



Dave Yost • Auditor of State



**OTTAWA 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, 13<sup>th</sup> 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 Ottawa County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2010 and 2011 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2010 and 2011 (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.

The Auditor of State, under the same authority noted above, also performed the Acuity Testing procedures below for the 2008, 2009, 2010 and 2011 Cost Reports.

### **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 and, if final 2009 square footage totals are the same and no significant changes have occurred, to perform no additional procedures.

We toured the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle floor space. We found no unreported rented or idle floor space.

We also compared 2010 and 2011 square footage totals to final 2009 square footage totals and discussed square footage changes with the County Board. We noted significant changes occurred in the Administration building, Building Services, Facility Based, Family Support and Service and Support Administration program areas. Therefore, we performed the limited procedures below in those five specific areas. In addition, as a result of removing enclave statistics from the Cost Report (see procedure 3 in the Statistics – Attendance section), we removed corresponding square footage from 2010 *Schedule B-1, Section A* in Appendix A (2010).

**Statistics – Square Footage (Continued)**

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

We measured three rooms in those areas where the square footage changed and compared the square footage to the County Board's square footage summary.

We found no variances exceeding 10 percent.

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 each room on the floor plans that changed from the final 2009 square footage to the County Board's summary.

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 for each cell in *Schedule B-1*.

We found variances exceeding 10 percent as reported in Appendix A (2010) and Appendix B (2011).

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

We obtained the County Board's methodology for allocating square footage for those areas that changed from the final 2009 square footage and compared the methodology with the Cost Report Guides. We tested the methodology for areas that changed from 2009 and applied the results to both years' Cost Reports.

We found no inconsistencies.

**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.

**Statistics – Attendance (Continued)**

We determined that there were no individuals served or units of service omitted on *Schedule B-1*, worksheet 4, or worksheets 7A to 7H which resulted in unassigned program or general expenses-all program costs. We noted that the number of meals served on worksheet 4 in 2010 was reported incorrectly as Early Intervention instead of Facility Based Services.

We reported this reclassification in Appendix A (2010).

2. DODD asked us to compare the County Board's final 2009 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 2010 and 2011 and, if the hours are the same, to do no additional procedures.

We compared the final 2009 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2010 and 2011. We found the reported typical hours of service changed in 2010 and 2011 and we compared the County Board's supporting documentation to the typical hours of service reported on *Schedule B-1* for 2010 and 2011.

We found differences as reported in Appendix A (2010) and Appendix B (2011).

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 Attendance by Acuity Report for 2010 and Day Services Attendance Summary by Consumer, Location, Acuity and Month for 2011 for the number of individuals served and days of attendance, with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation on *Schedule B-1, Section B, Attendance Statistics* and determined if the statistics were reported in accordance with the Cost Report Guides. We also footed the County Board's reports on attendance statistics for accuracy.

We found variances or computational errors exceeding two percent as reported in Appendix A (2010) and Appendix B (2011).

In addition, the County Board reported statistics for Enclave in 2010 and 2011 and for Community Employment in 2010. The County Board did not administer Enclave or Community Employment services and did not receive reimbursement for these services. As a result, we removed these statistics in Appendix A (2010) and Appendix B (2011).

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*.

We compared the County Board's final 2009 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation for 2010 and then we compared the final 2010 individuals served to the final individuals served for 2011 on *Schedule B-1* and determined if the variances were over 10 percent.

The number of reported individuals served did not change by more than 10 percent from the prior year's *Schedule B-1*.

### Statistics – Attendance (Continued)

5. DODD requested that we 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 since the number of reported individuals in procedure 4 did not change by more than 10 percent.

6. 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.

We did not perform this procedure since the County Board does not provide Community Employment services.

### 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 Attendance by Acuity reports for 2008, 2009 and 2010 and the Day Services Attendance Summary by Consumer, Location, Acuity and Month report for 2011 for the days of attendance for Day Habilitation/Adult Day Services/ Vocational Habilitation with the Days of Attendance by Acuity supplemental worksheet for 2008, 2009, 2010, and 2011.

For 2008, the supplemental acuity spreadsheet days of attendance varied in total by 27 days. The County Board could not provide complete attendance by acuity reports showing subtotals by acuity level so we were unable to test specific acuity levels.

For 2009, we found no variances.

For 2010, we found the following acuity variances:

- 305 Facility Based Days of Services should be removed from acuity level A-1;
- 4,311 Facility Based Days of Services should be removed from acuity level A;
- 3,950 Facility Based Days of Services should be removed from acuity level B; and
- 3,953 Facility Based Days of Services should be removed from acuity level C.

For 2011, we found 14,105 should be added to acuity level A-1 and removed from acuity level A.

2. We also compared two individuals from each acuity level on the Attendance by Acuity reports for 2008, 2009 and 2010 and the Day Services Attendance Summary by Consumer, Location, Acuity and Month report for 2011 to the Acuity Assessment Instrument or other documentation for each individual for 2008, 2009, 2010, and 2011.

For 2008, we found one individual where the acuity assessment instrument or equivalent document could not be located by the County Board and one individual where the County Board did not document the date the assessment was performed.

### Acuity Testing (Continued)

For 2009, we found 216 Adult Day Services days of attendance should be reclassified from acuity level B to A.

We found no acuity variances for days of attendance reported on the Days of Acuity supplemental worksheet for 2010 or 2011.

