



Dave Yost • Auditor of State

MONTGOMERY 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 Montgomery 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 with the American Institute of Certified Public Accountants' attestation standards. The sufficiency of these procedures is solely the responsibility of DODD. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 square footage procedures only on those areas that changed by more than 10 percent from the final 2010 totals.

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

We compared the 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.

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 measured three rooms and compared the square footage to the County Board's square footage summary.

We found no variances exceeding 10 percent.

Statistics – Square Footage (continued)

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 of the Liberty Center building to the County Board's summary for each year.

We found no variances exceeding 10 percent.

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 square footage summary to the square footage reported in each cell in *Schedule B-1, Section A, Square Footage*.

We found variances exceeding 10 percent as reported in Appendix A (2011). We found no variances in 2012.

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 obtained the County Board's methodology and compared it to the Cost Report Guides.

We found that in 2011 a portion of Enclave square footage was reported in error. We reclassified square footage to the appropriate program and reported differences in Appendix A (2011).

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 resulted in unassigned program or general expenses-all program costs.

We determined that there were no individuals served or units of service omitted.

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.

Statistics – Attendance (continued)

We compared the County Board's 2011 Day Service Attendance Summary by Consumer, Location, Acuity and Month, 2012 attendance by acuity and 2011 and 2012 Billing History 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) and Appendix B (2012). We also found the County Board incorrectly reported statistics under the Enclave program. We identified adjustments to reclassify these statistics in Appendix A (2011) and Appendix B (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 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*.

The number of reported individuals served did not change by more than 10 percent.

5. DODD asked us to report variances if the individuals served on *Schedule B-1, Section B, Attendance Statistics* were not within three of the individuals documented on the attendance sheets.

We did not perform this procedure as the variance in procedure 4 was less than 10 percent.

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 attendance by acuity report to the Acuity Assessment Instrument for each individual.

We traced the number of attendance days for four Adult Day Service individuals and one Enclave individual from January through April and June through November 2012 from the County Board's Day Services Attendance Documentation Sheets to *Schedule B-1*.

We found no differences.

We also compared each acuity level on the 2012 attendance by acuity report to the Acuity Assessment Instrument for the same five individuals. We also selected an additional nine 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 that we 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 units did not meet the service documentation requirements of Ohio Admin. Code §§ 5123:2-9-05 (see Paid Claims testing, procedure 1).

Statistics – Attendance (continued)

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

We found no differences or instances of non-compliance with these documentation requirements.

Acuity Testing

1. DODD requested that we report variances if days of attendance on the Days of Attendance by Acuity supplemental worksheet for 2008, 2009, 2010 and 2011 did not agree to the County Board's supporting documentation.

We compared the County Board's 2008 through 2010 attendance by acuity and 2011 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 2008, 2009, 2010 and 2011.

For 2008, we found the following acuity variances:

- 484 Adult Day Services attendance days should be added to acuity level A;
- 484 Adult Day Services attendance days should be removed from acuity level A-1;
- 243 Enclave attendance days should be removed from acuity level A-1; and
- 223 Enclave attendance days should be added to acuity level A.

For 2009, we found 542 Adult Day Services attendance days should be reclassified from acuity level A-1 to acuity level A.

For 2010, we found no variances.

For 2011, we found the following acuity variances:

- 14,747 Enclave attendance days should be reclassified to Adult Day Services acuity level A;
- 1 Adult Day Services attendance day should be removed from acuity level A; and
- 233 Enclave attendance days should be reclassified to Adult Day Services acuity level B.

2. We also compared two individuals from each acuity level on the County Board's 2008 through 2010 attendance by acuity and 2011 Day Services Attendance Summary By Consumer, Location, Acuity and Month reports to the Acuity Assessment Instrument for each individual for each respective year.

For 2008, we found 1 Enclave day of attendance should be reclassified from acuity level B to C and 3 Enclave days of attendance should be reclassified from acuity level C to A.

For 2009, we found 154 Adult Day Services days of attendance should be reclassified from acuity level A-1 to A.

We found no acuity variances for 2010 and 2011.

