

OCT 31 2018



Certified Public Accountants

110 S. Centre Street, Cumberland, MD 21502 • PH (301)722-4455 • FAX (301)722-5004 • www.hmccpa.com

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Mineral County Family Resource Network Corp.
Keyser, WV

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of the Mineral County Family Resource Network Corp. and the West Virginia Department of Health and Human Resources (the specified parties) of Grant Number G160148 (Tobacco Prevention) and Grant Number G160162 (Community Planning and Coordination Services) of Mineral County Family Resource Network Corp. for the year ended June 30, 2016. Mineral County Family Resource Network Corp.'s management is responsible for these grants. The sufficiency of these procedures is solely the responsibility of Mineral County Family Resource Network Corp. and the West Virginia Department of Health and Human Resources. 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.

The procedures and associated findings are as follows:

1. **Procedure:** Review the grant agreement and any related documents (e.g. statements of work, budgets, change orders, program directives, regulations, etc.) to ascertain the purpose for which the funds were awarded and the terms and conditions associated with the state grant.

Findings: No exceptions were found as a result of applying the procedure.

2. **Procedure:** Verify whether funds received under the grant (as reported on the Sworn Statement of Expenditures) were correctly authorized, recorded and deposited into the appropriate organizational accounts.

Findings: No exceptions were found as a result of applying the procedure.

3. **Procedure:** Review all costs (as listed on the Sworn Statement of Expenditures) and related transactions associated with the grant to verify whether:

- a. **Costs were approved by the DHHR, if required.**

Findings: No exceptions were found as a result of applying the procedure.

b. Costs conform to the allowability of costs provisions or limitations in the program agreement, program regulations, or program statute.

Findings: (1) Per 2 CFR 200.474, travel costs are allowable provided that the method used to determine such costs results in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-Federally funded activities and in accordance with the non-Federal entity's written travel reimbursement policies. Per Mineral County Family Resource Network Corp.'s travel policy, reimbursement requests are to be approved by a supervisor prior to payment. One (1) expense report related to mileage and dental insurance reimbursement for one employee whose salary was charged to the Tobacco Prevention Grant was not approved by a supervisor. Total charges per the expense report were \$560.65. Additionally, four (4) travel reimbursement requests were not approved by a supervisor. Total charges per the travel reimbursement requests were \$633.42.

(2) Per 2 CFR 200.470, for non-profit organizations, taxes from which exemptions are available to the non-Federal entity directly are not allowable. Mineral County Family Resource Network is a 501(c)(3) tax-exempt organization.

The following taxes totaling \$27.70 were charged to the Community Planning and Coordination Services Grant:

- (a) Sales tax of \$13.76 was paid via debit card transactions.
- (b) Sales tax of \$13.94 was paid via debit card transactions.

Exclusion of these items from overall Community Planning and Coordination Services Grant expenditures does not reduce overall expenditures below the total grant award amount.

The following taxes totaling \$510.53 were charged to the Tobacco Prevention Grant:

- (a) Sales tax of \$102.65 was noted on invoices and paid via check.
- (b) Sales tax of \$343.89 was paid via credit card transactions.
- (c) Occupancy taxes related to lodging of \$63.99 were also paid via credit card transactions.

Additionally, three (3) invoices from a vendor known to charge sales tax were not available to support the expenditures. Rather, a statement from the vendor was used to remit payment. The detail related to the specifics of each invoice was not available and, as such, no determination could be made as to the extent that sales tax was paid.

This issue was noted as a finding by the WV Department of Health and Human Resources as part of their review of the Tobacco Prevention Grant for the period beginning 10/01/15 and ending 12/31/15. As a result of this review, Mineral County Family Resource Network Corp. was required to repay \$48.34 of sales tax which was charged to the grant.

This issue was discussed with the Executive Director of Mineral County Family Resource Network Corp. who indicated that certain vendors do not honor their tax exemption and she cannot force a vendor to do so.

It should be noted that exclusion of these taxes from total costs charged to the Tobacco Prevention Grant does not reduce total expenditures below the total award as evidenced in the schedule accompanying the findings in the next section which excludes these taxes.

