

**REPORT
ON THE
HOME OFFICE AUDIT**

**NOIA RESIDENTIAL SERVICES, INC.
FRESNO, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**Audits Section—Fresno
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Michael Harrold
Auditors: Jeanene Lopez and Paul Vandrick**



TOBY DOUGLAS
DIRECTOR

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

July 05, 2013

Lucia Noia, CEO
Noia Residential Services, Inc.
606 East Belmont Avenue
Fresno, CA 93701

NOIA RESIDENTIAL SERVICES, INC.
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2011. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Comparison of Reported and Audited Home Office Cost represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Comparison of Reported and Audited Home Office Cost and supporting schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Lucia Noia
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed By

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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**COMPARISON OF REPORTED AND AUDITED
HOME OFFICE COST**

HOME OFFICE:
NOIA RESIDENTIAL SERVICES, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
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(From Sch 2, Col 6) (Col 5 - Col 4)

1.	CASA FAIAL	LTC60201F	12/31/11	\$34,878	\$31,859	(\$3,019)
2.	CASA SAO JORGE	LTC60200F	12/31/11	34,798	31,786	(3,012)
3.	CASA FLAMENGOS	LTC60213F	12/31/11	34,942	31,918	(3,024)
4.	CASA TERCEIRA	LTC60271F	12/31/11	34,942	31,918	(3,024)
5.	CASA PICO	LTC60272F	12/31/11	34,942	31,918	(3,024)
6.	CASA SAO MIGUEL	LTC60553F	12/31/11	34,910	31,888	(3,022)
7.	CASA FLORES	LTC60610F	12/31/11	33,649	30,737	(2,912)
8.	CASA SANTA MARIA	LTC60626F	12/31/11	34,942	31,918	(3,024)
9.					0	0
10.					0	0
11.					0	0
12.					0	0
13.					0	0
14.					0	0
15.					0	0
16.					0	0
17.					0	0
18.					0	0
19.					0	0
20.					0	0
21.					0	0
22.					0	0
23.					0	0
24.					0	0
25.					0	0

TOTALS

	\$278,003	\$253,941	(\$24,062)
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SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:
NOIA RESIDENTIAL SERVICES, INC.FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	DIRECT EXPENSES 4	POOLED EXPENSES 5	TOTAL DIRECT & POOLED FACILITY EXPENSE 6
			(From Sch 4)	(From Sch 3)	(Col 4 + Col 5)
1. CASA FAIAL	LTC60201F	12/31/11	\$0	\$31,859	\$31,859
2. CASA SAO JORGE	LTC60200F	12/31/11	0	31,786	31,786
3. CASA FLAMENGOS	LTC60213F	12/31/11	0	31,918	31,918
4. CASA TERCEIRA	LTC60271F	12/31/11	0	31,918	31,918
5. CASA PICO	LTC60272F	12/31/11	0	31,918	31,918
6. CASA SAO MIGUEL	LTC60553F	12/31/11	0	31,888	31,888
7. CASA FLORES	LTC60610F	12/31/11	0	30,737	30,737
8. CASA SANTA MARIA	LTC60626F	12/31/11	0	31,918	31,918
9.			0	0	0
10.			0	0	0
11.			0	0	0
12.			0	0	0
13.			0	0	0
14.			0	0	0
15.			0	0	0
16.			0	0	0
17.			0	0	0
18.			0	0	0
19.			0	0	0
20.			0	0	0
21.			0	0	0
22.			0	0	0
23.			0	0	0
24.			0	0	0
25.			0	0	0
TOTALS			\$0	\$253,941	\$253,941

(To Sch 1)

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:
NOIA RESIDENTIAL SERVICES, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY	Allocation Statistics Base:		Allocation Pool Expenses 3
	Accumulated Cost 1	Percent 2	
Program Services (Adj 3)	\$3,046,370	81.9535%	\$253,941
Nonprogram Services (Adj 3)	670,822	18.0465%	55,919
TOTAL	\$3,717,192	100.0000%	\$309,860

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	MEDI-CAL NUMBER	Audit Adjustment	Allocation Statistic: (Client Days)	Allocated Pool Expense (Col 2 X UCM)
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1.	CASA FAIAL	LTC60201F	2,186	\$31,859
2.	CASA SAO JORGE	LTC60200F	2,181	31,786
3.	CASA FLAMENGOS	LTC60213F	2,190	31,918
4.	CASA TERCEIRA	LTC60271F	2,190	31,918
5.	CASA PICO	LTC60272F	2,190	31,918
6.	CASA SAO MIGUEL	LTC60553F	2,188	31,888
7.	CASA FLORES	LTC60610F	2,109	30,737
8.	CASA SANTA MARIA	LTC60626F	2,190	31,918
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0

