



Finance-Internal Audit & Licensing

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DATE: June 29, 2011

TO: Chris Morris, Director of Community Development

FROM: Acting Deputy Director of Finance, Internal Audit and Licensing

SUBJECT: American Recovery and Reinvestment Act of 2009 (ARRA)
Audit of Expenditures

General Information

The American Recovery and Reinvestment Act of 2009 (ARRA) was enacted in February, 2009. Goals of ARRA were to create new jobs, save existing jobs, spur economic activity, and invest in long-term growth. ARRA's methods of achieving these goals included increasing federal funds for education, healthcare, and entitlement programs by \$224 billion and providing \$275 billion for federal contracts, grants, and loans.

The Recovery Act includes \$1 billion in Community Development Block Grant Recovery (CDBG-R) funds to support a broad range of housing and community development projects that can be implemented as soon as possible. Community Development was awarded \$1,543,400 (Award # 601033) in CDBG-R funds which will serve as a supplemental appropriation of 2008 CDBG funding. As of May 5, 2011, \$600,392 has been expended from this award.

Purpose and Scope

The purpose of the audit is to obtain, review, and ensure compliance with existing contracts and grant agreements in the Community Development Department for ARRA funds.

Our audit covered the period August 6, 2009 through May 5, 2011. We interviewed personnel responsible for recording, tracking, and reporting ARRA funds and reviewed and evaluated contracts/agreements, policies, procedures, bank statements, invoices and other supporting documentation related to ARRA fund expenditures.

Conclusion

We have concluded that, as of May 5, 2011, ARRA funds totaling \$600,392 (see chart) have been appropriately spent by Community Development in compliance with the terms of the existing CDBG-R Substantial Amendment, contracts, and grant agreement.

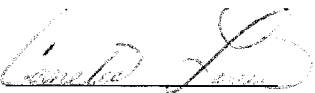
CDBG-R Award # 601033

Agency/Project Award Budgeted Amount	Award Amount	Total Expenditures as of May 05, 2011
Friends of Disabled Adults & Children Too, Inc. (FODAC)	\$238,000	\$238,000
DeKalb County Fire & Rescue – Fire Station # 10 Renovation	\$841,060	\$68,500
City of Doraville – Installation of Central Avenue Sidewalks	\$230,000	\$225,679
City of Stone Mountain – Drainage Pipe Replacement	\$80,000	\$67,348
General Administration ⁽¹⁾ (Administration Cap Fund)	\$154,340	\$865
Total Amount Awarded (#601033)	\$1,543,400	
Total Award Expended as of May 5, 2011		\$600,392
Total Award Balance as of May 5, 2011	\$943,008	

(1) Although 10% of the award amount was originally allocated for General Administration, a pro-rata allocation suggested by HUD revised this amount to 5.38%. Due to personnel circumstances, it is unlikely that the entire 5.38% will be spent for General Administration.

Internal Audit expresses appreciation for the assistance provided by your staff during our review. Please let us know if you have any questions or concerns.

Sincerely,



Cornelia Louis

Cc: Richard Stogner, Chief Operating Officer/Executive Assistant
 Joel Gottlieb, Chief Financial Officer/Finance Director
 Jonathan Weintraub, Deputy Chief Operating Officer of Development
 Deborah Sherman, Budget and Grants/CIP Manager
 Robyn Trotter, GAO Senior Analyst-Strategic Issues