



Dave Yost • Auditor of State

**MERCER COUNTY BOARD OF DEVELOPMENTAL DISABILITIES
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Independent Auditor's Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief
Division of Fiscal Administration, Audit Office
Ohio Department of Developmental Disabilities
30 E. Broad Street, 8th Floor
Columbus, Ohio 43215

Dear Ms. Schroeder:

As permitted by Ohio Rev. Code § 5123.05 and as required by the *Application for a § 1915(c) Home and Community Based Services Waiver*, Appendix I-2(c), the Auditor of State's Office performed the procedures enumerated below, to which the Ohio Department of Developmental Disabilities (DODD) agreed. The purpose is to assist you in evaluating whether the Mercer County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2011 and 2012 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2011 and 2012 (Cost Report Guides) and to assist you in evaluating whether reported receipts and disbursements complied with 2 CFR 225 (OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments*), and other compliance requirements described in the procedures below. The County Board's management is responsible for preparing these reports. This agreed-upon procedures engagement was conducted in accordance the American Institute of Certified Public Accountants' attestation standards. The sufficiency of these procedures is solely the responsibility of DODD. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

STATISTICS – SQUARE FOOTAGE

1. DODD requested that we tour the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle space. DODD also asked us to perform the additional procedures listed below only on those areas that changed by more than 10 percent from the final 2010 square footage totals.

We toured the facilities and found no unreported rented or idle floor space.

We compared 2011 and 2012 square footage totals to final 2010 square footage totals and found that the square footage reported changed by more than 10 percent in 2011 and 2012. However, the County Board stated that the final 2010 square footage reflects the correct square footage usage by program in 2011 and 2012 with the exception of Medicaid Administration, Child Nursing and Administration.

We reported variances in Appendix A (2011) and Appendix B (2012) to report the square footage from the final 2010 Cost Report for all program areas except those noted above. In addition, we performed limited procedures below in those areas where the square footage has changed since 2010.

STATISTICS – SQUARE FOOTAGE (Continued)

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

We did not perform this procedure because the County Board confirmed there were no significant changes in the building structures or floor plans from the final 2010 Cost Report through 2011 and 2012.

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

We compared square footage for each room on the floor plan for those areas where the square footage has changed since 2010 to the County Board's summary for each year.

We found no variances.

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

We compared the County Board's original square footage summary for those areas where the square footage has changed since 2010 to the square footage reported on *Schedule B-1*.

We found no variances.

5. DODD requested that we obtain the County Board's methodology for allocating square footage between programs and review the methodology to ensure that square footage for areas shared by more than one type of service is allocated by program based on reported usage of the area in accordance with the Cost Report Guides.

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

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 in 2011. We determined that the number of school age individuals served for *Schedule B-1* needed to be obtained as Column (D) Unassigned Children Program costs on *Worksheet 5, Direct Services* were not being allocated to Column (C) School Age.

The County Board provided support for these omitted statistics as reported in Appendix B (2012).

We also determined that the number of pre-school individuals served on *Schedule B-1* were incorrectly reported in 2011, as the County Board stated it does not provide pre-school services. This resulted in an incorrect allocation of Column (D) Unassigned Children Program costs to Column (B) Pre-school.

We removed these statistics as reported in Appendix A (2011).

STATISTICS – ATTENDANCE (Continued)

2. DODD asked us to compare the County Board's final 2010 typical hours of service reported on *Schedule B-1, Section B, Attendance Statistics* to the typical hours of service reported on *Schedule B-1* for 2011 and, if the hours are the same, to do no additional procedures.

We compared the final 2010 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2011.

We found no differences.

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

We compared the County Board's Day Services Attendance Summary by Consumer, Location, Acuity and Month and Services Provided Detail reports for the number of individuals served, days of attendance and 15 minute units with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation, Enclave and Community Employment on *Schedule B-1, Section B, Attendance Statistics* and determined if the statistics were reported in accordance with the Cost Report Guides. We also footed the County Board's reports on attendance statistics for accuracy.

We reported variances in Appendix A (2011). We found no differences in 2012.

4. DODD requested that we report variances if the County Board's number of individuals served varied by more than 10 percent when comparing to the prior period's final attendance statistics on *Schedule B-1, Section B, Attendance Statistics* for 2011.

We compared the County Board's final 2010 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation and Enclave for 2011 on *Schedule B-1, Section B, Attendance Statistics* and determined if the variances were over 10 percent.

The number of reported enclave individuals served changed more than 10 percent from the prior year's *Schedule B-1* to 2011 and as a result we performed procedure 5 below.

5. DODD requested that we report variances if the individuals served on 2011 *Schedule B-1, Section B, Attendance Statistics* were not within three of the individuals documented on the attendance sheets if the error rate in procedure 4 was greater than 10 percent.

We haphazardly selected 15 enclave individual names from the County Board's attendance sheets for 2011, and compared the individuals by name to the compiled listing of individuals served by program documentation which rolls up to *Schedule B-1*.

We found no differences.

6. DODD requested that we report variances in the total attendance days for five individuals for two months in 2012 between the County Board's monthly attendance documentation and the number of days reported on *Schedule B-1, Section B, Attendance Statistics*. DODD also asked us to compare the acuity level on the County Board's 2012 Day Services Attendance Summary by Consumer, Location, Acuity and Month reports to the Acuity Assessment Instrument or other documentation for each individual.

We traced the number of attendance days for four adult day service and one enclave individual from January through May and July through November 2012 from the County Board's monthly attendance reports to *Schedule B-1*.

STATISTICS – ATTENDANCE (Continued)

We reported variances in Appendix B (2012).

We also compared each acuity level on the 2012 Day Services Attendance Summary by Consumer, Location, Acuity and Month reports to the Acuity Assessment Instrument for the same five individuals. We also selected an additional three individuals, to ensure that at least two individuals from each acuity level is tested, and performed the same acuity level comparison.

