995	To reclassify non-federal reimbursable expenses
		\$ (400)	\$ 68,595	To reclassify non-federal reimbursable expenses
5. COG Expenses (L) Community Residential	\$ 11,830	\$ 9,060	\$ 20,890	To match audited COG workbook
5. COG Expense (N) Service & Support Admin	\$ 4,560	\$ 3,901	\$ 8,461	To match audited COG workbook
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ -	\$ 59,848	\$ 59,848	To record auditor and treasurer fees
		\$ 39,059	\$ 98,907	To reclassify admin fees
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 80,090	\$ (8,583)	\$ 71,507	To reclassify adult service clerk salary
2. Employee Benefits (E) Facility Based Services	\$ 50,848	\$ (1,456)	\$ 49,392	To reclassify adult service clerk benefits
Worksheet 3				
3. Service Contracts (X) Gen Expense All Prgm.	\$ 46,017	\$ (30,409)	\$ 15,608	To reclassify energy project expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 100	\$ 100	To reclassify non-federal reimbursable expenses
5. COG Expenses (L) Community Residential	\$ 443	\$ 10	\$ 453	To match audited COG workbook
5. COG Expenses (N) Service & Support Admin	\$ 171	\$ 12	\$ 183	To match audited COG workbook
Worksheet 5				
1. Salaries (L) Community Residential	\$ -	\$ 9,382	\$ 9,382	To reclassify intake specialist salary
2. Employee Benefits (L) Community Residential	\$ -	\$ 3,408	\$ 3,408	To reclassify intake specialist benefits
4. Other Expenses (L) Community Residential	\$ 7,006	\$ 5,000	\$ 12,006	To reclassify special olympic expense
5. COG Expenses (L) Community Residential	\$ 78,150	\$ (3,779)	\$ 74,371	To match audited COG workbook
Worksheet 7-B				
3. Service Contracts (E) Facility Based Services	\$ 23,713	\$ (1,440)	\$ 22,273	To reclassify COG fees
Worksheet 8				
4. Other Expenses (X) Gen Expense All Prgm.	\$ 185,578	\$ (155,691)	\$ 29,887	To reclassify fuel purchased for county departments
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 67,897	\$ (9,382)	\$ 58,515	To reclassify intake specialist salary
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 36,324	\$ (3,408)	\$ 32,916	To reclassify intake specialist benefits
3. Service Contracts (N) Service & Support Admin. Costs	\$ 9,819	\$ (4,943)	\$ 4,876	To reclassify fees paid to COG
4. Other Expenses (N) Service & Support Admin. Costs	\$ 110,907	\$ (215)	\$ 108,752	To reclassify non-federal reimbursable expenses
		\$ (88,899)	\$ 21,793	To reclassify TCM match payments
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 499,522	\$ 8,583	\$ 508,105	To reclassify adult service clerk salary
2. Employee Benefits (E) Facility Based Services	\$ 207,049	\$ 1,456	\$ 208,505	To reclassify adult service clerk benefits
3. Service Contracts (E) Facility Based Services	\$ 272,741	\$ (23,356)	\$ 249,385	To reclassify COG fees
4. Other Expenses (E) Facility Based Services	\$ 54,260	\$ (5,000)	\$ 49,260	To reclassify special olympic expense
		\$ (410)	\$ 48,850	To reclassify non-federal reimbursable expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 400	\$ 400	To reclassify non-federal reimbursable expenses
		\$ 410	\$ 810	To reclassify non-federal reimbursable expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Real Estate Fees	\$ -	\$ (59,848)	\$ (59,848)	To reconcile off auditor and treasurer fees
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$ 1,192	\$ 1,192	To reclassify fees paid to COG
		\$ 23,356	\$ 24,548	To reclassify fees paid to COG
