



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Developmental Disabilities (DODD) on the Income and Expense Report (Cost Report) and County Board Summary Forms¹ of the Clearwater Council of Governments (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 COG's non-payroll disbursements on the Trial Balance, General Ledger, and Revenue and Expenses Crosswalk worksheet to the *COG Reconciliation* and *COG Master and County Expenditure* forms. We found a variance as reported in Appendix A.
2. We compared total non-payroll disbursements on the Trial Balance, General Ledger and Revenue and Expenses Crosswalk worksheet 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 calculated that the Cost Report reconciled within acceptable limits.
3. We scanned the COG's General Ledger 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 COG's General Ledger for compliance with 2 CFR 200.405 and the Cost Report Guide and found no program costs that lacked corresponding statistics.
5. We inspected the General Ledger for items purchased during 2016 that met the COG's capitalization criteria and traced any items identified to the COG's Depreciation Schedule. We found no unrecorded capital purchases.

Payroll Testing

1. We compared the payroll disbursements on the Payroll Allocation worksheet to the *COG Master* and *County Expenditures* forms. We reported differences exceeding two percent in Appendix A.
2. We scanned the Payroll Allocation worksheet, Wages Summary with Insurance report and the Organizational Chart and compared classification of employees to the *COG Master* and *County Expenditures* forms. We found employee allocations that were not consistent with the Cost Report Guide as reported in Appendix A.

¹ The COG prepared County Board Summary Forms to distribute its recorded receipts and disbursements to the Ashland, Crawford, Erie, Hancock, Huron, Marion, Morrow, Ottawa, Sandusky, Seneca, Shelby, and Wyandot County Boards of Developmental Disabilities.

Property, Depreciation and Asset Verification Testing

1. We compared the COG's Depreciation Schedule to the *COG Master Capital Costs*. We found no variances.
2. We compared the COG's 2015 Depreciation Schedule and prior year depreciation adjustments to the 2016 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. We found no variances.
3. Using the COG's capitalization threshold, we selected the lesser of 10 or 10 percent of the fixed assets which were being depreciated in the first time in 2016. We computed the first year's depreciation for the one asset selected, based on its cost, acquisition date and useful life. We compared reported depreciation to the Cost Report Guide and the estimated useful life prescribed in the 2013 American Hospital Association Asset Guide. We reported differences in Appendix A.
4. We selected one asset from the COG's list of disposed assets. We found that the asset was not removed from the Depreciation Schedule; however, no current depreciation was reported.

Medicaid Administrative Claiming (MAC) Testing

1. We compared the MAC salary and benefits on the Individual Cost by Code report to the COG's Wages Summary with Insurance report and found the COG's salaries and benefits exceeded MAC salary and benefits costs.
2. We compared the Individual Cost by Code report to the *COG Medicaid Administrative Claiming* form. We found no variances.
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 the 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 always 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 COG's 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. 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.



Dave Yost
Auditor of State

September 28, 2018

Appendix A
Clearwater Council of Governments
2016 Income and Expense Report and County Summary Form Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Clearwater Council of Government				
Capital Cost				
Moveable	\$ 11,914	\$ (41)	\$ 11,873	To remove depreciation taken in the period of acquisition
Indirect Cost				
Salaries	\$ 199,026	\$ (5,600)	\$ 190,030	To agree to supporting documentation
		\$ (3,396)		To reclassify payee services
Other Expenses	\$ 310,165	\$ (2,243)		To reclassify Non-federal reimbursable expenses
		\$ (5,282)		To reclassify MUI costs
		\$ (7,878)		To reclassify QARN expenses
		\$ (361)	\$ 294,401	To reclassify payee services
Medicaid Administrative Claiming				
Non-Federal Reimbursable Other Expenses	\$ 30,393	\$ 2,243	\$ 32,636	To reclassify Non-federal reimbursable expenses
COG Reconcile Expenses				
COG Reconcile Expenses Details, Bridges Match	\$ -	\$ 23,812	\$ 114,111	To reclassify Crawford Bridges Match payments
		\$ 26,964		To reclassify Huron Bridges Match payments
		\$ 21,137		To reclassify Ottawa Bridges Match payments
		\$ 18,386		To reclassify Seneca Bridges Match payments
		\$ 23,812		To reclassify Wyandot Bridges Match payments
Ashland County				
Other Program				
Direct Services COG Expenses				
Community Residential	\$ -	\$ 985	\$ 1,360	To reclassify QARN costs
		\$ 375		To reclassify QARN costs
Non-Federal Reimbursable	\$ -	\$ 317	\$ 317	To reclassify MUI costs
Nursing Services COG Expenses				
Community Residential	\$ 985	\$ (985)	\$ -	To reclassify QARN costs
Crawford County				
Direct Expenses Non Allocable				
Non-Federal Reimbursable, Indirect Costs	\$ 56,163	\$ (23,812)	\$ 32,351	To reclassify Bridges Match payment
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 111,791	\$ 1,548	\$ 113,928	To reclassify QARN costs
		\$ 589		To reclassify QARN costs
Nursing Services COG Expenses				
Community Residential	\$ 1,548	\$ (1,548)	\$ -	To reclassify QARN costs
Erie County				
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 34,776	\$ 3,519	\$ 39,635	To reclassify QARN costs
		\$ 1,340		To reclassify QARN costs
Non-Federal Reimbursable	\$ 9,026	\$ 739		To reclassify MUI costs
Nursing Services COG Expenses				
Community Residential	\$ 3,519	\$ (3,519)	\$ -	To reclassify QARN costs
Hancock County				
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 2,736	\$ 1,126	\$ 4,291	To reclassify QARN costs
		\$ 429		To reclassify QARN costs
Non-Federal Reimbursable	\$ 10,199	\$ 845		To reclassify MUI costs
Nursing Services COG Expenses				
Community Residential	\$ 1,126	\$ (1,126)	\$ -	To reclassify QARN costs
Huron County				
Direct Expenses Non Allocable				
Non-Federal Reimbursable, Indirect Costs	\$ 117,221	\$ (26,964)	\$ 43,145	To reclassify Bridges Match payment
		\$ (47,112)		To reclassify Facility Based expenses
Adult Program				
Adult Program COG Expenses				
Facility Based Services		\$ 47,112	\$ 47,112	To reclassify Facility Based expenses
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 35,092	\$ 985	\$ 36,532	To reclassify QARN costs
		\$ 8		To reclassify payee services
		\$ 72		To reclassify payee services
		\$ 375		To reclassify QARN costs
Non-Federal Reimbursable	\$ 7,762	\$ 634		\$ 8,396
Nursing Services COG Expenses				
Community Residential	\$ 985	\$ (985)	\$ -	To reclassify QARN costs

