



MUSKINGUM COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

AGREED UPON PROCEDURES

**FOR THE COST REPORTING PERIOD
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009
AND
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**



Dave Yost • Auditor of State

MUSKINGUM COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

TABLE OF CONTENTS

| Title | Page |
|---|-------------|
| Independent Accountants' Report..... | 1 |
| Recommendation: Tracing and Summarizing Transportation Trips | 4 |
| Recommendation: Proper Classification between TCM and Other SSA Allowable Units | 6 |
| Appendix A: Income and Expenditure Report Adjustments – 2009 | 15 |
| Appendix B: Income and Expenditure Report Adjustments – 2010 | 17 |

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Halina Schroeder, Audit Chief
Ohio Department of Developmental Disabilities, Office of Audits
30 E. Broad Street, 13th Floor
Columbus, Ohio 43215

Dear Ms. Schroeder:

As permitted by Ohio Rev. Code § 5123.05 and as required by the *Application for a § 1915(c) HCBS 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 Muskingum County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2009 and 2010 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2009 and 2010 (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 attestation standards established by the American Institute of Certified Public Accountants. 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 us to 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 2008 square footage totals are the same and no significant changes in the floor plan 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 2009 and 2010 square footage totals to final 2008 square footage totals and discussed square footage changes with the County Board and noted significant changes have occurred and we performed the procedures below.

2. DODD requested 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* of the Cost Reports.

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

We found no square footage variances for rooms that were measured exceeding 10 percent.

3. DODD requested us to 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* of the Cost Reports.

We compared one building and traced each room on the floor plan to the County Board's summary for each year. We found variances exceeding 10 percent when comparing the total square footage of both floor plans to the County Board's summary.

We reported these variances in Appendix A (2009) and Appendix B (2010).

4. DODD requested us to 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* worksheet.

We compared the County Board's square footage summary to the square footage reported for each cell in *Schedule B-1, Section A, Square Footage* of the Cost Reports.

We found variances exceeding 10 percent and we reported these variances in Appendix A (2009) and Appendix B (2010).

5. DODD asked us to obtain 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 and compared the methodology with the Cost Report Guides.

We found no inconsistencies between the County Board's methodology and the Cost Report Guide.

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 the number of individuals served for worksheet 7F was missing and needed to be obtained. As a result, costs in Column (X) General Expenses-all Program costs were not allocated to Column (E) Facility Based Services.

The County Board provided support for these omitted statistics as reported in Appendix B (2010).

2. DODD asked us to compare the County Board's final 2008 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 2009 and 2010 and, if the hours are the same, to do no additional procedures.

We compared the final 2008 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2009 and 2010.

We found the reported typical hours of service changed in 2009 and 2010 and we compared the County Board's supporting documentation for typical hours of service to typical hours of service

reported on Schedule B-1 for 2009 and 2010. We found differences as reported in Appendix A (2009) and Appendix B (2010).

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

We compared the County Board's 2009 Adult Day Services Attendance and 2010 Day Services Attendance Summary, 2009 and 2010 Enclave Attendance, and Quarterly Community Employment reports for Individuals Served by the Program for the number of individuals served, days of attendance, and 15 minute Community Employment units with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation, Enclave and Community Employment on *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports 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 exceeding two percent. We reported these variances in Appendix A (2009) and Appendix B (2010).

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

We compared the County Board's final 2008 number of individuals served to the final individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation and Enclave for 2009 and the final 2009 individuals served to the final individuals served for 2010 on *Schedule B-1, Section B, Attendance Statistics* and determined if the variances were over 10 percent.

The number of reported facility based individuals served did not change by more than 10 percent from the prior year's Schedule B-1 for 2009 or 2010. The number of reported enclave individuals served changed more than 10 percent from the prior year's Schedule B-1 and as a result we performed procedure 5 below for 2009 Enclave individuals served.

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

We haphazardly selected 15 individual names from the County Board's Enclave attendance sheets for 2009, and compared the individuals by name to the compiled listing of individuals served by program documentation which rolls up to *Schedule B-1, Section B, Attendance Statistics* of the Cost Reports

We found no differences.

6. DODD requested 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 Guide.

We haphazardly selected 15 units from 2009 and 15 units from 2010 from the County Board's detailed Quarterly Community Employment unit reports and determined if the units were calculated in accordance with the Cost Report Guide.

We found no differences.

Statistics – Transportation

1. DODD requested us to 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 Statistics*.

We compared the number of one-way trips from the County Board's 2009 Print Transportation by Age Group and 2010 Transportation Trips by Age Group reports with those statistics as reported in *Schedule B-3, Quarterly Summary of Transportation Statistics* of the Cost Reports. We also footed the County Board's transportation reports for accuracy.

We found variances exceeding two percent for Facility Based Services and Children's trips in 2009 as reported in Appendix A (2009). We found no variances or computational errors for Facility Based Services and Children's trips exceeding two percent in 2010.

However, we also noted that transportation statistics for the Enclave program for both years were not documented on *Schedule B-3, Quarterly Summary of Transportation Statistics* of the Cost Reports. The County Board provided a methodology for estimating these trips. The Board based the estimate on the Enclave days of attendance multiplied by two because they stated that all individuals who received Enclave services also received Day Habilitation services before and after Enclave services.

We compared the enclave attendance days used in the estimates for each year with the Enclave Attendance reports from Procedure 3 of the Attendance Statistics section above and found no differences. We also compared five names from the 2009 and 2010 Enclave Attendance reports with the 2009 Adult Day Services Attendance and 2010 Day Services Attendance Summary reports and found they did receive both Day Habilitation Services and Enclave services throughout the year.

The estimated statistics are reported in Appendix A (2009) and Appendix B (2010). We caution users of this information on the reliability of these estimated units.

Recommendation:

We recommended the County Board prepare and maintain the required documentation for Enclave transportation, such as weekly route sheets and monthly summary transportation reports, for services as required by the Cost Report Guide in section Schedule B-3, Quarterly Summary of Transportation Services which states in pertinent part, "This worksheet requires statistical information for children and adult programs. Transportation records indicating trips to and from the county mrdd board programs must be maintained for each person transported and must be maintained by each county mrdd board" and the Audit and Records Retention Requirements section, which states, "Expenditure and Income Reports are subject to audit by DODD, ODJFS and CMS at their discretion. Records, documentation, and supplemental worksheets used to prepare the report must be kept on file for a period of seven years from the date of receipt of payment from all sources, or for six years following completion and adjudication of any state or federal initiated audit, whichever period of time is longer."

2. DODD requested us to report variances of more than 10 percent of the total trips taken for five individuals for both 2009 and 2010, 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 five individuals for 2009 and five for 2010 from the County Board's daily reporting documentation to *Schedule B-3, Quarterly Summary of Transportation Services*.