For both grants, the taxes discussed above do not include sales tax paid as part of employee reimbursements.

c. **Costs represent charges for actual costs, not budgeted or projected amounts.**

Findings: (1) The Sworn Statement of Expenditures for the Tobacco Prevention Grant reported expenditures equal to budgeted amounts. However, review of the costs of the program indicated that actual expenses per line item differed from the Sworn Statement of Expenditures as indicated in the schedule below.

Budget Item	Per Supporting Documentation	Per Sworn Statement	Difference
Personnel	100,750.67	90,600.00	10,150.67
Fringe Benefits - SS/Med	7,707.43	6,931.00	776.43
Fringe Benefits - Health Ins	17,489.14	15,855.00	1,634.14
Fringe Benefits - Retire.	9,873.33	7,092.00	2,781.33
Fringe Benefits - Work. Comp.	-	91.00	(91.00)
Equipment	-	-	-
Supplies	-	-	-
Contractual Costs - Accounting	1,010.00	960.00	50.00
Contractual Costs - Bank Fees	325.50	240.00	85.50
Contractual Costs - Mini Grants	-	8,000.00	(8,000.00)
Construction	-	-	-
Other - Travel	15,988.08	14,167.00	1,821.08
Other - Phone/Internet	2,707.05	3,024.00	(316.95)
Other - Coalition	16,732.66	30,000.00	(13,267.34)
Other - Cessation	17,412.01	10,000.00	7,412.01
Other - Subscriptions	260.48	341.00	(80.52)
Other - Educ/Display	538.95	700.00	(161.05)
Indirect Costs	-	-	-
Total	190,795.30	188,001.00	2,794.30

Total costs per the supporting documentation exceed the total grant amount. These additional costs were funded from sources other than this grant. Per the grantee, the grant allowed for reallocation of line items without approval of the grantor up to a defined threshold. This was not explicitly stated in the grant agreement and the grantee could not provide documentation to support this stipulation. It should be noted that the figures above exclude sales tax paid as discussed in Procedure 3.b. Finding (2) above.

- d. **Costs are given consistent treatment within and between accounting periods. Consistency in accounting requires that costs incurred for the same purpose, in like circumstances, be treated as either direct costs only or indirect costs only with respect to final cost objectives.**

Findings: No exceptions found as a result of applying this procedure.

- e. **Costs are net of all applicable credits (e.g. volume or cash discounts, insurance recoveries, refunds, rebates, trade-ins, adjustments for checks not cashed, and scrap sales).**

Findings: No exceptions were found as a result of applying this procedure.

- f. **Costs are not included as both a direct billing and as a component of indirect costs.**

Findings: No exceptions were found as a result of applying this procedure.

- g. **Costs are supported by appropriate documentation (e.g. approved purchase orders, receiving reports, vendor invoices, cancelled checks, and time and attendance records), and correctly charged as to account, amount, and period.**

Findings: (1) Two (2) receipts were not included with credit card charges for the Tobacco Prevention Grant. The total of these charges was \$51.45. Additionally, for one credit card charge of \$89.00, a receipt was provided but no amount was indicated on the receipt.

(2) One (1) expense reimbursement request charged to the Tobacco Prevention Grant did not include supporting documentation for charges totaling \$39.00.

(3) No invoice was available for one (1) item charged to the Tobacco Prevention Grant which totaled \$300.00.

(4) The amounts paid for seven (7) transactions charged to the Tobacco Prevention Grant did not agree to the supporting documentation as noted in the schedule below:

