Single Audit of Federal Award Programs

Montgomery, Alabama

October 1, 2023 through September 30, 2024

Filed: August 29, 2025

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

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Rachel Laurie Riddle
Chief Examiner

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the ***Code of Alabama 1975***, Section 41-5A-19, I hereby swear to and submit this report on the Single Audit of Federal Award Programs Performed in Accordance with the Single Audit Act Amendments of 1996 (Public Law 104-156) and the audit requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements for Federal Awards*** (*Uniform Guidance*) for the State of Alabama for the period October 1, 2023 through September 30, 2024.

Respectfully submitted,

James E. Hall, CPA
Examiner of Public Accounts
State Audit Division Director

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Department of
Examiners of Public Accounts

SUMMARY

Single Audit of Federal Award Programs
State of Alabama
October 1, 2023 through September 30, 2024

This report presents the results of an audit of federal award programs administered by the State of Alabama contained in the Single Audit of the State of Alabama. This audit was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the ***Code of Alabama 1975***, Section 41-5A-12.

AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS

The audit of the State of Alabama General Purpose Financial Statements for the fiscal year ended September 30, 2024, which is a required component of a Single Audit, was issued by the Department of Examiners of Public Accounts as Report Number 25-313 on April 18, 2025. The audited Basic Financial Statements were included in the State of Alabama ***Annual Comprehensive Financial Report*** prepared and published by the Department of Finance. Included with the ***Annual Comprehensive Financial Report*** are the Independent Auditor's Report and a Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with ***Government Auditing Standards***, both of which are required by ***Government Auditing Standards*** for financial audits.

STATE-WIDE SINGLE AUDIT

The Single Audit was performed in accordance with the requirements of the Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** *(Uniform Guidance)*. The objective of the Single Audit was to determine whether the State of Alabama has complied with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs. The audit was performed in accordance with generally accepted auditing standards and ***Government Auditing Standards***, issued by the Comptroller General of the United States.

We issued an unmodified opinion on the State of Alabama's major federal programs. This means the State of Alabama complied, in all material respects, with the types of compliance requirements described in the ***OMB Compliance Supplement*** that could have a direct and material effect on each of its major federal programs identified in the ***Schedule of Findings and Questioned Costs*** (Exhibit 4).

COMMENTS

The State of Alabama expended $15,019,922,166 in federal awards during the 2023-2024 fiscal year. Federal awards received and expended by state agencies are shown on the Schedule of Expenditures of Federal Awards (Exhibit 1). The federal programs are listed by federal grantor agency. The state agencies administering the programs are shown in a separate column.

AUDIT FINDINGS

A material weakness in internal control was found during the audit of the ***Annual Comprehensive Financial Report***. This finding was reported in the ***Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*** (Exhibit 2) in the ***Annual Comprehensive Financial Report***. The ***Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*** (Exhibit 2) is also included in this report, and the finding is reiterated in the ***Schedule of Findings and Questioned Costs*** (Exhibit 4) in this report. A brief summary of the finding is shown below:

- 2024-001: A comprehensive disaster recovery plan which includes all functional units of the Department of Finance including SBS/STAARS (State Business Systems/State of Alabama Accounting and Resource System) has not been completed. This is a repeat of findings 2023-001, 2022-001, 2021-002, 2020-002, 2019-002, 2018-002, 2017-002 and 2014-002 which indicates 2014 as the year the finding originally occurred.

As indicated in the ***Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance*** (Exhibit 3) significant deficiencies, material weaknesses, and instances of noncompliance with the requirements of federal grant awards were found during the audit of federal award programs (Single Audit). These findings are reported in detail on the ***Schedule of Findings and Questioned Costs*** (Exhibit 4), and they are summarized below.

- 2024-002: The Alabama Medicaid Agency reimbursed a Medicaid eligible recipient for non-emergency transportation costs based on non-existent documentation.

- 2024-003: The Department of Public Health did not have policies and procedures in place to ensure that costs were adequately documented and were necessary and reasonable for the performance of a federal award. This is a repeat of finding 2023-005 which indicates 2023 as the year the finding originally occurred.

The State's Responses to these findings are contained in the Auditee Responses/Corrective Action Plans.

EXIT CONFERENCE

At the completion of the audit, exit conferences were held with directors, chief financial officers and other staff of agencies that administered major programs.

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF AGRICULTURE					
Plant and Animal Disease, Pest Control, and Animal Care	10.025	$ 2,221,261		$ -	Agriculture and Industries
Wildlife Services	10.028	780		-	Conservation and Natural Resources
Conservation Reserve Program	10.069	78,946		-	Forestry Commission
Market Protection and Promotion	10.163	34,000		-	Agriculture and Industries
Specialty Crop Block Grant Program	10.169	590,488		-	Agriculture and Industries
Food Bank Network	10.182	4,354,625		-	Agriculture and Industries
Local Food for Schools Cooperative Agreement Program	10.185	1,884,816		-	Agriculture and Industries
Resilient Food System Infrastructure Program	10.190	99,745		-	Agriculture and Industries
State Mediation Grants	10.435	231,391		-	Agriculture and Industries
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	3,912,040		-	Agriculture and Industries
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525	283,451		-	Agriculture and Industries
Pandemic EBT Food Benefits	10.542	7,232,660		-	Human Resources
Supplemental Nutrition Assistance Program (SNAP) Cluster					
Supplemental Nutrition Assistance Program	10.551	1,754,558,924		-	Human Resources
COVID-19 Supplemental Nutrition Assistance Program	10.551	1,799,157		-	Human Resources
Total Supplemental Nutrition Assistance Program		1,756,358,081		-	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	75,026,593		-	Human Resources
Total SNAP Cluster		1,831,384,674		-	
Child Nutrition Cluster					
School Breakfast Program (SBP)	10.553	119,629,888		119,624,002	Education
National School Lunch Program (NSLP)	10.555	384,108,006	3A	384,052,345	Education
Special Milk Program for Children (SMP)	10.556	12,778		12,778	Education
Summer Food Service Program for Children (SFSPC)	10.559	8,499,133	3A	8,425,482	Education
Fresh Fruit and Vegetable Program	10.582	3,883,560		3,869,864	Education
Total Child Nutrition Cluster		516,133,365		515,984,471	
WIC SSNP for Women, Infants, and Children	10.557	137,685,926		5,504,398	Public Health
COVID-19 WIC SSNP for Women, Infants, and Children	10.557	198,387		-	Public Health
Total WIC SSNP for Women, Infants, and Children		137,884,313	3B	5,504,398	
Child and Adult Care Food Program	10.558	56,279,219		54,700,493	Education
State Administrative Expenses for Child Nutrition	10.560	5,443,516		-	Education
Food Distribution Cluster					
Commodity Supplemental Food Program	10.565	4,624,610	3A	4,523,605	Education
Emergency Food Assistance Program - Administrative Costs	10.568	3,450,148		3,439,743	Education
Emergency Food Assistance Program - Food Commodities	10.569	32,184,097	3A	32,184,097	Education
Total Food Distribution Cluster		40,258,855		40,147,445	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
WIC Farmers' Market Nutrition Program (FMNP)	10.572	2,115,191		-	Agriculture and Industries
Team Nutrition Grants	10.574	702,042		372,256	Education
Farm to School Grant Program	10.575	99,996		-	Agriculture and Industries
WIC Grants to States	10.578	290,941		-	Public Health
Child Nutrition Discretionary Grants Limited Availability	10.579	1,133,778		1,133,778	Education
Farm to School Grant	10.645	20,143		-	Education
Forestry Research	10.652	617,655		-	Forestry Commission
Cooperative Forestry Assistance	10.664	8,166,481		-	Forestry Commission
Schools and Roads - Grants to States	10.665	1,664,027		1,664,027	Finance
Forestry Legacy Program	10.676	96,161		-	Forestry Commission
Forest Health Protection	10.680	443,249		-	Forestry Commission
Good Neighbor Authority	10.691	2,396		-	Conservation and Natural Resources/ Forestry Commission
Community Fire Protection	10.697	117,279		-	Forestry Commission
Temporary Bridge	10.721	55,327		-	Forestry Commission
IRA Urban	10.727	30,450		-	Forestry Commission
Underserved Landowner Outreach	10.731	2,415		-	Forestry Commission
IRA Legacy	10.734	2,142		-	Forestry Commission
Soil and Water Conservation	10.902	382,181		-	Geological Survey
Watershed Protection and Flood Prevention	10.904	1,537,013		-	Soil and Water Conservation Committee
Environmental Quality Incentives Program	10.912	150,335		-	Soil and Water Conservation Committee/ Conservation and Natural Resources/ Forestry Commission
Feral Swine Eradication and Control Pilot Program	10.934	659,646		-	Soil and Water Conservation Committee
Total Department of Agriculture		2,626,596,993		619,506,868	
DEPARTMENT OF COMMERCE					
State and Digital Equity Planning Grants	11.032	619,899		-	Economic and Community Affairs
Broadband Equity, Access, and Deployment Program	11.035	4,094,742		-	Economic and Community Affairs
COVID-19 Economic Adjustment Assistance	11.307	373,793		-	Economic and Community Affairs
Interjurisdictional Fisheries Act of 1986	11.407	323,022		23,750	Conservation and Natural Resources
Coastal Zone Management Administration Awards	11.419	1,664,553		295,561	Conservation and Natural Resources
Coastal Zone Management Estuarine Research Reserves	11.420	1,060,671		-	Conservation and Natural Resources
Cooperative Fishery Statistics	11.434	889,258		123,191	Conservation and Natural Resources
Southeast Area Monitoring and Assessment Program	11.435	125,074		66,426	Conservation and Natural Resources
Regional Fishery Management Councils	11.441	55,694		-	Conservation and Natural Resources
Habitat Conservation	11.463	128,448		-	Conservation and Natural Resources
Office for Coastal Management	11.473	113,740		-	Conservation and Natural Resources
Other Federal Assistance					
Joint Enforcement Contract (NOAA)	11.Unknown	284,801		-	Conservation and Natural Resources
Total Department of Commerce		9,733,695		508,928	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF DEFENSE					
Conservation and Rehabilitation of Natural Resources on Military Installations	12.005	13,075		-	Geological Survey
Navigation Projects	12.107	586,918		-	Conservation and Natural Resources
National Guard Military Operations and Maintenance (O&M) Projects	12.401	62,137,487		-	Military Department
Total Department of Defense		62,737,480		-	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Manufactured Home Dispute Resolution	14.171	363,569		-	Manufactured Housing Commission
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	148,165,789		144,846,424	Economic and Community Affairs
COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	5,855,225		5,706,387	Economic and Community Affairs
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		154,021,014		150,552,811	
Emergency Solutions Grant Program	14.231	2,608,057		2,501,826	Economic and Community Affairs
COVID-19 Emergency Solutions Grant Program	14.231	95,674		82,652	Economic and Community Affairs
Total Emergency Solutions Grant Program		2,703,731		2,584,478	
Housing Opportunities for Persons with AIDS	14.241	3,292,949		3,222,869	Economic and Community Affairs
COVID-19 Housing Opportunities for Persons with AIDS	14.241	5,472		5,000	
Total Housing Opportunities for Persons with AIDS		3,298,421		3,227,869	
Continuum of Care Program	14.267	106,457		106,457	Mental Health
Healthy Homes Production Program	14.913	207,480		164,520	Public Health
Total Department of Housing and Urban Development		160,700,672		156,636,135	
DEPARTMENT OF INTERIOR					
Zoonotic Disease Initiative	15.069	287,036		287,036	Conservation and Natural Resources
Earth Mapping Resources Initiative	15.073	48,080		-	Geological Survey
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	1,527,360		-	Surface Mining Commission
Abandoned Mine Land Reclamation (AMLR)	15.252	16,731,031		-	Department of Labor
Fish and Wildlife Cluster					
Sport Fish Restoration	15.605	6,001,520		526,522	Conservation and Natural Resources/ Environmental Management
Wildlife Restoration and Basic Hunter Education	15.611	15,778,834		338,196	Conservation and Natural Resources
Total Fish and Wildlife Cluster		21,780,354		864,718	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Marine Minerals Activities	15.424	2,692		-	Geological Survey
Mineral Leasing Act	15.437	890,345		-	Finance
Fish and Wildlife Management Assistance	15.608	461,642		-	Conservation and Natural Resources
Cooperative Endangered Species Conservation Fund	15.615	535,847		249,780	Conservation and Natural Resources
Clean Vessel Act	15.616	69,022		-	Environmental Management
Partners for Fish and Wildlife	15.631	13,668		13,445	Conservation and Natural Resources
State Wildlife Grants	15.634	868,507		360,375	Conservation and Natural Resources
Endangered Species Conservation - Recovery Implementation Funds	15.657	34,251		-	Conservation and Natural Resources
Candidate Species Conservation	15.660	39,167		-	Conservation and Natural Resources, Geological Survey
White-nose Syndrome National Response Implementation	15.684	9,785		-	Conservation and Natural Resources
U.S. Geological Survey Research and Data Collection	15.808	291,035		191,876	Geological Survey
National Cooperative Geologic Mapping	15.810	138,896		-	Geological Survey
National Geological and Geophysical Data Preservation	15.814	103,566		-	Geological Survey
Historic Preservation Fund Grants-In-Aid	15.904	223,956		(4,569)	Historical Commission
Outdoor Recreation Acquisition, Development and Planning	15.916	1,271,773		1,041,385	Economic and Community Affairs
Emergency Supplemental Historic Preservation Fund	15.957	140,923		-	Historical Commission
National Ground-Water Monitoring Network	15.980	18,767		-	Geological Survey
Water Use and Data Research	15.981	7,311		-	Economic and Community Affairs
Total Department of Interior		45,495,014		3,004,046	
DEPARTMENT OF JUSTICE					
Sexual Assault Services Formula Program	16.017	615,131		584,486	Economic and Community Affairs
Organized Crime Drug Enforcement Task Force (OCDETF)	16.111	87,508		-	Alabama Law Enforcement Agency
Human Trafficking Program Number 2020-VT-BX-K009	16.320	191,424		-	Attorney General
Juvenile Justice and Delinquency Prevention	16.540	563,408		363,596	Economic and Community Affairs/Prosecution Ser
Missing Children's Assistance	16.543	498,972		32,109	Alabama Law Enforcement Agency
State Justice Statistics Program for Statistical Analysis Centers	16.550	234,492		234,492	Alabama Law Enforcement Agency
National Criminal History Improvement Program (NCHIP)	16.554	2,666,452		-	Alabama Law Enforcement Agency
Crime Victim Assistance	16.575	24,791,269		21,085,319	Economic and Community Affairs
Crime Victims Compensation	16.576	600,000		-	Crime Victims Compensation
Violence Against Women Formula Grants	16.588	2,480,087		2,025,056	Economic and Community Affairs
Residential Substance Abuse Treatment for State Prisoners	16.593	166,383		-	Economic and Community Affairs
Bulletproof Vest Partnership Program	16.607	35,604		-	Economic and Community Affairs
Project Safe Neighborhoods	16.609	296,761		264,096	Economic and Community Affairs
Edward Byrne Memorial Justice Assistance Grant Program	16.738	4,971,323		3,729,034	Economic and Community Affairs
DNA Backlog Reduction Program	16.741	1,498,326		-	Forensic Sciences
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	291,500		-	Economic and Community Affairs
Support for Adam Walsh Act Implementation Grant Program	16.750	293,474		-	Prosecution Services
Harold Rogers Prescription Drug Monitoring Program	16.754	625,429		444,875	Mental Health/Public Health
Second Chance Act Reentry Initiative	16.812	48,488		-	Pardons and Paroles

