



Office of Inspector General

Appalachian Regional Commission

**Audit of Grant Award to
Blount County Education Foundation, Inc.
Grant Number AL-21673**

Report Prepared by Regis & Associates, PC

Report Number 25-35

August 6, 2025

Appalachian Regional Commission
Office of Inspector General
1666 Connecticut Avenue, Suite 718
Washington, D.C. 20009



Office of Inspector General

Appalachian Regional Commission

August 6, 2025

TO: Brandon McBride, Executive Director

FROM: Clayton Fox, Inspector General

SUBJECT: Audit Report 25-35 – Blount County Education Foundation, Inc.

This memorandum transmits the Regis & Associates, PC, report for the audit of costs charged to grant number AL-21673 per its agreement with the Appalachian Regional Commission. The objective of the audit was to determine if costs claimed were allowable, allocable, reasonable, and in conformity with the Commission's award terms and conditions and Federal financial assistance requirements. In addition, the audit determined whether the performance measures were reasonable, supported, and fairly represented to the Commission.

Regis & Associates, PC, is responsible for the attached audit report and the conclusions expressed in this report. The auditors issued no recommendations in the report. We do not express any opinion on the conclusions presented in the audit report. To fulfill our responsibilities, we:

- Reviewed the approach to and planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Coordinated periodic meetings, as necessary;
- Reviewed the draft and final audit reports; and
- Coordinated the issuance of the audit report.

We thank your staff for the assistance extended to the auditors during this audit. Please contact me at 202-884-7675 if you have any questions regarding the report.

*Report on Performance Audit
of
Appalachian Regional Commission
Grant Number AL-21673-I
for the Period from April 1, 2024, to March 31, 2025*

*Awarded to
Blount County Education Foundation, Inc.*

*Prepared for the Appalachian Regional Commission -
Office of the Inspector General*

Auditee: *Blount County Education Foundation, Inc.*
As of Date: July 31, 2025


MANAGEMENT CONSULTANTS &
CERTIFIED PUBLIC ACCOUNTANTS
1420 K Street, NW
Suite 910
Washington, DC 20005

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EXECUTIVE SUMMARY

Office of Inspector General
Appalachian Regional Commission
1666 Connecticut Avenue, NW; Suite 700
Washington, DC 20009

We conducted a performance audit (the audit) of grant agreement number AL-21673-I, awarded by the Appalachian Regional Commission (ARC), to Blount County Education Foundation, Inc. (the Grantee); with a grant performance period of April 1, 2024, to July 31, 2025. We conducted this performance audit at the request of the ARC Office of Inspector General, to assist it in its oversight of ARC grant funds. This performance audit engagement covers the period from April 1, 2024, to March 31, 2025.

The objectives of the performance audit were to determine whether: (1) program funds were managed in accordance with ARC and Federal grant requirements; (2) grant funds were expended, as provided for in the approved grant budget; (3) internal guidelines, including program (internal) controls, were adequate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with accounting principles generally accepted in the United States of America (or other applicable accounting and reporting requirements); (5) matching requirements were met; (6) the reported performance measures were fair and reasonable; and 7) if the requirements for the performance of a Single Audit were met, the Grantee conducted such an audit and appropriately addressed any noted findings and recommendations related to the management of Federal awards.

We conducted this performance audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions, based on our audit objectives.

We conducted the planning and fieldwork phases of the audit during the period from April 14, 2025, through July 2, 2025. We determined that Blount County Education Foundation, Inc.'s financial management, administrative procedures, and related internal controls, were adequate to manage ARC's grant funds. There were no findings and recommendations resulting from this performance audit engagement.

We discussed the results of this performance audit with Blount County Education Foundation, Inc.'s officials at the conclusion of our fieldwork. Blount County Education Foundation, Inc.'s response has been included as Attachment 1 to this report.

Regis & Associates, PC appreciates the cooperation and assistance received from Blount County Education Foundation, Inc., and ARC's staff during this performance audit.

Regis & Associates, PC

Regis & Associates, PC
Washington, DC
July 31, 2025

Background

The Appalachian Regional Commission (ARC) is a regional economic development agency, representing a unique partnership of Federal, state, and local governments. ARC-funded programs are used to support education and job training, healthcare, water and sewer systems, housing, highway construction, and other essentials of comprehensive economic development. ARC's staff is responsible for program development; policy analysis and review; grant development; technical assistance to states; and management and oversight. ARC grants are made to a wide range of entities, including; local development districts, state ARC Offices, state and local governments, educational establishments, nonprofit organizations, and for a variety of economic development projects.

On March 22, 2024, the Appalachian Regional Commission awarded Grant Number AL-21673-I, in the amount of \$233,176, to Blount County Education Foundation, Inc. As a condition of this award, the Grantee was required to contribute a matching amount of \$276,309 from Non-Federal (local)¹ sources. The grant's period of performance was from April 1, 2024, through July 31, 2025. This performance audit engagement covers the period from April 1, 2024, to March 31, 2025.