We found no differences exceeding 10 percent.

3. DODD requested us to 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 Statistics*.

We compared the cost of bus tokens/cabs from the County Board's State Expenses Detailed report to the amount reported in *Schedule B-3* of the Cost Reports.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

Statistics – Service and Support Administration (SSA)

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

We compared the number of SSA units (Targeted Case Management (TCM), Other SSA Allowable, and SSA Unallowable) from the County Board's TCM Units reports (2009) and Receivable Billing Reimbursable summary (2010) with those statistics reported in *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*. We also footed the County Board's Quarterly SSA reports and the Receivable Billing Reimbursable Summary report for accuracy.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

However, most of the total 2010 SSA Unallowable units adjusted were listed on the Receivable Billing Reimbursable summary as non-individual specific activities (general time units). Therefore, DODD requested we sample these units in Procedure 2 below to ensure they met the definition of General Time units and should be excluded from Schedule B-4.

2. DODD requested us to 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 and determine if they were properly classified and report any variances with an error rate exceeding 10 percent and indicated a systemic issue.

We haphazardly selected a sample of 41 General Time Units for 2010 from the 2010 Receivable Billing Reimbursable summary report 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.

The units found to be in error did not exceed 10 percent of our sample for 2010.

3. DODD requested us to report variances if Other SSA Allowable units tested had an error rate exceeding 10 percent and indicated a systemic issue.

We haphazardly selected a sample of 60 Other SSA Allowable units for 2009 and 60 units for 2010 from the 2009 Muskingum Unit Entry by Date Span reports and 2010 Receivable Billing Reimbursable Summary report 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). We also determined if the units for Other Allowable SSA services for both 2009 and 2010 were provided to individuals that were not Medicaid eligible at the time of service delivery per the Medicaid Information Technology System (MITS).

From the 2009 sample population of 6,458 Other SSA Allowable units, we selected our sample of 60 units and found 33.3 percent of those units were for individuals Medicaid eligible at the time of service delivery and we projected and then reclassified 2,153 units as TCM units.

We reported the differences in Appendix A (2009).

From the 2010 sample population of 2,781 Other SSA Allowable units, we selected our sample of 60 units and found 16.7 percent of those units were for individuals Medicaid eligible at the time of service delivery and we projected and then reclassified 464 units as TCM units.

We reported these differences in Appendix B (2010).

Recommendation:

We recommended the County Board review its current process to determine Medicaid eligibility of individuals served and ensure that TCM services to Medicaid eligible recipients are appropriately classified as Line 1-TCM units and not Other Allowable SSA units on *Schedule B-4, Quarterly Summary of Units of Service - Service and Support Administration* as required by *Schedule B-4, Quarterly Summary of Units of Service - Service and Support Administration* section of the Cost Report Guide which states in pertinent part, "Units of Service, for purposes of this schedule, are to be separated into two categories as denoted below. The below activities generate units of service for statistical purposes.

Allowable Units (Units generated by performing activities noted with a "check mark" in Columns (A) and (C) in the chart below):

- TCM – Medicaid Eligible Individuals;
- Other SSA Allowable Units – Non-Medicaid Eligible Individuals; and
- Transition Coordination services provided under the Home Choice demonstration grant."

4. We haphazardly selected a sample of 60 Unallowable SSA service units for 2009 and 60 units for 2010 from the Detailed Unit Marked Non Billable reports (2009) and Receivable Billing Reimbursable Summary (2010) 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 1,018 Unallowable SSA units for 2009 we selected our sample of 60 units and found 16.7 percent of the units were non-individual specific activities (general time units) as described in *Worksheet 9, Service and Support Administration Costs* of the Cost Report Guides and we projected and removed 170 units. We also found that another 15 percent of the units were for allowable activities and we projected and reclassified 126 units as TCM units and 27 units as Other SSA Allowable units.

We reported the differences in Appendix A (2009).

From the sample population of 158 Unallowable SSA units for 2010 we selected our sample of 60 units and found 31.7 percent of the units were for allowable activities and we projected and reclassified 46 units as TCM units and 4 units as Other SSA Allowable units.

We reported these differences in Appendix B (2010).

5. DODD requested us to 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 2008 SSA units to the final 2009 SSA units and compared the final 2009 SSA units to the final 2010 SSA units.

The final 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 COG provided fewer units and that general time units were included in error in 2008 (see also General Time unit testing in Procedure 1 and 2 above). We did not identify any unrecorded units and reported no variances in Appendix A (2009) and Appendix B (2010).

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the 12/31/2009 and 12/31/2010 County Auditor's Revenue Report for the 018 Starlight Programs, 019 Permanent Improvement, 022 LPDC Support Team, 064 CORE Itinerant Project, 074 MEORC, 092 Family Support, 181 and 096 Special Education Part B, 097 and 182 Early Childhood Special Education, 122 ARRA Special Education Grants, 123 ARRA Preschool Grants, 139 Early Childhood, 160 Restricted, 180 Family Services, and 183 Innovative Program, 191 Obesity Prevention Grant funds to the County Auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences in 2009. We found differences in 2010 as reported in Appendix B (2010).

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 yearly receipt totals reported for these funds.

3. DODD asked 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 State Account Code Detail Reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

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

4. We compared revenue entries on *Schedule C, Income Report* to the Mid-East Ohio Regional Council of Government (COG) prepared County Board Summary Workbook.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

5. We reviewed the County Board's State detailed revenue 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 and reimbursements in the amount of \$3,874 in 2009 and \$5,421 in 2010;

- IDEA Part B revenues in the amount of \$55,122 in 2009 and \$81,264 in 2010;
- Early Childhood Special Education revenues in the amount of \$9,107 in 2009 and \$10,530 in 2010;
- School Lunch Program revenues in the amount of \$22,638 in 2009 and \$28,939 in 2010;
- Title XX revenues in the amount of \$73,178 in 2009 and \$52,210 in 2010;
- Motor Vehicle Fuel Tax refunds in the amount of \$897 in 2009 and \$1,186 in 2010;
- Help Me Grow evaluations reimbursements in the amount of \$33,900 in 2009 and \$17,100 in 2010; and
- Contract reimbursements from local school districts in the amount of \$119,466 in 2009 and \$164,569 in 2010.

Paid Claims Testing

1. We selected 50 paid claims among all service codes from 2009 and 2010 from the Medicaid Billing System (MBS) data and determined if the claims met the following service documentation requirements of Ohio Admin. Code Sections 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 (for homemaker/personal care, type must include if routine, on-site/on-call, or level one emergency);
- 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.¹

We found no instances of non-compliance with these documentation requirements for 2009 and 2010.

