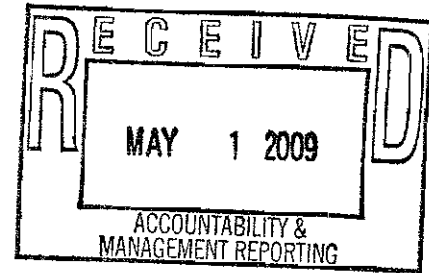


**ADKINS & YOUNG P.L.L.C.**

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 1038 • SUMMERSVILLE WV 26651 • 304-872-1434 • FAX 304-872-1530

April 29, 2009



State of WV Department of Health & Human Resources  
Division of Compliance and Monitoring  
Building 3, Room 550  
1900 Kanawha Boulevard, East  
Charleston, WV 25305

Dear Department of Health &amp; Human Resources:

In accordance with State Code 12-4-14, we have performed certain agreed-upon procedures to attest to the compliance of the disbursement of State of West Virginia Department of Health and Human Resources ("DHHR") Grant funds by Webster County Family Resource Network, Federal ID# 55-0739982, for the fiscal year ended June 30, 2006. A breakdown of the grant funds received and the disbursement of said funds is located on the attached Sworn Statement of Grant Receipts and Disbursements.

Our procedures were performed in accordance with and are governed by Statement on Standards for Attestation Engagements ("SSAE") No. 10, as amended by SSAE No. 11 and No. 12, issued by the American Institute of Certified Public Accountants' Auditing Standards Board. We believe that our examination provides a reasonable basis for our opinion. However, our examination does not provide a legal determination on Webster County Family Resource Network's ("FRN") disbursement compliance.

The following agreed-upon procedures were performed:

- Reviewed the individual grant documents and budgets to ascertain the purpose for which the grant funds were awarded and the terms and conditions associated with the individual grants;
- Verified that the grant funds received were correctly authorized, recorded and deposited in FRN's accounts, and;
- Reviewed all expenditures associated with the grant to verify whether:
  - Costs conform to the allowability of the cost provisions and limitations in the grant agreements and budgets;
  - Costs represent charges for actual costs and agree to the applicable vendor invoice;

- Costs have been given consistent treatment within and between accounting periods;
- Where applicable, the costs are net of all applicable credits and discounts, and;
- Costs have been supported by appropriate documentation, including but not limited to, purchase orders, vendor invoices, and canceled checks. In addition, we reviewed that the costs were properly approved and charged to the appropriate budgeted cost account and period.

We have attached the Sworn Statement of Grant Receipts and Expenditures for the fiscal year ended June 30, 2006.

### ***Findings***

For the fiscal year ended June 30, 2006, we have the following findings with regard to the FRN's grant disbursement compliance:

*Missing Invoices for Certain Expenses*—Through the procedures performed it was noted that a number of disbursements made under the FRN Planning and Coordination grant were not supported by the applicable vendor invoice. We noted missing invoices for the following vendors:

Vendor	Total Amount	Expense Class
USPS/Postmaster (8 invoices)	\$ 871.60	Office/Postage
Frontier	1,071.60	Office/Phone
G&R Grocery	666.70	Consumer Involvement
Martin Sanitation	20.00	Office/Sanitation
Mike Mace	30.00	Consumer Involvement
Janet Bennett	45.36	Consumer Involvement
Wal-Mart	49.51	Office/Supplies
Fedex	22.89	Office/Shipping
Valley Insurance	326.50	Insurance
	\$ 3104.16	

All of the above expenses appear reasonable given the nature of the organization, the grant purpose, and their recurring nature. However, we were unable to verify the expense through review of the vendor invoice. The only review that was able to be made was review of the applicable checkstub and bank statement.

*Health Insurance/Education Expense Fringe Benefit*—It was noted that, during the fiscal year ended June 30, 2006 that the FRN provided its Executive Director with a \$166.67 per month pre-tax fringe benefit for use for education and/or health insurance costs. This is provided directly to the Executive Director and stipulated as a "reimbursement." While this amount is referenced in the Director's contract and in the Employee Policy Manual, there are not supporting invoices for the cost reimbursement. In addition, IRS regulations do not permit the "pre-tax" reimbursement of health insurance costs.


***Corrective Action Plan for the Above Findings***

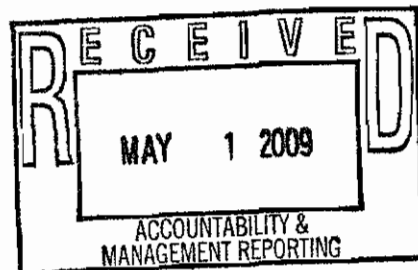
The Board of the FRN and its consultant recognizes that there were certain recordkeeping issues in the fiscal year ended June 30, 2006 and has decided, effective July 1, 2009, to engage the services of an independent accounting firm to perform key accounting and recordkeeping services for the FRN, including, but not limited to, grant compliance review, payroll services, accounting services, and invoice review and maintenance.

