



Office of Inspector General

Appalachian Regional Commission

Audit of Grant Award to Catalyst Connection Grant Number PW-20065

Report Prepared by Regis & Associates, PC

Report Number 26-03

October 21, 2025

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



Office of Inspector General

Appalachian Regional Commission

October 21, 2025

TO: Brandon McBride, Executive Director

FROM: Clayton Fox, Inspector General

SUBJECT: Audit Report 26-03 – Catalyst Connection

This memorandum transmits the Regis & Associates, PC, report for the audit of costs charged to grant number PW-20065 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 PW-20065-IM-I and Subsequent Grant
Modification Number PW-20065-IM-I-RI
for the Period from October 1, 2020, to December 22, 2023*

*Awarded to
Catalyst Connection*

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

Auditee: *Catalyst Connection*
As of Date: September 26, 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 PW-20065-IM-I; including subsequent grant modification, number PW-20065-IM-I-RI, awarded by the Appalachian Regional Commission (ARC) to Catalyst Connection (the Grantee); with a grant performance period of October 1, 2020, to December 22, 2023. 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 October 1, 2020, to December 22, 2023.

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 December 17, 2024, through July 30, 2025. We determined that Catalyst Connection'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 Catalyst Connection's officials at the conclusion of our fieldwork. Catalyst Connection's response has been included as Attachment 1 to this report.

Regis & Associates, PC appreciates the cooperation and assistance received from Catalyst Connection and ARC's staff during this performance audit.

Regis & Associates, PC

Regis & Associates, PC
Washington, DC
September 26, 2025

1420 K Street, NW Suite 910, Washington, DC 20005; Tel 202-296-7101; Fax: 202-296-7284; www.regiscpa.com

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 September 16, 2020, the Appalachian Regional Commission awarded Grant Number PW-20065-IM-I, in the amount of \$994,883, to Catalyst Connection. As a condition of this award, the Grantee was required to contribute a matching amount of \$1,077,724 from other sources (Non-federal). The initial period of performance of the grant was from January 4, 2021, through December 22, 2023. On October 22, 2020, ARC approved an amendment to retroactively modify the grant's period of performance from January 4, 2021, to October 1, 2020. Additionally, on May 9, 2023, ARC approved a grant amendment, number PW-20065-IM-I-RI, to increase the grant amount by \$3,357, thereby bringing the total amount awarded to \$998,240. This performance audit engagement covers the period from October 1, 2020, to December 22, 2023.

The grant was awarded to Catalyst Connection, "to undertake and coordinate new workforce development activities across a twelve-county region in southwestern Pennsylvania with established partner networks."

Objective, Scope, and Methodology

Objective

The general objectives of the performance audit were to determine whether Catalyst Connection 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 PW-20065-IM-I; and subsequent grant modification, number PW-20065-IM-I-RI.

The budgeted amounts for the grant are presented below:

Exhibit – A: Schedule of Grant Budget			
Object Class Category	Federal	Non-Federal	Total
Personnel	\$ 441,600	\$ 587,505	\$ 1,029,105
Fringe Benefits	105,984	141,002	246,986
Travel	14,976	3,538	18,514
Supplies	17,904	9,471	27,375
Contractual	230,255	216,525	446,780
Other	132,974	46,830	179,804
Total Direct Charges	\$ 943,693	\$ 1,004,871	\$ 1,948,564
Indirect Charges	54,547	72,853	127,400
Total	\$ 998,240	\$ 1,077,724	\$ 2,075,964

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’s and federal grant requirements.
- 2) As of December 22, 2023, the Grantee had expended the entire grant budget of \$2,075,964.

Below, we have presented a Schedule of Claimed and Audit Recommended Cost as of December 22, 2023, which reflects the results of our audit.

**Exhibit – B: Schedule of Claimed and Audit Recommended Costs
As of December 22, 2023**

Object Class Category	Claimed Costs		Questioned Costs		Audit Recommended		Total
	Federal	Non-Federal	Federal	Non-Federal	Federal	Non-Federal	
Personnel	\$ 441,600	\$ 587,505	\$ -	\$ -	\$ 441,600	\$ 587,505	\$ 1,029,105
Fringe Benefits	105,984	141,002	-	-	105,984	141,002	246,986
Travel	14,976	3,538	-	-	14,976	3,538	18,514
Supplies	17,904	9,471	-	-	17,904	9,471	27,375
Contractual	230,255	216,525	-	-	230,255	216,525	446,780
Other	132,974	46,830	-	-	132,974	46,830	179,804
Total Direct Charges	\$ 943,693	\$ 1,004,871	\$ -	\$ -	\$ 943,693	\$ 1,004,871	\$ 1,948,564
Indirect Charges	54,547	72,853	-	-	54,547	72,853	127,400
Total	\$ 998,240	\$ 1,077,724	\$ -	\$ -	\$ 998,240	\$ 1,077,724	\$ 2,075,964

- 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 December 22, 2023, the Grantee and its project partners had contributed the required matching contribution of \$1,077,724. These matching funds were properly supported and were 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., jobs created, leveraged private investments, communities improved and communities served, students served, programs implemented, workers/trainees improved, and workers/trainees 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 had Single Audits performed for the periods ending August 31, 2021; August 31, 2022; August 31, 2023; and August 31, 2024. The audit reports did not contain any findings or recommendations related to the Grantee's management of federal assistance awards.

Attachment 1: Grantee's Response



MEMORANDUM

Date: September 26, 2025

TO: Fidel Wambura, CPA, Senior Manager, Regis & Associates, PC
Robin Campbell, Manager, Regis & Associates, PC

FROM: Petra Mitchell, Whit Little, Catalyst Connection.

RE: Performance Audit of Grant Agreement Number Grant Number PW-20065-IM-I and Subsequent Grant Modification Number PW-20065-IM-I-RI

Catalyst Connection has reviewed the grant audit draft report for Grant Agreement Number Grant Number PW-20065-IM-I and Subsequent Grant Modification Number PW-20065-IM-I-RI prepared and presented to us by Regis & Associates, PC. We concur with the report that was submitted and the audit result.

Thank you for the opportunity to review and respond to the report.

Sincerely,
Whit Little

Whit Little (Sep 26, 2025 14:38:28 EDT)

Whit Little

CFO & VP of Administration