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**HARDIN COUNTY BOARD OF DEVELOPMENTAL DISABILITIES
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Independent Accountants' Report on Applying Agreed-Upon Procedures

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

Dear Ms. Schroeder:

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

Statistics – Square Footage

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

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

We compared the 2011 and 2012 square footage totals to final 2010 square footage totals and found that the square footage reported changed by more than 10 percent.

The County Board stated that the 2011 square footage summaries would be most accurate to use for 2012 as there were no changes in square footage from 2011 to 2012. Based on this information, we performed the procedures below using the 2011 square footage summary.

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

We measured three rooms and compared the square footage to the County Board's 2011 square footage summary.

Statistics – Square Footage (Continued)

We found variances exceeding 10 percent as reported in Appendix A (2011) and Appendix B (2012).

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

We compared square footage for each room on the floor plan of the Harco Industries building in 2011 and the Simon Kenton School building in 2012 to the County Board's 2011 summary.

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

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 2011 square footage summary to the square footage reported in each cell in *Schedule B-1, Section A, Square Footage* for both Cost Reports.

We reported variances exceeding 10 percent in Appendix A (2011) and Appendix B (2012).

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

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

We found no inconsistencies as a result of applying this procedure in 2011. We found inconsistencies as reported in Appendix B (2012).

Statistics – Attendance

1. We reviewed the Cost Reports to determine if individuals served or units of service were omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which result in unassigned program or general expenses-all program costs.

We determined that there were no unassigned program or general expense-all program costs.

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

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

We found no differences.

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

Statistics – Attendance (Continued)

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

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

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

We compared the County Board's final 2010 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation for 2011 on *Schedule B-1, Section B, Attendance Statistics*.

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

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

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

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

We traced the number of attendance days for five Adult Day Service individuals for January through March, May through July and September through December 2012 from the County Board's monthly attendance reports to *Schedule B-1*.

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

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

We found no differences.

7. DODD requested that we select 30 units from 2011 and 2012 and determine if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements of Ohio Admin. Code § 5123:2-9-05 (see Paid Claims testing, procedure 1). DODD asked that we report variances to *Schedule B-1, Section B, Attendance Statistics* if more than three of the 15 minute community employment units tested were not calculated in accordance with the Cost Report Guides or if any unit did not meet the documentation requirements.

Statistics – Attendance (Continued)

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

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

Acuity Testing

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

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

We found the following acuity variances:

- 21 Enclave attendance days should be removed from acuity level A-1;
- 42 Enclave attendance days should be removed from acuity level A;
- 9 Enclave attendance days should be removed from acuity level B; and
- 13 Enclave attendance days should be removed from acuity level C.

2. We compared two individuals from each acuity level on the County Board's 2011 Day Services Attendance Summary by Consumer, Location, Acuity and Month report to the 2011 Acuity Assessment Instrument for each individual.

We found 71 Adult Day Service attendance days should be reclassified from acuity level A-1 to A and four Adult Day Service attendance days should be reclassified from acuity level B to A-1.

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

Statistics – Transportation

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

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

We found no differences.

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

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

Statistics – Transportation (Continued)

We found no differences exceeding 10 percent.

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

The County Board did not report any cost of bus tokens, cabs on *Schedule B-3* for 2011 or 2012. We reviewed the County Board's State Expenses Detailed Reports for costs not identified by the County Board and found unreported costs of bus tokens/cabs.

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

Statistics – Service and Support Administration (SSA)

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

We compared the number of Targeted Case Management (TCM), Other SSA Allowable and SSA Unallowable units from the County Board's Case Notes Listing for TCM Billing - Subtotaled by Consumer reports with those statistics reported in *Schedule B-4*. We also footed the County Board's SSA reports for accuracy.

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

2. DODD requested that we report variances if the Other SSA Allowable units tested had an error rate exceeding 10 percent.