\*\*\*\*\*

Based upon the agreed-upon procedures performed above, it is our opinion that the West Virginia Department of Health and Human Resources grant funds received by the Webster County Family Resource Network for the fiscal year ended June 30, 2006 were spent for the purposes authorized and budgeted for by the grant agreement, were spent within the time period established by the grant and were in compliance with all laws, regulations, and terms and conditions of the individual grant agreements. Also, we regard to the above findings, we do not believe the findings have a material effect on the FRN's grant compliance and that the corrective action plan being put into place by the FRN should remedy any future issues.

We are of the opinion that the attached Sworn Statement of Grant Receipts and Expenditures for the fiscal year ended June 30, 2006 is an accurate reflection of the grant activity for the fiscal year.

  
Adkins & Young PLLC  
Certified Public Accountants



**Sworn Statement of Grant Receipts and Expenditures  
WV Department of Health & Human Resources Grants  
Fiscal Year Ended June 30, 2006**

Grantee Name:	Webster County Family Resource Network
Address:	PO Box 312, Webster Springs, WV 26288
Federal ID #:	55-0739982
Phone Number:	304-847-2943
Grant Period:	July 1, 2005 through June 30, 2006

**By Individual Grant:**

Grant Name:	Starting Points Sub-Recipient Pass-Through Grant
WVFIMS #:	C237443
Grant/Contract #:	G060334

## Grant Receipts:

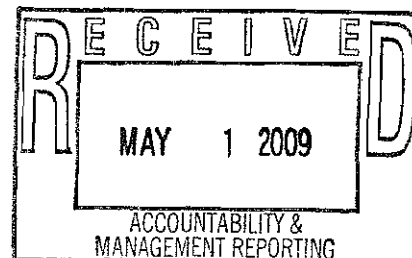
8-18-2005 (1 <sup>st</sup> Quarter)	11,250.00
11-10-2005 (2 <sup>nd</sup> Quarter)	11,250.00
2-22-2006 (3 <sup>rd</sup> Quarter)	11,250.00
5-24-2006 (4 <sup>th</sup> Quarter)	11,250.00
Total Grant Receipts	<u>45,000.00</u>

## Grant Expenditures:

Mountain Champion Community First Starting Points	45,000.00
Total Grant Expenditures	<u>45,000.00</u>

Grant Excess (Deficit) 0.00

*Note: All Starting Points Expenditures were reviewed including those in addition to the budgeted grant amounts. Actual costs are listed.*



Grant Name:	Webster FRN Planning and Coordination Grant
WVFIMS #:	C235928
Grant/Contract #:	G060377

## Grant Receipts:

8-23-2005 (1 <sup>st</sup> Quarter)	10,000.00
10-28-2005 (2 <sup>nd</sup> Quarter)	10,000.00
2-22-2006 (3 <sup>rd</sup> Quarter)	10,000.00
5-24-2006 (4 <sup>th</sup> Quarter)	10,000.00
Total Grant Receipts	<u>40,000.00</u>

## Grant Expenditures:

Personnel Wages & Fringe Benefits	27,566.02
Contractual Services	3,100.00
Travel	1,357.74
Consumer Involvement	2,531.99
Liability Insurance	4,636.36
Office	9,418.40
Total Grant Expenditures	<u>48,610.51</u>

Grant Excess (Deficit) (8,610.51)

*Note: All FRN Planning and Coordination Expenditures were reviewed including those in addition to the budgeted grant amounts. Actual costs are listed. Deficits were covered with income from other "non-State grant" programs*

**Total DHHR Grant Activity for Fiscal Year:**

## Grant Receipts:

Starting Points Pass-Through	45,000.00
FRN Planning and Coordination	40,000.00
Total Grant Receipts	<u>85,000.00</u>

## Grant Expenditures:

Mountain Champion Community First Starting Points	45,000.00
Personnel Wages & Fringe Benefits	27,566.02
Contractual Services	3,100.00
Travel	1,357.74
Consumer Involvement	2,531.99
Liability Insurance	4,636.36
Office	9,418.40
Total Grant Expenditures	<u>93,610.51</u>

Grant Excess (Deficit) (8,610.51)

*Note All Expenditures were reviewed including those in addition to the budgeted grant amounts. Actual costs are listed. Deficits were covered with income from other "non-State grant" programs.*

**Certification:**

This is to certify that I have reviewed the Statement of Grant Receipts and Expenditures submitted herewith and, to the best of my knowledge and belief, said statement represents all financial activities related to the receipt, use and expenditure of funds granted by the State of West Virginia, Department of Health and Human Resources to the Webster County Family Resource Network and that the expenditures reported were for the purposes intended and in compliance with the applicable laws, regulations, and terms and conditions of the grant documents. The State of Grant Receipts and Expenditures is presented on the cash basis of accounting and is supported by our financial records and related documentation.

Authorized Signature: Brandon Moll  
Print Name & Title: Brandon Moll

Taken, sworn and subscribed before me this 30 day of April, 2009.

Notary Public Signature: Paige Mac Turner  
Commission Expires: August 6 2017