We found no acuity variances.

7. DODD requested us to select 30 community employment 15 minute units from 2011 and 2012 and determine if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements of Ohio Admin. Code § 5123:2-9-05 (as described in Paid Claims testing, procedure 1). DODD asked 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 Guides or if any unit did not meet the documentation requirements.

We haphazardly selected 15 community employment units from 2011 and 15 units from 2012 from the County Board's Services Provided Detail reports and determined if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements.

We found fewer than three units that were not calculated in accordance with the Cost Report Guide and instances of non-compliance with these documentation requirements as reported in the Paid Claims Testing section.

ACUITY TESTING

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

We compared the County Board's Day Services Attendance Summary by Consumer, Location, Acuity and Month reports for the days of attendance for Day Habilitation/Adult Day Services/Vocational Habilitation and Enclave with the Days of Attendance by Acuity supplemental worksheet for 2011.

We found no variances.

2. We also compared two individuals from each acuity level on the County Board's 2011 County Board's Day Services Attendance Summary by Consumer, Location, Acuity and Month reports to the Acuity Assessment Instrument or other supporting documentation such as the DODD Acuity Assessment Instrument Ratio Listing report for each individual for each respective year.

We found no acuity variances.

STATISTICS – TRANSPORTATION

1. DODD requested that we report variances if the County Board's transportation units were not within two percent of total units reported on each line of *Schedule B-3, Quarterly Summary of Transportation Services*.

We compared the number of one-way trips from the County Board's Units Delivered Transportation by Service, Month and Age Group and Services Provided Detail reports with those statistics as reported in *Schedule B-3*. We also footed the County Board's Services transportation reports for accuracy.

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

2. DODD requested that we report variances of more than 10 percent of the total trips taken for five individuals for both 2011 and 2012, between the County Board's internal documentation versus the amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We traced the number of trips for four adults and one child for one week in August 2011 and one week in February 2012 from the County Board's daily reporting documentation to *Schedule B-3*.

We found no differences in 2011. We found no differences exceeding 10 percent in 2012.

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

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

We found no differences in amounts reported on *Schedule B-3*. We also reviewed the County Board's State Expenses Detailed Reports for any of these costs not identified by the County Board and we found unreported costs as reported in Appendix A (2011) and Appendix B (2012).

STATISTICS – SERVICE AND SUPPORT ADMINISTRATION (SSA)

1. DODD requested that we report variances if the County Board's SSA units were not within two percent of total units reported on each line of *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*.

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

We found no differences.

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

We haphazardly selected two samples of 60 Other SSA Allowable units for both 2011 and 2012 from the Case Note Listing for TCM Billing - Subtotaled by Consumer reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the elements required by Ohio Admin. Code § 5101:3-48-01(F).

We found no differences.

STATISTICS – SERVICE AND SUPPORT ADMINISTRATION (Continued)

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

We haphazardly selected a sample of 60 SSA Unallowable units for both 2011 and 2012 from the Case Note Listing for TCM Billing - Subtotaled by Consumer reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the elements required by Ohio Admin. Code § 5101:3-48-01(F).

The 2011 units found to be in error did not exceed 10 percent. We found no differences in 2012.

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 for 2011. DODD also requested us to report changes exceeding five percent in total SSA units by line on *Schedule B-4* when compared to the prior year's final Cost Report for 2012.

We compared the final 2010 SSA units to the final 2011 SSA units and the final 2011 SSA units to the final 2012 SSA units.

The final 2011 TCM, Other SSA Allowable and SSA Unallowable units did not decrease by more than five percent from the 2010 *Schedule B-4*.

The final 2012 Other SSA Allowable decreased by more than five percent or more and SSA Unallowable units increased by more than five percent or more from the 2011 *Schedule B-4*. We obtained the County Board's explanation that these variances were related to individuals that were moved into facilities in 2012 and because of Medicaid inquiries completed every quarter.

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

We haphazardly selected a sample of 60 General Time units for 2011 and 61 General Time units for 2012 from the Case Notes Listing for TCM Billing - Subtotaled by Consumer reports 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.

We found no differences.

REVENUE COST REPORTING AND RECONCILIATION TO THE COUNTY AUDITOR REPORT

1. DODD asked us to compare the receipt totals from the county auditor's detailed receipt reports for the County Board to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We compared the receipt totals from the 12/31/2011 and 12/31/2012 county auditor's Detail Revenue Transactions reports for the General (2039) and Severance Benefit (2080) funds to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences.

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

2. DODD asked us to determine whether total County Board receipts reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total receipts for these funds, and if the Cost Reports do not reconcile within limits, to perform procedure 3.

Total County Board receipts were within 1/4 percent of the county auditor's yearly receipt totals reported for these funds.

3. DODD asked us to compare the account description and amount for each revenue reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's State Account Code Detailed Reports and other supporting documentation.

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

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

We compared revenue entries on *Schedule C, Income Report* to the West Central Ohio Network Council of Government (COG) prepared County Board Summary Workbooks.

We found no differences in 2011. We found differences as reported in Appendix B (2012).

5. DODD asked that we review the County Board's State Account Code Detailed Report 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 \$165,072 in 2011 and \$200,805 in 2012;
- Transportation reimbursements in the amount of \$56,632 in 2011 and \$61,289 in 2012; and
- Title XX revenues in the amount of \$33,986 in 2011 and \$14,984 in 2012.

We also noted Opportunities for Ohioans with Disabilities (formerly the Ohio Rehabilitation Services Commission) revenue in the amount of \$130,873 in 2011 and \$101,379 in 2012. The County Board did not track these expenditures; therefore, we offset the amount equal to revenue on *Schedule a1, Adult Program* as reported in Appendix A (2011) and Appendix B (2012).