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

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

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

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

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

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

Statistics – Service and Support Administration (Continued)

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

The final 2011 TCM and Other SSA Allowable units decreased by five percent or more from 2010. The final 2012 TCM, Other SSA Allowable and SSA Unallowable units decreased by five percent or more from 2011. We obtained the County Board's explanation that SSA case noting varied between the years; its billing agent performs routine Medicaid inquiries throughout the year; and that the billing agent performs trainings which helps the SSA staff code units correctly.

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 that we determine if they were properly classified and report any variances with an error rate exceeding 10 percent and indicating a systemic issue.

We haphazardly selected a sample of 60 general time units for both 2011 and 2012 from the Case Notes Listing for TCM Billing - Subtotalled by Consumer reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) or in *Worksheet 9, Service and Support Administration Costs*, Section 1(b) of the Cost Report Guides.

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

Revenue Cost Reporting and Reconciliation to the County Auditor Report

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

We compared the receipt totals from the 12/31/2011 and 12/31/2012 county auditor's Revenue Account Reports for the General (S50), Ada Howard Trust (U04) and Louella Neubert Trust (U08) funds to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

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

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

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

3. DODD requested that we compare the account description and amount for each revenue reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's 2011 detailed revenue reports and other supporting documentation.

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

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

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

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

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

5. We reviewed the County Board's 2011 State Account Code Detailed Report and 2012 Revenue Received 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 \$12,754 in 2011 and \$84,957 in 2012;
- IDEA Part B revenues in the amount of \$37,094 in 2011 and \$26,721 in 2012;
- IDEA Early Childhood Special Education revenues in the amount of \$10,054 in 2011 and in \$10,944.22 2012;
- School Lunch Program revenues in the amount of \$146 in 2011; and
- Title XX revenues in the amount of \$22,815 in 2011 and \$21,307 in 2012.

Paid Claims Testing

1. We selected 100 paid services among all service codes from 2011 and 2012 from the Medicaid Billing System (MBS) data and determined if the services met the following service documentation requirements of Ohio Admin. Code §§ 5123:2-9-05, 5123-2-9-18(H)(1)-(2), and 5101:3-48-01(F) as applicable to the specific service provided:
 - Date of service;
 - Place of service;
 - Name of the recipient;
 - Name of the provider;
 - Signature of the person delivering the service or initials of the person delivering the service if the signature and corresponding initials are on file with the provider;
 - Type of service;
 - Number of units of the delivered service or continuous amount of uninterrupted time during which the service was provided;
 - Group size in which the services were delivered; and
 - Arrival and departure times of the provider of service's site visit to the recipient's location or of the recipient's visit to the provider of service's location.

For non-medical transportation service codes, we reviewed similar service documentation requirements to ensure compliance with Ohio Admin. Code § 5123:2-9-18(H)(1)-(2) excluding H(1)(d),(f),(j) and H(2)(d),(f). We applied the service documentation rules in effect at the time of service delivery. In addition, for selected services codes that have contracted services, DODD requested that we 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.

Paid Claims Testing (Continued)

We found instances of non-compliance with these documentation requirements in the following service codes: Targeted Case Management (TCM) and Non-Medical Transportation - One Way Trip (FTB) service. There were no non-medical transportation services provided by a commercial vehicle/bus or taxi/livery in our sample.

Recoverable Finding – 2011

Finding: \$444.07

Service Code	Units	Review Results	Finding
TCM	68	Billed for general time activity (attending educational conference)	\$444.07

Recoverable Finding – 2012

Finding: \$24.55

Service Code	Units	Review Results	Finding
FTB	2	Lack of supporting documentation	\$24.55

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

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

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 instances where the Medicaid reimbursed units were greater than final TCM and Supported Employment - Community Employment units.

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

We compared the amounts reported on *Schedule A, Summary of Service Costs – By Program, Lines (20), Environmental Accessibility Adaptations to Line (25), Other Waiver Services* to the amount reimbursed for these services in 2011 and 2012 on the MBS Summary by Service Code report.

We found no differences.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

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

We compared the disbursement totals from the 12/31/2011 and 12/31/2012 county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's Appropriation Reports for the General (S50), Ada Howard Trust (U04) and Louella Neubert Trust (U08) funds.

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

We found no differences.