The grant was awarded to Blount County Education Foundation, Inc., to "provide new state-of-the-art equipment and enhanced digital technology training for students in Blount County, Alabama."

Objective, Scope, and Methodology

Objective

The general objectives of the performance audit were to determine whether Blount County Education Foundation, Inc., expended grant funds in accordance with applicable requirements; and to report any resulting findings and questioned cost relating to internal controls; program performance; and compliance with provisions of the grant agreement, laws, and regulations.

Scope and Methodology

The Appalachian Regional Commission, Office of Inspector General, under Order Number ARC21P050, dated February 25, 2022; engaged Regis & Associates, PC to conduct a performance audit of grant number AL-21673-I.

¹ Non-Federal sources for matching, herein refers to local matching funds provided by the Blount County Board of Education (BCBOE), in the amount of \$273,509; and by the Grantee, in the amount of \$2,800.

The budgeted amounts for the grant are presented below:

Exhibit A: Schedule of Grant Budget			
Object Class Category	ARC	Matching	Total
	Federal (ARC)	Non-Federal (Local)	
Personnel	\$ -	\$ 2,800	\$ 2,800
Contractual	\$ 233,176	\$ 273,509	\$ 506,685
Total	\$ 233,176	\$ 276,309	\$ 509,485

We conducted this performance audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions, based on our audit objectives.

The audit was conducted, using the applicable requirements contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the ARC Code; and the Grant Agreement.

Our audit procedures included:

- Obtaining an understanding of the Grantee's internal controls; assessing control risk; and determining the extent of testing needed, based on the control risk assessment.
- Reviewing written fiscal policies and administrative procedures for applicable grant activities.
- Assessing, on a test basis, evidence supporting the amounts; and the Grantee's data and records.
- Assessing the accounting principles and significant estimates made by the Grantee.
- Evaluating the overall evidence and presentation of the records.
- Assessing whether the grant's reported performance measures were fair and reasonable.
- Conducting other test procedures deemed necessary, based on our professional judgment.

Results

Based on the results of our testing and analysis on this performance audit, we determined that:

- 1) The grant funds were managed in accordance with ARC and Federal grant requirements.
- 2) As of March 31, 2025, the Grantee had expended \$511,780, which was \$2,295 more than the grant's budgeted amount of \$509,485.

Below, we have presented a Schedule of Claimed and Audit Recommended Cost as of March 31, 2025, which reflects the results of our audit.

**Exhibit – B: Schedule of Claimed and Audit Recommended Costs
As of March 31, 2025**

Object Class Category	Claimed Costs		Questioned Costs		Audit Recommended		Total
	ARC	Matching	ARC	Matching	ARC	Matching	
	Federal (ARC)	Non-Federal (Local)	Federal (ARC)	Non-Federal (Local)	Federal (ARC)	Non-Federal (Local)	
Contractual	\$ 218,996	\$ 292,784	\$ -	\$ -	\$ 218,996	\$ 292,784	\$ 511,780
Total	\$ 218,996	\$ 292,784	\$ -	\$ -	\$ 218,996	\$ 292,784	\$ 511,780

- 3) Internal guidelines, including program (internal) controls, were adequate and operating effectively. The Grantee had written policies and procedures for applicable grant activities, which we considered adequate for administering the grant.
- 4) Accounting and reporting requirements were implemented, in accordance with accounting principles generally accepted in the United States of America (or other applicable accounting and reporting requirements), including ARC requirements.
- 5) We determined that, as of March 31, 2025, the Grantee and its project partners contributed a matching amount of \$292,784, which was \$16,475 more than the required matching contribution amount of \$276,309. These matching funds were properly supported and allowable under both Federal and ARC requirements.
- 6) We determined that the Grantee implemented effective policies and procedures to accurately capture, record, and report grant performance measures (i.e. students improved, and students served.) Based on our review of the Grantee's procedures, the performance results reported to ARC were fair and reasonable.
- 7) We verified that the Grantee did not meet the requirements for the performance of a Single Audit; and thus, was not subject to the Single Audit requirements under the Uniform Guidance.

Attachment 1: Grantee's Response



Blount County Education Foundation, Inc.

P. O. Box 603
415 Fifth Avenue East
Oneonta, AL 35121
205-775-1950
mneel@blountboe.net
www.blountboe.net

Boosting Children's Success in Blount County Schools since 1998!

July 31, 2025

Peter Regis, CPA
Regis & Associates, PC
1420 K Street, NW Suite 910
Washington, DC 20005

Subject: Performance Audit of Grant Agreement Number AL 21673-I

We are providing this letter in connection with the subject audit performed by Regis & Associates, PC on behalf of the Appalachian Regional Commission (ARC).

I have reviewed and concur with the audit result. On behalf of the "Preparing Blount County Students for the Digital Age Workforce" Project, it was a pleasure working with you and your team and we look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink that reads 'Mitchie Neel'.

Mitchie Neel
Executive Director