Single Audit of Federal Award Programs

Montgomery, Alabama

October 1, 2024 through September 30, 2025

Filed: June 26, 2026

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, Cost Principles and Audit Requirements for Federal Awards*** (*Uniform Guidance*) for the State of Alabama for the period October 1, 2024 through September 30, 2025.

Respectfully submitted,

Nikki T. Morrison, CPA
Examiner of Public Accounts
Assistant Chief Examiner

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Department of
Examiners of Public Accounts

SUMMARY

Single Audit of Federal Award Programs
State of Alabama
October 1, 2024 through September 30, 2025

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, 2025, which is a required component of a Single Audit, was issued by the Department of Examiners of Public Accounts as Report Number 26-237 on April 10, 2026. 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).

<u>COMMENTS</u>

The State of Alabama expended $14,221,961,652 in federal awards during the 2024-2025 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.

<u>AUDIT FINDINGS</u>

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:

- ♦ 2025-001: 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 2024-001, 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.

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.

- ♦ 2025-002: The Alabama Emergency Management Agency did not have procedures in place to identify which recipients were subject to Federal Funding Accountability and Transparency Act.

- ♦ 2025-003: The Alabama Emergency Management Agency did not have sufficient internal controls in place to ensure subrecipient audits were conducted, received, and reviewed.

- 2025-004: The Military Department charged indirect costs to the federal program when such charges are not allowable.

- 2025-005: The Department of Human Resources made subsidy payments to recipients after their eligibility expired.

- 2025-006: The Department of Human Resources made duplicate payments to clients.

- 2025-007: The Department of Human Resources did not have adequate controls in place to ensure Federal Medical Assistance Program percentages were updated annually in STAARS.

- 2025-008: The Alabama Department of Public Health did not have adequate policies and procedures in place to ensure that costs were sufficiently documented and were necessary and reasonable for the performance of the federal award. This is a repeat of Findings 2024-003 and 2023-005 which indicates 2023 as the year the finding originally occurred.

- 2025-009: The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure costs were charged to the correct program.

- 2025-010: The Alabama Law Enforcement Agency recorded transactions to the Homeland Security Grant program outside of the period of performance.

- 2025-011: The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure Federal Financial (SF-425) quarterly reports were submitted within the required reporting period.

- 2025-012: The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure subrecipients were monitored in accordance with the *Uniform Guidance*.

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

<u>EXIT CONFERENCE</u>

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, 2025

Federal Grantor/ Pass-Through Agency/ Program or Cluster 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	$ 1,761,871		$ -	Agriculture and Industries
Conservation Reserve Program	10.069	76,140		-	Forestry Commission
Market Protection and Promotion	10.163	36,600		-	Agriculture and Industries
Specialty Crop Block Grant Program	10.169	593,236		-	Agriculture and Industries
Agreements with State, Tribes, and Local Governments	10.182	1,891,319		-	Agriculture and Industries
Local Food for Schools Cooperative Agreement Program	10.185	192,915		-	Agriculture and Industries
Resilient Food System Infrastructure Program	10.190	4,634,532		-	Agriculture and Industries
State Mediation Grants	10.435	35,300		-	Agriculture and Industries
Cooperative Agreements with States for Intrastate				-	
Meat and Poultry Inspection	10.475	4,059,895		-	Agriculture and Industries
Farm and Ranch Stress Assistance Network Competitive Grants Program	10.525	1,573,296		-	Agriculture and Industries
Child Nutrition-Technology Innovation Grant	10.541	2,785,830		-	Education
Pandemic EBT Food Benefits	10.542	1,021,159		-	Human Resources
				-	
Supplemental Nutrition Assistance Program (SNAP) Cluster				-	
Supplemental Nutrition Assistance Program	10.551	1,731,758,916		-	Human Resources
COVID-19 Supplemental Nutrition Assistance Program	10.551	368,552		-	Human Resources
Total Supplemental Nutrition Assistance Program		1,732,127,468		-	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	71,234,604		-	Human Resources
Total SNAP Cluster		1,803,362,072		-	
Child Nutrition Cluster					
School Breakfast Program (SBP)	10.553	126,750,808		126,746,078	Education
National School Lunch Program (NSLP)	10.555	388,275,746	3A	388,233,717	Education
Special Milk Program for Children (SMP)	10.556	12,448		12,448	Education
Summer Food Service Program for Children (SFSPC)	10.559	10,502,629	3A	10,437,493	Education
Fresh Fruit and Vegetable Program	10.582	4,095,053		4,016,023	Education
Total Child Nutrition Cluster		529,636,684		529,445,759	
WIC SSNP for Women, Infants, and Children	10.557	150,182,795		5,758,440	Public Health
Covid-19 WIC SSNP for Women, Infants, and Children	10.557	75,523		-	Public Health
Total WIC SSNP for Women, Infants, and Children		150,258,318	3B	5,758,440	
Child and Adult Care Food Program	10.558	51,793,367		50,320,121	Education
State Administrative Expenses for Child Nutrition	10.560	8,188,601		1,854,058	Education
Food Distribution Cluster					
Commodity Supplemental Food Program	10.565	4,696,744	3A	4,634,653	Education
Emergency Food Assistance Program - Administrative Costs	10.568	1,513,188		1,478,714	Education
Emergency Food Assistance Program - Food Commodities	10.569	22,499,653	3A	22,499,653	Education
Total Food Distribution Cluster		28,709,585		28,613,020	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Team Nutrition Grants	10.574	10,131		6,662	Education
Child Nutrition Discretionary Grants Limited Availability	10.579	81,696		81,696	Education
Farm to School Grant	10.645	170,281		3,077	Education
Summer Electronic Benefit Transfer Program for Children	10.646	48,595,408		-	Education
Forestry Research	10.652	668,780		-	Forestry Commission
Cooperative Forestry Assistance	10.664	5,332,423		-	Forestry Commission
Schools and Roads - Grants to States	10.665	368,306		368,306	Finance
Forestry Legacy Program	10.676	3,482		-	Forestry Commission
Forest Health Protection	10.680	139,575		-	Forestry Commission
Good Neighbor Authority	10.691	14,353		-	Conservation and Natural Resources/ Forestry Commission
State and Private Forestry Hazardous Fuel Reduction Act.	10.697	421,452		-	Forestry Commission
Temporary Bridge	10.721	138,940		-	Forestry Commission
IRA Urban	10.727	15,085		-	Forestry Commission
Inflation Reduction Act Landscape Scale Restoration	10.731	7,983		-	Forestry Commission
IRA Legacy	10.734	137,245		-	Forestry Commission
Distance Learning and Telemedicine Loans and Grants	10.855	118,050		-	Mental Health
Soil and Water Conservation	10.902	425,694		-	Geological Survey
Watershed Protection and Flood Prevention	10.904	1,716,973		-	Soil and Water Conservation Committee
Environmental Quality Incentives Program	10.912	371,953		-	Soil and Water Conservation Committee/Conservation and Natural Resources/Forestry Commission
Feral Swine Eradication and Control Pilot Program	10.934	282,841		-	Soil and Water Conservation Committee
Total Department of Agriculture		2,649,631,371		616,451,139	
DEPARTMENT OF COMMERCE					
Broadband Equity, Access, and Deployment Program	11.035	3,144,843		-	Economic and Community Affairs
Interjurisdictional Fisheries Act of 1986	11.407	439,644		54,048	Conservation and Natural Resources
Coastal Zone Management Administration Awards	11.419	1,682,631		382,343	Conservation and Natural Resources
Coastal Zone Management Estuarine Research Reserves	11.420	876,027		-	Conservation and Natural Resources
Cooperative Fishery Statistics	11.434	757,243		-	Conservation and Natural Resources
Southeast Area Monitoring and Assessment Program	11.435	166,307		93,426	Conservation and Natural Resources
Regional Fishery Management Councils	11.441	50,668		-	Conservation and Natural Resources
Habitat Conservation	11.463	124,578		-	Conservation and Natural Resources
Office for Coastal Management	11.473	86,674		29,355	Conservation and Natural Resources
Other Federal Assistance					
Joint Enforcement Contract (NOAA)	11.Unknown	438,811		-	Conservation and Natural Resources
Total Department of Commerce		7,767,426		559,172	
DEPARTMENT OF DEFENSE					
Navigation Projects	12.107	526,389		-	Conservation and Natural Resources
National Guard Military Operations and Maintenance (O&M) Projects	12.401	63,014,774		-	Military Department
Total Department of Defense		63,541,163		-	

