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Mr. Hubert Sparks  
Inspector General  
Appalachian Regional Commission  
Washington, DC

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

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We have performed the procedures described below, which were agreed-to by the Appalachian Regional Commission's Office of Inspector General, with respect to the Appalachian Regional Commission's (ARC) Grant No. NY-12405-96 to the Delaware-Chenango-Madison-Ostego Board of Cooperative Educational Services (BOCES) for the period August 5, 1996 through April 15, 1998, solely to assist you in determining the allowability of costs incurred, whether grant objectives were met, and the current status of the project. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Appalachian Regional Commission's Office of Inspector General. Consequently, we make no representations 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 following procedures were performed to determine the grantee's compliance with OMB Circulars, provisions of the grant agreement, and the ARC code:

- Held an entrance conference with the grantee.
- Reviewed the grant agreements and modifications.
- Compared total grant costs by budget category, as claimed to ARC, to the books of account maintained by the grantee.
- Reviewed the Independent Auditor's Report of BOCES for FY 1997.
- Tested the allowability and supporting documentation of 16 salary payments and allocations.
- Reviewed the OIG Survey Questionnaire completed by the grantee.
- Determined if specific grant objectives were achieved.
- Determined if matching/non-federal contribution requirements were met.
- Conducted interviews with administrative personnel and teachers.
- Performed an on-site visit to the program facilities.
- Held an exit conference with the grantee.

Appalachian Regional Commission  
Inspector General  
Page 2

The results of the procedures are discussed in the **RESULTS OF APPLYING AGREED-UPON PROCEDURES** section of this report.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on payments received and costs incurred under this grant. 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 use of the Appalachian Regional Commission and the management of the Delaware-Chenango-Madison-Ostego Board of Cooperative Educational Services (BOCES) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Upon, acceptance, however, this report is a matter of public record.

Fairfax, Virginia  
April 15, 1998

**REPORT ON APPLYING AGREED-UPON PROCEDURES TO  
THE DELAWARE-CHENANGO-MADISON-OSTEGO BOARD OF COOPERATIVE  
EDUCATIONAL SERVICES  
NORWICH, NEW YORK**

**GRANT No. NY-12405-96**

**GRANT PERIOD: AUGUST 5, 1996 THROUGH JUNE 30, 1998**  
(Interim Report Through April 15, 1998)

**PURPOSE**

The purpose of our application of agreed-upon procedures was to determine (1) the allowability of costs claimed, under the Appalachian Regional Commission (ARC) Grant No. NY-12405-96, (2) if the grant objectives are being met, (3) the grantee's compliance with OMB Circulars, provisions of the grant agreement, and the ARC code, and (4) the current status of the project.

**SCOPE**

The primary purpose of the grant was to provide funds to initiate a program offering alternative educational experiences for students identified as capable learners experiencing limited success in school, targeted at students between the ages of thirteen and sixteen that have a high potential for dropping out of school. The grantee shall pay (or cause to be paid) the non-federal share of \$115,000 or 50% of matching funds, in cash, contributed services, or in-kind contributions, for a total project cost of \$230,000. We tested a judgmental sample of 16 salaries and the related cost allocation tables used to calculate both paid and "in-kind" contribution shares.

The period of performance for this grant, as amended, was August 5, 1996 to June 30, 1998. Our review covered the period of August 5, 1996 through April 15, 1998. The Appalachian Regional Commission obligated \$115,000 in October 1996. The grantee has received, to date two payments totaling \$81,998.

We reviewed reports prepared by the grantee, evaluated budget summaries, and held discussions with the BOCES Business Manager, Planning and Development Coordinator, Assistant Superintendent for Instructional Services, Principal of the Career Academy, and individual Career Academy teachers during the period of April 13 - 15, 1998. As a basis for determining allowable costs and compliance requirements, we used the provisions of the grant agreement, Office of Management and Budget (OMB) Circular A-110 and A-21 and the Appalachian Regional Commission Code.

## **BACKGROUND**

The program initiated by BOCES using ARC funds is called the Career Academy. The Career Academy attempts to provide an integrated project-based approach to learning, focusing on linking academics to career awareness. Through an emphasis on learning to learn and problem solving in a team environment, the Career Academy offers alternative educational experiences to students identified as capable learners who were experiencing limited success in school.