2. DODD requested 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 audited TCM and Community Employment units.

¹ 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).

3. DODD requested us to report whether any reimbursements exceeded disbursements on *Schedule A, Summary of Service Costs- By Program* worksheet 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) for Community Residential to the amount reimbursed for these services in 2009 and 2010 on the MBS Summary by Service Code report.

We found no differences.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. We compared disbursement totals from the 12/31/2009 and 12/31/2010 County Auditor's Expense Report for the 018 Starlight Programs, 019 Permanent Improvement, 022 LPDC Support Team, 064 CORE Itinerant Project, 074 MEORC, 092 Family Support, 181 and 096 Special Education Part B, 097 and 182 Early Childhood Special Education, 122 ARRA Special Education Grants, 123 ARRA Preschool Grants, 139 Early Childhood, 160 Restricted, 180 Family Services, and 183 Innovative Program, 191 Obesity Prevention Grant funds to the County Auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

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 originally within 1/4 percent of the county auditor yearly disbursement totals reported for these funds in 2010. However, after we corrected the 2009 County Auditor total, disbursements in the County Auditor's reports exceeded the County Board disbursements by \$104,415 for 2009 and we performed Procedure 3 below.

3. DODD asked that we compare the account description and amount for each reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's State Expense Detailed Reports and other supporting documentation unless Procedure 2 above reconciled within the 1/4 percent threshold.

We compared the account description and amount for each reconciling item on the *County Auditor Reconciliation Worksheets* to the County Board's State Expenses Detailed reports and other supporting documentation such as county tax settlement sheets in 2009.

We found differences as reported in Appendix A (2009) and the final 2009 *Reconciliation to County Auditor Worksheet* is within ¼ percent of the County Auditor yearly disbursement totals for these funds.

4. DODD asked us to compare the County Board disbursements on their detailed expense reports 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 differences as reported in Appendix A (2009) and Appendix B (2010).

5. We compared disbursement entries on Schedule A, Summary of Service Costs – By Program and Worksheets 2 through 10 to the Mid-East Ohio Regional COG prepared County Board Summary Workbook.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

6. DODD asked us to determine whether total County Board disbursements on the State Expenses Detailed reports were properly classified, on Worksheets 2 through 10, within two percent of total service contracts and other expenses for each individual Worksheet and that no Worksheet included disbursements over \$100 which are non-federal reimbursable under 2 CFR 225 Appendix B.

We scanned the County Board's State Expenses Detailed reports for service contracts and other expenses in the following columns and worksheets: Column X-Gen Expense all Programs on Worksheets 2, 2A, 3, 7A-7H and 8; Column N-Service and Support Admin Costs on Worksheet 9; and Column E-Facility Based Services 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 (2009) and Appendix B (2010) for misclassified and non-federal reimbursable costs.

7. We scanned the County Board's State Expenses Detailed for items purchased during 2009 and 2010 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Depreciation Schedule.

We reported differences for 2009 and 2010 purchases that were capitalized instead of expensed as reported in Appendix A (2009) and Appendix B (2010). We also reported differences for 2009 purchases to record their first year's depreciation in Appendix B (2010).

8. DODD requested that we haphazardly select 20 disbursement from 2009 and 2010 from the County Board's State Expenses Detailed reports that were classified as service contracts and other expenses in the following columns and worksheets: Column X-Gen Expense all Programs on Worksheets 2, 3, and 8; Column N-Service and Support Admin Costs on Worksheet 9; and Column E-Facility Based Services 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 reported differences for misclassified costs from these procedures exceeding two percent of total service contracts and other expenses on any Worksheet in Appendix A (2009) and Appendix B (2010).

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 between the County Board's capitalization procedures and the guidelines listed above.

2. We compared the County Board's final 2008 Depreciation Schedule to the County Board's 2009 and 2010 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 no differences

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 (2009) and Appendix B (2010).

4. We scanned the County Board's Depreciation Schedule for 2009 and 2010 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 reported differences for purchases that were not properly capitalized in Appendix A (2010) and Appendix B (2010).

5. We haphazardly selected two County Board's fixed assets which meet the County Board's capitalization policy and purchased in either 2009 or 2010 to determine if their useful life 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 period of useful life to determine compliance with the Cost Report Guides and AHA Asset Guide.

We found no differences.

6. DODD asked that we haphazardly select the lesser of five percent or 20 disposed assets from 2009 and 2010 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. DODD also asked us to recalculate depreciation and any gain or loss applicable to 2009 (and 2010, 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 they did not have any capital assets disposed of in 2009 or 2010.

Payroll Testing

1. DODD asked us to determine whether total County Board salaries and benefits in the 2009 and 2010 cost reports were within two percent of the county auditor's report totals for these funds.

We totaled salaries and benefits from Worksheets 2-10 from the 2009 and 2010 cost reports and compared the yearly totals to the County Auditor's Expense Reports. Because the variance was greater than two percent, we obtained the County Board's explanation and scanned the County Board's State Expenses Detail reports to identify omitted expenses. The variance was due to omitted unemployment insurance and workers compensation costs identified as part of testing in Procedures

3 in the Non-Payroll Expenditures and Reconciliation to the County Auditor Report Section and Procedure 2 below.

2. DODD asked us to compare the County Board disbursements on the State Expenses Payroll 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 State Expenses Payroll Reports.

We found differences as reported in Appendix A (2009) and Appendix B (2010).

3. We selected 34 employees and compared the County Board's organizational chart and Payroll Totals by Job Description 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 from these procedures in Appendix A (2009) and Appendix B (2010).

4. DODD asked us to scan the County Board's State Expenses Detailed Reports for 2009 and 2010 and compare classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides if the errors in Procedure 3 above exceeded 10 percent.

We did not perform this procedure as the misclassification errors in Procedure 3 above did not exceed 10 percent of the sample size.

Medicaid Administrative Claiming (MAC)

1. DODD asked us to contact its Office of Audits to report differences if the MAC salary and benefits exceeded the County Board's payroll records by one percent or more.

We compared the salary and benefits entered on the Individual MAC Costs by Code and MAC Random Moment Time Summary (RMTS) reports to the County Board's payroll records.

We found no variance exceeding one percent.

2. We compared the original Individual MAC Costs by Code and MAC Random Moment Time Summary (RMTS) Report(s) to Worksheet 6, columns (I) and (O) for both years.

We reported differences in Appendix A (2009) and Appendix B (2010).

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

We reported differences in Appendix A (2009) and Appendix B (2010).

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 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.