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
John R. Justice Prosecutors and Defenders Incentive Act	16.816	89,050		-	Prosecution Services
Swift, Certain, and Fair (SCF) Supervision Program: Including Project HOPE	16.828	331,020		-	Pardons and Paroles
Children of Incarcerated Parents	16.831	215,462		-	Corrections
Comprehensive Opioid Abuse Site-Based Program	16.838	1,222,185		551,662	Mental Health
STOP School Violence	16.839	250,846		-	Education
Equitable Sharing Program	16.922	839,657		-	Alabama Law Enforcement Agency, Attorney General, Alabama Office of Courts
Other Federal Assistance					
Drug Enforcement Agency Cooperative Agreements	16.Unknown	103,181		-	Alabama Law Enforcement Agency
Federal Bureau of Investigation	16.Unknown	20,974		-	Alabama Law Enforcement Agency
United States Marshals	16.Unknown	69,191		-	Alabama Law Enforcement Agency
Total Department of Justice		44,097,597		29,314,725	
DEPARTMENT OF LABOR					
Labor Force Statistics	17.002	1,182,976		-	Department of Labor
Compensation and Working Conditions	17.005	132,639		-	Department of Labor
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	8,980,035		-	Department of Labor
Disabled Veterans' Outreach Program (DVOP)	17.801	2,690,656		-	Department of Labor
Total Employment Service Cluster		11,670,691		-	
Unemployment Insurance	17.225	143,420,903	3C	-	Department of Labor
Senior Community Service Employment Program	17.235	1,187,748		1,117,014	Senior Services
Trade Adjustment Assistance	17.245	768,659		-	Department of Labor
WIOA Cluster					
WIOA Adult Program	17.258	10,287,158		6,689,292	Commerce
WIOA Youth Activities	17.259	12,462,506		9,127,670	Commerce
WIOA Dislocated Worker Formula Grants	17.278	8,979,338		3,837,791	Commerce
Total WIOA Cluster		31,729,002		19,654,753	
Reentry Employment Opportunities	17.270	56,265		-	Department of Labor
Foreign Labor	17.273	207,368		-	Department of Labor
Youthbuildup Birmingham	17.274	3		-	Commerce
WIOA National Dislocated Worker Grants/Workforce Investment Act (WIA) National Emergency Grants	17.277	965,251		649,578	Commerce
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	276,312		259,670	Department of Labor
Apprenticeship USA Grants	17.285	139,787		-	Commerce
Total Department of Labor		191,737,604		21,681,015	

