



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## Independent Accountants' Report on Applying Agreed-Upon Procedures

Ohio Department of Developmental Disabilities  
30 East Broad Street  
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Developmental Disabilities (DODD), on the *Income and Expenditure Report* (Cost Report) and *County Summary Workbooks*<sup>1</sup> of the Quadco Rehabilitation Center Administrative Board and Non-Profit Operation (COG) for the year ended December 31, 2015 (Cost Report). The COG's management is responsible for preparing these reports. The sufficiency of these procedures is solely the responsibility of DODD. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Trial Balance and Non-Payroll Expenditures**

1. We compared the COG's disbursements on the General Ledger report and other supporting documentation to *Schedule A, Summary of Service Costs-By Program* and worksheets 2 through 5 of the Cost Report and *Schedule A* and Worksheets 2 through 10 of the *County Summary Workbooks* to identify variances greater than \$250 for total service contracts, other expenses and COG expenses on any worksheet.

We reported variances in Appendix A.

Subsequent to issuing our May 17, 2017 report, we determined that we reported the incorrect amount to *Schedule A* of the Cost Report and corresponding adjustments on Worksheets 1 through 3 of the Defiance, Henry and Williams *County Summary Workbooks*. We corrected the adjustments as reported in Appendix A.

2. We compared total non-payroll disbursements on the General Ledger report to total service contracts, other expenses and COG expenses for worksheets 2 through 5 of the Cost Report, and *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks* to determine if non-payroll costs were reported within two percent.

We reported differences in Appendix A and, after this adjustment, non-payroll costs were within two percent.

3. We scanned the COG's General Ledger report and selected 20 non-payroll disbursements from the service contracts and other expenses on Worksheets 2 through 5 of the Cost Report, *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks*. We determined if supporting documentation was maintained, the costs were allowable and properly classified according to DODD's Guide to Preparing Income and Expenditure Reports for COGs and County Board of Developmental Disabilities (Cost Report Guides) and 2 CFR 225 to identify any variances not classified as prescribed by the Cost Report Guides or costs which are non-federal reimbursable over \$250.

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<sup>1</sup> The COG recorded receipts and disbursements and prepared *County Summary Workbooks* to distribute these receipts and disbursements to the Defiance, Henry and Williams County Boards of Developmental Disabilities.

### **Trial Balance and Non-Payroll Expenditures (Continued)**

We reported misclassified costs in Appendix A.

We also scanned for any program costs without corresponding statistics that are non-federal reimbursable because they do not demonstrate that the COG or one of the member County Board's programs received a measurable benefit as required under Appendix A, section (C)(3)(a) and the Cost Report Guides.

We found no program costs without corresponding statistics.

4. We scanned the General Ledger report for items purchased during 2015 that met the COG's capitalization criteria and traced them to the COG's Multi-Sort Depreciation and Asset Valuation Reports.

We reported differences for purchases that were not properly capitalized and to record the first year's depreciation in Appendix A

### **Payroll Testing**

1. We compared the payroll disbursements on the General Ledger report to salaries and benefits reported on the Cost Report and the *County Summary Workbooks* to determine if payroll costs were reported within two percent.

We reported differences in Appendix A and, after these adjustments, payroll costs were within two percent.

2. We scanned the General Ledger report and compared classification of employees to entries on the Cost Report and *County Summary Workbooks* to determine if salary and benefit costs were reported in accordance with the Cost Report Guides.

We reported differences in Appendix A.

### **Property, Depreciation and Asset Verification Testing**

1. DODD asked that we compare all depreciation entries on *Worksheet 1, Capital Costs* to the COG's depreciation schedule to report any variances exceeding \$250. The COG did not have a comprehensive 2014 depreciation schedule; therefore, we combined the COG's Multi-Sort Depreciation Report for the periods ending September 30, 2014, September 30, 2015 and September 30, 2016 and prepared a 2015 depreciation schedule. We then compared all depreciation entries on *Worksheet 1, Capital Costs* of the Cost Report to this 2015 depreciation schedule.

We reported variances in Appendix A.

2. We compared the final 2014 Multi-Sort Depreciation Reports and prior year depreciation adjustments to the final 2015 Multi-Sort Depreciation Reports 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 to identify any cell variances greater than \$250.

We found no variances exceeding \$250.