We developed revised Days of Attendance by Acuity supplemental worksheet for 2009, 2010 and 2011 with the variance noted above and submitted this 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 Client Trip Summary by Agency and Funding Code report for 2010 and Summary Invoice by How Cost Computer-OCTA report for 2011 with those statistics as reported in *Schedule B-3*. We also footed the County Board's Client Trip Summary by Agency and Funding Code report for 2010 and Summary Invoice by How Cost Computer-OCTA report for 2011 report for accuracy.

We found no variances in 2010. We found variances exceeding two percent in 2011 as the County Board reported commercial transportation as one-way trips. We reported variances in Appendix B (2011). See also procedure 3 below.

2. DODD requested us to report variances of more than 10 percent of the total trips taken for five individuals for both 2010 and 2011, between the County Board's internal documentation versus the amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We did not perform this procedure for 2010 as the County Board reported no trips on the Cost Report. Prior to removing the commercial transports incorrectly reported as one way trips on the 2011 *Schedule B-3*, we traced the number of trips for five adults in February 2011 from the County Board's daily reporting documentation to *Schedule B-3*.

We found no differences.

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 General Ledger Detail for the Period 1/1/10 to 12/31/11 report and the Encumbrance Actual Report for 2010 and 2011 to the amount reported in *Schedule B-3*. We found costs for commercial transportation in 2011 and that the County Board had reported these transports as one way trips on *Schedule B-3*. We removed the trips associated with this service, obtained the invoices from the Ottawa County Transportation Agency (OCTA) and added the expenses to costs of bus tokens, cabs. We reported these differences in Appendix B (2011).

### **Statistics – Transportation (Continued)**

We noted the County Board contracts with the local Transit Agency on a per trip cost basis at a rate that exceeds the rate charged the general public. We found that the County Board had no support for the excess service charge paid for commercial transportation. See the Non-Payroll Expenditures and Reconciliation to the County Auditor Report section for the recommendation regarding the requirement for contracted services to meet all applicable requirements as outlined in the Cost Report Guides, 2 CFR Part 225 Appendix A, Section C (2) for reasonable costs, and the Provider Reimbursement Manual (CMS Publication 15-1).

### **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, Home Choice, and SSA Unallowable) from the County Board's Ottawa TCM Units report for 2010 and Units Delivered Targeted Case Management By Service, Month, and Age Group for 2011 with those statistics reported in *Schedule B-4*. We also footed the County Board's Ottawa TCM Units report for 2010 and Units Delivered Targeted Case Management By Service, Month, and Age Group for 2011 reports for accuracy.

We found differences as reported in Appendix A (2010) and Appendix B (2011).

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 64 Other SSA Allowable units from the Ottawa Unit Entry By Date Span report for 2010 and 62 Other Allowable units from the Case Notes Listing for TCM Billing-Subtotaled by Consumer report for 2011 and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation required by Ohio Admin. Code § 5101:3-48-01(F).

The units found to be in error did not exceed 10 percent for 2010 or 2011.

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 61 Unallowable SSA service units from the Detailed Units Marked Non Billable for 2010 and a sample of 62 Unallowable SSA service units from the Case Notes Listing for TCM Billing-Subtotaled by Consumer report for 2011 and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation required by Ohio Admin. Code § 5101:3-48-01(F).

From the sample population of 2,180 SSA Unallowable units for 2010, we tested 61 units and found 64 percent of those units were TCM or Other SSA Allowable and we projected and then reclassified 1,018 units as TCM units and 376 as Other SSA Allowable units.

We reported the differences in Appendix A (2010).

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

From the sample population of 3,659 SSA Unallowable units for 2011, we tested 62 units and found 48 percent of those units were TCM or Other SSA Allowable units and we projected and then reclassified 1,504 units as TCM units and 266 units as Other SSA Allowable units.

We reported the differences in Appendix B (2011).

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.

We compared the final 2009 SSA units to the final 2010 SSA units and compared the final 2010 SSA units to the final 2011 SSA units.

The final 2010 and 2011 Other SSA Allowable units and 2010 SSA Unallowable units decreased by more than five percent from the prior year's *Schedule B-4* and we obtained the County Board's explanation that, "The decrease in other allowable units is probably due to the retirement of some SSAs, plus with Medicaid inquiries that we do 4 times a year.....many individuals could have become Medicaid eligible therefore moving the units into the allowable column and/or some individuals may not be case noted on anymore."

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 variances with an error rate exceeding 10 percent and indicating a systemic issue.

We did not perform this procedure because the County Board did not maintain case note documentation for general time units.

### Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the 12/31/2010 and 12/31/2011 county auditor's Detail Revenue Transactions report for the Developmental Disabilities (011), Residential Services (055), Building Bond (263), and Office Building (455) funds to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences.

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

Total County Board receipts were 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 such as county tax settlement sheets.

### Revenue Cost Reporting and Reconciliation to the County Auditor Report (Continued)

We did not perform this procedure since the total County Board receipts were within 1/4 percent of the county auditor's yearly receipt totals in procedure 2 above.

4. We compared revenue entries on *Schedule C Income Report* to the Clearwater Council of Governments (COG) prepared County Board Summary Workbooks.

We found no differences.

5. We reviewed 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 \$10,370 in 2010 and \$3,593 in 2011;
- Title XX revenues in the amount of \$39,080 in 2010 and \$47,399 in 2011;
- Help Me Grow revenues in the amount of \$199,843 in 2010 and \$105,240 in 2011;
- Lease reimbursements in the amount of \$601,280 in 2010 and \$60,622 in 2011; and
- OCTA reimbursements in the amount of \$1,459 in 2010 and \$1,536 in 2011.