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF TRANSPORTATION					
Highway Research and Development Program	20.200	4,357,047		-	Transportation
Highway Planning and Construction	20.205	1,041,365,816		4,726,962	Transportation
COVID-19 Highway Planning and Construction	20.205	8,589,078		-	Transportation
Total Highway Planning and Construction		1,049,954,894		4,726,962	
Highway Training and Education	20.215	202,550		-	Transportation
Motor Carrier Safety Assistance	20.218	10,564,512		-	Alabama Law Enforcement Agency
Recreational Trails Program	20.219	1,887,419		1,707,020	Economic and Community Affairs
Federal Lands Access Program	20.224	808,711		-	Transportation
Commercial Driver's License Program Implementation Grant	20.232	887,013		-	Alabama Law Enforcement Agency
Highway Use Tax Evasion	20.240	36,569		-	Transportation
Railroad Safety	20.301	8,300		-	Public Service Commission
Federal Transit Cluster					
Federal Transit Formula Grants	20.507	3,759,964		3,759,964	Transportation
Grant for Buses and Buse Facilities Program	20.526	3,754,986		3,754,986	Transportation
Total Federal Transit Cluster		7,514,950		7,514,950	
Federal Transit-Metro Planning Grant	20.505	1,070,986		810,295	Transportation
Formula Grants for Rural Areas	20.509	32,088,064		20,582,680	Transportation
COVID-19 Formula Grants for Rural Areas	20.509	3,244,578		3,244,578	Transportation
Total Formula Grants for Rural Areas		35,332,642		23,827,258	
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	7,099,360		7,099,360	Transportation
Total Transit Services Programs Cluster		7,099,360		7,099,360	
Highway Safety Cluster					
State and Community Highway Safety	20.600	6,626,262		4,311,967	Economic and Community Affairs
National Priority Safety Programs	20.616	3,139,607		2,047,273	Economic and Community Affairs
Total Highway Safety Cluster		9,765,869		6,359,240	
Public Transportation Innovation	20.530	239,642		239,642	Transportation
National Highway Traffic Safety Administration (NHTSA) Discretionary Grants and Cooperative Agreements	20.614	166,027		-	Alabama Law Enforcement Agency
Pipeline Safety Program State Base Grant	20.700	874,100		-	Public Service Commission
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	476,646		415,047	Emergency Management
Pipeline Safety Program One Call	20.721	8,000		-	Public Service Commission
PHMSA Pipeline Safety Underground Natural Gas Storage Grant	20.725	14,088		-	Oil and Gas Board of Alabama
National Infrastructure Investments	20.933	21,431,289		-	Transportation
Total Department of Transportation		1,152,700,614		52,699,774	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF THE TREASURY					
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	12,919,976		10,780,958	Conservation and Natural Resources/ Port Authority
COVID-19 Coronavirus Relief Fund under CARES Act	21.019	(32,000)		-	Finance
Coronavirus State Fiscal Recovery Fund	21.027	202,379,451		118,125,551	Finance
Total Department of the Treasury		215,267,427		128,906,509	
APPALACHIAN REGIONAL COMMISSION					
Appalachian Area Development	23.002	7,893,982		7,511,682	Economic and Community Affairs
Appalachian Development Highway System	23.003	373,109		-	Transportation
Total Appalachian Regional Commission		8,267,091		7,511,682	
GENERAL SERVICES ADMINISTRATION					
Donation of Federal Surplus Personal Property	39.003	3,575,617	3D	2,371,974	Economic and Community Affairs
Total General Services Administration		3,575,617		2,371,974	
NATIONAL ENDOWMENT FOR THE ARTS					
Promotion of the Arts Partnership Agreements	45.025	969,625		969,625	Council on the Arts
Total National Endowment for the Arts		969,625		969,625	
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
Grants to States	45.310	2,862,943		1,015,954	Public Library Service
Total Institute of Museum and Library Services		2,862,943		1,015,954	
SMALL BUSINESS ADMINISTRATION					
State Trade Expansion	59.061	112,464		-	Commerce
Total Small Business Administration		112,464		-	
TENNESSEE VALLEY AUTHORITY					
Other Federal Assistance-TVA	62.Unknown	501,632		-	Emergency Management Agency
Total Tennessee Valley Authority		501,632		-	
DEPARTMENT OF VETERANS AFFAIRS					
Grants to States for Construction of State Home Facilities	64.005	7,801,435		-	Veterans' Affairs
Veterans Prescription Service	64.012	753,584		-	Veterans' Affairs
Veterans State Domiciliary Care	64.014	1,516,564		-	Veterans' Affairs
Veterans State Nursing Home Care	64.015	47,772,853		-	Veterans' Affairs
RN Grant	64.053	224,912		-	Veterans' Affairs
Burial Expenses Allowance for Veterans	64.101	295,056		-	Veterans' Affairs
Veterans Cemetery Grants Program	64.203	876,394		-	Veterans' Affairs
Total Department of Veterans Affairs		59,240,798		-	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
ENVIRONMENTAL PROTECTION AGENCY					
State Indoor Radon Grants	66.032	133,912		-	Public Health
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	560,047		-	Environmental Management
State Clean Diesel Grant Program	66.040	219,495		-	Environmental Management
Climate Pollution Reduction Grant	66.046	191,153		-	Environmental Management
Multipurpose Grants to States and Tribes	66.204	21,645		-	Public Health
State Environmental Justice Cooperative Agreement Program	66.312	23,352		-	Environmental Management
Water Pollution Control State, Interstate, and Tribal Support Program	66.419	17,934		-	Environmental Management
Lead Testing in School and Child Care Program Drinking Water	66.444	83,901		10,713	Environmental Management
Water Quality Management Planning	66.454	357,463		-	Environmental Management
Gulf of Mexico Program	66.475	2,286,549		-	Forestry Commission/Environmental Management
Class VI Program	66.486	3,032		-	Oil and Gas Board of Alabama
Performance Partnership Grants	66.605	11,049,607		505,876	Environmental Management/Public Health
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	21,590		19,066	Public Health
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	462,019		-	Environmental Management
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	867,180		-	Environmental Management
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	704,416		-	Environmental Management
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809	27,544		-	Environmental Management
State and Tribal Response Program Grants	66.817	339,888		-	Environmental Management
Solid Waste Infrastructure for Recycling Infrastructure Grants	66.920	12,975		-	Environmental Management
Other Federal Assistance					
Cooperative Pesticide Recordkeeping	66.Unknown	201,482		-	Agriculture and Industries
Total Environmental Protection Agency		17,585,184		535,655	
DEPARTMENT OF ENERGY					
State Energy Program	81.041	733,516		345,723	Economic and Community Affairs
Weatherization Assistance for Low-Income Persons	81.042	7,751,477		6,817,645	Economic and Community Affairs
Alabama Carbon Storage	81.089	266,924		9,011	Geological Survey
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	84,194		-	Emergency Management
Energy Efficiency and Conservation Block Grant Program	81.128	61,638		-	Economic and Community Affairs
Other Federal Assistance					
Petroleum Violation Escrow	81.Unknown	(559,156)		(559,156)	Economic and Community Affairs
Total Department of Energy		8,338,593		6,613,223	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF EDUCATION					
Title I Grants to Local Educational Agencies	84.010	293,656,093		290,015,080	Education
Migrant Education State Grant Program	84.011	2,537,025		2,091,906	Education
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	811,060		235,327	Education
Special Education Cluster (IDEA)					
Special Education Grants to States	84.027	212,216,844		197,921,803	Education
COVID-19 Special Education Grants to States	84.027	5,178,119		5,178,119	Education
Total Special Education Grants to States		217,394,963		203,099,922	
Special Education Preschool Grants	84.173	5,533,354		5,045,934	Education
COVID-19 Special Education Preschool Grants	84.173	658,659		658,659	Education
Total Special Education Preschool Grants		6,192,013		5,704,593	
Total Special Education Cluster (IDEA)		223,586,976		208,804,515	
Career and Technical Education - Basic Grants to States	84.048	22,874,452		20,587,764	Education
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	81,260,481	3F	-	Rehabilitation Services
Migrant Education Coordination Program	84.144	50,540		35,555	Education
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	575,889		-	Rehabilitation Services
Special Education - Grants For Infants and Families	84.181	8,031,814		-	
COVID-19 Special Education - Grants For Infants and Families	84.181	1,026,650		-	Rehabilitation Services
Total Special Education - Grants For Infants and Families		9,058,464		-	
Education for Homeless Children and Youth	84.184	1,115,845		-	Education
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	1,197,538		-	Rehabilitation Services
Education for Homeless Children and Youth	84.196	1,904,088		1,820,029	Education
Twenty-First Century Community Learning Centers	84.287	16,523,678		15,500,034	Education
Special Education - State Personnel Development	84.323	352,528		238,356	Education
Rural Education	84.358	5,241,936		4,841,128	Education
English Language Acquisition State Grants	84.365	4,831,064		4,641,534	Education
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	37,341,325		35,954,559	Education
Grants for State Assessments and Related Activities	84.369	4,207,551		-	Education
Statewide Longitudinal Data Systems	84.372	333,620		-	Education
Education Innovation and Research	84.411	2,541,114		1,423,692	Education
Student Support and Academic Enrichment Program	84.424	22,517,696		22,469,460	Education

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Education Stabilization Fund					
Governor's Emergency Education Relief (GEER) Fund	84.425C	1,362,357		1,210,684	Education
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	117,365,525		112,490,094	Education
Discretionary Grants: Reimagining Workforce Preparation Grants	84.425G	6,943,050		5,714,460	Commerce
CRRSA - Emergency Assistance to Non-Public Schools program	84.425R	5,684,601		5,559,501	Education
ARP - Elementary and Secondary School Emergency Relief	84.425U	1,086,952,179		1,076,746,830	Education
ARP - Elementary and Secondary School Relief - Homeless Children and Youth	84.425W	6,216,169		5,505,935	Education
ARP - Emergency Assistance to Non-Public Schools program	84.425V	29,796,694		15,313,665	Education
Total Education Stabilization Fund		1,254,320,575		1,222,541,169	
Total Department of Education		1,986,839,538		1,831,200,108	
GULF COAST ECOSYSTEM RESTORATION COUNCIL					
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component	87.051	4,142,649		1,109,965	Conservation and Natural Resources/ Geological Survey
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	18,841,000		10,665,749	Conservation and Natural Resources
Total Gulf Coast Ecosystem Restoration Council		22,983,649		11,775,714	
ELECTIONS ASSISTANCE COMMISSION					
Delta Regional Authority	90.200	2,862		-	
2018 HAVA Election Security Grants	90.404	1,657,531	3E	-	Secretary of State
Southeast Crescent Regional Commission - Economic and Infrastructure	90.705	29,153		-	Economic and Community Affairs
Total Elections Assistance Commission		1,689,546		-	
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Special Programs for the Aging - Title VII, Chapter 3: Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	91,426		91,426	Senior Services
Special Programs for the Aging - Title VII, Chapter 2: Long-Term Care Ombudsman Services for Older Individuals	93.042	291,842		291,842	Senior Services
COVID-19 Special Programs for the Aging - Title VII, Chapter 2: Long-Term Care Ombudsman Services for Older Individuals	93.042	32,693		32,693	Senior Services
Total Special Programs for the Aging - Title VII, Chapter 2: Long-Term Care Ombudsman Services for Older Individuals		324,535		324,535	
Special Programs for the Aging - Title III, Part D: Disease Prevention and Health Promotion Services	93.043	367,975		329,826	Senior Services
COVID-19 Special Programs for the Aging - Title III, Part D: Disease Prevention and Health Promotion Services	93.043	312,650		312,650	Senior Services
Total Special Programs for the Aging - Title III, Part D: Disease Prevention and Health Promotion Services		680,625		642,476	

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Aging Cluster					
Special Programs for the Aging - Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	5,143,653		4,752,953	Senior Services
COVID-19 Special Programs for the Aging - Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	3,338,680		3,337,128	Senior Services
Total Special Programs for the Aging - Title III, Part B: Grants for Supportive Services and Senior Centers		8,482,333		8,090,081	
Special Programs for the Aging - Title III, Part C: Nutrition Services	93.045	10,637,321		9,902,188	Senior Services
COVID-19 Special Programs for the Aging - Title III, Part C: Nutrition Services	93.045	4,236,565		4,234,494	Senior Services
Total Special Programs for the Aging - Title III, Part C: Nutrition Services		14,873,886		14,136,682	
Nutrition Services Incentive Program	93.053	2,818,619		2,818,619	Senior Services
Total Aging Cluster		26,174,838		25,045,382	
Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048	543,991		479,929	Senior Services/Human Resources
COVID-19 Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048	64,032		64,032	Senior Services
Total Special Programs for the Aging - Title IV and Title II - Discretionary Projects		608,023		543,961	
National Family Caregiver Support, Title III Part E	93.052	2,687,637		2,507,756	Senior Services
COVID-19 National Family Caregiver Support, Title III Part E	93.052	715,110		714,708	Senior Services
Total National Family Caregiver Support, Title III Part E		3,402,747		3,222,464	
Public Health Emergency Preparedness	93.069	18,609,527		1,495,522	Public Health
Medicare Enrollment Assistance Program	93.071	586,311		554,777	Senior Services
Lifespan Respite Care Program	93.072	606,364		599,913	Senior Services
Guardianship Assistance	93.090	6,224,515		-	Human Resources
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	412,847		66,832	Public Health
Food and Drug Administration Research	93.103	979,345		-	Ag and Industries/Public Health
Maternal and Child Health Federal Consolidated Programs	93.110	666,697		561,972	Mental Health/Public Health
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	927,855		140,000	Public Health
Emergency Medical Services for Children	93.127	42,271		40,000	Public Health
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	185,058		-	Public Health
Injury Prevention and Control Research and State and Community Based Programs	93.136	3,802,156		1,385,828	Public Health
Projects for Assistance in Transition from Homelessness (PATH)	93.150	484,570		484,570	Mental Health
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	320,266		27,568	Public Health
Family Planning - Services	93.217	5,265,180		724,288	Public Health