We reported the differences from procedures 1 and 2 on a revised Days of Attendance by Acuity supplemental worksheet for 2009 and 2011 and submitted it to DODD.

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 quarterly detailed transportation reports with those statistics as reported in *Schedule B-3*. We also footed the quarterly detailed transportation reports for accuracy.

We found no differences.

2. DODD requested that we report variances of more than 10 percent of the total trips taken for 10 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 nine adults and one child for May 2011 and July for 2012 from the County Board's daily reporting documentation to *Schedule B-3*.

We found no differences exceeding 10 percent.

3. DODD requested that we 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 Expenditures (Excluding JDE Payroll) for Calendar Year reports to the amount reported in *Schedule B-3*.

We found no differences.

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 Receivable Billing Reimbursable Summary By Funding Source and Service reports with those statistics reported in *Schedule B-4*. We also footed the County Board's SSA reports for accuracy.

We found no differences exceeding two percent.

2. DODD requested that we 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 Receivable Billing Reimbursable Summary By Consumer, Service, and Date reports and determined if the case note documentation described activities in Ohio Admin. Code § 5101:3-48-01(D), and included the elements 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 2011 or 2012.

Statistics – Service and Support Administration (SSA) (Continued)

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

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

The units found to be in error did not exceed 10 percent for 2011. The units found to be in error exceeded 10 percent in 2012; therefore, we selected an additional sample of 60 Unallowable SSA service units for 2012. The units found to be in error in the additional 2012 sample did not exceed 10 percent. Our review of supporting documentation did not indicate a systemic issue and we reported our sample errors in Appendix B (2012).

4. DODD requested that we 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 asked us to report any change 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 2012 TCM and Other SSA Allowable units increased by five percent or more from the 2011 *Schedule B-4*. We obtained the County Board's explanation that there were two new Service and Support Administrators hired in 2012 and the County Board received training on the difference between Allowable and Unallowable units.

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 asked us to determine if they were properly classified and report any errors exceeding 10 percent and indicating a systemic issue.

We determined that the County Board did not track general time units in 2011 or 2012.

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 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 MCDDS Revenue and Expense reports for the General (201-201), Family Home Service (201-207), Residential (201-208), Vehicle (201-402), Federal Grants (296-200), Mental Health (297-201), Supported Services (299-501), Capital (472-252), Private (800-001) and MRDD Supplemental Life/Disability (820-311) 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

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 Revenue for Calendar Year 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 did not perform this procedure because the County Board did not participate in a council of governments in 2011 or 2012.

5. We reviewed the County Board's Revenue for Calendar Year reports 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 \$1,021,579 in 2011 and \$1,678,924 in 2012;
- IDEA Part B revenues in the amount of \$136,927 in 2011 and \$122,049 in 2012;
- IDEA Early Childhood Special Education revenues in the amount of \$65,385 in 2011 and \$58,093 in 2012;
- Title XX revenues in the amount of \$383,693 in 2011 and \$389,078 in 2012; and
- School District reimbursements in the amount of \$2,349,671 in 2011 and \$1,886,520 in 2012.

We also noted Opportunities for Ohioans with Disabilities (formerly the Ohio Rehabilitation Services Commission) revenue in the amount of \$16,190 in 2011 and \$24,332 in 2012; however, corresponding expenses were offset on *Schedule a1, Adult Program* as reported in Appendix A (2011) and Appendix B (2012).

Paid Claims Testing

1. We selected 112 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;

Paid Claims Testing (Continued)

- 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). Also for selected 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 instances of non-compliance with these documentation requirements for 2011 and 2012 in the following service codes: Contracted Adult Day Support - 15 minute unit (AGF), Targeted Case Management (TCM), Adult Day Support and Vocational Habilitation Combination - 15 min unit (FXF). We found no differences between the usual and customary and reimbursed rates. We also noted TCM service units in 2011 and 2012 in which the individual met criteria for coverage exclusion. Per Ohio Admin. Code § 5101-3-48-01(2)(a) "Activities performed on behalf of an eligible individual residing in an institution are not billable for medicaid TCM reimbursement except for the last one hundred eighty consecutive days of residence when the activities are related to moving the eligible individual from an institution to a noninstitutional community setting".