Check No.	Amount Paid	Amount per Supporting Documentation	Variance	Additional Information
1802	\$ 1,478.77	\$ 1,479.07	\$ (0.30)	
1826	\$ 919.95	\$ 920.35	\$ (0.40)	
1847	\$ 983.57	\$ 985.37	\$ (1.80)	
1905	\$ 1,575.75	\$ 1,576.87	\$ (1.12)	
1919	\$ 135.00	\$ 45.00	\$ 90.00	Storage costs paid for 3 months, invoice for 1 month
Credit Card	\$ 571.23	\$ 581.84	\$ (10.61)	Supporting documentation is an estimate of the total room charge for conference lodging.
Debit Card	\$ 48.34	\$ 46.60	\$ 1.74	Handwritten total per restaurant staff is not correct but was charged to debit card
Debit Card	\$ 38.69	\$ 33.70	\$ 4.99	Handwritten total per restaurant staff is not correct but was charged to debit card
Total	<u>\$ 5,751.30</u>	<u>\$ 5,668.80</u>	<u>\$ 82.50</u>	

(5) Accumulated vacation/sick time was paid out for one (1) employee who was terminated at the end of the grant period for the Tobacco Prevention Grant. The payout was made over four (4) pay periods in July and August 2016. Per Mineral County Family Resource Network Corp.'s Executive Director, this was done at the direction of the state grant manager. While these payments appear to be valid, as the vacation/sick time was earned during the grant period, no documentation was available to support that these payments were to be made from this grant or that they were to be paid after June 30, 2016.

4. **Inquire and report upon the status of any findings, contingencies, or other deficiencies discovered during the current engagement or described in any prior agreed-upon procedures report (if applicable) that could negatively affect administration of the DHHR grant and related program/project.**

Findings: No exceptions were found as a result of applying the procedure to the Community Planning and Coordination Services Grant.

The West Virginia Department of Health and Human Resources reviewed Tobacco Prevention Grant expenditures for the period 10/01/15 through 12/31/15. A finding was issued related to payment of sales tax by a tax-exempt organization. Repayment of \$48.34 was made to the West Virginia Department of Health and Human Resources pursuant to this finding.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 Sworn Statements of Expenditures and compliance with the grant agreements. 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 to you.

This report is intended solely for the information and use of the Mineral County Family Resource Network Corp. and the West Virginia Department of Housing and Human Resources and is not intended to be and should not be used by anyone other than those specified parties.

Huber, Michaels & Company

Huber, Michaels & Company
Cumberland, MD 21502

October 31, 2018

DHHR - Finance

OCT 31 2018

Date Received

West Virginia Department of Health & Human Resources
SWORN STATEMENT OF EXPENDITURES

Grant Number: G160148	Grantee Name: Mineral County Family Resource Network, Corp.		
Grantee FEIN: 55-0767633	WV OASIS Vendor #: 000000210157	Contact Name: Gerri Mason	
Contact Email Address: mineralfamilyresourcenetwork@gmail.com		Contact Phone: (304) 788-9099	
Grantee Mailing Address: 251 1/2 West Piedmont Street, Keyser WV 26726			
Total Amount of Grant Award: \$188,001.00		Grant Period: 07/01/15 thru 06/30/16	

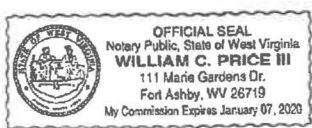
Grant Revenues (received and anticipated)		
Revenue Categories	Comments	Amount
Amount Received		\$188,001.00
Amount Anticipated		
Total Grant Revenues		\$188,001.00

Grant Expenditures (allowable costs expended by the grantee)		
Expenditure Categories	Comments	Amount
Personnel		\$90,600.00
Fringe Benefits		\$29,969.00
Equipment		
Supplies		
Contractual Costs		\$9,200.00
Construction		
Other		\$58,232.00
Indirect Cost		
Total Grant Expenditures		\$188,001.00

Ending Grant Balance (Revenues – Expenditures)	\$0.00
Grant Funds Returned to the DHHR	\$0.00

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate, and that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal (and/or State) award. I am aware that any false, fictitious or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Authorized Signature: *Gerri Mason* Date: 09/20/2016
 Printed Name and Title: Gerri Mason, Executive Director
 Taken, sworn and subscribed before me this 20 day of September, 2016.
 Notary Public Signature: *William C. Price III*
 My Commission Expires: January 7, 2020



