



**Space Science
Exhibit Commission
and the Space Science
Exhibit Finance Authority
Huntsville, Alabama**

October 1, 2022 through September 30, 2024

Filed: May 1, 2026

ALABAMA DEPARTMENT OF
EXAMINERS of Public Accounts

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

Dear Madam:

An examination was conducted on the Space Science Exhibit Commission and the Space Science Exhibit Finance Authority, Huntsville, Alabama, for the period October 1, 2022 through September 30, 2024. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

Crystal Hinton

Crystal Hinton
Examiner of Public Accounts

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Department of
Examiners of Public Accounts

EXAMINER'S SUMMARY

**Space Science Exhibit Commission and the
Space Science Exhibit Finance Authority
October 1, 2022 through September 30, 2024**

PURPOSE AND SCOPE OF EXAMINATION

This report presents the results of an examination of the Space Science Exhibit Commission (the "Commission") and the Space Science Exhibit Finance Authority (the "Authority") and a review of the Commission's and the Authority's compliance with applicable laws and regulations of the State of Alabama. This examination 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. The examination was performed to determine whether the public officers, agents, and employees of the Commission and Authority properly and lawfully accounted for all money and other public assets, or resources received, disbursed, or in the custody of the Commission and Authority.

This examination included procedures to determine whether the Commission and Authority complied with the state laws and regulations that pertain to its financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. The Commission's and Authority's internal control policies and procedures relating to the areas listed above were also reviewed; however, this examination did not encompass managerial and operational matters, such as whether the Commission and Authority accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

The mission and purpose of the Commission and Authority is described in the accompanying Agency Overview.

COMMENT

During the course of our examination, the Commission notified us of actions by a former employee that may have been conducted for personal benefit. All allegations have been referred to the Alabama Ethics Commission.

RESULTS OF THE EXAMINATION

Nonconsumable personal property in the custody of the Commission was compared with the property records maintained by the Property Inventory Control Division of the State Auditor's Office as required by the *Code of Alabama 1975*, Section 36-16-9. The results are documented in Finding 2024-001.

Findings

The following instances of noncompliance with State laws and regulations and other matters were found during the examination, as shown on the Schedule of State Legal Compliance and Other Findings and they are summarized below.

- ◆ 2024-001: The Commission did not properly update the Inventory Control System, Asset Works, to accurately reflect the Commission's equipment inventory.
- ◆ 2024-002: The Commission failed to collect and remit gift shop sales tax.
- ◆ 2024-003: The Commission did not properly document meal expenses for employees.
- ◆ 2024-004: The Commission did not comply with the Division of Construction Management requirements and failed to retain sufficient records in order to determine the actual expenditures associated with several construction projects.
- ◆ 2024-005: The Commission did not properly bid goods and services.
- ◆ 2024-006: The Commission did not obtain and maintain appropriate adequate supporting documentation for certain transactions.
- ◆ 2024-007: The Commission did not comply with Section 93 of the *Constitution of Alabama 2022* by making payments and donations to an employee association and a non-profit organization.

EXIT CONFERENCE

An exit conference was held on March 20, 2026. Individuals in attendance were Brenda Perez, Interim Chief Executive Officer/Chief Financial Officer; Board Members: Jim Rogers, Nicole Faulk, Barbara Fast, Albert J. (Joe) Fitzgerald, Wes Kelly, Suzy Young, Homer Hickam, Joe Newberry, Waymon E. Burke, Joe Lovvorn, Rey Almodóvar, Roosevelt J. Lewis; and Brad Chynoweth and Rob Siedlecki from the Attorney General's Office. Representing the Examiners of Public Accounts were Mistie Beam, Audit Manager and Crystal Hinton, Examiner.



Department of
Examiners of Public Accounts

AGENCY OVERVIEW

**Space Science Exhibit Commission and the
Space Science Exhibit Finance Authority
October 1, 2022 through September 30, 2024**

The Space Science Exhibit Commission (the “Commission”), an agency of the State of Alabama, was created to provide for and to participate in the management and control of facilities that house and display exhibits of space exploration and hardware made available by the National Aeronautics and Space Administration (NASA).