		\$ 4,943	\$ 29,491	To reclassify fees paid to COG
		\$ 1,440	\$ 30,931	To reclassify COG fees
Plus: Match Paid To ODMRDD For TCM	\$ -	\$ 88,899	\$ 88,899	To reclassify TCM match payments
Plus: Fuel Purchased for County Departments	\$ -	\$ 155,691	\$ 155,691	To reclassify fuel purchased for county departments
Less: Capital Costs	\$ (121,235)	\$ 7,740	\$ (113,495)	To reconcile off depreciation expenses
		\$ 893	\$ (109,956)	To reconcile off depreciation expenses
		\$ 2,646	\$ (107,310)	To reconcile off depreciation expenses
Less: Plus: Enery Project	\$ -	\$ 30,409	\$ 30,409	To reclassify energy project expenses
Less: Plus: Family & Children First Fund	\$ -	\$ 62,426	\$ 62,426	To record family and children first fund
Total from 12/31 County Auditor's Report	\$ 4,396,228	\$ 62,610	\$ 4,458,838	To correct County Auditor total
Revenue:				
Plus: Family and Children First Fund	\$ -	\$ 77,497	\$ 77,497	To record family and children first fund
Total from 12/31 County Auditor's Report	\$ 3,918,919	\$ 151,005	\$ 4,069,924	To correct County Auditor total
Medicaid Administration Worksheet				
Lines 6-10 Ancillary Costs	\$ -	\$ 17,926	\$ 17,926	To record ancillary costs

Appendix B
Perry County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1, Section A				
1. Building Services (B) Adult	\$ 330	\$ 98	\$ 428	To agree to compiled report
1. Building Services (C) Child	\$ -	\$ 122	\$ 122	To agree to compiled report
2. Dietary Services (B) Adult	\$ -	\$ 472	\$ 472	To agree to compiled report
11. 0-2 Age Children (C) Child	\$ -	\$ 130	\$ 130	To agree to compiled report
13. 6-21 Age Children (C) Child	\$ 261	\$ (121)	\$ 140	To agree to compiled report
14. Facility Based Services (B) Adult	\$ 20,853	\$ (5,541)	\$ 15,312	To agree to compiled report
17. Medicaid Administration (A) MAC	\$ -	\$ 36	\$ 36	To agree to compiled report
21. Service And Support Admin (D) General	\$ -	\$ 61	\$ 61	To agree to compiled report
22. Program Supervision (B) Adult	\$ 981	\$ (40)	\$ 941	To agree to compiled report
22. Program Supervision (C) Child	\$ -	\$ 336	\$ 336	To agree to compiled report
23. Administration (D) General	\$ -	\$ 2,124	\$ 2,124	To agree to compiled report
24. Transportation (D) General	\$ -	\$ 6,480	\$ 6,480	To agree to compiled report
25. Non-Reimbursable (C) Child	\$ -	\$ 1,525	\$ 1,525	To agree to compiled report
Schedule B-3				
3. Children 6-21 (E) One Way Trips- Third Quarter	\$ 539	\$ (192)	\$ 347	To reclassify adult trips
5. Facility Based Services (E) One Way Trips- Third Quarter	\$ 10,726	\$ 192	\$ 10,918	To reclassify adult trips
Schedule B-4				
1. TCM Units (B) 2nd Quarter	\$ 8,463	\$ 622	\$ 9,085	To reclassify TCM units
1. TCM Units (E) COG Activity	\$ -	\$ 296	\$ 296	To record COG units
2. Other SSA Allowable Units (B) 2nd Quarter	\$ 699	\$ (622)	\$ 77	To reclassify TCM units
Schedule C				
IV. Federal Programs				
(O) Help Me Grow Grant- Part C	\$ -	\$ 41,215	\$ 41,215	To record Help Me Grow part C revenue
(P) Help Me Grow Grant- TANF	\$ -	\$ 48,526	\$ 48,526	To record Help Me Grow TANF revenue
(Q) Other (Detail On Separate Sheet)				
37. HMG GRF	\$ -	\$ 168,034	\$ 168,034	To record Help Me Grow GRF revenue
38. ARRA	\$ -	\$ 44,461	\$ 44,461	To record ARRA revenue
V. Other Revenues				
(I) Other (Detail On Separate Sheet)- County Revenue				
52. Room/Office Rent & Survey Reimbursement	\$ 1,327	\$ 24,508	\$ 25,835	To record rent revenue
55. Parenting Classes	\$ -	\$ 7,873	\$ 7,873	To record misc revenue