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

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

3. DODD asked that we compare the account description and amount for each reconciling item on the *County Auditor Reconciliation Worksheets* to the County Board's detailed expense reports and other supporting documentation.

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

4. DODD requested that we 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.

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

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

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

We also reclassified expenses related to Enclave Services after determining that these costs were for Facility Based Services. The County Board does not provide Enclave services and the costs were incorrectly allocated. We reported these differences in Appendix A (2011) and Appendix B (2012).

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

We scanned the County Board's State Expenses Detail Reports for service contracts and other expenses in the following columns and worksheets: column (X) General Expense-All Programs on worksheets 2 through 8; column (N) Service and Support Administration Costs on worksheet 9; and columns (E) Facility Based Services, (F) Enclave and (G) Community Employment 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.

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

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

In addition, we identified costs on *Worksheet 10, Adult Program* for payments to the Hardin County Council on Aging for Adult Day Service for one individual during 2011 and 2012. The County Board provided invoices for these services but could not provide an acuity level for the recipient for correct classification on the Cost Report. We reported variances to reclassify these expenses in Appendix A (2011) and Appendix B (2012)

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

We scanned the County Board's State Expenses Detail Reports for items purchased during 2011 and 2012 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Depreciation Schedule.

We found no unrecorded purchases meeting the capitalization criteria.

8. DODD requested that we select 20 disbursements from 2011 and 2012 from the County Board's detailed expense reports that were classified as service contract and other expenses on worksheets 2 through 10 and determine if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We haphazardly selected 20 disbursements from 2011 and 2012 from the County Board's State Expenses Detailed Reports that were classified as service contract and other expenses on worksheets 2 through 10. We determined if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

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

Property, Depreciation, and Asset Verification Testing

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

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

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

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

We found no differences exceeding \$100 in 2011. We found no differences in 2012.

Property, Depreciation, and Asset Verification Testing (Continued)

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

We found no differences.

4. We haphazardly selected two of the County Board's fixed assets which meet the County Board's capitalization policy and were being depreciated in their first year in either 2011 or 2012 to determine if the useful lives agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. We also recomputed the first year's depreciation for these assets, based on their cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

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

Recommendation:

We recommend the County Board calculate a salvage value equal to 10 percent of historical cost when determining the initial net book value to be depreciated for each new capital asset purchase in accordance with the Cost Report Guide, which states in pertinent part, "The asset record or ledger must be structured to include asset description, asset number corresponding to the tagged asset, purchase date, useful life, historical cost, salvage value (minimum 10%), current depreciation amount calculated using straight-line method and accumulated depreciation amount."

5. DODD requested that we haphazardly select the lesser of five percent or 20 disposed assets from 2011 and 2012 from the County Board's list of disposed assets and 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 2011 and 2012 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 as the County Board stated that no capital assets were disposed of in 2011 or 2012. We scanned the County Board's 2011 State Account Code Detailed Report and the 2012 Revenue Received report and did not find any proceeds from the sale or exchange of fixed assets.

Payroll Testing

1. DODD requested that we determine whether total County Board salaries and benefits in the Cost Reports were within two percent of the county auditor's report totals for the County Board's funds.

We totaled salaries and benefits from worksheets 2 through 10 and compared the yearly totals to the county auditor's Appropriation Reports for the General (S50), Ada Howard Trust (U04) and Louella Neubert Trust (U08) funds.

The variance was less than two percent.

Payroll Testing (Continued)

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

We compared all salary and employee benefit entries on worksheets 2 through 10 to the County Board's payroll reports.

We found no differences.

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

We selected 17 employees and compared the County Board's organizational chart and payroll reports to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides.

We reported differences in Appendix A (2011) and Appendix B (2012) and because misclassification errors exceeded 10 percent for 2012, we performed procedure 4 below.

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

We scanned the County Board's 2012 payroll report and compared 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.

We found no differences.

Medicaid Administrative Claiming (MAC)

1. DODD requested that we 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 did not perform this procedure as the County Board did not participate in MAC.