Recoverable Finding – 2011

Finding \$213.68

Service Code	Units	Review Results	Finding
AGF	34	Units billed exceeded actual service delivery	\$35.77
TCM	23	Services provided to a nursing home/ICF resident	\$177.91
		Total	\$213.68

Recoverable Finding – 2012

Finding \$685.34

Service Code	Units	Review Results	Finding
FXF	19	Units billed exceeded actual service delivery	\$35.76
TCM	66	Services provided to a nursing home/ICF resident; recorded start and end time did not match actual service delivery	\$649.58
		Total	\$685.34

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

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

Paid Claims Testing (Continued)

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 that we report whether any reimbursements exceeded disbursements on *Schedule A, Summary of Service Costs- By Program* by two percent.

We compared the amounts reported on *Schedule A, Summary of Service Costs – By Program*, Lines (20), Environmental Accessibility Adaptations to Line (25), Other Waiver Services to the amount reimbursed for these services on the MBS Summary by Service Code report.

The County Board did not report costs on *Schedule A, Summary of Service Costs – By Program*, for Lines (20) to Line (25) in 2011. We reviewed the MBS Summary by Service Code report and found the County Board was not reimbursed for these services.

The County Board reported costs on *Schedule A, Summary of Service Costs – By Program*, for Lines (20) to Line (25) in 2012; however, the Board was not reimbursed for these costs. We obtained the County Board's explanation that the reported costs were for non-waiver individuals and we reported reclassification of these expenses in Appendix B.

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 Revenue and Expense report for the General (201-201), Family Home Service (201-207), Residential (201-208), Vehicle (201-402), Federal Grants (296-200), Mental Health (297-201), Supported Services (299-501), Capital (472-252), Private (800-001) and MRDD Supplemental Life/Disability (820-311) 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 Expenditures (Excluding JDE Payroll) for Calendar Year reports and other supporting documentation.

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

Non-Payroll Expenditures and Reconciliation to the County Auditor Report (Continued)

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 Expenditures (Excluding JDE Payroll) for Calendar Year reports.

We found no differences.

5. DODD asked us to compare disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 2 through 10 to the COG prepared County Board Summary Workbooks.

We did not perform this procedure as the County Board was not a COG member in 2011 or 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 Expenditures (Excluding JDE Payroll) for Calendar Year 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 Adult Program 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 (2011) and Appendix B (2012) for misclassified and non-federal reimbursable costs.

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 inclusion on the County Board's fixed asset listing.

We scanned the County Board's Expenditures (Excluding JDE Payroll) for Calendar Year 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 listing.

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 60 disbursements from 2011 and 2012 from the County Board's Expenditures (Excluding JDE Payroll) for Calendar Year 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 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report (continued)

For 2011, we reported misclassified costs in Appendix A. For 2012, we reported misclassified and non-federal reimbursable costs in Appendix B.

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 as result of applying this procedure.

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 depreciation schedules.

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

3. We compared the County Board's final 2010 depreciation schedules to the County Board's 2011 and 2012 depreciation 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 found no differences.

4. We haphazardly selected 12 of the County Board's fixed assets which meet the County Board's capitalization policy and were 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. 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 no differences in 2011. For 2012, we found differences as reported in Appendix B.

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 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 2012 list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. We also recalculated depreciation and any gain or loss applicable to 2012 for the disposed items based on its undepreciated basis and any proceeds received from the sale of the asset to determine compliance with the Cost Report Guides and CMS Publication 15-1, Chapter 1.

We found no differences.

Property, Depreciation, and Asset Verification Testing (continued)

We did not perform this procedure in 2011 because the County Board stated that no capital assets were disposed in that year. We scanned the County Board's Revenue for Calendar Year 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 Revenue and Expense report for the General (201-201), Family Home Service (201-207), Residential (201-208), Vehicle (201-402), Federal Grants (296-200), Mental Health (297-201), Supported Services (299-501), Capital (472-252), Private (800-001) and MRDD Supplemental Life/Disability (820-311) 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 Code Totals and Summary Expenditures (Excluding JDE) for Calendar Year reports and other supporting documentation.