We found one RMTS observed moment for Activity Code 11-Program, Planning, Development and Coordination of Medical Services that lacked any supporting documentation on the date of the observed moment. We found one RMTS observed moment for Activity Code 5-Facilitating Medicaid Eligibility Determinations and one RMTS observed moment for Activity Code 12-Program Planning, Development Interagency Coordination of Non-Medicaid Services that lacked supporting documentation showing the time of the observed moment.

We reported these instances of non-compliance to DODD.

We received the following response from the County Board officials.

Officials' Response: It is the position of the Muskingum County Board of DD that the audits completed for the Muskingum County 2009 and 2010 cost reports are significantly inaccurate and not a true reflection of the actual costs for the County Board, more specifically the adult services program areas.

During the cost report entrance visit the auditor indicated that cost needed to be reallocated for the Adult Programs, Enclave and Community Employment. Later, the County Board agreed to review the costs using the "unassigned" methodology for reporting costs. This methodology is in fact a different methodology than what the original cost report used. Upon receipt of the final report from the auditor it was evident the inaccuracy of the cost re-distribution and pointed out by our business manager to the auditor. At which time, we were informed we no longer had the opportunity to review the accuracy of the changes made during the audit, which appears to be a change in protocol we were not made aware of. After further investigation into these changes, our business manager provided documentation to allow for correct reclassification of actual costs for the adult services program areas being questioned (facility based, enclave and community employment). At which time, the auditor informed us that a change in methodology of how costs were reported originally was not allowed.

First and foremost, the change in methodology was made by the auditors not the County Board. An honest mistake was made by our first year business manager in misunderstanding what the auditors were requesting during the entrance visit and while on site further investigating documentation.

Secondly, by moving all costs associated with Adult Services, on worksheet 10, to unassigned costs for facility based, enclave and community employment; the audited cost report is now reporting incorrectly the costs associated with these programs. The costs associated with these programs do not equitably correlate to the number of individuals served (which is now the method of reporting costs). For example, in 2009 based on the auditor methodology, the cost for enclave is more than three times the actual documented cost and community employment is more than twice the actual documented cost.

Furthermore, as the cost report data is used to set county and statewide rates, we are most concerned about how the inaccurate costs reported for the Adult Programs for Muskingum County will affect statewide rate setting and data analysis for the two years in question.

Auditor of State's Conclusion: The allocation of adult unassigned costs by individuals served methodology is built into the cost report itself and was selected by the county board during our cost report review. It is an acceptable method of allocation under the *Allocation of Cost* section of the cost report instructions, which states in pertinent part, "Direct assignment and statistical allocation are the two methods to be used when completing the Income and Expense Report. While direct assignment is the preferred method to report costs, not all costs can be directly assigned. When more than one, but not all

programs share costs, supplemental worksheets must be prepared to allocate the costs to the specific programs involved, prior to completing the worksheets.”

The County Board should determine how it wishes to allocate all adult costs prior to the commencement of the cost report review as required by the cost report instructions above. Despite this requirement the auditors permitted the county board to change allocation methodologies for adult costs during the audit and the County Board chose allocation by individuals served. After completion of the audit the County Board decided they did not like the allocation method they chose and they requested us to “re-audit” the adult program costs. Making cost allocation adjustments after the fact as the County Board now wants to do, not only increases the time and cost of an audit but also the perception that costs are being moved around to increase a Medicaid rate which could impact the integrity of the audit process.

This report is intended solely for the use of the managements of the County Board, DODD, the Ohio Department of Job and Family Services, 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.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

March 15, 2013

cc: John Hill, Superintendent, Muskingum County Board of Developmental Disabilities
Michele Seward, Business Manager, Muskingum County Board of Developmental Disabilities
Barb Russell, Board Chairperson, Muskingum County Board of Developmental Disabilities