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Manufactured Home Dispute Resolution	14.171	460,521		-	Manufactured Housing Commission
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	169,355,560		165,856,791	Economic and Community Affairs
COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	3,467,763		3,307,303	Economic and Community Affairs
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		173,283,844		169,164,094	
Emergency Solutions Grant Program	14.231	2,773,357		2,658,602	Economic and Community Affairs
Housing Opportunities for Persons with AIDS	14.241	4,505,798		4,407,083	Economic and Community Affairs
Continuum of Care Program	14.267	425,998		425,998	Mental Health
Lead Hazard Control Capacity Building Program	14.912	154,262		123,477	Public Health
Healthy Homes Production Program	14.913	954,476		154,898	Public Health
Total Department of Housing and Urban Development		182,097,735		176,934,152	
DEPARTMENT OF INTERIOR					
Energy Community Revitalization Program (ECRP)	15.018	907,270		135,460	Oil and Gas Board of Alabama
Zoonotic Disease Initiative	15.069	228,400		228,400	Conservation and Natural Resources
Earth Mapping Resources Initiative	15.073	218,221		-	Geological Survey
Abandoned Mine Land Reclamation (AMLR)	15.252	11,901,301		-	Department of Labor
Marine Minerals Activities	15.424	44,407		-	Geological Survey
Mineral Leasing Act	15.437	218,752		-	Finance
Fish and Wildlife Cluster					
Sport Fish Restoration	15.605	5,615,313		480,275	Conservation and Natural Resources Environmental Management
Wildlife Restoration and Basic Hunter Education	15.611	15,437,464		1,043,665	Conservation and Natural Resources
Total Fish and Wildlife Cluster		21,052,777		1,523,940	
Fish and Aquatic Conservation - Aquatic Invasive Species	15.608	410,788		-	Conservation & Natural Resources
Cooperative Endangered Species Conservation Fund	15.615	465,085		313,697	Conservation & Natural Resources
Clean Vessel Act	15.616	141,876		83,738	Environmental Management
Sportfishing and Boating Safety Act	15.622	237,788		200,000	Environmental Management
Partners for Fish and Wildlife	15.631	12,315		12,308	Conservation & Natural Resources
State Wildlife Grants	15.634	795,525		388,361	Conservation & Natural Resources
Endangered Species Conservation - Recovery Implementation Funds	15.657	14,768		-	Conservation & Natural Resources
Candidate Species Conservation	15.660	108,260		-	Conservation & Natural Resources, Geological Survey
White-Nose Syndrome National Response Implementation	15.684	4,996		-	Conservation & Natural Resources
U. S. Geological Survey Research and Data Collection	15.808	145,961		69,008	Geological Survey
National Cooperative Geologic Mapping	15.810	118,898		-	Geological Survey
National Geological and Geophysical Data Preservation	15.814	69,335		-	Geological Survey
Outdoor Recreation Acquisition, Development and Planning	15.916	3,834,701		3,602,402	Economic and Community Affairs
Water Use and Data Research	15.981	12,991		-	Economic and Community Affairs
Total Department of Interior		40,944,415		6,557,314	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF JUSTICE					
Sexual Assault Services Formula Program	16.017	832,744		786,314	Economic and Community Affairs
Organized Crime Drug Enforcement Task Force (OCDETF)	16.111	(26,679)		-	Alabama Law Enforcement Agency
Juvenile Justice and Delinquency Prevention	16.540	891,355		667,625	Economic and Community Affairs Prosecution Services
Missing Children's Assistance	16.543	660,360		13,058	Alabama Law Enforcement Agency
State Justice Statistics Program for Statistical Analysis Centers	16.550	54,670		54,670	Alabama Law Enforcement Agency
National Criminal History Improvement Program (NCHIP)	16.554	3,939,181		-	Alabama Law Enforcement Agency
Crime Victim Assistance	16.575	22,004,819		18,458,156	Economic and Community Affairs
Crime Victims Compensation	16.576	619,258		-	Crime Victims Compensation
Treatment Court Discretionary Grant	16.585	568,608		124,558	Alabama Office of Courts
Violence Against Women Formula Grants	16.588	2,642,895		2,094,794	Economic and Community Affairs
Residential Substance Abuse Treatment for State Prisoners	16.593	624,402		-	Economic and Community Affairs
State Criminal Alien Assistance Program	16.606	172,508		-	Corrections
Project Safe Neighborhoods	16.609	406,168		139,641	Economic and Community Affairs
Edward Byrne Memorial Justice Assistance Grant Program	16.738	5,094,569		3,860,516	Economic and Community Affairs/ Alabama Law Enforcement Agency
DNA Backlog Reduction Program	16.741	1,893,047		-	Forensic Sciences
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	430,600		-	Economic and Community Affairs
Support for Adam Walsh Act Implementation Grant Program	16.750	437,960		-	Prosecution Services
Harold Rogers Prescription Drug Monitoring Program	16.754	1,015,003		702,235	Mental Health/Public Health
Second Chance Act Reentry Initiative	16.812	139,172		-	Pardons and Paroles
NICS Act Record Improvement Program	16.813	1,738,956		-	Alabama Law Enforcement Agency
John R. Justice Prosecutors and Defenders Incentive Act	16.816	108,001		-	Prosecution Services
Swift, Certain, and Fair (SCF) Supervision Program: Including Project HOPE	16.828	153,988		-	Pardons and Paroles
Comprehensive Opioid Abuse Site-Based Program	16.838	825,600		654,189	Mental Health
Opioid Affected Youth Initiative	16.842	4,526		-	Commerce
Equitable Sharing Program	16.922	30,269		-	Attorney General and Military
Other Federal Assistance					
Drug Enforcement Agency Cooperative Agreements	16.Unknown	242,768		-	Alabama Law Enforcement Agency
Federal Bureau of Investigation	16.Unknown	22,725		-	Alabama Law Enforcement Agency
United States Marshals	16.Unknown	35,682		-	Alabama Law Enforcement Agency
Total Department of Justice		45,563,155		27,555,756	
DEPARTMENT OF LABOR					
Labor Force Statistics	17.002	1,207,767		-	Workforce
Compensation and Working Conditions	17.005	113,106		-	Workforce
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	10,027,902		-	Workforce
Disabled Veterans' Outreach Program (DVOP)	17.801	2,548,521		-	Workforce
Total Employment Service Cluster		12,576,423		-	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Unemployment Insurance	17.225	167,524,751	3C	-	Workforce
Senior Community Service Employment Program	17.235	1,171,957		1,098,504	Senior Services
Trade Adjustment Assistance	17.245	558,510		-	Workforce
WIOA Cluster					
WIOA Adult Program	17.258	5,700,613		3,760,491	Commerce
WIOA Youth Activities	17.259	11,319,392		8,308,658	Commerce
WIOA Dislocated Worker Formula Grants	17.278	10,692,437		4,101,915	Commerce
Total WIOA Cluster		27,712,442		16,171,064	
Reentry Employment Opportunities	17.270	686,699		580,581	Workforce
Foreign Labor	17.273	207,563		-	Workforce
Youthbuildup Birmingham	17.274	403,008		375,671	Commerce
WIOA National Dislocated Worker Grants/Workforce Investment Act (WIA) National Emergency Grants	17.277	1,739,852		620,943	Commerce
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	429,289		241,702	Workforce
Total Department of Labor		214,331,367		19,088,465	
DEPARTMENT OF TRANSPORTATION					
Highway Research and Development Program	20.200	943,876		-	Transportation
Highway Planning and Construction	20.205	1,087,608,372		3,701,817	Transportation
COVID-19 Highway Planning and Construction	20.205	4,887,887		-	Transportation
Total Highway Planning and Construction		1,093,440,135		3,701,817	
Highway Training and Education	20.215	347,263		-	Transportation
FMCSA Cluster					
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	20.237	1,240,392		-	Alabama Law Enforcement Agency
Motor Carrier Safety Assistance	20.218	8,013,728		-	Alabama Law Enforcement Agency
Total FMCSA Cluster		9,254,120		-	
Recreational Trails Program	20.219	2,245,122		2,120,472	Economic and Community Affairs
Federal Lands Access Program	20.224	442,593		-	Transportation
Commercial Driver's License Program Implementation Grant	20.232	1,039,776		-	Alabama Law Enforcement Agency
Highway Use Tax Evasion	20.240	4,574		-	Transportation
Federal Transit Cluster					
Federal Transit Formula Grants	20.507	737,262		(254,396)	Transportation
COVID-19 Federal Transit Formula Grants	20.507	1,814,756		51,894	Transportation
Total Federal Transit Formula Grants		2,552,018		(202,502)	
Grant for Buses and Buses Facilities Program	20.526	13,780,461		312,075	Transportation
Total Federal Transit Cluster		16,332,479		109,573	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Federal Transit-Metro Planning Grant	20.505	2,047,144		1,485,376	Transportation
Formula Grants for Rural Areas	20.509	30,192,209		13,105,239	Transportation
COVID-19 Formula Grants for Rural Areas	20.509	3,744,543		2,269,501	Transportation
Total Formula Grants for Rural Areas		33,936,752		15,374,740	
Transit Services Program Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	6,841,634		696,107	Transportation
Total Transit Services Programs Cluster		6,841,634		696,107	
Highway Safety Cluster					
State and Community Highway Safety	20.600	6,468,932		4,943,909	Economic and Community Affairs
National Priority Safety Programs	20.616	5,567,968		3,090,801	Economic and Community Affairs, ALEA
Total Highway Safety Cluster		12,036,900		8,034,710	
National Highway Traffic Safety Administration (NHTSA) Discretionary					
Grants and Cooperative Agreements	20.614	78,988		-	Alabama Law Enforcement Agency
Pipeline Safety Program State Base Grant	20.700	1,039,955		-	Public Service Commission
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	457,237		380,632	Emergency Management
PHMSA Pipeline Safety Underground Natural Gas Storage Grant	20.725	19,685		-	Oil and Gas Board of Alabama
National Infrastructure Investments	20.933	11,030,394		-	Transportation
Total Department of Transportation		1,190,594,751		31,903,427	
DEPARTMENT OF THE TREASURY					
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	29,555,136		26,212,034	Conservation and Natural Resources/Port Authority
COVID-19 Coronavirus Relief Fund under CARES Act	21.019	(975)		-	Finance
Coronavirus State Fiscal Recovery Fund	21.027	474,536,661		302,513,367	Finance
Total Department of the Treasury		504,090,822		328,725,401	
APPALACHIAN REGIONAL COMMISSION					
Appalachian Area Development	23.002	9,849,498		9,110,841	Economic and Community Affairs
Appalachian Development Highway System	23.003	11,677,371		-	Transportation
Total Appalachian Regional Commission		21,526,869		9,110,841	
GENERAL SERVICES ADMINISTRATION					
Donation of Federal Surplus Personal Property	39.003	2,213,976	3D	1,986,086	Economic and Community Affairs
Total General Services Administration		2,213,976		1,986,086	
NATIONAL ENDOWMENT FOR THE ARTS					
Promotion of the Arts Partnership Agreements	45.025	974,215		974,215	Council on the Arts
Total National Endowment for the Arts		974,215		974,215	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
INSTITUTE OF MUSEUM AND LIBRARY SERVICES					
Grants to States	45.310	2,674,097		942,157	Public Library Service
Total Institute of Museum and Library Services		2,674,097		942,157	
SMALL BUSINESS ADMINISTRATION					
State Trade Expansion	59.061	498,245		-	Commerce
Total Small Business Administration		498,245		-	
TENNESSEE VALLEY AUTHORITY					
Other Federal Assistance-TVA	62.Unknown	553,924		-	Emergency Management Agency
Total Tennessee Valley Authority		553,924		-	
DEPARTMENT OF VETERANS AFFAIRS					
Veterans Prescription Service	64.012	1,006,622		-	Veterans' Affairs
Veterans State Domiciliary Care	64.014	1,757,179		-	Veterans' Affairs
Veterans State Nursing Home Care	64.015	56,867,467		-	Veterans' Affairs
RN Grant	64.053	107,596		-	Veterans' Affairs
Burial Expenses Allowance for Veterans	64.101	325,344		-	Veterans' Affairs
Veterans Cemetery Grants Program	64.203	28,272		-	Veterans' Affairs
Total Department of Veterans Affairs		60,092,480		-	
ENVIRONMENTAL PROTECTION AGENCY					
State Indoor Radon Grants	66.032	6,379		-	Public Health
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	1,123,298		-	Environmental Management
State Clean Diesel Grant Program	66.040	51,749		-	Environmental Management
State Environmental Justice Cooperative Agreement Program	66.312	166,208		-	Environmental Management
Water Pollution Control State, Interstate, and Tribal Support Program	66.419	28,923		-	Environmental Management
Lead Testing in School and Child Care Program Drinking Water	66.444	111,603		-	Environmental Management
Water Quality Management Planning	66.454	261,073		-	Environmental Management
Gulf of Mexico Program	66.475	1,807,263		-	Forestry Commission/Environmental Management
Class VI Program	66.486	67,822		-	Oil and Gas Board of Alabama
Performance Partnership Grants	66.605	18,275,737		1,296,860	Environmental Management/Public Health
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	26,503		26,503	Public Health
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	(23,190)		-	Environmental Management
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	1,026,686		-	Environmental Management
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	1,076,842		-	Environmental Management
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809	39,733		-	Environmental Management
State and Tribal Response Program Grants	66.817	1,213,178		-	Environmental Management
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	74,234		-	Environmental Management
Solid Waste Infrastructure for Recycling Infrastructure Grants	66.920	81,758		-	Environmental Management
Total Environmental Protection Agency		25,415,799		1,323,363	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
DEPARTMENT OF ENERGY					
State Energy Program	81.041	1,714,560		1,417,835	Economic and Community Affairs
Weatherization Assistance for Low-Income Persons	81.042	8,402,729		7,632,271	Economic and Community Affairs
Alabama Carbon Storage	81.089	547,255		98,877	Geological Survey
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	67,081		-	Emergency Management
Energy Efficiency and Conservation Block Grant Program	81.128	583,062		512,136	Economic and Community Affairs
Other Federal Assistance					
Petroleum Violation Escrow	81.Unknown	(110,838)		(110,838)	Economic and Community Affairs
Total Department of Energy		11,203,849		9,550,281	
DEPARTMENT OF EDUCATION					
Title I Grants to Local Educational Agencies	84.010	319,121,373		316,140,281	Education
Migrant Education State Grant Program	84.011	2,084,611		1,910,598	Education
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	779,441		143,353	Education
Special Education Cluster (IDEA)					
Special Education Grants to States	84.027	221,347,382		209,390,727	Education
Special Education Preschool Grants	84.173	6,850,711		6,707,240	Education
Total Special Education Cluster (IDEA)		228,198,093		216,097,967	
Career and Technical Education - Basic Grants to States	84.048	25,789,355		23,046,827	Education
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	90,126,072	3F	-	Rehabilitation Services
Migrant Education Coordination Program	84.144	30,834		30,555	Education
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	540,145		-	Rehabilitation Services
Special Education - Grants For Infants and Families	84.181	7,313,080		-	Rehabilitation Services
School Safely National Activities	84.184	382,771		-	Education
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	452,299		-	Rehabilitation Services
Education for Homeless Children and Youth	84.196	2,819,834		2,036,295	Education
Twenty-First Century Community Learning Centers	84.287	21,463,885		20,579,295	Education
Special Education - State Personnel Development	84.323	1,556,842		728,474	Education
Rural Education	84.358	5,627,488		5,289,245	Education
English Language Acquisition State Grants	84.365	4,824,118		4,565,065	Education
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	43,191,132		41,248,976	Education
Grants for State Assessments and Related Activities	84.369	10,381,173		-	Education
Statewide Longitudinal Data Systems	84.372	(4)		-	Education
Education Innovation and Research	84.411	4,206,653		3,335,585	Education
Student Support and Academic Enrichment Program	84.424	26,894,217		26,481,958	Education

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Education Stabilization Fund					
Discretionary Grants: Reimagining Workforce Preparation Grants	84.425G	5,402,485		4,956,988	Commerce
ARP - Elementary and Secondary School Emergency Relief	84.425U	91,690,129		90,454,796	Education
ARP - Elementary and Secondary School Relief - Homeless Children and Youth	84.425W	1,033,553		1,001,449	Education
ARP - Emergency Assistance to Non-Public Schools program	84.425V	501,554		-	Education
Total Education Stabilization Fund	84.425	98,627,721		96,413,233	
Total Department of Education		894,411,133		758,047,707	
GULF COAST ECOSYSTEM RESTORATION COUNCIL					
Gulf Coast Ecosystem Restoration Council Comprehensive Plan Component	87.051	2,503,071		1,682,484	Conservation & Natural Resources/Geological Survey
Gulf Coast Ecosystem Restoration Council Oil Spill Impact Program	87.052	25,070,674		19,200,281	Conservation & Natural Resources
Total Gulf Coast Ecosystem Restoration Council		27,573,745		20,882,765	
ELECTIONS ASSISTANCE COMMISSION					
Delta Regional Authority	90.200	223,475		207,167	Commerce
Help America Vote Act Requirements Payments	90.401	11,868	3E	-	Secretary of State
2018 HAVA Election Security Grants	90.404	1,625,703	3E	-	Secretary of State
Southeast Crescent Regional Commission - Economic and Infrastructure	90.705	17,264		-	Economic and Community Affairs
Total Elections Assistance Commission		1,878,310		207,167	
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	79,026		79,026	Senior Services
Special Programs for the Aging - Title VII, Chapter 2: Long-Term Care Ombudsman Services for Older Individuals	93.042	316,150		316,150	Senior Services
COVID-19 Special Programs for the Aging - Title VII, Chapter 2: Long-Term Care Ombudsman Services for Older Individuals	93.042	17,878		17,878	Senior Services
Total Special Programs for the Aging - Title VII, Chapter 2: Long-Term Care Ombudsman Services for Older Individuals		334,028		334,028	
Special Programs for the Aging - Title III, Part D: Disease Prevention and Health Promotion Services	93.043	309,135		309,135	Senior Services
COVID-19 Special Programs for the Aging - Title III, Part D: Disease Prevention and Health Promotion Services	93.043	118,906		118,906	Senior Services
Total Special Programs for the Aging - Title III, Part D: Disease Prevention and Health Promotion Services		428,041		428,041	
Aging Cluster					
Special Programs for the Aging - Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	6,446,125		5,992,683	Senior Services
COVID-19 Special Programs for the Aging - Title III, Part B: Grants for Supportive Services and Senior Centers	93.044	853,017		853,017	Senior Services
Total Special Programs for the Aging - Title III, Part B: Grants for Supportive Services and Senior Centers		7,299,142		6,845,700	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Special Programs for the Aging - Title III, Part C: Nutrition Services	93.045	14,992,417		14,391,065	Senior Services
COVID-19 Special Programs for the Aging - Title III, Part C: Nutrition Services	93.045	302,753		302,753	Senior Services
Total Special Programs for the Aging - Title III, Part C: Nutrition Services		15,295,170		14,693,818	
Nutrition Services Incentive Program	93.053	1,947,558		1,947,558	Senior Services
Total Aging Cluster		24,541,870		23,487,076	
Special Programs for the Aging - Title IV and Title II -Discretionary Projects	93.048	548,810		493,728	Senior Services/Human Resources
COVID-19 Special Programs for the Aging - Title IV and Title II - Discretionary Projects	93.048	17,338		17,338	Senior Services
Total Special Programs for the Aging - Title IV and Title II -Discretionary Projects		566,148		511,066	
National Family Caregiver Support, Title III Part E	93.052	2,944,316		2,795,887	Senior Services
COVID-19 National Family Caregiver Support, Title III Part E	93.052	401,804		401,804	Senior Services
Total National Family Caregiver Support, Title III Part E		3,346,120		3,197,691	
Public Health Emergency Preparedness	93.069	9,570,596		1,481,402	Public Health
Medicare Enrollment Assistance Program	93.071	1,022,215		925,490	Senior Services
Lifespan Respite Care Program	93.072	431,640		416,112	Senior Services
Guardianship Assistance	93.090	7,316,616		-	Human Resources
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	541,035		171,441	Public Health
Food and Drug Administration Research	93.103	1,135,735		-	Ag and Industries/Public Health
Maternal and Child Health Federal Consolidated Programs	93.110	1,054,057		877,864	Mental Health/Public Health
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	937,080		-	Public Health
Emergency Medical Services for Children	93.127	126,000		126,000	Public Health
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	260,349		-	Public Health
Injury Prevention and Control Research and State and Community Based Programs	93.136	3,758,933		2,488,779	Public Health
Projects for Assistance in Transition from Homelessness (PATH)	93.150	631,864		624,664	Mental Health
Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	470,918		219,406	Public Health
Family Planning - Services	93.217	5,135,138		1,090,788	Public Health
Traumatic Brain Injury State Demonstration Grant Program	93.234	221,285		-	Rehabilitation Services
COVID-19 Traumatic Brain Injury State Demonstration Grant Program	93.234	705		-	Rehabilitation Services
Total Traumatic Brain Injury State Demonstration Grant Program		221,990		-	
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235	665,270		171,441	Public Health
State Rural Hospital Flexibility Program	93.241	243,107		103,715	Public Health
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	9,466,751		5,880,066	Education/Mental Health/Public Health
Universal Newborn Hearing Screening	93.251	179,196		46,900	Public Health