We found no differences exceeding \$100 on any worksheet.

3. DODD requested that we 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 40 employees and compared the County Board's organizational chart and payroll journals 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 and like misclassifications 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 errors in procedure 3 above did not exceed 10 percent.

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 Employees reports exceeded one percent or more.

Medicaid Administrative Claiming (Continued)

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

We found no variance exceeding one percent.

2. We compared the MAC Cost by Individual report(s) to Worksheet 6, columns (I) and (O) for both years.

We found no differences.

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 25 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 23 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.

For 2011, we found one RMTS observed moment for Activity Code 4-Non-Medicaid Outreach that lacked supporting documentation. For 2012, we found no differences.

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 recover, if needed.

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.



Dave Yost
Auditor of State

May 6, 2015

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Appendix A
Montgomery 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	3,461	115 33 136	3,745	To reclassify building service square footage To reclassify building service square footage To reclassify building service square footage
14. Facility Based Services (B) Adult	95,329	969 2,747 14,972	114,017	To reclassify facility based square footage To reclassify facility based square footage To reclassify facility based square footage
15. Supported Emp. - Enclave (B) Adult	19,693	(969) (115) (259) (2,747) (14,972) (256) (33) (136)		To reclassify facility based square footage To reclassify building service square footage To reclassify admin based square footage To reclassify facility based square footage To reclassify facility based square footage To remove common space To reclassify building service square footage To reclassify building service square footage
22. Program Supervision (C) Child	520	154	674	To record Richey Center square footage
23. Administration (D) General	4,399	259	4,658	To reclassify admin based square footage
Schedule B-1, Section B				
1. Total Individuals Served By Program (A) Facility Based Services	1,047	64	1,111	To correct number of individuals served
1. Total Individuals Served By Program (B) Supported Emp. - Enclave	246	(98)	148	To correct number of individuals served
2. Days Of Attendance (A) Facility Based Services	166,503	14,980	181,483	To reclassify facility based days of attendance
2. Days Of Attendance (B) Supported Emp. - Enclave	31,426	(14,980)	16,446	To reclassify facility based days of attendance
Worksheet 1				
2. Land Improvements (D) Unasgn Children Programs	\$ -	\$ 45,768	\$ 45,768	To agree to depreciation schedule
3. Buildings/Improve. (D) Unasgn Children Programs	\$ 55,869	\$ (45,768)	\$ 10,101	To agree to depreciation schedule
4. Fixtures (D) Unasgn Children Programs	\$ 175,918	\$ 3,832	\$ 179,750	To agree to depreciation schedule
5. Movable Equipment (D) Unasgn Children Programs	\$ 40,190	\$ (3,832)	\$ 36,358	To agree to depreciation schedule
5. Movable Equipment (E) Facility Based Services	\$ 110,478	\$ (1,774)	\$ 108,704	To agree to depreciation schedule
5. Movable Equipment (F) Enclave	\$ 336	\$ 1,774	\$ 2,110	To agree to depreciation schedule
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 1,596,744	\$ (69,053)	\$ 1,527,691	To reclassify MUI Investigators salaries
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 6,560	\$ 6,560	To reclassify unallowable general government expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 406,754	\$ (5,000) \$ (6,560)	\$ 395,194	To reclassify consumer employment ads To reclassify unallowable general government expenses
10. Unallowable Fees (O) Non-Federal	\$ 856,357	\$ (16,809)	\$ 839,548	To reclassify operating lease payment
Worksheet 2A				
1. Salaries (N) Service & Support Admin	\$ 227,090	\$ (65,724) \$ (32,662)	\$ 128,704	To reclassify Eligibility and SSA Supervisor salary To reclassify Word Processing Specialist salary
2. Employee Benefits (N) Service & Support Admin	\$ 88,000	\$ (28,987) \$ (10,960)	\$ 48,053	To reclassify Eligibility and SSA Supervisor benefits To reclassify Word Processing Specialist benefits
4. Other Expenses (D) Unasgn Children Program	\$ 2,944	\$ (1,729)	\$ 1,215	To reclassify child direct care expenses

