

AUG 28 2017

Date Received

BTC Certified Public Accountants, PLLC

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Member
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To: Morgan County Partnership, Kristin Willard, Executive Director

We have performed the procedures enumerated below, which were agreed to by Bradley, Thomas & Matthew Close, CPA, PLLC and the Morgan County Partnership, solely to assist the specified parties in evaluating Morgan County Partnership's compliance with West Virginia Code 12-4-14 and CSR 148-18 for the period, July 1, 2014 through June 30, 2015. Management is responsible for Morgan County Partnership's compliance with those requirements. 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 those specified parties in this report. 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.

Schedule of procedures performed:

- 1) Review the grant agreement and all related documents to ascertain the purpose for which the funds were awarded and the terms and conditions associated with the state grant.
- 2) Verify whether the funds received under the grant were correctly authorized, recorded, and deposited into the appropriate organizational accounts.
- 3) Review all costs and related transactions associated with the grant to verify whether:
 - a) Costs were approved by DHHR, if required
 - b) Costs conform to the allowability of cost provisions or limitations in the program agreement, program regulations, or program statute
 - c) Costs present charges for actual costs, not budgeted or projected amounts
 - d) Costs are given consistent treatment within and between accounting periods
 - e) Cost are net of all applicable credits (discount, refunds, rebates, etc....)
 - f) Cost are not included as both direct billing and as a component of indirect costs only with respect to final cost objectives
 - g) Cost are supported by appropriate documentation and correctly charged to account, amount and period
- 4) Inquire and report upon the status of any findings, contingencies or other deficiencies discovered during the current engagement that could negatively affect administration of the DHHR grant and related program/project.

Findings:

- "Personnel" expenses were found in proper order and in compliance with the grant agreement
- "Fringe benefits" were overstated in the invoicing for each month reviewed, by an amount that was estimated for worker's Compensation insurance coverage, or 2.34% of gross wages. Morgan County Partnership did not maintain coverage during the period covered by this engagement. "Fringe Benefits" were overstated by \$463.13, as a result.
- \$367.52 classified under "Travel", payable to Wendy Baracka, an employee of the organization, was requested in duplicate for the same expenses, in July, 2014 (correct) and again in August, 2014, (duplicate). "Travel" was overstated by \$367.52
- "Indirect Costs" were requested monthly, based on 11% of all other invoiced expenses and not on actual indirect expenses actually incurred and paid for (not donated) to the Morgan County Partnership. They enjoy very little overhead expenses during the grant period because most are donated by various organizations and/or covered by other grants. As a result, "Indirect Cost" were overstated by \$4,094.27.

The net result of our findings is that the Morgan County Partnership has overstated for the grant period July 1, 2014 – June 30, 2015 expenses by \$4,924.92, as detailed above. The issue of the "Indirect Costs" error was discovered as a result of our prior engagement with the organization, which covered the period July 1, 2013 through June 30, 2014, and reported to them accordingly, although it was subsequent to the closing of the tax period of this engagement.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. 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 Morgan County Partnership and WV DHHR and is not intended to be and should not be used by anyone other than these specified parties.

Bradley, Thomas & Matthew Close, Certified Public Accounts, PLLC

Berkeley Springs, WV 25411

August 28, 2017

DHHR - Finance

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Schedule of Procedures to be performed:

1. Review the grant agreement and all related documents to ascertain the purpose for which the funds were awarded and the terms and conditions associated with the state grant.
2. Verify whether the funds received under the grant were correctly authorized, recorded and deposited into the appropriate organizational accounts.
3. Review all costs and related transactions associated with the grant to verify whether:
 - a. Costs were approved by DHHR, if required
 - b. Costs conform to the allowability of costs provisions or limitations in the program regulations, or program statute.
 - c. Costs represent charges for actual costs, not budgeted or projected amounts.
 - 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.
 - e. Costs are net of all applicable credits (discounts, refunds, rebates, etc...)
 - f. Costs are not included as both a direct billing and as a component of indirect costs.
 - g. Costs are supported by appropriate documentation and correctly charged as to account, amount and period.
4. Inquire and report upon the status of any findings, contingencies or other deficiencies discovered during the current engagement that could negatively affect administration of the DHHR grant and related program/project.

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

Grant Number: G150306	Grantee Name: Morgan County Partnership		
Grantee FEIN: 26-4467473	wvOASIS Vendor #: 000000164977	Contact Name: Kristin Willard	
Contact Email Address: kristin@morganpartnership.org		Contact Phone: (304) 258-1566	
Grantee Mailing Address: 26 Chapman Street, Berkeley Springs, WV 25411			
Total Amount of Grant Award: \$50,000.00	Grant Period: July 1, 2014- June 30, 2015		

Grant Revenues (received and anticipated)		
Revenue Categories	Comments	Amount
Amount Received		\$50,000.00
Amount Anticipated		
Total Grant Revenues		\$50,000.00

Grant Expenditures (allowable costs expended by the grantee)		
Expenditure Categories	Comments	Amount
Personnel		\$37,895.00
Fringe Benefits		\$4,122.25
Equipment		
Supplies		\$43.96
Contractual Costs		\$1,200.00
Construction		
Other		\$2,644.52
Indirect Cost		\$4,094.27
Total Grant Expenditures		\$50,000.00

Ending Grant Balance (Revenues – Expenditures)

Grant Funds Returned to the DHHR

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: Kristin A. Willard

Date: 09/27/2016

Printed Name and Title: Kristin A. Willard Executive Director

Taken, sworn and subscribed before me this 27 day of Sept, 2014.

Notary Public Signature: Kandy Walls

My Commission Expires: July 7, 2018

Revised May 2015

