

**EASTERN REGIONAL FAMILY RESOURCE  
NETWORK**

**AGREED UPON PROCEDURES REPORT**

**JUNE 30, 2016**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON  
PROCEDURES**

Board of Directors  
Eastern Regional Family Resources Network  
Romney, WV 26757

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the State of West Virginia Legislative Auditor's Office, to assist the Eastern Regional Family Resources Network in complying with the State Code of West Virginia relating to accountability and reporting requirements of organizations receiving state grants for the year ended June 30, 2016. Eastern Regional Family Resources Network's management is responsible for compliance with the grant agreements. 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 parties specified 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.

Our procedures and findings are as noted in the attached schedule.

We were not engaged to and did not, conduct an audit, the objective of which would be the expression of an opinion on our procedures performed. Accordingly, we do not express such an opinion. We express no opinion on Eastern Regional Family Resources Network's internal control over financial reporting or any part thereof. The nature of our procedures was limited to transactions identified by management. 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 Eastern Regional Family Resources Network and the State of West Virginia Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*R. Thomas CPA & Associates*  
Moorefield, WV

November 3, 2016

EASTERN REGIONAL FAMILY RESOURCE NETWORK  
SCHEDULE 1  
PROCEDURES & FINDINGS

Agreed-upon Procedures to be Performed by the Independent Accountant.

1. Review the grant agreement and any 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 funds received under the grant were correctly authorized, recorded and deposited into the appropriate organizational accounts.

Finding: Grant funds received were authorized, recorded and deposited into the organizations accounts.

3. Review costs and related transactions associated with the grant to verify whether:
  - a. Costs were approved by the DHHR, if required.
  - b. Costs conform to the allowability of costs provisions or limitations in the program agreement, 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. Cost 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.)
  - f. Costs are not included as both a direct billing and as a component of indirect costs.
  - g. Costs are supported by appropriate documentation (e.g. approved purchase orders, receiving reports, vendor invoices, canceled checks, and time and attendance records), and correctly charged as to account, amount and period.

Finding: Grant funds expended were consistent with the application of the criteria stated above. No unexplained material deviations found.

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.

Finding: In a letter dated July 17, 2015, the WV DHHR notified Eastern Regional Family Resource Network that the agency had been placed on the DHHR listing of high risk grantee organizations. This placement was based upon the results of a Grantee Monitoring Evaluation Questionnaire for the fiscal year ended June 30, 2014.

Per our discussion with the Executive Director, we were informed that changes to accounting procedures and internal control policies were implemented to address the prior period deficiencies. We did not verify as part of this engagement.

**EASTERN REGIONAL FAMILY RESOURCE NETWORK**  
**SCHEDULE A**  
**STATEMENT OF GRANT EXPENDITURES**  
**WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES**  
**PLANNING & COORDINATION GRANT #G160164**  
**JULY 01, 2015 THROUGH JUNE 30, 2016**

Grant Award	\$ 62,600
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Grant Expenditures:

Personnel/Fringe	\$ 34,256	
Supplies/Small Equipment	5,419	
Contractual Costs	14,333	
Other -- Travel	4,109	
-- Insurance	2,095	
-- Miscellaneous	<u>2,388</u>	<u>62,600</u>

Unexpended Funds, 6/30/16	- 0 -
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