Appendix A
Muskingum County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

| | Reported Amount | Correction | Corrected Amount | Explanation of Correction |
|---|-----------------|--------------|------------------|--|
| Schedule A | | | | |
| 19. Room and Board/Cost to Live (L) Community Residential | \$ - | \$ 5,162 | \$ 5,162 | To agree to audited COG amounts |
| Schedule B-1, Section A | | | | |
| 7. Occupational Therapy (B) Adult | 210 | (210) | - | To reclassify facility based square footage |
| 14. Facility Based Services (B) Adult | 17,359 | 210 | 17,569 | To reclassify facility based square footage |
| 17. Medicaid Administration (A) MAC | - | 3 | 3 | To reclassify MAC square footage |
| 22. Program Supervision (B) Adult | 1,523 | (1) | 1,522 | To reclassify MAC square footage |
| 23. Administration (D) General | 3,950 | (2) | 3,948 | To reclassify MAC square footage |
| 25. Non-Reimbursable (C) Child | - | 1,848 | 1,848 | To record rented space |
| Schedule B-1, Section B | | | | |
| 1. Total Individuals Served By Program (A) Facility Based Services | 131 | 3 | 134 | To correct individuals served |
| 1. Total Individuals Served By Program (B) Supported Emp. -Enclave | - | 45 | 45 | To report individuals served |
| 1. Total Individuals Served By Program (C) Supported Emp. -Community Employment | - | 39 | 39 | To report individuals served |
| 2. Days Of Attendance (A) Facility Based Services | 13,648 | 8,278 | 21,926 | To correct days of attendance |
| 3. Typical Hours Of Service (A) Facility Based Services | 6 | 1.5 | 7.5 | To correct typical hours of service |
| 3. Typical Hours Of Service (B) Supported Emp. -Enclave | - | 4.5 | 4.5 | To correct typical hours of service |
| 4. 15 Minute Units (C) Supported Emp. -Community Employment | - | 637 | 637 | To report 15 minute units |
| Schedule B-3 | | | | |
| 1. Children 0-2 (G) One Way Trips- Fourth Quarter | - | 9 | 9 | To correct one way trips |
| 2. Children 3-5 (G) One Way Trips- Fourth Quarter | - | 803 | 803 | To correct one way trips |
| 3. Children 6-21 (G) One Way Trips- Fourth Quarter | - | 4,983 | 4,983 | To correct one way trips |
| 5. Facility Based Services (G) One Way Trips- Fourth Quarter | 5,561 | 1,476 | 7,037 | To correct one way trips |
| 5. Facility Based Services (H) Cost of Bus, Tokens Cabs | \$ - | \$ 38,233 | \$ 38,233 | To report cost of trips |
| 6. Supported Emp. -Enclave (G) One Way Trips- Fourth Quarter | - | 761 | 761 | To correct one way trips |
| Schedule B-4 | | | | |
| 1. TCM Units (D) 4th Quarter | 6,841 | 2,153 | | To project TCM units |
| | | 126 | 9,120 | To project units for allowable activities |
| 2. Other SSA Allowable Units (D) 4th Quarter | 1,515 | 801 | | To correct TCM units |
| | | (2,153) | | To project TCM units |
| | | 27 | 190 | To project units for allowable activities |
| 5. SSA Unallowable Units (A) 1st Quarter | 665 | (636) | 29 | To correct TCM units |
| 5. SSA Unallowable Units (B) 2nd Quarter | 601 | (170) | 431 | To remove projected general time units |
| 5. SSA Unallowable Units (C) 3rd Quarter | 336 | (153) | 183 | To project units for allowable activities |
| Schedule C | | | | |
| I. County | | | | |
| (B) Interest- COG Revenue | - | \$ 24,785 | \$ 24,785 | To agree to audited COG amounts |
| II. Department of MR/DD | | | | |
| (A) Supported Living- COG Revenue | - | \$ 61,751 | \$ 61,751 | To agree to audited COG amounts |
| (E) Residential Facility- Non Waiver Services- COG Revenue | - | \$ 74,030 | \$ 74,030 | To agree to audited COG amounts |
| (G) Waiver Administration- Subsidy- COG Revenue | - | \$ 3,684 | \$ 3,684 | To agree to audited COG amounts |
| V. Other Revenues | | | | |
| (f) Other (Detail On Separate Sheet)- COG Revenue | | | | |
| 23. Other | - | \$ 1,228 | \$ 1,228 | To agree to audited COG amounts |
| Worksheet 1 | | | | |
| 6. Capital Leases (D) Unasgn Children Programs | \$ 3,514 | \$ (3,514) | \$ - | To remove unsupported depreciation |
| 6. Capital Leases (E) Facility Based Services | \$ 5,216 | \$ (5,216) | \$ - | To remove unsupported depreciation |
| 6. Capital Leases (X) Gen Expense All Prgm. | \$ 3,515 | \$ (3,515) | \$ - | To remove unsupported depreciation |
| 8. COG Expenses (L) Community Residential | - | \$ 189 | \$ 189 | To agree to audited COG amounts |
| 8. COG Expenses (N) Service & Support Admin | - | \$ 166 | \$ 166 | To agree to audited COG amounts |
| Worksheet 2 | | | | |
| 1. Salaries (X) Gen Expense All Prgm. | \$ 343,655 | \$ (42,056) | | To reclassify MAC salaries |
| | | \$ 8,806 | \$ 310,405 | To reclassify leave payouts |
| 2. Employee Benefits (X) Gen Expense All Prgm. | \$ 88,094 | \$ 101,701 | \$ 189,795 | To record omitted expenses |
| 3. Service Contracts (X) Gen Expense All Prgm. | \$ 95,678 | \$ (27,029) | | To reclassify non-federal reimbursable expenses |
| | | \$ (23,931) | \$ 44,718 | To reclassify fees paid to COG |
| 4. Other Expenses (O) Non-Federal Reimbursable | \$ - | \$ 32,280 | \$ 32,280 | To reclassify non-federal reimbursable expenses |
| 4. Other Expenses (X) Gen Expense All Prgm. | \$ 345,811 | \$ (173,081) | | To non-federal reimbursable expenses and match payments |
| | | \$ (15,600) | | To reclassify building services expenses |
| | | \$ (20,348) | | To capitalize, rather than expense, purchases |
| | | \$ (32,280) | \$ 104,502 | To reclassify non-federal reimbursable expenses |
| 5. COG Expenses (L) Community Residential | - | \$ 11,136 | \$ 11,136 | To agree to audited COG amounts |
| 5. COG Expense (N) Service & Support Admin | - | \$ 9,739 | \$ 9,739 | To agree to audited COG amounts |
| 10. Unallowable Fees (O) Non-Federal Reimbursable | \$ 43,321 | \$ 135,659 | | To reclassify non-federal reimbursable expenses |
| | | \$ 27,029 | \$ 206,009 | To reclassify non-federal reimbursable expenses |
| Worksheet 2A | | | | |
| 1. Salaries (E) Facility Based Services | \$ 224,643 | \$ (44,005) | | To reclassify facility based salaries |
| | | \$ (180,638) | \$ - | To reclassify adult expenses to unassigned adult program |
| 1. Salaries (H) Unasgn Adult Program | \$ - | \$ 180,638 | \$ 180,638 | To reclassify adult expenses to unassigned adult program |
| 1. Salaries (N) Service & Support Admin | \$ 102,188 | \$ (56,402) | \$ 45,786 | To reclassify MAC salaries |
| 2. Employee Benefits (E) Facility Based Services | \$ 58,214 | \$ (10,128) | | To reclassify facility based benefits |
| | | \$ (48,086) | \$ - | To reclassify adult expenses to unassigned adult program |
| 2. Employee Benefits (H) Unasgn Adult Program | \$ - | \$ 48,086 | \$ 48,086 | To reclassify adult expenses to unassigned adult program |
| 4. Other Expenses (E) Facility Based Services | \$ 2,081 | \$ (830) | | To reclassify facility based expenses |
| | | \$ (1,251) | \$ - | To reclassify adult services expenses |
| 4. Other Expenses (H) Unasgn Adult Program | \$ - | \$ 1,251 | \$ 1,251 | To reclassify adult services expenses |
| Worksheet 3 | | | | |
| 4. Other Expenses (X) Gen Expense All Prgm. | \$ 155,679 | \$ 47,216 | | To expense, rather than capitalize, purchases |
| | | \$ 15,600 | \$ 218,495 | To reclassify building services expenses |
| 5. COG Expenses (L) Community Residential | - | \$ 199 | \$ 199 | To agree to audited COG amounts |
| 5. COG Expenses (N) Service & Support Admin | - | \$ 174 | \$ 174 | To agree to audited COG amounts |

Appendix A
Muskingum County Board of Developmental Disabilities
2009 Income and Expenditure Report Adjustments