The Commission operates under authority of the *Code of Alabama 1975*, Sections 41-9-430 through 41-9-439.

The Space Science Exhibit Finance Authority (the “Authority”), an agency of the State of Alabama, was created for the purposes of acquiring land, constructing and equipping facilities, leasing such facilities, and providing financing therefor. The Authority consists of three members selected by the Commission and approved by the Governor.

The Authority operates under the authority of the *Code of Alabama 1975*, Sections 41-10-300 through 41-10-332.

The Commission Members and Official in charge of governance of the Commission are shown on Exhibit 1. The firm of Anglin Reichmann Armstrong, P.C. conducted the financial audits of the Commission and Authority for the fiscal years ended September 30, 2023 and September 30, 2024. Additional information on the Commission can be found on their website at <https://www.rocketcenter.com>.

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*Schedule of State Legal
Compliance and Other Findings*

Schedule of State Legal Compliance and Other Findings
October 1, 2022 through September 30, 2024

Ref. No.	Finding/Noncompliance
2024-001	<p><u>Finding:</u> The Space Science Exhibit Commission (the “Commission”) did not properly update the Inventory Control System, Asset Works, to accurately reflect the Commission’s equipment inventory.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-16-8(1), requires each state department or agency to designate a property manager to maintain a complete inventory of all non-consumable personal property valued at \$500 or more, plus sensitive items identified by the Property Inventory Control Division. The inventory shall show the complete description, serial number, cost, purchase date, location, custodial agency, responsible officer, or employee, and the state property control marking. In addition, <i>Section V of the State Auditor’s Office Property Manual</i> requires that within 30 days of receiving items including furniture, equipment, vehicles (\$500+), all weapons, and all computers or external drives regardless of cost, the items must be assigned a state asset number, be affixed with a barcode, and be reported to the State Auditor’s Office. Furthermore, <i>Section III Responsibilities</i> requires the Property Manager to make a full and complete inventory of all non-consumable personal property and certain other items prior to October 1st of each year.</p> <p>Due to a lack of controls over property management, the Commission did not maintain accurate property records in Asset Works as required by the <i>Code of Alabama 1975</i> and the <i>State Auditor’s Office Property Manual</i>. Items listed as active included property that was salvaged, surplus, scrapped, traded, sold, disposed of, or lost, that were never updated to inactive status. A review of assets revealed missing custodian assignments, incorrect serial numbers, incomplete acceptance receipts, and the absence of the required annual inventory signed by custodians. Furthermore, several on-site and newly purchased items lacked property numbers or tags, and were not reported to the State Auditor.</p> <p>Failure to maintain accurate property records exposes the Commission to significant risk such as loss or misappropriation of assets.</p> <p><u>Recommendation:</u> The Commission should implement internal controls over property to ensure compliance with the <i>Code of Alabama 1975</i> and the <i>State Auditor’s Office Property Manual</i> by maintaining accurate records in Asset Works and reporting newly purchased items to the State Auditor.</p>

Schedule of State Legal Compliance and Other Findings
October 1, 2022 through September 30, 2024