Appendix A (Page 2)

**Montgomery 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 3				
4. Other Expenses (F) Enclave	\$ 137,938	\$ 34,183	\$ 172,121	To reclassify operating lease payment
4. Other Expenses (L) Community Residential	\$ 20,315	\$ 23,979	\$ 44,294	To reclassify operating lease payment
4. Other Expenses (M) Family Support Services	\$ 745	\$ 4,790	\$ 5,535	To reclassify operating lease payment
4. Other Expenses (N) Service & Support Admin	\$ 18,672	\$ 76,785		To reclassify operating lease payment
		\$ 124,772	\$ 220,229	To reclassify operating lease payment
4. Other Expenses (X) Gen Expense All Prgm.	\$ 33,198	\$ 16,809	\$ 50,007	To reclassify operating lease payment
Worksheet 5				
1. Salaries (D) Unasgn Children Program	\$ 117,085	\$ 86,616	\$ 203,701	To reclassify Children's Service Administrator salary
1. Salaries (O) Non-Federal Reimbursable	\$ -	\$ 69,053	\$ 69,053	To reclassify MUI Investigators salaries
2. Employee Benefits (D) Unasgn Children Program	\$ 18,991	\$ 19,986	\$ 38,977	To reclassify Children's Service Administrator benefits
4. Other Expenses (D) Unasgn Children Program	\$ 1,555	\$ 1,729	\$ 3,284	To reclassify child direct care expenses
4. Other Expenses (L) Community Residential	\$ 43,019	\$ (23,979)	\$ 19,040	To reclassify operating lease payment
4. Other Expenses (M) Family Support Services	\$ 28,227	\$ (4,790)	\$ 23,437	To reclassify operating lease payment
Worksheet 7C				
1. Salaries (B) Pre-School	\$ 86,616	\$ (86,616)	\$ -	To reclassify Children's Service Administrator salary
2. Employee Benefits (B) Pre-School	\$ 22,487	\$ (19,986)	\$ 2,501	To reclassify Children's Service Administrator benefits
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 2,563,102	\$ 65,724		To reclassify Eligibility and SSA Supervisor salary
		\$ 32,662	\$ 2,661,488	To reclassify Word Processing Specialist salary
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 1,115,354	\$ 28,987		To reclassify Eligibility and SSA Supervisor benefits
		\$ 10,960	\$ 1,155,301	To reclassify Word Processing Specialist benefits
4. Other Expenses (N) Service & Support Admin. Costs	\$ 267,481	\$ (76,785)		To reclassify operating lease payment
		\$ (124,772)	\$ 65,924	To reclassify operating lease payment
Worksheet 10				
4. Other Expenses (E) Facility Based Services	\$ 769,058	\$ (597)	\$ 768,461	To reclassify unallowable general government expenses
4. Other Expenses (F) Enclave	\$ 58,225	\$ (34,183)	\$ 24,042	To reclassify operating lease payment
4. Other Expenses (H) Unasgn Adult Program	\$ 15,358	\$ 5,000	\$ 20,358	To reclassify consumer employment ads
4. Other Expenses (O) Non-Federal Reimbursable	\$ 8,962	\$ 597	\$ 9,559	To reclassify unallowable general government expenses
a1 Adult				
10. Community Employment (B) Less Revenue	\$ -	\$ 16,190	\$ 16,190	To record RSC expenses
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement	\$ -	\$ 75,206	\$ 75,206	To record ancillary costs
10. Requested Through Calendar Year				