| | Reported Amount | Correction | Corrected Amount | Explanation of Correction |
|---|--------------------|--------------|---------------------|--|
| Worksheet 5 | | | | |
| 1. Salaries (C) Ages 6-21 | \$ 515,955 | \$ (222) | \$ 515,733 | To reclassify leave payouts |
| 1. Salaries (M) Family Support Services | \$ - | \$ 42,393 | \$ 42,393 | To reclassify MUI coordinator salaries |
| 2. Benefits (M) Family Support Services | \$ - | \$ 10,134 | \$ 10,134 | To reclassify MUI coordinator benefits |
| 3. Service Contracts (A) Ages (0-2) | \$ 3,600 | \$ (3,600) | \$ - | To reconcile off return of over-payment |
| 4. Other Expenses (D) Unasn Children Program | \$ 26,558 | \$ (5,330) | \$ 21,228 | To capitalize, rather than expense, purchases |
| | | \$ (1,350) | \$ 19,878 | To reclassify nursing expenses |
| 4. Other Expenses (M) FamilySupport Services | \$ 53,477 | \$ 2,846 | \$ 56,323 | To reclassify family support service expenses |
| | | \$ 2,500 | \$ 58,823 | To reclassify family support service expenses |
| 5. COG Expenses (L) Community Residential | \$ - | \$ 32,634 | \$ 32,634 | To agree to audited COG amounts |
| Worksheet 6 | | | | |
| 1. Salaries (I) Medicaid Admin | \$ - | \$ 61,568 | \$ 61,568 | To reclassify MAC salaries |
| 1. Salaries (O) Non-Federal Reimbursable | \$ - | \$ 36,890 | \$ 36,890 | To reclassify MAC salaries |
| Worksheet 7-B | | | | |
| 4. Other Expenses (D) Unasn Children Program | \$ 2,545 | \$ 1,350 | \$ 3,895 | To reclassify nursing expenses |
| Worksheet 8 | | | | |
| 1. Salaries (X) Gen Expense All Prgm. | \$ 306,754 | \$ (4,879) | \$ 301,875 | To reclassify leave payouts |
| 2. Employee Benefits (X) Gen Expense All Prgm. | \$ 156,363 | \$ 2,624 | \$ 158,987 | To record omitted expenses |
| 3. Service Contracts (E) Gen Facility Based Services | \$ - | \$ 38,233 | \$ 38,233 | To reclassify costs of facility based trips |
| 3. Service Contracts (X) Gen Expense All Prgm. | \$ 47,014 | \$ (38,233) | \$ 8,781 | To reclassify costs of facility based trips |
| 4. Other Expenses (X) Gen Expense All Prgm. | \$ 134,403 | \$ (14,061) | \$ 120,342 | To capitalize, rather than expense, purchases |
| Worksheet 9 | | | | |
| 3. Service Contracts (N) Service & Support Admin. Costs | \$ 3,991 | \$ (2,846) | \$ 1,145 | To reclassify family support service expenses |
| 4. Other Expenses (N) Service & Support Admin. Costs | \$ 8,787 | \$ (2,500) | \$ 6,287 | To reclassify family support service expenses |
| 5. COG Expenses (N) Service & Support Admin. Costs | \$ - | \$ 28,538 | \$ 28,538 | To agree to audited COG amounts |
| Worksheet 10 | | | | |
| 1. Salaries (E) Facility Based Services | \$ 744,715 | \$ 44,005 | \$ 788,720 | To reclassify facility based salaries |
| | | \$ (42,393) | \$ 746,327 | To reclassify MUI coordinator salaries |
| | | \$ (3,705) | \$ 742,622 | To reclassify leave payouts |
| | | \$ (742,622) | \$ - | To reclassify adult expenses to unassigned adult program |
| 1. Salaries (H) Unasn Adult Program | \$ - | \$ 742,622 | \$ 742,622 | To reclassify adult expenses to unassigned adult program |
| 2. Employee Benefits (E) Facility Based Services | \$ 273,996 | \$ 10,128 | \$ 284,124 | To reclassify facility based benefits |
| | | \$ (10,134) | \$ 273,990 | To reclassify MUI coordinator benefits |
| | | \$ (273,990) | \$ - | To reclassify adult expenses to unassigned adult program |
| 2. Employee Benefits (H) Unasn Adult Program | \$ - | \$ 273,990 | \$ 273,990 | To reclassify adult expenses to unassigned adult program |
| 4. Other Expenses (E) Facility Based Services | \$ 17,848 | \$ (5,330) | \$ 12,518 | To capitalize, rather than expense, purchases |
| | | \$ 830 | \$ 13,348 | To reclassify facility based expenses |
| | | \$ (13,348) | \$ - | To reclassify adult expenses to unassigned adult program |
| 4. Other Expenses (H) Unasn Adult Program | \$ - | \$ 13,348 | \$ 13,348 | To reclassify adult expenses to unassigned adult program |
| Reconciliation to County Auditor Worksheet | | | | |
| Expense: | | | | |
| Plus: Fees Paid to COG | \$ - | \$ 23,931 | \$ 23,931 | To reclassify fees paid to COG |
| Plus: Match Paid to ODMRDD for TCM | \$ - | \$ 37,422 | \$ 37,422 | To reclassify match payments |
| Plus: | \$ 1,734,826 | \$ (2,148) | \$ 1,732,678 | To correct purchases greater than \$5,000 |
| Plus: Other | \$ - | \$ 3,600 | \$ 3,600 | To reconcile off return of over-payment |
| Less: Schedule A COG expenses | \$ - | \$ (5,162) | \$ (5,162) | To reconcile off Schedule A COG expenses |
| Total from 12/31 County Auditor's Report | \$ 8,376,665 | \$ 104,325 | \$ 8,480,990 | To agree to County Auditor total |
| Revenue: | | | | |
| Less: COG Revenue | \$ - | \$ (165,478) | \$ (165,478) | To reconcile off COG revenue |
| Medicaid Administration Worksheet | | | | |
| Lines 6 -10 Ancillary Costs | \$ - | \$ 3,076 | \$ 3,076 | To record ancillary costs |