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

3. We selected the lesser of 10 of the COG's fixed assets or 10 percent of items which met its capitalization policy and were being depreciated in their first year in 2015 to determine if their useful lives agreed to the estimated useful lives prescribed in the 2013 AHA Asset Guides.

We also recomputed the first year's depreciation for the one asset tested, based on cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide to identify any variances.

We reported differences in Appendix A.

4. We selected the lesser of 10 percent or 10 disposed assets in 2015 from the COG's list of disposed assets and determined if the asset was removed from the COG's fixed asset ledger. We also recalculated depreciation and any gain or loss for the one disposed item tested, based on its undepreciated basis and any proceeds received from the disposal of the asset to determine compliance with the Cost Report Guide and CMS Publication 15-1, Chapter 1 and identify any variances.

We found no variances.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the County Board's Cost Reports. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported. This report is intended solely for the information and use of the County Board and DODD, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

May 17, 2017 except for the corrected adjustments in Trial Balance and Non-Payroll Expenditures, Procedure 1, which is as of October 26, 2017

**Appendix A**  
**Quadco Rehabilitation Center Administrative Board and Non-Profit Operation**  
**2015 Income and Expenditure Report and County Summary Workbook Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
<b>Quadco Rehabilitation Center</b>				
<b>Schedule A</b>				
1. Defiance County, CBDD Allocated Costs	\$ 44,523	\$ (2,957)	\$ 41,566	See * footnote below
4. Williams County, CBDD Allocated Costs	\$ 99,094	\$ (5,571)	\$ 93,523	See * footnote below
10. Henry County, CBDD Allocated Costs	\$ 11,356	\$ (276)	\$ 11,080	See * footnote below
<b>Worksheet 1</b>				
3. Buildings/Improve (A) Costs	\$ 5,023	\$ (379)	\$ 4,644	To match depreciation report
5. Moveable Equipment (A) Costs	\$ 12,792	\$ 94		To record depreciation for 2015 acquisition
		\$ 2,863	\$ 15,749	To correct depreciation for STP van
<b>Worksheet 2</b>				
1. Salaries (A) Cost	\$ 46,404	\$ (7,094)		To reclassify the Director of Marketing's salary
		\$ 3,547	\$ 42,857	To reclassify the Director of Marketing's salary
2. Employee Benefits (A) Cost	\$ 19,006	\$ (2,748)		To reclassify the Director of Marketing's benefits
		\$ 1,374	\$ 17,632	To reclassify the Director of Marketing's benefits
4. Other Expenses (A) Cost	\$ 9,181	\$ (418)		To remove capital asset acquisitions
		\$ (25)		To reclassify consumer expense
		\$ (6)		To reclassify consumer expense
		\$ (55)		To reclassify consumer expense
		\$ (384)		To remove Title XX recovery expenses
		\$ (10)		To reclassify Williams expense
		\$ (192)	\$ 8,091	To reclassify non-profit expenses
<b>Worksheet 2A</b>				
1. Salaries (A) Cost	\$ 13,158	\$ (8,170)		To reclassify Director Program's salary
		\$ 3,939	\$ 8,927	To reclassify Manager Programs' salary
2. Employee Benefits (A) Cost	\$ 2,016	\$ (1,394)		To reclassify Director Program's benefits
		\$ 655	\$ 1,277	To reclassify Manager Programs' benefits
<b>Worksheet 3</b>				
1. Salaries (A) Cost	\$ 6,597	\$ 2,696		To reclassify Director Program's salary
		\$ (1,216)	\$ 8,077	To reclassify Training Specialist's salary
2. Employee Benefits (A) Cost	\$ 1,424	\$ 460		To reclassify Director Program's benefits
		\$ (258)	\$ 1,626	To reclassify Training Specialist's benefits
<b>Worksheet 4</b>				
1. Salaries (B) Non-Federal Reimbursable	\$ -	\$ 36,743	\$ 36,743	To reclassify the Director of Marketing's salary
2. Employee Benefits (B) Non-Federal Reimbursable	\$ -	\$ 14,234	\$ 14,234	To reclassify the Director of Marketing's benefits
<b>Worksheet 5</b>				
1. Salaries (A) Other Cost	\$ 849,216	\$ 712,361		To match payroll report
		\$ 3,982		To reclassify Job Developers' salary
		\$ (3,490)		To reclassify Manager Programs' salary
		\$ 33,196		To reclassify the Director of Marketing's salary
		\$ 4,850		To reclassify Director Program's salary
		\$ 1,077		To reclassify Training Specialist's salary
		\$ (66,392)	\$ 1,534,800	To reclassify the Director of Marketing's salary
2. Employee Benefits (A) Other Cost	\$ 278,338	\$ 265,938		To match payroll report
		\$ 634		To reclassify Job Developers' benefits
		\$ (580)		To reclassify Manager Programs' benefits
		\$ (25,719)		To reclassify the Director of Marketing's benefits
		\$ 828		To reclassify Director Program's benefits
		\$ 228		To reclassify Training Specialist's benefits
		\$ 12,860	\$ 532,527	To reclassify the Director of Marketing's benefits
4. Other Expenses (A) Other Cost	\$ 310,489	\$ (852)		To match expenditure report
		\$ (3,907)		To remove capital asset acquisitions
		\$ 192		To reclassify non-profit expenses
		\$ (2,991)		To remove Title XX recovery expenses
		\$ 1,315		To reclassify non-profit expenses
		\$ 335		To reclassify non-profit expenses
		\$ 2,925		To reclassify non-profit expenses
		\$ 224,906	\$ 532,412	To reconcile non-payroll costs to expenditure report