### Paid Claims Testing

1. We selected 100 paid claims among all service codes from 2010 and 2011 from the Medicaid Billing System (MBS) data and determined if the claims met the following service documentation requirements of Ohio Admin. Code §§ 5123:2-9-05, 5123:2-9-18(H)(1)-(2), and 5101:3-48-01(F):

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

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).

**Paid Claims Testing (Continued)**

For selected services 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 2010. We found an instance of non-compliance with these documentation requirements for 2011 as detailed below. We found no difference in comparing contracted rate for commercial transportation to the reimbursed rate.

**Recoverable Finding - 2011 Finding \$21.90**

We determined the County Board was over reimbursed for Non-Medical Transportation - Per trip (FTT) service.

| Service Code | Units | Review Results                       | Finding |
|--------------|-------|--------------------------------------|---------|
| FTT          | 2     | No documentation to support services | \$21.90 |
|              |       | <b>Total</b>                         | \$21.90 |

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

Additionally, the County Board's management could not provide supporting documentation necessary to confirm management's assumptions about the reasonableness of the rates paid by the County Board for commercial transportation. See procedure 6 in the Non-Payroll Expenditures and Reconciliation to the County Auditor Report section. Should DODD determine that all or part of the premium service charge is an unallowable cost; the result could be an overpayment to the Medicaid program up to \$38,397 in 2010 and \$21,344 in 2011.

2. DODD asked 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 units. The County Board did not report Supported Employment - Community Employment units on *Schedule B-1*. We reviewed the MBS Summary by Service Code report and found the County Board was not reimbursed for Community Employment in 2010 and 2011.

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

### **Paid Claims Testing (Continued)**

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 in 2010 and 2011 on the MBS Summary by Service Code reports.

The County Board did not report costs on *Schedule A*, for Lines (20) to Line (25). We reviewed the MBS Summary by Service Code reports and found the County Board was not reimbursed for these services in 2010 and 2011.

### **Non-Payroll Expenditures and Reconciliation to the County Auditor Report**

1. We compared the disbursement totals from the 12/31/2010 and 12/31/2011 county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's Detail Expense Transactions report balances for the Developmental Disabilities (011), Residential Services (055), Building Bond (263) and Office Building (455) funds.

We found no differences.

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

Total county board disbursements 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 Report and other supporting documentation such as county tax settlement sheets.

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

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.

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

5. We compared 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 found differences as reported in Appendix A (2010) and Appendix B (2011).

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.

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

We scanned the County Board's State Expenses 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 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 (2010) and Appendix B (2011) for misclassified and non-federal reimbursable costs.

Please note the reclassification of \$77,120 in Early Retirement Incentive Payments from worksheets 9 and 10 to non-federal reimbursable as the County Board did not obtain the required approval per 2 CFR 225 Appendix B (8)(g)(3) as reported in Appendix A (2010).

We also reviewed the agreement between the County Board and the OCTA and noted the County Board was charged \$17.07 for each individual trip provided. This charge is higher than the \$3.50 published rate for the on demand routes charged the general public. The County Board stated the additional charge was for ensuring compliance with rules and safe driving conditions, coordinating services provided by OCTA and scheduling and adjusting routes which the Board stated were guaranteed. The County Board also contracted with OCTA for group transportation at rates of \$95 and \$125.

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.

#### **Recommendation:**

We recommend that DODD provide technical assistance to the County Board to ensure that its costs for contracted 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). The technical assistance should provide guidance on how the County Board can meet 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 order to be allowable costs, costs must meet the criteria of 2 CFR 225; and the Provider Reimbursement Manual, CMS Publication 15-1. A section of the allowable cost requirement is the "reasonable cost" criteria. In order to be considered reasonable, costs shall not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In addition, CMS Publication 15-1, Section 2102.1 states: "The objective is that under the methods of determining costs, the costs for individuals covered by the program are not borne by others not so covered and the costs for individuals not so covered are not borne by the program."

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

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

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

In addition, under CMS Publication 15-1, Section 2304, the County Board is required 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.

DODD should also implement procedures for detecting and investigating situations in which costs seem excessive. In addition to querying County Boards about indirect, as well as direct discounts, DODD may inquire if techniques for evaluating contract costs described in CMS Publication 15-1, Section 2135.3(D)(1) were used by the County Board, such as comparing a "contractor's package of services against a comparable package of services, including those which might have submitted competitive bids." Examples could include comparisons with other local commercial transportation providers including taxi services, and other paratransit providers such as ambulette providers. A second technique is "to divide a package of services into separate components so that they can be evaluated with comparable services provided in the marketplace." This method may require a detailed budget be submitted by the contractor so that cost components can be evaluated separately (e.g. number of vehicles and cost per vehicle, full time equivalent contractor staff used and cost per hour, fuel and training costs, etc.). A third method involves determining if contract costs were "evaluated based on whether the service is at least as cost effective as could be furnished by the Provider in-house" through a detailed cost comparison analysis using techniques described in the first two methods. This would entail more than comparing costs to the current waiver state rate. In those cases where DODD finds that a County Board is paying more than the going price for a service, does not try to realize available savings, or lacks clear justification for the excess service charge, DODD should exclude excess costs in determining allowable costs.

7. We scanned the County Board's State Expenses Detailed Reports for items purchased during 2010 and 2011 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Fixed Asset Listing.

We found a 2011 purchase that was not properly capitalized and 2011 technology related purchases that were capitalized but did not meet the capitalization criteria. We reported differences in Appendix B (2011). We did not determine if 2011 purchases were properly capitalized in 2012.

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

8. We haphazardly selected 40 disbursements from 2010 and 2011 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 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We reported differences in Appendix A (2010) and Appendix B (2011) for misclassified and non-federal reimbursable costs.