Recommendation:

We recommend the County Board implement a process to track Opportunities for Ohioans with Disabilities expenditures to meet the requirements as described in the Cost Report Guide's Frequently Asked Questions, which states in pertinent part, "All costs associated with the RSC program (excluding the match transferred to RSC) should also be reported in the 'Less Revenue' column of Worksheet a1 since there are not applicable statistics for these services in *Schedule B-1*."

PAID CLAIMS TESTING

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

- Date of service;
- Place of service;
- Name of the recipient;
- Name of the provider;
- Signature of the person delivering the service or initials of the person delivering the service if the signature and corresponding initials are on file with the provider;
- Type of service;
- Number of units of the delivered service or continuous amount of uninterrupted time during which the service was provided;
- Group size in which the services were delivered; and
- Arrival and departure times of the provider of service's site visit to the recipient's location or of the recipient's visit to the provider of service's location.

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).

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

We found no instances of non-compliance with these documentation requirements for 2011 or 2012. However, we found differences between the usual and customary and reimbursed rates for contracted non-medical transportation services provided by a commercial vehicle as described below. We also noted that management could not provide supporting documentation necessary to confirm management's assumptions about the reasonableness of the charges paid by the County Board for commercial transportation. See procedure 6 in the Non-Payroll Expenditures and Reconciliation to the County Auditor Report section.

We also found instances of non-compliance with the documentation requirements as described in Ohio Admin. Code § 5123:2-9-05 for community employment units in 2012 as tested in Statistics – Attendance section.

RECOVERABLE FINDING – 2011

Finding \$24.61

Service Code	Units	Review Results	Finding
ATT	8	Units billed above usual and customary rate	\$1.02
FTT	116	Units billed above usual and customary rate	\$23.59
		Total	\$24.61

PAID CLAIMS TESTING (Continued)

RECOVERABLE FINDING – 2012

Finding \$7.44

Service Code	Units	Review Results	Finding
FCO	2	Units billed in excess of service delivery	\$7.44
		Total	\$7.44

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

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.

We found no instance where the Medicaid reimbursed units were greater than final TCM and Supported Employment - Community Employment units.

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 the services on *Schedule A, Summary of Service Costs-By Program*, for Lines (20) to (25).

NON-PAYROLL EXPENDITURES AND RECONCILIATION TO THE COUNTY AUDITOR REPORT

1. DODD asked us to compare the disbursement totals from the county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's disbursements report for County Board's funds.

We compared the disbursement totals from the 12/31/2011 and 12/31/2012 county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's Detailed Expense Transactions reports for the General (2039) and Severance Benefit (2080) funds.

We found no differences.

2. DODD asked us to determine whether total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total disbursements for these funds and, if Cost Reports did not reconcile within acceptable limits, to perform procedure 3.

Total County Board disbursements were within 1/4 percent of the county auditor's yearly disbursement totals reported for these funds.

3. DODD asked us to compare the account description and amount for each reconciling item on the *County Auditor Reconciliation Worksheets* to the County Board's State Expenses Detailed Reports and other supporting documentation.

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

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

4. DODD asked us to compare the County Board's detailed disbursements to the amounts reported on worksheets 2 through 10, and report variances exceeding \$100 for service contracts and other expenses on any worksheet.

We compared all service contract and other expenses entries on worksheets 2 through 10 to the County Board's State Expenses Detailed Reports and other supporting documentation such as county tax settlement sheets.

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

5. DODD asked us to compare disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 1 through 10 to the COG prepared County Board Summary Workbooks.

We compared disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 1 through 10 to the COG prepared County Board Summary Workbooks.

We found no differences in 2011. We found differences as reported in Appendix B (2012).

6. DODD asked us to determine whether the County Board's detailed disbursements were properly classified within two percent of total service contracts and other expenses for all worksheets and if any worksheet included disbursements over \$100 which are non-federal reimbursable under 2 CFR 225 Appendix B.

We scanned the County Board's State Expense Detailed Reports for service contracts and other expenses in the following columns and worksheets: column (X) General Expense-All Programs on worksheets 2 through 8; column (N) Service and Support Administration Costs on worksheet 9; and columns (E) Facility Based Services, (F) Enclave, (G) Community Employment and (H) unassigned 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 misclassified and non-federal reimbursable costs as reported in Appendix A (2011) and Appendix B (2012).

We also reviewed the memorandum of understanding between the County Board and Sources Community Network Services, which was the administrator for contract transportation services with Cold Transportation System. We noted the County Board was charged a rate of \$1.00 per mile within forty miles and \$1.30 per mile for trips exceeding forty miles; however, the County Board was reimbursed at a rate of \$1.10 for some trips within forty miles. The County Board indicated contract rates were determined by collaboration between county agencies and the there was no alternative transportation available.

The County Board could not provide specific financial records (detail ledgers, financial budgets, etc.) to show how the rates in the agreement were developed or how they related to services specific to the County Board. The County Board provided no support to document its efforts to ensure that the expenses were a reasonable cost for the County Board to incur.

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

Recommendation:

We recommend the County Board ensure that its costs for contracted commercial transportation services meet all applicable requirements as outlined in the Cost Report Guides, 2 CFR Part 225 and the Provider Reimbursement Manual (CMS Publication 15-1) and the technical assistance bulletin provided by DODD relating to Commercial Transportation.

This includes meeting the requirement in Section 2103 to be a prudent and cost-conscious buyer that refuses to pay more than the going price for an item or service, and seeks to economize by minimizing cost. Implicit in the intention that actual costs be paid to the extent they are reasonable is the expectation that the provider seeks to minimize its costs and that its actual costs do not exceed what a prudent and cost conscious buyer pays for a given item or service.

In addition, CMS Publication 15-1, Section 2304, which requires the County Board to have cost information that is "current, accurate, and in sufficient detail to support payments made for services rendered to beneficiaries. This includes all ledgers, books, records and original evidences of cost (purchase requisitions, purchase orders, vouchers, requisitions for materials, inventories, labor time cards, payrolls, bases for apportioning costs, etc.), which pertain to the determination of reasonable cost, capable of being audited." For example the contract could include a detailed budget by expense type to show the service components and corresponding costs for what the County Board is buying.

