



Office of Inspector General

Appalachian Regional Commission

Audit of Grant Award to

RD Anderson ATC

Grant Number SC-21771

Report Prepared by Allmond & Company, LLC

Report Number 26-11

January 5, 2026

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



Office of Inspector General

Appalachian Regional Commission

January 5, 2026

TO: Brandon McBride, Executive Director

FROM: Clayton Fox, Inspector General

SUBJECT: Audit Report 26-11 – RD Anderson ATC

This memorandum transmits the Allmond & Company, LLC report for the audit of costs charged to grant number SC-21771 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.

Allmond & Company, LLC is responsible for the attached audit report and the conclusions expressed therein. 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 No. SC-21771
For The Period of August 1, 2024 to May 28, 2027**

**Awarded to
RD Anderson Applied Technology Center**

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

December 17, 2025

**Allmond & Company, LLC
Certified Public Accountants
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Appalachian Regional Commission
Office of Inspector General
1666 Connecticut Avenue, NW; Suite 700
Washington, DC 20009

EXECUTIVE SUMMARY

The Appalachian Regional Commission (ARC) Office of Inspector General (OIG) has contracted with Allmond & Company, LLC (Allmond & Company) to perform a performance audit of grant number SC-21771 awarded to RD Anderson Applied Technology Center (RDAATC). The scope of our audit is ARC Grant No. SC-21771 funds used during the period of August 1, 2024 through September 30, 2025.

The objectives of the grant performance audit will be to determine if RDAATC (1) Grant funds were managed in accordance with the 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; (7) The single audit contained any findings or recommendations related to the management of federal assistant awards.

We conducted the performance audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, collectively referred to as generally accepted government auditing standards (GAGAS). 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 in accordance with our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Based on the audit procedures performed, we concluded that RDAATC managed and expended grant funds in accordance with ARC and federal requirements, maintained adequate internal controls, met matching requirements, properly accounted for and controlled property, and reported performance measures fairly and accurately during the audit period.

Allmond & Company, LLC

Lanham, MD
December 17, 2025

BACKGROUND

The Appalachian Regional Commission (ARC) was established by the Appalachian Regional Development Act (ARDA) of 1965 to oversee economic development in the Region. It is the purpose of this subtitle to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint federal and state efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The ARC is an economic development partnership entity of the federal government with thirteen (13) state governments focusing on four hundred and twenty-three (423) counties across the Appalachian Region. Its mission is to innovate, partner, and invest to build community capacity and strengthen economic growth in Appalachia. The thirteen states are Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.

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.

The Grantee – RD Anderson Applied Technology Center

R.D. Anderson Applied Technology Center (ATC) began serving students from Byrnes, Dorman, and Woodruff High Schools in 1969 under the direction of Mr. K.O. Couch. R.D. Anderson ATC is one of 49 career centers in the state which provide high school students with skills necessary to prepare them for a successful career in an ever-changing workplace. It is one of thirteen "Multi-District" Centers in South Carolina. The teachers and administrators are responsible for the academic progress and skill progression of students who attend the center. Data is collected yearly from career centers to make certain they are meeting state and federal requirements.

ARC awarded R.D. Anderson ATC grant number SC-21771 in the amount of \$80,000 for the period of August 1, 2024 to May 28, 2027 which required an additional \$80,000 in matching funding. The grant funds were to be used to purchase an equipment simulator—a comprehensive training system featuring convertible OEM controls, three to four monitor screens, motion capability, and various optional accessories. This simulator is used for training across multiple machine applications and was developed to replicate real-world worksite techniques.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the grant performance audit were to determine if RDAATC:

1. Grant funds were managed in accordance with the 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.
7. The single audit contained any findings or recommendations related to the management of federal assistant awards

The scope of our audit is ARC Grant No. SC-21771 funds used during the period of August 1, 2024 through September 30, 2025. RDAATC expended the following grant funds during the scope of our audit:

Description	Amount
Federal Grant Amount	\$80,000.00
Required Matching Funds	\$80,000.00
Total	\$160,000.00

We noted that as of September 30, 2025, ARC had issued 90% of the grant funds (\$72,000) to RDAATC. RDAATC plans to request the remaining grant award balance of \$8,000 at the end of the grant period of performance, May 28, 2027.

The following chart summarizes RDAATC's grant expenditures by budget category:

Budget Category	ARC Expenditures	Matching Expenditures	Total Expenditures
Equipment	\$80,000.00	\$80,000.00	\$160,000.00
Total	\$80,000.00	\$80,000.00	\$160,000.00

We conducted our audit in accordance with GAGAS applicable to performance audits. Those standards required that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions in accordance with our audit objectives. To accomplish our objectives, we:

- Obtained an understanding of any regulatory criteria related to the RDAATC's responsibilities to administer grant funding awarded under ARC.
- Identified internal controls significant to our audit objectives for sample testing. Specifically, test internal controls in place in the areas of financial management, procurement, property, time and attendance, expense approval, and grant execution and reporting.
- Selected a representative sample of grant expenditures. These grant expenditures were tested for accuracy and program compliance by reviewing grant file documents, grant agreements,

timesheets, financial management system documentation, invoices, financial status reports, and request for advance/reimbursement for grant payment forms.

- Reconciled and reviewed the financial reports for the ARC grants to RDAATC's accounting records as of September 30, 2025.
- Verified that RDAATC's matching expenses for the grant complied with the award requirements.
- Reviewed support for direct costs, including expenditures such as equipment, travel, and supplies, to determine whether the goods or services were allowable.
- Assessing whether RDAATC reported performance measures were fair and reasonable.
- Reviewed RDAATC Grant Agreements, Request for Advance or Reimbursement Forms (SF-270), financial records, policies on cost allocation and allowability, budgets, financial statements and Single Audit reports, performance reports, and grant and program applications to determine if RDAATC is administering their grants in accordance with ARC and OMB requirements.

GRANTEE'S RESPONSE TO AUDIT RESULTS

We conducted an exit conference on December 17, 2025 with representatives of RDAATC, ARC OIG, and ARC representatives where we discussed the results of our audit. RDAATC concurred with our results.

AUDIT RESULTS

Based on the procedures performed, we found that RDAATC managed and expended grant funds in accordance with ARC and federal requirements, maintained adequate internal controls, met matching requirements, properly accounted for and controlled property, reported performance measures fairly and accurately, and did not require a single audit during the audit period. For each of these objectives, we did not identify any deficiencies in internal control, instances of noncompliance, or other matters that are required to be reported under GAGAS.

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

Schedule of Claimed and Audit Recommended Costs							
Budget Category	Claimed Cost		Questioned Cost		Audit Recommended Costs		
	ARC	Matching	ARC	Matching	ARC	Matching	Total Expenditures
Equipment	\$80,000.00	\$80,000.00	--	--	\$80,000.00	\$80,000.00	\$160,000.00
Total	\$80,000.00	\$80,000.00	--	--	\$80,000.00	\$80,000.00	\$160,000.00