### **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.

2. We compared the County Board's final 2009 depreciation schedule to the County Board's 2010 and 2011 depreciation schedules for changes in the depreciation amounts for assets purchased prior to the periods under review which were not in compliance with the Cost Report Guides.

We found differences in depreciation as reported in Appendix A (2010) and Appendix B (2011).

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

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

We found differences as reported in Appendix A (2010). We found no differences in 2011.

4. We scanned the County Board's depreciation schedule for 2010 and 2011 for depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation taken on assets during the period of acquisition which were not in compliance with the Cost Report Guides.

We found no differences.

5. We haphazardly selected two contracts from one capital projects which met the County Board's capitalization policy and were purchased in 2010 and 2011 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.

### **Property, Depreciation, and Asset Verification Testing (Continued)**

6. DODD asked us to haphazardly select the lesser of five percent or 20 disposed assets from 2010 and 2011 from the County Board's list of disposed assets and determine 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 2010 and 2011, if applicable for the disposed items based on its undepreciated basis and any proceeds received from the disposal or sale of the asset to determine compliance with the Cost Report Guide and CMS Publication 15-1, Chapter 1.

We did not perform this procedure because the County Board stated that no capital assets were disposed of in 2010 or 2011. We scanned the County Board's State Account Code Detailed Reports 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 2010 and 2011 Cost Reports were within two percent of the county auditor's report totals for the General Operating (011) Fund.

We totaled salaries and benefits from worksheets 2 through 10 from the Cost Reports and compared the yearly totals to the county auditor's Detail Expense Transactions.

The variance was less than two percent.

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

We compared all salary and employee benefit entries on worksheets 2 through 10 to the County Board's Wage/Benefit Reports.

We found differences related to the salary and benefit expenses reported to the Medicaid Administrative Claiming program (see also procedure 2 in the Medicaid Administrative claiming section) as reported in Appendix A (2010). We found no differences exceeding \$100 on any worksheet in 2011.

3. We selected nine employees and compared the County Board's organizational chart, staffing/payroll journal, and job descriptions 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 found no differences.

4. DODD asked us to scan the County Board's detailed payroll reports for 2010 and 2011 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 we had no misclassification errors in procedure 3 above

### 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 RMTS Summary reports to the County Board's Payroll and Benefits by Date Span Summary By Post Date reports.

We found no variance exceeding one percent.

2. We compared the original MAC RMTS Summary Reports to Worksheet 6, columns (I) and (O) for both years.

We reported differences in Appendix A (2010). We found no differences in 2011.

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

We reported differences in Appendix A (2010) and Appendix B (2011).

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 fourth quarter of 2010 and 10 RMTS observed moments from the third quarter of 2011 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 2011.

We found no differences

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

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

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



**Dave Yost**  
Auditor of State

February 11, 2015

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**Appendix A**  
**Ottawa County Board of Developmental Disabilities**  
**2010 Income and Expenditure Report Adjustments**