Revised May 2015

DHHR - Finance
 SEP 26 2016
 Date Received

Summary Report

Grant Number: G160148 **# of Financial Reports:** 4 **Grant Amount:** \$188,001.00 **Grant Type:** BPH OCHS&HP Tobacco CIA RTPC
Grantee Name: MINERAL COUNTY FAMILY RESOURCE NETWORK CORP **Start Date:** 7/1/2015 **End Date:** 6/30/2016
Grantee Contact:

Exhibit H Contact 1: Mason, Gerri **Exhibit H Contact 3:**
 (304) 788-9099
Exhibit H Contact 2:

Payments				Finance Reports		Program Reports	
Rec Date	Pmt Date	Payment Amount	End Date	Rec Date	Total Amount	End Date	Rec Date
07/01/2015	10/08/2015	-\$62,662.00	09/30/2015	12/08/2015	\$58,573.77	12/31/2015	01/21/2016
10/01/2015	01/06/2016	-\$41,779.00	12/31/2015	01/15/2016	\$39,440.59	03/31/2016	04/26/2016
01/01/2016	03/14/2016	-\$41,779.00	03/31/2016	04/14/2016	\$40,762.88	09/30/2015	10/22/2015
04/01/2016	05/02/2016	-\$41,781.00	06/30/2016	07/15/2016	\$49,223.76		
	Total	-\$188,001.00		Total	\$188,001.00		

West Virginia Department of Health & Human Resources
SWORN STATEMENT OF EXPENDITURES

Grant Number: G160162	Grantee Name: Mineral County Family Resource Network. Corp.		
Grantee FEIN: 55-0767633	wvOASIS Vendor #: 00000210157	Contact Name: Gerri Mason	
Contact Email Address: mineralfamilyresourcenetwork@gmail.com		Contact Phone: (304) 788-9099	
Grantee Mailing Address: 251 1/2 West Piedmont Street, Keyser WV 26726			
Total Amount of Grant Award: \$38,600.00		Grant Period: 07/01/15 thru 06/30/16	

Grant Revenues (received and anticipated)		
Revenue Categories	Comments	Amount
Amount Received		\$38,600.00
Amount Anticipated		
Total Grant Revenues		\$38,600.00

Grant Expenditures (allowable costs expended by the grantee)		
Expenditure Categories	Comments	Amount
Personnel		\$27,321.00
Fringe Benefits		\$2,895.00
Equipment		\$0.00
Supplies		\$1,028.00
Contractual Costs		\$3,224.00
Construction		\$0.00
Other		\$4,132.00
Indirect Cost		
Total Grant Expenditures		\$38,600.00

Ending Grant Balance (Revenues – Expenditures) \$0.00

Grant Funds Returned to the DHHR \$0.00

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate, and that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal (and/or State) award. I am aware that any false, fictitious or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Authorized Signature: 

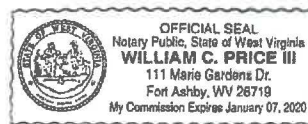
Date: 09/20/2016

Printed Name and Title: Gerri Mason, Executive Director

Taken, sworn and subscribed before me this 20 day of September, 2016.

Notary Public Signature: 

My Commission Expires: January 7, 2020



Revised May 2015

DHHR - Finance

SEP 26 2016

Date Received

Grant Listing by WVFIMS

WVFIMS Vendor #

359470 Mineral County Family Resource Network

DBA:

30 Armstrong St Apt A

Keyser

WV 26726

Contact Name: Gerri Mason

Contact Title: Director updated address from a p

Grantee FYE 06/30
2nd Address Exists? No
FSPB? No

Phone: (304) 788-9099

Non-Profit Organization
Fax: (304) 788-9099

Affiliated Grantee WVFIMS #

0

G160148

Commitment # 16*602

DHHR Spending Unit Bureau for Public Health

Office of Community Health and Health Promotion

Grant Period: 07/01/2015 to 06/30/2016

Org. Fed Amount	Org. State Amount	Original Total Grant Award	Change Order #	Change Order Fed Amt	Change Order State Amt
\$ 14,800.00	\$ 173,201.00	\$ 188,001.00	0	\$ 0	\$ 0

