



## Office of Inspector General

Appalachian Regional Commission

### **Audit of Grant Award to City of Dora Grant Number AL-21867**

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Report Prepared by Allmond & Company, LLC

Report Number 26-32

May 29, 2026

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



# Office of Inspector General

Appalachian Regional Commission

May 29, 2026

TO: Brandon McBride, Executive Director

FROM: Clayton Fox, Inspector General

SUBJECT: Audit Report 26-32 – City of Dora

This memorandum transmits the Allmond & Company, LLC report for the audit of costs charged to grant number AL-21867 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. AL-21867-I  
For The Period of August 1, 2024 to December 31, 2025**

**Awarded To  
City of Dora**

**Prepared For The Appalachian Regional Commission  
Office of Inspector General**

**May 20, 2026**

**ALLMOND & COMPANY, LLC  
Certified Public Accountants  
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(301) 918-8200**

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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 AL-21867-I awarded to City of Dora. The scope of our audit is ARC Grant No. AL-21867-I funds used during the period August 1, 2024 through December 31, 2025.

The objectives of the grant performance audit will be to determine if City of Dora (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 City of Dora 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 during the audit period, and single audit did not contain any findings or recommendation.

*Allmond & Company, LLC*

Lanham, MD  
May 20, 2026

## **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 – City of Dora**

The City of Dora is located in Walker County, Alabama, situated between Birmingham and Jasper along U.S. Highway 78. It is approximately 25 miles from downtown Birmingham and has a population of around 2,297 as of the 2020 census. It is an historic city nestled between Highway 78 and Interstate 22 just across the Jefferson County line in the eastern edge of Walker County, and a 30 – 35-minute commute to downtown Birmingham and excellently positioned to drive to other surrounding larger cities as well. The great location makes the City of Dora attractive to industry, retail, and families looking to move out from the larger urban areas.

ARC awarded City of Dora a grant number AL-21867-I in the amount of \$500,000 for the period of August 1, 2024 to July 31, 2027 which required an additional \$902,500 in matching funds. The grant funds were to be used to extend a sewer line 4.5 miles from the City of Dora to the interstate to serve a commercial district, near the interchange of I-22 and SR 81 that is at the incipient stages of development. The project will extend 18,500 linear feet of 6-inch force main from a pump station near the interchange to connect with an existing wastewater collection main. The sewer line will also service development, which in addition to fueling stations will include a convenience store and fast-food restaurant. The business, which will also offer full truck services, supplies, shower facilities and an RV dump station, will be open 24 hours a day year-round.

The sewer improvements were completed in October 2025 and the new travel center was opened in early April 2026. They are working towards their job's creation commitment number. The final construction costs were over budget due to the railroad company construction oversight expenses for the railroad bore crossing. The final actual amount of sewer line installed was less than originally estimated.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

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

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. AL-21867-I with funds to be issued during the period of August 1, 2024 through December 31, 2025.

Description	Amount
Federal Grant Amount	\$500,000.00
Required Matching Funds	\$902,500.00
<b>Total</b>	<b>\$1,402,500.00</b>

The following chart summarizes City of Dora’s approved budgeted amounts by budget category:

Budget Category	ARC Expenditures	Matching Expenditures	Total Cost
Construction	\$500,000.00	\$832,500.00	\$1,332,500.00
Contingencies	--	\$70,000.00	\$70,000.00
<b>Total</b>	<b>\$500,000.00</b>	<b>\$902,500.00</b>	<b>\$1,402,500.00</b>

We conducted our audit in accordance with GAGAS applicable to performance audits. 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. To accomplish our objectives, we:

- Obtained an understanding of any regulatory criteria related to the City of Dora’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, 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, financial management system documentation, invoices, financial status reports, and requests for advance/reimbursement for grant payment forms.
- Reconciled and reviewed the financial reports for the ARC grants to City of Dora’s accounting records as of December 31, 2025.
- Verified that City of Dora’s matching expenses for the grant complied with the award requirements.
- Reviewed support for direct costs, including expenditures for the construction to determine whether the goods or services were allowable.
- Assessed whether City of Dora’s reported performance measures were submitted timely and if so, were they fair and reasonable.
- Reviewed City of Dora’s 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 City of Dora is administering its grants in accordance with ARC and OMB requirements.

**GRANTEE’S RESPONSE TO AUDIT RESULTS**

We conducted an exit conference on May 27, 2026 with representatives of City of Dora, ARC OIG, and ARC representatives where we discussed the results of our audit. City of Dora concurred with our results.

**AUDIT RESULTS**

Based on the procedures performed, we found that the City of Dora 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 single audit did not contain any findings or recommendation. 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 December 31, 2025, which reflects the results of our audit.

<b>Schedule of Claimed and Audit Recommended Costs</b>							
<b>Budget Category</b>	<b>Claimed Cost</b>		<b>Questioned Cost</b>		<b>Audit Recommended Costs</b>		
	<b>ARC</b>	<b>Matching</b>	<b>ARC</b>	<b>Matching</b>	<b>ARC</b>	<b>Matching</b>	<b>Total Expenditures</b>
Construction	\$500,000.00	\$856,451.50	--	--	\$500,000.00	\$856,451.50	\$1,356,451.50
Contingencies	--	\$70,000.00	--	--	-	\$70,000.00	\$70,000.00
<b>Total</b>	<b>\$500,000.00</b>	<b>\$926,451.50</b>	<b>--</b>	<b>--</b>	<b>\$500,000.00</b>	<b>\$926,451.50</b>	<b>\$1,426,451.50</b>