VI. Capital Revenue				
(D) Capital Housing	\$ 74,068	\$ (74,068)	\$ -	To remove capital housing revenue received in 2009
Worksheet 1				
3. Buildings/Improve (X) Gen Expense All Prgm.	\$ 5,684	\$ 33,615	\$ 39,299	To add depreciation on 2009 asset acquisition
8. COG Expenses (L) Community Residential	\$ 948	\$ (631)	\$ 317	To match audited COG report
8. COG Expenses (N) Service & Support Admin	\$ 235	\$ (156)	\$ 79	To match audited COG report
8. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 14	\$ 14	To match audited COG report
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 146,777	\$ (112,745)	\$ 34,032	To reclassify MAC salaries
3. Service Contracts (X) Gen Expense All Prgm.	\$ 150,451	\$ (47,575)	\$ 102,876	To reclassify admin fees
		\$ (27,959)	\$ 74,917	To reclassify non-federal reimbursable items
		\$ (32,307)	\$ 42,610	To reclassify COG fees
4. Other Expenses (O) Non-Federal Reimbursable	\$ 4,181	\$ 27,959	\$ 32,140	To reclassify non-federal reimbursable items
		\$ 3,218	\$ 35,358	To reclassify non-federal reimbursable items
		\$ 121	\$ 35,479	To reclassify non-federal reimbursable items
4. Other Expenses (X) Gen Expense All Prgm.	\$ 52,645	\$ (3,218)	\$ 49,427	To reclassify non-federal reimbursable items
		\$ (100)	\$ 49,327	To reclassify non-federal reimbursable items
		\$ (400)	\$ 48,927	To reclassify non-federal reimbursable items
5. COG Expenses (L) Community Residential	\$ 23,037	\$ (3,596)	\$ 19,441	To match audited COG report
5. COG Expense (N) Service & Support Admin	\$ 5,724	\$ (894)	\$ 4,830	To match audited COG report
5. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 11,135	\$ 11,135	To match audited COG report
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ -	\$ 54,042	\$ 54,042	To record auditor and treasurer fees
		\$ 47,575	\$ 101,617	To reclassify admin fees
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 72,841	\$ (9,702)	\$ 63,139	To reclassify adult service clerk salary
1. Salaries (N) Service & Support Admin	\$ 30,004	\$ (30,004)	\$ -	To reclassify MAC salaries
2. Employee Benefits (E) Facility Based Services	\$ 58,092	\$ (1,675)	\$ 56,417	To reclassify adult service clerk benefits
2. Employee Benefits (N) Service & Support Admin	\$ 29,621	\$ (17,294)	\$ 12,327	To reclassify MAC salaries
5. COG Expenses (L) Community Residential	\$ 495	\$ (495)	\$ -	To match audited COG report
5. COG Expenses (N) Service & Support Admin	\$ 123	\$ (123)	\$ -	To match audited COG report
Worksheet 3				
3. Service Contracts (X) Gen Expense All Prgm.	\$ 46,017	\$ (32,305)	\$ 13,712	To reclassify COG fees
4. Other Expenses (E) Facility Based Services	\$ 85,455	\$ (13,146)	\$ 72,309	To reclassify capital asset acquisitions
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 100	\$ 100	To reclassify non-federal reimbursable items
5. COG Expenses (L) Community Residential	\$ -	\$ 508	\$ 508	To match audited COG workbook
5. COG Expenses (N) Service & Support Admin	\$ -	\$ 126	\$ 126	To match audited COG workbook
5. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 22	\$ 22	To match audited COG workbook
Worksheet 5				
1. Salaries (A) Ages 0-2	\$ 55,424	\$ 173,775	\$ 229,199	To record Help Me Grow fund salaries
1. Salaries (L) Community Residential	\$ -	\$ 9,255	\$ 9,255	To reclassify intake specialist salary
		\$ (5,416)	\$ 3,839	To reclassify MAC salaries
2. Employee Benefits (A) Ages (0-2)	\$ 28,398	\$ 81,690	\$ 110,088	To record Help Me Grow fund benefits