Appendix A (Page 2)

Quadco Rehabilitation Center Administrative Board and Non-Profit Operation  
2015 Income and Expenditure Report and County Summary Workbook Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
<b>Defiance County</b>				
<b>Worksheet 1</b>				
9. Capital Costs (E) Facility Based Services	\$ 498	\$ (195)	\$ 303	See * footnote below
9. Capital Costs (Z) Total	\$ 498	\$ (195)	\$ 303	See * footnote below
<b>Worksheet 2</b>				
10. Indirect Costs (E) Facility Based Services	\$ 2,088	\$ (1,069)	\$ 1,019	See * footnote below
10. Indirect Costs (Z) Total	\$ 2,088	\$ (1,069)	\$ 1,019	See * footnote below
<b>Worksheet 2A</b>				
11. Program Supervision (E) Facility Based Services	\$ 424	\$ (272)	\$ 152	See * footnote below
11. Program Supervision (Z) Total	\$ 424	\$ (272)	\$ 152	See * footnote below
<b>Worksheet 3</b>				
12. Building Services (E) Facility Based Services	\$ 716	\$ (310)	\$ 406	See * footnote below
12. Building Services (Z) Total	\$ 716	\$ (310)	\$ 406	See * footnote below
<b>Worksheet 8</b>				
25. Transportation (E) Facility Based Services	\$ 16,631	\$ (450)		To match expenditure report
		\$ (28)		To reclassify Training Specialist's salary
		\$ (4)	\$ 16,149	To reclassify Training Specialist's benefits
<b>Worksheet 10</b>				
27. Direct Services (E) Facility Based Services	\$ 26,512	\$ 179		To reclassify Director Program's salary
		\$ (1,144)		To reclassify Job Developers' salary
		\$ (182)		To reclassify Job Developers' benefits
		\$ (129)		To reclassify Manager Programs' salary
		\$ (21)		To reclassify Manager Programs' benefits
		\$ 29		To reclassify Training Specialist's salary
		\$ 4		To reclassify Training Specialist's benefits
		\$ 40		To reclassify Training Specialist's salary
		\$ 8		To reclassify Training Specialist's benefits
		\$ 25		To reclassify consumer expense
		\$ (1,315)		To reclassify non-profit expense
		\$ 31	\$ 24,037	To reclassify Director Program's benefits
<b>Henry County</b>				
<b>Worksheet 1</b>				
9. Capital Costs (E) Facility Based Services	\$ 127	\$ (46)	\$ 81	See * footnote below
9. Capital Costs (Z) Total	\$ 127	\$ (46)	\$ 81	See * footnote below
<b>Worksheet 2</b>				
10. Indirect Costs (E) Facility Based Services	\$ 532	\$ (260)	\$ 272	See * footnote below
10. Indirect Costs (Z) Total	\$ 532	\$ (260)	\$ 272	See * footnote below
<b>Worksheet 2A</b>				
11. Program Supervision (E) Facility Based Services	\$ 108	\$ (68)	\$ 40	See * footnote below
11. Program Supervision (Z) Total	\$ 108	\$ (68)	\$ 40	See * footnote below
<b>Worksheet 3</b>				
12. Building Services (E) Facility Based Services	\$ 183	\$ (75)	\$ 108	See * footnote below
12. Building Services (Z) Total	\$ 183	\$ (75)	\$ 108	See * footnote below
<b>Worksheet 8</b>				
25. Transportation (E) Facility Based Services	\$ 4,242	\$ 364		To match expenditure report
		\$ (8)		To reclassify Training Specialist's salary
		\$ (1)	\$ 4,597	To reclassify Training Specialist's benefits