|  | <b>Reported<br/>Amount</b> | <b>Correction</b> | <b>Corrected<br/>Amount</b> | <b>Explanation of Correction</b>                     |
|--|----------------------------|-------------------|-----------------------------|--|
| <b>Schedule B-1, Section A</b>   |                            |                   |                             |  |
| 11. Early Intervention (C) Child                                       | 2,035                      | (721)             | 1,314                       | To reclassify to match updated Schedule B-1          |
| 15. Supported Employment - Enclave                                     | 121                        | (121)             | -                           | To remove square footage no enclave service          |
| 20. Family Support Services (D) General                                | 40                         | 40                | 80                          | To reclassify to match updated Schedule B-1          |
| 23. Administration (D) General   | 640                        | 753               | 1,393                       | To reclassify to match updated Schedule B-1          |
| 25. Non-Reimbursable (D) General                                       | 20,878                     | (71)              | 20,807                      | To reclassify to match updated Schedule B-1          |
|  |                            | (2,429)           | 18,378                      | To remove common space                               |
| <b>Schedule B-1, Section B</b>   |                            |                   |                             |  |
| 1. Total Individuals Served By Program (A)<br>Facility Based Services  | 181                        | 5                 | 186                         | To correct individuals served                        |
| 1. Total Individuals Served By Program (B)<br>Supported Emp. - Enclave | 7                          | (7)               | -                           | To remove statistics - not a county board program    |
| 1. Total Individuals Served By Program (C)                             | 12                         | (12)              | -                           | To remove statistics - not a county board            |
| 2. Days Of Attendance (A) Facility Based                               | 16,828                     | 12,521            | 29,349                      | To correct days of attendance                        |
| 2. Days Of Attendance (B) Supported Emp. -<br>Enclave                  | 14                         | (14)              | -                           | To remove statistics - not a county board program    |
| 3. Typical Hours Of Service (A) Facility Based<br>Services             | 7                          | (0.5)             | 6.5                         | To correct typical hours of service                  |
| <b>Schedule B-4</b>  |                            |                   |                             |  |
| 1. TCM Units (D) 4th Quarter   | 8,477                      | 686               | 9,163                       | To correctly report SSA units                        |
|  |                            | 1,018             | 10,181                      | To reclassify SSA units                              |
| 2. Other SSA Allowable Units (B) 2nd Quarter                           | 4,253                      | (350)             | 3,903                       | To correctly report SSA units                        |
| 2. Other SSA Allowable Units (C) 3rd Quarter                           | 2,686                      | (2,686)           | -                           | To correctly report SSA units                        |
| 2. Other SSA Allowable Units (D) 4th Quarter                           | 2,111                      | (2,111)           | -                           | To correctly report SSA units                        |
|  |                            | 376               | 376                         | To reclassify SSA units                              |
| 5. SSA Unallowable Units (C) 3rd Quarter                               | 800                        | (701)             | 99                          | To correctly report SSA units                        |
| 5. SSA Unallowable Units (D) 4th Quarter                               | 928                        | (928)             | -                           | To correctly report SSA units                        |
| <b>Worksheet 1</b>   |                            |                   |                             |  |
| 3. Buildings/Improve. (E) Facility Based<br>Services                   | \$ 45,166                  | \$ 13             | \$ 45,179                   | To correct depreciation expense                      |
|  |                            | \$ 170            | \$ 45,349                   | To correct depreciation expense                      |
| 3. Buildings/Improve. (V) Admin  | \$ 1,984                   | \$ 145            | \$ 2,129                    | To correct depreciation expense                      |
|  |                            | \$ 11             | \$ 2,140                    | To correct depreciation expense                      |
| 8. COG Expenses (E) Facility Based Services                            | \$ -                       | \$ 11             | \$ 11                       | To match COG report                                  |
| 8. COG Expenses (L) Community Residential                              | \$ 351                     | \$ 94             | \$ 445                      | To match COG report                                  |
| 8. COG Expenses (N) Service & Support<br>Admin                         | \$ 132                     | \$ 98             | \$ 230                      | To match COG report                                  |
| 8. COG Expenses (O) Non-Federal<br>Reimbursable                        | \$ 144                     | \$ 55             | \$ 199                      | To match COG report                                  |
| <b>Worksheet 2</b>   |                            |                   |                             |  |
| 1. Salaries (X) Gen Expense All Prgm.                                  | \$ 315,841                 | \$ (94,621)       | \$ 221,220                  | To reclassify salaries to MAC                        |
| 2. Employee Benefits (X) Gen Expense All<br>Prgm.                      | \$ 128,403                 | \$ (41,489)       | \$ 86,914                   | To reclassify benefits to MAC                        |
| 4. Other Expenses (O) Non-Federal<br>Reimbursable                      | \$ 2,985                   | \$ 652            | \$ 3,637                    | To reclassify expenses to NFR                        |
| 4. Other Expenses (X) Gen Expense All Prgm.                            | \$ 93,580                  | \$ (652)          | \$ 92,928                   | To reclassify expenses to NFR                        |
| 5. COG Expense (E) Facility Based Services                             | \$ -                       | \$ 186            | \$ 186                      | To match COG report                                  |
| 5. COG Expenses (L) Community Residential                              | \$ 8,341                   | \$ (873)          | \$ 7,468                    | To match COG report                                  |
| 5. COG Expense (N) Service & Support Admin                             | \$ 3,150                   | \$ 714            | \$ 3,864                    | To match COG report                                  |
| 5. COG Expense (O) Non-Federal<br>Reimbursable                         | \$ 3,423                   | \$ (82)           | \$ 3,341                    | To match COG report                                  |
| <b>Worksheet 2A</b>  |                            |                   |                             |  |
| 3. Service Contracts (L) Community<br>Residential                      | \$ 250,288                 | \$ (250,288)      | \$ -                        | To reclassify Ottawa Residential Services expenses   |
| 4. Other Expenses (N) Service & Support<br>Admin                       | \$ 7,136                   | \$ (135)          | \$ 7,001                    | To reclassify a training expense as Fees Paid to COG |

**Appendix A (Page 2)**  
**Ottawa County Board of Developmental Disabilities**  
**2010 Income and Expenditure Report Adjustments**