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Immunization Cooperative Agreements	93.268	93,485,282		(1)	Public Health
COVID-19 Immunization Cooperative Agreements	93.268	16,922,077		512,079	Public Health
Total Immunization Cooperative Agreements		110,407,359	3G	512,078	
Viral Hepatitis Prevention and Control	93.270	338,018		48,302	Public Health
Small Rural Hospital Improvement Grant Program	93.301	473,665		461,040	Public Health
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	104,722		-	Public Health
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	2,956,357		3,799,624	Public Health
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	51,024,762		33,192,292	Public Health
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		53,981,119		36,991,916	
State Health Insurance Assistance Program	93.324	926,511		851,909	Senior Services
COVID-19 State Health Insurance Assistance Program	93.324	33,950		33,950	Senior Services
Total State Health Insurance Assistance Program		960,461		885,859	
The Healthy Brain Initiative	93.334	73,189		71,849	Public Health
Behavioral Risk Factor Surveillance System	93.336	351,577		349,564	Public Health
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	91,657		-	Public Health
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	2,736,851		858,799	Public Health
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response		2,828,508		858,799	
ACL Independent Living State Grants	93.369	378,015		364,266	Senior Services
National and State Tobacco Control Program	93.387	1,489,076		437,545	Public Health
Activities to Support State, Tribal, Local, and Territorial Health Department Response to Public Health or Healthcare Crises	93.391	2,554,225		2,137,839	Public Health
The National Cardiovascular Health Program (B)	93.426	794,832		356,431	Public Health
Well-Integrated Screening and Evaluation for Women Across the Nation	93.436	896,091		374,631	Public Health
ACL Assistive Technology	93.464	577,178		-	Rehabilitation Services
COVID-19 ACL Assistive Technology	93.464	1,312		-	Rehabilitation Services
Total ACL Assistive Technology		578,490		-	
Alzheimer's Disease Programs Initiative	93.470	266,571		117,103	Senior Services
COVID-19 Family Violence Prevention and Services/Sexual Assault/Rape Crisis Services and Supports	93.497	1,345,062		1,332,573	Economic and Community Affairs
COVID-19 Low Income Household Water Assistance Program	93.499	(1,480)		(1,480)	Economic and Community Affairs
Total Low Income Household Water Assistance Program		(1,480)		(1,480)	

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Promoting Safe and Stable Families	93.556	5,391,125		-	Human Resources
Temporary Assistance for Needy Families (TANF)	93.558	157,467,702		745,917	Child Abuse and Neglect, Human Resources
Child Support Enforcement	93.563	47,791,082		-	Human Resources
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	281,775		-	Alabama Medicaid Agency
Low-Income Home Energy Assistance	93.568	63,672,603		61,587,601	Economic and Community Affairs
COVID-19 Low-Income Home Energy Assistance	93.568	(78,305)		(5,306)	Economic and Community Affairs
Total Low-Income Home Energy Assistance		63,594,298		61,582,295	
Community Services Block Grant	93.569	15,104,628		14,512,804	Economic and Community Affairs
Child Care Development Cluster					
Child Care and Development Block Grant	93.575	188,390,937		-	Human Resources
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	50,148,535		-	Human Resources
Total Child Care Development Cluster		238,539,472		-	
Chafee Education and Training Vouchers Program (ETV)	93.599	1,214,505		-	Human Resources
Head Start	93.600	10,609,556		-	Early Childhood Education/Human Resources
Adoption and Legal Guardianship Incentive Payments	93.603	436,468		-	Human Resources
Developmental Disabilities Basic Support and Advocacy Grants	93.630	687,054		201,327	Mental Health
Children's Justice Grants to States	93.643	336,946		-	Human Resources
Stephanie Tubbs Jones Child Welfare Services Program	93.645	5,028,943		-	Human Resources
Foster Care - Title IV-E	93.658	29,379,862		-	Human Resources
Adoption Assistance	93.659	37,255,356		-	Human Resources
Social Services Block Grant	93.667	33,475,493		-	Human Resources
Child Abuse and Neglect State Grants	93.669	1,267,653		-	Human Resources
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	1,922,741		1,812,209	Economic and Community Affairs
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	508,760		460,438	Economic and Community Affairs
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		2,431,501		2,272,647	
Chafee Foster Care Independence Program	93.674	1,902,587		-	Human Resources
Ending the HIV Epidemic: A Plan for America -- Ryan White HIV/AIDS Program Parts A and B	93.686	3,127,857		2,705,620	Public Health
EJAP NAMRS National Adult Maltreatment System	93.698	136,069		-	
COVID-19 Elder Abuse Prevention Interventions Program	93.747	483,490		52,552	Human Resources/Senior Services

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Children's Health Insurance Program	93.767	366,171,200		534,197	Public Health
Medicaid Cluster					
State Medicaid Fraud Control Units	93.775	1,147,156		-	Attorney General
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	7,265,504		-	Alabama Medicaid Agency/Public Health
Medical Assistance Program	93.778	6,714,347,440		-	Alabama Medicaid Agency
Total Medicaid Cluster		6,722,760,100		-	
Opioid STR	93.788	15,594,006		13,349,775	Mental Health
Money Follows the Person Rebalancing Demonstration	93.791	6,061,252		-	Alabama Medicaid Agency
Transforming Maternal Health	93.869	149,923		-	Alabama Medicaid Agency
Section 223 of the Protecting Access Medicare Act (PAMA) of 2014, CCBHC	93.829	177,642		-	Mental Health
National Bioterrorism Hospital Preparedness Program	93.889	4,804,748		3,456,986	Public Health
Cancer Prevention and Control Programs for State, Territorial, and Tribal Organization	93.898	5,330,916		333,316	Public Health
Grants to States for Operation of State Offices of Rural Health	93.913	226,190		-	Public Health
HIV Care Formula Grants	93.917	22,134,108		22,116,458	Public Health
HIV Prevention Activities - Health Department Based	93.940	8,940,145		3,084,342	Public Health
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	552,851		24,195	Public Health
Block Grants for Community Mental Health Services	93.958	18,421,539		16,007,350	Mental Health
COVID-19 Block Grants for Community Mental Health Services	93.958	8,454,619		7,315,627	Mental Health
Total Block Grants for Community Mental Health Services		26,876,158		23,322,977	
Block Grants for Prevention and Treatment of Substance Abuse	93.959	22,845,115		21,275,709	Mental Health
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	2,375,800		2,823,669	Mental Health
Total Block Grants for Prevention and Treatment of Substance Abuse		25,220,915		24,099,378	
CDC's Collaboration with Academia to Strengthen Public Health	93.967	10,668,517		956,934	Public Health
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	1,856,099		1,595	Mental Health
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	2,442,245		700,224	Mental Health
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants		4,298,344		701,819	
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	877,425		158,547	
Preventive Health and Health Services Block Grant	93.991	1,561,491		139,800	Public Health
Maternal and Child Health Services Block Grant to the States	93.994	13,732,279		591,231	Public Health

Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-Through Agency/ Program or Cluster Title	Federal Assistance Listings Number	Expenditures	Note	Pass-Through to Subrecipients	Agency
Other Federal Assistance					
BSE Inspections Contract	93.Unknown	29,339		-	Agriculture and Industries
Tobacco Inspections Contract	93.Unknown	828,959		656,911	Public Health
CLIA	93.Unknown	520,542		-	Public Health
Mammography Quality Standards-HHS Contract 223-95-4400	93.Unknown	33,171		-	Public Health
Tennessee Valley Authority - Contract TV-62313A	93.Unknown	226,818		-	Public Health
Food Inspections-Contract 223-96-4036	93.Unknown	15,463		-	Public Health
National Association of Councils on Developmental Disabilities	93.Unknown	9,642		-	Mental Health
Behavioral Health Services Information System (BHSIS)	93.Unknown	112,782		-	Mental Health
Total Department of Health and Human Services		8,144,141,571		263,559,339	
EXECUTIVE OFFICE OF THE PRESIDENT					
High Intensity Drug Trafficking Areas Program	95.001	1,182,730		938,852	Alabama Law Enforcement Agency
Total Executive Office of the President		1,182,730		938,852	
SOCIAL SECURITY ADMINISTRATION					
Social Security - Disability Insurance	96.001	59,271,126		-	Education
Social Security - Work Incentives Planning and Assistance Program	96.008	200,632		200,632	Rehabilitation Services
Total Social Security Administration		59,471,758		200,632	
DEPARTMENT OF HOMELAND SECURITY					
Nonprofit Security Grant Program	97.008	2,871,968		2,780,588	Alabama Law Enforcement Agency
Boating Safety Financial Assistance	97.012	3,683,765		-	Alabama Law Enforcement Agency
Community Assistance Program - State Support Services Element (CAP-SSSE)	97.023	378,617		-	Economic and Community Affairs
Flood Mitigation Assistance	97.029	79,817		77,991	Emergency Management Agency
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	38,213,966		36,530,533	Emergency Management Agency
Hazard Mitigation Grant	97.039	5,839,043		4,882,123	Emergency Management Agency
Emergency Management Performance Grants	97.042	7,811,331		3,224,400	Emergency Management Agency
Cooperating Technical Partners	97.045	4,071,448		-	Economic and Community Affairs
Pre-Disaster Mitigation (PDM)	97.047	453,462		326,576	Emergency Management Agency
Presidential Declared Disaster Assistance to Individuals and Households	97.050	(248,577)		-	Workforce
Emergency Operations Center (EOC) Grant	97.052	855,530		-	Emergency Management Agency
Port Security Grant Program	97.056	750,000		750,000	Alabama Law Enforcement Agency/ Conservation & Natural Resources
Homeland Security Grant Program	97.067	4,576,026		3,636,891	Alabama Law Enforcement Agency/ Emergency Management
Earthquake State Assistance (EQK)	97.082	65,840		29,046	Emergency Management
Other Federal Assistance					
USDHS/US Immigration and Customs Enforcement (ICE)	97.Unknown	184,510		-	Alabama Law Enforcement Agency
Total Department of Homeland Security		69,586,746		52,238,148	
TOTAL FEDERAL AWARDS		$ 14,221,961,652		$ 2,327,736,379	

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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, 2025. 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 programs:

   a. ALN #10.169 – Specialty Crop Block Grant Program
   b. ALN #10.934 – Feral Swine Eradication and Control Pilot Program
   c. ALN #93.869 – Transforming Mental Health

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 $60,199,472 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, 2025.

B. During the fiscal year ended September 30, 2025, the Alabama Department of Public Health received $35,586,017 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 34,407 more persons during the 2024-2025 fiscal year. This number is based on an average gross food package cost of $86.19.

C. Total expenditures for the Unemployment Insurance Program (ALN #17.225) include state and federal amounts of $130,859,139 and $36,665,612 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 $190,222 was earned on the Help America Vote Act Title I funds (ALN #90.404). Interest income of $39,731 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 $39 (ALN#90.401), are reported as receipts on the schedule. In 2025 a new HAVA Election Security grant was issued and will be combined with previous years Election Grants (ALN# 90.404)

F. Expenditures reported on the schedule include $3,044,761 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 $86,370,285 during the 2024-2025 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, 2025, 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 30, 2026. 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
Athens 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 2025-001 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 30, 2026

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, 2025. 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, Water Pollution Control 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, 2025. 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	$ 4,613,903
Housing Finance Authority	Housing Trust Fund	14.275	$ 7,028,099
Housing Finance Authority	Emergency Rental Assistance Program	21.023	$ 4,816,089
Housing Finance Authority	Homeowners Assistance Fund	21.026	$ 103,926
Drinking Water Finance Authority	Assistance for Small and Disadvantaged Communities Drinking Water Grant Program	66.442	$ 479,000
Drinking Water Finance Authority	Capitalization Grants for Drinking Water – State Revolving Funds	66.468	$13,712,638
State Port Authority	Economic Development Initiative, Community Project Funding and Miscellaneous Grants	14.251	$48,429,221
State Port Authority	Federal Railroad Administration Consolidated Rail Infrastructure and Safety Improvements	20.325	$11,542,932
State Port Authority	Port Authority Development Program (PIDP)	20.823	$ 81,490
State Port Authority	Transportation Demonstration Program	20.936	$11,374,398
State Port Authority	Gulf Cost Ecosystem Restoration Council Comprehensive Plan Component Program	87.051	$ 76,312
State Port Authority	Port Security Grant Program	97.056	$ 722,718
Water Pollution Control Authority	Capitalization Grants for Clean Water State Revolving Funds	66.458	$21,524,831

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, 2025.

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 2025-002, 2025-003, 2025-004, 2025-005, 2025-006, 2025-008, 2025-009, 2025-010, 2025-011 and 2025-012. 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 deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2025-009 and 2025-012 to be material weaknesses.

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 deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2025-002, 2025-003, 2025-005, 2025-006, 2025-007, 2025-008, 2025-010 and 2025-011 to be significant deficiencies.

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, 2025, 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 30, 2026, 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

June 12, 2026, except for our report on the
Schedule of Expenditures of Federal Awards,
for which the date is March 30, 2026.

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
10.553, 10.555, 10.556, 10.559 and 10.582	Child Nutrition Cluster
10.646	Summary Electronic Benefit Transfer Program for Children
12.401	National Guard Military Operations and Maintenance (O&M) Projects
17.207 and 17.801	Employment Services Cluster
20.218 and 20.237	FMCSA Cluster
84.010	Title I Grants to Local Educational Agencies

Section I – Summary of Examiner's Results

Identification of major federal programs
continued:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
93.268	Immunization Cooperative Agreements
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.775, 93.777 and 93.778	Medicaid Cluster
93.940	HIV Prevention and Surveillance Activities – Health Department Based
93.994	Maternal and Child Health Services Block Grants to the States
96.001	Social Security Disability Insurance
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.067	Homeland Security Grant Program

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:	2025-001
Type of Finding:	Internal Control
Internal Control Impact:	Material Weakness
Compliance Impact:	None
Repeat of Prior Year Finding:	2024-001, 2023-001, 2022-001, 2021-002, 2020-002, 2019-002, 2018-002 and 2014-001 (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:	2025-002
Compliance Requirement:	Reporting
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
AL Number(s) and Title(s):	97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Awarding Agency:	U. S. Department of Homeland Security
Federal Award Number:	Various
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	None

The Alabama Emergency Management Agency did not have procedures in place to identify which recipients were subject to Federal Funding Accountability and Transparency Act.

Finding

The Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended, hereafter referred as the "Transparency Act" that are codified in 2 CFR Parts 25 and 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to System for Award Management (SAM.gov).

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, November 2025, requires the Alabama Emergency Management Agency to report applicable first-tier subawards and contracts information as required in the "Transparency Act".

We tested seven (7) subrecipients and identified four (4) instances where the Alabama Emergency Management Agency failed to ensure subaward key data elements were reported about first-tier subrecipients and subawards. Additionally, five (5) instances were identified where the Alabama Emergency Management Agency failed to ensure that applicable first-tier subaward information was reported to the System for Award Management no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made.

The Alabama Emergency Management Agency did not have procedures in place to identify which recipients were subject to Federal Funding Accountability and Transparency Act.

When first-tier subawards are not reported as required, timely accurate information is not made publicly available.

Recommendation

The Alabama Emergency Management Agency should develop, maintain, and implement effective procedures to ensure compliance with the Federal Funding Accountability and Transparency Act.

Views of Responsible Officials of the Auditee

We agree with the finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-003
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
AL Number(s) and Title(s):	97.036 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Federal Awarding Agency:	U. S. Department of Homeland Security
Federal Award Number:	Various
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	None

The Alabama Emergency Management Agency did not have sufficient internal controls in place to ensure subrecipient audits were conducted, received, and reviewed.