Appendix A (Page 3)

Quadco Rehabilitation Center Administrative Board and Non-Profit Operation  
2015 Income and Expenditure Report and County Summary Workbook Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
<b>Henry County (Continued)</b>				
<b>Worksheet 10</b>				
27. Direct Services (E) Facility Based Services	\$ 6,762	\$ 46		To reclassify Director Program's salary
		\$ (292)		To reclassify Job Developers' salary
		\$ (46)		To reclassify Job Developers' benefits
		\$ (33)		To reclassify Manager Programs' salary
		\$ (5)		To reclassify Manager Programs' benefits
		\$ 7		To reclassify Training Specialist's salary
		\$ 1		To reclassify Training Specialist's benefits
		\$ 10		To reclassify Training Specialist's salary
		\$ 2		To reclassify Training Specialist's benefits
		\$ 6		To reclassify consumer expense
		\$ (335)		To reclassify non-profit expense
		\$ 8	\$ 6,131	To reclassify Director Program's benefits
<b>Williams County</b>				
<b>Worksheet 1</b>				
9. Capital Costs (E) Facility Based Services	\$ 1,108	\$ (426)	\$ 682	See * footnote below
9. Capital Costs (Z) Total	\$ 1,108	\$ (426)	\$ 682	See * footnote below
<b>Worksheet 2</b>				
10. Indirect Costs (E) Facility Based Services	\$ 4,640	\$ (2,347)	\$ 2,293	See * footnote below
10. Indirect Costs (Z) Total	\$ 4,640	\$ (2,347)	\$ 2,293	See * footnote below
<b>Worksheet 2A</b>				
11. Program Supervision (E) Facility Based Services	\$ 944	\$ (603)	\$ 341	See * footnote below
11. Program Supervision (Z) Total	\$ 944	\$ (603)	\$ 341	See * footnote below
<b>Worksheet 3</b>				
12. Building Services (E) Facility Based Services	\$ 1,594	\$ (681)	\$ 913	See * footnote below
12. Building Services (Z) Total	\$ 1,594	\$ (681)	\$ 913	See * footnote below
<b>Worksheet 8</b>				
25. Transportation (E) Facility Based Services	\$ 37,039	\$ (64)		To reclassify Training Specialist's salary
		\$ (10)	\$ 36,965	To reclassify Training Specialist's benefits
<b>Worksheet 10</b>				
27. Direct Services (E) Facility Based Services	\$ 58,984	\$ 399		To reclassify Director Program's salary
		\$ (2,546)		To reclassify Job Developers' salary
		\$ (405)		To reclassify Job Developers' benefits
		\$ (287)		To reclassify Manager Programs' salary
		\$ (48)		To reclassify Manager Programs' benefits
		\$ 64		To reclassify Training Specialist's salary
		\$ 10		To reclassify Training Specialist's benefits
		\$ 89		To reclassify Training Specialist's salary
		\$ 19		To reclassify Training Specialist's benefits
		\$ 55		To reclassify consumer expense
		\$ (2,925)		To reclassify non-profit expense
		\$ 10		To reclassify Williams expense
		\$ 68	\$ 53,487	To reclassify Director Program's benefits

\* These are not adjustments found as a direct result of the agreed-upon procedures (AUP) performed, but are a function of how costs are calculated and flow down from *Schedule A* and *Schedule B* of the COG Cost Report to the *County Summary Workbooks* after AUP adjustments were made to *Worksheets 1, 2, 2A* and *3* of the COG Cost Report.





# Dave Yost • Auditor of State

**QUADCO REHABILITATION CENTER**

**WILLIAMS 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  
NOVEMBER 9, 2017**