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Traumatic Brain Injury State Demonstration Grant Program	93.234	206,452		-	Rehabilitation Services
COVID-19 Traumatic Brain Injury State Demonstration Grant Program	93.234	115,410		-	Rehabilitation Services
Total Traumatic Brain Injury State Demonstration Grant Program		321,862		-	
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	743,336		161,639	Public Health
State Rural Hospital Flexibility Program	93.241	473,836		384,501	Public Health
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	7,000,905		4,688,175	Education/Mental Health/Public Health
Universal Newborn Hearing Screening	93.251	193,679		77,825	Public Health
Immunization Cooperative Agreements	93.268	95,078,459		-	Public Health
COVID-19 Immunization Cooperative Agreements	93.268	25,351,820		9,532,833	Public Health
Total Immunization Cooperative Agreements		120,430,279	3G	9,532,833	
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	5,649,211		486,565	Public Health
Small Rural Hospital Improvement Grant Program	93.301	539,844		525,441	Public Health
COVID-19 Small Rural Hospital Improvement Grant Program	93.301	375,620		375,620	Public Health
Total Small Rural Hospital Improvement Grant Program		915,464		901,061	
PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health Funds (PPHF)	93.305	1,285,931		352,045	Public Health
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	3,209,720		-	Public Health
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	71,129,717		23,308,542	Public Health
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		74,339,437		23,308,542	
State Health Insurance Assistance Program	93.324	832,858		722,204	Senior Services
COVID-19 State Health Insurance Assistance Program	93.324	55,911		55,911	Senior Services
Total State Health Insurance Assistance Program		888,769		778,115	
The Healthy Brain Initiative	93.334	19,549		-	Public Health
Behavioral Risk Factor Surveillance System	93.336	389,414		275,566	Public Health
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	178,565		-	Public Health
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	11,037,336		5,520,815	Public Health
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		11,215,901		5,520,815	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Flexible Funding Model - Infrastructure Development and Maintenance for State Manufacture Food Regulatory Program	93.367	208,987		-	Public Health
ACL Independent Living State Grants	93.369	312,364		291,805	Senior Services
COVID-19 ACL Independent Living State Grants	93.369	55,860		55,860	Senior Services
Total ACL Independent Living State Grants		368,224		347,665	
COVID-19 Activities to Support State, Tribal, Local, and Territorial Health Department Response to Public Health or Healthcare Crises	93.391	11,894,211		10,735,421	Senior Services
Every Student Succeeds Act/Preschool Development Grants	93.434	3,529,495		2,858,118	Early Childhood Education
Well-Integrated Screening and Evaluation for Women Across the Nation	93.436	492,442		249,200	Public Health
ACL Assistive Technology	93.464	587,466		-	Rehabilitation Services
Alzheimer's Disease Programs Initiative	93.470	50,124		-	Senior Services
Family Violence Prevention and Services/Sexual Assault/Rape Crisis Services and Supports	93.497	329,961		306,468	Economic and Community Affairs
Low Income Household Water Assistance Program	93.499	1,589,441		1,597,231	Economic and Community Affairs
COVID-19 Low Income Household Water Assistance Program	93.499	4,357,660		4,287,872	Economic and Community Affairs
Total Low Income Household Water Assistance Program		5,947,101		5,885,103	
Promoting Safe and Stable Families	93.556	10,213,563		-	Human Resources
Temporary Assistance for Needy Families (TANF)	93.558	89,187,444		782,406	Child Abuse and Neglect, Human Resources
Child Support Enforcement	93.563	47,456,302		-	Human Resources
Refugee and Entrant Assistance State/Replacement Designee	93.566	326,166		-	Alabama Medicaid Agency
Low-Income Home Energy Assistance	93.568	89,501,518		86,912,514	Economic and Community Affairs
COVID-19 Low-Income Home Energy Assistance	93.568	57,124		(24,831)	Economic and Community Affairs
Total Low-Income Home Energy Assistance		89,558,642		86,887,683	
Community Services Block Grant	93.569	13,879,676		13,208,147	Economic and Community Affairs
Child Care Development Cluster					
Child Care and Development Block Grant	93.575	235,658,324		-	Human Resources
COVID-19 Child Care and Development Block Grant	93.575	91,002,158		-	Human Resources
Total Child Care and Development Block Grant		326,660,482		-	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	49,720,927		-	Human Resources
Total Child Care Development Cluster		376,381,409		-	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
State Court Improvement Program	93.586	493,651		-	Administrative Office of Courts
Grants to States for Access and Visitation Programs	93.597	155,319		-	Administrative Office of Courts
Chafee Education and Training Vouchers Program (ETV)	93.599	321,670		-	Human Resources
Head Start	93.600	10,534,102		5,245	Early Childhood Education/Human Resources
Adoption and Legal Guardianship Incentive Payments	93.603	402,546		-	Human Resources
Developmental Disabilities Basic Support and Advocacy Grants	93.630	763,845		268,728	Mental Health
Section 9813: State Planning for Qualifying Community-Based Mobile Crisis Intervention Services	93.639	470,686		-	Alabama Medicaid Agency
Children's Justice Grants to States	93.643	308,532		-	Human Resources
Stephanie Tubbs Jones Child Welfare Services Program	93.645	1,466,003		-	Human Resources
Foster Care - Title IV-E	93.658	30,143,633		-	Human Resources
Adoption Assistance	93.659	35,952,097		-	Human Resources
Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	93.665	(2,068)		-	Mental Health
Social Services Block Grant	93.667	33,616,225		-	Human Resources
Child Abuse and Neglect State Grants	93.669	1,039,300		-	Human Resources
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	1,788,817		1,676,398	Economic and Community Affairs
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	798,435		760,912	Economic and Community Affairs
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		2,587,252		2,437,310	
Chafee Foster Care Independence Program	93.674	2,723,810		-	Human Resources
Ending the HIV Epidemic: A Plan for America -- Ryan White HIV/AIDS Program Parts A and B	93.686	1,402,033		1,116,718	Public Health
Elder Abuse Prevention Interventions Program	93.747	5,600		5,600	Human Resources
COVID-19 Elder Abuse Prevention Interventions Program	93.747	3,128,235		87,961	Human Resources/Senior Services
Total Elder Abuse Prevention Interventions Program		3,133,835		93,561	
Children's Health Insurance Program	93.767	268,284,237		(9,529)	Public Health
Medicaid Cluster					
State Medicaid Fraud Control Units	93.775	1,228,301		-	Attorney General
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	8,602,000		-	Alabama Medicaid Agency/Public Health
Medical Assistance Program	93.778	6,783,319,358		-	Alabama Medicaid Agency
Total Medicaid Cluster		6,793,149,659		-	

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Opioid STR	93.788	15,055,467		12,366,114	Mental Health
Money Follows the Person Rebalancing Demonstration	93.791	4,593,457		-	Alabama Medicaid Agency
PPHF 2017: Office of Smoking and Health Public Health Approaches for Ensuring Quitline Capacity	93.853	107,680		65,712	Public Health
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	7,551,146		7,180,285	Early Childhood Education
Section 223 of the Protecting Access Medicare Act (PAMA) of 2014, CCBHC	93.829	364,826		-	Mental Health
National Bioterrorism Hospital Preparedness Program	93.889	2,871,425		1,651,634	Public Health
Grants to States for Operation of State Offices of Rural Health	93.913	224,135		-	Public Health
HIV Care Formula Grants	93.917	11,414,259		11,414,259	Public Health
Special Projects of National Significance	93.928	52,727		-	Public Health
HIV Prevention Activities - Health Department Based	93.940	7,787,350		4,793,634	Public Health
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus	93.944	576,716		-	Public Health
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	128,046		26,530	Public Health
Block Grants for Community Mental Health Services	93.958	17,411,461		15,049,018	Mental Health
COVID-19 Block Grants for Community Mental Health Services	93.958	2,520,129		1,295,761	Mental Health
Total Block Grants for Community Mental Health Services		19,931,590		16,344,779	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	25,691,338		24,122,980	Mental Health
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	11,300,178		8,531,701	Mental Health
Total Block Grants for Prevention and Treatment of Substance Abuse		36,991,516		32,654,681	
CDC's Collaboration with Academia to Strengthen Public Health	93.967	2,823,279		6,450	Public Health
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1,338,888		-	Mental Health
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1,883,056		359,459	Mental Health
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants		3,221,944		359,459	
Mental Health Disaster Assistance and Emergency Mental Health	93.982	46,844		45,185	Public Health
Preventive Health and Health Services Block Grant	93.991	1,888,357		133,548	Public Health
Maternal and Child Health Services Block Grant to the States	93.994	10,125,858		454,162	Public Health
Other Federal Assistance					
BSE Inspections Contract	93.Unknown	16,155		-	Agriculture and Industries
Tobacco Inspections Contract	93.Unknown	938,076		-	Public Health
CLIA	93.Unknown	447,355		-	Public Health
Mammography Quality Standards-HHS Contract 223-95-4400	93.Unknown	29,613		-	Public Health
Tennessee Valley Authority - Contract TV-62313A	93.Unknown	252,080		-	Public Health
Food Inspections-Contract 223-96-4036	93.Unknown	5,829		-	Public Health
Behavioral Health Services Information System (BHSIS)	93.Unknown	124,993		-	Mental Health
Total Department of Health and Human Services		8,259,191,032		295,087,872	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Agency/ Program Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
State Commissions	94.003	322,768		-	Governor's Office of Volunteer Services
AmeriCorps	94.006	790,195		790,195	Governor's Office of Volunteer Services
Commission Investment Fund	94.008	86,311		-	Governor's Office of Volunteer Services
Total Corporation for National and Community Service		1,199,274		790,195	
EXECUTIVE OFFICE OF THE PRESIDENT					
High Intensity Drug Trafficking Areas Program	95.001	1,237,826		1,026,011	Alabama Law Enforcement Agency
Total Executive Office of the President		1,237,826		1,026,011	
SOCIAL SECURITY ADMINISTRATION					
Social Security - Disability Insurance	96.001	58,213,435		-	Education
Social Security - Work Incentives Planning and Assistance Program	96.008	195,093		195,093	Rehabilitation Services
Total Social Security Administration		58,408,528		195,093	
DEPARTMENT OF HOMELAND SECURITY					
Boating Safety Financial Assistance	97.012	1,316,831		-	Alabama Law Enforcement Agency
Community Assistance Program - State Support Services Element (CAP-SSSE)	97.023	278,387		-	Economic and Community Affairs
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	53,493,738		59,707,296	Emergency Management Agency
Hazard Mitigation Grant	97.039	1,967,428		1,586,622	Emergency Management Agency
Emergency Management Performance Grants	97.042	6,137,904		2,872,793	Emergency Management Agency
Cooperating Technical Partners	97.045	4,103,796		-	Economic and Community Affairs
Pre-Disaster Mitigation (PDM)	97.047	3,191,325		2,873,403	Emergency Management Agency
Presidential Declared Disaster Assistance to Individuals and Households	97.050	(207,871)		-	Labor
Port Security Grant Program	97.056	161,034		-	Alabama Law Enforcement Agency/ Conservation and Natural Resources
Homeland Security Grant Program	97.067	7,245,651		6,457,457	Alabama Law Enforcement Agency/ Emergency Management
Earthquake State Assistance (EQK)	97.082	1,643		1,643	Emergency Management
State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	97.137	95,883		-	Office of Information Technology
Other Federal Assistance					
USDHS/US Immigration and Customs Enforcement (ICE)	97.Unknown	65,981		-	Alabama Law Enforcement Agency
Total Department of Homeland Security		77,851,730		73,499,214	
TOTAL FEDERAL AWARDS		$ 15,019,922,166		$ 3,244,850,320	