|  | <b>Reported<br/>Amount</b> | <b>Correction</b> | <b>Corrected<br/>Amount</b> | <b>Explanation of Correction</b>                   |
|--|----------------------------|-------------------|-----------------------------|--|
| <b>Worksheet 3</b>   |                            |                   |                             |  |
| 5. COG Expenses (E) Facility Based Services                    | \$ -                       | \$ 7              | \$ 7                        | To match COG report                                |
| 5. COG Expenses (L) Community Residential                      | \$ 223                     | \$ 60             | \$ 283                      | To match COG report                                |
| 5. COG Expenses (N) Service & Support Admin                    | \$ 84                      | \$ 63             | \$ 147                      | To match COG report                                |
| 5. COG Expenses (O) Non-Federal Reimbursable                   | \$ 92                      | \$ 35             | \$ 127                      | To match COG report                                |
| <b>Worksheet 4</b>   |                            |                   |                             |  |
| 14. No. of Individual Meals Served (A) Early Intervention      | 14,778                     | (14,778)          | -                           | To report statistics in the correct program        |
| 14. No. of Individual Meals Served (E) Facility Based Services | -                          | 14,778            | 14,778                      | To report statistics in the correct program        |
| <b>Worksheet 5</b>   |                            |                   |                             |  |
| 2. Employee Benefits (A) Early Intervention                    | \$ 98,796                  | \$ (17,219)       | \$ 81,577                   | To reclassify benefits to MAC                      |
| 3. Service Contracts (L) Community Residential                 | \$ 20,593                  | \$ 250,288        | \$ 270,881                  | To reclassify Ottawa Residential Services expenses |
| 5. COG Expenses (O) Non-Federal Reimbursable                   | \$ 2,563                   | \$ 3,624          | \$ 6,187                    | To match COG report                                |
| <b>Worksheet 6</b>   |                            |                   |                             |  |
| 1. Salaries (I) Medicaid Admin                                 | \$ 43,150                  | \$ 124,682        | \$ 167,832                  | To correct MAC amounts                             |
| 1. Salaries (O) Non-Federal Reimbursable                       | \$ 832                     | \$ 150,471        | \$ 151,303                  | To correct MAC amounts                             |
| 2. Employee Benefits (I) Medicaid Admin                        | \$ 31,247                  | \$ 29,727         | \$ 60,974                   | To correct MAC amounts                             |
| 2. Employee Benefits (O) Non-Federal Reimbursable              | \$ 602                     | \$ 54,078         | \$ 54,680                   | To correct MAC amounts                             |
| <b>Worksheet 7B</b>  |                            |                   |                             |  |
| 1. Salaries (H) Unasgn Adult Program                           | \$ 52,088                  | \$ (47,846)       | \$ 4,242                    | To reclassify salaries to MAC                      |
| 2. Employee Benefits (H) Unasgn Adult Program                  | \$ 20,131                  | \$ (18,263)       | \$ 1,868                    | To reclassify benefits to MAC                      |
| <b>Worksheet 8</b>   |                            |                   |                             |  |
| 3. Service Contracts (E) Facility Based Services               | \$ 497,516                 | \$ (4,695)        |                             | To reclassify expenses to Community Employment     |
|  |                            | \$ (8,119)        |                             | To reclassify expenses to Enclave                  |
|  |                            | \$ (4,241)        | 480,461                     | To reclassify expenses to Supported Employment     |
| 3. Service Contracts (F) Enclave                               | \$ -                       | \$ 8,119          |                             | To reclassify expenses to Enclave                  |
|  |                            | 2,545             | 10,664                      | To reclassify expenses to Enclave                  |
| 3. Service Contracts (G) Community Employment                  | \$ -                       | \$ 4,695          |                             | To reclassify expenses to Community Employment     |
|  |                            | 1,696             | 6,391                       | To reclassify expenses to Community Employment     |
| <b>Worksheet 9</b>   |                            |                   |                             |  |
| 1. Salaries (N) Service & Support Admin. Costs                 | \$ 668,746                 | \$ (128,398)      | \$ 540,348                  | To reclassify salaries to MAC                      |
| 2. Employee Benefits (N) Service & Support Admin. Costs        | \$ 278,367                 | \$ (8,273)        |                             | To reclassify benefits to MAC                      |
|  |                            | \$ (23,377)       |                             | To reclassify ERIP payments                        |
|  |                            | \$ (7,058)        |                             | To reclassify ERIP payments                        |
|  |                            | \$ (7,058)        |                             | To reclassify ERIP payments                        |
|  |                            | \$ (31,929)       |                             | To reclassify ERIP payments                        |
|  |                            | \$ (31)           | 200,641                     | To reclassify ERIP payments                        |
| 2. Employee Benefits (O) Non-Federal Reimbursable              | \$ -                       | \$ 23,377         |                             | To reclassify ERIP payments                        |
|  |                            | \$ 7,058          |                             | To reclassify ERIP payments                        |
|  |                            | \$ 7,058          |                             | To reclassify ERIP payments                        |
|  |                            | \$ 31,929         |                             | To reclassify ERIP payments                        |
|  |                            | \$ 31             | 69,453                      | To reclassify ERIP payments                        |
| 3. Service Contracts (N) Service & Support Admin. Costs        | \$ 21,969                  | \$ (8,931)        |                             | To reclassify COG payments                         |
|  |                            | \$ (13,038)       | -                           | To reclassify COG payments                         |
| 5. COG Expenses (N) Service & Support Admin. Costs             | \$ 22,108                  | \$ 8,175          | \$ 30,283                   | To match COG report                                |

**Appendix A (Page 3)**  
**Ottawa County Board of Developmental Disabilities**  
**2010 Income and Expenditure Report Adjustments**

|   | <b>Reported<br/>Amount</b> | <b>Correction</b> | <b>Corrected<br/>Amount</b> | <b>Explanation of Correction</b>                     |
|---|----------------------------|-------------------|-----------------------------|--|
| <b>Worksheet 10</b>   |                            |                   |                             |  |
| 1. Salaries (H) Unasgn Adult Program                          | \$ 70,330                  | \$ (5,116)        | \$ 65,214                   | To reclassify salaries to MAC                        |
| 2. Employee Benefits (H) Unasgn Adult Program                 | \$ 29,624                  | \$ (7,666)        |                             | To reclassify ERIP payments                          |
|   |                            | \$ 833            | \$ 22,791                   | To reclassify benefits to MAC                        |
| 2. Employee Benefits (O) Non-Federal Reimbursable             | \$ -                       | \$ 7,666          | \$ 7,666                    | To reclassify ERIP payments                          |
| 5. COG Expenses (E) Facility Based Services                   | \$ -                       | \$ 1,458          | \$ 1,458                    | To match COG report                                  |
| 5. COG Expenses (O) Non-Federal Reimbursable                  | \$ 21,458                  | \$ (1,458)        | \$ 20,000                   | To match COG report                                  |
| <b>Reconciliation to County Auditor Worksheet</b>             |                            |                   |                             |  |
| <b>Expense:</b>   |                            |                   |                             |  |
| Plus: Fees Paid To COG, Or Payments And Transfers made To COG | \$ 93,705                  | \$ 8,931          |                             | To reclassify COG payments                           |
|   |                            | \$ 13,038         |                             | To reclassify COG payments                           |
|   |                            | \$ 135            | \$ 115,809                  | To reclassify a training expense as Fees Paid to COG |
| Less: Capital Costs   | \$ (138,693)               | \$ (13)           |                             | To correct depreciation expense                      |
|   |                            | \$ (170)          |                             | To correct depreciation expense                      |
|   |                            | \$ (145)          |                             | To correct depreciation expense                      |
|   |                            | \$ (11)           | \$ (139,032)                | To correct depreciation expense                      |
| <b>Medicaid Administration Worksheet</b>                      |                            |                   |                             |  |
| 6- Ancillary Costs (A) Reimbursement                          | \$ -                       | \$ 11,455         | \$ 11,455                   | To record ancillary costs                            |
| 10. Requested Through Calendar Year                           |                            |                   |                             |  |

