



January 3, 2005

OIG REPORT 05-10

**MEMORANDUM FOR:     FEDERAL CO-CHAIR  
                                      ARC EXECUTIVE DIRECTOR**

**SUBJECT:**                     Memorandum Survey Report  
                                      Review of Coosa Valley  
                                      Regional Development Center Project  
                                      GA-0701A – C34

**PURPOSE**

The purposes of our review were to determine; (1) the allowability of the costs claimed under the ARC grant, (2) if the grant objectives were met and (3) the current status of the project.

**SCOPE**

Our review included procedures to review costs incurred and claimed for reimbursement under the grant, as well as costs claimed as matching funds. The period of performance for the grant was January 1, 2003 through December 31, 2003.

We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Rome, Georgia, on April 27 and 28, 2004. As a basis for determining allowable costs and compliance requirements, we used the provisions of the grant agreement, Office of Management and Budget (OMB) Circulars A-87 and A-102, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

**BACKGROUND**

ARC Grant GA-10701A-C34 was awarded to the Coosa Valley Regional Development Center to continue funding for the Grantee's economic development program. The staff has been able to provide technical assistance to the region's 10 counties and 35 cities, as well as chambers of commerce, development authorities, other authorities and agencies of local government and new and expanding businesses. This technical assistance has been very broad and varied depending on individual needs and opportunities.

The Coosa Valley LDD Board of Directors identified six issues, which were considered most important to the future of the region. These issues are 1) Economic Development, 2) Public Facilities and Infrastructure, 3) Human Services, 4) Housing, 5) Historic Resources, and 6) Land Use and Natural Resources.

The total project cost was estimated at \$274,760, with contributing funds as follows:

ARC	\$137,380	50%
Local	<u>137,380</u>	<u>50%</u>
	\$274,760	100%

## **RESULTS**

### **Financial Review**

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for the grant costs charged to the project. Claimed costs were supported by the grantee's accounting records and no deficiencies were noted as to the allowability of the expenses or the adequacy of the documentation for the expenditures we reviewed. The grantee has met their requirements for matching funds.

The grantee's last reimbursement request, dated January 30, 2004, claimed total costs of \$298,628, which included ARC grant costs of \$137,380 (46%) and matching costs of \$161,248 (54%). The final report for this continuing period has been received.

### **Program Review**

Our program review disclosed that the grantee had completed their proposed projects in all six areas during this period. The grantee has met the goals of the grant.



Clifford H. Jennings  
Inspector General