



## Office of Inspector General

Appalachian Regional Commission

### **Audit of Grant Award to Middle Tyger Community Center Grant Number SC-21265**

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Report Prepared by Regis & Associates, PC

Report Number 26-09

December 11, 2025

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



# Office of Inspector General

Appalachian Regional Commission

December 11, 2025

TO: Brandon McBride, Executive Director

FROM: Clayton Fox, Inspector General

SUBJECT: Audit Report 26-09 – Middle Tyger Community Center

This memorandum transmits the Regis & Associates, PC, report for the audit of costs charged to grant number SC-21265 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 SC-21265-I  
for the Period from November 1, 2023, to June 30, 2025*

*Awarded to  
Middle Tyger Community Center*

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

Auditee: *Middle Tyger Community Center*  
As of Date: December 4, 2025

  
MANAGEMENT CONSULTANTS &  
CERTIFIED PUBLIC ACCOUNTANTS  
1420 K Street, NW  
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## **TABLE OF CONTENTS**

Executive Summary	1
Background	2
Objective, Scope, and Methodology	2
Results	3
Attachment 1 - Grantee's Response	5



## EXECUTIVE SUMMARY

Office of Inspector General  
Appalachian Regional Commission  
1666 Connecticut Avenue, NW; Suite 700  
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We conducted a performance audit (the audit) of grant agreement number SC-21265-I, awarded by the Appalachian Regional Commission (ARC) to Middle Tyger Community Center (the Grantee); with a grant performance period of November 1, 2023, to June 30, 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 November 1, 2023, to June 30, 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 planning and fieldwork phases of the audit during the period from January 10, 2025, through September 30, 2025. We determined that Middle Tyger Community Center'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 Middle Tyger Community Center's officials at the conclusion of our fieldwork. Middle Tyger Community Center's response has been included as Attachment 1 to this report.

Regis & Associates, PC appreciates the cooperation and assistance received from Middle Tyger Community Center's and ARC's staff during this performance audit.

*Regis & Associates, PC*

Regis & Associates, PC  
Washington, DC  
December 4, 2025

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## 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 November 1, 2023, the Appalachian Regional Commission awarded Grant Number SC-21265-I, in the amount of \$225,000, to Middle Tyger Community Center. As a condition of this award, the Grantee was required to contribute a matching amount of \$316,132 from Non-Federal (local)<sup>1</sup> sources. The grant's period of performance was from November 1, 2023, through June 30, 2025. This performance audit engagement covers the period from November 1, 2023, to June 30, 2025.

The purpose of the grant was to support the operational costs associated with Middle Tyger Community Center's new Child Development Center. These grant funds supported the salaries and benefits of the Operational Director and ten new childcare teachers.

## Objective, Scope, and Methodology

### *Objective*

The general objectives of the performance audit were to determine whether Middle Tyger Community Center 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 March 17, 2021; engaged Regis & Associates, PC to conduct a performance audit of Grant Number SC-21265-I, titled "MTCC Child Development Center", which was awarded to the Grantee.

The budgeted amounts for the grant are presented below:

<b>Exhibit - A: Schedule of Grant Budget</b>			
<b>Object Class Category</b>	<b>Federal</b>	<b>Non-Federal</b>	<b>Total</b>
Personnel	\$ 225,000	\$ 316,132	\$ 541,132
<b>Total</b>	<b>\$ 225,000</b>	<b>\$ 316,132</b>	<b>\$ 541,132</b>

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<sup>1</sup> Non-Federal sources for matching, herein refers to state and local matching funds provided by the South Carolina Department of Social Services (state), in the amount of \$50,000; and by other two non-governmental organizations, in the total amount of \$266,132.

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 June 30, 2025, the Grantee had expended \$562,857, which was \$21,725 more than the grant's budgeted amount of \$541,132.

Below, we have presented a Schedule of Claimed and Audit Recommended Cost as of June 30, 2025, which reflects the results of our audit.

Exhibit – B: Schedule of Claimed and Audit Recommended Costs

Object Class Category	Claimed Costs		Questioned Costs		Audit Recommended		
	Federal	Non-Federal	Federal	Non-Federal	Federal	Non-Federal	Total
Personnel	225,000	\$ 337,857	\$ -	-	\$ 225,000	\$ 337,857	\$ 562,857
<b>Total</b>	<b>\$ 225,000</b>	<b>\$ 337,857</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 225,000</b>	<b>\$ 337,857</b>	<b>\$ 562,857</b>

- 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 June 30, 2025; the Grantee had contributed a matching amount of \$337,857, which was \$21,725 more than the required matching contribution amount of \$316,132. 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 the grant performance measures (i.e., participants served, and

participants improved; students served, and students improved.) 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**



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December 4, 2025

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Subject: Performance Audit of Grant Agreement Number SC-21265-1

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 Middle Tyger Community Center, it was a pleasure working with you and your team and we look forward to working with you in the future.

Sincerely,