**Appendix B**  
**Ottawa County Board of Developmental Disabilities**  
**2011 Income and Expenditure Report Adjustments**

|  | Reported<br>Amount | Correction   | Corrected<br>Amount | Explanation of Correction                     |
|--|--------------------|--------------|---------------------|---|
| <b>Schedule B-1, Section A</b>                 |                    |              |                     |   |
| 11. Early Intervention (C) Child               | 2,035              | (721)        | 1,314               | To reclassify to match 2010 square footage    |
| 20. Family Support Services (D) General        | 40                 | 40           | 80                  | To reclassify to match 2010 square footage    |
| 23. Administration (D) General                 | 640                | 753          | 1,393               | To reclassify to match 2010 square footage    |
| 25. Non-Reimbursable (D) General               | 20,878             | (2,500)      | 18,378              | To reclassify to match 2010 square footage    |
| <b>Schedule B-1, Section B</b>                 |                    |              |                     |   |
| 1. Total Individuals Served By Program (A)     | 184                | 7            | 191                 | To correct individuals served                 |
| 1. Total Individuals Served By Program (B)     | 15                 | (15)         | -                   | To remove statistics - not a county board     |
| 2. Days Of Attendance (A) Facility Based       | 2,787              | 25,000       | 27,787              | To correct days of attendance                 |
| 3. Typical Hours Of Service (A) Facility Based | 6                  | 0.5          | 6.5                 | To correct typical hours of service           |
| <b>Schedule B-3</b>                            |                    |              |                     |   |
| 5. Facility Based Services (A) One Way Trips-  | 9,079              | (9,079)      | -                   | To remove one-way trips                       |
| 5. Facility Based Services (C) One Way Trips-  | 12,150             | (12,150)     | -                   | To remove one-way trips                       |
| 5. Facility Based Services (E) One Way Trips-  | 12,053             | (12,053)     | -                   | To remove one-way trips                       |
| 5. Facility Based Services (G) One Way Trips-  | 11,049             | (11,049)     | -                   | To remove one-way trips                       |
| 5. Facility Based Services (H) Cost of Bus, \$ | -                  | \$ 537,519   | \$ 537,519          | To report cost of commercial transportation   |
| 6. Supported Emp. -Enclave (A) One Way         | 138                | (138)        | -                   | To remove one-way trips                       |
| 6. Supported Emp. -Enclave (C) One Way         | 210                | (210)        | -                   | To remove one-way trips                       |
| 6. Supported Emp. -Enclave (E) One Way         | 335                | (335)        | -                   | To remove one-way trips                       |
| 6. Supported Emp. -Enclave (G) One Way         | 308                | (308)        | -                   | To remove one-way trips                       |
| 6. Supported Emp. -Enclave (H) Cost of Bus, \$ | -                  | \$ 18,765    | \$ 18,765           | To report cost of commercial transportation   |
| 7. Supported Emp. -Comm Emp. (B) Cost of \$    | 29                 | \$ (29)      | -                   | To remove unsupported cost                    |
| 7. Supported Emp. -Comm Emp. (D) Cost of \$    | 48                 | \$ (48)      | -                   | To remove unsupported cost                    |
| 7. Supported Emp. -Comm Emp. (H) Cost of \$    | 36                 | \$ (36)      | -                   | To remove unsupported cost                    |
|  |                    | \$ 171       | \$ 171              | To report cost of commercial transportation   |
| <b>Schedule B-4</b>                            |                    |              |                     |   |
| 1. TCM Units (D) 4th Quarter                   | 7,536              | 1,504        | 9,040               | To reclassify SSA units                       |
| 2. Other SSA Allowable Units (D) 4th Quarter   | 1,035              | 178          | 1,479               | To correctly report SSA units                 |
|  |                    | 266          | 1,479               | To reclassify SSA units                       |
| 5. SSA Unallowable Units (C) 3rd Quarter       | 979                | (640)        | 339                 | To correctly report SSA units                 |
| 5. SSA Unallowable Units (D) 4th Quarter       | 1,022              | (1,022)      | -                   | To correctly report SSA units                 |
| 5. SSA Unallowable Units (E) COG Activity      | 2                  | 34           | 36                  | To correctly report SSA units                 |
| <b>Worksheet 1</b>                             |                    |              |                     |   |
| 3. Buildings/Improve (V) Admin \$              | 2,129              | \$ 11        | \$ 2,140            | To increase Depreciation Expense              |
| 8. COG Expenses (L) Community Residential \$   | 636                | \$ (32)      | \$ 604              | To match COG report                           |
| 8. COG Expenses (N) Service & Support \$       | 242                | \$ (13)      | \$ 229              | To match COG report                           |
| 8. COG Expenses (O) Non-Federal \$             | 63                 | \$ (3)       | \$ 60               | To match COG report                           |
| <b>Worksheet 2</b>                             |                    |              |                     |   |
| 3. Service Contracts (X) Gen Expense All \$    | 79,850             | \$ (60)      |                     | To adjust payments made to the COG            |
|  |                    | \$ (2,220)   |                     | To adjust payments made to the COG            |
|  |                    | \$ (18,414)  |                     | To adjust payments made to the COG            |
|  |                    | \$ (2,670)   |                     | To adjust payments made to the COG            |
|  |                    | \$ (2,700)   | 53,786              | To adjust payments made to the COG            |
| 4. Other Expenses (O) Non-Federal \$           | 2,761              | \$ 250       | \$ 3,011            | To reclassify an NFR expense                  |
| 4. Other Expenses (X) Gen Expense All Prgm. \$ | 92,825             | \$ (250)     |                     | To reclassify an NFR expense                  |
|  |                    | \$ (5,259)   |                     | To reclassify a Dell Server to Purchases over |
|  |                    | \$ 33,567    |                     | To remove IT items as do not meet             |
|  |                    | \$ (433)     | 120,450             | To reclassify a training expense as Fees Paid |
| 5. COG Expenses (L) Community Residential \$   | 21,206             | \$ (7,347)   | \$ 13,859           | To match COG report                           |
| 5. COG Expense (N) Service & Support Admin \$  | 8,050              | \$ (2,789)   | \$ 5,261            | To match COG report                           |
| 5. COG Expense (O) Non-Federal \$              | 2,108              | \$ (730)     | \$ 1,378            | To match COG report                           |
| <b>Worksheet 2A</b>                            |                    |              |                     |   |
| 3. Service Contracts (L) Community \$          | 250,288            | \$ (250,288) | -                   | To reclassify Ottawa Residential Services     |
| <b>Worksheet 3</b>                             |                    |              |                     |   |
| 5. COG Expenses (L) Community Residential \$   | 1,247              | \$ (63)      | \$ 1,184            | To match COG report                           |
| 5. COG Expenses (N) Service & Support \$       | 473                | \$ (24)      | \$ 449              | To match COG report                           |
| 5. COG Expenses (O) Non-Federal \$             | 124                | \$ (6)       | \$ 118              | To match COG report                           |
| <b>Worksheet 5</b>                             |                    |              |                     |   |
| 3. Service Contracts (L) Community \$          | 8,235              | \$ 250,288   | \$ 258,523          | To reclassify Ottawa Residential Services     |