Ref. No.	Finding/Noncompliance
2024-002	<p><u>Finding:</u> The Commission failed to collect and remit gift shop sales tax.</p> <p>The <i>Code of Alabama 1975</i>, Section 40-23-2(1), levies sales tax and requires collection by every person, firm, or corporation, including the State of Alabama or its agencies, “that is engaged or continuing within this State in the business of selling at retail any tangible personal property whatsoever, including merchandise and commodities of every kind and character.”</p> <p>The Commission operates a gift shop on site and on the internet through its website. The Commission failed to collect and remit sales tax from gift shop sales to the Alabama Department of Revenue. As a result, money due to the State of Alabama and its various instrumentalities for sales tax was not collected and remitted.</p> <p><u>Recommendation:</u> The Commission should collect and remit sales tax from gift shop sales in accordance with the <i>Code of Alabama 1975</i>, Section 40-23-2(1).</p>
2024-003	<p><u>Finding:</u> The Commission did not properly document meal expenses for employees.</p> <p>Numerous Attorney General Opinions have opined that public funds may be used to pay for meals and/or refreshments served at business meetings when the meals are directly related to the business of the entity, and the meals and refreshments are incidental to the meeting. In order for meals to be an incidental part of the meeting, the primary purpose of the gathering must be to have an official meeting at which business is conducted, not a social gathering at which food is provided.</p> <p>During our review of disbursements made by the Commission, we identified where meals were purchased for employees on numerous occasions. The Commission did not require or maintain adequate documentation detailing how these meals were directly related to the business of the Commission or that the meals were incidental to a meeting. As a result, the Commission exposed itself to a greater risk that meals could be purchased for unallowable purposes.</p> <p><u>Recommendation:</u> The Commission should require and maintain adequate documentation for meal purchases to include evidence that the meal is directly related to the business of the Commission and that the meal or refreshment provided is an incidental part of the meeting.</p>

Schedule of State Legal Compliance and Other Findings
October 1, 2022 through September 30, 2024

Ref. No.	Finding/Noncompliance
2024-004	<p><u>Finding:</u></p> <p>The Commission did not comply with the Division of Construction Management requirements and failed to retain sufficient records to determine the actual expenditures associated with several construction projects.</p> <p>The <i>Code of Alabama 1975</i>, Section 41-4-400, establishes the Division of Construction Management (DCM) within the Department of Finance. The law allows DCM to plan for the construction, repair, remodeling, improvement, or relocation of buildings, structures, and facilities for state departments, boards, bureaus, commissions, agencies and offices. Additionally, DCM is authorized to set policies, procedures, and guidelines for the design, construction, renovation, equipment, furnishing, maintenance, and improvement of all property now owned or acquired by the state or any institution or agency.</p> <p>DCM has established steps for owners that intend to self-perform construction work that include:</p> <ul style="list-style-type: none">◆ Verify with DCM staff whether or not the project requires review and/or administration by DCM.◆ If an intended construction self-performance project is verified by DCM to not require review or administration, consultation with the Division of Purchasing or use of other contracting means available to the owner is expected.◆ If an intended construction self-performance project is verified by DCM to be reviewed and/or administered by DCM, a construction self-performance letter must be issued and the DCM Manual or Procedures must be met, which includes contract document administration, plan review submittals and approvals, bidding, inspections, and user fees. <p>Commission policy <i>Purchasing of Public Works</i> states that Procurement will maintain a project folder containing all required project documents including DCM documents, Owner/Architect/Engineer documents and Construction Administration Documents. This policy also states that Procurement will maintain an up-to-date spending tracker of all project expenses.</p>

Schedule of State Legal Compliance and Other Findings
October 1, 2022 through September 30, 2024

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u> During the examination, several projects for building improvements were self-performed by staff of the Commission. The Commission did not go through DCM and follow the steps in place; therefore, documentation required by DCM could not be provided. In addition, a review of the completed projects by the Commission’s Procurement Office; Projects & Infrastructure Team and an architect, identified several issues that caused the Commission to incur additional costs to correct. The issues noted included numerous code violations, improper construction, noncompliance with the Americans with Disabilities Act (ADA), public safety issues, an incomplete roof and a roof not supported by a structurally safe building.</p> <p>Furthermore, the Commission did not retain sufficient documentation to substantiate the total cost of each project. As a result, the total cost of each project was indeterminable.</p> <p><u>Recommendation:</u> The Commission should ensure compliance with DCM self-performance construction work by following DCM requirements. Additionally, the Commission should retain sufficient records to account the total cost of each project.</p>
2024-005	<p><u>Finding:</u> The Commission did not properly bid goods and services.</p> <p>The <i>Code of Alabama 1975</i>, Section 41-16-50, commonly known as the “Alabama Competitive Bid Law” states that all expenditure of funds for labor, services, work, or for the purchase of materials, equipment, supplies, or other personal property involving \$15,000 or more (prior to August 1, 2023) or \$30,000 or more (subsequent to August 1, 2023) shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible and responsive bidder.</p> <p>Testing revealed the Commission expended \$30,346.51 for advertising, \$54,384.00 for computer kits, and \$55,880.00 for used equipment without the use of competitive bids. As a result, the Commission could not ensure a fair and competitive purchasing process was followed in the awarding of the contracts.</p> <p><u>Recommendation:</u> The Commission should ensure expenditures are made in compliance with Alabama bid laws.</p>