Appendix B
Montgomery 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				
20. Environmental Accessibility Adaptations And/Or Modifications And Supplies (L) Community Residential	\$ 1,800	\$ (1,800)	\$ -	To reclassify modification expenses for non-waiver individual
Schedule B-1, Section B				
6. A (A) Facility Based Services	616	47	663	To correct number individuals of served
6. A (B) Supported Emp. - Enclave	203	(70)	133	To correct number individuals of served
8. B (B) Supported Emp. - Enclave	3	(1)	2	To correct number individuals of served
10. A (A) Facility Based Services	90,673	10,643	101,316	To reclassify facility based days of attendance
10. A (B) Supported Emp. - Enclave	26,345	(10,643)	15,702	To reclassify facility based days of attendance
12. B (A) Facility Based Services	41,270	117	41,387	To reclassify facility based days of attendance
12. B (B) Supported Emp. - Enclave	340	(117)	223	To reclassify facility based days of attendance
Schedule B-4				
2. Other SSA Allowable Units (D) 4th Quarter	3,883	18	3,901	To reclassify units found in error during testing
5. SSA Unallowable Units (D) 4th Quarter	5,501	(18)	5,483	To reclassify units found in error during testing
Worksheet 1				
2. Land Improvements (A) Early Intervention	\$ 7,234	\$ 246	\$ 7,480	To reclassify depreciation for architect fees
2. Land Improvements (E) Facility Based Services	\$ 22,911	\$ 375	\$ 23,286	To reclassify and record depreciation for architect fees
2. Land Improvements (U) Transportation	\$ 8,022	\$ 200	\$ 8,222	To record depreciation for architect fees
2. Land Improvements (V) Admin	\$ 1,382	\$ 22,090	\$ 23,539	To agree to depreciation schedule
2. Land Improvements (W) Program Supervision	\$ 22,090	\$ (22,090)	\$ -	To record depreciation for architect fees
3. Buildings/Improve (E) Facility Based Services	\$ 553,211	\$ (260)	\$ 552,951	To agree to depreciation schedule
3. Buildings/Improve (F) Enclave	\$ 333	\$ 260	\$ 593	To agree to depreciation schedule
3. Buildings/Improve (V) Administration	\$ 10,237	\$ 983	\$ 11,220	To agree to depreciation schedule
3. Buildings/Improve (W) Program Supervision	\$ 1,468	\$ (807)	\$ 661	To agree to depreciation schedule
3. Buildings/Improve (X) Gen Expense All Prgm.	\$ 30,431	\$ (465)	\$ 29,966	To reclassify depreciation for architect fees
4. Fixtures (V) Admin	\$ 6,634	\$ 2,322	\$ 8,956	To agree to depreciation schedule
4. Fixtures (W) Program Supervision	\$ 2,695	\$ (1,920)	\$ 775	To agree to depreciation schedule
5. Movable Equipment (V) Admin	\$ -	\$ 6,240	\$ 6,240	To agree to depreciation schedule
5. Movable Equipment (W) Program Supervision	\$ 6,240	\$ (6,240)	\$ -	To agree to depreciation schedule
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 1,576,196	\$ (68,695)	\$ 1,507,501	To reclassify MUI Investigators salaries
4. Other Expenses (O) Non-Federal Reimbursable	\$ 3,565	\$ 9,982	\$ 13,547	To reclassify unallowable employee morale and gen gov't expenses
		\$ 4,420	\$ 18,967	To reclassify public awareness program expenses
		\$ 1,000	\$ 18,967	To reclassify unallowable general government expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 399,862	\$ (9,982)	\$ 389,880	To reclassify unallowable employee morale and gen gov't expenses
		\$ (1,000)	\$ 388,880	To reclassify unallowable general government expenses
		\$ (5,005)	\$ 383,875	To reclassify consumer banquet expenses
		\$ (4,420)	\$ 379,455	To reclassify public awareness program expenses
		\$ (194)	\$ 379,261	To reclassify adult day services expenses
		\$ (17,419)	\$ 361,842	To reclassify operating lease payment
Worksheet 2A				
1. Salaries (N) Service & Support Admin	\$ 182,813	\$ (66,152)	\$ 116,661	To reclassify Eligibility and SSA Supervisor salary
		\$ (1,282)	\$ 115,379	To reclassify Word Processing Specialist salary
2. Employee Benefits (N) Service & Support Admin	\$ 66,547	\$ (29,290)	\$ 37,257	To reclassify Eligibility and SSA Supervisor benefits
		\$ (709)	\$ 36,548	To reclassify Word Processing Specialist benefits