**Appendix B (Page 2)**  
**Ottawa County Board of Developmental Disabilities**  
**2011 Income and Expenditure Report Adjustments**

|   | <b>Reported<br/>Amount</b> | <b>Correction</b> | <b>Corrected<br/>Amount</b> | <b>Explanation of Correction</b>              |
|---|----------------------------|-------------------|-----------------------------|---|
| <b>Worksheet 8</b>                                |                            |                   |                             |   |
| 3. Service Contracts (E) Facility Based           | \$ 538,065                 | \$ (546)          | \$ 537,519                  | To reclassify the cost of transportation      |
| 3. Service Contracts (F) Enclave                  | \$ 18,219                  | \$ 546            | \$ 18,765                   | To reclassify the cost of transportation      |
| 3. Service Contracts (H) Unasgn Adult             | \$ 4,070                   | \$ (4,070)        | \$ -                        | To reclassify the cost of transportation      |
| 3. Service Contracts (O) Non-Federal              | \$ -                       | \$ 4,070          | \$ 4,070                    | To reclassify the cost of transportation      |
| <b>Worksheet 9</b>                                |                            |                   |                             |   |
| 4. Other Expenses (N) Service & Support           | \$ 26,121                  | \$ (759)          | \$ 25,362                   | To reclassify a training expense as Fees Paid |
| <b>Worksheet 10</b>                               |                            |                   |                             |   |
| 4. Other Expenses (E) Facility Based Services     | \$ 15,894                  | \$ (259)          | \$ 15,635                   | To adjust a bank fine/penalty to NFR          |
| 4. Other Expenses (O) Non-Federal                 | \$ 5,000                   | \$ 259            | \$ 5,259                    | To adjust a bank fine/penalty to NFR          |
| <b>Reconciliation to County Auditor Worksheet</b> |                            |                   |                             |   |
| <b>Expense:</b>                                   |                            |                   |                             |   |
| Plus: Purchases Greater Than \$5,000              | \$ 150,412                 | \$ 5,259          |                             | To reclassify purchase of a Dell Server       |
|   |                            | \$ (33,567)       | \$ 122,104                  | To remove IT items as do not meet             |
| Plus: Fees Paid To COG, Or Payments And           | \$ 88,734                  | \$ 60             |                             | To adjust payments made to the COG            |
|   |                            | \$ 2,220          |                             | To adjust payments made to the COG            |
|   |                            | \$ 18,414         |                             | To adjust payments made to the COG            |
|   |                            | \$ 2,670          |                             | To adjust payments made to the COG            |
|   |                            | \$ 2,700          |                             | To adjust payments made to the COG            |
|   |                            | \$ 759            |                             | To reclassify a training expense as Fees Paid |
|   |                            | \$ 433            | \$ 115,990                  | To reclassify a training expense as Fees Paid |
| Less: Capital Costs                               | \$ (118,650)               | \$ (11)           | \$ (118,661)                | To increase Depreciation Expense              |
| <b>Medicaid Administration Worksheet</b>          |                            |                   |                             |   |
| 6- Ancillary Costs (A) Reimbursement              | \$ -                       | \$ 9,026          | \$ 9,026                    | To record ancillary costs                     |

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# Dave Yost • Auditor of State

**OTTAWA COUNTY BOARD OF DEVELOPMENTAL DISABILITIES**

**OTTAWA 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  
MAY 26, 2015**