2. DODD requested that we compare the MAC Cost by Individual reports to *Worksheet 6, Medicaid Administration Worksheet*.

We did not perform this procedure as the County Board did not participate in MAC.

3. DODD requested that we compare Ancillary Costs on the Roll Up Report for the Ohio Department of Medicaid (ODM) report to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We did not perform this procedure as the County Board did not participate in MAC.

Medicaid Administrative Claiming (Continued)

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

We did not perform this procedure as the County Board did not participate in MAC.

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

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



Dave Yost
Auditor of State

September 1, 2015

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

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1, Section A				
2. Dietary Services (B) Adult	555	(555)	-	To match square footage summary
4. Nursing Services (C) Child	188	(40)	148	To correct square footage per measurements
24. Transportation (D) General	95	13	108	To correct square footage per measurements
Schedule B-1, Section B				
1. Total Individuals Served By Program (C) Supported Emp. - Community Employment	-	17	17	To correct individuals served
4. 15 Minute Units (C) Supported Emp. - Community Employment	-	675	675	To correct 15 minute units
Schedule B-3				
1. Early Intervention (H) Cost of Bus, Token, Cabs- Fourth Quarter	\$ -	\$ 587	\$ 587	To record parent reimbursement costs
Schedule B-4				
2. Other SSA Allowable Units (D) 4th Quarter	182	(7)	175	To reclassify Other SSA Allowable units in error
5. SSA Unallowable Units (D) 4th Quarter	51	(8)	43	To remove SSA Unallowable units in error
		7	50	To reclassify Other SSA Allowable units in error
Worksheet 1				
3. Buildings/Improve. (D) Unasgn Children Programs	\$ 7,183	\$ (59)	\$ 7,124	To correct depreciation
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 148,056	\$ 1,152	\$ 149,208	To reclassify SSA Director salary related to intake
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 44,732	\$ 499	\$ 45,231	To reclassify SSA Director benefits related to intake
3. Service Contracts (X) Gen Expense All Prgm.	\$ 39,849	\$ (13,602)	\$ 26,247	To reclassify unallowable contingent billing fees
5. COG Expense (E) Facility Based Services	\$ 5	\$ 6	\$ 11	To reclassify facility based COG expenses
5. COG Expense (F) Enclave	\$ 6	\$ (6)	\$ -	To reclassify facility based COG expenses
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ 95,873	\$ 13,602	\$ 109,475	To reclassify unallowable contingent billing fees
Worksheet 3				
3. Service Contracts (X) Gen Expense All Prgm.	\$ 28,259	\$ (15,883)	\$ 12,376	To reclassify consumer janitorial service expenses
5. COG Expenses (E) Facility Based Services	\$ 1	\$ 1	\$ 2	To reclassify facility based COG expenses
5. COG Expenses (F) Enclave	\$ 1	\$ (1)	\$ -	To reclassify facility based COG expenses
Worksheet 4				
4. Other Expenses (B) Pre-School	\$ -	\$ 3,019	\$ 3,019	To reclassify dietary expenses
4. Other Expenses (C) School Age	\$ -	\$ 114	\$ 114	To reclassify dietary expenses
Worksheet 5				
3. Service Contracts (A) Early Intervention	\$ 5,384	\$ (4,500)	\$ 884	To reclassify fees paid to COG
4. Other Expenses (A) Early Intervention	\$ 4,941	\$ (1,350)	\$ 3,591	To reclassify fees paid to COG
4. Other Expenses (B) Pre-School	\$ 5,715	\$ (3,019)	\$ 2,696	To reclassify dietary expenses
4. Other Expenses (C) School Age	\$ 17,425	\$ (114)	\$ 17,311	To reclassify dietary expenses
4. Other Expenses (D) Unasgn Children Program	\$ 8,697	\$ (293)	\$ 8,404	To reclassify unallowable advertising and non-programmatic costs
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 293	\$ 293	To reclassify unallowable advertising and non-programmatic costs
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 185,780	\$ (1,152)	\$ 184,628	To reclassify SSA Director salary related to intake
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 77,446	\$ (499)	\$ 76,947	To reclassify SSA Director benefits related to intake
Worksheet 10				
3. Service Contracts (E) Facility Based Services	\$ 8,931	\$ (5,759)	\$ 3,172	To reclassify adult day costs with no supporting statistics
4. Other Expenses (E) Facility Based Services	\$ 25,563	\$ 15,883	\$ 41,446	To reclassify consumer janitorial service expenses