Finding

The *Uniform Guidance*, 2 CFR 200.303, requires non-federal entities receiving federal awards (i.e., auditee management) to establish and maintain effective internal controls over the federal award which provide reasonable assurance the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Additionally, 2 CFR 200.501, requires a non-Federal entity that expends $750,000 or more in Federal awards during the non-Federal entity's fiscal year to have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

The Alabama Emergency Management Agency did not obtain and review audit reports for two of the four subrecipients reviewed. The Alabama Emergency Management Agency did not have sufficient internal controls in place to ensure subrecipient audits were conducted, received, and reviewed. Alabama Emergency Management Agency is unable to ensure that subrecipients are taking corrective action on significant developments that negatively affect the subaward as a result of key audit findings.

Recommendation

The Alabama Emergency Management Agency should ensure all subrecipient audit reports are performed, received and reviewed in accordance with 2 CFR 200.501.

Views of Responsible Officials of the Auditee

We agree with the finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-004
Compliance Requirement:	Allowable Cost/Cost Principles
Type of Finding:	Compliance
Internal Control Impact:	None
Compliance Impact:	Nonmaterial Noncompliance
Assistance Listing Number(s) and Title(s):	12.401 – National Guard Military Operations and Maintenance (O&M) Projects
Federal Awarding Agency:	U. S. Department of Defense
Federal Award Number:	W912JA-22-2-2001
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$130,024.00

The Military Department charged indirect costs to the federal program when such charges are not allowable.

Finding

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, November 2025, 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. Additionally, the National Guard Military Operations and Maintenance (O&M) Project's section of the Compliance Supplement specifically states that indirect costs, except fringe benefits, are unallowable. The State of Alabama's Finance Department charged a monthly indirect cost fee for operational and professional services which were provided to the Alabama Military Department. During our review of expenditures, we noted the Alabama Military Department charged the indirect costs to the National Guard Military Operations and Maintenance (O&M) Projects program. Management was unaware the costs were being added to the National Guard Military Operations and Maintenance (O&M) Projects program and therefore indirect costs totaling $130,024.00 were incorrectly charged to the program.

Recommendation

The Alabama Military Department should ensure indirect costs are not charged to federal programs in accordance with the *Uniform Guidance*, 2 CFR Part 200.

Views of Responsible Officials of the Auditee

The Alabama Military Department does not agree with this finding. This finding resulted from how the charges were accounted in the official accounting system STAARS.

1) The Alabama Military Department operates under guidance published in Chief of National Guard Bureau Instruction (CNGBI) 9101.00, National Guard Grants and Cooperative Agreements, dated 27 January 2023. This document states in paragraph 2 "Cancellation. This instruction cancels and replaces National Guard Regulation 5-1, 28 May 2010, 'National Guard Grants and Cooperative Agreements'."

2) This finding uses Appendix XI Compliance Supplement, November 2025, 4-12.401-1, Department of Defense, Assistance Listing 12.4-1 National Guard Military Operations and Maintenance (O&M) Projects. This document refers to NGR 5-1 (cancelled and replaced) regarding indirect costs.

3) The General Terms and Conditions (GT&C) provides for the use of a State Central Services Cost Allocation Plan (CSCAP). These are costs that can be classified as either a direct or indirect cost used to identify centralized statewide services. It states "The percentage allowed to be considered in the CPP Calculation is that of the percentage negotiated under the CSCAP by HHS specifically for the state military department. It also reads "The grants officer will work with the recipient to ensure there is no duplication of charges between the CSCAP and proposed CPP."

Examiners' Concluding Remarks

We appreciate the Agency's response and have considered the reasons for the Agency's disagreement. However, as part of the audit, we are required to ensure the program's compliance with the *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement dated November 2025. Therefore, we reaffirm our finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-005
Compliance Requirement:	Eligibility
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Assistance Listing Number(s) and Title(s):	93.659 Adoption Assistance Title IV-E
Federal Awarding Agency:	U. S. Department of Health and Human Services
Federal Award Number:	2501ALADPT
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$81,502.04

The Department of Human Resources made subsidy payments to recipients after their eligibility expired.

Finding

42 U. S. Code Section 673 sets the age limit and terms upon which adoption assistance payments may be made to parents or relative guardians under the Adoption Assistance program.

We reviewed adoption assistance payments under the Adoption Assistance program at the Alabama Department of Human Resources (DHR). The Adoption Assistance program primarily relies on system controls within the Family, Adult, and Child Tracking System (FACTS) which is designed to notify staff when eligibility expires and to automatically stop payments based on the actual end date entered by approved designated personnel. Approved monthly subsidy rates are used to calculate adoption assistance payments. During our testing we identified four (4) instances, from 25 adoption assistance cases reviewed, where adoption assistance payments were made on behalf of recipients after their eligibility expired. In these cases, staff were not notified of eligibility expirations and subsidy payments continued beyond the actual expiration date.

Program staff used estimated end dates to document subsidy agreement dates in FACTS rather than using actual end dates. Since an improper date was entered into FACTS, the subsidy payments continued beyond the eligibility period.

Due to errors made during input of eligibility end dates, FACTS did not generate notifications or stop payments as designed, which resulted in continued adoption assistance overpayments totaling $81,502.04 to ineligible recipients.

Recommendation

The Alabama Department of Human Resources should ensure actual end dates are entered in FACTS, which provides eligibility expiration notification, and stop payments to recipients when eligibility ends.

Views of Responsible Officials of the Auditee

We agree with this finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-006
Compliance Requirement:	Activities Allowed or Unallowed and Allowable Costs/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):	93.667 Social Services Block Grant
Federal Awarding Agency:	U. S. Department of Health and Human Services
Federal Award Number:	2501ALSOSR
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$4,900.00

The Department of Human Resources made duplicate payments to clients.

Finding

45 CFR Sections 75.420 through 75.475 establishes the principles to be applied in establishing the allowability of certain items involved in determining costs charged to federal awards.

The *Uniform Guidance*, 2 CFR 200.303, requires non-Federal entities receiving Federal awards (i.e., auditee management) to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal Award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Expenditure transactions for the Social Services Block Grant program at the Alabama Department of Human Resources consist of payments for multiple services. Client services rendered are entered into the Family, Adult, and Child Tracking System (FACTS) by Resource Management staff based on invoices approved at the county level. Those services are used to determine payment amounts to clients. During the review of twenty-five (25) expenditure transactions, we identified one transaction consisting of seven duplicate service payments totaling $4,900.00.

Program staff entered services received by seven eligible clients twice into FACTS. The Alabama Department of Human Resources did not have adequate controls in place to prevent, detect, and correct the error in a timely manner.

As a result, unallowable costs were incorrectly charged to the Social Services Block Grant program.

Recommendation

The Department of Human Resources should ensure charges to federal awards are for allowable services.

Views of Responsible Officials of the Auditee

We agree with this finding. Upon determination of the duplicate payment, the provider was contacted and DHR received full reimbursement of $4,900.00.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-007
Compliance Requirement:	Matching, Level of Effort, and Earmarking
Type of Finding:	Internal Control
Internal Control Impact:	Significant Deficiency
Compliance Impact:	None
Assistance Listing Number(s) and Title(s):	93.659 Adoption Assistance Title-IV-E
Federal Awarding Agency:	U. S. Department of Health and Human Services
Federal Award Number:	2501ALADPT
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	None

The Department of Human Resources did not have adequate controls in place to ensure Federal Medical Assistance Program percentages were updated annually in STAARS.

Finding

The *Uniform Guidance*, 2 CFR 200.303, requires non-Federal entities receiving Federal awards (i.e., auditee management) to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal Award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement, November 2025, states that the federal share of state Adoption Assistance Subsidy Payments is the Federal Medical Assistance Program (FMAP) percentage. The FMAP percentage is entered into the Alabama Department of Human Resources' (DHR) State of Alabama Accounting and Resource System (STAARS), their system of official record, which calculates the federal share of the State's Adoption Assistance Subsidy Payments. This percentage varies by state and fiscal year.

The FMAP percentage in STAARS has not been updated since fiscal year 2022. When verifying compliance with matching requirements, we determined the FMAP percentage in STAARS was incorrect. As a result, DHR's automated cost allocation calculations resulted in an understatement of the matching requirement. Upon further review, it was determined DHR utilized spreadsheets as their primary tool to calculate matching requirements instead of STAARS for fiscal year 2025. After performing additional audit procedures, it was determined the matching requirement was met.

DHR did not have adequate controls in place to ensure the FMAP percentages were updated annually in STAARS which could lead to the required federal share not being met for the Adoption Assistance Program.

Recommendation

The Department of Human Resources should establish and maintain an effective system of internal controls to help ensure the FMAP percentages are updated annually in STAARS.

Views of Responsible Officials of the Auditee

While DHR agrees with the finding, we reiterate that the incorrect FMAP rate in STAARS had no impact on our federal financial reports or subsequent claim reimbursement. The cost allocation data results are moved to spreadsheets for analysis, adjustments, and then used to complete the federal CB-496 financial report. DHR enters total expenditures on the CB-496 in the Grant Solutions OLDC (online data collection) application. The application calculates the federal share using the appropriate FMAP for that period. This applicable FMAP percentage for each period calculates from the application and not by any percentage entered by DHR. As a result, DHR met the state match requirement and correctly claimed reimbursement of federal funds.

Examiners' Concluding Remarks

We appreciate the Agency's response and have considered the reasons for the Agency's disagreement. However, since STAARS is the system of official record for the federal grant, the correct FMAP percentage should be maintained in the system. Therefore, we reaffirm our finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-008
Compliance Requirement:	Allowable Costs/Cost Principles
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Repeat of Prior Year Finding:	2024-003 and 2023-005
Assistance Listing Number(s) and Title(s):	93.268 Immunization Cooperative Agreements
Federal Awarding Agency:	U. S. Department of Health and Human Services
Federal Award Number:	1 NH23IP922666-01-00
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$82,598.35

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

Finding

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement dated November 2025, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including that costs 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. Based upon procedures performed, four (4) of the 60 expenditures reviewed did not have adequate documentation to support the reimbursements resulting in questioned costs of $82,598.35. We noted that of the four expenditures, two did not provide adequate detailed documentation to support their request for reimbursements and two were related to media usage, college awareness campaigns, and sponsorships, and lacked additional support to verify the allowability of the expenditure in relation to the Immunization program. The documentation which was submitted 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 ensure that all expenditure reimbursements are adequately documented, based on true and accurate invoices, and allowable under the federal award.

Views of Responsible Officials of the Auditee

The Alabama Department of Public Health agrees with this finding. However, we disagree with the amount of $82,598.35. Adequate detailed documentation for the two (2) expenditures related to media usage, college awareness campaigns, and sponsorships totaling $6,382.50 was made available after the audit. Therefore, the reduction in questioned costs totals $76,215.85 for the two (2) subrecipient reimbursements.

Examiners' Concluding Remarks

We appreciate the Department's response and have considered the reasons for the Department's disagreement. While additional documentation was provided after the audit for multiple expenditures, we did not find the documentation related to media usage, college awareness campaigns and sponsorships totaling $6,382.50 to be adequate and therefore we reaffirm our finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-009
Compliance Requirement:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Material Weakness
Compliance Impact:	Nonmaterial Noncompliance
Assistance Listing Number(s) and Title(s):	97.067 Homeland Security Grant Program
Federal Awarding Agency:	Department of Homeland Security
Federal Award Number:	EMW-2022-SS-00101 EMW-2023-SS-00068 EMW-2024-SS-05026
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$127,028.15

The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure costs were charged to the correct program.

Finding

The *Uniform Guidance*, 2 CFR 200.403, stipulates except where otherwise authorized by statute, costs must be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

We tested twenty-five (25) expenditure transactions and identified 17 instances where the Alabama Law Enforcement Agency charged unallowable costs to the Homeland Security Grant program. Costs for another federal program were incorrectly charged to the Homeland Security Grant program resulting in questioned costs of $127,028.15. The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure costs were charged to the correct program. As a result, costs were incorrectly charged to the Homeland Security Grant program.

Recommendation

The Alabama Law Enforcement Agency should ensure costs are charged to federal programs in accordance with 2 CFR 200.403.

Views of Responsible Officials of the Auditee

The expenditures identified in the sample were included in an earlier version of the Schedule of Expenditures of Federal Awards (SEFA) and were subsequently corrected through a revised SEFA prior to completion of the audit process. Had the sample been selected from the revised SEFA, the questioned expenditures would not have been included.

Additionally, the 17 expenditures identified were not included in any reimbursement requests submitted under the Homeland Security Grant Program and, therefore, no Homeland Security federal funds were drawn or expended for these costs. The expenditures were ultimately attributed to the appropriate federal program through the revised SEFA.

The revised SEFA was accepted and utilized in connection with other audit testing; however, the expenditures identified in this finding appear to have been tested based on information from the original SEFA. Accordingly, we do not believe the finding accurately reflects the final reporting and allocation of federal expenditures.

Examiners' Concluding Remarks

We appreciate the Agency's response and have considered the reasons for the Agency's disagreement. The documentation provided for these expenditures indicated that unallowable costs were reimbursed by the grant. Therefore, we reaffirm our finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-010
Compliance Requirement:	Period of Performance
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Assistance Listing Number(s) and Title(s):	97.067 Homeland Security Grant Program
Federal Awarding Agency:	Department of Homeland Security
Federal Award Number:	EMW-2022-SS-00101
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	$6,308.00

The Alabama Law Enforcement Agency recorded transactions to the Homeland Security Grant program outside of the period of performance.

Finding

The *Uniform Guidance*, 2 CFR Part 200, Appendix XI Compliance Supplement dated November 2025, stipulates a recipient may charge only allowable costs incurred during the approved budget period of a federal award's period of performance.

The Alabama Law Enforcement Agency recorded transactions to the Homeland Security Grant program outside of the period of performance. During our review of the 21 transactions recorded after the grant ended, we noted eight (8) were for costs incurred outside the approved period of performance. These transactions resulted in total unallowable costs of $6,308.00. The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure costs were not charged outside the approved period of performance.

Recommendation

The Alabama Law Enforcement Agency should ensure costs are only charged to federal grants during the approved period of performance.

Views of Responsible Officials of the Auditee

We agree with the finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-011
Compliance Requirement:	Reporting
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Assistance Listing Number(s) and Title(s):	97.067 Homeland Security Grant Program
Federal Awarding Agency:	Department of Homeland Security
Federal Award Number:	EMW-2022-SS-00101 EMW-2023-SS-00068 EMW-2024-SS-05026
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	None

The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure SF-425 quarterly reports were submitted within the required reporting period.

Finding

The *Uniform Guidance*, 2 CFR 200.328, requires nonfederal entities to submit financial reports as required by the Federal award. Reports submitted quarterly or semiannually must be due no later than 30 calendar days after the reporting period.

We tested four (4) quarterly Federal Financial Reports (SF-425) and identified two (2) instances where the Alabama Law Enforcement Agency (ALEA) did not submit the report within 30 days of the end of the reporting period. ALEA did not have adequate procedures in place to ensure SF-425 quarterly reports were submitted within the required reporting period. As a result, ALEA did not comply with the reporting requirements of the grant which prevented the Federal awarding agency from actively monitoring the program.