Appendix B (Page 2)
Montgomery 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>
Worksheet 3				
3. Service Contracts (E) Facility Based Services	\$ 587,271	\$ (9,000)		To reclassify capital asset acquisition
		\$ (9,178)	\$ 569,093	To reclassify capital asset acquisition
4. Other Expenses (F) Enclave	\$ 12,312	\$ 35,113	\$ 47,425	To reclassify operating lease payment
4. Other Expenses (L) Community Residential	\$ 20,973	\$ 17,419	\$ 38,392	To reclassify operating lease payment
4. Other Expenses (M) Family Support Services	\$ 1,191	\$ 4,973	\$ 6,164	To reclassify operating lease payment
4. Other Expenses (N) Service & Support Admin	\$ 27,856	\$ 72,850		To reclassify operating lease payment
		\$ 139,445	\$ 240,151	To reclassify operating lease payment
4. Other Expenses (X) Gen Expense All Prgm.	\$ 42,246	\$ 17,419	\$ 59,665	To reclassify operating lease payment
Worksheet 5				
1. Salaries (O) Non-Federal Reimbursable	\$ -	\$ 68,695	\$ 68,695	To reclassify MUI Investigators salaries
4. Other Expenses (L) Community Residential	\$ 23,155	\$ 1,800		To reclassify modification expenses for non-waiver individual
		\$ (17,419)	\$ 7,536	To reclassify operating lease payment
4. Other Expenses (M) Family Support Services	\$ 37,517	\$ (4,973)	\$ 32,544	To reclassify operating lease payment
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 2,632,514	\$ 66,152		To reclassify Eligibility and SSA Supervisor salary
		\$ 1,282	\$ 2,699,948	To reclassify Word Processing Specialist salary
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 1,058,384	\$ 29,290		To reclassify Eligibility and SSA Supervisor benefits
		\$ 709	\$ 1,088,383	To reclassify Word Processing Specialist benefits
4. Other Expenses (N) Service & Support Admin. Costs	\$ 293,975	\$ (72,850)		To reclassify operating lease payment
		\$ (139,445)	\$ 81,680	To reclassify operating lease payment
Worksheet 10				
4. Other Expenses (E) Facility Based Services	\$ 553,756	\$ (467)		To reclassify unallowable general government expenses
		\$ 194	\$ 553,483	To reclassify adult day services expenses
4. Other Expenses (F) Enclave	\$ 54,509	\$ (35,113)	\$ 19,396	To reclassify operating lease payment
4. Other Expenses (H) Unasgn Adult Program	\$ 20,130	\$ 5,005	\$ 25,135	To reclassify consumer banquet expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 467	\$ 467	To reclassify unallowable general government expenses
a1 Adult				
10. Community Employment (B) Less Revenue	\$ -	\$ 24,332	\$ 24,332	To record RSC expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Less: Capital Costs	\$ (2,051,699)	\$ (983)		To reconcile off depreciation adjustment
		\$ 807		To reconcile off depreciation adjustment
		\$ (2,322)		To reconcile off depreciation adjustment
		\$ (246)		To reconcile off depreciation adjustment
		\$ (375)		To reconcile off depreciation adjustment
		\$ (200)		To reconcile off depreciation adjustment
		\$ (67)		To reconcile off depreciation adjustment
		\$ 465		To reconcile off depreciation adjustment
		\$ 1,920	\$ (2,052,700)	To reconcile off depreciation adjustment
Plus: Purchases Greater Than \$5,000	\$ 4,615,523	\$ 9,000		To reclassify capital asset acquisition
		\$ 9,178	\$ 4,633,701	To reclassify capital asset acquisition
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement	\$ -	\$ 84,054	\$ 84,054	To record ancillary costs
10. Requested Through Calendar Year				



Dave Yost • Auditor of State

MONTGOMERY COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 11, 2015**