The County Board should review DODD guidance on this issue in document titled "Guidance Issued By DODD Regarding Non-Medical Transportation Provided by an Operator of Commercial Vehicles" which was distributed in May 2015 and ensure that its practices are consistent with this guidance. The County Board should seek assistance from DODD as needed.

7. DODD asked us to scan the County Board's detailed expense reports for items purchased during 2011 and 2012 that met the County Board's capitalization threshold and trace them to the County Board's fixed asset listing.

We scanned the County Board's State Detailed Expense Reports for items purchased during 2011 and 2012 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Fixed Asset schedule.

We found no unrecorded purchases meeting the capitalization criteria.

8. DODD asked us to select disbursements from 2011 and 2012 from the County Board's detailed expense reports that were classified as service contract and other expenses on worksheets 2 through 10 and determine if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We haphazardly selected 20 disbursements from 2011 and 2012 from the County Board's State Expenses Detailed Reports that were classified as service contract and other expenses on worksheets 2 through 10. We determined if supporting documentation was maintained as required by 2 CFR 225.

We reported misclassified and non-federal reimbursable costs in Appendix A (2011) and Appendix B (2012).

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

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

We found no differences.

3. We compared the County Board's final 2010 Fixed Assets schedule to the County Board's 2011 and 2012 Fixed Assets schedules for changes in the depreciation amounts for assets purchased prior to the periods under review, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation taken on assets during the period of acquisition which were not in compliance with the Cost Report Guides.

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

4. DODD asked us to haphazardly select the lesser of 10 percent or 10 of the County Board's fixed assets which meet the County Board's capitalization policy and are being depreciated in their first year in either 2011 or 2012 to determine if the useful lives agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. DODD also requested that we re-compute the first year's depreciation for these assets, based on their cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

We did not perform this procedure in 2011 as the County Board did not have any fixed assets which meet the capitalization policy and were being depreciated in their first year.

We haphazardly selected one of the County Board's fixed assets which meet the County Board's capitalization policy and are being depreciated in their first year in 2012 to determine if the useful lives agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. We also recomputed the first year's depreciation for these assets, based on their cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

We found differences as reported in Appendix B (2012).

5. DODD asked us to haphazardly select the lesser of five percent or 20 disposed assets from 2011 and 2012 from the County Board's list of disposed assets and 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 2011 (and 2012, 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 haphazardly selected one disposed asset from the County Board's 2011 Fixed Asset schedule and determined if the asset was removed from the County Board's fixed asset ledger.

PROPERTY, DEPRECIATION AND ASSET VERIFICATION TESTING (Continued)

We also recalculated depreciation and any gain or loss applicable to 2011 for the disposed items based on its undepreciated basis and any proceeds received from the disposal of the asset to determine compliance with the Cost Report Guides and CMS Publication 15-1, Chapter 1.

We found differences as reported in Appendix A (2011). We did not perform this procedure in 2012 because the County Board stated that no capital assets were disposed of. We scanned the County Board's State Account Code Detailed Report and did not find any proceeds from the sale or exchange of fixed assets.

PAYROLL TESTING

1. DODD asked us to determine whether total County Board salaries and benefits in the 2011 and 2012 cost reports were within two percent of the county auditor's report totals for the County Board's funds.

We totaled salaries and benefits from worksheets 2 through 10 from the 2011 and 2012 Cost Reports and compared the yearly totals to the county auditor's Detailed Expense Transactions reports for the General (2039) and Severance Benefit (2080) funds.

The variance was less than two percent.

2. DODD asked us to compare the County Board's detailed payroll disbursements to the amounts reported on worksheets 2 through 10, and to report variances exceeding \$100 for salaries or employee benefit expenses.

We compared all salary and employee benefit entries on worksheets 2 through 10 to the County Board's State Expenses Detailed Reports.

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

3. DODD requested us to select a sample of 25 percent of the average number of employees for the two-year period and compare the County Board's organizational chart, staffing/payroll journal and job descriptions, if needed, to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides. If misclassification errors exceed 10 percent, DODD requested us to perform procedure 4.

We selected 21 employees and compared the County Board's organizational chart, State Expenses Detailed Reports and job descriptions, where needed, to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides.

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

4. DODD asked us to scan the County Board's detailed payroll reports for 2011 and 2012 and compare classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides if the errors in procedure 3 above exceeded 10 percent.

We did not perform this procedure as the 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 versus the County Board's payroll records exceeded one percent or more.

We compared the salary and benefits entered on the MAC Cost by Individual reports to the County Board's State Expenses Detailed Reports.

We found no variance exceeding one percent in 2011. We found a variance exceeding one percent in 2012 and accordingly DODD adjusted the MAC Costs by Individual report to correct the misstatements identified.

2. DODD asked that we compare the original 2011 and adjusted 2012 MAC Cost by Individual report(s) to Worksheet 6, columns (I) and (O) for both years.

We found no differences in 2011. We found differences on Worksheet 6 and payroll differences for employees participating in MAC that impacted other worksheets as reported in Appendix B (2012).

3. We compared Ancillary Costs on the Roll Up Report for the Ohio Department of Medicaid (ODM) report to Lines 6-10 of the *MAC Reconciliation Worksheet*.

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

4. We selected 11 RMTS observed moments completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the third quarter of 2011 and 11 RMTS observed moments from the second quarter of 2012 in which they documented their time spent on administering Medicaid-funded programs. We determined if supporting documentation of the County Board employees' activity for each observed moment was maintained and the observed moment was properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2010 and 2012.

We found one RMTS observed moment for Activity Code 17 - Investigating Unusual and Major Unusual Incidents that lacked supporting documentation in 2011. We found no differences in 2012.

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

Mercer County Board of Developmental Disabilities
Independent Auditor's Report on
Applying Agreed-Upon Procedures

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, ODM 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.