Recommendation

The Alabama Law Enforcement Agency should ensure reports are submitted in accordance with 2 CFR 200.328.

Views of Responsible Officials of the Auditee

We agree with the finding.

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2025-012
Compliance Requirement:	Subrecipient Monitoring
Type of Finding:	Internal Control and Compliance
Internal Control Impact:	Material Weakness
Compliance Impact:	Nonmaterial Noncompliance
Assistance Listing Number(s) and Title(s):	97.067 Homeland Security Grant Program
Federal Awarding Agency:	Department of Homeland Security
Federal Award Number:	EMW-2022-SS-00101 EMW-2023-SS-00068 EMW-2024-SS-05026
Pass-through Entity:	None
Pass-through Award Number:	None
Questioned Costs:	None

The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure subrecipients were monitored in accordance with the Uniform Guidance.

Finding

The *Uniform Guidance*, 2 CFR 200.332(e), requires non-Federal entities to monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved.

During our review of subrecipient monitoring, the Alabama Law Enforcement Agency (ALEA) did not provide documentation to support its monitoring activities for the 7 subrecipients reviewed. ALEA did not have adequate procedures in place to ensure subrecipients were monitored in accordance with the Uniform Guidance. As a result, ALEA did not ensure subrecipients were in compliance with federal requirements.

Recommendation

The Alabama Law Enforcement Agency should ensure subrecipients are monitored in accordance with 2 CFR 200.332(e).

Views of Responsible Officials of the Auditee

ALEA respectfully disagrees with the finding. ALEA monitored the seven subrecipients selected for review in accordance with 2 CFR 200.332(e). The monitoring activities required by that section were performed for all seven subrecipients and are documented in ALEA's grants management system at grants.alabama.gov. An example of that documentation is provided with this response and is detailed in the attached addendum.

In monitoring a subrecipient, 2 CFR 200.332(e) requires a pass-through entity to (1) review financial and performance reports; (2) ensure the subrecipient takes corrective action on significant developments that negatively affect the subaward; (3) issue a management decision for audit findings pertaining to the subaward as required by 2 CFR 200.521; and (4) resolve audit findings specifically related to the subaward. ALEA performed each of these activities for all seven subrecipients. ALEA reviews each subrecipient's financial and performance reports at least quarterly within grants.alabama.gov, where subrecipients submit quarterly reports and reimbursement requests that ALEA reviews and approves and where the system retains the submitted reports and a status history showing submission, revision, and approval dates, satisfying 2 CFR 200.332(e)(l). ALEA reviews each subrecipient's Single Audit reporting through the Federal Audit Clearinghouse and records the results in its master monitoring spreadsheet. None of the seven subrecipients had a Single Audit finding involving the Homeland Security Grant Program (Assistance Listing 97 .067) during the period, so no corrective action, management decision, or audit resolution was required under 2 CFR 200.332(e)(2), (e)(3), or (e)(4).

The formal monitoring reports referenced in the draft finding correspond to the risk-based monitoring tools described in 2 CFR 200.332(f), such as site visits and similar reviews. Under 2 CFR 200.332(f), those tools "may be useful" depending on the pass-through entity's assessment of the risk posed by the subrecipient; they are discretionary and are not required for every subrecipient. ALEA evaluated each subrecipient's risk under 2 CFR 200.332(c) and applied formal reviews first to the subrecipients identified as higher risk, completing formal monitoring reports for two of the seven during the period. This risk-based application of monitoring tools is consistent with 2 CFR 200.332(c) and (f).

ALEA had adopted a risk-based subrecipient monitoring plan that was in operation during the period. Each active subrecipient completed a risk assessment that ALEA staff reviewed, and ALEA selected and performed monitoring activities based on that assessment. ALEA's written subrecipient monitoring policies and procedures define the criteria used to evaluate each subrecipient's risk of noncompliance, the monitoring activities applied at each risk level, and the documentation retained in accordance with 2 CFR 200.334. ALEA provided these adopted policies and procedures to the examiners. The procedures ALEA followed were adequate to perform the monitoring required by 2 CFR 200.332(e).

ALEA monitored the seven subrecipients in accordance with 2 CFR 200.332(e), and an example of the supporting documentation is provided with this response. ALEA respectfully requests that Finding 2025-012 be removed. In the alternative, ALEA requests that the finding be modified to reflect that the monitoring required by 2 CFR 200.332(e) was performed and documented for the subrecipients reviewed.

Examiners' Concluding Remarks

We appreciate the Agency's response and have considered the reasons for the Agency's disagreement. The additional documentation provided was not sufficient to substantiate proper monitoring of subrecipients for compliance with federal requirements and therefore we reaffirm our finding.

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, 2025

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, 2025.

Finding Ref. No.	Corrective Action Plan Details
2024-001	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) were planning the development and testing of a Disaster Recovery solution that would provide a Recovery Point Objective (RPO) of 24 Hours and a Recovery Time Objective (RTO) of 72 hours. The Office of Information Technology decided against the usage of a Disaster Recovery Center located in Birmingham Alabama due to costs and agency participation. The Department of Finance has since transitioned to a AWS cloud backup solution for Disaster Recovery purposes. Documentation will be developed which details the backup, recovery and workflow of Disaster Recovery Procedures. The initial configuration has been completed by the Department of Finance. All virtual machines and database information is backed up hourly to AWS. In the event of a disaster SBS will spin up virtual servers to restore virtual machine backups and generate an application incidence for STAARS processing within 72 hours. As a contingency plan, SBS could also contact the vendor about an emergency tenant for data restoration if there are any issues with the virtual machine restores. The next steps are to predefine servers as to streamline recovery timeframes from 72 to 24/48 hours. SBS will coordinate and perform periodic testing of the Disaster recovery processes as needed to establish confidence in the newly established process. It is intended for these tests to be performed annually.

Reason for the Recurrence:

The Office of Information Technology was in the process of finalizing a suitable Disaster Recover location. The location was established but next steps did not occur due to agency participation and costs. The Department of Finance (SBS) has since established a new stand along DR solution for restoration and recovery. SBS considers the existing configuration a working disaster recovery solution. However, we are currently evaluating restoration timeframes and more streamlined activities to simplify the process.

Anticipated Completion Date:

The Department of Finance has established a new Disaster Recovery process. However, SBS will develop documentation and disaster recovery procedures. SBS also wishes to eliminate recovery timeframes by establishing pre-defined servers in the AWS location. Due to current workloads and upgrade objectives, the Department of Finance anticipates it will take 6 months to pre-configure AWS virtual machines, test Disaster Recovery processes and develop the necessary documentation for successful completion of the time-saving solution.

Contact Person(s):

Valisha Kirkland

Signature of Responsible Official:

Alabama Medicaid Agency

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KAY IVEY
Governor

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

TIMOTHY "BO" A. OFFORD, JR.
Commissioner

Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2025

As required by the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 2 CFR 200.511, the Alabama Medicaid Agency has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of September 30, 2025.

Finding Ref. No.	Status of Prior Audit Finding
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.

Corrective Action:
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 are required to attend training on program operation and policies.

Additionally, the State will include the $30,501.75 FFP reimbursement in the April 30, 2026, CMS-64.

Anticipated Completion Date:
The above-mentioned Corrective Action was completed in February 2025, and the reimbursement will be completed April 30, 2026.

Contact Person(s):
Ginger Carmack, Deputy Commissioner at
ginger.carmack@medicaid.alabama.gov or (334) 242-5007.

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, 2025

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, 2025.

Finding Ref. No.	Status of Prior Audit Finding
2024-003	

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.

Partial Corrective Action - Ongoing:

ADPH has strengthened its internal control system for grant management by conducting ongoing grant training, both internally and externally, available to 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.

ADPH's Office of Program Integrity (OPI) also conducted its own internal investigation in regard to the FY2024 audit finding. Upon further review of additional supporting documentation, the Department's Bureau of Financial Services and Office of Program Integrity identified $1,123,806.05 dollars of allowable costs. On February 5, 2026, ADPH appealed the management decision letter received on January 19, 2026, from the Centers for Disease Control and Prevention (CDC), Office of Financial Resources, appealing the $5,072,637.00 finding. On April 2, 2026, CDC issued a management decision letter for the FY 2024 audit finding with the following recommendation and note: *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. *Note:* CDC has reviewed the recipient's response and supporting documentation related to the questioned costs identified in the audit. Based on the additional information provided, CDC accepts the recipient's explanation and supporting records for the portion of costs addressed in the response. As a result, the questioned cost amount has been adjusted, leaving a remaining balance that is determined to be unallowable and must be returned to the Payment Management System (PMS). CDC considers this matter resolved with respect to the questioned costs addressed in this response. Implementation of the recipient's corrective action plan will be reviewed and assessed during the subsequent audit to ensure appropriate controls and compliance are maintained.

The ADPH Bureau of Financial Services is working to return the unallowable questioned costs totaling $3,948,830.95 within the 90-day deadline, as required through the Payment Management System (PMS).

Corrective Action within the Immunization Division Completed and Ongoing through April 30, 2026:

The Immunization Division continues to reorganize itself with the new leadership team. The Department remains committed to hiring additional staff to support grant review and monitoring and to comply with federal requirements. 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.
- Program staff engage the 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 were 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 receipt of the completed Risk Assessment.
- Copies of all completed monitoring activities, as outlined in the monitoring plan, were forwarded to OPI.
- Bureau of Financial Services conducted a financial overview with Immunization staff, which was used as a model for all ADPH staff new to handling finances.
- Program and Finance started meeting monthly to conduct grant reviews, discuss programmatic and financial concerns, and to review budgets and expenses.

Corrective Action within ADPH Completed and Ongoing through April 30, 2026:

- ADPH Bureau of Financial Services is sampling grants to review documentation provided by subrecipients.
- Grants Training classes offered for all ADPH staff handling grants
- Risk Assessment and Subrecipient monitoring policy is being enacted department wide.
- Revised Subrecipient Field Voucher form to include certification statement referencing 2 CFR200
- Bureau of Financial Services conducted ADPH Financial Overview Meetings with Bureaus
- Created Grant Management Centralized Guidance Repository in Document Library
- Collaboration with Federal Partners and Ethics Commission to participate in onsite training at the Joint Grant Management Trainings held three (3) times a year hosted by Office of General Counsel, Office of Program Integrity, and Bureau of Financial Services
- Developing an ADPH Grant Manual
- Volunteered to be one of the Pilot Agencies for Implementation of Statewide Grant Management System

Anticipated Completion Date: September 30, 2026, with ongoing strengthening of internal controls and training.

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Catherine E. McDonald

Catherine M. Donald
CFO & Public Health Administrative Officer

May 13, 2026
Date

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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, 2025

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, 2025.

Finding Ref. No.	Corrective Action Plan Details
2025-001	*This is a repeat of Findings 2024-001, 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 has transitioned to a AWS cloud backup solution for Disaster Recovery purposes on November 2025. Documentation will be developed which details the backup, recovery and workflow of Disaster Recovery Procedures. The initial configuration has been completed by the Department of Finance. All virtual machines and database information is backed up hourly to AWS. In the event of a disaster SBS will spin up virtual servers to restore virtual machine backups and generate an application incidence for STAARS processing within 72 hours. As a contingency plan, SBS could also contact the vendor about an emergency tenant for data restoration if there are any issues with the virtual machine restores. The next steps are to predefine servers as to streamline recovery timeframes from 72 to 24/48 hours. SBS will coordinate and perform periodic testing of the Disaster recovery processes as needed to establish confidence in the newly established process. It is intended for these tests to be performed annually.

Reason for the Recurrence:
The Department of Finance (SBS) had not established the AWS solution until November 2025. SBS considers the existing configuration a working disaster recovery solution. However, we need to complete full DR documentation and are currently evaluating restoration timeframes and more streamlined activities to simplify the process.

Anticipated Completion Date:

The Department of Finance has established a new Disaster Recovery process. However, SBS will develop documentation and disaster recovery procedures. SBS also wishes to eliminate recovery timeframes by establishing pre-defined servers in the AWS location. Due to current workloads and upgrade objectives, the Department of Finance anticipates a completion date of August 2026. AWS virtual machines, test Disaster Recovery processes and develop the necessary successful completion of the time-saving solution.

Contact Person(s):
Valisha Kirkland
Signature of Responsible Official:

Signature of Responsible Official:

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Auditee Response/Corrective Action Plan

Section III – Federal Awards Findings and Questioned Costs

KAY IVEY
GOVERNOR

STATE OF ALABAMA
EMERGENCY MANAGEMENT AGENCY

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JEFF SMITHERMAN
DIRECTOR

Auditee Response/Corrective Action Plan
Section III – Federal Awards Findings and Questioned Costs
Alabama Emergency Management Agency
For the Year Ended September 30, 2025

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Alabama Emergency Management Agency has prepared and hereby submits the following Corrective Action Plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2025.

Finding Ref. No.	Corrective Action Plan Details
2025-002	***Finding:*** The Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended, hereafter referred to as the "Transparency Act" that is codified in 2 CFR Parts 25 and 170, requires recipients (i.e., direct recipients) of grants or cooperative agreements to report first-tier subawards of $30,000 or more to the System for Award Management (SAM.gov). The Uniform Guidance, 2 CFR Part 200, Appendix XI Compliance Supplement, November 2025, requires the Alabama Emergency Management Agency to report applicable first-tier subawards and contracts information as required in the "Transparency Act". We tested seven (7) subrecipients and identified four (4) instances where the Alabama Emergency Management Agency failed to ensure subaward key data elements were reported about first-tier subrecipients and subawards. Additionally, five (5) instances were identified where the Alabama Emergency Management Agency failed to ensure that applicable first-tier subaward information was reported to the System for Award Management no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made. The Alabama Emergency Management Agency did not have procedures in place to identify which recipients were subject to Federal Funding Accountability and Transparency Act. When first-tier subawards are not reported as required, timely accurate information is not made publicly available.

Recommendation:
The Alabama Emergency Management Agency should develop, maintain, and implement effective procedures to ensure compliance with the Federal Funding Accountability and Transparency Act.

Response/Views:
We agree with the finding.

Corrective Action Planned:
The Alabama Emergency Management Agency (AEMA) will develop and implement formal written procedures to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. These procedures will include processes for identifying all first-tier subawards subject to FFATA reporting, verifying the accuracy and completeness of required subaward data elements, and ensuring timely reporting of applicable subawards and subaward amendments to SAM.gov within the required reporting deadlines.

AEMA will establish a tracking mechanism to monitor all subawards of $30,000 or more and will assign responsibility to designated personnel for reviewing and submitting FFATA reports. Additionally, management will implement a supervisory review process to verify that all required reports have been submitted accurately and timely.

Anticipated Completion Date:
September 30, 2026

Contact Person(s):
La'Tonya Stephens, Recovery Bureau Chief
Latonya.Stephens@ema.alabama.gov. or (205) 280-2433

2025-003 ***Finding:***
The Uniform Guidance, 2 CFR 200.303, requires non-federal entities receiving federal awards (i.e., auditee management) to establish and maintain effective internal controls over the federal award which provide reasonable assurance the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Additionally, 2 CFR 200.501, requires a non-Federal entity that expends $750,000 or more in Federal awards during the non-Federal entity's fiscal year to have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

The Alabama Emergency Management Agency did not obtain and review audit reports for two of the four subrecipients reviewed. The Alabama Emergency Management Agency did not have sufficient internal controls in place to ensure subrecipient audits were conducted, received, and reviewed. Alabama Emergency Management Agency is unable to ensure that subrecipients are taking corrective action on significant developments that negatively affect the subaward as a result of key audit findings.