Appendix B
Muskingum County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

| | Reported Amount | Correction | Corrected Amount | Explanation of Correction |
|---|-----------------|--------------|------------------|--|
| Schedule B-1, Section A | | | | |
| 1. Building Services (B) Adult | 244 | 72 | 316 | To correct unreported square footage |
| 5. Speech/Audiology (B) Adult | 222 | (222) | - | To reclassify facility based square footage |
| 7. Occupational Therapy (B) Adult | 229 | (229) | - | To reclassify facility based square footage |
| 14. Facility Based Services (B) Adult | 18,574 | 222 | | To reclassify facility based square footage |
| | | 229 | 19,025 | To reclassify facility based square footage |
| 17. Medicaid Administration (A) MAC | - | 1 | 1 | To correct unreported square footage |
| 25. Non-Reimbursable (C) Child | - | 1,848 | 1,848 | To record rented space |
| 25. Non-Reimbursable (D) General | - | - | - | |
| Schedule B-1, Section B | | | | |
| 1. Total Individuals Served By Program (A) Facility Based Services | 211 | (70) | 141 | To correct individuals served |
| 1. Total Individuals Served By Program (B) Supported Emp. - Enclave | 57 | (14) | 43 | To correct individuals served |
| 1. Total Individuals Served By Program (C) Supported Emp. -Community Employment | - | 44 | 44 | To report individuals served |
| 3. Typical Hours Of Service (A) Facility Based Services | 6 | 1.5 | 7.5 | To correct typical hours of service |
| 3. Typical Hours Of Service (B) Supported Emp. -Enclave | 6 | (1.5) | 4.5 | To correct typical hours of service |
| 4. 15 Minute Units (C) Supported Emp. -Community Employment | - | 528 | 528 | To report 15 minute units |
| Schedule B-3 | | | | |
| 5. Facility Based Services (H) Cost of Bus, Tokens Cabs | \$ - | \$ 31,192 | \$ 31,192 | To report cost of trips |
| 6. Supported Emp. -Enclave (G) One Way Trips- Fourth Quarter | - | 1,143 | 1,143 | To correct one way trips |
| Schedule B-4 | | | | |
| 1. TCM Units (D) 4th Quarter | 9,193 | 1,603 | | To correct TCM units |
| | | 464 | | To project TCM units |
| | | 46 | 11,306 | To project units for allowable activities |
| 2. Other SSA Allowable Units (D) 4th Quarter | - | 3,187 | | To correct TCM units |
| | | (464) | | To project TCM units |
| | | 4 | 2,727 | To project units for allowable activities |
| 5. SSA Unallowable Units (A) 1st Quarter | 948 | (948) | - | To correct TCM units |
| 5. SSA Unallowable Units (B) 2nd Quarter | 998 | (998) | - | To correct TCM units |
| 5. SSA Unallowable Units (C) 3rd Quarter | 687 | (687) | - | To correct TCM units |
| 5. SSA Unallowable Units (D) 4th Quarter | 1,368 | (1,177) | | To correct TCM units |
| | | (50) | 141 | To project units for allowable activities |
| Worksheet 1 | | | | |
| 3. Buildings/Improve (X) Gen Expense All Prgm. | \$ 25,978 | \$ 10,273 | \$ 36,251 | To agree to compiled amount |
| 4. Fixtures (U) Transportation | \$ 78,647 | \$ (78,647) | \$ - | To reclassify fixtures to moveable equipment and agree to compiled amt |
| 5. Movable Equipment (U) Transportation | \$ - | \$ 75,125 | \$ 75,125 | To reclassify fixtures to moveable equipment and agree to compiled amt |
| 6. Capital Leases (D) Unasgn Children Programs | \$ 3,514 | \$ (3,514) | \$ - | To remove unsupported depreciation |
| 6. Capital Leases (E) Facility Based Services | \$ 5,216 | \$ (5,216) | \$ - | To remove unsupported depreciation |
| 6. Capital Leases (X) Gen Expense All Prgm. | \$ 25,244 | \$ (25,244) | \$ - | To remove unsupported depreciation |
| 8. COG Expenses (L) Community Residential | \$ 282 | \$ (188) | \$ 94 | To agree to audited COG amounts |
| 8. COG Expenses (N) Service & Support Admin | \$ 226 | \$ (151) | \$ 75 | To agree to audited COG amounts |
| 8. COG Expenses (O) Non-Federal Reimbursable | \$ - | \$ 14 | \$ 14 | To agree to audited COG amounts |
| Worksheet 2 | | | | |
| 1. Salaries (X) Gen Expense All Prgm. | \$ 220,915 | \$ (27,907) | \$ 193,008 | To correct MAC amounts |
| | | \$ 50,536 | \$ 243,544 | To reclassify leave payouts |
| 2. Employee Benefits (X) Gen Expense All Prgm. | \$ 75,700 | \$ 163,092 | \$ 238,792 | To reclassify benefit expenses |
| 3. Service Contracts (X) Gen Expense All Prgm. | \$ 98,358 | \$ (2,252) | \$ 96,106 | To reclassify non-federal reimbursable expenses |
| | | \$ (685) | \$ 95,421 | To reclassify non-federal reimbursable expenses |
| | | \$ 21,730 | \$ 117,151 | To classify phone lease payments omitted from the cost report |
| 4. Other Expenses (O) Non-Federal Reimbursable | - | \$ 685 | \$ 685 | To reclassify non-federal reimbursable expenses |
| 4. Other Expenses (X) Gen Expense All Prgm. | \$ 156,902 | \$ (3,351) | \$ 153,551 | To reclassify non-federal reimbursable expenses |
| | | \$ 21,730 | \$ 175,281 | To agree to compiled amount |
| | | \$ (18,098) | \$ 157,183 | To record omitted expenses |
| | | \$ (67,169) | \$ 90,014 | To reclassify non-federal reimbursable expenses |
| | | \$ (1,824) | \$ 88,190 | To reclassify fees paid to COG |
| 5. COG Expenses (L) Community Residential | \$ 23,197 | \$ (17,409) | \$ 5,788 | To reclassify facility based expenses |
| 5. COG Expense (N) Service & Support Admin | \$ 18,594 | \$ (13,954) | \$ 4,640 | To agree to audited COG amounts |
| 5. COG Expense (O) Non-Federal Reimbursable | \$ - | \$ 34,702 | \$ 34,702 | To agree to audited COG amounts |
| 10. Unallowable Fees (O) Non-Federal Reimbursable | \$ 34,712 | \$ 2,252 | \$ 36,964 | To reclassify non-federal reimbursable expenses |
| | | \$ 122,048 | \$ 159,012 | To reclassify auditor/treasurer fees and to agree to compiled amount |
| Worksheet 2A | | | | |
| 1. Salaries (E) Facility Based Services | \$ 222,786 | \$ (40,806) | \$ 181,980 | To reclassify facility based salaries |
| | | \$ (181,980) | \$ - | To reclassify adult expenses to unassigned adult program |
| 1. Salaries (H) Unasgn Adult Program | \$ - | \$ 181,980 | \$ 181,980 | To reclassify adult expenses to unassigned adult program |
| 1. Salaries (N) Service & Support Admin | \$ 52,464 | \$ (21,963) | \$ 30,501 | To correct MAC amounts |
| | | \$ (2,157) | \$ 28,344 | To reclassify leave payouts |
| 2. Employee Benefits (E) Facility Based Services | \$ 58,392 | \$ (10,134) | \$ 48,258 | To reclassify facility based benefits |
| | | \$ (48,258) | \$ - | To reclassify adult expenses to unassigned adult program |
| 2. Employee Benefits (H) Unasgn Adult Program | \$ - | \$ 48,258 | \$ 48,258 | To reclassify adult expenses to unassigned adult program |
| 4. Other Expenses (E) Facility Based Services | \$ 1,818 | \$ (562) | \$ 1,256 | To reclassify facility based expenses |
| | | \$ (1,256) | \$ - | To reclassify adult expenses to unassigned adult program |
| 4. Other Expenses (H) Unasgn Adult Program | \$ - | \$ 1,256 | \$ 1,256 | To reclassify adult expenses to unassigned adult program |
| Worksheet 3 | | | | |
| 1. Salaries (X) Gen Expense All Prgm. | \$ 190,834 | \$ (6,065) | \$ 184,769 | To reclassify leave payouts |
| 4. Other Expenses (X) Gen Expense All Prgm. | \$ 155,869 | \$ (112) | \$ 155,757 | To agree to compiled amount |
| | | \$ 16,416 | \$ 172,173 | To expense, rather than capitalize, purchases |
| 5. COG Expenses (L) Community Residential | \$ 148 | \$ 3 | \$ 151 | To agree to audited COG amounts |
| 5. COG Expenses (N) Service & Support Admin | \$ 118 | \$ 3 | \$ 121 | To agree to audited COG amounts |
| 5. COG Expenses (O) Non-Federal Reimbursable | \$ - | \$ 22 | \$ 22 | To agree to audited COG amounts |
| Worksheet 5 | | | | |
| 1. Salaries (A) Early Intervention | \$ 168,770 | \$ (3,028) | \$ 165,742 | To reclassify leave payouts |
| 1. Salaries (B) Pre-School | \$ 207,966 | \$ (14,071) | \$ 193,895 | To reclassify leave payouts |
| 1. Salaries (C) School Age | \$ 399,788 | \$ (167) | \$ 399,621 | To reclassify leave payouts |
| 1. Salaries (M) Family Support Services | \$ - | \$ 13,276 | \$ 13,276 | To reclassify MUI coordinator salaries |
| | | \$ (8,384) | \$ 4,892 | To reclassify leave payouts |
| 2. Benefits (M) Family Support Services | \$ - | \$ 1,855 | \$ 1,855 | To reclassify MUI coordinator benefits |
| 4. Other Expenses (M) Family Support Services | \$ 49,372 | \$ 2,960 | \$ 52,332 | To reclassify family support expenses |
| 5. COG Expenses (L) Community Residential | \$ 27,730 | \$ (27,730) | \$ - | To agree to audited COG amounts |
| 5. COG Expenses (O) Non-Federal Reimbursable | \$ - | \$ 4,067 | \$ 4,067 | To agree to audited COG amounts |