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

July 8, 2015

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Appendix A
Mercer County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Schedule B-1, Section A				
1. Building Services (B) Adult	1,155	72	1,227	To agree to audited 2010 square footage
1. Building Services (C) Child	327	(75)	252	To agree to audited 2010 square footage
4. Nursing Services (B) Adult	938	(577)	361	To agree to audited 2010 square footage
5. Speech/Audiology (C) Child	296	75	371	To agree to audited 2010 square footage
7. Occupational Therapy (B) Adult	-	102	102	To agree to audited 2010 square footage
7. Occupational Therapy (C) Child	854	(421)	433	To agree to audited 2010 square footage
8. Physical Therapy (B) Adult	-	102	102	To agree to audited 2010 square footage
8. Physical Therapy (C) Child	706	433	1,139	To agree to audited 2010 square footage
11. Early Intervention (C) Child	4,004	(963)	3,041	To agree to audited 2010 square footage
14. Facility Based Services (B) Adult	16,516	(83)	16,433	To agree to audited 2010 square footage
22. Program Supervision (B) Adult	1,475	(1,223)	252	To agree to audited 2010 square footage
24. Transportation (D) General	635	(446)	189	To agree to audited 2010 square footage
25. Non-Reimbursable (C) Child	3,252	1,145	4,397	To agree to audited 2010 square footage
25. Non-Reimbursable (D) General	-	177	177	To agree to audited 2010 square footage
Schedule B-1, Section B				
1. Total Individuals Served By Program (C) Supported Emp. - Community Employment	18	2	20	To correct individuals served
5. Total Individuals Served by Age Group (B) Pre-School	76	(76)	-	To remove individuals served
Schedule B-3				
1. Early Intervention (G) One Way Trips- Fourth Quarter	-	2,473	2,473	To report correct number of one-way trips
2. Pre-School (G) One Way Trips- Fourth Quarter	4,397	(2,473)	1,924	To report correct number of one-way trips
3. School Age (G) One Way Trips- Fourth Quarter	-	1,261	1,261	To report correct number of one-way trips
6. Supported Emp. -Enclave (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ -	\$ 2,578	\$ 2,578	To report per mile contract costs
7. Supported Emp. -Comm Emp. (A) One Way Trips- First Quarter	147	(147)	-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (C) One Way Trips- Second Quarter	204	(204)	-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (E) One Way Trips- Third Quarter	144	(144)	-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (G) One Way Trips- Fourth Quarter	96	(96)	-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	\$ 1,878	\$ 8,123	-	To report per mile contract costs
		\$ 103,401	\$ 113,402	To report per mile contract costs
Schedule B-4				
5. SSA Unallowable Units (D) 4th Quarter			-	To correctly report SSA units
Worksheet 1				
3. Buildings/Improve. (X) Gen Expense All Prgm.	\$ 1,128	\$ 6,572	\$ 7,700	To record unrecorded depreciation from prior year
5. Movable Equipment (U) Transportation	\$ 5,854	\$ 349	-	To record loss on trade-in
		\$ 113	-	To record unrecorded depreciation from prior year
		\$ 3,693	\$ 10,009	To record unrecorded depreciation from prior year
5. Movable Equipment (X) Gen Expense All Prgm.	\$ -	\$ 1,359	\$ 1,359	To record unrecorded depreciation from prior year
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 159,880	\$ (1,050)	\$ 158,830	To agree to compiled report
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 147,013	\$ 2,434	\$ 149,447	To reclassify benefit expenses
3. Service Contracts (X) Gen Expense All Prgm.	\$ 33,700	\$ (4,550)	-	To reclassify non-profit audit expense
		\$ (570)	\$ 28,580	To reclassify unallowable promotional expense

Appendix A (Page 2)
Mercer County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 2 (Continued)				
4. Other Expenses (O) Non-Federal Reimbursable	\$ 8,334	\$ 379		To reclassify unallowable general government expense
		\$ 4,550		To reclassify non-profit audit expense
		\$ 570		To reclassify unallowable promotional expense
		\$ 3,375	\$ 17,208	To reclassify non-profit audit expense
4. Other Expenses (X) Gen Expense All Prgm.	\$ 56,164	\$ (379)		To reclassify unallowable general government expense
		\$ (2,434)		To reclassify benefit expenses
		\$ (16,514)	\$ 36,837	To reclassify fee paid to COG
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ 67,461	\$ 120,945	\$ 188,406	To match auditor and treasurer fees to settlement sheets
Worksheet 2A				
1. Salaries (E) Facility Based Service	\$ 150,672	\$ 1,050	\$ 151,722	To agree to compiled report
1. Salaries (G) Community Employment	\$ 91,586	\$ (4,599)	\$ 86,987	To reclassify CA Group contract payments
Worksheet 3				
3. Service Contracts (B) Pre-School	\$ 3,037	\$ (3,037)	\$ -	To reclassify non-DD program related expenses
3. Service Contracts (E) Facility Based Services	\$ 56,369	\$ (3,840)	\$ 52,529	To reclassify adult program expense
3. Service Contracts (O) Non-Federal Reimbursable	\$ -	\$ 3,037	\$ 3,037	To reclassify non-DD program related expenses
3. Service Contracts (X) Gen Expense All Prgm.	\$ 34,729	\$ (10,043)	\$ 24,686	To reclassify adult program expenses
4. Other Expenses (B) Pre-School	\$ 1,025	\$ (1,025)	\$ -	To reclassify non-DD program related expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 1,025	\$ 1,025	To reclassify non-DD program related expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 52,748	\$ (8,065)	\$ 44,683	To reclassify community employment expenses
Worksheet 5				
3. Service Contracts (C) School Age	\$ 143,232	\$ (143,232)	\$ -	To reclassify non-DD program related expenses
3. Service Contracts (D) Unasgn Children Program	\$ 49,550	\$ (47,550)	\$ 2,000	To reclassify fees paid to COG
3. Service Contracts (L) Community Residential	\$ -	\$ 4,992	\$ 4,992	To reclassify community residential expense
3. Service Contracts (O) Non-Federal Reimbursable	\$ 18,099	\$ (18,099)		To reclassify fee paid to COG
		\$ 143,232	\$ 143,232	To reclassify non-DD program related expenses
4. Other Expenses (D) Unasgn Children Program	\$ 1,013	\$ (139)	\$ 874	To reclassify fee paid to COG
4. Other Expenses (L) Community Residential	\$ -	\$ 47,570		To reclassify community residential expenses
		\$ 1,377	\$ 48,947	To reclassify community residential expense
Worksheet 7-B				
4. Other Expenses (E) Facility Based Services	\$ 5,940	\$ 166	\$ 6,106	To reclassify nursing expense
Worksheet 8				
4. Other Expenses (A) Early Intervention	\$ -	\$ 2,968	\$ 2,968	To reclassify transportation expenses
4. Other Expenses (G) Community Employment	\$ 1,704	\$ 5,702	\$ 7,406	To reclassify transportation expenses
Worksheet 9				
4. Other Expenses (N) Service & Support Admin. Costs	\$ 9,652	\$ 649	\$ 10,301	To reclassify SSA expense