2. Employee Benefits (L) Community Residential	\$ -	\$ 3,617	\$ 3,617	To reclassify intake specialist salary
4. Other Expenses (A) Ages (0-2)	\$ 1,831	\$ 43,239	\$ 45,070	To record Help Me Grow fund expenses
5. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 4,032	\$ 4,032	To match audited COG workbook
Worksheet 6				
1. Salaries (I) Medicaid Admin	\$ 199,690	\$ 149,023	\$ 348,713	To correct MAC salaries
1. Salaries (O) Non-Federal Reimbursable	\$ 116,933	\$ 42,414	\$ 159,347	To correct MAC salaries
Worksheet 8				
4. Other Expenses (X) Gen Expense All Prgm.	\$ 253,080	\$ (198,549)	\$ 54,531	To reclassify fuel purchased for county departments
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 222,403	\$ (9,255)	\$ 213,148	To reclassify intake specialist salary
		\$ (25,978)	\$ 187,170	To reclassify MAC salaries
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 117,144	\$ (3,617)	\$ 113,527	To reclassify intake specialist benefits
3. Service Contracts (N) Service & Support Admin. Costs	\$ 18,593	\$ (10,549)	\$ 8,044	To reclassify COG fees
4. Other Expenses (N) Service & Support Admin. Costs	\$ 44,899	\$ (121)	\$ 44,778	To reclassify non-federal reimbursable items
		\$ (12,439)	\$ 32,339	To reclassify TCM match payment
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 507,164	\$ 9,702	\$ 516,866	To reclassify adult service clerk salary
2. Employee Benefits (E) Facility Based Services	\$ 258,475	\$ 1,675	\$ 260,150	To reclassify adult service clerk benefits
4. Other Expenses (E) Facility Based Services	\$ 65,064	\$ (86)	\$ 64,978	To reclassify non-federal reimbursable items
		\$ (466)	\$ 64,512	To reclassify non-federal reimbursable items
4. Other Expenses (O) Non-Federal Reimbursable	\$ 100,428	\$ 400	\$ 100,828	To reclassify non-federal reimbursable items
		\$ 466	\$ 101,294	To reclassify non-federal reimbursable items
Reconciliation to County Auditor Worksheet Expense:				

Appendix B
Perry County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Plus: Real Estate Fees	\$ -	\$ (54,042)	\$ (54,042)	To reconcile off auditor and treasurer fees
Plus: Purchases Greater Than \$5,000	\$ -	\$ 13,146	\$ 13,146	To reclassify capital asset acquisitions
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$ 32,307	\$ 32,307	To reclassify COG fees
		\$ 10,549	\$ 42,856	To reclassify COG fees
Plus: Match Paid To ODMRDD For TCM	\$ 80,000	\$ 12,439	\$ 92,439	To reclassify TCM match payment
Plus: Fuel Purchased for County Departments	\$ -	\$ 198,549	\$ 198,549	To reclassify fuel purchased for county departments
Plus: Other	\$ -	\$ 96,722	\$ 96,722	To record family and children first fund
Less: Capital Costs	\$ (119,616)	\$ (32,305)	\$ (151,921)	To reconcile off depreciation expense
Total from 12/31 County Auditor's Report	\$4,087,666	\$ 395,426	\$ 4,483,092	To correct County Auditor total
Revenue:				
Plus: Family & Children First Fund	\$ -	\$ 81,999	\$ 81,999	To record family and children first fund
Total from 12/31 County Auditor's Report	\$4,376,304	\$ 342,548	\$ 4,718,852	To correct County Auditor total
Medicaid Administration Worksheet				
Lines 6-10 Ancillary Costs	\$ -	\$ 17,452	\$ 17,452	To record ancillary costs

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Dave Yost • Auditor of State

PERRY COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

PERRY 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
AUGUST 6, 2013**