Under this grant agreement, the Grantee was to perform the following specific tasks:

- ◆ Develop and select curriculum;
- ◆ Identify candidates from students currently enrolled in grades 5 through 7;
- ◆ Make presentations to potential students and parents;
- ◆ Recruit staff and make recommendations on staff selection;
- ◆ Provide staff training and development;
- ◆ Provide instruction to student participants, integrating school-based learning with work-based experiences, and
- ◆ Revise strategies, curriculum, etc. as necessary, based on data collection.

## **RESULTS OF APPLYING AGREED-UPON PROCEDURES**

### **PROGRAMMATIC ACTIVITIES**

With the help of the Appalachian Regional Commission's funding, as well as the matching support provided by the Delaware-Chenango-Madison-Ostego Board of Cooperative Educational Services, the Career Academy is completing the specific tasks outlined in the grant agreement. The Career Academy is located within the Delaware-Chenango-Madison-Ostego BOCES Vocational-Technical school, which offers many of its attendees different educational venues. The Career Academy students operate a school store and are constantly refining its operation with new and innovative ideas. The program also is utilizing all of the primary assets of traditional educational programs including counselors and social workers. The enrollment in the program in terms of Full Time Equivalents, on average, is over seventeen students, as of April 6, 1998.

### **FINANCIAL REPORTING**

We have reviewed the interim cost reports provided by the grantee under ARC Grant No. NY-12405-96 for the period August 5, 1996 through April 15, 1998. As of April 15, 1998 ARC has provided \$81,998 (see **EXHIBIT A-1**). The total grant funding is identified in **EXHIBIT A**. Grant No. NY-12405-96 established an ARC obligation of \$115,000.

**THE DELAWARE-CHENANGO-MADISON-OSTEGO BOARD OF COOPERATIVE  
EDUCATIONAL SERVICES  
NORWICH, NEW YORK**

**GRANT No. NY-12405-96**

**GRANT PERIOD: AUGUST 5, 1996 THROUGH JUNE 30, 1998**  
(INTERIM REPORT THROUGH APRIL 15, 1998)

**SCHEDULE OF CASH PAYMENTS & PROJECT COSTS**

(UNAUDITED)

<u>DATE</u>	<u>PAYMENT</u>	<u>AMOUNT</u>
May 5, 1997	Progress	\$ 49,526.23
November 5, 1997	Progress	<u>32,471.98</u>
<b>ARC Funds Paid</b>		81,998.21
<b>Local Matching Share Contributed</b>		<u>96,141.00</u>
<b>Total Grant Funding To Date</b>		<u>178,139.21</u>
<b>ARC Funds Remaining</b>		33,001.79
<b>Matching Funding Remaining</b>		<u>18,859.00</u>
<b>Total Grant Funding</b>		<u><u>\$ 230,000.00</u></u>

**THE DELAWARE-CHENANGO-MADISON-OSTEGO BOARD OF COOPERATIVE  
EDUCATIONAL SERVICES  
NORWICH, NEW YORK**

**GRANT No. NY-12405-96**

**GRANT PERIOD: AUGUST 5, 1996 THROUGH JUNE 31, 1998  
(INTERIM REPORT THROUGH APRIL 15, 1998)**

**SCHEDULE OF CLAIMED EXPENSES**

<u>Description</u>	<u>ARC</u>	<u>Match</u>	<u>Total</u>
Assistant Superintendent for Instructional services	\$	\$ 8,000.00	\$ 8,000.00
Director	12,740.84		12,740.84
Teachers	41,947.44	30,802.00	72,749.44
Licensed Aide	13,437.01		13,437.01
Teacher Aides	4,258.71		4,258.71
Clerical	9,614.21	4,087.00	13,701.21
Substitutes		675.00	675.00
Counselors		2,957.00	2,957.00
Principals		24,000.00	24,000.00
Staff Development		1,215.00	1,215.00
Supplies and Equipment		22,118.00	22,118.00
Business Manager		955.00	955.00
Social Worker		412.00	412.00
Travel		450.00	450.00
Conferences		470.00	470.00
<b>Total</b>	<u>\$ 81,998.21</u>	<u>\$ 96,141.00</u>	<u>\$ 178,139.21</u>