Schedule of State Legal Compliance and Other Findings
October 1, 2022 through September 30, 2024

Ref. No.	Finding/Noncompliance
2024-006	<p><u>Finding:</u> The Commission did not obtain and maintain appropriate adequate supporting documentation for certain transactions.</p> <p>Strong internal controls require disbursements to be supported by adequate documentation and to be made for allowable items and services. During our review of disbursements made by the Commission, we identified several purchases that lacked adequate supporting documentation. Failure to adequately support disbursements can lead to an increased risk that the possibility of errors or irregularities, including misappropriations and fraud, could occur without being detected.</p> <p><u>Recommendation:</u> The Commission should implement internal controls to ensure that all expenditures are supported by adequate documentation, and are made for allowable items and services.</p>
2024-007	<p><u>Finding:</u> The Commission did not comply with Section 93 of the <i>Constitution of Alabama 2022</i> by donating money to an employee association and a non-profit organization.</p> <p>Section 93 of the <i>Constitution of Alabama 2022</i> prohibits the lending of credit except as authorized by the Constitution of Alabama to any individual, association, or corporation. In order to comply with Section 93 of the <i>Constitution of Alabama 2022</i>, proper internal controls must be designed and implemented to include a review to ensure all expenses are those of the Commission.</p> <p>During the examination period, the Commission made payments from vending machine revenue to the U. S. Space and Rocket Center Employee Association and donated event revenue to a non-profit organization. As a result, money which could have been used by the Commission for operating purposes was spent on activities the Commission was not statutorily authorized to support.</p> <p><u>Recommendation:</u> The Commission should comply with Section 93 of the <i>Constitution of Alabama 2022</i>, by designing and implementing internal controls that ensure funds are only expended for authorized purposes.</p>

Other Information

Commission and Authority Members and Official
October 1, 2022 through September 30, 2024

Commission Members		Term Expires
Hon. MG (Ret.) Barbara Fast	Chairman	2025
Hon. Rey Almódovar	Member	2025
Hon. David Azbell	Member	2029
Hon. Waymon E. Burke, Ph.D.	Member	2029
Hon. Race Cannon	Member	2023
Hon. Nicole Faulk	Member	2025
Hon. Joe Fitzgerald, Hon. Sc.D.	Member	2029
Hon. Homer Hickam	Member	2029
Hon. J. Scott Hunter	Member	2025
Hon. Wes Kelley	Member (*)	2025
Hon. Col. (Ret.) Roosevelt J. Lewis, Jr.	Member	2025
Hon. Joe Lovvorn	Member	2029
Hon. Col. (Ret.) James “Craig” Naudain	Member	2025
Hon. John Nerger	Member	2025
Hon. Joe Newberry	Member	2029

Commission and Authority Members and Official
October 1, 2022 through September 30, 2024

<u>Commission Members</u>		<u>Term Expires</u>
Hon. Arthur Orr	Member	2029
Hon. MG (Ret.) Jim Rogers	Member	2025
Hon. Howard Sanderford	Member	2029
Hon. Lisa Williams	Member	2025
Hon. Virginia “Suzy” Young, Ph.D.	Member	2029
<u>Authority Members</u>		
Hon. Wes Kelley	Member	2025
Hon. Joe Newberry	Member	2025
Hon. Clinton Carter	Member	2028
<u>Official</u>		
Dr. Kimberly Robinson, Chief Executive Officer/ Executive Director	U. S. Space and Rocket Center One Tranquility Base Huntsville, AL 35805	

(*) Wes Kelley served as Chairman until November 2023.