TOTALS

17,424 \$253,941

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	14.574215
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:
NOIA RESIDENTIAL SERVICES, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	MEDI-CAL NUMBER	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			specify expense 3 (Adj)	specify expense 4 (Adj)	specify expense 5 (Adj)	specify expense 6 (Adj)	
1.	CASA FAIAL	LTC60201F	\$0	\$0	\$0	\$0	\$0
2.	CASA SAO JORGE	LTC60200F	0	0	0	0	0
3.	CASA FLAMENGOS	LTC60213F	0	0	0	0	0
4.	CASA TERCEIRA	LTC60271F	0	0	0	0	0
5.	CASA PICO	LTC60272F	0	0	0	0	0
6.	CASA SAO MIGUEL	LTC60553F	0	0	0	0	0
7.	CASA FLORES	LTC60610F	0	0	0	0	0
8.	CASA SANTA MARIA	LTC60626F	0	0	0	0	0
9.			0	0	0	0	0
10.			0	0	0	0	0
11.			0	0	0	0	0
12.			0	0	0	0	0
13.			0	0	0	0	0
14.			0	0	0	0	0
15.			0	0	0	0	0
16.			0	0	0	0	0
17.			0	0	0	0	0
18.			0	0	0	0	0
19.			0	0	0	0	0
20.			0	0	0	0	0
21.			0	0	0	0	0
22.			0	0	0	0	0
23.			0	0	0	0	0
24.			0	0	0	0	0
25.			0	0	0	0	0
TOTALS			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(To Sch 2)

STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:
NOIA RESIDENTIAL SERVICES, INC.FISCAL PERIOD ENDED:
DECEMBER 31, 2011

ACCOUNT DESCRIPTION 1	REPORTED COSTS 2	COST AUDIT ADJUSTMENTS 3	AUDITED COSTS 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adj 1,2)	(Col 2 + Col 3)	(Adj)	(Col 4 - Col 5)
1. Salaries-Officers	\$128,379	(\$35,487)	\$92,892		\$92,892
2. Salaries-Other	15,515		15,515		15,515
3. Payroll Taxes			0		0
4. Employee Benefits	39,007		39,007		39,007
5. Travel	3,152		3,152		3,152
6. Entertainment			0		0
7. Automobile	21,773		21,773		21,773
8. Depreciation-Building			0		0
9. Depreciation-Equipment	11,115		11,115		11,115
10. Other Depreciation and Amortization			0		0
11. Leases and Rentals			0		0
12. Interest-Mortgages			0		0
13. Interest-Other			0		0
14. Taxes and Licenses			0		0
15. Legal and Accounting	9,545		9,545		9,545
16. Insurance			0		0
17. Telephone			0		0
18. Utilities	3,876		3,876		3,876
19. Office Supplies	2,440		2,440		2,440
20. Nonprogram			0		0
21. Other-Noia Community Center	71,550		71,550		71,550
22. Bank Charges			0		0
23. Dues & Subscriptions	805		805		805
24. Miscellaneous Admin Expense	27,984	(321)	27,663		27,663
25. Contributions			0		0
26. Unemployment Consultant	3,021		3,021		3,021
27. Income Tax Federal & State			0		0
28. Housewares & Supplies	4,726		4,726		4,726
29. Alarm System			0		0
30. House Repairs & Maintenance	2,468		2,468		2,468
31. Bad Debt Employee Loans			0		0
32. Staff Training	312		312		312
33. Profit Sharing			0		0
34.			0		0
TOTAL EXPENSES	\$345,668	(\$35,808)	\$309,860	\$0	\$309,860
				(To Sch 4)	(To Sch 3)

Provider Name							Fiscal Period			Provider NPI		Adjustments
NOIA RESIDENTIAL SERVICES, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		3
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENTS TO REPORTED COSTS</u>												
1	5	2			1.00	6	Salaries - Officers - Pooled Costs To adjust owner's compensation to agree with payroll tax records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$128,379	(\$35,487)	\$92,892		
2	5	2			24.00	6	Miscellaneous Administrative Expense - Pooled Costs To adjust reported expense to agree with provider's trial balance. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$27,984	(\$321)	\$27,663		

Provider Name							Fiscal Period			Provider NPI		Adjustments
NOIA RESIDENTIAL SERVICES, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		3
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENT TO REPORTED STATISTICS</u>												
3	3	5			1.00	1	Program Services (Accumulated Cost)	3,070,773	(24,403)	3,046,370		
	3	5			2.00	1	Nonprogram Services	599,584	71,238	670,822		
							To adjust accumulated cost statistics to agree with provider's trial balance.					
							42 CFR 413.20 and 413.24					
							CMS Pub. 15-1, Sections 2300 and 2304					