Recommendation:
The Alabama Emergency Management Agency should ensure all subrecipient audit reports are performed, received and reviewed in accordance with 2 CFR 200.501.

Response/Views:
We agree with the finding.

Corrective Action Planned:
The Alabama Emergency Management Agency (AEMA) will strengthen its subrecipient monitoring procedures to ensure compliance with the audit requirements outlined in 2 CFR 200.501. AEMA will implement formal written procedures requiring the identification of subrecipients subject to Single Audit requirements and the timely collection, review, and retention of applicable audit reports.

AEMA will establish a centralized tracking system to monitor the receipt of required audit reports and identify subrecipients that have not submitted audits by the required due date. Designated personnel will be responsible for conducting and documenting reviews of all received audit reports to determine whether any findings, questioned costs, or deficiencies impact federally funded programs administered by AEMA.

In instances where audit findings are identified, AEMA will follow up with subrecipients to obtain corrective action plans and monitor the implementation of corrective actions to ensure identified deficiencies are adequately addressed. Management will also implement periodic supervisory reviews to verify that audit reports are obtained, reviewed, and documented in accordance with federal requirements.

Anticipated Completion Date:
September 30, 2026

Contact Person(s):
Leigh McKee, Chief Financial Officer
Leigh.McKee@ema.alabama.gov. or (205) 280-2227

Signature of Responsible Official:

Jeff Smitherman

_______________________________ Date: 06/05/2026

Jeff Smitherman
Director

STATE MILITARY DEPARTMENT
JOINT FORCE HEADQUARTERS ALABAMA NATIONAL GUARD
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Auditee Response/Corrective Action Plan
Section III – Federal Awards Findings and Questioned Costs
Military Department
For the Year Ended September 30, 2025

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Military Department has prepared and hereby submits the following Corrective Action Plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2025.

Finding Ref. No.	Corrective Action Plan Details
2025-004	***Finding:*** The Uniform Guidance, 2 CFR Part 200, Appendix XI Compliance Supplement, November 2025, 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. Additionally, the National Guard Military Operations and Maintenance (O&M) Project's section of the Compliance Supplement specifically states that indirect costs, except fringe benefits, are unallowable. The State of Alabama's Finance Department charged a monthly indirect cost fee for operational and professional services which were provided to the Alabama Military Department. During our review of expenditures, we noted the Alabama Military Department charged the indirect costs to the National Guard Military Operations and Maintenance (O&M) Projects program. Management was unaware the costs were being added to the National Guard Military Operations and Maintenance (O&M) Projects program and therefore indirect costs totaling $130,024.00 were incorrectly charged to the program. ***Recommendation:*** The Alabama Military Department should ensure indirect costs are not charged to federal programs in accordance with the Uniform Guidance, 2 CFR Part 200.

Response/Views: The Alabama Military Department does not agree with this finding. This finding resulted from how the charges were accounted in the official accounting system STAARS.

1) The Alabama Military Department operates under guidance published in Chief of National Guard Bureau Instruction (CNGBI) 9101.00, National Guard Grants and Cooperative Agreements, dated 27 January 2023. This document states in paragraph 2 "Cancellation. This instruction cancels and replaces National Guard Regulation 5-1, 28 May 2010, 'National Guard Grants and Cooperative Agreements'."

2) This finding uses Appendix XI Compliance Supplement, November 2025, 4-12.401-1, Department of Defense, Assistance Listing 12.4-1 National Guard Military Operations and Maintenance (O&M) Projects. This document refers to NGR 5-1 (cancelled and replaced) regarding indirect costs.

3) The General Terms and Conditions (GT&C) provides for the use of a State Central Services Cost Allocation Plan (CSCAP). These are costs that can be classified as either a direct or indirect cost used to identify centralized statewide services. It states "The percentage allowed to be considered in the CPP Calculation is that of the percentage negotiated under the CSCAP by HHS specifically for the state military department. It also reads "The grants officer will work with the recipient to ensure there is no duplication of charges between the CSCAP and proposed CPP."

Corrective Action Planned: However, if this finding is affirmed the corrective action plan will be for the Alabama Military Department to ensure all charges to support federal awards will be charged appropriately in STAARS. Accounting entries in STAARS will be allocable and allowable charges as approved by the Grants Officer.

Anticipated Completion Date: To be coordinated upon final determination by Federal Agency, not to exceed 30 September 2026.

Contact Person(s): The POC for this action is Mr. Erich H. Babbitt at (334) 271-7275 or email at erich.babbitt@smd.alabama.gov

ERICH H. BABBITT
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Kay Ivey
Governor

Nancy T. Buckner
Commissioner

Auditee Response/Corrective Action Plan
Section III – Federal Awards Findings and Questioned Costs
Alabama Department of Human Resources
For the Year Ended September 30, 2025

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Alabama Department of Human Resources has prepared and hereby submits the following Corrective Action Plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2025.

Finding Ref. No.	Corrective Action Plan Details

2025-005 Finding:

42 U.S. Code Section 673 sets the age limit and terms upon which adoption assistance payments may be made to parents or relative guardians under the Adoption Assistance program.

We reviewed adoption assistance payments under the Adoption Assistance program at the Alabama Department of Human Resources. The Adoption Assistance program primarily relies on system controls within the Family, Adult, and Child Tracking System (FACTS) which is designed to notify staff when eligibility expires and to automatically stop payments based on the actual end date entered by approved designated personnel. Approved monthly subsidy rates are used to calculate adoption assistance payments. During our testing we identified four (4) instances~~,~~ from 25 adoption assistance cases reviewed~~,~~ where adoption assistance payments were made on behalf of recipients after their eligibility expired. In these cases, staff were not notified of eligibility expirations and subsidy payments continued beyond the actual expiration date.

Program staff used estimated end dates to document subsidy agreement dates in FACTS rather than using actual end dates. Since an improper date was entered into FACTS, the subsidy payments continued beyond the eligibility period.

Due to errors made during input of eligibility end dates, FACTS did not generate notifications or stop payments as designed, which resulted in continued adoption assistance overpayments totaling $81,502.04 to ineligible recipients.

Recommendation:

The Alabama Department of Human Resources should ensure actual end dates are entered in FACTS, which provides eligibility expiration notification, and stop payments to recipients when eligibility ends.

Response/Views: We agree with this finding.

Corrective Action Planned: DHR's Children and Family Services division is working with FACTS to implement a system enhancement for adoption subsidy extensions. However, until that enhancement is in place, the following process has been implemented:

1. A query will be run quarterly producing a report listing any children who are turning 18 with a federal subsidy or 19 with a state subsidy within the next 90 days and sent to the adoption unit program manager. Adoptive parents will be sent a letter explaining the extension process and detailing the information required to request a subsidy extension.
    a. If a request is received and the youth is eligible, an extension will be granted.
    b. If a request is not received, the subsidy will be end dated on the 18th or 19th birthday, depending on the type of subsidy.
2. Effective June 1, 2026, an actual end date will be entered in FACTS during approval of the subsidy.

Anticipated Completion Date: The query has been implemented effective June 3, 2026, and will be utilized until a permanent solution is operational in FACTS. The enhancement to FACTS is in discussion and planning phases and there is no anticipated completion date at this time.

Contact Person(s): Contact Person(s): Amanda Mancuso or Danielle Cherry

2025-006 Finding:

45 CFR Sections 75.420 through 75.475 establishes the principles to be applied in establishing the allowability of certain items involved in determining costs charged to federal awards.

The Uniform Guidance, 2 CFR 200.303, requires non-Federal entities receiving Federal awards (i.e., auditee management) to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal Award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Expenditure transactions for the Social Services Block Grant program at the Alabama Department of Human Resources consist of payments for multiple services. Client services rendered are entered into the Family, Adult, and Child Tracking System (FACTS) by Resource Management staff based on invoices approved at the county level. Those services are used to determine payment amounts to providers. During the review of twenty-five (25) expenditure transactions, we identified one transaction consisting of seven duplicate service payments totaling $4,900.00.

DHR staff entered services received by seven eligible clients twice into FACTS. The Alabama Department of Human Resources did not have adequate controls in place to prevent, detect, and correct the error in a timely manner.

As a result, unallowable costs were incorrectly charged to the Social Services Block Grant program.

Recommendation:
The Department of Human Resources should ensure charges to federal awards are for allowable services.

Response/Views: We agree with this finding. Upon determination of the duplicate payment, the provider was contacted and DHR received full reimbursement of $4,900.00.

Corrective Action Planned: DHR has added additional steps related to Adult Day Care services entered in FACTS. This will ensure entered services reconcile to the approved invoice prior to approval in FACTS.

Anticipated Completion Date: July 2026

Contact Person(s): Kelli Golden

2025-007 Finding:
The Uniform Guidance, 2 CFR 200.303, requires non-Federal entities receiving Federal awards (i.e., auditee management) to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal Award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

The Uniform Guidance, 2 CFR Part 200, Appendix XI Compliance Supplement, November 2025, states that the federal share of state Adoption Assistance Subsidy Payments is the Federal Medical Assistance Program (FMAP) percentage. The FMAP percentage is entered into the Alabama Department of Human Resources' (DHR) State of Alabama Accounting and Resource System (STAARS), their system of official record, which calculates the federal share of the State's Adoption Assistance Subsidy Payments. This percentage varies by state and fiscal year.

The FMAP percentage in STAARS has not been updated since fiscal year 2022. When verifying compliance with matching requirements, we determined the FMAP percentage in STAARS was incorrect. As a result, DHR 's automated cost allocation calculations resulted in an understatement of the matching requirement. Upon further review, it was determined DHR utilized spreadsheets as their primary tool to calculate matching requirements instead of STAARS for fiscal year 2025. After performing additional audit procedures, it was determined the matching requirement was met.

DHR did not have adequate controls in place to ensure the FMAP percentages were updated annually in STAARS which could lead to the required federal share not being met for the Adoption Assistance Program.

Recommendation:
The Department of Human Resources should establish and maintain an effective system of internal controls to help ensure the FMAP percentages are updated annually in STAARS.

Response/Views: While DHR agrees with the finding, we reiterate that the incorrect FMAP rate in STAARS had no impact on our federal financial reports or subsequent claim reimbursement. The cost allocation data results are moved to spreadsheets for analysis, adjustments, and then used to complete the federal CB-496 financial report. DHR enters total expenditures on the CB-496 in the Grant Solutions OLDC (online data collection) application. The application calculates the federal share using the appropriate FMAP for that period. This applicable FMAP percentage for each period calculates from the application and not by any percentage entered by DHR. As a result, DHR met the state match requirement and correctly claimed reimbursement of federal funds.

Corrective Action Planned: There is no direct guidance detailing steps to update the FMAP rate in STAARS. Changes are made in the STAARS cost allocation test environment and then implemented in the production environment via STAARS Support. Cost allocation runs quarterly. While we initiate the entering of statistics from work sampling and other sources, we are at the mercy of STAARS Support to actually run cost allocation for DHR.

Anticipated Completion Date: DHR's first cost allocation run with the identified correction will be for the period ending June 30, 2026. We would like to have three clean quarterly cost allocation runs which places our anticipated completion date as February 15, 2027, which is for the period ending December 31, 2026.

Contact Person(s): Kelli Golden

Signature of Responsible Official: Kelli Golden

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, 2025

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 included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2025.

Finding Ref. No.	Corrective Action Plan Details
2025-008	***Finding:***

The Uniform Guidance, 2 CFR Part 200, Appendix XI Compliance Supplement dated November 2025, stipulates for a cost to be allowable under federal awards certain general criteria must be met, including that costs 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. Based upon procedures performed, four (4) of the 60 expenditures reviewed did not have adequate documentation to support the reimbursements resulting in questioned costs of $82,598.35. We noted that of the four expenditures, two did not provide adequate detailed documentation to support their request for reimbursements and two were related to media usage, college awareness campaigns, and sponsorships, and lacked additional support to verify the allowability of the expenditure in relation to the Immunization program. The documentation which was submitted 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 ensure that all expenditure reimbursements are adequately documented, based on true and accurate invoices, and allowable under the federal award.

Response/Views: The Alabama Department of Public Health agrees with this finding. However, we disagree with the amount of $82,598.35. Adequate detailed documentation for the two (2) expenditures related to media usage, college awareness campaigns, and sponsorships totaling $6,382.50 was made available after the audit. Therefore, the reduction in questioned costs totals $76,215.85 for the two (2) subrecipient reimbursements.

Corrective Action Planned: The Alabama Department of Public Health will ensure all expenditures are adequately documented, based on true and accurate invoices, and allowable under the federal award.

- The Immunization Division continues to reorganize with the new leadership team. Staff 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 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.
- Grant monitoring staff use the Risk Assessment and Subrecipient monitoring policy to ensure that all reimbursements of expenses are adequately documented, based on true and accurate invoices, and costs are allowable under the federal award.
- ADPH Bureau of Financial Services has developed and required the use of a Subrecipient Field Voucher form to include certification statement referencing 2 CFR200 in regard to invoices, along with conducting further reviews of invoices before uploading into STAARS for payment.
- All program grant staff have access to attend all available Finance and Grant training courses.
- ADPH Bureau of Financial Services has created a Grant Management Centralized Guidance Repository in the ADPH Document Library for access by all ADPH staff
- ADPH Bureau of Financial Services is developing an ADPH Grant Manual.
- ADPH Bureau of Financial Services will develop policies and procedures related to media usage, college awareness campaigns, and sponsorships to ensure adequate documentation is available to verify the allowability of the expenditures in relation to various programs.

Anticipated Completion Date: September 30, 2026, with ongoing strengthening of internal controls and training.

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Catherine M Donald
____
Catherine M. Donald
CFO & Public Health Administrative Officer

June 12, 2026
____
Date

KAY IVEY
GOVERNOR

ALABAMA LAW ENFORCEMENT AGENCY

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HAL TAYLOR
SECRETARY

Auditee Response/Corrective Action Plan
Section III – Federal Awards Findings and Questioned Costs
Alabama Law Enforcement Agency
For the Year Ended September 30, 2025

As required by the ***Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards***, 2 CFR 200.511(c), the Alabama Law Enforcement Agency has prepared and hereby submits the following Corrective Action Plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2025.

Finding Ref. No.	Corrective Action Plan Details
2025-009	***Finding:*** The Uniform Guidance, 2 CFR 200.403, stipulates except where otherwise authorized by statute, costs must be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles. We tested twenty-five (25) expenditure transactions and identified 17 instances where the Alabama Law Enforcement Agency charged unallowable costs to the Homeland Security Grant program. Costs for another federal program were incorrectly charged to the Homeland Security Grant program resulting in questioned costs of $127,028.15. The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure costs were charged to the correct program. As a result, costs were incorrectly charged to the Homeland Security Grant program. ***Recommendation:*** The Alabama Law Enforcement Agency should ensure costs are charged to federal programs in accordance with 2 CFR 200.403. ***Response/Views:***

The expenditures identified in the sample were included in an earlier version of the Schedule of Expenditures of Federal Awards (SEFA) and were subsequently corrected through a revised SEFA prior to completion of the audit process. Had the sample been selected from the revised SEFA, the questioned expenditures would not have been included.