Appendix A (Page 3)
Mercer County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 371,965	\$ 31,784	\$ 403,749	To reclassify Adult Day Services Specialist salary
1. Salaries (G) Community Employment	\$ 392,219	\$ (31,784)	\$ 360,435	To reclassify Adult Day Services Specialist salary
2. Employee Benefits (E) Facility Based Services	\$ 178,623	\$ 18,568	\$ 197,191	To reclassify Adult Day Services Specialist benefits
2. Employee Benefits (G) Community Employment	\$ 199,078	\$ (18,568)	\$ 180,510	To reclassify Adult Day Services Specialist benefits
3. Service Contracts (E) Facility Based Services	\$ 296,181	\$ (2,240)		To reclassify enclave portion of expense
		\$ 10,043		To reclassify adult program expenses
		\$ (649)		To reclassify SSA expense
		\$ (3,375)	\$ 299,960	To reclassify non-profit audit expense
3. Service Contracts (F) Enclave	\$ 35,572	\$ 2,240	\$ 37,812	To reclassify enclave portion of expense
3. Service Contracts (G) Community Employment	\$ 95,262	\$ 3,840		To reclassify adult program expense
		\$ 4,599	\$ 103,701	To reclassify CA Group contract payments
3. Service Contracts (H) Unasgn Adult Program	\$ 64,730	\$ (4,992)		To reclassify community residential expense
		\$ (47,570)		To reclassify community residential expenses
		\$ (5,000)	\$ 7,168	To reclassify capital asset acquisition
4. Other Expenses (E) Facility Based Services	\$ 20,968	\$ (166)	\$ 20,802	To reclassify nursing expense
4. Other Expenses (G) Community Employment	\$ 4,728	\$ 8,065		To reclassify community employment expenses
		\$ (1,377)	\$ 11,416	To reclassify community residential expense
a1 Adult				
10. Community Employment (B) Less Revenue	\$ -	\$ 130,873	\$ 130,873	To record RSC expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Real Estate Fees	\$ -	\$ (120,945)	\$ (120,945)	To reconcile off auditor and treasurer fees
Plus: Purchases Greater Than \$5,000	\$ 36,367	\$ 5,000	\$ 41,367	To reclassify capital asset acquisition
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 25,000	\$ 16,514		To reclassify fee paid to the COG
		\$ 47,550		To reclassify fees paid to the COG
		\$ 18,099		To reclassify fee paid to the COG
		\$ 139	\$ 107,302	To reclassify fee paid to the COG
Plus: parent reimbursement included in Schedule B3	\$ 8,669	\$ (2,968)		To reclassify transportation expenses
		\$ (5,701)	-	To reclassify transportation expenses
Less: Capital Costs	\$ (9,756)	\$ (6,572)		To reconcile off depreciation expense
		\$ (349)		To reconcile off depreciation expense
		\$ (113)		To reconcile off depreciation expense
		\$ (3,693)		To reconcile off depreciation expense
		\$ (1,359)	\$ (21,842)	To reconcile off depreciation expense
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement Requested	\$ -	\$ 7,677	\$ 7,677	To record ancillary costs
10. Through Calendar Year				

