



Dave Yost • Auditor of State



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Independent Accountants' Report on Applying Agreed-Up 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 Expense Report (Cost Report) and County Board Summary Workbooks¹ of the North East Ohio Network (COG) for the year ended December 31, 2016 (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 non-payroll disbursements on the Trial Balance and General Ledger reports to the *COG Reconciliation* form and the *COG Master* and *County Expenditures* forms. We found no variances.
2. We compared the total non-payroll disbursements on the Trial Balance and General Ledger reports to the total disbursements on the *Summary of Expenditures* form and found the COG was in compliance with DODD's Guide to Preparing Cost Report for use by Councils of Government (Cost Report Guide). We found the Cost Report reconciled within acceptable limits.
3. We scanned the General Ledger report and selected 60 non-payroll disbursements. We inspected the COG's supporting documentation and compared the cost classification to the Cost Report Guide and 2 CFR 200. We found variances as reported in Appendix A.
4. We scanned the General Ledger report for compliance with 2 CFR 200.405 and the Cost Report Guide. We found no program costs that lacked corresponding statistics; however, we found Vocational Rehabilitation Public & Private Partnerships (VRP3) program costs for which the Lake County Board² did not report corresponding Community Employment statistics and we reclassified these as non-federal reimbursable costs in Appendix A.
5. We inspected the General Ledger report for items purchased during 2016 that met the COG's capitalization criteria and traced any items identified to the Depreciation Schedule. We found no unrecorded capital purchases.

¹ The COG prepared County Summary Forms to distribute its recorded receipts and disbursements to the Ashland, Ashtabula, Columbiana, Cuyahoga, Geauga, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, and Wayne County Boards of Developmental Disabilities.

² The Auditor of State's Office performed agreed upon procedures on the 2016 Cost Report for seven of the COG's member boards: Ashtabula, Cuyahoga, Lake, Lorain, Mahoning, Stark and Summit. We performed no verification of statistics from the other member boards.

Payroll Testing

1. We compared the payroll disbursements on the Payroll Allocation, Year to Date and General Ledger reports to the *COG Master* and *County Expenditures* forms. We found no variances exceeding two percent.
2. We scanned the Payroll Allocation report and compared the classification of employees to the *COG Master* and *County Expenditure* forms. We found allocations inconsistent with the Cost Report Guide as reported in Appendix A.

Property, Depreciation and Asset Verification Testing

1. We compared the Depreciation Schedule to the *COG Master Capital Costs* form. We found no variances.
2. We compared the 2015 Depreciation Schedule and prior year depreciation adjustments to the 2016 Depreciation Schedule 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. We found no variances.
3. We did not perform the capital asset procedure as the COG had no capital assets being depreciated in their first year in 2016.
4. We selected one asset from the list of disposed assets. We removed a loss reported on the *COG Master-Capital Costs* as reported in Appendix A.

Medicaid Administrative Claiming (MAC) Testing

1. We compared MAC salaries and benefits on the Individual Cost by Code report to the Payroll Allocation report and found the COG's salaries and benefits exceeded the MAC salaries and benefits.
2. We compared the Individual Cost by Code report to the *COG Medicaid Administrative Claiming* form. We reported variances in Appendix A.
3. We selected 13 non-validated RMTS observed moments for the second quarter of 2016 from the RMTS Participant Moments Question and Answer report. We inspected the COG's documentation and compared the contents and classification to DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2014. We found that the observed moments and documentation met the minimum requirements, but did not include the recommended additional supporting documentation identified in the RMTS Guide.

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 Cost Report. 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.

North East Ohio Network
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This report is intended solely for the use of the COG and the DODD, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

October 26, 2018

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Appendix A
North East Ohio Network
2016 Income and Expense Report and County Summary Workbook Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
North East Ohio Network				
Capital Cost COG				
Movable	\$ 9,824	\$ (910)	\$ 8,914	To remove loss on disposal
Indirect Cost COG				
Other Expenses	\$ 185,996	\$ (1,586)	\$ 184,410	To reclassify baseball tickets for staff as non-federal reimbursable costs
Medicaid Administrative Claiming COG				
Non-Federal Reimbursable				
Salaries	\$ 156,984	\$ 9	\$ 156,993	To match MAC Costs by Individual report
Other Expenses	\$ 23,029	\$ 1,586	\$ 24,615	To reclassify baseball tickets for staff as non-federal reimbursable costs
Cuyahoga County				
Worksheet 5 (Direct Services)				
15. COG Expense (L) Community Residential	\$ 118,822	\$ 2,347	\$ 121,169	To reclassify Waiver Coordination payroll
Worksheet 9 (Service & Support Adm.)				
26. COG Expense (N) Service & Support Admin	\$ 2,347	\$ (2,347)	\$ -	To reclassify Waiver Coordination payroll
Lake County				
Worksheet 10 (Direct Services)				
27. COG Expense (G) Community Employment	\$ 100,935	\$ (100,935)	\$ -	To reclassify program expenses without statistics
27. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 100,935	\$ 100,935	To reclassify program expenses without statistics
Lorain County				
Worksheet 5 (Direct Services)				
15. COG Expense (L) Community Residential	\$ 4,314	\$ 1,480	\$ 5,794	To reclassify Benefits Analyst payroll
Worksheet 9 (Service & Support Adm.)				
26. COG Expense (N) Service & Support Admin	\$ 1,480	\$ (1,480)	\$ -	To reclassify Benefits Analyst payroll
Trumbull County				
Worksheet 5 (Direct Services)				
15. COG Expense (M) Family Support Services	\$ 3,973	\$ (3,973)	\$ -	To reclassify MUI costs
15. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 3,973	\$ 3,973	To reclassify MUI costs

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NEON DEPARTMENT OF DEVELOPMENTAL DISABILITIES

MAHONING 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 13, 2018**