Note 1 – Purpose of the Schedule

Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** (*Uniform Guidance*), requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal award program identified by its federal Assistance Listing Number (ALN). Because the Schedule presents only a selected portion of the operations of the State of Alabama, it is not intended to and does not present the financial position, changes in net position or cash flows of the State of Alabama.

Note 2 – Significant Accounting Policies

A. ***Reporting Entity*** – The accompanying schedule includes federal award programs administered by the State of Alabama for the fiscal year ended September 30, 2024. State agencies that receive separate audits in accordance with the *Uniform Guidance* and federal awards received by state colleges and universities are not included in the schedule.

B. ***Basis of Presentation*** – The information in the accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 of the U. S. ***Code of Federal Regulations*** Part 200 (*Uniform Guidance*).

   1. ***Federal Financial Assistance*** – Pursuant to the Single Audit Act Amendments of 1996 and the *Uniform Guidance*, federal financial assistance is defined as assistance that non-federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.

C. ***Basis of Accounting*** – The information presented in the Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting, which is consistent with the other federal grant reports. Under this basis, expenditures are recorded when paid, and revenues are recognized when received. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, ***Cost Principles for State, Local and Indian Tribal Governments***, or the cost principles 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*), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

D. ***Expenditures and Expenses*** – When monies are received by one state agency and transferred to another state agency either for final expenditure or as a reimbursement for services, the federal financial assistance is reflected in the primary receiving/expending state agency's accounts. This is to avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the State of Alabama.

E. ***De Minimis Indirect Cost Rate*** – The State of Alabama elected to use the 10-percent de minimis indirect cost rate as allowed in the *Uniform Guidance* for the following federal program:

- ♦ ALN 10.934 – Feral Swine Eradication and Control Pilot Program

Note 3 – Other

A. Commodities included in the National School Lunch Program (ALN 10.555), Summer Food Service Program for Children (ALN 10.559), Commodity Supplemental Food Program (ALN 10.565), and the Emergency Food Assistance Program (ALN 10.569) are included in the definition of federal financial assistance for the purpose of the accompanying schedule. Commodities, totaling $72,120,602 were reported in accordance with GASB Statement Number 24 in the basic financial statements of the State of Alabama for the fiscal year ended September 30, 2024.

B. During the fiscal year ended September 30, 2024, the Alabama Department of Public Health received $38,142,709 in cash rebates from infant formula manufacturers on sales of formula to participants in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program (ALN 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefits costs. The rebate contracts allowed the Department to serve 36,009 more persons during the 2023-2024 fiscal year. This number is based on an average gross food package cost of $88.05.

C. Total expenditures for the Unemployment Insurance Program (ALN 17.225) include state and federal amounts of $85,392,173 and $58,028,730 respectively. The state portion of expenditures includes regular unemployment compensation. The federal portion includes administrative costs and unemployment compensation for ex-service members, former federal employees, and extended benefits for eligible individuals who have exhausted their regular unemployment compensation.

D. Donation of Federal Surplus Personal Property (ALN 39.003) is valued at 23.34% of the acquisition costs in accordance with a directive from the U. S. General Services Administration.

E. Interest Income of $228,603 was earned on the Help America Vote Act Title I funds (ALN 90.404). Interest income of $23,597 was earned on Help America Vote Act Title II funds (ALN 90.401). These amounts, as well as proceeds from the sale or salvage of unused HAVA equipment of $7,821 (ALN 90.401), are reported as receipts on the schedule.

F. Expenditures reported on the schedule include $5,534,132 of Social Security Administration reimbursements under the Rehabilitation Services - Vocational Rehabilitation Grants to States Program (ALN 84.126).

G. The amount reported as expenditures for the Immunization Cooperative Agreements (ALN 93.268) includes the value of immunization vaccines received and distributed in the amount of $87,271,029 during the 2023-2024 fiscal year.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise State of Alabama's basic financial statements and have issued our report thereon dated March 27, 2025. Our report includes a reference to other auditors who audited the financial statements of agencies and funds, as described in our report on the State of Alabama's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Below is a list which indicates the financial statements of the agencies and funds audited by other auditors.

Agencies/Funds Audited by Other Auditors
Alabama Public Health Care Authority
Alabama State Port Authority
State Employees' Insurance Board
Public Education Employees' Health Insurance Fund
Alabama Housing Finance Authority
Alabama Water Pollution Control Authority
Space Science Exhibit Commission
Alabama Drinking Water Finance Authority
University of Alabama
Auburn University
University of South Alabama
University of Montevallo
Athens State University
Jacksonville State University
Alabama Community College System
Retirement Systems of Alabama
Employees' Savings Plans (PEIRAF and RSA-1)
Retired Education Employees' Health Care Trust
Retired State Employees' Health Care Trust
Prepaid Affordable College Tuition Program
Alabama College Education Savings Plan

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Alabama's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Alabama's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Alabama's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-001 to be a material weakness.

The finding related to information technology is being presented in summary form for security reasons. Details of the finding have been communicated to the affected state agencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Alabama's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards***.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

The State of Alabama's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the State of Alabama's response to the finding identified in our audit and described previously. The State of Alabama's response to the finding identified in our audit is described in the accompanying Auditee Response/Corrective Action Plan. The State of Alabama's response was not subjected to auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rachel Laurie Riddle

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

March 27, 2025

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama
Montgomery, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the State of Alabama's compliance with the types of compliance requirements identified as subject to audit in the ***OMB Compliance Supplement*** that could have a direct and material effect on each of the State of Alabama's major federal programs for the year ended September 30, 2024. The State of Alabama's major federal programs are identified in the Summary of Examiner's Results section of the accompanying Schedule of Findings and Questioned Costs.

The State of Alabama's basic financial statements include the operations of the Housing Finance Authority, the Drinking Water Finance Authority, and the State Port Authority. The federal awards expended by these component units are not included in the Schedule of Expenditures of Federal Awards for the year ended September 30, 2024. Our audit, described below, did not include the operations of these component units because other auditors were engaged to perform audits in accordance with the *Uniform Guidance*. The federal programs administered by these component units and the federal funds expended are as follows:

Component Unit	Federal Program	Assistance Listing Number	Federal Expenditures
Housing Finance Authority	HOME Investment Partnership Program	14.239	$12,949,737
Housing Finance Authority	Housing Trust Fund	14.275	$ 2,021,182
Housing Finance Authority	COVID-19 Homeowners Assistance Fund	21.026	$27,189,804
Drinking Water Finance Authority	Capitalization Grants for Drinking Water – State Revolving Funds	66.468	$15,985,878
State Port Authority	Economic Development Initiative, Community Project Funding and Miscellaneous Grants	14.251	$ 1,117,963
State Port Authority	Federal Railroad Administration Consolidated Rail Infrastructure and Safety Improvements	20.325	$ 569,520
State Port Authority	Gulf Cost Ecosystem Restoration Council Comprehensive Plan Component Program	87.051	$ 181,529
State Port Authority	Port Security Grant Program	97.056	$ 503,141
State Port Authority	Disaster Grants - Public Assistance	97.036	$ 1,622,794

We have also excluded federal award programs administered by state-supported colleges and universities, which are a part of the financial reporting entity of the State of Alabama and included in the Basic Financial Statements. The Single Audits of the state-supported colleges and universities are performed and issued separately for each institution.

In our opinion, the State of Alabama complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in ***Government Auditing Standards*** issued by the Comptroller General of the United States (***Government Auditing Standards***); and the audit requirements of Title 2 U. S. ***Code of Federal Regulations*** Part 200, ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*** (*Uniform Guidance*). Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State of Alabama and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the State of Alabama's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State of Alabama's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State of Alabama's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, ***Government Auditing Standards***, and the *Uniform Guidance* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State of Alabama's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, ***Government Auditing Standards***, and the *Uniform Guidance*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State of Alabama's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the State of Alabama's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of the State of Alabama's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *Uniform Guidance* and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2024-002 and 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the State of Alabama's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Alabama's response to the noncompliance findings identified in our audit is described in the accompanying Auditee Response/Corrective Action Plan. The State of Alabama's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-003 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the State of Alabama's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Alabama's response to the internal control over compliance findings identified in our audit is described in the accompanying Auditee Response/Corrective Action Plan. The State of Alabama's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the State of Alabama's basic financial statements. We issued our report thereon dated March 27, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Alabama's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *Uniform Guidance* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Rachel Laurie Riddle

Rachel Laurie Riddle
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama

August 8, 2025, except for our report on the
Schedule of Expenditures of Federal Awards,
for which the date is March 27, 2025

Section I – Summary of Examiner's Results

Financial Statements

Type of report the auditor issued on whether the audited financial statements were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified?	___ Yes	X None reported
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	X Yes	___ No
Significant deficiency(ies) identified?	X Yes	___ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the *Uniform Guidance*?	X Yes	___ No

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
10.551 and 10.561	SNAP Cluster
14.228	Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii
15.605 and 15.611	Fish and Wildlife Cluster
17.225	Unemployment Insurance

Section I – Summary of Examiner's Results

Identification of major federal programs
continued:

Assistance Listing Numbers	Name of Federal Program or Cluster
17.258, 17.259 and 17.278	WIOA Cluster
20.600 and 20.616	Highway Safety Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
64.015	Veterans State Nursing Home Care
81.042	Weatherization Assistance for Low-Income Persons
87.052	Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program
93.268	Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.658	Foster Care Title IV-E
93.767	Children's Health Insurance Program
93.775, 93.777 and 93.778	Medicaid Cluster
93.917	HIV Care Formula Grants

Dollar threshold used to distinguish between
Type A and Type B programs: $30,000,000

Auditee qualified as low-risk auditee? ______ Yes __X__ No

Section II – Financial Statement Findings (GAGAS)

Reference Number:	2024-001
Type of Finding:	Internal Control
Internal Control Impact:	Material Weakness
Compliance Impact:	None
Repeat of Prior Year Finding:	2023-001, 2022-001, 2021-002, 2020-002, 2019-002, 2018-002 and 2014-01 (origination year)

A comprehensive disaster recovery plan which includes all functional units of the Department of Finance including SBS/STAARS (State Business Systems/State of Alabama Accounting and Resource System) has not been completed.