Appendix B
Muskingum County Board of Developmental Disabilities
2010 Income and Expenditure Report Adjustments

| | Reported Amount | Correction | Corrected Amount | Explanation of Correction |
|--|-----------------|--------------|------------------|--|
| Worksheet 6 | | | | |
| 1. Salaries (O) Non-Federal Reimbursable | \$ - | \$ 49,870 | \$ 49,870 | To correct MAC amounts |
| Worksheet 7-C | | | | |
| 1. Salaries (D) Unasgn Children Program | \$ 107,816 | \$ (4,353) | \$ 103,463 | To reclassify leave payouts |
| Worksheet 7-F | | | | |
| 13. No. of Individuals Served (E) Facility Based | - | 6 | 6 | To report individuals served |
| Worksheet 8 | | | | |
| 1. Salaries (X) Gen Expense All Prgm. | \$ 283,203 | \$ (11,762) | \$ 271,441 | To reclassify leave payouts |
| 2. Employee Benefits (X) Gen Expense All Prgm. | \$ 150,286 | \$ 2,268 | \$ 152,554 | To reclassify benefit expenses |
| 3. Service Contracts (E) Gen Facility Based Services | \$ - | \$ 31,192 | \$ 31,192 | To reclassify costs of facility based trips |
| 3. Service Contracts (X) Gen Expense All Prgm. | \$ 31,462 | \$ (31,192) | \$ 270 | To reclassify costs of facility based trips |
| Worksheet 9 | | | | |
| 3. Service Contracts (N) Service & Support Admin. Costs | 6,174 | \$ (2,960) | \$ 3,214 | To reclassify family support expenses |
| Worksheet 10 | | | | |
| 1. Salaries (E) Facility Based Services | \$ 728,456 | \$ (13,276) | | To reclassify MUI coordinator salaries |
| | | \$ 40,806 | | To reclassify facility based salaries |
| | | \$ (549) | | To reclassify leave payouts |
| | | \$ (755,437) | \$ - | To reclassify adult expenses to unassigned adult program |
| 1. Salaries (H) Unasgn Adult Program | \$ - | \$ 755,437 | \$ 755,437 | To reclassify adult expenses to unassigned adult program |
| 2. Employee Benefits (E) Facility Based Services | \$ 279,136 | \$ (1,855) | | To reclassify MUI coordinator benefits |
| | | \$ 10,134 | | To reclassify facility based benefits |
| | | \$ 1,142 | | To reclassify benefit expenses |
| | | \$ (288,557) | \$ - | To reclassify adult expenses to unassigned adult program |
| 2. Employee Benefits (H) Unasgn Adult Program | \$ - | \$ 288,557 | \$ 288,557 | To reclassify adult expenses to unassigned adult program |
| 4. Other Expenses (E) Facility Based Services | \$ 27,852 | \$ 562 | | To reclassify facility based expenses |
| | | \$ 1,824 | | To reclassify facility based expenses |
| | | \$ (30,238) | \$ - | To reclassify adult expenses to unassigned adult program |
| 4. Other Expenses (H) Unasgn Adult Program | \$ - | \$ 30,238 | \$ 30,238 | To reclassify adult expenses to unassigned adult program |
| Reconciliation to County Auditor Worksheet Expense: | | | | |
| Plus: Real Estate Fees | 118,699 | \$ (118,699) | \$ - | To reclassify auditor/treasurer fees |
| Plus: Purchases Greater Than \$5,000 | \$ 223,590 | \$ (16,416) | \$ 207,174 | To expense rather than capitalize purchases greater than \$5,000 |
| Plus: Fees Paid to COG | \$ - | \$ 67,169 | \$ 67,169 | To reclassify fees paid to COG |
| Plus: | \$ 677,314 | \$ (166,502) | \$ 510,812 | To reclassify benefit expenses |
| Less: Capital Costs | \$ (313,416) | \$ 27,223 | \$ (286,193) | To reconcile off depreciation |
| Less: Schedule A COG expenses | \$ - | \$ (13,149) | \$ (13,149) | To reconcile off Schedule A COG expenses |
| Total from 12/31 County Auditor's Report | 7,384,312 | \$ (87) | \$ 7,384,225 | To agree to County Auditor total |
| Revenue: | | | | |
| Total from 12/31 County Auditor's Report | 9,605,294 | \$ 24 | \$ 9,605,318 | To correct County Auditor total |
| Medicaid Administration Worksheet | | | | |
| Lines 6 -10 Ancillary Costs | \$ - | \$ 5,834 | \$ 5,834 | To record ancillary costs |



Dave Yost • Auditor of State

MUSKINGUM COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

MUSKINGUM 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
APRIL 11, 2013**