Appendix A
Clearwater Council of Governments
2016 Income and Expense Report and County Summary Form Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Marion County				
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 13,611	\$ 6,194		To reclassify QARN costs
		\$ 2,358	\$ 22,163	To reclassify QARN costs
Non-Federal Reimbursable	\$ 14,080	\$ 1,162	\$ 15,242	To reclassify MUI costs
Nursing Services COG Expenses				
Community Residential	\$ 6,194	\$ (6,194)	\$ -	To reclassify QARN costs
Morrow County				
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 73,552	\$ 3,660		To reclassify QARN costs
		\$ 1,394	\$ 78,606	To reclassify QARN costs
Non-Federal Reimbursable	\$ 4,152	\$ 370	\$ 4,522	To reclassify MUI costs
Nursing Services COG Expenses				
Community Residential	\$ 3,660	\$ (3,660)	\$ -	To reclassify QARN costs
Ottawa County				
Direct Expenses Non Allocable				
Non-Federal Reimbursable, Indirect Costs	\$ 21,137	\$ (21,137)	\$ -	To reclassify Bridges Match payment
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 57,920	\$ 1,408		To reclassify QARN costs
		\$ (49)		To match Community Residential costs
		\$ 353		To reclassify payee services
		\$ 3,324		To reclassify payee services
		\$ 536	\$ 63,492	To reclassify QARN costs
Non-Federal Reimbursable	\$ 9,928	\$ 845	\$ 10,773	To reclassify MUI costs
Nursing Services COG Expenses				
Community Residential	\$ 1,408	\$ (1,408)	\$ -	To reclassify QARN costs
Seneca County				
Direct Expenses Non Allocable				
Non-Federal Reimbursable, Indirect Costs	\$ 38,710	\$ (18,386)	\$ 20,324	To reclassify Bridges Match payment
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 12,269	\$ 1,126		To reclassify QARN costs
		\$ 429	\$ 13,824	To reclassify QARN costs
Nursing Services COG Expenses				
Community Residential	\$ 1,126	\$ (1,126)	\$ -	To reclassify QARN costs
Shelby County				
Other Program				
Direct Services COG Expenses				
Community Residential	\$ -	\$ 141		To reclassify QARN costs
		\$ 54	\$ 195	To reclassify QARN costs
Nursing Services COG Expenses COG Expenses				
Community Residential	\$ 141	\$ (141)	\$ -	To reclassify QARN costs
Wyandot County				
Direct Expenses Non Allocable				
Non-Federal Reimbursable, Indirect Costs	\$ 71,440	\$ (23,812)		To reclassify Bridges Match payment
		\$ (750)	\$ 46,878	To reclassify PLAY expenses
Childrens Programs				
Direct Services COG Expenses				
Early Intervention	\$ -	\$ 750	\$ 750	To reclassify PLAY expenses
Other Program				
Direct Services COG Expenses				
Non-Federal Reimbursable	\$ 4,332	\$ 370	\$ 4,702	To reclassify MUI costs



Dave Yost • Auditor of State

CLEARWATER DEPARTMENT OF DEVELOPMENTAL DISABILITIES

OTTAWA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2018**