Additionally, the 17 expenditures identified were not included in any reimbursement requests submitted under the Homeland Security Grant Program and, therefore, no Homeland Security federal funds were drawn or expended for these costs. The expenditures were ultimately attributed to the appropriate federal program through the revised SEFA.

The revised SEFA was accepted and utilized in connection with other audit testing; however, the expenditures identified in this finding appear to have been tested based on information from the original SEFA. Accordingly, we do not believe the finding accurately reflects the final reporting and allocation of federal expenditures.

Corrective Action Planned:
The Alabama Law Enforcement Agency has corrected the program coding within the State's financial system to ensure that each grant is associated with the appropriate Assistance Listing (CFDA) number. To strengthen internal controls and reduce the risk of similar errors in the future, grant setup and coding information will be subject to review by multiple individuals prior to implementation. Additionally, annual reviews will be conducted to verify that grant information recorded in the financial system is consistent with the applicable Notice of Award and other grant documentation. These measures are intended to enhance the accuracy of federal program reporting and ensure expenditures are properly attributed to the correct funding source.

Anticipated Completion Date:
This was completed as of June 1, 2026.

Contact Person(s):
Amanda Judy, Accounting Manager
Telephone: 334-676-6238
Email: amanda.judy@alea.gov

2025-010 Finding:
The Uniform Guidance, 2 CFR Part 200, Appendix XI Compliance Supplement dated November 2025, stipulates a recipient may charge only allowable costs incurred during the approved budget period of a federal award's period of performance.

The Alabama Law Enforcement Agency recorded transactions to the Homeland Security Grant program outside of the period of performance. During our review of the 21 transactions recorded after the grant ended, we noted eight (8) were for costs incurred outside the approved period of performance. These transactions resulted in total unallowable costs of $6,308.00. The Alabama Law Enforcement Agency did not have adequate procedures in place to ensure costs were not charged outside the approved period of performance.

Recommendation:
The Alabama Law Enforcement Agency should ensure costs are only charged to federal grants during the approved period of performance.

Response/Views:
We agree with the finding.

Corrective Action Planned:
The Alabama Law Enforcement Agency will strengthen its procedures to ensure expenditures are charged only within the approved period of performance for each federal grant. Grant period dates will be monitored and reviewed by multiple divisions, including the Grants Section, Payroll Section, and Programs Office, to provide additional oversight and verification.

Because payroll expenditures are reported and reimbursed on a cash basis and the State payroll expense is in arrears, payroll funding allocations will be reviewed and updated prior to the end of the grant period. Specifically, grant-funded payroll charges will be evaluated at least 30 days before the grant expiration date to ensure that costs incurred after the period of performance are not charged to the grant.

These enhanced monitoring and review procedures will help ensure compliance with federal grant requirements and prevent future charges outside the approved grant period.

Anticipated Completion Date:
This was completed as of June 1, 2026.

Contact Person(s):
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Email: amanda.judy@alea.gov

2025-011 ***Finding:***
The Uniform Guidance, 2 CFR 200.328, requires nonfederal entities to submit financial reports as required by the Federal award. Reports submitted quarterly or semiannually must be due no later than 30 calendar days after the reporting period.

We tested four (4) quarterly Federal Financial Reports (SF-425) and identified two (2) instances where the Alabama Law Enforcement Agency (ALEA) did not submit the report within 30 days of the end of the reporting period. ALEA did not have adequate procedures in place to ensure SF-425 quarterly reports were submitted within the required reporting period. As a result, ALEA did not comply with the reporting requirements of the grant which prevented the Federal awarding agency from actively monitoring the program.

Recommendation:
The Alabama Law Enforcement Agency should ensure reports are submitted in accordance with 2 CFR 200.328.

Response/Views:
We agree with the finding.

Corrective Action Planned:
The Alabama Law Enforcement Agency will strengthen its review and reporting procedures to ensure Federal Financial Reports (SF-425) are submitted within the required reporting deadlines. Prior to submission, financial report information will be reviewed by multiple employees to verify the accuracy and completeness of the reported data.

In addition, the Agency will implement enhanced monitoring of reporting due dates and establish internal deadlines to ensure sufficient time for review and timely submission. The Grants Section will coordinate with the Programs Office and financial staff to track quarterly reporting requirements and ensure all SF-425 reports are submitted to the federal awarding agency within 30 calendar days following the end of each reporting period.

These procedures are intended to improve compliance with federal reporting requirements and ensure timely reporting for effective grant oversight and monitoring.

Anticipated Completion Date:
This was completed as of June 1, 2026.

Contact Person(s):
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2025-012 Finding:

The Uniform Guidance, 2 CFR 200.332(e), requires non-Federal entities to monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved.

During our review of subrecipient monitoring, the Alabama Law Enforcement Agency (ALEA) did not provide documentation to support its monitoring activities for the 7 subrecipients reviewed. ALEA did not have adequate procedures in place to ensure subrecipients were monitored in accordance with the Uniform Guidance. As a result, ALEA did not ensure subrecipients were in compliance with federal requirements.

Recommendation:
The Alabama Law Enforcement Agency should ensure subrecipients are monitored in accordance with 2 CFR 200.332(e).

Response/Views:
ALEA respectfully disagrees with the finding. ALEA monitored the seven subrecipients selected for review in accordance with 2 CFR 200.332(e). The monitoring activities required by that section were performed for all seven subrecipients and are documented in ALEA's grants management system at grants.alabama.gov. An example of that documentation is provided with this response and is detailed in the attached addendum.

In monitoring a subrecipient, 2 CFR 200.332(e) requires a pass-through entity to (1) review financial and performance reports; (2) ensure the subrecipient takes corrective action on significant developments that negatively affect the subaward; (3) issue a management decision for audit findings pertaining to the subaward as required by 2 CFR 200.521; and (4) resolve audit findings specifically related to the subaward. ALEA performed each of these activities for all seven subrecipients. ALEA reviews each subrecipient's financial and performance reports at least quarterly within grants.alabama.gov, where subrecipients submit quarterly reports and reimbursement requests that ALEA reviews and approves and where the system retains the submitted reports and a status history showing submission, revision, and approval dates, satisfying 2 CFR 200.332(e)(1). ALEA reviews each subrecipient's Single Audit reporting through the Federal Audit Clearinghouse and records the results in its master monitoring spreadsheet. None of the seven subrecipients had a Single Audit finding involving the Homeland Security Grant Program (Assistance Listing 97.067) during the period, so no corrective action, management decision, or audit resolution was required under 2 CFR 200.332(e)(2), (e)(3), or (e)(4).

The formal monitoring reports referenced in the draft finding correspond to the risk-based monitoring tools described in 2 CFR 200.332(f), such as site visits and similar reviews. Under 2 CFR 200.332(f), those tools "may be useful" depending on the pass-through entity's assessment of the risk posed by the subrecipient; they are discretionary and are not required for every subrecipient. ALEA evaluated each subrecipient's risk under 2 CFR 200.332(c) and applied formal reviews first to the subrecipients identified as higher risk, completing formal monitoring reports for two of the seven during the period. This risk-based application of monitoring tools is consistent with 2 CFR 200.332(c) and (f).

ALEA had adopted a risk-based subrecipient monitoring plan that was in operation during the period. Each active subrecipient completed a risk assessment that ALEA staff reviewed, and ALEA selected and performed monitoring activities based on that assessment. ALEA's written subrecipient monitoring policies and procedures define the criteria used to evaluate each subrecipient's risk of noncompliance, the monitoring activities applied at each risk level, and the documentation retained in accordance with 2 CFR 200.334. ALEA provided these adopted policies and procedures to the examiners. The procedures ALEA followed were adequate to perform the monitoring required by 2 CFR 200.332(e).

ALEA monitored the seven subrecipients in accordance with 2 CFR 200.332(e), and an example of the supporting documentation is provided with this response. ALEA respectfully requests that Finding 2025-012 be removed. In the alternative, ALEA requests that the finding be modified to reflect that the monitoring required by 2 CFR 200.332(e) was performed and documented for the subrecipients reviewed.

Corrective Action Planned:

ALEA performed the monitoring required by 2 CFR 200.332(e) for the subrecipients reviewed and does not believe corrective action is warranted. As part of its ongoing subrecipient monitoring operations, ALEA performs the following activities:

1. ALEA documents a risk assessment for each active subrecipient using a standardized risk assessment tool that produces an individual, supportable risk determination for each subrecipient and updates the assessment when conditions warrant, consistent with 2 CFR 200.332(c).

2. ALEA maintains a centralized monitoring schedule and tracking log that assigns monitoring activities to each subrecipient based on its risk determination and records the status, date, and results of each activity.

3. ALEA performs and documents the monitoring activities required under 2 CFR 200.332(e) and applies the risk-based monitoring tools described in 2 CFR 200.332(f) to subrecipients based on assessed risk, retaining supporting documentation in its grants management system and in each subrecipient file.

4. ALEA verifies that each subrecipient required to obtain a Single Audit under Subpart F of 2 CFR Part 200 is audited as required and reviews the results of each applicable audit, consistent with 2 CFR 200.332(g).

5. ALEA issues written management decisions on any audit findings pertaining to its subawards within six months of acceptance of the applicable audit report and resolves findings specifically related to the subaward, consistent with 2 CFR 200.332(e)(3) and (e)(4) and 2 CFR 200.521.

6. ALEA provides training to staff responsible for subrecipient monitoring and continues that training on an ongoing basis.

ALEA continues to monitor its subrecipients and to maintain documentation of the monitoring activities performed under 2 CFR 200.332(e).

Anticipated Completion Date:
Not applicable. The monitoring activities described are performed on an ongoing basis throughout each award period of performance.

Contact Person(s):
Wendy Taylor, Director, ALEA Programs Office
Telephone: 334-676-6830
Email: wendy.taylor@alea.gov

Signed: Hal Taylor

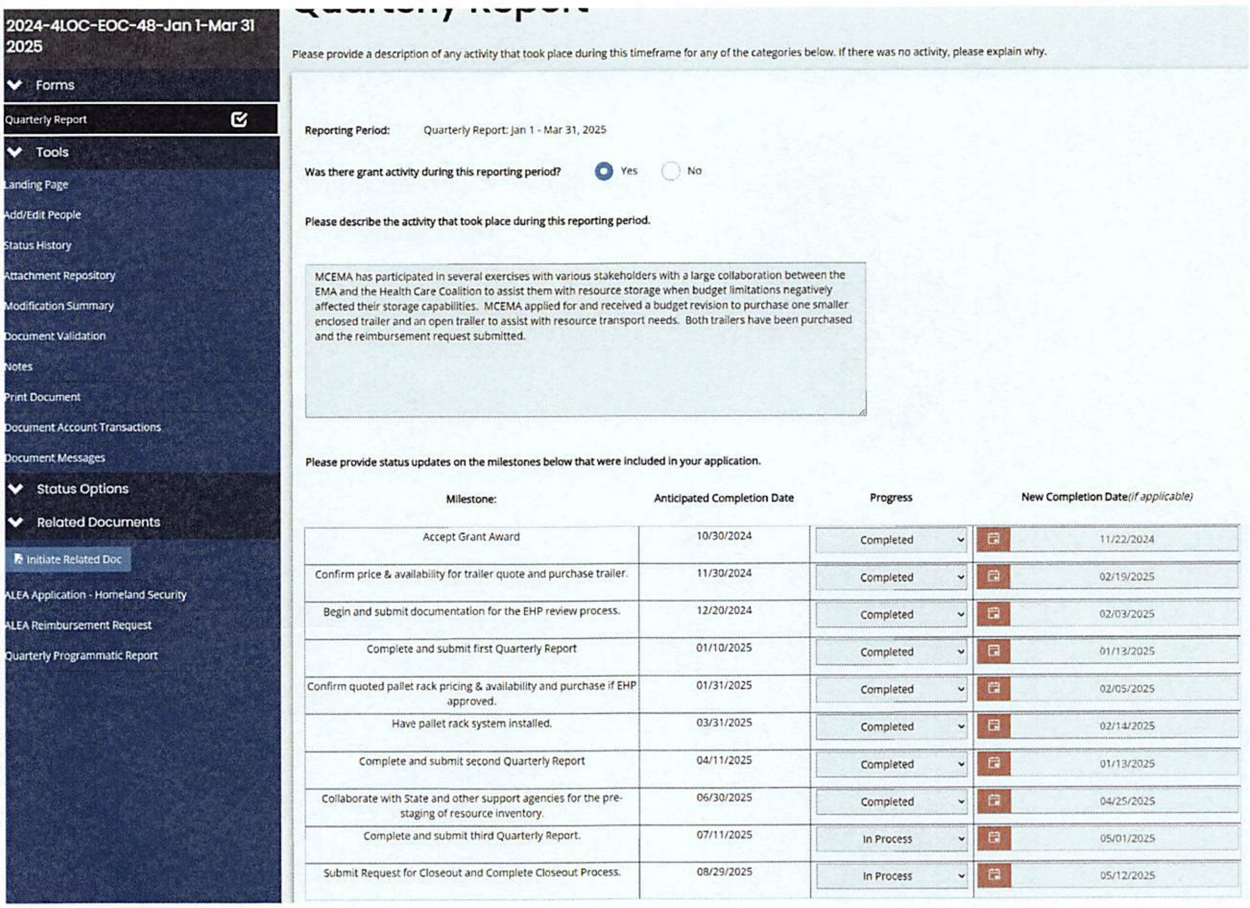
Title: Secretary

Date: 6/15/2026

Addendum to Response to ALEA Finding 2025-012

2 CFR 200.332 (e)

Screenshot of Quarterly Report for one of the sample subawards chosen by the Examiners Office (24 HSGP Mobile County EMA) as well as a screenshot of the status history that shows it was submitted and approved. Information for each of the seven sample subawards will mimic the below and snapshots are available upon request.



2024-4LOC-EOC-48-Jan 1-Mar 31 2025

- Forms
  - Quarterly Report
- Tools
  - Landing Page
  - Add/Edit People
  - Status History
  - Attachment Repository
  - Modification Summary
  - Document Validation
  - Notes
  - Print Document
  - Document Account Transactions
  - Document Messages
- Status Options
- Related Documents
  - Initiate Related Doc
  - ALEA Application - Homeland Security
  - ALEA Reimbursement Request
  - Quarterly Programmatic Report

Quarterly Report

Please provide a description of any activity that took place during this timeframe for any of the categories below. If there was no activity, please explain why.