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

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 10 (Continued)				
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 5,759	\$ 5,759	To reclassify adult day costs with no supporting statistics
5. COG Expenses (E) Facility Based Services	\$ 81	\$ 107	\$ 188	To reclassify facility based COG expenses
5. COG Expenses (F) Enclave	\$ 107	\$ (107)	\$ -	To reclassify facility based COG expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 143,579	\$ 4,500		To reconcile fees paid to COG
		\$ 1,350	\$ 149,429	To reconcile fees paid to COG
Less: Capital Costs	\$ (24,828)	\$ 59	\$ (24,769)	To reconcile off depreciation adjustment

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

	<u>Reported</u> <u>Amount</u>	<u>Correction</u>	<u>Corrected</u> <u>Amount</u>	<u>Explanation of Correction</u>
Schedule B-1, Section A				
2. Dietary Services (B) Adult	555	(555)	-	To match square footage summary
2. Dietary Services (C) Child	1,152	(51)	1,101	To reclassify transportation square footage
4. Nursing Services (C) Child	188	(40)	148	To correct square footage per measurements
11. Early Intervention (C) Child	1,351	68		To reclassify early intervention square footage
		(325)	1,094	To reclassify school age square footage
13. School Age (C) Child	3,203	325	3,528	To reclassify school age square footage
24. Transportation (D) General	58	37		To match square footage summary
		10		To correct square footage
		13		To correct square footage per measurements
		(68)		To reclassify early intervention square footage
		51	101	To reclassify transportation square footage
Schedule B-1, Section B				
4. 15 Minute Units (C) Supported Emp. - Community Employment	932	(45)	887	To correct 15 minute units
7. A-1 (A) Facility Based Services	20	1	21	To correct individuals served
9. C (A) Facility Based Services	14	(1)	13	To correct individuals served
10. A (A) Facility Based Services	8,018	(2)	8,016	To remove days of attendance found to be in
11. A-1 (A) Facility Based Services	3,514	108		To correct days of attendance
		(4)		To remove days of attendance found to be in
		(1)		To remove days of attendance found to be in
		(1)	3,616	To remove days of attendance found to be in
12. B (A) Facility Based Services	1,286	54	1,340	To correct days of attendance
13. C (A) Facility Based Services	2,109	(65)	2,044	To correct days of attendance
Schedule B-3				
1. Early Intervention (H) Cost of Bus, Token, Cabs- Fourth Quarter	\$ -	\$ 676	\$ 676	To record parent reimbursement costs
Schedule B-4				
1. TCM Units (D) 4th Quarter	943	771	1,714	To match SSA units detailed report
2. Other SSA Allowable Units (D) 4th Quarter	67	43	110	To match SSA units detailed report
5. SSA Unallowable Units (D) 4th Quarter	29	72	101	To match SSA units detailed report
Schedule C				
I. County				
(B) Interest- COG Revenue	\$ -	\$ 53,324	\$ 53,324	To match final COG workbook
II. Department of MR/DD				
(A) Family Support Services- COG Revenue	\$ -	\$ 7,467	\$ 7,467	To match final COG workbook
(E) Waiver Administration- COG Revenue	\$ -	\$ 721	\$ 721	To match final COG workbook
(I) State-Funded DODD Waiver- COG Revenue	\$ -	\$ 53,929	\$ 53,929	To match final COG workbook
V. Other Revenues				
(H) Refunds- COG Revenue	\$ -	\$ 5,450	\$ 5,450	To match final COG workbook
(I) Other (Detail on Separate Sheet) - COG				
44. POS Subsidy Revenue	\$ -	\$ 160	\$ 160	To match final COG workbook
Worksheet 1				
5. Movable Equipment (D) Unasgn Children Programs	\$ 10,128	\$ (59)	\$ 10,069	To correct depreciation
5. Movable Equipment (X) Gen Expense All Prgm.	\$ 8,277	\$ (98)	\$ 8,179	To correct depreciation
Worksheet 2				
1. Salaries (X) Gen Expense All Prgm.	\$ 151,061	\$ 1,250	\$ 152,311	To reclassify SSA Director salary related to intake
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 54,216	\$ 542	\$ 54,758	To reclassify SSA Director benefits related to intake
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 1,744	\$ 1,744	To reclassify unallowable promotional and employee morale costs
4. Other Expenses (X) Gen Expense All Prgm.	\$ 46,056	\$ (1,744)		To reclassify unallowable promotional and employee morale costs
		\$ (4,812)	\$ 39,500	To reclassify school office expenses
5. COG Expense (E) Facility Based Services	\$ 7	\$ 9	\$ 16	To reclassify facility based COG expenses
5. COG Expense (F) Enclave	\$ 9	\$ (9)	-	To reclassify facility based COG expenses