Finding

We reviewed the internal control policies and procedures affecting the ability of the Department of Finance's State Business Systems Division to be able to continue operations in the event the information technology resources of the Department were adversely affected by man-made or natural disasters. Critical information technology resources and the related government functions served by those resources are at risk because of weaknesses in the control policies and procedures affecting contingency planning. A comprehensive disaster recovery plan which includes all functional units of the Department including SBS/STAARS (State Business Systems/State of Alabama Accounting and Resource System) has not been completed. These conditions increase the risk that the Department could incur major disruptions in service if there is a catastrophic event at or near its primary data processing center.

Recommendation

The Department of Finance's State Business Systems Division should update the master disaster recovery plans for all functional units of the Department.

Views of Responsible Officials

The Department of Finance's State Business Systems Division agrees with the finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2024-002
Compliance Requirement:	Allowable Cost/Cost Principles
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Assistance Listing Number(s) and Title(s):	Medicaid Cluster: 93.775 – State Medicaid Fraud Control Units; 93.777 – State Survey and Certification of Health Care Provides and Suppliers (Title XVIII) Medicare; and 93.778 – Medical Assistance Program (Medicaid; Title XIX)
Federal Awarding Agency:	U. S. Department of Health and Human Services
Federal Award Number:	2405AL5MAP, 2405ALADM
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$30,501.75

The Alabama Medicaid Agency reimbursed a Medicaid eligible recipient for non-emergency transportation costs based on non-existent documentation.

Finding

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, dated May 2024, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including costs that are adequately documented and necessary and reasonable for the performance of the federal award. The Alabama Medicaid Agency ("AMA") operates a Non-Emergency Transportation ("NET") program for individuals who are eligible for Medicaid benefits. This program helps eligible recipients pay for rides to dental and doctor offices, hospitals and other medical facilities when the service is also covered by Medicaid and the costs are paid with federal Medicaid program monies. Eligible recipients can request and receive reimbursements for the costs of utilizing the NET program. Subsequent to the payments of certain NET claims, AMA received information alleging that falsified information related to certain NET expenditures was being submitted and approved on behalf of a specific recipient. Upon receipt of these allegations, AMA initiated a review of the supporting documentation which had been submitted and approved. The review consisted of a detailed examination of all NET claims associated with the recipient. The results of the examination revealed that an AMA employee was entering and approving falsified information on behalf of a recipient.

We reviewed, recalculated and verified information provided to us by AMA and did not note any differences. For the fiscal year ended September 30, 2024, there were 347 NET reimbursement requests totaling $30,501.75 submitted in the name of the specific recipient and of those, all 347 reimbursement requests were based on falsified non-existent documentation. The Alabama Medicaid Agency reimbursed the recipient based on falsified reimbursement requests and, therefore, improperly expended Medicaid Cluster federal award program funds.

Recommendation

The Alabama Medicaid Agency should take actions to ensure that all reimbursements of expenses are adequately documented, based on true and accurate supporting documentation, and to ensure costs are allowable under the federal award.

Views of Responsible Officials of the Auditee

The Alabama Medicaid Agency agrees with the above recommendation. Medicaid immediately took action when it discovered an employee was defrauding the program by approving falsified claims. The immediate actions included terminating the employee, referring the employee for criminal prosecution, and making corrective actions.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2024-003
Compliance Requirement:	Allowable Costs/Cost Principles
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Material Weakness
Compliance Impact:	Nonmaterial Noncompliance
ALN Number(s) and Title(s):	93.268 Immunization Cooperative Agreements
Federal Awarding Agency:	U. S. Department of Health and Human Services
Federal Award Number:	19NH23IP922582 19NH23IP922582C3 20NH23IP922582C3 20NH23IP922582C5 20NH23IP922582C6 20NH23IP922582VWCC6 20NH23IP922582UDSPC5 20NH23IP922582IISC6 20NH23IP922582UKR
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$5,072,637.00

The Alabama Department of Public Health did not have policies and procedures in place to ensure that costs were adequately documented and were necessary and reasonable for the performance of a federal award.

Finding

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement dated May 2024, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including costs that are adequately documented and necessary and reasonable for the performance of the federal award. The Alabama Department of Public Health (ADPH) passed through a portion of the Immunization Cooperative Agreement federal award to subrecipients. A total of fourteen subrecipients requested and received reimbursement of program expenses during the fiscal year. Based upon procedures performed, we noted that of the fourteen subrecipients who received federal award reimbursement, three did not provide adequate detailed documentation to support their request for reimbursements. In addition, sixteen of the fifty-four invoices submitted for reimbursement by the subrecipients did not have adequate documentation resulting in question costs of $5,072,637.00. The documentation which was submitted by the subrecipients and approved by ADPH for payment consisted only of summary information and did not contain detailed information to ensure that amounts were necessary and reasonable for the performance of the federal award.

The ADPH did not have adequate policies and procedures in place to ensure that all requests for reimbursement were supported by adequate detailed documentation to ensure all costs are allowed under the federal award.

Recommendation

The Alabama Department of Public Health should take action to ensure that all reimbursements of expenses are adequately documented, based on true and accurate invoices, and to ensure costs are allowable under the federal award.

Views of Responsible Officials of the Auditee

We agree with the Examiners' finding; adequate documentation did not exist at the time of the audit to substantiate payments that resulted in questioned costs and improper payments. To confirm the total amount of questioned costs, ADPH's Office of Program Integrity initiated its own ongoing investigation. ADPH also requested the Examiners of Public Accounts to conduct a special program audit which is ongoing. As this process continues, ADPH is requesting additional documentation from the subrecipients, which may affect the questioned costs of this program.

Summary Schedule of Prior Audit Findings

State of Alabama
Department of Finance
State Business Systems

100 North Union Street, Suite 500
Montgomery, AL 36130-1410
Telephone (334) 242-4775

Kay Ivey
Governor

Valisha Kirkland
SBS Director

Bill Poole
Director of Finance

Summary Schedule of Prior Audit Findings
Department of Finance
For the Year Ended September 30, 2024

As required by the Uniform Administrative Requirements, Cost Principles and Audit Requirements .for Federal Awards, 2 CFR 200.511, the Alabama State Business Systems has prepared and hereby submits the following Summary Schedule of Prior Audit Findings for the Alabama Department of Finance as of September 30, 2024.

Finding Ref. No.	Corrective Action Plan Details
2023-001	We reviewed the internal control policies and procedures affecting the ability of the Department of Finance State Business Systems Division to be able to continue operations in the event the information technology resources of the Department were adversely affected by man-made or natural disasters. Critical information technology resources and the related government functions served by those resources are at risk because of weaknesses in the control policies and procedures affecting contingency planning. A comprehensive disaster recovery plan which includes all functional units of the Department including SBS/STAARS (State

Business Systems/State of Alabama Accounting and Resource System) has not been completed. These conditions increase the risk that the Department could incur major disruptions in service if there is a catastrophic event at or near its primary data processing center.

Status of Corrective Action:
The Department of Finance and the Office of Information Technology (OIT) are planning the development and testing of a Disaster Recovery solution that will provide a Recovery Point Objective (RPO) of 24 Hours and a Recovery Time Objective (RTO) of 72 hours. The Office of Information Technology has completed the process of facilitating a Disaster Recovery Center located in Birmingham Alabama. The Department of Finance will enter a partnership with OIT for usage of the Birmingham facility for Disaster Recovery purposes. Documentation will be developed which details the backup, recovery and workflow of Disaster Recovery Procedures. Upon initial configuration the Department of Finance will coordinate and perform periodic testing of the Disaster recovery processes as needed to establish confidence in the newly established process. After implementation it is intended for these tests to be performed annually.

Reason for the Recurrence:
The Department of Finance had a limitation of resources due to restructuring of server platforms and transition of software to newer technologies. Also, the Office of Information Technology was in the process of finalizing a suitable Disaster Recover location. OIT has provided an anticipated completion date for the Disaster Recovery Site of Februray 25, 2025.

Anticipated Completion Date:
October 31, 2025. The Office of Information Technology has the new Disaster Recovery Datacenter established. The Department of Finance anticipates it will take 8 months to configure equipment as needed, test Disaster Recovery processes and develop the necessary documentation for successful completion of the solution.

Contact Person(s):
Valisha Kirkland

Signature of Responsible Official:

Eric G. Mackey, Ed.D.
State Superintendent of Education

Summary Schedule of Prior Audit Findings
Alabama Department of Education
For the Year Ended September 30, 2024

As required by the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 2 CFR 200.511, the Alabama Department of Education has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of September 30, 2024.

Finding Ref. No.	Corrective Action Plan Details

2023-002

The Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Pub. L. No. 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, requires recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

The *Uniform Guidance,* 2 CFR Part 200, Appendix XI Compliance Supplement, May 2023, requires the Alabama Department of Education to report applicable first-tier subawards and contracts information as required in the "Transparency Act".

The Alabama Department of Education did not report applicable first-tier subawards and contractors subject to FFATA data for the monitored grants in the FSRS pursuant to Federal Regulations.

The Alabama Department of Education did not have procedures in place to ensure that applicable first-tier subaward information was reported to the FSRS, resulting in a failure to provide a full disclosure to the public of all entities or organizations receiving federal funds during fiscal year 2023.