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Appendix B
Mercer County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>		<u>Correction</u>		<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Schedule A						
19. Room and Board/Cost to Live (L) Community Residential	\$ -	\$	-	\$	-	
21. Adaptive And Assistive Equipment (L) Community Residential	\$ 4,418	\$	(4,418)	\$	-	To match to final COG workbook
Schedule B-1, Section A						
1. Building Services (B) Adult	1,155		72		1,227	To agree to 2010 audit square footage
1. Building Services (C) Child	327		(75)		252	To agree to 2010 audit square footage
4. Nursing Services (B) Adult	938		(577)		361	To agree to 2010 audit square footage
5. Speech/Audiology (C) Child	296		75		371	To agree to 2010 audit square footage
7. Occupational Therapy (B) Adult	-		102		102	To agree to 2010 audit square footage
7. Occupational Therapy (C) Child	854		(421)		433	To agree to 2010 audit square footage
8. Physical Therapy (B) Adult	-		102		102	To agree to 2010 audit square footage
8. Physical Therapy (C) Child	706		433		1,139	To agree to 2010 audit square footage
11. Early Intervention (C) Child	4,004		(963)		3,041	To agree to 2010 audit square footage
14. Facility Based Services (B) Adult	16,516		(83)		16,433	To agree to 2010 audit square footage
22. Program Supervision (B) Adult	1,475		(1,223)		252	To agree to 2010 audit square footage
24. Transportation (D) General	635		(446)		189	To agree to 2010 audit square footage
25. Non-Reimbursable (C) Child	3,252		1,145		4,397	To agree to 2010 audit square footage
25. Non-Reimbursable (D) General	-		177		177	To agree to 2010 audit square footage
Schedule B-1, Section B						
5. Total Individuals Served by Age Group (C) School Age	-		8		8	To record individuals served
12. B (A) Facility Based Services	1,018		1		1,019	To add day of attendance
Schedule B-3						
1. Early Intervention (G) One Way Trips- Fourth Quarter	-		109		109	To report correct number of one-way trips
3. School Age (G) One Way Trips- Fourth Quarter	-		3,393		3,393	To report correct number of one-way trips
5. Facility Based Services (G) One Way Trips- Fourth Quarter	8,218		(2,194)		6,024	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (A) One Way Trips- First Quarter	82		(82)		-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (C) One Way Trips- Second Quarter	240		(240)		-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (E) One Way Trips- Third Quarter	297		(297)		-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (G) One Way Trips- Fourth Quarter	271		(271)		-	To report correct number of one-way trips
7. Supported Emp. -Comm Emp. (H) Cost of Bus, Tokens, Cabs- Fourth Quarter	1,187	\$	11,924			To report per mile contract costs
		\$	78,464	\$	91,575	To report correct cost of bus, tokens, cabs
Schedule C						
I. County						
(B) Interest- COG Revenue	\$ 57,747	\$	4,573	\$	62,320	To match to final COG workbook
Worksheet 1						
3. Buildings/Improve (X) Gen Expense All Prgm.	\$ 2,005	\$	6,572	\$	8,577	To record depreciation for unrecorded prior year
5. Movable Equipment (U) Transportation	\$ 10,645	\$	2,696			To correct depreciation on asset
		\$	3,693	\$	17,034	To record depreciation for unrecorded prior year
5. Movable Equipment (X) Gen Expense All Prgm.	\$ -	\$	1,359	\$	1,359	To record depreciation for unrecorded prior year
8. COG Expenses (F) Enclave	\$ -	\$	1	\$	1	To match to final COG workbook
8. COG Expenses (G) Community Employment	\$ -	\$	1	\$	1	To match to final COG workbook
8. COG Expenses (L) Community Residential	\$ -	\$	118	\$	118	To match to final COG workbook
8. COG Expenses (M) Family Support Services	\$ -	\$	33	\$	33	To match to final COG workbook
8. COG Expenses (N) Service & Support Admin	\$ -	\$	24	\$	24	To match to final COG workbook
8. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$	5	\$	5	To match to final COG workbook

Appendix B (Page 2)
Mercer County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 153,655	\$ (1,100)		To agree to compiled report
		\$ 27,093	\$ 179,648	To reclassify MAC salaries
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 133,126	\$ 2,400		To reclassify benefit expenses
		\$ 300		To reclassify benefit expense
		\$ 1,800	\$ 137,626	To reclassify benefit expenses
3. Service Contracts (X) Gen Expense All Prgm.	\$ 15,584	\$ (300)		To reclassify benefit expense
		\$ (1,800)	\$ 13,484	To reclassify benefit expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ 10,010	\$ 200		To reclassify donation expense
		\$ 2,150	\$ 12,360	To reclassify non-profit audit expense
4. Other Expenses (X) Gen Expense All Prgm.	\$ 44,486	\$ (1,505)		To reclassify auditor and treasurer fees
		\$ (200)		To reclassify donation expense
		\$ (863)		To reclassify fee paid to COG
		\$ (2,400)		To reclassify benefit expenses
		\$ (2,150)	\$ 37,368	To reclassify non-profit audit expense
5. COG Expenses (A) Early Intervention	\$ -	\$ 1	\$ 1	To match to final COG workbook
5. COG Expenses (B) Pre-School	\$ -	\$ 4	\$ 4	To match to final COG workbook
5. COG Expense (C) School Age	\$ -	\$ 16	\$ 16	To match to final COG workbook
5. COG Expense (F) Enclave	\$ -	\$ 29	\$ 29	To match to final COG workbook
5. COG Expense (G) Community Employment	\$ -	\$ 21	\$ 21	To match to final COG workbook
5. COG Expenses (L) Community Residential	\$ -	\$ 4,736	\$ 4,736	To match to final COG workbook
5. COG Expense (M) Family Support Services	\$ -	\$ 1,321	\$ 1,321	To match to final COG workbook
5. COG Expense (N) Service & Support Admin	\$ -	\$ 951	\$ 951	To match to final COG workbook
5. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 4,783	\$ 4,783	To match to final COG workbook
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ 171,779	\$ (1,781)		To agree to expenditure report
		\$ 1,505	\$ 171,503	To reclassify auditor and treasurer fees
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 155,961	\$ 1,100	\$ 157,061	To agree to compiled report
Worksheet 3				
3. Service Contracts (B) Pre-School	\$ 4,115	\$ (4,115)	\$ -	To reclassify non-DD program related expense
3. Service Contracts (O) Non-Federal Reimbursable	\$ -	\$ 4,115	\$ 4,115	To reclassify non-DD program related expense
3. Service Contracts (X) Gen Expense All Prgm.	\$ 35,569	\$ (6,682)		To reclassify adult program expenses
		\$ (1,379)	\$ 27,508	To reclassify adult program expense
4. Other Expenses (B) Pre-School	\$ 26,086	\$ (26,086)	\$ -	To reclassify facility based building expenses
4. Other Expenses (E) Facility Based Services	\$ 3,171	\$ 26,086		To reclassify facility based building expenses
		\$ (3,171)	\$ 26,086	To reclassify community employment building service expenses
4. Other Expenses (G) Community Employment	\$ -	\$ 3,171	\$ 3,171	To reclassify community employment building service expenses
5. COG Expenses (C) School Age	\$ -	\$ 2	\$ 2	To match to final COG workbook
5. COG Expenses (F) Enclave	\$ -	\$ 3	\$ 3	To match to final COG workbook
5. COG Expenses (G) Community Employment	\$ -	\$ 3	\$ 3	To match to final COG workbook
5. COG Expenses (L) Community Residential	\$ -	\$ 569	\$ 569	To match to final COG workbook
5. COG Expenses (M) Family Support Services	\$ -	\$ 159	\$ 159	To match to final COG workbook
5. COG Expense (N) Service & Support Admin	\$ -	\$ 114	\$ 114	To match to final COG workbook
5. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 25	\$ 25	To match to final COG workbook