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

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 3				
4. Other Expenses (X) Gen Expense All Prgm.	\$ 48,036	\$ (20,005)	\$ 28,031	To reclassify consumer janitorial service
5. COG Expenses (E) Facility Based Services	\$ 1	\$ 1	\$ 2	To reclassify facility based COG expenses
5. COG Expenses (F) Enclave	\$ 1	\$ (1)	\$ -	To reclassify facility based COG expenses
Worksheet 4				
4. Other Expenses (B) Pre-School	\$ -	\$ 2,698	\$ 2,698	To reclassify dietary expenses
Worksheet 5				
4. Other Expenses (B) Pre-School	\$ 7,369	\$ (2,698)	\$ 4,671	To reclassify dietary expenses
4. Other Expenses (D) Unasgn Children Program	\$ 5,432	\$ 4,812	\$ 10,244	To reclassify school office expenses
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 193,095	\$ (1,250)	\$ 191,845	To reclassify SSA Director salary related to intake
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 86,856	\$ (542)	\$ 86,314	To reclassify SSA Director benefits related to intake
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 535,586	\$ (36,248)	\$ 499,338	To reclassify Job Development Specialist salary
1. Salaries (G) Community Employment	\$ -	\$ 36,248	\$ 36,248	To reclassify Job Development Specialist salary
2. Employee Benefits (E) Facility Based Services	\$ 225,695	\$ (20,369)	\$ 205,326	To reclassify Job Development Specialist benefits
2. Employee Benefits (G) Community Employment	\$ -	\$ 20,369	\$ 20,369	To reclassify Job Development Specialist benefits
4. Other Expenses (E) Facility Based Services	\$ 35,598	\$ (381)		To reclassify unallowable employee morale and non-programmatic costs
		\$ 20,005		To reclassify consumer janitorial service expenses
		\$ (5,861)	\$ 49,361	To reclassify adult day costs with no supporting statistics
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 381		To reclassify unallowable employee morale and non-programmatic costs
		\$ 5,861	\$ 6,242	To reclassify adult day costs with no supporting statistics
5. COG Expenses (E) Facility Based Services	\$ -	\$ 90		To match final COG workbook
		\$ 120	\$ 210	To reclassify facility based COG expenses
5. COG Expenses (F) Enclave	\$ -	\$ 120		To match final COG workbook
		\$ (120)	\$ -	To reclassify facility based COG expenses
5. COG Expenses (G) Community Employment	\$ -	\$ 210	\$ 210	To match final COG workbook
Reconciliation to County Auditor Worksheet				
Expense:				
Less: Capital Costs	\$ (33,013)	\$ 59		To reconcile off depreciation adjustment
		\$ 98	\$ (32,856)	To reconcile off depreciation adjustment
Revenue:				
Total from 12/31 County Auditor's Report	\$ 4,054,630	\$ 11	\$ 4,054,641	To correct county auditor total



Dave Yost • Auditor of State

HARDIN COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

HARDIN 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
OCTOBER 8, 2015**