Status of Corrective Action:

Correction Action was taken. This finding was in relation to the ASLDE not reporting FFATA for the monitored grants, specifically for CFDA 84.425. All that we are aware of should now be reported and available on the US Spending website. Being this grant is over, this should not be an issue going forward.

Signature of Responsible Official:

Eric G Mackey Date: May 7, 2025

Eric G. Mackey
State Superintendent of Education

Kay Ivey
Governor

State of Alabama
Department of Human Resources

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Nancy T. Buckner
Commissioner

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2024

As required by the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 2 CFR 200.511, the Alabama Department of Human Resources has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of September 30, 2024.

Finding Ref. No.	Status of Prior Audit Finding
2023-003	***Finding:*** 45 CFR Section 261.63 requires the Alabama Department of Human Resources to submit a Work Verification Plan to the U.S. Department of Health and Human Services (HHS) for approval. The Alabama Department of Human Resources must comply with its approved Work Verification Plan to ensure accuracy in reporting work activities by work-eligible individuals on the Temporary Assistance for Needy Families (TANF) Data Report. Data for work participation activities are used in calculating work participation rates. During our testing of 25 TANF cases, we found two cases in which the hours reported for an individual participating in a work activity were inaccurate. The Department of Human Resources failed to ensure accuracy of data for work participation activities which may result in an inaccurate work participation rate. This is a significant deficiency in internal controls. The Department of Human Resources did not have adequate procedures in place to ensure that the information included on the TANF Data Report is accurate. ***Corrective Action:*** Corrective action was taken. ***Contact Person(s):*** Fannie Ashley

ALABAMA DEPARTMENT OF TRANSPORTATION
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Montgomery, Alabama 36110

Telephone: 334.242.6469

Kay Ivey
Governor

John R. Cooper
Transportation Director

Summary Schedule of Prior Audit Findings
Alabama Department of Transportation
For the Year Ended September 30, 2024

As required by the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 2 CFR 200.511, the Alabama Department of Transportation has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of September 30, 2024.

Finding Ref. No.	Status of Prior Audit Finding
2023-004	The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, dated May 2023, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including costs that are adequately documented and necessary and reasonable for the performance of the federal award. The Alabama Department of Transportation (the "Department") passed through a portion of the Formula Grants for Rural Areas and Tribal Transit Program federal award to subrecipients. One of the subrecipients requested and received reimbursement of program expenses. Subsequent to the payments of the invoices, the Department received information alleging that falsified or altered documents related to expenditures were submitted by a subrecipient. Upon receipt of these allegations, the Department initiated a review of the supporting documents which had been submitted by the subrecipient. The review consisted of obtaining documents from vendors and comparing those documents to the ones submitted by the subrecipient. The results of this comparison indicated that the amounts owed and the description of goods and services provided columns had been changed. We reviewed, recalculated, verified and reperformed the comparisons made by the Department of Transportation and did not note any differences. Nine of ten supporting documents for meeting expenses submitted for reimbursement by the subrecipient during the audit period were altered and were not true and accurate. These altered supporting documents totaled $94,123.56. The Alabama Department of Transportation reimbursed the subrecipient based on the altered documents and, therefore, improperly expended Formula Grants for Rural Areas and Tribal Transit Program federal award funds.

Status of Corrective Action:
Corrective action was taken.

Scott Harris, M.D., M.P.H.
STATE HEALTH OFFICER

Summary Schedule of Prior Audit Findings
Alabama Department of Public Health
For the Year Ended September 30, 2024

As required by the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 2 CFR 200.511, the Alabama Department of Public Health has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of September 30, 2024.

Finding Ref. No.	Status of Prior Audit Finding
2023-005	
	The Uniform Guidance, 2 CFR Part 200, Appendix XI Compliance Supplement, dated May 2023, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including costs that are adequately documented and necessary and reasonable for the performance of the federal award. The Alabama Department of Public Health (ADPH) passed through a portion of the Immunization Cooperative Agreement federal award to subrecipients. During our audit, the ADPH's Office of Program Integrity (OPI) notified us that based on its investigation of a subrecipient was not submitting adequate supporting documentation for reimbursement requests. A total of 13 subrecipients requested and received reimbursement of program expenses during the fiscal year. Based upon procedures performed, we noted that of the 13 subrecipients who received federal award reimbursements, six did not provide adequate detailed documentation to support their request for reimbursement. In addition, 48 of the 63 invoices submitted for reimbursement by the subrecipients did not have adequate documentation resulting in questioned costs of $8,478,032.39 and one of the invoices included an improper payment of $2,600.00 for a total question cost of $8,480,632.39. The ADPH did not have adequate policies and procedures in place to ensure that all requests for reimbursement were supported by adequate detailed documentation to ensure all cost are allowed under the federal award.

Partial Corrective Action - Ongoing:
ADPH's Office of Program Integrity (OPI) initiated its own internal investigation. Upon further review of additional supporting documentation, the Department's Bureau of Financial Services and Office Program Integrity identified $1,866,680.72 dollars of allowable costs. On May 15, 2025, ADPH appealed the management decision letter received on April 15, 2025, from the Centers for Disease Control and Prevention (CDC), Office of Financial Resources, appealing the finding of $8,480,632.39 based on the identified allowable costs and are awaiting CDC review and response.

ADPH has strengthened its internal control system for grant management by conducting ongoing grant training internally and externally which is available for all employees who handle grants. The Bureau of Financial Services is continuing to work on establishing a Grants Management Office and grant tools are being distributed or added to policy for grant program use such as Risk Assessment Forms and monitoring forms.

Corrective Action within the Immunization Division Completed and Ongoing through April 30, 2025:

There has been a reorganization in leadership within the Immunization Division, however the Department remains committed to hiring additional staff to support grant review and monitoring. Immunization implemented the following procedures:

- Reviews grant guidance semi-annually, or when updated, with program grant monitoring staff to ensure compliance.
- Invoices and supporting documentation are being reviewed for source documents against grant guidance as received by program staff and approved by Operations Manager or Division Director to ensure costs to the grant are reasonable, allowable, allocable, and consistently applied before forwarding to Finance. Finance is conducting further reviews before uploading into STAARS for payment.
- Grant monitoring staff ensures that all reimbursements of expenses are adequately documented, based on true and accurate invoices, and costs are allowable under the federal award.
- Invoices or vague requests requiring additional documentation will be held until the necessary information is provided.
- All program grant staff have access to attend all available Finance and Grant training courses.
- Engages assigned Grant Accountant quarterly or as needed.
- There were no new subrecipients to conduct a Risk Assessment within 30 days of a signed grant agreement which will be forwarded to OPI for review.
- Immunization staff conducted Risk Assessments on all the current subrecipients within 60 days which was forwarded to OPI for review.
- Immunization staff, along with Finance and OPI, developed a subrecipient monitoring plan based on the Risk Assessment of each subrecipient. The monitoring plan was completed within 30 days of the receipt of the completed Risk Assessment.

- Copies of all completed monitoring activities, as outlined in the monitoring plan, were forwarded to OPI.

Contact Person(s):

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Catherine E M Donald

Catherine M. Donald
CFO & Public Health Administrative Officer

Jul 7, 2025

Date

Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2024

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Department of Labor has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of September 30, 2024.

Finding Ref. No.	Status of Prior Audit Finding

2023-006

FINDING:

According to the *Uniform Guidance*, 2 CFR 200.303(a), non-Federal entities receiving Federal awards must establish and maintain effective internal controls over these awards. These controls must provide reasonable assurance that the entity manages the Federal award in compliance with applicable Federal statutes, regulations, and the terms and conditions of the award.

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, May 2023, requires the Alabama Department of Labor to operate a Worker Profiling and Reemployment Services (WPRS) or Reemployment Services and Eligibility Assessments (RESEA) program. The Alabama Department of Labor operates a RESEA program. Under the RESEA program, Alabama Department of Labor staff must be promptly and appropriately notified of any eligibility issues identified during any review of a claimant's information. Claimants are also required to attend appointments for reemployment to maintain their eligibility status.

The Alabama Department of Labor has controls in place to provide notification of claimants who failed to report to scheduled RESEA appointments, however those controls were not operating as designed. While reviewing 25 claimant's information, we noted that 8 claimants failed to report to their scheduled appointments for reemployment. These failures to appear are reported to staff at the Alabama Department of Labor and should prompt a stop of benefit payments; however, the Alabama Department of Labor did not stop payment on these 8 claimants which resulted in overpayments totaling $8,884.00.

There was also one instance where Alabama Department of Labor could not provide documentation to support staff was appropriately notified of the eligibility status for a claimant.

The Alabama Department of Labor's policies and procedures did not operate as designed to prevent payments to ineligible claimants. Because the Alabama Department of Labor's internal controls were not operating as designed, this caused benefits to be paid to ineligible claimants.

Recommendation:
The Alabama Department of Labor should ensure internal controls are operating as designed to help ensure payments are not made to ineligible claimants.

Response/Views:
It should be noted that the Alabama Department of Labor is now known as the Alabama Department of Workforce (ADOW) as established with ACT 2024-115 signed by Governor Kay Ivey on April 25, 2024. The agency name was not changed in the Finding and Recommendation sections since this is how it read in the initial report.

As previously noted, the system used by the Employment Services Division to send RESEA appointment information to the Unemployment Division's system for claimant benefit records experienced a cyberattack in June 2022 and was unable to get the system fully functional until October 2023. This software service/system used by the Employment Services Division's Career Centers to record and report services provided to individuals is maintained by a vendor, GEOSOL.

ADOW has reviewed the finding and prepared a written policy for standard operating procedures (SOP) should there be any disruption in the automated communications process between the two systems in the future. ADOW considers this finding corrected and no further action necessary.

2023-007

FINDING:
According to the *Uniform Guidance*, 2 CFR 200.303 (a), non-Federal entities receiving Federal awards must establish and maintain effective internal controls over these awards. These controls must provide reasonable assurance that the entity manages the Federal award in compliance with applicable Federal statutes, regulations, and the terms and conditions of the award. A fundamental objective of an effective internal control system is to ensure that information is accurate and reliable, which includes a thorough review and approval process.

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, May 2023, requires the Alabama Department of Labor to ensure an employer's experience rating is properly applied, as the employer's "experience" with the unemployment of former employees is the dominant factor in the computation of the employer's annual state Unemployment Insurance tax rate.

The Alabama Department of Labor was unable to provide audit documentation to support their review and approval of employer experience rated tax rates.

The Alabama Department of Labor did not have policies and procedures in place to document the review and approval of the employer experience rated tax rates. As a result, the employer experience related tax rates could be incorrect, resulting in potential overpayments or underpayments of taxes.