Revised Grant Period: to

Current Federal Amount	Current State Amount	Current Total Grant Award
\$ 14,800.00	\$ 173,201.00	\$ 188,001.00

G160162

Commitment # 16*918

DHHR Spending Unit Bureau for Children and Families

Office of Finance & Administration

Grant Period: 07/01/2015 to 06/30/2016

Org. Fed Amount	Org. State Amount	Original Total Grant Award	Change Order #	Change Order Fed Amt	Change Order State Amt
\$ 14,800.00	\$ 23,800.00	\$ 38,600.00	0	\$ 0	\$ 0

Revised Grant Period: to

Current Federal Amount	Current State Amount	Current Total Grant Award
\$ 14,800.00	\$ 23,800.00	\$ 38,600.00



Certified Public Accountants

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October 17, 2018

To the Board Members of
Mineral County Family Resource Network, Inc.
Keyser, WV 26726

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitation of the services we are to provide for Mineral County Family Resource Network, Inc.

We will apply the agreed-upon procedures listed in the attached schedule that were specified and agreed to by the West Virginia Department of Health and Human Resources (WV DHHR) as indicated in their Grantee Audit Compliance Guide on Grant Number G160148 (Tobacco Prevention) and Grant Number G160162 (Community Planning and Coordination Services) of Mineral County Family Resource Network, Inc. for the year ended June 30, 2016. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures performed or to be performed is solely the responsibility of the West Virginia Department of Health and Human Resources. As indicated in their Grantee Audit Compliance Guide, use of the attached procedures, taken directly from the Grantee Audit Compliance Guide, shall serve as affirmative knowledge by WV DHHR of the procedures to be performed for an agreed-upon procedures engagement. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination or review, we will not express an opinion or conclusion on the grants to be tested. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We plan to begin our procedures on approximately October 22, 2018 and, unless unforeseeable problems are encountered, the engagement should be completed by October 31, 2018.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to Mineral County Family Resource Network, Inc. and West Virginia Department of Health and Human Resources. If, for any reason, we are unable to complete any of the procedures, we will describe in our report any restrictions on the performance of the procedures, or not issue a report and withdraw from this engagement. If circumstances occur relating to the condition of your records, the availability of evidence, or the existence of a significant risk of material misstatement of the subject matter caused by error or fraud, which in our professional judgment prevents us from completing the engagement or reporting findings on the subject matter or assertion, we retain the right to take any course of action permitted by professional standards, including declining to report findings or issue a report, or withdrawing from the engagement. You understand that the report is intended solely

for the information and use of West Virginia Department of Health and Human Resources, and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the aforementioned grants that come to our attention. In addition, if, in connection with this engagement, matters come to our attention that contradict the aforementioned grant agreements, we will disclose those matters in our report.

You are responsible for the aforementioned grants and that they are in compliance with the respective grant agreements; and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes. You are also responsible for, and agree to provide us with, a written assertion about the aforementioned grants. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence related to performing these procedures.

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the aforementioned grants in accordance with the respective grant agreements.

We have previously prepared Form 990 and the quarterly payroll tax returns for Mineral County Family Resource Network for the period covered by this engagement letter. This engagement letter serves to reiterate that you assumed all management responsibilities for these services; oversaw the services by designating an individual, Gerri Mason, with suitable skill, knowledge, or experience; evaluated the accuracy and results of the services; and accepted responsibility for them.

Timothy P. Michaels, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your work.

By signing this letter, you agree that our liability arising from this engagement shall be limited to the lesser of any actual damages that may have been caused by our acts or omissions, or the amount of the fees which you have paid us in the past twelve months for our services.

In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of service to Mineral County Family Resource Network, Inc. and believe this letter accurately summarizes the significant terms of our engagement.

If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Huber, Michael + Company

HUBER, MICHAELS & COMPANY

RESPONSE:

This letter correctly sets for the understanding of Mineral County Family Resource Network, Inc.

Officer Signature: *[Signature]*
Title: *Executive Director* Date: *10/22/18*

DHHR - Finance

OCT 29 2018

Date Received