Appendix B (Page 3)
Mercer County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 5				
3. Service Contracts (A) Early Intervention	\$ 46,495	\$ (5,630)		To reclassify Project PLAY costs
		\$ (16,889)		To reclassify Project PLAY costs
		\$ (16,251)	\$ 7,725	To reclassify fees paid to COG
3. Service Contracts (B) Pre-School	\$ -	\$ 16,889	\$ 16,889	To reclassify Project PLAY costs
3. Service Contracts (C) School Age	\$ 187,992	\$ (80,568)		To reclassify non-DD program related expense
		\$ (107,424)		To reclassify non-DD program related expense
		\$ 5,630	\$ 5,630	To reclassify Project PLAY costs
3. Service Contracts (O) Non-Federal Reimbursable	\$ -	\$ 80,568		To reclassify non-DD program related expense
		\$ 107,424	\$ 187,992	To reclassify non-DD program related expense
4. Other Expenses (L) Community Residential	\$ 876	\$ 47,434	\$ 48,310	To reclassify community residential expenses
4. Other Expenses (M) Family Support Services	\$ -	\$ 1,531	\$ 1,531	To reclassify family support expense
5. COG Expenses (M) Family Support Services	\$ 13,328	\$ 4,418	\$ 17,746	To match to final COG workbook
Worksheet 6				
1. Salaries (I) Medicaid Admin	\$ 166,571	\$ (19,339)	\$ 147,232	To agree to revised MAC report
1. Salaries (O) Non-Federal Reimbursable	\$ 82,824	\$ (9,716)	\$ 73,108	To agree to revised MAC report
Worksheet 7-B				
4. Other Expenses (E) Facility Based Services	\$ 1,827	\$ 267	\$ 2,094	To reclassify nursing expenses
Worksheet 8				
4. Other Expenses (A) Early Intervention	\$ -	\$ 5,509	\$ 5,509	To reclassify transportation expenses
4. Other Expenses (C) School Age	\$ -	\$ 271	\$ 271	To reclassify transportation expenses
4. Other Expenses (G) Community Employment	\$ 99,349	\$ 4,442		To reclassify transportation expenses
		\$ (99,349)	\$ 4,442	To reclassify general transportation expenses
4. Service Contracts (X) Gen Expense All Prgm.	\$ -	\$ 99,349	\$ 99,349	To reclassify general transportation expenses
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 527,078	\$ 1,962	\$ 529,040	To reclassify MAC salaries
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 460,586	\$ 31,784	\$ 492,370	To reclassify Adult Day Services Specialist salary
1. Salaries (G) Community Employment	\$ 357,055	\$ (31,784)	\$ 325,271	To reclassify Adult Day Services Specialist salary
2. Employee Benefits (E) Facility Based Services	\$ 177,032	\$ 17,568	\$ 194,600	To reclassify Adult Day Services Specialist benefits
2. Employee Benefits (G) Community Employment	\$ 166,804	\$ (17,568)	\$ 149,236	To reclassify Adult Day Services Specialist benefits
3. Service Contracts (E) Facility Based Services	\$ 81,665	\$ 1,379	\$ 83,044	To reclassify adult program expense
3. Service Contracts (G) Community Employment	\$ 72,640	\$ (5,400)	\$ 67,240	To reclassify non-profit audit expense
3. Service Contracts (H) Unasgn Adult Program	\$ 167,134	\$ (47,434)		To reclassify community residential expenses
		\$ (46,089)	\$ 73,611	To reclassify payments to developmental center
4. Other Expenses (E) Facility Based Services	\$ 25,401	\$ 6,682		To reclassify adult program expenses
		\$ (267)	\$ 31,816	To reclassify nursing expenses
4. Other Expenses (H) Unasgn Adult Program	\$ 1,531	\$ (1,531)	\$ -	To reclassify family support expense
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 5,400	\$ 5,400	To reclassify non-profit audit expense
a1 Adult				
10. Community Employment (B) Less Revenue	\$ -	\$ 101,379	\$ 101,379	To record RSC expenses

Appendix B (Page 4)
Mercer County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 188,084	\$ 863		To reclassify fee paid to COG
		\$ 16,251	\$ 205,198	To reclassify fees paid to COG
Plus: Parent Reimbursement included on Schedule B-3	\$ 10,222	\$ (5,509)		To reclassify transportation expenses
		\$ (271)		To reclassify transportation expenses
		\$ (4,442)	-	To reclassify transportation expenses
Plus: Other	\$ -	\$ 46,089	\$ 46,089	To reclassify payments to developmental center
Less: Capital Costs	\$ (22,736)	\$ (6,572)		To reconcile off depreciation expense
		\$ (2,696)		To reconcile off depreciation expense
		\$ (3,693)		To reconcile off depreciation expense
		\$ (1,359)	\$ (37,056)	To reconcile off depreciation expense
Less: County Auditor/Treasurer Fees	\$ (96,814)	\$ 1,782	\$ (95,032)	To properly reconcile off auditor and treasurer fees
Less: Adaptive Equip on Schedule A	\$ (4,418)	\$ 4,418	-	To reconcile Schedule A COG expenses
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement Requested	\$ -	\$ 8,329	\$ 8,329	To record ancillary costs
10. Through Calendar Year				



Dave Yost • Auditor of State

MERCER COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

MERCER 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 27, 2015**