Reporting Period: Quarterly Report: Jan 1 - Mar 31, 2025

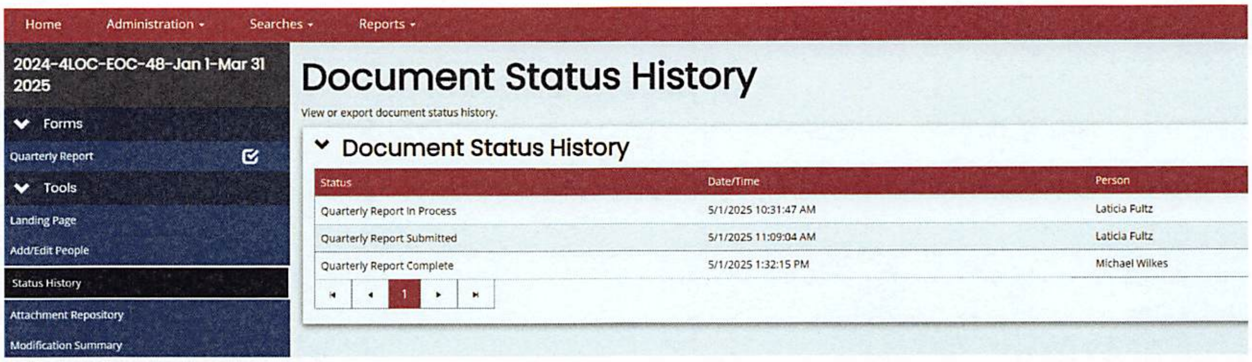
Was there grant activity during this reporting period? (•) Yes ( ) No

Please describe the activity that took place during this reporting period.

MCEMA has participated in several exercises with various stakeholders with a large collaboration between the EMA and the Health Care Coalition to assist them with resource storage when budget limitations negatively affected their storage capabilities. MCEMA applied for and received a budget revision to purchase one smaller enclosed trailer and an open trailer to assist with resource transport needs. Both trailers have been purchased and the reimbursement request submitted.

Please provide status updates on the milestones below that were included in your application.

Milestone:	Anticipated Completion Date	Progress	New Completion Date *(if applicable)*
Accept Grant Award	10/30/2024	Completed	11/22/2024
Confirm price & availability for trailer quote and purchase trailer.	11/30/2024	Completed	02/19/2025
Begin and submit documentation for the EHP review process.	12/20/2024	Completed	02/03/2025
Complete and submit first Quarterly Report	01/10/2025	Completed	01/13/2025
Confirm quoted pallet rack pricing & availability and purchase if EHP approved.	01/31/2025	Completed	02/05/2025
Have pallet rack system installed.	03/31/2025	Completed	02/14/2025
Complete and submit second Quarterly Report	04/11/2025	Completed	01/13/2025
Collaborate with State and other support agencies for the pre-staging of resource inventory.	06/30/2025	Completed	04/25/2025
Complete and submit third Quarterly Report.	07/11/2025	In Process	05/01/2025
Submit Request for Closeout and Complete Closeout Process.	08/29/2025	In Process	05/12/2025



Home Administration Searches Reports

2024-4LOC-EOC-48-Jan 1-Mar 31 2025

- Forms
  - Quarterly Report
- Tools
  - Landing Page
  - Add/Edit People
  - Status History
  - Attachment Repository
  - Modification Summary

Document Status History

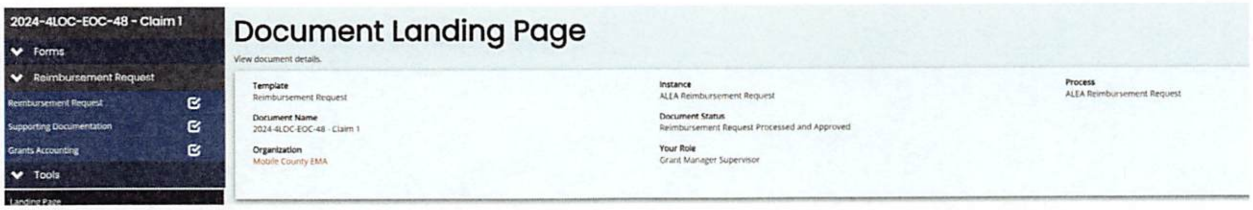
View or export document status history.

Document Status History

Status	Date/Time	Person
Quarterly Report In Process	5/1/2025 10:31:47 AM	Laticia Fultz
Quarterly Report Submitted	5/1/2025 11:09:04 AM	Laticia Fultz
Quarterly Report Complete	5/1/2025 1:32:15 PM	Michael Wilkes

1

Screenshot of Reimbursement Request for one of the sample subawards chosen by the Examiners Office (24 HSGP Mobile County EMA) along with all relevant pages included in the review and the status history showing it was submitted and approved.



2024-4LOC-EOC-48 - Claim 1

Forms

Reimbursement Request

Reimbursement Request

Supporting Documentation

Grants Accounting

Tools

Document Landing Page

View document details.

Template
Reimbursement Request

Instance
ALEA Reimbursement Request

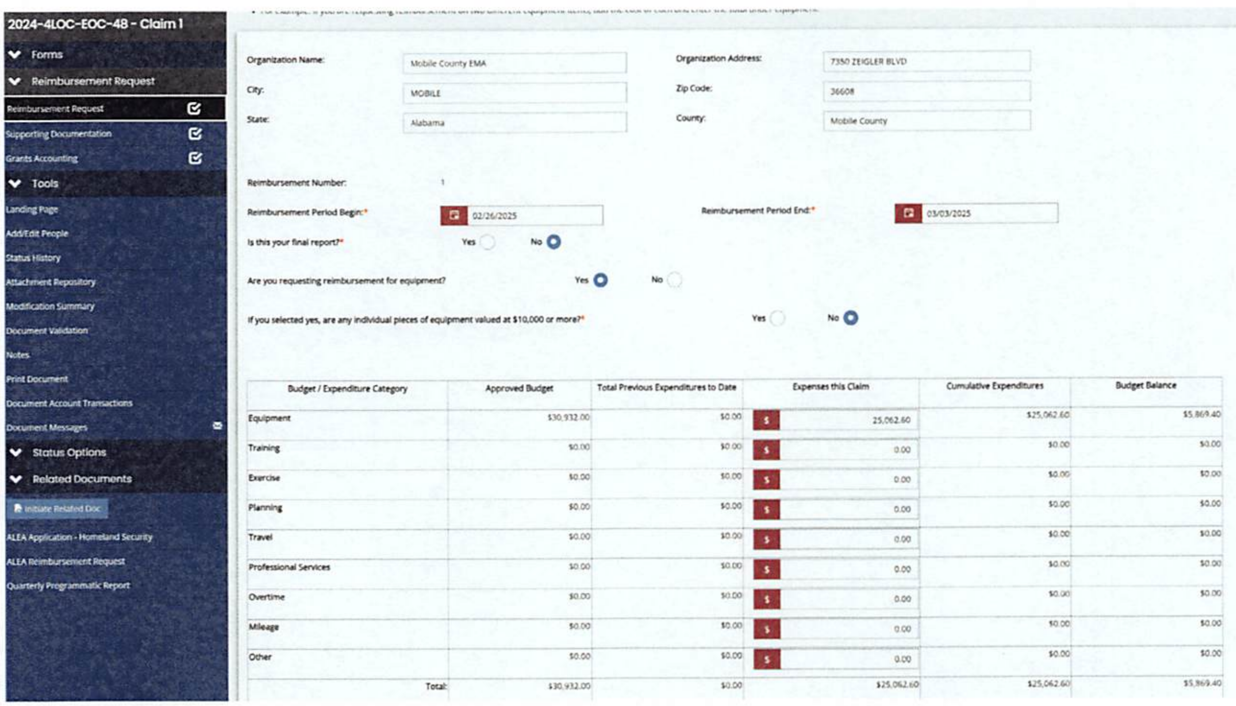
Process
ALEA Reimbursement Request

Document Name
2024-4LOC-EOC-48 - Claim 1

Document Status
Reimbursement Request Processed and Approved

Organization
Mobile County EMA

Your Role
Grant Manager Supervisor



2024-4LOC-EOC-48 - Claim 1

Forms

Reimbursement Request

Reimbursement Request

Supporting Documentation

Grants Accounting

Tools

Landing Page

Add/Edit People

Status History

Attachment Repository

Modification Summary

Document Validation

Notes

Print Document

Document Account Transactions

Document Messages

Status Options

Related Documents

Initiate Related Doc

ALEA Application - Homeland Security

ALEA Reimbursement Request

Quarterly Programmatic Report

Organization Name: Mobile County EMA

Organization Address: 7350 ZEIGLER BLVD

City: MOBILE

Zip Code: 36608

State: Alabama

County: Mobile County

Reimbursement Number: 1

Reimbursement Period Begin:* 02/26/2025

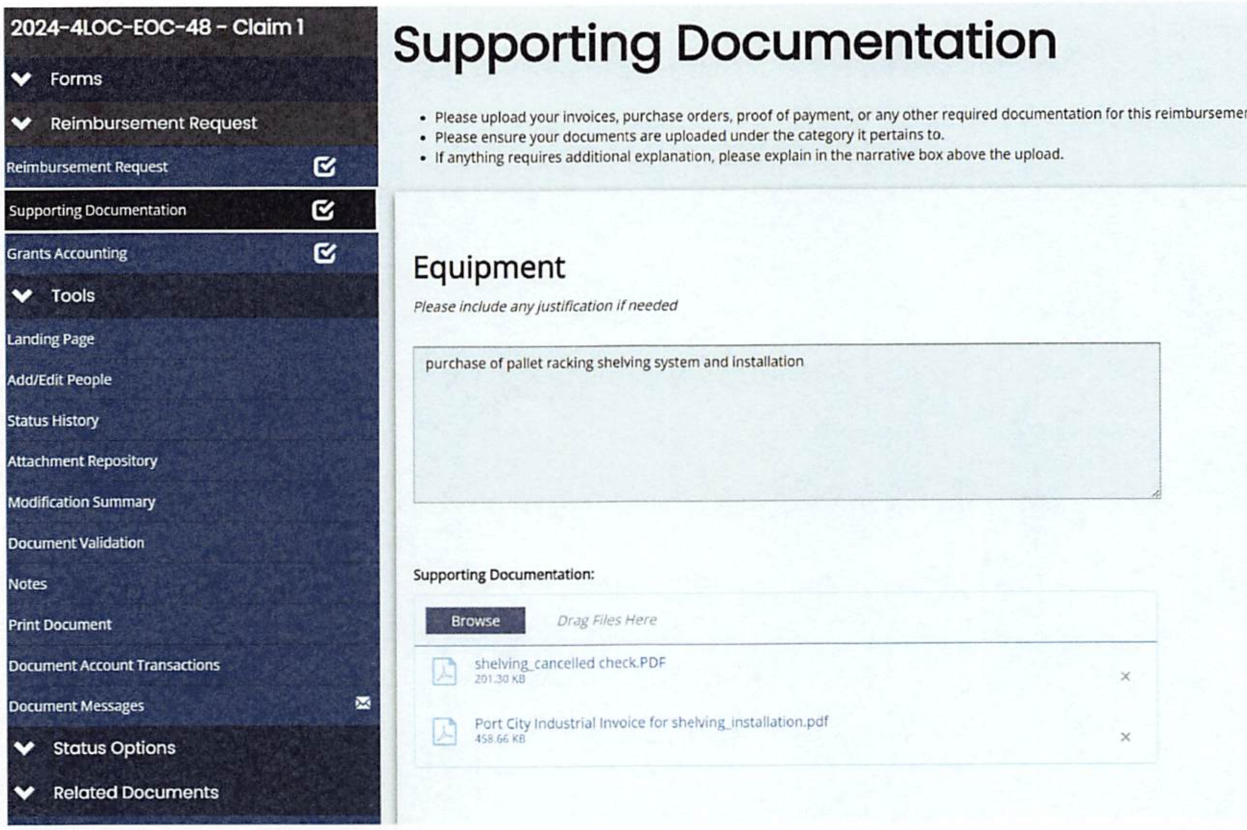
Reimbursement Period End:* 03/03/2025

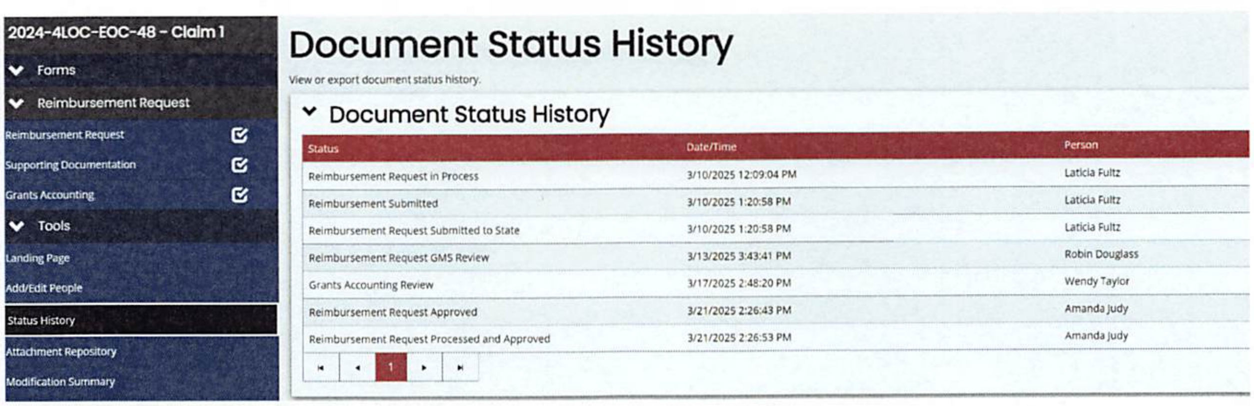
Is this your final report?* Yes ○ No ●

Are you requesting reimbursement for equipment? Yes ● No ○

If you selected yes, are any individual pieces of equipment valued at $10,000 or more?* Yes ○ No ●

Budget / Expenditure Category	Approved Budget	Total Previous Expenditures to Date	Expenses this Claim	Cumulative Expenditures	Budget Balance
Equipment	$30,932.00	$0.00	$ 25,062.60	$25,062.60	$5,869.40
Training	$0.00	$0.00	$ 0.00	$0.00	$0.00
Exercise	$0.00	$0.00	$ 0.00	$0.00	$0.00
Planning	$0.00	$0.00	$ 0.00	$0.00	$0.00
Travel	$0.00	$0.00	$ 0.00	$0.00	$0.00
Professional Services	$0.00	$0.00	$ 0.00	$0.00	$0.00
Overtime	$0.00	$0.00	$ 0.00	$0.00	$0.00
Mileage	$0.00	$0.00	$ 0.00	$0.00	$0.00
Other	$0.00	$0.00	$ 0.00	$0.00	$0.00
Total:	$30,932.00	$0.00	$25,062.60	$25,062.60	$5,869.40





Status	Date/Time	Person
Reimbursement Request in Process	3/10/2025 12:09:04 PM	Laticia Fultz
Reimbursement Submitted	3/10/2025 1:20:58 PM	Laticia Fultz
Reimbursement Request Submitted to State	3/10/2025 1:20:58 PM	Laticia Fultz
Reimbursement Request GMS Review	3/13/2025 3:43:41 PM	Robin Douglass
Grants Accounting Review	3/17/2025 2:48:20 PM	Wendy Taylor
Reimbursement Request Approved	3/21/2025 2:26:43 PM	Amanda Judy
Reimbursement Request Processed and Approved	3/21/2025 2:26:53 PM	Amanda Judy