Recommendation

The Alabama Department of Labor should develop and document internal controls over employer experience rated tax rates to help ensure they are accurate and properly applied.

Response/Views:

The Alabama Department of Workforce has updated their existing policy and/or procedures outlining the Annual Experience Rating Process. ADOW considers this finding corrected and no further action necessary.

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Auditee Response/Corrective Action Plan

Section II – Financial Statement Findings (GAGAS)

State of Alabama
Department of Finance
State Business Systems

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Kay Ivey
Governor

Valisha Kirkland
Acting SBS Director

Bill Poole
Director of Finance

Auditee Response/Corrective Action Plan
Section II – Financial Statement Findings (GAGAS)
Department of Finance
For the Year Ended September 30, 2024

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Alabama Department of Finance has prepared and hereby submits the following Corrective Action Plan for the finding which will be included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2024.

Finding Ref. No.	Corrective Action Plan Details
2024-001	*This is a repeat of Findings 2023-001, 2022-001, 2021-002, 2020-002, 2019-002, 2018-002, 2017-002 and 2014-001 which indicates 2014 as the year the finding originally occurred.*

Disaster Recovery and Contingency Planning – Material Weakness

We reviewed the internal control policies and procedures affecting the ability of the Department of Finance State Business Systems Division to be able to continue operations in the event the information technology resources of the Department were adversely affected by man-made or natural disasters. Critical information technology resources and the related government functions served by those resources are at risk because of weaknesses in the control policies and procedures affecting contingency planning. A comprehensive disaster recovery plan which includes all functional units of the Department including SBS/STAARS (State Business Systems/State of Alabama Accounting and Resource System) has not been completed. These conditions increase the risk that the Department could incur major disruptions in service if there is a catastrophic event at or near its primary data processing center.

Response/Views:
We agree with the finding.

Status of Corrective Action:
The Department of Finance and the Office of Information Technology (OIT) are planning the development and testing of a Disaster Recovery solution that will provide a Recovery Point Objective (RPO) of 24 Hours and a Recovery Time Objective (RTO) of 72 hours. The Office of Information Technology has completed the process of facilitating a Disaster Recovery Center located in Birmingham Alabama. The Department of Finance will enter a partnership with OIT for usage of the Birmingham facility for Disaster Recovery purposes. Documentation will be developed which details the backup, recovery and workflow of Disaster Recovery Procedures. Upon initial configuration the Department of Finance will coordinate and perform periodic testing of the Disaster recovery processes as needed to establish confidence in the newly established process. After implementation it is intended for these tests to be performed annually.

Reason for the Recurrence:
The Department of Finance had a limitation of resources due to restructuring of server platforms and transition of software to newer technologies. Also, the Office of Information Technology was in the process of finalizing a suitable Disaster Recover location. OIT has provided an anticipated completion date for the Disaster Recovery Site of Februray 25, 2025.

Anticipated Completion Date:
October 31, 2025. The Office of Information Technology has the new Disaster Recovery Datacenter established. The Department of Finance anticipates it will take 8 months to configure equipment as needed, test Disaster Recovery processes and develop the necessary documentation for successful completion of the solution.

Contact Person(s):
Valisha Kirkland

Signature of Responsible Official:

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Auditee Response/Corrective Action Plan

Section III – Federal Awards Findings and Questioned Costs

Alabama Medicaid Agency

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e-mail: almedicaid@medicaid.alabama.gov

KAY IVEY
Governor

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334-242-5000 1-800-362-1504

TIMOTHY "BO" A. OFFORD, JR.
Commissioner

Auditee Response/Corrective Action Plan
Section III – Federal Awards Findings and Questioned Costs
Alabama Medicaid Agency
For the Year Ended September 30, 2024

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Alabama Medicaid Agency has prepared and hereby submits the following Corrective Action Plan for the finding which is included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2024.

Finding Ref. No.	Corrective Action Plan Details

2024-002

Finding:

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, dated May 2024, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including costs that are adequately documented and necessary and reasonable for the performance of the federal award. The Alabama Medicaid Agency ("AMA") operates a Non-Emergency Transportation ("NET") program for individuals who are eligible for Medicaid benefits. This program helps eligible recipients pay for rides to dental and doctor offices, hospitals and other medical facilities when the service is also covered by Medicaid and the costs are paid with federal Medicaid program monies. Eligible recipients can request and receive reimbursements for the costs of utilizing the NET program. Subsequent to the payments of certain NET claims, AMA received information alleging that falsified information related to certain NET expenditures was being submitted and approved on behalf of a specific recipient. Upon receipt of these allegations, AMA initiated a review of the supporting documentation which had been submitted and approved. The review consisted of a detailed examination of all NET claims associated with the recipient. The results of the examination revealed that an AMA employee was entering and approving falsified information on behalf of a recipient. We reviewed, recalculated and verified information provided to us by AMA and did not note any differences. For the fiscal year ended September 30, 2024, there were 347 NET reimbursement requests totaling $30,501.75 submitted in the name of the specific recipient and of those, all 347 reimbursement requests were based on falsified non-existent documentation. The Alabama Medicaid Agency reimbursed the recipient based on falsified reimbursement requests and, therefore, improperly expended Medicaid Cluster federal award program funds.

Recommendation:
The Alabama Medicaid Agency should take actions to ensure that all reimbursements of expenses are adequately documented, based on true and accurate supporting documentation, and to ensure costs are allowable under the federal award.

Response/Views:
The Alabama Medicaid Agency agrees with the above recommendation. Medicaid immediately took action when it discovered an employee was defrauding the program by approving falsified claims. The immediate actions included terminating the employee, referring the employee for criminal prosecution, and making corrective actions.

Corrective Action Planned:
Corrective actions began immediately when the falsified claims were discovered by the Alabama Medicaid Agency. Employee access to the Non-Emergency Transportation (NET) reimbursement system has been reviewed and updated. Payment override access has been limited to two persons. Also, each NET program employee has been required to update their list of family or acquaintances to ensure each employee does not have a conflict of interest when reviewing reimbursement requests. The conflict-of-interest updates have been entered into the system. Finally, all NET employees have been required to attend training on program operation and policies.

Anticipated Completion Date:
The above-mentioned Corrective Action was completed in February 2025.

Contact Person(s):
Stephanie Lindsay, Chief Assistant to the Commissioner, at stephanie.lindsay@medicaid.alabama.gov or (334) 353-3781.

ALABAMA DEPARTMENT OF PUBLIC HEALTH
EST. 1875

Scott Harris, M.D., M.P.H.
STATE HEALTH OFFICER

Auditee Response/Corrective Action Plan
Section III – Federal Awards Findings and Questioned Costs
Alabama Department of Public Health
For the Year Ended September 30, 2024

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Alabama Department of Public Health has prepared and hereby submits the following Corrective Action Plan for the findings which are included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2024.

Finding Ref. No.	Corrective Action Plan Details

2024-003

Finding:

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, dated May 2024, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including costs that are adequately documented and necessary and reasonable for the performance of the federal award. The Alabama Department of Public Health (ADPH) passed through a portion of the Immunization Cooperative Agreement federal award to subrecipients. A total of fourteen subrecipients requested and received reimbursement of program expenses during the fiscal year. Based upon procedures performed, we noted that of the fourteen subrecipients who received federal award reimbursement, three did not provide adequate detailed documentation to support their request for reimbursements. In addition, sixteen of the fifty-four invoices submitted for reimbursement by the subrecipients did not have adequate documentation, resulting in question costs of $5,072,637.00. The documentation which was submitted by the subrecipients and approved by ADPH for payment consisted only of summary information and did not contain detailed information to ensure that reimbursement request costs were necessary and reasonable for the performance of the federal award.

The ADPH did not have adequate policies and procedures in place to ensure that all requests for reimbursement were supported by adequate detailed documentation to ensure all costs are allowed under the federal award.

Recommendation:
The Alabama Department of Public Health should take action to ensure that all reimbursements of expenses are adequately documented, based on true and accurate invoices, and to ensure costs are allowable under the federal award.

Response/Views: We agree with the Examiners' finding; adequate documentation did not exist at the time of the audit to substantiate payments that resulted in questioned costs and improper payments. To confirm the total amount of questioned costs, ADPH's Office of Program Integrity initiated its own ongoing investigation. ADPH also requested the Examiners of Public Accounts to conduct a special program audit which is ongoing. As this process continues, ADPH is requesting additional documentation from the subrecipients, which may affect the questioned costs of this program.

Corrective Action Planned: ADPH will continue to strengthen its internal control system for grant management by conducting ongoing grant training internally and externally which is available for all employees who handle grants. ADPH is strengthening the internal control system for grants management. ADPH has and will continue to develop internal grant training for all employees who handle any phase of grant activities or have managerial responsibility for a grant. ADPH is working to make this training mandatory. The Bureau of Financial Services is continuing to work on staffing up a Grants Management Office and grant tools are being distributed or added to document library for use by ADPH programs such as Risk Assessment Forms and monitoring forms.

Corrective Action within the Immunization Division Completed and Ongoing through August 2025:

There has been a reorganization in leadership within the Immunization Division, however the Department remains committed to hiring additional staff to support grant review and monitoring. Immunization implemented the following procedures:

- Reviews grant guidance semi-annually, or when updated, with program grant monitoring staff to ensure compliance.
- Invoices and supporting documentation are being reviewed for source documents against grant guidance as received by program staff and approved by Operations Manager or Division Director to ensure costs to the grant are reasonable, allowable, allocable, and consistently applied before forwarding to Finance. Finance is conducting further reviews before uploading into STAARS for payment.
- Grant monitoring staff ensures that all reimbursements of expenses are adequately documented, based on true and accurate invoices, and costs are allowable under the federal award.

- Invoices or vague requests requiring additional documentation will be held until the necessary information is provided.
- All program grant staff have access to attend all available Finance and Grant training courses.
- Engages assigned Grant Accountant on a quarterly basis or more frequently as requested.
- There were no new subrecipients to conduct a Risk Assessment within 30 days of a signed grant agreement which will be forwarded to OPI for review.
- Immunization staff conducted Risk Assessments on all the current subrecipients within 60 days which was forwarded to OPI for review.
- Immunization staff, along with Finance and OPI, developed a subrecipient monitoring plan based on the Risk Assessment of each subrecipient. The monitoring plan was completed within 30 days of the receipt of the completed Risk Assessment.
- Copies of all completed monitoring activities, as outlined in the monitoring plan, were forwarded to OPI.

Anticipated Completion Date: September 30, 2025 with ongoing strengthening of internal controls and trainings.

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Scott Harris, M.D., M.P.H.
State Health Officer

8/15/25
Date